

# Regulatory Impact Analysis

## Overview of international good practices



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# Regulatory inflation ? (I)



# Regulatory inflation ? (II)



# Main elements of the reform kit

## **Stock**

- Codification & consolidation
- SCM
- Staged repeal (guillotine)
- Review / sunset clauses
- Process re-engineering (e-Gvt)
- FOIA
- ...



## **Institution**

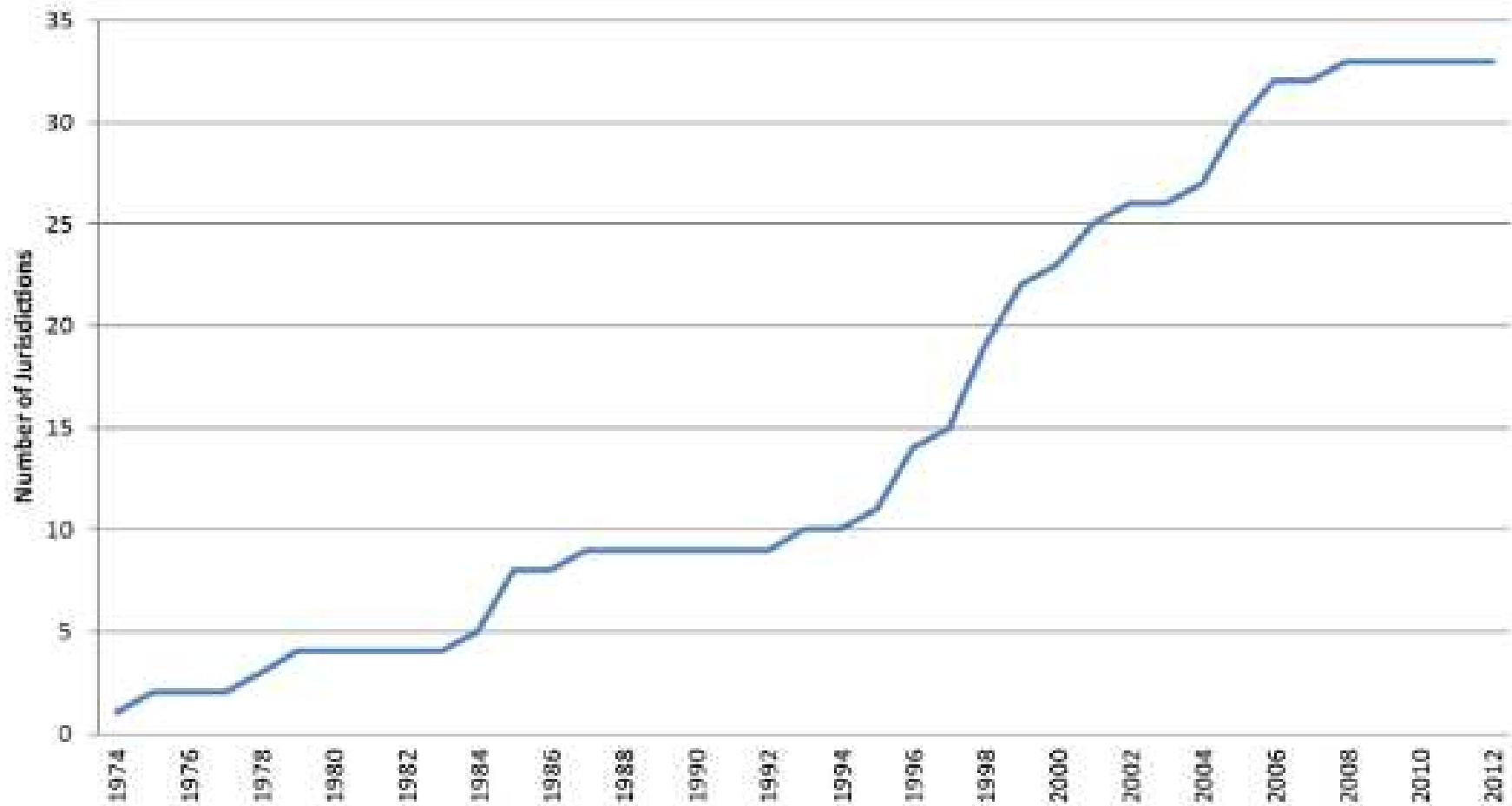
- Central oversight unit
- Network across gvt.
- S/hs (business) advisory councils
- Sectoral agencies
- Regulatory registries
- ...

