

**SGI** Sustainable  
Governance  
Indicators

# 2015 Evidence-based Instruments Report

RIA Application, Quality of RIA Process, Sustainability Check



## Indicator RIA Application

Question To what extent does the government assess the potential impacts of existing and prepared legal acts (regulatory impact assessments, RIA)?

41 OECD and EU countries are sorted according to their performance on a scale from 10 (best) to 1 (lowest). This scale is tied to four qualitative evaluation levels.

- 10-9 = RIA are applied to all new regulations and to existing regulations which are characterized by complex impact paths. RIA methodology is guided by common minimum standards.
- 8-6 = RIA are applied systematically to most new regulations. RIA methodology is guided by common minimum standards.
- 5-3 = RIA are applied in some cases. There is no common RIA methodology guaranteeing common minimum standards.
- 2-1 = RIA are not applied or do not exist.

### New Zealand

Score 10 Following its restrictive policy regarding regulation, the National Party-led government introduced a guideline in late 2009 with the effect that regulatory impact assessments (RIAs) are systematically undertaken for any policy activity involving options that may result in a paper being submitted to the Cabinet and, accordingly, may lead to draft legislation. This aims at restricting new regulations to those that the government sees as necessary, sensible and robust and to avoid regulations which are ineffective and costly.

Citation:

Cabinet Office Circular CO (09) 8: Regulatory Impact Analysis Requirements: New Guidance (Wellington: Cabinet Office 2009).

Regulatory Impact Analysis Handbook (Wellington: The Treasury 2013).

### United States

Score 10 The U.S. government provides for extensive analysis of major decisions, within both the legislative and executive branches, and for administrative or regulatory decisions as well as legislation. Regulatory impact assessment for agency regulations is supervised by the Office of Management and Budget (OMB). For significant regulations, it must approve impact assessments conducted by the agencies as a condition for issuing the regulations. In addition, the Government Accountability Office, which reports to Congress, conducts assessments on an ad hoc basis, mostly in response to requests by Congress. The Congressional Budget Office (CBO) conducts analysis of proposed bills, including cost estimates over a 10-year period.

The Congressional Research Service also conducted several notable studies on climate change. The CBO study on health care focused primarily on issues of budgetary impact, but it did touch on many other issues, including coverage. In 2011, President Obama ordered all agencies to put a system in place within 120 days for reviewing existing regulations to determine whether they can be amended or repealed, in order to reduce burdens on businesses. With respect to the volume and coverage of impact assessment, the U.S. government is exemplary.

Citation:

White House, Regulatory impact analysis: A primer, Office of Information and Regulatory Affairs, August 15, 2011. Accessed on May 20, 2013. [http://www.whitehouse.gov/sites/default/files/omb/inforeg/regpol/circular-a-4\\_regulatory-impact-analysis-a-primer.pdf](http://www.whitehouse.gov/sites/default/files/omb/inforeg/regpol/circular-a-4_regulatory-impact-analysis-a-primer.pdf)

## Finland

Score 9

Systematic impact assessment is by now an integrated part of the Finnish legislative drafting process. Regulatory impact assessment activities abound and comprise, for instance, a series of evaluation reports by the Ministry of Foreign Affairs that deal with principles of development policy, partner countries and geographic regions. Assessments have also investigated the activities of the Ministry of Social Affairs and Health. Reference should also be made to an international evaluation of the Finnish national innovation system, commissioned by the Ministry of Education and Culture, and the Ministry of Employment and the Economy. Furthermore, the Ministry of Education and Culture has been preparing an plan for third-party evaluations and how to monitor learning outcomes. From 2014, evaluations of educational services will be the responsibility of the Education Evaluation Center. These are, however, only scattered examples. The general framework for regulatory impact assessments is to be found in a system of program management that encompasses inter-sectoral policy programs. This framework was initiated in 2007 and is still applied as a guide to impact assessment.

Citation:

"Evaluation of the Finnish National Innovation System - Policy Report", Helsinki, Ministry of Employment and the Economy, 2009.

"Better Regulation", Helsinki, Ministry of Justice, 2014

<http://oikeusministerio.fi/en/index/basicprovisions/legislation/parempisaantely.html> [18.12.2014].

## Netherlands

Score 9

In the Netherlands, RIAs are broadly and effectively applied in two fields: Environmental Impact Assessments (EIMs) and Administrative Burden Reduction Assessments (ABRAs).

Environmental Impact Assessments are legally prescribed for projects (e.g., infrastructure, water management, tourism, rural projects, garbage processing,

energy and industry) with foreseeable large environmental impacts. Initiators of such projects are obliged to produce an Environmental Impact Report that specifies the environmental impacts of the intended project and activities and includes major alternatives. Environmental research and multi-criterion analysis are the standard methods used.

The development of a method for ex ante evaluation of intended legislation regarding compliance costs to business and citizens was entrusted, in 1998, to an ad hoc, temporary, but independent advisory commission called the Advisory Board on Administrative Burden Reduction (ACTAL). For more than 10 years, ACTAL advised government and the States General how to alleviate the regulatory burdens on citizens, companies, and on professionals in care, education, public/private safety and social security. In fact, ACTAL acted as a gatekeeper for whether or not new departmental legislation was suitable for cabinet decision-making. Under the positive influence of ACTAL, the government developed instruments such as the Integral Trade-Off Framework (Integraal Afwegingskader) and the high-level Commission for Effect Evaluation (Commissie voor Effecttoetsing). In 2011, some policymakers suggested that ACTAL become a permanent rather than temporary body, though this proposal was withdrawn following an opinion against such a move by the Raad van State, which argued that the “interiorization” of administrative burden reduction among departmental policymakers had been so successful as to render ACTAL superfluous. Also, the policy philosophy on administrative regulation was shifting from (always negative) “burden reduction” to (prudentially positive) “appropriate regulation.” After evaluating its impact, the government will decide on ACTAL’s continuation or termination in 2017.

Citation:

[www.actal.nl/over-actal/taken-en-bevoegdheden/](http://www.actal.nl/over-actal/taken-en-bevoegdheden/) (consulted 26 October 2014)

Milieueffectrapportage ([nl.m.wikipedia.org](http://nl.m.wikipedia.org), consulted 26 October 2014)

## United Kingdom

### Score 9

The reduction of regulation costs has been a long-standing policy goal pursued by Labour governments – the aim was to reduce the cost of regulation to businesses in Britain by 25% by 2010. The new coalition government is following in these tracks, and any new regulatory proposal must be submitted to the Reducing Regulation Committee, a cabinet subcommittee tasked with scrutinizing, challenging and approving all new regulatory proposals. Regulatory Impact Assessments (RIAs) have to be prepared for all legislation which affects businesses, charities or voluntary bodies in order to assess the benefits and burdens of the planned measure. Academic research has questioned the impact of these assessments as their results are not systematically integrated into the decision-making process, but they are certainly applied.

## Citation:

Dunlop, Claire A. et al. 2012: The many uses of regulatory impact assessment: A meta- analysis of EU and UK cases, in: Regulation & Governance Vol. 6 23-45.

## Australia

### Score 8

The federal government and the state and territory governments require the preparation of Regulation Impact Statements (RIS) for significant regulatory proposals. An RIS provides a formal assessment of the costs and benefits of a regulatory proposal and alternative options for that proposal, followed by a recommendation supporting the most effective and efficient option. RISs are thus not assessments of socio-economic impacts of regulatory proposals, although implicitly such impacts are taken into account as part of the process. More significantly, in recent years, while around 75% to 85% of all Australian government proposals with significant impacts had a RIS, for proposals with highly significant impacts, less than this had a RIS.

Since many government functions and responsibilities are shared between the federal government and the states, these shared activities are coordinated through the Council of Australian Governments, which is the body that brings the federal and state governments together to decide policy. The procedures for the preparation of RIS proposals differ between the federal government and the Council of Australian Governments. Most states and territories have their own requirements for RISs that apply where a regulation will have effect in only a single state or territory. At the federal level, RISs are managed by the Office of Best Practice Regulation, which is part of the Department of Finance and Deregulation.

## Citation:

Productivity Commission, 'Regulatory Impact Analysis: Benchmarking', Research Report, November 2012: [http://www.pc.gov.au/\\_data/assets/pdf\\_file/0003/120675/ria-benchmarking.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0003/120675/ria-benchmarking.pdf)

## Austria

### Score 8

Under the recently published 2013 federal budget law, the government and its ministries are obliged to assess the impact of legislative proposals with respect to the public budget and on the basis of financial, economic, environmental, consumer-protection and employment issues. In addition, in order to avoid overregulation, the government's legislative proposals must be assessed regarding their regulatory impact. Other detailed regulatory impact assessment (RIA) requirements exist in further decrees.

The results of RIA studies are published in the preface to each legislative proposal. In Austria, RIA is a very recently established, but nonetheless a rapidly evolving tool for legislators and parliamentarians. With the 2013 reform, RIA can now be considered an important component of the country's legislative process.

## Chile

Score 8

All newly proposed laws must be accompanied by a report summarizing their predicted fiscal impact and the financial implications for the government budget. This report is always prepared by the fiscal department of the corresponding ministry. Chile also has a constitutional restriction on policy proposals that imply budget changes. Legally, there is no obligation to present a report concerning potential socioeconomic impacts that do not implicate the state budgets, but political practice shows that those implications are normally considered. Furthermore, there are supervisory bodies (Superintendencias) that monitor enterprises within a specific sector and produce evaluations and reports. In a strictly legal sense, these supervisory bodies do not have the specific objective of evaluating the impact of new regulations or proposed modifications to the legal framework. Nevertheless, the evaluation of possible impacts tends to be one result of their work. The following supervisory bodies exist in Chile:

- Supervisory Board for Health (Superintendencia de Salud)
- Supervisory Board for Banks and Financial Institutions (Superintendencia de Bancos e Instituciones Financieras)
- Supervisory Board for Securities and Insurance (Superintendencia de Valores y Seguros)
- Supervisory Board for Education (Superintendencia de Educación)
- Supervisory Board for Health Services (Superintendencia de Servicios Sanitarios)
- Supervisory Board for Electricity and Fuels (Superintendencia de Electricidad y Combustibles)
- Supervisory Board for Social Security (Superintendencia de Seguridad Social)
- Supervisory Board for Casinos (Superintendencia de Casinos de Juegos)
- Supervisory Board for Bankruptcy (Superintendencia de Quiebras)
- Supervisory Board for the Environment (Superintendencia del Medio Ambiente)

In some areas, the line ministries serve as the oversight body for this type of review.

## Czech Republic

Score 8

There are two forms of regulatory impact assessments (RIA), a short one and a comprehensive one. Reforms in 2011 substantially decreased the previously high number of regulations subject only to a short RIA. Without an overview of impacts and a statement from the Regulatory Impact Assessment Board (RIAB), a quality control body established in 2011, draft regulation can no longer proceed further in the legislative process. However, while members of both parliamentary chambers are well aware of the RIA process, they often do not understand the analyses. Moreover, the



sheer volume of legislative proposals does not leave much space for dealing with the results of a RIA. In the period under review, a two-year project was started to create conditions for a systematic improvement of the RIA process. It is co-financed by the EU's Operational Program, Human Resources and Employment.

## Denmark

### Score 8

An instruction (cirkulære) from the PMO in 1998 to all ministries and agencies established the requirement of evaluating the consequences of proposed legislation and administrative regulations. Subsequently, a number of ministries developed texts advising the civil servants on how to carry out such evaluations. In May 2005, a common guide was written with the Ministry of Finance as lead ministry. A new version is in preparation.

The rules require impact assessments dealing with economic consequences for state and local governments, administrative consequences, business economic consequences and environmental consequences. The relation to EU legislation must also be assessed.

Thinking about consequences starts during the initial consideration of a new law or regulation (screening stage) and continues while the content and degree of new measures are considered (scoping stage). A detailed RIA is then worked out during the final stage (assessment stage).

Hence, RIAs have become a required part of Danish policy formulation.

