Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

15-Apr-2004

English - Or. English

PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE

GOV/PGC/RD(2004)1
Unclassified

Regulatory Impact Analysis (RIA) Inventory

Note by the Secretariat

29th Session of the Committee
15-16 April 2004
International Energy Agency, Paris

For further information, please contact Kee-jo Chey, Tel: +33 1 45 24 80 34
Email: Kee-jo.Chey@oecd.org

JT00162171

English - Or. English

EXPLANATORY NOTE FOR A SURVEY OF RIA SYSTEMS IN OECD COUNTRIES

1. Regulatory Impact analysis is a tool to assess systematically the negative and positive impacts of proposed and existing regulations. Interest in RIA is strong and growing, including in developing countries. It is a strategic tool for regulatory management and reform, but it is not a panacea. The OECD Secretariat developed best practices on RIA in 1997 and also a set of good principles. Whilst these have helped many member countries to establish RIA systems, the implementation of regulatory reform calls for continued efforts to improve the capacity for high quality regulation. Ten years from now, the status and quality of RIA should be far better than today.

Getting maximum benefit from RIA: best practices

1. Maximize political commitment to RIA.
2. Allocate responsibilities for RIA program elements carefully.
3. Train the regulators.
4. Use a consistent but flexible analytical method.
5. Develop and implement data collection strategies.
6. Target RIA efforts.
7. Integrate RIA with the policy-making process, beginning as early as possible.
8. Communicate the results.
9. Involve the public extensively.
10. Apply RIA to existing as well as new regulation.

Source*:* OECD (1997), *Regulatory Impact Analysis. Best Practice in OECD Countries*, Paris.

2. Many government officials in charge of drafting and reviewing RIA are facing more practical problems, rather than conceptual or basic principles. Many member countries supported the RIA Inventory Project at the Working Party held on 23-24 September 2003. A primary objective of the RIA Inventory is to provide member countries with practical information on RIA. This paper is an explanatory note for the fact sheet **"Survey of RIA Systems in OECD Countries"**, which is a main result of the RIA Inventory. This paper compares key elements of RIA systems in OECD countries such as type of analysis, scope of coverage, public disclosure, quality control, cost-benefit analysis, social discount rate, risk assessment, effects on competition and market openness, and ex-post monitoring.

3. This paper should be reviewed by member countries, to check the fact sheet of their RIA systems. Replies have been received from 14 countries and the EU.

1. Type of Analysis and the Legal Basis of RIA

4. In theory, there are many types of impact analyses, such as cost-benefit analysis, cost-effectiveness analysis, cost assessment, benefit assessment and risk analysis. Cost-benefit analysis that counts the net benefit is the most desirable. In practice many countries do not adopt the rigorous cost-benefit analysis due to the difficulty of quantifying costs and benefits, and so have adopted a more flexible impact analysis system.

5. Many countries have a similar impact analysis system in terms of scope of coverage, quality control, cost-benefit analysis, and consideration of the effects on competition and market openness.

Although the names given to impact analysis systems differ, e.g. RIA (Regulatory Impact Analysis or Regulatory Impact Assessment), RIS (Regulatory Impact Statement), RIAS (Regulatory Impact Analysis Statement), the key elements of these systems are similar. The group of countries that adopt this style of RIA system includes: Australia, Canada, Denmark, Germany, Italy, Japan, Korea, Mexico, New Zealand, Norway, Poland, the United Kingdom, and the United States.

6. There are different types of RIA systems. Some are more focused on a special area, others are partially analysed, or have a simple checklist.

- The Netherlands adopts a Business Effects Analysis, which appears focused on the impacts arising from businesses.

- The Czech Republic adopted Analysis of Financial Impacts and Impacts on the Economy, which has expanded to cover other socio-economic impacts. Implementation of a formalised RIA into the law-making process is being prepared.

- France has General Impact Analysis with specific addresses of employment and fiscal impacts.

- Austria and Portugal have Fiscal Analysis, which focus on the direct budget costs for government administration.

- Finland has a wide range of partial impact analyses covering budget, economy, organisation and manpower, environment, society and health, regional policy and gender equity. These partial analyses are not integrated, and are carried out by various ministries.

- Belgium only carries out the risk assessment in case of health, safety and environmental regulations.

- Ireland, Spain and Sweden have a checklist on the impacts arsing from regulations.

7. The European Union has adopted the Integrated Impact Assessment since Jan. 2003. In the past, the EU had a system under which sector impact assessments were carried out by various departments of the EU. This was inefficient because various impact analyses, such as small businesses, consumer rights, employment, gender equality and environment, overlap in some way or contradict each other resulting in a more burden than integrated impact analysis. A considerable number of countries like Australia, Canada, Finland, Korea, Mexico, New Zealand, Norway, U.K and the U.S.A adopt RIA systems that cover multiple impacts including economic, social and environmental impacts.