## **Flow**

- FWD Planning
- RIA
- Public consultation
- Admin. Procedure law
- ...



# Adoption of RIA in OECD countries



Note: this represents the trend in the number of countries with a formal requirement for regulatory impact analysis (beyond a simple budget or fiscal impact).

# What rationale for introducing RIA?

(academic lit.)

- Enhancing empirical evidence and (econ.) efficiency  
*"speaking truth" to decision-makers* – McGarity (1991); West (1983)
- Political control and oversight (internal accountability)  
*mastering delegation* – Posner (2001); McCubbins (1987)
- New Public Management (external accountability)  
*opening up / streamlining decision-making* – Sunstein (1990;2002)
- Symbolism  
*"orchestrating" the discourse* – Radaelli (2010); Turnpenny (2009)

# Benefits from RIA

## Analytical tool

- helps “asking the right questions”
- options; Cost-Benefits-Effectiveness; trade-offs; synergies

## Communication tool

- informs decision-making
- enhances transparency, accountability, credibility, trust

## Learning tool

- sets basis for ex post evaluations
- helps thinking “outside the box”, horizontally
- contributes to policy coherence + integration
- stimulates innovative policy instruments

→ a “process” of guiding decision-making



# Evidence from intl. experience

- “RIA” means different things to different actors
  - the context matters: no “plug & play” model
  - a technical / technocratic AND also political tool
- impact of type of pol. governance (majority, coalition, ...)
- legal requirements vs. capacity + compliance gap

# Critical Success Factors

Dimension	CSF
RIA as a tool	(a) Integration of identified impacts and options
	(b) Quality of analysis
RIA as a process / system	(c) Procedural design and admin. capacity
	(d) Participation of S/Hs and role of other (inst.) actors

# Learning from good practices (I)

## 1. Political commitment and endorsement

- ✓ Legal basis for RIA
- ✓ Clear ministerial accountability
- ✓ RIA – reg. reform – PSI – overarching Gvt. goals

## 2. Mix centralised / de-centralised responsibilities

- ✓ Whole-of-government
- ✓ Operational responsibilities with the services
- ✓ Inter-dept. coordination
- ✓ Central quality oversight

## 3. Target and prioritise RIA efforts

- ✓ Wide but flexible scope of application of RIAs
  - triage / proportionate analysis / thresholds
- ✓ Encompassing analysis (policy integration; sectoral impacts)

# Learning from good practices (II)

## 4. Develop and steadily upgrade guidelines

- ✓ Mandatory , both on process and on technical aspects
- ✓ Examples and best practices

## 5. Carry out sound analyses

- ✓ Strategy for data collection and validation
- ✓ Consistent but flexible methodologies

## 6. Multiple quality control mechanism (oversight "function")

- ✓ Internal (IA units; inter-dept. coordination; working groups, ROB)
- ✓ External (publication; independent evaluations, ...)