The extent to which existing regulations are regularly assessed depends on the regulation in question and the feedback the administrative agency gets.

When new legislation is based on EU legislation the impact assessment will be included in the document (samlenotat) that goes to the European Affairs Committee in the Parliament. According to a rough estimate, about 40% of new Danish legislation is based on or related to EU regulations.

In recent years, more focus has been given to studying the effectiveness of changes in economic policy. In labor market policies some experimental setups have even been used (e.g., in relation to activation programs).

#### Citation:

Prime Minister's Office (Statsministeriet), Cirkulære om bemærkninger til lovforslag og andre regeringsforslag og fremgangsmåden ved udarbejdelse af lovforslag, redegørelser, administrative forskrifter m.v., No. 159, 16. september 1998, <https://www.retsinformation.dk/Forms/R0900.aspx?s21=cirkul%C3%A6re+om+bem%C3%A6rkninger+til+lovforslag+og+andre+regeringsforslag+og+fremgangsm%C3%A5den&s19=159&s20=1998&s22=|10|&s113=0> (accessed 20 April 2013).

Ministry of Finance, Vejledning on konsekvensanalyser, Maj 2005, <http://www.lovprocesguide.dk/sw2104.asp>

(accessed 20 April 2013).

Ministry of Finance, "Ny EU-regulerings økonomiske konsekvenser for den offentlige sektor," [http://www.fm.dk/publikationer/2004/budgetredegoerelse-2004/7-ny-eu\\_regulerings-oekonomiske-konsekvenser-for-den-offentlige-sektor/](http://www.fm.dk/publikationer/2004/budgetredegoerelse-2004/7-ny-eu_regulerings-oekonomiske-konsekvenser-for-den-offentlige-sektor/) (Accessed 2 May 2013).

Maibom, J., M. Svarer and M. Rosholm, 2014, Can active labour market policies combat youth unemployment, *Nordic Economic Policy Review*, 215-262.

## Estonia

### Score 8

The development and monitoring of regulatory impact assessments (RIA) falls under the Ministry of Justice's jurisdiction. Today, the formal procedure is quite well established – all relevant normative acts, manuals and guidelines can be accessed on a dedicated website.

Because regulations on this issue adopted at the end of 2012 will increase administrative workload, the RIA practices are being implemented step by step. According to the guidelines, RIA were meant to be applied to at least a quarter of new legal acts in 2012, to at least half in 2013, and to all categories of legal acts, including existing acts, in 2014. However, according to public information provided by of Ministry of Justice, RIAs have in fact been carried out in very few cases. Thus, the situation here is quite typical for Estonian governance – formal regulations are introduced, but full implementation and enforcement is clearly lagging behind.

## Germany

### Score 8

In 2000, the revised rules of procedure for the federal ministries (Gemeinsame Geschäftsordnung der Bundesministerien, GGO) came into effect, requiring that an impact assessment (Gesetzesfolgenabschätzung, GFA) be performed for every draft law. Thus, regulatory impact assessments are institutionally anchored in Germany. GFAs aim to limit the amount of state regulation to no more than is necessary, examine alternative regulation possibilities and improve the quality of regulations. The GFA process analyzes both intended and unintended effects of draft laws and potential alternatives. The Federal Ministry of the Interior has developed guidelines for the application of impact assessments. An evaluation of actual effects, and therefore the production of a retrospective GFA of existing laws and regulations, is part of the assessment process.

The government's Bureaucracy Reduction and Better Regulation program, implemented in April 2006, created a number of new policies relevant to the assessment process. It established the National Regulatory Control Council (Normenkontrollrat, NKR) as an independent watchdog and advisory body tasked with assessing new legislation. It adopted the Standard Cost Model as a tool for measuring bureaucratic costs. Finally, it institutionalized the bureaucracy-reduction



process by creating a coordination unit within the cabinet office and setting up a committee at the ministerial undersecretary level. However, the NRK only concentrates on potential bureaucratic costs, and not on impacts of laws foreseen through the evaluation process. In addition, about 30% of laws – specifically, those which are initiated by parliament – are not reviewed under the NKR.

A separate program is in place for environmental-impact assessment. The likely budgetary and bureaucratic consequences of draft laws also have to be assessed.

## Japan

**Score 8** The basic framework for policy evaluation in Japan is the Government Policy Evaluations Act of 2001. In 2005, the system was considered to have been implemented fully.

The process is administered by the Ministry of Internal Affairs and Communications (Administrative Evaluation Bureau), while the ministries are charged with doing their own analyses, which has led some to question the impartiality of the procedure. However, a number of evaluations in strategically important fields have been undertaken by the Ministry of the Interior itself. In 2010, the ministry took over responsibility for policy evaluations of special measures concerning taxation as well as impact analyses of regulations dealing with competition issues.

The Ministry of Finance also performs a Budget Execution Review of selected issues, and the Board of Audit engages in financial audits of government accounts.

The fragmented nature of such assessments seems to indicate a potentially low level of reliability and effectiveness. Indeed, it is difficult to point to a major policy arena in which these endeavors have led to major improvements.

Citation:

Miki Matsuura, Joanna Watkins, William Dorotinsky: Overview of Public Sector Performance Assessment Processes in Japan, GET Note: Japanese Public Sector Assessment Processes, August 2010, World Bank

## Latvia

**Score 8** The government decision-making process requires every draft act of legislation to undergo an assessment, which takes the form of an annotated report. This annotation accompanies the draft through the review process to the cabinet. The annotation addresses budgetary impact, impact on particular target groups and the cost of implementation. In practice, the quality of annotations varies widely depending on the approach taken by the drafters, which can be a detailed, evidence-based analysis or a simple pro forma, summary of intent. Minimum standards for annotations are not enforced.

In 2013, the government office made revisions to the annotation requirement. The new annotation form requires a justification for introducing new regulations, an assessment of compliance costs for citizens and businesses, and an assessment of public health effects. The revised regulations also seek, through the introduction of so-called green papers, to improve stakeholder involvement in the early stages of drafting. The green papers ensure that relevant information and discussion documents are publicly available at an early state of the policy development process. The State Chancellery monitors quality of annotations and the use of the green papers. The Chancellery has delayed several policies, because of inadequacies in the annotations or green paper process.

Citation:

Draft Legislative Act to the Initial Impact Assessment Procedure, Available at (in Latvian): <http://www.likumi.lv/doc.php?id=256707>, Last assessed: 20.05.2013.

## Mexico

Score 8

Regulatory impact assessment (RIA) was introduced in Mexico in 1997. In 2000, RIA was implemented broadly through reform of the Federal Administrative Procedure Law. Thus, RIA in Mexico is established by law, and not by presidential or prime ministerial decree as in some other OECD countries. There is a government agency belonging to the Ministry of Economy, the Federal Commission for Regulatory Improvement (Comisión Federal de Mejora Regulatoria, COFEMER), which is responsible for performing impact assessments on new proposals if they generate compliance costs. COFEMER spot-checks existing regulations, but does not assess them systematically. Nevertheless, despite some limitations, it has been quite active since it was established at the beginning of Fox's term in 2000, and its reputation in Mexico is good. However, opinions issued by COFEMER are not binding on other agencies and ministries. More than 10 Mexican states have also adopted RIAs for subnational regulatory projects. Moreover, evidence-based evaluations of several Mexican public policies in the social sector have gained international recognition, and have had significant spillover effects to the international evaluation community. This is especially true for social policies, where rigorous impact assessments based on randomized control trials of the Education, Health, and Nutrition Program (Programa de Educación, Salud y Alimentación, PROGRESA) can be perceived as an international showcase on how to evaluate large-scale social programs. In this area, the National Council for the Evaluation of Social Development Policy (CONEVAL) is responsible for carrying out rigorous impact evaluations in large social-sector programs. CONEVAL is an autonomous and independent agency created by the 2007 General Law on Social Development (Ley General de Desarrollo Social).

## Norway

**Score 8** Norway introduced a system of regulatory impact assessment (RIA) in 1985, and revised it in 1995. The ministers and the government are responsible for providing comprehensive assessments of the budgetary, environmental, health and human-rights effects of their proposals. Consequences should be quantified as far as possible, including by means of a thorough, realistic socioeconomic analysis. A set of codified guidelines (the Instructions for Official Studies and Reports) governs the production of RIAs. However, the ministry in charge has some discretion to decide when an RIA should be conducted. There is no formal rule establishing when a full RIA must be produced, and when a less detailed assessment is sufficient.

If performed, RIAs are included as a separate section in the ad-hoc reports commissioned from experts or broader committees, as well as in white papers and final bills. There is no central body in the government administration that conducts quality control on RIAs, although each department has issued guidelines on how RIAs should be conducted. An interministerial panel on economic impact assessments was established in 2005, bringing together RIA experts from various ministries; this continues to have an advisory function with respect to improving the quality of RIAs. The parliament may send back a proposal if it regards the attached RIA as unsatisfactory. This has actually occurred in a number of cases.

## Poland

**Score 8** Since 2001, regulatory impact assessments (RIAs) have been mandatory for all new government bills and regulations. Comprehensive RIA guidelines were first introduced in 2006, and were updated by the Ministry of Economics' Regulatory Reform Unit in 2009. At the end of 2011, traditional RIAs were complemented by a new "regulatory test," a short document consisting of 18 items and questions. While an RIA is usually implemented after a decision to proceed with the new regulation has already been made, the regulatory test is supposed to take place at an earlier stage of decision-making. Unlike an RIA, however, the regulatory test is not obligatory. Despite various attempts to strengthen the RIA process, including a refinement of the "regulatory test" implemented in October 2013, in practice many assessments do not comply with guidelines, and lack important information necessary for making informed decisions.

Citation:

OECD, 2013: Public Governance Report Poland: Implementing Strategic-State Capacity. Paris, Chap. 3.

## South Korea

**Score 8** There were no changes in regulatory impact assessment (RIA) policy in the period under review. RIA has been mandatory for all new regulations since 2005 and is

applied to older regulations if they are strengthened in any way. RIAs assess proposals' socioeconomic impacts and provide cost-benefit analyses. They mention the purpose and need for regulation, but focus on cost-benefit analysis of the proposal. RIAs are focused on a cost-benefit analysis of proposed regulations. They do analyze alternative options and discuss potential pros and cons, but experts say that in practice these alternatives play little role in the drafting of final regulations. There is still a wide gray zone enabling regulatory organizations to decide in a discretionary fashion. The real implementation process of RIA is neither transparent nor predictable, which varies depending on the cases. RIA for environmental protection in the Four Rivers Project under the previous Lee Myung-bak administration turned out to be a failure, which was pushed by political power as a matter of form.

## Switzerland

### Score 8

There is no formal institution responsible for ex-ante impact assessment in Switzerland. Article 170 of the constitution states that “(t)he federal parliament shall ensure that the efficacy of measures taken by the confederation is evaluated.” In some ministries such as the economics ministry, individual units occasionally perform ex-ante impact assessments. Furthermore, ex-ante evaluations by the administration always include checks for consistency with existing law (performed by the Ministry of Justice), compatibility with EU regulations, and if necessary, analyze budget implications, probable administrative costs and personnel requirements. Ex-post evaluations have also been strongly developed; however, it is unclear whether the results of these analyses have any substantial effect on implementation.

Beyond these processes, functional equivalents of impact assessments do exist. First, expert commissions that draft or suggest laws also evaluate alternatives, while examining the potential impacts, benefits and problems associated with proposed solutions. Second, and probably more important, is the so-called consultation procedure derived from Article 147 of the constitution. This article stipulates that “the cantons, the political parties and the interested circles shall be heard in the course of the preparation of important legislation and other projects of substantial impact, and on important international treaties.” As a consequence, all those who are affected by a planned law have a constitutional right to give their opinion as to its pros and cons.

In comparative perspective, Switzerland was a relative latecomer to performance-management policies, as were Germany and Austria. It was only in 2011 that the federal administration decided to implement some form of performance management on a consistent basis.