8. A legal basis for an RIA system is a good indicator by which we can understand how well the RIA system can be implemented. The OECD countries adopt various legal forms such as a Law, Presidential Decree, Executive Order, Cabinet Directive, Guidelines of the Prime Minister, etc. These legal forms can be classified into four groups. It is believed that the higher the legal basis, the more powerful is its implementation. However, implementation also depends on historical background, administrative culture and the commitment of high level officials.

- Based on a law: the Czech Republic, Korea and Mexico

- Based on a presidential order: U.S.A

- Based on a prime ministerial decree or guidelines of the prime minister: Australia, Austria, France, Italy and Netherlands

- Based on a cabinet directive, cabinet decision, government resolution, policy directive, etc.: Canada, Denmark, Finland, Ireland, Japan, New Zealand, Norway, Poland, Germany, Portugal, Sweden and the United Kingdom

2. Scope of Coverage.

9. Drafting RIA is a sophisticated and time consuming exercise. It is therefore important to determine the circumstances when RIA is required. The scope for RIA may be limited to the primary laws that are made by the legislative, or may also include the subordinate regulations, such as presidential decree, directives and guidelines that the executive makes in order to implement primary laws. RIA is usually required in the case of newly introduced regulations or strengthened regulations. In some countries, RIA is also required in the case of reviewing existing regulation. RIA is rarely used at regional or local levels, with the exception of a few federal countries, such as Australia, where it is used widely at state level and Mexico, where it is also used in some states. Uneven coverage of RIA programs seriously reduces effectiveness. Given that laws and lower-level regulations can have similar impacts, there is no reason *a priori* to distinguish between them; hence, the differences seem to be related to institutional relationships and historical circumstances rather than to rational program design.

10. Most OECD countries require RIA for primary laws and subordinate regulations. Denmark require RIA only for primary laws. The Czech Republic and Ireland require RIA for primary laws and major subordinate regulations, the Netherlands for major laws and major subordinate regulations, Portugal for selected laws and subordinate regulations and Sweden for primary laws and subordinate regulations that might have an effect on small businesses.

11. Australia requires RIS for primary laws, subordinate regulations, international treaties and quasi-regulations that have an impact on business or competition. The impact on business arises in the following cases: (i) govern the entry or exit into or out of market, (ii) control prices or production levels, (iii) restrict the quality, level, or location of goods and services available, (iv) restrict advertising and promotional activities, (v) restrict price or type of input used in the production process, (vi) are likely to confer significant costs on business and may provide advantages to some firms over others. It is notable in the case of Australia that proposing ministries contact the Office of Regulation Review (Quality Control Body) early in the policy development process in order to decide whether RIS is required or not.

12. Canada has a particular scope of RIAS (Regulatory Impact Analysis Statement). Canada requires RIAS only in subordinate regulations. Memorandum to Cabinet (MC) similar to RIAS is required for primary laws and policies. It should be noted that adoption of primary laws typically involves consultation with stakeholders, discussion of policy proposals among government ministries with different mandates and discussion of the proposal by Cabinet and public debate in Parliament during the legislative process. Canada does not require RIA for primary laws because all of these elements promote the development of high quality legislation.

13. The United Kingdom requires RIA in primary laws and subordinate regulations which have a non-negligible impact on business, charities, and the voluntary sector. It is notable in the case of the UK that regulations affecting only the public sector are currently subject to a Policy Effects Framework (PEF) assessment. From 2004, however, they will also be brought within the RIA system.

14. RIA is a useful tool for the reviewing of regulations already in place, as well as new regulations. Many countries seem to require RIA in the case of strengthening existing regulations. However, RIA is not usually required for the reviewing of existing regulations, even thought the drafting of RIA of existing regulations is easier than that of new regulations because regulators already have data to be used for RIA. It is noteworthy that countries such as Australia, Canada, Germany, Netherlands, Switzerland and the United Kingdom also apply the RIA system to the reviewing of existing regulations.

3. Public Disclosure

15. A consultation process with interest groups, other ministries and civil groups is a necessary step in the regulatory formation process. RIA is a good tool for consultation because it has a wide range of information on costs and benefits. It is desirable for consultation purposes that RIA be publicly disclosed as early as possible. Many countries disclose their RIA for consultation, but some OECD countries disclose their RIA only after consultation or do not release at all.

16. The countries which disclose their RIA for consultation include Canada, Denmark, EU, Finland, Italy, Mexico, New Zealand, Norway, Poland, Sweden, Switzerland, the UK and the United States. Japan and Portugal disclose their RIA for consultation only in the case of major regulations or in selected cases. Australia, France, Iceland and the Netherlands disclose their RIA when regulations are submitted to their Parliament or the Council of Ministers. Italy circulates RIA to affected groups in draft form but does not publicly disclose for consultation. Other countries which do not disclose their RIA include, Austria, Hungary, Ireland, Korea, Spain and Turkey.

