

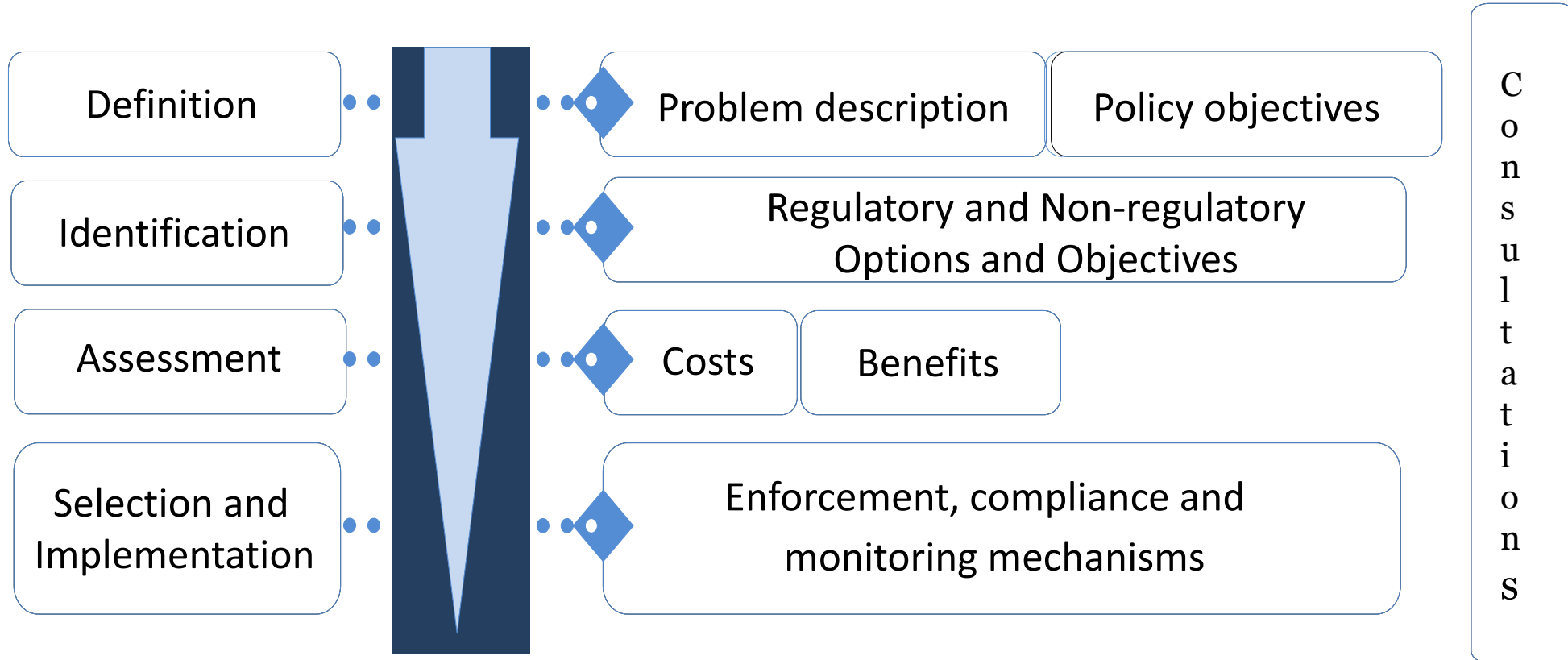


REGULATORY IMPACT ASSESSMENT – A TOOL FOR EVIDENCE- BASED POLICY MAKING

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Framework for Regulatory Impact Assessment





Why is RIA important?

- Control the quality of regulation – a step in improving competitiveness
- Evidence-based policy making: Is regulation the best available means to address the policy objective?
- Improves transparency – both within government and civil society
- Simple language can make it understandable for everyone and easily accessible



Consequences of no RIA

What happens when a regulation is developed based on wishful thinking?