## Lithuania

**Score 7** Although the production of impact assessments for draft government decisions became mandatory in 2003, high-profile regulatory initiatives are in most cases not in fact subject to in-depth assessment. Seeking to improve the relevance and quality of impact assessments, the Kubilius government conducted a review of the impact assessment system. The Butkevičius government decided in 2013 to focus the system on top-priority regulatory decisions, while applying rigorous impact-assessment methods such as cost-benefit or cost-effectiveness analyses. The results of such assessments will be presented to the government. In addition to ex-ante impact assessments, the new impact-assessment system will include ex-post assessments. However, no high-profile decision has yet been made through the selection of the best alternative following an RIA process. Thus, in practice, the country's RIA system has evolved from assessments being performed on all new regulation (as established in 2003), but in a very formal manner and often without properly evaluating alternative policy instruments, to a point where it is not performed at all, despite the fact that new methodologies have been adopted and successive governments have declared their intention to improve ex-ante and ex-post assessment. The Government Chancellery has adopted a list of legal initiatives that have the highest priority with regard to assessment, but this remains a purely formal exercise that has little influence on the process of drafting new legal initiatives, and remains detached from actual decision-making.

## Sweden

**Score 7** The purpose of regulatory impact analysis (RIA) is to assess the degree to which regulation has negative and/or unintended consequences for the targets of regulation. More broadly, RIA is nowadays used to avoid increasing regulatory burdens on private businesses. RIAs are also used to examine which regulatory framework could be simplified or abolished.

Sweden, according to an evaluation, has had “rather modest” results from RIAs. Simplifying rules pertaining to private businesses has been an important part of economic development policy over the past several years, but RIAs as a specific model of analysis do not seem to be used systematically and over a broad range of issues.

Citation:

Erlandsson, M. (2010), *Regelförenkling genom konsekvensutredningar* (Stockholm: Sieps).

## Canada

**Score 6** Canada's assessment of the potential socioeconomic impact of draft laws is somewhat irregular, as regulatory impact assessments (RIA) are performed

randomly, except in areas such as environmental projects where they are required by statute, or in cases when the Treasury Board's authority and approval are required, as is true of regulatory measures and government projects. In particular, the Treasury Board regulatory development process requires the submission of a regulatory impact analysis statement (RIAS) before the any regulation is drafted. The Office of the Auditor General (OAG) of Canada is formally charged with so-called performance audits, which aim to provide an independent, objective and systematic assessment of whether government programs are being run with due regard for economy, efficiency, and environmental impact. The OAG has considerable discretion regarding which programs it will examine, and takes requests from parliamentary committees, MPs, citizens, civic groups and other parties to conduct audits in specific areas. It conducts between 25 and 30 performance audits each year, and publishes the results in reports.

The current government has faced persistent complaints that it has made explicit efforts to discourage the use of research and science in policymaking through cuts to federal science programs, legislative changes implemented as a part of the recent budget implementation bill, and the muzzling of scientists in government agencies (notably Environment Canada). The replacement of the mandatory long-form census with the voluntary National Household Survey (NHS) is seen by many think tanks, economists and academics as a major impediment to the development of informed and evidence-based policymaking, as it compromises the government's ability to provide an accurate picture of Canada's population.

Citation:

Green, David and Kevin Milligan (2010), "The Importance of the Long Form Census to Canada," *Canadian Public Policy*, Vol. 36, No. 3.

## Croatia

### Score 6

The EU accession process has accelerated the development of RIA in Croatia. In July 2011, the Kosor government adopted an RIA bill and reestablished the Government Office for Coordination of the Regulatory Impact Assessment System that had been abolished in July 2009 as a reaction to populist critique. In accordance with the RIA Action Plan for 2013 – 2015, the office became a department of the government's Legislation Office, and RIA implementation coordinators were appointed in all ministries. Since 2012, all government bodies have been obliged to prepare annual regulatory plans specifying which of their planned regulations should undergo an RIA. Out of the 344 laws adopted in 2013, however, only 45 were listed in these plans, and less than half those 45 were subject to the full official RIA procedure.

Citation:

Zelenika, Boris, 2014: RIA in Croatia: lessons Learned. Presentation (<http://www.osservatorioair.it/wp-content/uploads/2014/10/workshop-1-Croatia-Zelenika.pdf>)



## Italy

### Score 6

RIAs are in principle required from all ministries and local authorities (under laws 50/1999 and 246/2005). RIAs at national level fall under the responsibility of the Prime Minister's Office (PMO). The PMO is responsible for the review and quality control of RIAs produced by ministries, as well as for the coordination of activities associated with an RIA. The Presidency of the Council of Ministers, with its department for juridical and legislative affairs, is the body responsible for the elaboration of RIA methodology.

However, it is questionable whether sufficient resources are available within the presidency to implement RIA effectively. Implementation has in fact been far from systematic since the beginning of the RIA program. As a consequence, a new plan adopted in July 2007 by the Prodi II government created new, simpler RIA forms that were implemented from November 2007 onwards. Further implementation rules were approved in 2008 – 2009 by the Berlusconi IV government (DPCM 170/2008 and Directive 26 February 2009). According to this framework, the performance of RIAs at the ministerial level is intended to be enforced by a prohibition on Council of Ministers' discussion of any proposal lacking this assessment. However, in February 2010, the parliamentary committee (Comitato per la Legislazione) responsible for monitoring the quality of legislation at national and regional levels discovered that in a sample of 20 regulations approved by the government in the previous 10 months (March 2009 – January 2010), only eight laws had been accompanied by the requested RIA.

In May 2012, under the Monti government, the third report on the implementation of RIAs was presented to the parliament. This report highlighted an increase in the number of RIAs but found them to be, on average, not satisfactory. Most RIAs were identified as being more formal than substantial, or too legalistic. Not much has changed on this front during the current review period. Qualified observers have found that while RIAs conducted by independent authorities are sound, those of ministerial departments continue to be rather formalistic (Osservatorio air 2013).

Citation:

[http://www.osservatorioair.it/wp-content/uploads/2012/06/Camera\\_Relazione\\_AIR\\_20121.pdf](http://www.osservatorioair.it/wp-content/uploads/2012/06/Camera_Relazione_AIR_20121.pdf)

<http://www.osservatorioair.it/wp-content/uploads/2014/10/Plenary-Italy-DAGL-Rocchetti.pdf>

[http://www.osservatorioair.it/wp-content/uploads/2013/04/OssAIR\\_Salvi\\_Valutazione-BetterRegulation\\_P1-2013.pdf](http://www.osservatorioair.it/wp-content/uploads/2013/04/OssAIR_Salvi_Valutazione-BetterRegulation_P1-2013.pdf)

## Malta

### Score 6

Malta's policy on regulatory impact assessments (RIA) is not fully developed and the process of filing is also not fully integrated in Maltese policymaking; however, a RIA process does exist, with the cabinet required to approve RIAs for government

notices, regulations and by-laws. This process is detailed in the Small Business Act, Chapter 512 in Maltese law. However the RIA process has been questioned, as it is often seen as only a formality and at times is said to lack substance. Nonetheless, the European Union utilizes RIAs as part of all major regulatory projects, and therefore better incorporating the RIA process into Malta's regulatory framework is a goal.

Citation:

OECD (2007), "Regulatory Management Capacities of Member States of the EU that Joined the Union on 1 May 2004: Sustaining Regulatory Management Improvements through a Better Regulation Policy", Sigma Papers, No. 42, OECD Publishing. <https://www.mepa.org.mt/permitting-ea-eiaprocess>  
 Operational Programme II 'Empowering People for More Jobs and a Better Quality of Life', July 2012, p.28  
<http://www.bru.gov.mt/wp-content/uploads/2011/01/ESF-4-87-Laun ch-Speech-by-Mr-J-Aquilina.pdf>  
<http://www.bru.gov.mt/administrative-burdens/>  
<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/OPM-Portfolio.aspx>

## Romania

**Score 6** RIA-related procedures were introduced in Romania in 2005. At least in theory, legislative proposals cannot enter the legislative process without RIA approval from the Public Policy Unit (PPU) located in the Secretariat General of the Government (GSG). In practice, however, the use and the quality of RIA is highly uneven. As part of an action plan to boost U.S.-Romanian trade, presented in the context of a visit to Romania by U.S. Vice President Joe Biden in May 2014, Prime Minister Ponta announced an overhaul of the RIA system.

## Slovakia

**Score 6** When RIA was introduced in Slovakia back in 2001, no central unit in charge of RIA was created at the government's core. In response, the first Fico government introduced a Uniform Methodology of Assessment of Selected Impacts in 2008, which was updated by the Radičová government in 2010. Four ministries are involved in the process (Ministry of Economy, Ministry of Finance, Ministry of Environment, Ministry of Labor, Social Affairs and Family), with the Economic Analysis Division of the Ministry of Economy playing a coordinating role. While these changes have improved the efficiency of RIA, its use still suffers from a high degree of fragmentation.

## Cyprus

**Score 5** Since 2007, a Ministry of Finance committee has led a project aimed at developing better regulation, with liaison officers in all ministries. Regulatory impact assessment (RIA) is one key focus of the project. Every new regulation is required to include an

RIA. In the absence of an overall method of analysis, a questionnaire is filled out by the department drafting the new measure. Even with this minimal requirement, reports attached to draft laws sent to the Attorney General's Office or Legal Office for legal review have gaps, are too general, or in many cases are simply absent. A new oversight mechanism created in 2011 is officially deemed to be insufficient. No reports on its operation have so far been released. The matter seems to have lost momentum overall.

A typical means of assessing the impact of new laws consists of line ministries seeking the views of other ministries on a proposed measure. When draft laws reach the legislature, the House of Representatives invites stakeholders likely to be affected to present their views during committee sessions.

Citation:

1. National Action Plan for Better Regulation, revised August 2014, <http://www.better-regulation.org.cy/Portals/0/Ethniko%20Sxedio%20Drasis%20SR%20Aug%202014.pdf> (in Greek)

## Slovenia

**Score 5** In Slovenia, RIA guidelines have largely been copy and pasted from the European Union. The guidelines call for a detailed analysis of the need for and the purpose of new regulations. In practice, however, RIA quality is very uneven, and there are no official statistics regarding implemented RIAs. As fast-track legislation is exempt from RIA, RIAs were not performed for at least a third of all new measures passed in the period under review.

## Spain

**Score 5** There is no tradition in Spain of concern for the quality of legislation (apart from purely formal legalistic issues that are controlled by the Council of State). The financial costs of passing and implementing any new law have been systematically monitored since the 1990s, but a broader concern with the substantive quality and efficiency of legal rules (the effectiveness of regulatory impact on their target reality) was only established in 2009. The introduction of RIAs has resulted in a general procedure to be applied across content areas (emphasizing that draft legislation must address economic and budgetary considerations as well as any other relevant aspects, such as environmental impact, gender-equality concerns, and any possible effects on disabled people). Because this is a relatively new obligation, it is difficult to determine precisely how effectively impact assessments have been performed so far. In some instances, the RIA has been efficiently used; in others, it seems to have been a formal requirement fulfilled by the public administration. However, at the end of 2014, a new bill on general administrative procedure included a promising provision. An entire part (chapter 6) of this draft legislation was devoted

to ensuring law-making in the future took place in accordance with the principles of “smart regulation” and “better regulation.” This development, which follows the OECD’s recommendations, seeks to guarantee systematic planning by the administration before laws are drafted, while creating a more sophisticated RIA process and regulations that are proportional to the political goal and more congruent with other laws.

Citation:

<http://www.minhap.gob.es/Documentacion/Publico/NormativaDoctrina/Proyectos/MVB14A01%20%20Texto%20Ley%20de%20Procedimiento%20Consejo%20de%20Ministros%2009%2001%2015.pdf>

## Bulgaria

Score 4

According to article 28 of the Law on Normative Acts in Bulgaria, every draft for a normative act (starting from the acts with highest power such as codes and laws, down to municipal regulations and instructions) needs to be accompanied by explicit motivation and by a report including an obligatory assessment of results. In theory, the accompanying report is supposed to look at all the effects of the proposed legislation – budgetary, economic, social and environmental – and its impact on the effectiveness of other policies. In practice, this is rarely done and impact assessments are mostly formal, incomplete and perfunctory. In accordance with the law every normative act is accompanied by a motivation and a report, but only budgetary and environmental impact assessments are conducted in depth.