## 7. Consultation / Publication

## 8. Training, training, training

## 9. Nurture the interface with Stakeholders

# Food for thoughts

For reformers, important to

- determine the overall purpose: “what is RIA for?”
- understand “logic” behind RIA / work on key mechanisms
  - accountability (control, openness, participation)
  - behaviour (learning, spill-over into policy-cycle)
  - management (coordination, certification, quality standards)
  - quality / performance indicators (quality control “function”)
  - external dimension (pressure, communication, “political economy of reform”)

# Do underlying conditions matter?

## European Commission

(2002- )

- external pressure
- macro-political “streams”
- control-competition btw. DGs
- SecGen in search of a role
- social legitimacy of tool
- development: comprehensive

## Germany

(2000- )

- internal drivers / corporativism
- autonomous ministries, NIMB
- weak centre
- inward-looking tool
- development: narrow (SCM; RCM)

# Developments in CEECs (\*)

## General background / starting point

- “Legislative instinct” (≠ evidence or performance-based policy cycle)
- Legal / procedural formalism (yet, rel. weak central steering & coordination function)
- Reg. quality focuses on legal drafting
- Siloed, inward-looking, closed PA
- Phase 1: adoption (1996-2000)  
Phase 2: modernisation, adaptation (2010)

(\*) Drawn from work by K. Staronova (2013)

# Away from formal adoption? (\* Staronova, 2013)

Aspects	Czech Republic	Estonia	Hungary	Slovakia	Slovenia
Policy on Better Regulation adopted	2005	2011	2008	2007	2005
Body responsible for Better regulation	Ministry of Interior (moved from Government Office in 2006)	Ministry of Justice + State Chancellory	Ministry of Justice	Ministry of Economy	Ministry of Public Administration
IA system adopted	1998 (January 2008 in effect)	1999	1994	2001	2004
IA system updated	2011	2012	2010	2008, in full adoption 2011	2009
Legislative Quality assurance review body	Legislative Council	State Chancellory, Ministry Justice, Parliament	PMO office, from 2010 MoPA&J	Legislative Council	Government Office for Legislation
IA overseeing body	Until 2006 Government Office, 2006-2010 MoInterior, from 2010 Government Office + From 2012 RIA Committee	From 2012 MoJustice	Ministry of Justice	since 2010 four supervising bodies	no
Strategic planning coordination	No	State Chancellory	no	No	The Government Office for Development and European Affairs
Special unit or analysts within ministry assisting with IA	Special department in Ministry of Interior	From 2012 each ministry	From 2011 ECOSTAT Gvt. Center for RIA	Since 2010 in 4 supervising ministries	no





# Away from formal adoption? (\* Staronova, 2013)

	Czech Republic	Estonia	Hungary	Slovakia	Slovenia
IA system adopted	1998 (January 2008 in effect)	1999	1994	2001	2004
IA Scope	All legislation for Government session	All legislation for parliamentary session	All legislation for Government session	All legislation for Government session	All legislation for Government session
IA guidelines, trainings	Prepared by Government Office in 2005 (pilot), not adopted	Prepared by State Chancellory in 2005, adopted	Prepared by Ministry of Justice in 2003-4, not adopted	no	Prepared by Ministry of Economy in 2006, not adopted
Legislative Quality assurance review body	Legislative Council	State Chancellory, Ministry Justice, Parliament	PMO office, from 2010 MoPA&J	Legislative Council	Government Office for Legislation
IA overseeing body	Until 2006 Government Office, 2006-2010 MoInterior,	no	MoJustice	no	no
Strategic planning coordination	No	State Chancellory	no	No	no
Special unit or analysts within ministry assisting with IA	Special department in Ministry of Interior	no	no	no	no

# Elements of modernisation (\* Staronova, 2013)

- Introduction of a 2-tier process
  - CZ: preliminary vs full RIA
  - SK: quick tests
  - HU: delegated complicated assessments
- (Stronger) supervisory organs anchored in RIA system
  - CZ: IA Committee
  - SK: several bodies (4)
  - HU, EE: one body (MinJ and MinPAJ, resp.)
- Development of guidelines with sophisticated methods
- Progressive links with strategic planning
  - incl. EU policy in SI
- Correlation with public consultation

**THANK YOU !**

**Happy to discuss**