- Regulation is not effective. The problem is not identified properly.
- The government tackles the problem in the wrong way.
- The regulation is contrary to other government objectives.
- Adverse and unexpected consequences.
- The regulation must be changed often as a result of poor design.
- Too many overlapping regulations and burdens on businesses and citizens.
- Etc....



Minimum requirements for RIA

- Always start at the inception of the regulation-making process;
- Clearly identify the problem and desired goals of the proposal;
- Identify and evaluate all potential alternative solutions;
- Always attempt to assess all potential costs and benefits, both direct and indirect;
- Be based on all available evidence and scientific expertise;
- Be elaborated in consultations with stakeholders and well communicated;
- Be proportionate to the significance of the regulation;
- Oversight is crucial



Risk-based licensing reform

Applying a risk assessment framework to define the public interest at risk and the effect of a potential incident on that.

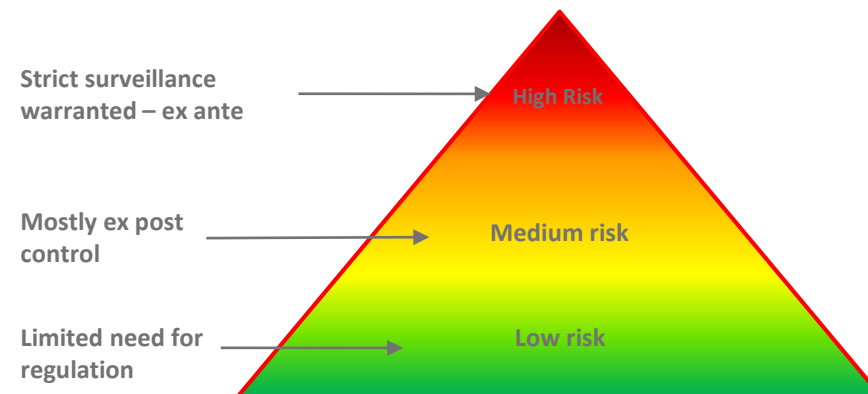
Potential classification in 3-4 licensing tools that will be applied based on the risk framework per activity:

1. No obligation for licensing/reporting
2. Self Declaration
3. Compliance by third party
4. Ex-Ante License

The target is to significantly limit the number of licenses required and let the vast majority of business practices with limited reporting

Building a risk matrix

		Likelihood of adverse event				
		Very low	Low	Medium	High	Very high
Potential severity and magnitude	High	Lower medium	Upper medium	Upper medium	High	High
	Upper medium	Lower medium	Lower medium	Upper medium	Upper medium	High
	Lower medium	Low	Lower medium	Lower medium	Upper medium	Upper medium
	Low	Low	Low	Lower medium	Lower medium	Upper medium





RIA and SMEs

- Costs of regulations usually disproportionately bigger for SMEs
- RIA helps to identify these costs...and potentially less costly solutions (SME Tests)
- RIA also helps to identify potential mitigating measures, exemptions, etc.
- RIA helps to focus on benefits for SMEs
- RIA helps to bring SMEs to the table



Reg. management and COVID

- Increased pressure on regulators and regulatory oversight bodies
- Flexible RIA procedures
 - Exemptions, simplified forms, no quantification, less burdensome techniques
 - Proportionality, documents still discussing impacts
- Need for post-implementation reviews or sun-set clauses
- Shift in purpose for regulatory management tools
- Stakeholder engagement much more challenging



Future Challenges for Regulatory Management

- Ability to develop new, timely responses to fast changing economic, technological and public health environments
- Need to ensure the resilience of the regulatory system and systematic use of regulatory management tools
- Governments may have to further adapt their RIA processes
- Greater use of behavioural insights
- Ensuring that regulators start preparing for ex post analysis at an early stage
- Risk management
- Importance of international regulatory cooperation
- Robust and adequately resourced regulatory oversight bodies



THANK YOU FOR YOUR ATTENTION!

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