## France

Score 4

The practice of compiling regulatory impact assessments (RIAs) has been followed since 1995, notably under the supervision of the PMO. However, there is still no systematic RIA process with comparable rules and methodologies; this is just one reason why there is an excess of legislation with an insufficient analysis of regulatory impact. There are partial substitutes, however. The finance and budget ministries try to systematically evaluate the fiscal impact of any new measure. This evaluation might be biased, however, as considerations may be exclusively motivated by financial and budgetary concerns. In some ministries (such as industry, agriculture and social affairs) there is also a tradition of analyzing the impact of planned policies. In other sectors, the law might impose these assessments (such as with the environmental and industry ministries, for instance). A legal assessment is systematically practiced by the Conseil d’Etat before the adoption of a regulation or governmental bill. Parliamentary committees also often do an excellent job of regulatory assessment. However, what is lacking is a systematic cross-examination involving all the main stakeholders. Former President Sarkozy, with the goal of trimming bureaucratic costs, instituted the so-called RGPP (Revue Générale des Politiques Publiques). It has permitted the cutting of around 100,000 positions, but

the process has been highly criticized by the opposition and by the unions. President Hollande has decided to move to another type of review (Modernisation de l'Action Publique) but little, aside from a reduction of regions from 22 to 13, has changed so far. There is, however, a notable lack of evaluation of new bills under discussion. As a consequence, many bills are withdrawn at the last minute, frozen or postponed. The fact that few reforms have actually been adopted only serves to fuel anti-reform sentiments among sectoral groups and the public at large. As any reform is contested and rejected by more or less large segments of the population, the government, by fear of popular revolt, is often obliged to cancel or water down its measures.

## Hungary

Score 4

Hungary has a long history of RIA legislation since the first act on this issue was passed in 1987. However, RIA has suffered from sluggish implementation and has been applied only in some cases. The Orbán government amended the act on law-making that includes provisions on RIA (Act of CXXX of 2010). The new measure created the position of a deputy state secretary in the Ministry of Justice responsible for feasibility studies, and established the ECOSTAT Government Feasibility Center for assisting the preparation and implementation of impact studies. In practice, however, RIA has been almost exclusively applied in the environmental context and/or in cases where international obligations have demanded it. The recent hasty creation of austerity packages, as in the case of the 2015 budget, has meant that RIA has in many cases not been applied meaningfully, and sometimes not even formally, in the fields of economic, fiscal and social policy.

## Ireland

Score 4

The 2011 Program for Government states, “We will require departments to carry out and publish Regulatory Impact Assessments [RIAs] before government decisions are taken.” In principle, RIA is used by all government departments and offices and should apply to:

- proposals for primary legislation involving changes to the regulatory framework
- significant statutory instruments
- proposals for EU directives and significant EU regulations when they are published by the European Commission
- proposals for legislation by policy review groups

In practice, the range of RIAs completed and published is narrow. The last published list of completed RIAs dates from 2009.

In response to parliamentary questions on the topic in July 2012, the prime minister responded: “My department will shortly be consulting departments generally about

the question of publication of regulatory impact analyses carried out before government decisions are taken.” There is little evidence that this consultation resulted in significant change over the review period.

The most important recent issue relating to regulation was the formation of Irish Water, replacing the existing patchwork of local water providers with a national body assuming responsibility for water quality, metering and charging. This body is regulated by the Commission on Energy Regulation, and in October 2014 began functioning under the Water Charges Policy Directive 2014.

It has been subject to a storm of criticism and protest centering on the upfront costs it has already incurred, uncertainty regarding its ability to achieve its stated objectives, and the level and structure of charges proposed for water usage. The closest thing to a regulatory impact assessment published regarding this undertaking was an assessment performed by an outside consultancy firm.

The future of Irish Water is uncertain at the time of writing, but its history represents a major failure in the area of regulatory impact assessment.

Citation:

The latest available government documentation relating to RIAs is

[http://www.taoiseach.gov.ie/eng/Publications/Publications\\_Archive/Publications\\_2011/Revised\\_RIA\\_Guidelines\\_June\\_2009.pdf](http://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_2011/Revised_RIA_Guidelines_June_2009.pdf)

Parts of the Independent Assessment of ‘The options for water provision’ are available at <http://www.environ.ie/en/Publications/Environment/Water/FileDownload,29194,en.pdf>

## Luxembourg

### Score 4

At the end of the 1990s, Luxembourg launched its first draft for regulatory impact assessments (RIAs) to simplify administrative procedures at both the national and European levels. Since 2004, the government has systematized the potential impact of legislative proposals by aligning legislative and administrative processes under the responsibility of the competent authority, the Committee for Administrative Simplification (Comité à la Simplification Administrative, CSA).

All draft bills as of 2009 must pass through a regulatory impact assessment. Within eight weeks before adoption of a draft bill, the government has to carry out consultations with stakeholders, considering their expertise and responding to requests. Based on adequate analysis, a draft bill is adapted, completed and submitted to parliament. The impact assessment is necessarily attached to legislation or regulation submitted to the Council of Ministers. Prior to submission, the secretariat of the Council forwards a copy to the CSA, which prepares a formal statement to the Council.

The standard form of evaluation of impact (“fiche d’évaluation d’impact”) was revised in 2010 to include gender mainstreaming principles. It enabled a close



cooperation with the Ministry for Equal Opportunities. Although regulatory impact assessment schemes have been instituted for some years, there is still room for improvement, especially in making such evidence-based instruments more widespread. Further improvements should be implemented through an ex-ante verification process on a national and a European level.

<http://www.ceps.be/files/book/1291.pdf>

<http://www.fonction-publique.public.lu/fr/publications/brochures/caf/brochure-CAF.pdf>

[http://www.fonction-publique.public.lu/fr/structure-organisationnelle/plateforme-interministerielle/Plateforme\\_rsa.pdf](http://www.fonction-publique.public.lu/fr/structure-organisationnelle/plateforme-interministerielle/Plateforme_rsa.pdf)

<http://www.oecd.org/regreform/regulatory-policy/40984990.pdf>

[http://www.simplification.public.lu/Rapport\\_Mieux\\_1\\_gif\\_\\_rer\\_en\\_Europe\\_-\\_Luxembourg\\_2010.pdf](http://www.simplification.public.lu/Rapport_Mieux_1_gif__rer_en_Europe_-_Luxembourg_2010.pdf)

[http://www.simplification.public.lu/archives/Documents/procedure\\_analyse\\_flux/Fil\\_conducteur\\_de\\_la\\_fiche\\_d\\_\\_valuation\\_d\\_impact.pdf](http://www.simplification.public.lu/archives/Documents/procedure_analyse_flux/Fil_conducteur_de_la_fiche_d__valuation_d_impact.pdf)

## Turkey

### Score 4

Since 2007, completion of a regulatory impact assessment (RIA) has been required for all legislation (laws, decrees and other regulatory procedures), excluding issues relating to national security, the draft budget or final accounts (under Article 24 of Regulation 4821 on the Procedure and Principles of Preparing Legislation, 12 December 2005). On 3 April 2007, the Prime Minister's Office issued a circular that provided a guide on how to prepare assessments. Yet the RIA process is followed only rarely in Turkey.

Despite regulations adopted to encourage administrative simplification in April 2012, the introduction of RIAs has not improved the quality of government legislation.

The government has not, for example, conducted RIAs prior to the adoption of certain key legislative items, such as education reform. A regulatory impact assessment of the EU-Turkey Civil Society Dialogue was performed, however, in an attempt to draw an estimate for future assistance. In 2012, an RIA was filed over European law Seveso II, dealing with industrial-pollution control and risk management. In 2013, another draft RIA was prepared for the Integrated Pollution Prevention and Control program. In general, however, the RIA process in Turkey has suffered due to insufficient awareness of the benefits of the process, underdeveloped administrative capacities and the decreasing importance of harmonization with EU norms.

#### Citation:

European Commission, Turkey Progress Report, October 2014, [http://ec.europa.eu/enlargement/pdf/key\\_documents/2014/20141008-turkey-progress-report\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-turkey-progress-report_en.pdf) (accessed 5 November 2014)

Dr. Sibel Güven, Türkiye'de Düzenleyici Etki Analizi (DEA) Uygulamaları Nedenİstenen Düzeyde Değil? TEPAV, Ankara, Ocak 2011.

Technical Assistance Service for IPPC – Integrated Pollution Prevention and Control in Turkey, Draft Regulatory Impact Assessment, June 2013, <http://www.csb.gov.tr/db/ippceng/webmenu/webmenu9986.pdf> (accessed 5 November 2014).

## Portugal

- Score 3** There has been no substantive change in this area with regard to the previous assessment. As before, there is virtually no systematic and formalized RIA process in place. If impact assessments are carried out, their results are not generally publicly presented. All the evidence indicates that policy is adopted with a very cursory assessment of its impacts.

## Greece

- Score 2** RIA has been nominally adopted but in practice policy proposals are not accompanied by RIA. The Prime Minister's Office issued a prime minister's circular in July 2006, requesting that all ministries start RIA in their policy field, but in practice little progress has been achieved since then.

## Israel

- Score 2** The government approved a decision to install a regulatory impact assessments model, but it is still in its early stages.

### Citation:

"Report from the committee for improving regulatory mechanisms in Israel and reviewing interfaces between various regulators in the market", official report (April 2013).

## Belgium

- Score 1** Before making a decision, the government will typically seek the opinions of stakeholders in an attempt to prevent misguided policy action. But there are no formal regulatory impact assessment procedures, and surprising policy outcomes are not exceptional. One example is the law crafted to end the use of nuclear energy. No specific coordination, evaluation or action plan has been implemented and therefore the law has simply been rejected; and the planned lifetime of existing central nuclear facilities have been extended (concerns exist however that the required investment to ensure plants remain in good operating condition have not been properly planned, given the extent of political wavering on the issue). At the time of writing, two older nuclear reactors are closed for security reasons; no overall plan for the future of nuclear energy has been implemented.

## Iceland

- Score 1** Iceland has no history of conducting regulatory impact assessments.

Indicator

## Quality of RIA Process

Question

Does the RIA process ensure participation, transparency and quality evaluation?

41 OECD and EU countries are sorted according to their performance on a scale from 10 (best) to 1 (lowest). This scale is tied to four qualitative evaluation levels.

- 10-9 = RIA analyses consistently involve stakeholders by means of consultation or collaboration, results are transparently communicated to the public and assessments are effectively evaluated by an independent body on a regular basis.
- 8-6 = The RIA process displays deficiencies with regard to one of the three objectives.
- 5-3 = The RIA process displays deficiencies with regard to two of the three objectives.
- 2-1 = RIA analyses do not exist or the RIA process fails to achieve any of the three objectives of process quality.

### Czech Republic

Score 9

In November 2011, the Regulatory Impact Assessment Board (RIAB), a new quality control body, was established. It is made up largely of respected academics and researchers, and is committed to high quality standards. In 2013, the board held 19 meetings, considered 97 new impact assessment reports and issued 142 opinions, 45 of those on resubmitted reports. The activities of the board are public, and it seeks responses from interested parties.

### Denmark

Score 9

The ministry in charge of preparing a specific piece of legislation or regulation includes relevant stakeholders in the RIA process, such as affected ministries and interest organizations. If, for instance, a proposal is expected to involve costs for business, the Ministry of Business would be consulted. The ministry would also consult with business interests. The proposal to be submitted to the legislature would list all departments, agencies and organizations that had been consulted. The rules require the assessment to be in non-technical language so that it is accessible to the public. The corporatist aspect of preparing laws may have decreased in the last decade, but organizations are still very involved in administrative structures.

There is a strong tradition of publishing impact assessments as reports or special publications. In addition, parliamentary committees and members of parliament can request further information and documentation.

After new legislation enters into force, feedback from stakeholders, the broader public and media are taken seriously by members of parliament.

Citation:

Cirkulære om bemærkninger til lovforslag og andre regeringsforslag og om fremgangsmåden ved udarbejdelse af lovforslag, redegørelser, administrative forskrifter m.v.  
<https://www.retsinformation.dk/Forms/R0710.aspx?id=20940> (accessed 3 May 2013).

Jørgen Grønnegård Christensen, Peter Mink Christiansen and Marius Ibsen, Politik og forvaltning. 3. edition. Copenhagen. Hans Reitzels Forlag, 2011.

## Germany

Score 9

The National Regulatory Control Council (Normenkontrollrat, NKR) cooperates with a large number of different actors on various levels of the administration. Its cooperation with German states and local authorities has intensified, in particular with the development of methodological standards for assessing compliance costs. Moreover, dialogue and cooperation between various administrative levels has been further intensified (Federal Government 2012: 6).

Since social security institutions are self-governed in Germany, their evaluation does not fall under the jurisdiction of the NKR. But in order to facilitate policy learning, the NKR does cooperate with social insurance carriers, the federal statistical office and experts from individual federal ministries in an effort simplify measures and cost-reduction plans. Mechanisms for cooperation across the European Union and within the OECD also exist.

However, in its 2014 annual report, the NKR claimed that the government does not abide by its own rules. With respect to the most important laws introduced during the period under review (July 2012 – July 2014) the NKR complained that bills went to cabinet without involving the NKR or presenting reliable data on expected costs. This holds true for the pension reform, the statutory minimum wage, the gender quota, and the car toll. The government sought to stave off criticism by making references to external interference in the matters of government.

Citation:

[http://www.normenkontrollrat.bund.de/Webs/NKR/Content/DE/Publikationen/Jahresberichte/2014-10-01\\_nkr\\_jahresbericht\\_2014](http://www.normenkontrollrat.bund.de/Webs/NKR/Content/DE/Publikationen/Jahresberichte/2014-10-01_nkr_jahresbericht_2014).

Federal Government, 2012: Grundstein für besseres Recht: Fünf Jahre Bürokratieabbau und bessere Rechtsetzung  
[http://www.bundesregierung.de/Content/DE/\\_Anlagen/Buerokratieabbau/2013-07-29-jb-2011.pdf?\\_\\_blob=publicationFile&v=3](http://www.bundesregierung.de/Content/DE/_Anlagen/Buerokratieabbau/2013-07-29-jb-2011.pdf?__blob=publicationFile&v=3)

## New Zealand

Score 9

The Treasury's Regulatory Impact Analysis Handbook offers comprehensive guidance with regard to consultation within government as well with stakeholders, to

transparency, and to quality evaluation. The major instrument for consultation and transparency is the Regulatory Impact Statement (RIS). Independent quality assurance is to be obtained either by a unit located within the Treasury or through a suitable internal review process. A quality assurance statement is to be provided in the cabinet paper.

Citation:

Regulatory Impact Analysis Handbook (Wellington: The Treasury 2013).

## Norway

Score 9

The quality of RIAs associated with parliamentary bills shows great variation, but is generally good. At a minimum, parliamentary bills describe the financial and administrative (governmental) consequences of a proposal. Other costs are not quantified systematically or regularly when preparing bills. Affected parties will be also typically be invited to present their views in a public hearing, before a decision is being made. The RIA system is strong in terms of consultation, transparency and creating a broad political consensus around decisions. However, it is weaker in terms of technical quality.

## Poland

Score 9

Stakeholders are often involved in regulatory impact assessments (RIAs), and the results of assessments are published on ministry websites as well as on the website of the Government Legislative Center (Rządowe Centrum Legislacji). The responsibility for checking the quality of individual RIAs does not rest with an independent body, but rather with a special RIA unit within the Chancellery of the Prime Minister. This unit was strengthened after the 2011 elections through an increase in its staffing, and by being moved to the Chancellery's Department of Strategic Analysis.

## Finland

Score 8

Adopted in 2007 and superseding existing legislation, such as the Bill Drafting Instructions (2004), impact assessment guidelines provide a framework for the process of regulatory impact assessments. The revision bureau of the Ministry of Justice Law Drafting Department monitors compliance with these impact assessment guidelines. Impact assessments cover the economic impact of proposed legislation, its administrative impact, environmental impact and social impact, and guidelines describe what impacts may be involved, how the impact may be assessed, and what methods and information sources are available. The guidelines also provide contact information for expert advisers. For instance, assessments deal with the economic

impact on households, businesses and public finances as well as overall economic impact. Concerning method, the guidelines recommend the use of statistical data, questionnaire data, expert analyses, and, when necessary, qualitative methods. Generally speaking, the regulatory impact assessments process is well-structured and emphasizes quality.

Citation:

Ministry of Justice (2008): "Impact Assessment in Legislative Drafting - Guidelines". Helsinki, Publication 2008:4.[[http://www.tem.fi/files/321\\_76/Vaikutusarviointiohjeet\\_2007\\_en.pdf](http://www.tem.fi/files/321_76/Vaikutusarviointiohjeet_2007_en.pdf)].

## Japan

Score 8 According to the Basic Guidelines for Implementing Policy Evaluation, revised in March 2007, the necessity, efficiency and effectiveness of measures are to be the central considerations in evaluations. However, issues of equity and priority are also to be included. The structure and content of assessments are further clarified in the Policy Evaluation Implementation Guidelines of 2005 and the Implementation Guidelines for Ex-Ante Evaluation of Regulations of 2007; all of these specifications contain quite demanding tasks that must be performed as a part of the evaluations.

Since 2010, for example, it has been obligatory for any ministry considering a tax measure to present an ex-ante evaluation. If the measure is in fact introduced, it must subsequently be followed by an ex-post examination.

## Mexico

Score 8 RIA was introduced in Mexico in 1997 and its usage has spread from the federal government to some state governments. It seems to have established itself as a legitimate part of the policymaking process. The relevant government agency, COFEMER, contains some 60 officials and is responsible to an interdepartmental committee that ultimately reports to the Ministry of Economy. COFEMER does not have a veto on new proposals, but it must be consulted and can express an opinion. Its position vis-à-vis the ministries was strengthened by an additional presidential order by Calderon in 2007. It can prevent new regulations from coming into force until the consultation process is complete. COFEMER has also been active in negotiating the streamlining of procedures with individual Mexican states. This is significant, as much regulation is generated at subnational levels. After a quiet start, COFEMER has played a significant role in Mexico's pro-competitive policy.

## Netherlands

Score 8 RIAs are obliged to identify one or several alternatives to the option chosen by an initiator. According to the Advisory Board on Administrative Burden Reduction



(ACTAL) guidelines, alternative options for Administrative Burden Reduction Assessments (ABRAs) are investigated. The option involving the greatest cost reduction ought to be selected, in principle. It is not known to what extent practice follows theory. Previous limitations in burden reductions for several target groups have been eliminated by involving stakeholders and decision makers in the production process of RIAs. As mentioned under “RIA application,” the status of ACTAL as independent body for evaluating departmental RIAs is about to be dissolved.

Citation:

[www.actal.nl/over-actal/taken-en-bevoegdheden/](http://www.actal.nl/over-actal/taken-en-bevoegdheden/) (consulted 26 October 2014)

## United Kingdom

Score 8

The RIA process is transparent – guidance on how to do it is accessible online. There is also a quality evaluation – all impact assessments are scrutinized by the Regulatory Policy Committee (RPC) which provides feedback for the Reducing Regulation Committee on the quality of the analysis and evidence presented. Deficits can be seen with respect to participation, however. While the RPC is always keen to hear the views of stakeholders on the impacts of new proposed regulation, there is no formal mechanism for their involvement, and evidence submitted by them is considered but not discussed. On the other hand, the government invites direct comment on the process so that it can be considered to make an effort to engage citizens and – perhaps most importantly – businesses. There is a one-in-two-out principle for new regulations, with information regularly updated online.

## United States

Score 8

Regulatory impact assessment is a highly political process, with a strong tendency for results to reflect the preferences and expectations of the agency or political official that controls the process. Under Republican presidents, the process was frequently directed toward containing or curtailing environmental and work-safety regulations put out by the Environmental Protection Agency and the Occupational Health and Safety Agency. Under Obama, the process is more biased toward issuing new regulations. Indeed, a 2011 study of regulatory impact assessments by the George W. Bush and Obama administrations demonstrates the biasing effect of political priorities. The Obama administration has issued new rules at a rate 40% higher than either Clinton or Bush. But while Obama’s regulators report costs triple those of Bush’s, they report benefits eight times higher.

In any case, the differences in overall results between administrations suggests that many or most proposed regulations would receive opposite assessments from the Bush and Obama administrations, rendering the value of the assessments

questionable at best. Regulatory assessment will thus be of limited value until the government adopts clearer standards and best practices for the conduct of the analyses, presumably under the auspices of a nonpartisan institution such as the Congressional Budget Office.

Citation:

Harrington, Winston, Lisa Heinzerling and Richard D. Morgenstern (eds.), *Reforming the Regulatory Impact Analysis*, Washington D.C. 2009, [http://www.rff.org/RFF/Documents/RFF.RIA.V4.low\\_res.pdf](http://www.rff.org/RFF/Documents/RFF.RIA.V4.low_res.pdf)

The Economist, *The Rule of More: Measuring the impact of regulation*, February 18, 2012. Accessed on May 9, 2013. <http://www.economist.com/node/21547772>

## Chile

Score 7

Given the more informal and non-institutionalized character of instruments used for regulatory impact assessments, reports tend not to specify the purpose of and the need for a regulation. Furthermore, they do not tend to analyze alternative options. Depending on the topic, stakeholders may play a certain role in the RIA process but their accessibility and communication do not necessarily foster their relevance to the political process in the mid- or long-term. Normally, there are no evaluations of RIA assessments by independent bodies.

## Latvia

Score 7

The annotation requires a description of stakeholder participation. Minimum requirements can be met by a simple statement detailing when stakeholders were consulted. Annotations may include information on stakeholder inputs, reactions or needs.

Annotations are publicly available along with the draft act of legislation. They serve as an explanatory accompaniment to the draft and are often referenced in communications about the draft.

Annotations are not assessed by an independent body. However, they are monitored by the government office as part of its oversight of the decision-making process. Inadequacies in the annotation can lead to proposals being returned for revision prior to consideration by the cabinet. An annual monitoring process by the government office can lead to improvements in the system. The latest such revision took place in 2013.

Citation:

Cabinet of Ministers (2013), *Simplification of Draft Legislation Annotations*, Press release. Available at (in Latvian): <http://www.mk.gov.lv/lv/aktuali/zinas/2013-gads/04/290413-vk-03/>, Last assessed: 20.05.2013

## Sweden

**Score 7** As mentioned, RIAs play some role in Sweden but the system is less elaborate compared to many other countries. The Swedish model of RIA seems to perform reasonably well with regard to participation and communication but less so in terms of independent evaluations.

Overall, simplifying regulatory frameworks appears to be conducted fairly ad-hoc. For instance, the Simplex project in the Department of Industry and Economic Development aimed at removing regulations that were either obsolete or unnecessarily obstructing private businesses. The project appears to have practiced RIA without applying the entire RIA framework.

## Switzerland

**Score 7** While stakeholder participation in regulatory impact assessment (RIA) procedures is a particularly strong point in Switzerland, communications processes vary between regions and policy fields. Evaluations by independent bodies are weakly developed in comparative terms.

## Canada

**Score 6** The quality of regulatory impact assessment (RIA) in Canada is in general satisfactory. Stakeholder participation in the past has been encouraged, although recent changes in environmental legislation have put limits on such participation. RIA results are accessible under Freedom of Information provisions. However, there is little evaluation of the quality of RIA by independent bodies.

## Estonia

**Score 6** The legal framework for the RIA process was set in 2012. Today, it faces clear shortcomings with regard to large-scale implementation. On the positive side, legal regulations set in the governmental decree require the involvement of relevant interest groups and public consultations in the lawmaking process. It must be formally documented which interest groups have been involved, what their proposals have been and to what extent the proposals have been taken into account. All this information is publicly available in the explanatory paper accompanying the draft law. Alongside these formal requirements, involving stakeholders and hearing their opinions has become a truly common practice.

However, this process also has some weaknesses. In some cases, impact assessment is not carried out. In addition, there is no regular process of evaluating RIA results through an independent body (although in some cases, impact assessments have been requested by non-governmental research organization).

## Lithuania

**Score 6** The process of regulatory impact assessment prior to the period under review did not ensure sufficient participation of relevant stakeholders. The quality of impact assessments was not systematically monitored, and results were not publicly available. Under the new impact assessment system, the Government Office is supposed to provide advice on RIA for high-priority regulatory initiatives, while monitoring the process for quality control. The impact assessment guidelines produced in 2012 provide for consultation with societal stakeholders as much as necessary during the assessment process. Under the guidelines, the results of impact assessments are to be made available on the websites of the institutions conducting the assessment.

## South Korea

**Score 6** RIA committees are often criticized for not being fully autonomous and for being influenced by political and economic interests. Other criticisms mentioned by the OECD are the lack of time to carry out assessments, insufficient staff, and a lack of expertise and financial resources. Many civil servants in South Korea perceive RIA merely as a formality. Stakeholders are consulted in the process of RIA, which includes regular meetings with foreign chambers of commerce.

Citation:

OECD, 2007, OECD Reviews of Regulatory Reform OECD Reviews of Regulatory Reform: Korea 2007 Progress in Implementing Regulatory Reform

## Australia

**Score 5** The preparation of a RIS follows a standard procedure in which policymakers gather the information that will enable them to evaluate the extent to which the proposed regulatory changes will result in a net benefit to the community. The Office of Best Practice Regulation within the Department of Finance and Deregulation, which administers both the federal government and Council of Australian Governments' regulation requirements, seeks a range of information about any new regulation. The level of information required is commensurate with the magnitude of the problem that is being addressed, and the size of the potential impact of the proposal. The Office of Best Practice Regulation uses a number of "adequacy criteria" to assess

whether a RIS contains the appropriate levels of information and analysis for it to be assessed as adequate.

In 2012, the Productivity Commission, at the request of the Australian government, produced a report assessing the performance of jurisdictions' regulatory impact analysis processes, including those at the level of the Council of Australian Governments (COAG), and identifying leading practices. Findings of major concern from the report include the following: a number of proposals with highly significant impacts are either exempted from RIA processes or are not rigorously analyzed; public consultation on policy development is often perfunctory or occurs only after development of draft legislation; and public transparency – through advising stakeholders of revisions to policy proposals and information used in decision-making, or provision of reasons for not subjecting proposals to impact analysis – was a glaring weakness in most Australian RIA processes. Furthermore, a major problem for implementing RIA requirements was that the policy decisions often occurred prior to commencement of the RIA process.

Citation:

Productivity Commission, 'Regulatory Impact Analysis: Benchmarking', Research Report, November 2012: [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0003/120675/ria-benchmarking.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0003/120675/ria-benchmarking.pdf)

<http://www.oecd.org/gov/regulatory-policy/Breakout-session-2-Rosalyn%20Bell-RIA-Australia%27s-experience.pdf>

## Austria

Score 5

RIAs must be attached to every legislative proposal. The publication of draft laws for public assessment (while previous publication is legally required in many cases, in practice virtually all draft laws are published before they are voted upon) allows stakeholders within the public to comment, a frequent occurrence. Trade unions and economic chambers in particular, but other institutions as well are regularly invited to provide comment on draft laws.

However, RIAs are not written by sectoral experts, but rather by the ministry or department preparing the draft law. As a result, expertise may in some cases be limited to the sectoral expertise of the body preparing the draft law. Currently, there is no independent body that evaluates RIA quality.

## Italy

Score 5

The RIA process is still in its infancy in Italy. The participation of stakeholders remains limited and is not systematically pursued. The reports regularly presented every year by the Prime Minister's Office to the parliament indicate a slow but constant improvement in this field. Communication to the public needs to be significantly improved.

## Romania

**Score 5** The controlling legislation explicitly states that the RIA process should integrate other impact-assessment methodologies, especially those related to economic- or environmental-impact assessment. The Public Policy Unit, located within the General Secretariat of the Government, is the central RIA coordination unit, and addresses functions such as the improvement of ex ante impact assessments, state-capacity evaluations and intra-governmental epistemic exchanges. Although the access-to-information legislation stipulating that results should be posted for 30 days on ministerial websites is usually respected, the majority of RIA processes involve stakeholders or transparent methodologies such as public hearings, surveys or debates to only a small degree. Moreover, in practice RIA exists in many areas mainly on paper, and has been primarily aimed at assessing potential legal conflicts arising from new proposals rather than focusing on their policy impact. However, in some areas (such as environmental policy), there has been greater progress toward true policy-based RIA.

## Slovakia

**Score 5** The general quality of RIA has slowly improved thanks to the new methodology introduced under the first Fico government and the attention that the Radičová government paid to the issue. However, while a more efficient implementation of RIA, mainly with a view to improving the business environment, has been a declared priority of all Slovak governments, full achievement of this goal has been elusive. Consultations with stakeholders take place, but have become more selective under the Fico government.

## Bulgaria

**Score 4** With the exception of the assessment of budgetary and environmental impacts of proposed legislation, RIA has a largely formalized nature in Bulgaria. There is no centralized and independent impact assessment unit, and there are no procedures for evaluating RIA quality. Instead, initial assessments are performed by the body proposing the legislation. Once the proposed draft has entered the phase of public consultation, civil-society and academic actors are able to offer their own assessments, which then become a part of the documentation accompanying the proposal and are available to the public online. There are a number of examples of such assessments, but they encompass a very small proportion of new proposals.

## Croatia

- Score 4** In 2011 and 2012, the government's Legislation Office created a new legislative framework for RIA. It also developed the administrative capacities for implementing RIA procedures and established stable partnerships with representatives of the business community (Croatian Chamber of Commerce, Croatian Employers Association, Croatian Chamber of Crafts, Croatian Banking Association), some civil-society organizations (Croatian Law Center, Croatian Youth Network, Forum for Quality Foster Care, Croatian Business Council for Sustainable Development) and unions (Trade Union of Textile, Footwear, Leather and Rubber Industry). However, one weakness of the RIA process in Croatia is the low level of inclusion of the public in the process and the difficulty of exerting real influence on regulatory plans. The RIA Act stipulates that the proposed regulatory plan be posted on the official website for not less than 15 days. However, most ministries confine themselves simply to informing the public, with less than a third of all ministries enabling the public to leave comments on proposed plans. Such a feedback option is particularly important in cases in which regulation has not been included in the impact-assessment process. Ministries are also eager to control the selection of external collaborators. For this and other reasons, the participation of stakeholders is often symbolic.

## Cyprus

- Score 4** In its present form, impact assessments appear to be performed by bills' authors and reviewed by a Ministry of Finance body before being forwarded to the Legal Office for legal advice. Though the current arrangement was communicated to all government bodies in January 2012, no details on its functioning have subsequently been made available. Stakeholders have no role in the assessment procedure at any stage, and it remains unclear as to precisely how the RIA report is used. This means that the policy-proposal process has no integrated impact-assessment mechanism or reliable means of analysis.

## Ireland

- Score 4** The accessibility and communication of the RIAs that have been performed are poor and independent quality evaluations of are not conducted.

The shortcomings and problems that have arisen with regard to the launch of Irish Water illustrate a failure to create transparency and enable participation in the assessment of at least this important project.



## Malta

### Score 4

Malta's policy on regulatory impact assessments (RIA) is not fully developed and the process of filing is also not fully integrated in Maltese policymaking. Thus it is not possible to provide extensive data with regard to the quality of the RIA process within this context. In some areas, the process of consultation is superficial, based mostly on the public's reaction to the publication of white or green papers, or merely from consultation through a dedicated government website created for the purpose.

The government's process is so: A draft bill is prepared; stakeholders are consulted; the bill goes to the permanent secretary and to the minister concerned; the bill is cleared by the attorney general's office and proceeds to the cabinet. A regulatory impact assessment for the draft bill may include other options that the cabinet either accepts, rejects or asks for more information. As part of the RIA process, it is required that some sort of consultation is sought, yet often this step is skipped.

When regulations deal with economic or labor issues, consultation prior to the regulation's implementation is more extensive; usually the government brings such issues before the Malta Council for Economic and Social Development, on which key economic actors sit.

An example where consultation activities are best codified and where RIAs are solidly established is with regard to planning and environmental issues. Guidelines allow for a more open, transparent and inclusive consultation process than in any other area of decision-making.

In the case of decisions or regulations established within the Malta Council for Economic and Social Development (MCESD), the RIA process allows for the possibility of informal evaluation by independent bodies. Decisions taken or proposals offered by the Malta Environment and Planning Authority can be formally evaluated by an appeal and a supervisory body, thereby allowing for a more thorough and transparent impact assessment.

Malta is still in the process of creating a RIA process that touches all aspects of public service, as well as working to expand its capacity to access empirical information from stakeholders and ascertain the likely reactions of the public or stakeholders before decisions or regulations are implemented.

Citation:

<http://www.mcesd.org/mt/mcesd/content.aspx?id=101553>

OECD (2007), "Regulatory Management Capacities of Member States of the EU that Joined the Union on 1 May 2004: Sustaining Regulatory Management Improvements through a Better Regulation Policy", Sigma Papers, No. 42, OECD Publishing.

<https://gov.mt/en/Government/Public%20Consultations/Pages/Public-Consultations.aspx>

## France

**Score 3** Studies analyzing the impact of regulatory impact assessments (RIA) have stated that, although the initial skepticism of administrative bodies toward RIA has been overcome, the content of assessments has been too general and often tended to justify the need for action rather than attempt a critical, well-grounded, assessment. In addition, there are few international comparisons when examining possible alternatives. The assessments are conducted by stakeholders with a perspective of fighting for or against a policy measure. Thus, in general, such assessments have little to recommend them.

## Spain

**Score 3** RIA analyses in Spain are quite new, and the impulse for their use is currently focused on administrative simplification and better-regulation programs. Thus, the Spanish RIA process fails to achieve participation by stakeholders through consultation or collaboration, transparent communication of results to the public, and effective evaluation of assessments by an independent body and on a regular basis. However, legal advances in the areas of smart regulation and transparency during 2014 point to continuing improvement in the quality of RIA processes. In particular, new procedures improving access to the public sector's activities and the creation of new bodies to ensure these procedures' implementation are positive recent developments.

## Turkey

**Score 3** During the period under review, the requirement to perform regulatory impact assessments (RIAs) did not help improve the quality of proposed government legislation. Instead, the government more often than not drafted and adopted legislation without appropriate consultation of NGOs or other stakeholders.

As part of the RIA conducted in 2012 for Seveso, industry participation was made possible through an Internet-based system. However, this process is still in the early stages of development. In 2013, the government prepared an RIA for the EU-funded Protection and Control of Integrated Pollution in Turkey project. However, this was a unique situation and the study is itself a pilot project, and as such does not represent a standard that other public institutions must follow.

Citation:

European Commission, Turkey Progress Report, October 2014, [http://ec.europa.eu/enlargement/pdf/key\\_documents/2014/20141008-turkey-progress-report\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-turkey-progress-report_en.pdf) (accessed 5 November 2014)

Dr. Sibel Güven, Türkiye'de Düzenleyici Etki Analizi (DEA) Uygulamaları Neden İstenen Düzeyde Değil? TEPAV,

Ankara, Ocak 2011.

Technical Assistance Service for IPPC – Integrated Pollution Prevention and Control in Turkey, Draft Regulatory Impact Assessment, June 2013, <http://www.csb.gov.tr/db/ippceng/webmenu/webmenu9986.pdf> (accessed 5 November 2014).

EKÖK “Entegre Kirlilik Önleme ve Kontrol” Teknik Yardım Hizmeti, Haziran 2013.

[http://www.csb.gov.tr/db/ipp\\_c/icerikbelge/icerikbelge1631.pdf](http://www.csb.gov.tr/db/ipp_c/icerikbelge/icerikbelge1631.pdf)

## Hungary

- Score 2** The quality of the RIA process in Hungary has always been poor. First, stakeholder participation is usually lacking. While rhetorically emphasized in many official documents, the very idea of consultation has been alien to the Orbán government. Second, even if a comprehensive RIA is performed, its results are rarely or only partially made available to political actors. A case in point is the limited information available on the Orbán government’s own special website for RIA ([hatasvizsgalat.kormany.hu](http://hatasvizsgalat.kormany.hu)). Third, evaluations are closed procedures, and are not really used for improving RIA overall.

## Israel

- Score 2** The government has not started implementing regulatory impact assessments.

## Luxembourg

- Score 2** There is no open consultation on regulatory impact assessment (RIA) specifications. The procedure requires an inter-ministerial exchange between governmental departments and coordination groups with the consultation of experts. Impact assessment data comes from internal ministry documents, which may be consulted by the state Council of Ministers and parliamentary members.

Unlike parliamentary procedures, there is no general public access to RIA documents and evaluations are not intended for publication. As in most OECD countries, there is no risk management in the formal process of developing harmonized standards. A RIA evaluation by an independent body is still lacking.

Since the general introduction of RIAs in 2009, there is not enough transparency and participation of civil society in the process. Significant efforts should be made to increase the involvement of stakeholders.

Citation:

[http://www.fonction-publique.public.lu/fr/structure-organisationnelle/plateforme-interministerielle/Plateforme\\_rsa.pdf](http://www.fonction-publique.public.lu/fr/structure-organisationnelle/plateforme-interministerielle/Plateforme_rsa.pdf)

<http://www.oecd.org/regreform/regulatory-policy/40984990.pdf>

<http://www.simplification.public.lu>

## Portugal

- Score 2** As noted above, systematic RIA does not exist in Portugal. The assessments that take place largely fail. The participation of stakeholders does generally take place, albeit inconsistently and without always encompassing all relevant stakeholders. Impact assessment results are often not made publicly available, nor are they systematically communicated. And there are no quality evaluations of impact assessment by independent bodies.

## Slovenia

- Score 2** The RIA process in Slovenia suffers from a number of weaknesses. First, public participation fails to meet the legal standards. Second, the conducted RIAs are only rarely made public. Third, quality control is limited. RIA oversight is divided among several agencies; however, supervising agencies largely check for formal correctness, without addressing substantive quality.

## Belgium

- Score 1** There is no formal regulatory impact assessment process in Belgium.

## Greece

- Score 1** RIA analyses do not really exist.

## Iceland

- Score 1** There is no tradition of regulatory impact assessments in Iceland. Therefore, the issues of participation, transparency and quality of evaluation are not relevant in this context.

Indicator

## Sustainability Check

Question

### Does the government conduct effective sustainability checks within the framework of RIA?

41 OECD and EU countries are sorted according to their performance on a scale from 10 (best) to 1 (lowest). This scale is tied to four qualitative evaluation levels.

- 10-9 = Sustainability checks are an integral part of every RIA; they draw on an exhaustive set of indicators (including social, economic, and environmental aspects of sustainability) and track impacts from the short- to long-term.
- 8-6 = Sustainability checks lack one of the three criteria.
- 5-3 = Sustainability checks lack two of the three criteria.
- 2-1 = Sustainability checks do not exist or lack all three criteria.

### United Kingdom

Score 10

In the United Kingdom, the whole process of RIA aims to provide support for sustainable policy-making. The assessment is based on a large scale of different indicators including social, environmental and ecological and other factors; economic impact, however, seems to be the most important. The assessments analyze the impact of regulation over several time periods (i.e., over the short, medium and long term) and they take account of unpredictable external shocks and unforeseeable developments.

### Denmark

Score 9

The RIAs have to cover all consequences, whether they be positive or negative, of an economic, administrative and environmental nature, affecting the state, municipalities, regions, business, citizens and relations to the European Union. This includes questions of sustainability. Sustainability is a central concern in government policy and includes economic, fiscal as well as environmental sustainability.

Citation:

Cirkulære om bemærkninger til lovforslag og andre regeringsforslag og om fremgangsmåden ved udarbejdelse af lovforslag, redegørelser, administrative forskrifter m.v.  
<https://www.retsinformation.dk/Forms/R0710.aspx?id=20940> (accessed 3 May 2013).

## Finland

**Score 9** Finnish government understands that regular and complete assessments of regulations are fundamental to the governing of complex as well as open societies and economies. In consequence, Finland has a comprehensive regulatory impact assessment program in place. It formally adopted regulatory impact assessment strategy, which provides instructions on the drafting of legislative proposals and is complemented by separate instructions issued by ministries. Assessments involve the use of multiple indicator sets, and different interests are widely consulted and different techniques used. As a rule, aspects of sustainability form an integral part of the assessment process and variations in results are monitored over time.

## New Zealand

**Score 9** Without using the term “sustainability,” the regulatory impact assessment (RIA) process includes major aspects of the underlying idea of this concept. Part of quality assurance monitoring is to check whether all substantive economic, social and environmental impacts have been identified (and quantified where feasible). In addition, it is an integral part of RIAs to plan for reviews of regulatory instruments that consider the following issues: Is there still a problem (and is it the one originally identified)? Are objectives being met? Are the impacts as expected? Are there any unforeseen problems? Are there any indirect effects that were not anticipated? Is intervention still required? Is the current intervention still the most appropriate, or would another measure be more suitable?

Citation:

Regulatory Impact Analysis Handbook (Wellington: The Treasury 2013).

## Austria

**Score 8** The potential environmental effects of legislative proposals have to be evaluated as a part of regulatory impact assessments, as do effects on employment. Various degrees require that financial and other issues be assessed. Analysis may focus on the short, medium or long term according to specific RIA legal requirements, but is commonly focused on a period of five years.

The country does feature an overarching sustainability strategy, but this was still relatively underdeveloped in 2014. The government tends to give much lip service to the ideas behind sustainability but violate its rhetoric in practice by giving in to special interests.

## Germany

**Score 8** Whereas RIAs examine alternative options and possibilities for improving the quality of regulations, environmental impact assessments is also assessed if the measure touches upon environmental aspects. Two institutions are important in German politics. First, the National Council for Sustainable Development. The council consists of 15 public figures and its tasks comprise developing contributions to implement the National Sustainability Strategy, specifying concrete areas for action and projects, as well as making sustainability an important issue in public politics and lawmaking. Secondly, there is a parliamentary Council for Sustainable Development which was introduced in 2004 and must be newly reconstituted after every parliamentary election. However, both Councils are not strongly integrated into the RIA, do not have an exhaustive set of measurable indicators and do not address the expected impacts of proposed laws on social, economic, and environmental issues.

Regularly, RIA comprises an assessment of budgetary consequences of draft legislation. In the context of the new constitutional debt brake, a transition phase toward balanced budgets has been defined (the federal level must keep its constitutional deficit limit by the year 2016, the states by 2020) and a surveillance council (this “Stabilitätsrat” is monitored itself by an independent advisory council) has been installed.

Citation:  
<http://www.nachhaltigkeitsrat.de/en/home/>

## United States

**Score 8** There is no separate check required for “sustainability” per se. Since that term refers to an indefinite variety of context-specific normative standards, however, one could argue the U.S. regulatory impact assessment process does include a sustainability check. After all, assessments are expected to consider all important costs and benefits.

## Canada

**Score 7** Canada does not have a formally adopted sustainability strategy. In a sense, this is not surprising, as there are different types of sustainability (environmental, economic, social). There is also no consensus as to what sustainability means or to how it should be measured. To be sure, many RIAs address sustainability issues, but the methodologies used differ widely. RIAs generally try to integrate sustainability checks in order to provide a basis for decision-making, develop an exhaustive set of



impact indicators, and analyze both short- and long-term impacts. However, most assessments lack at least one of these criteria in practice.

## Netherlands

*Score 7* In the Netherlands, RIAs are broadly and effectively applied in two fields: Environmental Impact Assessments (EIMs) and Administrative Burden Reduction Assessments (ABRAs). EIMs have been legally prescribed since 1987. Everybody who needs a government license for initiating substantial spatial or land-use projects with potentially harmful environmental impacts is obliged to show these impacts through research. Meanwhile, more than 1,000 EIM reports have been administratively and politically processed. They guarantee that environmental and sustainability considerations play a considerable role in government decision-making. Environmental impact assessments sometimes lose out to economic impact assessments. There are no systematic social – or, for example, health – impact assessments.

## Norway

*Score 7* The government's Instructions for Official Studies and Reports require that a sensitivity analysis must be made if any appreciable uncertainty exists, and that alternative instruments should be assessed, including instruments not of a regulatory nature (e.g., economic instruments). In practice, the extent to which alternative options are given careful consideration and submitted to a systematic cost-benefit analysis varies from case to case. Quantification of the costs and benefits of different alternatives is relatively rare.

## Poland

*Score 7* Article 5 of Poland's constitution enshrines the principle of sustainable development, according to which the state ensures the protection of the environment, guided by the principle of sustainable development. The first national sustainability strategy was adopted in 2000. While the government has increasingly paid attention to sustainability issues in policy documents, sustainability checks are not an integral part of regulatory impact assessments. Assessments cover a broad range of issues, yet treat environmental issues as less relevant than economic issues. There is also no systematic distinction between short-, medium- and long-term impact.

## Sweden

- Score 7** Environmental sustainability is one of several mainstreamed goals in the policy process. In theory at least, all government bills, procurements, and directives to Royal Commissions are supposed to be assessed to determine their impact on environmental sustainability. As for other types of sustainability criteria, there is little evidence available about the degree to which they are considered in the RIA process.

## Czech Republic

- Score 6** Sustainability checks are an integral part of every RIA assessment, but are not very comprehensive. The checklist requires a response to the question of whether there are effects on social, economic and environmental issues and for an indication of what those effects are. However, RIA guidelines still do not specify how to assess or quantify these effects.

## Lithuania

- Score 6** Lithuanian policymakers are supposed to conduct sustainability checks within the new framework for regulatory impact assessment. The 2012 impact-assessment guidelines provide for the assessment of economic, social and environmental impacts, among other factors. Both short-term and long-term impacts should be assessed under the new guidelines. However, the guidelines do not provide an exhaustive set of impact indicators addressing these impact dimensions. Producing high-quality environmental reviews is likely to remain a challenge under the new system, as it focuses on impacts within the business environment and new administrative burdens. The ex ante evaluation of the 2014 – 2020 operational program supported by EU structural funds included strategic environmental assessment that considered the likely effects of EU investments on the environment (in line with the EU and national legislation).

## Mexico

- Score 6** RIAs highlight international benchmarking to reinforce their investigations. As one example, in a recent development, the Mexican government signaled its intention to become a world leader in sustainable tourism. Here, sustainability relates to energy efficiency, improved environmental performance and the protection of cultural heritage. The government partnered with the private firm EC3 Global to support the adoption of their trademark EarthCheck science and solutions for tourism operators

and companies committed to sustainable practices and to align their performance with global benchmarks, endorsed by the World Tourism Organization. EarthCheck is an internationally recognized environmental management and certification program with more than 1,300 members in 70 countries. The program improves the operational performance of member organizations and reduces costs.

## South Korea

**Score 6** The assessment of sustainability implementations at policy level in South Korea is regulated by the Sustainability Development Act, which was enacted in July 2007, and overseen by the Presidential Commission on Sustainable Development. Its goal is to implement, promote, share, educate, network, monitor and make policy proposals on sustainable development. The three main principles of the act are: laying out national-level sustainable basic strategies every 20 years, laying out specific action plans every five years, and monitoring and assessing the implementations every two years. It considers quality of the environment, vulnerability to environmental degradation, environmental degradation level, social and institutional capacities to respond, and sharing of responsibility with the international community. Critics of the outgoing government argue that under the previous Lee Myung-bak administration's RIAs, sustainability checks in the Four Rivers Project were not properly carried out. Park Geun-hye's administration's focus on economic growth and deregulation has resulted in a lack of proper attention afforded to issues of sustainability.

Citation:

Ministry of Government Legislation, <http://www.moleg.go.kr/english/korLawEng?pstSeq=57720>

Presidential Commission on Sustainable Development (PCSD), <http://ncsd.go.kr:2020/index.asp>

## Chile

**Score 5** RIAs do not necessarily analyze a regulation's impact on sustainability regarding the three criteria. Especially the short-, mid-, and long-term analysis tends to focus exclusively on economic but not on ecological nor social aspects.

## Estonia

**Score 5** The dimension of sustainability is included in the methodological guidelines for RIA. The guidelines demand an assessment of the reviewed policy's impact over the short, medium and long term. However, concern with sustainability is given a marginal role in the impact-assessment process overall. The existing set of indicators is not explicitly linked to the sustainability check.

Estonia has a national long-term (30-year) sustainability strategy, “Sustainable Estonia 21,” which was adopted by the national parliament in 2005. However, the latest government decree and the methodological guidelines do not make any reference to this national strategy.

## Switzerland

**Score 5** Given the decentralized political and administrative system of Switzerland, it is difficult to answer the question of whether the government conducts effective sustainability checks within the framework of RIA. However, RIAs are performed as a standard procedure at the federal level and in most cantons for all ecologically sensitive infrastructure projects.

## Croatia

**Score 4** Croatia adopted a sustainability strategy in 2009. However, neither this strategy, the RIA Strategy or the RIA Action Plan for 2013 – 2015 provide for comprehensive sustainability checks. RIA is supposed to consider a broad range of impacts, including fiscal, economic, social and environmental, but the actual quality of assessments is low. There is no systematic differentiation between the short, medium and long term.

## Ireland

**Score 4** Some of the suggested sustainability checks are included in the RIA Guidelines published in 2009, but there is no explicit mention of “sustainability” in that document and it does not seem that such checks are integrated into the RIA process. There is explicit provision for the inclusion of poverty impact assessments.

## Italy

**Score 4** Sustainability checks within the framework of RIA are still underdeveloped. The reports of the Prime Minister’s Office to the parliament show they are not yet systematically integrated within RIA and they are not exhaustive from the point of view of the indicators included (economic indicators play a greater role than social and environmental ones).

## Bulgaria

- Score 3** Most of the regulatory impact assessments in Bulgaria are merely formal, with the exception of budgetary and environmental issues. Moreover, environmental checks focus on issues of pollution and wilderness protection rather than greenhouse gas emissions. Other economic and social impacts are generally addressed superficially, and the input of non-government actors in the public-consultation process is generally ignored.

## Cyprus

- Score 3** The questionnaire on which assessments are based asks whether proposed regulations might have a positive or negative impact on the country's economic, social and environmental aspects of life. This assessment is based on a limited number of specific factors, with just 10 social and eight environmental issues addressed. The questionnaire asks for yes or no answers, while also soliciting detailed explanations. The extent to which information sufficient to substantiate the yes or no responses is provided remains unclear. There is no mention of time horizons in the assessment, which may mean the idea of sustainability is effectively ignored.

Assessment as a whole appears to be in a transitional stage, given the ongoing and pending reforms in the public service, the creation of strategic-planning and supervision mechanisms in all administrative bodies, and other relevant changes.

Citation:

1. Better Regulation Website,

<http://www.better-regulation.org.cy/%CE%91%CF%81%CF%87%CE%B9%CE%BA%CE%B7.aspx> (in Greek)

## France

- Score 3** There is no real systematic sustainability strategy except in the ministries, where EU regulations require such an examination. In most instances, political jockeying tends to prevail over policy analysis.

## Japan

- Score 3** According to the 2001 Government Policy Evaluation Act, policy effects have to be evaluated in terms of the three criteria of necessity, efficiency, and effectiveness. These terms are somewhat flexible and do not necessarily encompass sustainability concerns. Indeed, actual evaluations apply the three guiding principles only in a

somewhat loose way. Reviews cover both pre-project as well as post-project evaluations.

Citation:

MIC (Ministry of Internal Affairs and Communication, Japan), Website on evaluation results, [http://www.soumu.go.jp/menu\\_seisakuhyouka/kekka.html](http://www.soumu.go.jp/menu_seisakuhyouka/kekka.html) (accessed in November 2014)

## Luxembourg

Score 3

There is no systematic sustainability assessment process in Luxembourg. The government plans to introduce effective sustainability checks and the systematic monitoring of relevant administrative and legislative acts. In general, sustainable development and sustainable decision-making needs to be implemented at all levels (economic, social and environmental) to evaluate the impact of policies and policy side effects. It is essential that regulatory impact assessment (RIA) procedures have been agreed to benefit from greater coherence and coordination between ministries, civil society and stakeholders. Luxembourg has to mainstream sustainability checks at all levels by establishing harmonized legislation with binding RIA standards.

Citation:

<http://www.gouvernement.lu/3594916/territoire.pdf>

## Malta

Score 3

While regulatory impact assessments are a compulsory regulatory tool in Malta, the government has no formally adopted sustainability strategy. Sustainability checks that do exist are often found only in areas involving planning and the environment. The effectiveness of key regulations and policy initiatives are assessed mainly through Malta's National Reform Program, the annual report that Malta (like all other EU member states) submits to the European Commission. This report is like a progress check, where Malta provides detailed updates relating to its Europe 2020 targets as a result of its policies. These reports include quantitative impact indicators that can illustrate the effectiveness (or failures) of regulatory projects that touch on social, environmental and economic issues. The country's Europe 2020 progress is subsequently reviewed by the European Commission and country-specific recommendations are officially endorsed by the European Council. But this whole process happens essentially after the fact – basically a report on decisions the government made – and is not part of an impact assessment process. Hence, the sustainability and effectiveness of policies and measures are still assessed on an annual basis. Moreover, the reviews from the European Commission and the European Council provide an ulterior check of policy effectiveness for short- and long-term targets within the context of Europe 2020.

Citation:

[http://ec.europa.eu/europe2020/making-it-happen/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/index_en.htm)

## Portugal

- Score 3 Sustainability checks are not integrated systematically into impact assessments. They may take place in some impact assessments but not in others, in a rather ad hoc fashion that depends on who is carrying out the impact assessment. The same is the case with regard to the indicators that sustainability draws on; and the temporal dimension of the analysis.

## Romania

- Score 3 In theory, the RIA methodology manual requires that sustainability concerns be incorporated in assessment reports. However, in practice most such reports are primarily legalistic and pay limited attention to the issue of sustainability. The consideration of sustainability in Romanian regulations tends to be the result of EU directives.

## Slovakia

- Score 3 The new RIA methodology (in place since 2010) lacks effective sustainability checks. The methodology draws a distinction between five different dimensions (public finance, the social environment and labor markets, the business environment, the natural environment, and the information society); however, it not differentiate between short-, medium- and long-term impacts. The process is unsystematic even in theory, and the reality is even weaker.

## Spain

- Score 3 RIA analyses in Spain are quite new, and the impulse for their use is currently focused on administrative simplification and better regulation programs. Thus, the Spanish RIA process does not formally include systematic sustainability checks on an exhaustive set of indicators (including social, economic, and environmental aspects of sustainability) that consider the short- to long-term effects of regulatory change.
- However, a piece of draft legislation on the reform of the Spanish general administrative procedure (which was under discussion at the end of 2014) included new sustainability-related improvements. Under the terms of this bill, the Government Office (Ministerio de la Presidencia, GO) would centralize the task of checking whether new bills prepared by the rest of ministries and agencies fulfilled various criteria from a procedural point of view (quality of the proposed regulation, congruence with other laws, participation of stakeholders, compliance with EU law),



but also, to some extent, from a substantive point of view. Thus, it would basically ensure that sufficient planning and effective RIA had been carried out by the sectoral ministry proposing the new legislation, and that an evaluation procedure was included. Despite this forthcoming improvement, Spain lacks a formal sustainability strategy other than the National Reform Plan and the Stability Program associated with European economic-governance obligations.

<http://www.minhap.gob.es/Documentacion/Publico/NormativaDoctrina/Proyectos/MVB14A01%20%20Texto%20Le y%20de%20Procedimiento%20Consejo%20de%20Ministros%2009%2001%2015.pdf>

## Turkey

**Score 3** The government has conducted several sustainability checks in the framework of regulatory impact assessments (RIA), such as on the Waste Electrical and Electronic Equipment (WEEE) Directive, the Habitat Directive or the Discharge Directive.

Still, the examples refer to internationally sponsored projects and do not point to a general administrative practice. Politicians and experts widely use the term “sustainability” as a policy slogan, but there is no formally adopted sustainability strategy in Turkey.

Başbakanlık, Bürokrasinin Azaltılması ve Kamu Hizmet Sunum Esaslarının Geliştirilmesi, DÜZENLEYİCİ ETKİ ANALİZİ RAPORU, Temmuz 2009, [www.riaturkey.org/doc/Burokrasinin\\_ azaltilmasi.doc](http://www.riaturkey.org/doc/Burokrasinin_azaltilmasi.doc) (accessed July 26, 2010)

## Hungary

**Score 2** The Hungarian parliament passed a National Sustainability Strategy only in March 2013. This strategy is a long document that surveys relevant international documents and provides some Hungarian applications, with a detailed table of proposed tasks at the end. However, there is only a small paragraph related to RIA in the document, and the Sustainability Strategy and RIA processes have not yet been coordinated. Sustainability checks are not an integral part of RIA. Moreover, the set of indicators used for RIA is limited, and long-term thinking tends to be lacking.

## Israel

**Score 2** The government has not started implementing regulatory impact assessments.

## Latvia

**Score 2** Annotations have no specific sustainability checks. For example, the issue of sustainability is not integrated into the annotations, impact indicators are not consistently used and there is no requirement to perform a short-, medium- or long-term analyzes. Some annotations do provide such information, but this is discretionary. New regulations on annotations, introduced in 2014, include a

regulatory impact assessment that requires a calculation of the administrative burden, such as the cost to business.

Latvia has not adopted a specific sustainability strategy. However, sustainability is integrated into the Latvia 2030 strategy. As draft policies are assessed for compatibility with this strategy, sustainability issues may be taken into consideration.

Citation:

Sustainable Development Strategy of Latvia until 2030, Available at: [http://www.latvija2030.lv/upload/latvija2030\\_en.pdf](http://www.latvija2030.lv/upload/latvija2030_en.pdf), Last assessed: 21.05.201

## Slovenia

**Score 2** Slovenia's RIA guidelines provide for relatively far-reaching sustainability checks. However, the specification of assessment criteria and the set of indicators to be used suffers from gaps, and the actual quality of RIA is very uneven. In some cases, there are only vague assessments; in others, comprehensive analytical work is done.

## Australia

**Score 1** Sustainability checks are not, at least explicitly, an integrated component of RIAs in Australia. There is no formally adopted sustainability strategy in Australia.

## Belgium

**Score 1** There is no formal regulatory impact assessment process in Belgium.

## Greece

**Score 1** Sustainability checks do not exist.

## Iceland

**Score 1** There is no tradition of regulatory impact assessments in Iceland. Therefore, sustainability checks are not relevant in this context.

This country report is part of the Sustainable Governance Indicators 2015 project.

© 2015 Bertelsmann Stiftung

Contact:

Bertelsmann Stiftung  
Carl-Bertelsmann-Straße 256  
33311 Gütersloh

Dr. Daniel Schraad-Tischler  
[daniel.schraad-tischler@bertelsmann-stiftung.de](mailto:daniel.schraad-tischler@bertelsmann-stiftung.de)

Dr. Christian Kroll  
[christian.kroll@bertelsmann-stiftung.de](mailto:christian.kroll@bertelsmann-stiftung.de)