4. Quality Control

17. Quality control is needed to maintain good quality regulations. Quality control bodies perform various functions including consultation on the drafting RIA, technical assistance, reviewing the quality of RIA and reporting on ministerial compliance with RIA. The quality control body issues a guideline for drafting RIA in most cases. The relationship between the control body and regulating ministries is an important factor understanding a country's RIA system.

18. In Australia, Canada, EU, Hungary, Korea, Mexico, Sweden, UK and the USA, an independent control body can advise ministries to revise the drafted RIA. Preliminary RIA is required for all the proposed regulations in the EU and the quality control body of the EU select the major regulations which are required to draft an extended RIA. In the case of Australia, initiating regulatory agencies should contact the quality control body early in the policy development process in order to decide whether RIA is required or not.

19. Many other countries have an independent quality control body whose role is not as well defined as that of the above mentioned. These are: the Czech Republic, Italy, the Netherlands, Poland and Switzerland. Countries such as Austria, Denmark, Finland, Germany New Zealand and Norway do not have an independent quality control body. The quality control level may be compromised when RIA is controlled by the regulators themselves or by Ministries such as Finance, Justice, etc. In the case of France, Iceland, Ireland, Japan, Portugal, Spain and Turkey, there is no quality control body in place.

5. Cost-Benefit Analysis

20. Cost-benefit analysis is the most important and difficult part in RIA. Research has been carried out on how well the Cost-benefit analysis was carried out from 1982 to 1992 and 1996 to 1999 in the Environmental Protection Agency (EPA) of the United States [1]. The ratio of calculating net benefits is very low: 26% under the Reagan administration, 13% under the Bush (Senior) Administration and 39% under that of Clinton. This means that in most cases quantification of all costs and benefits is not carried out. This implies that adequate criteria to screen the cases which require a fully quantified RIA are needed.

21. The Office of Management and Budget (OMB) in the USA issued detailed guidelines on Cost-Benefit Analysis in an effort to cope with the difficulties often faced in the process of Cost-Benefit

[1] How have government Cost-Benefit Analyses Changed Over Time? Robert W. Hahn and Patrick M. Dudley, Dec. 2002

Analysis. Although the guidelines are not complete, it shows an alternative way of facing difficult cost/benefit analysis.[2]

- If monetization of the effects is impossible, explain why and present all available quantitative information along with the timing and likelihood of the effect.
- If quantification of the effect is difficult, present any relevant quantitative information along with a description of the unquantifiable effect, the timing and the likelihood.
- If monetizing of benefits is difficult, "Cost-Effectiveness Analysis" rather than Cost-Benefit Analysis can be used.
- If costs and benefits are not traded in the market, use willingness-to-pay measures to monetize the effects.
- If cost and benefit estimates depend heavily on certain assumptions, make those assumptions explicit and carry out analyses sensitively, using plausible alternative assumptions.

22. Cases on cost/benefit analysis are various. Some countries cover all the cost and benefits, while others cover selected costs and benefits, some countries require that benefits be greater than cost, while others not, some countries require quantification of all the costs and benefits while others require quantification only in the case of significant or selected regulations. An important factor in cost/benefit analysis is the criteria by which a regulation required to make a full quantification analysis is selected. Many advanced countries adopt this kind of threshold criteria as a strategy of targeting efforts on RIA.

- The EU adopts a two-step approach method. Preliminary RIA is required for all the proposed regulations and the quality control body selects the major regulations which are required to draft an extended RIA, including quantification of cost and benefits.
- In Canada, all significant regulatory proposals must undergo a cost/benefit analysis. A significant regulation is defined as one with a present value of cost greater than $50 million, or if it has a lower present value of costs and a low degree of public acceptance.
- In Korea, major regulations are required to make quantification of cost and benefit. A major regulation is defined as: (i) the annual cost affected by a regulation is more than 10 billion Won in a year; (ii) the number of regulated people is more than 1 million on a yearly basis; (iii) regulation that explicitly prohibits competition; or (iv) disproportionate or unreasonable regulation that does not fit well with international standards.
- In Mexico, there are three types of RIA: "High Impact RIA", "Ordinary RIA" and "Periodic regulation RIA". High impact regulations must provide detailed quantification of costs and benefits.
- In the USA quantification of cost and benefits is required for major regulations. Major regulations are defined as regulations that impose annual costs exceeding US$100 million, possibly impose major increases in costs for a specific sector or region, or have significant adverse effects on competition, employment, investment, productivity or innovation.

6. Social Discount Rate

23. A social discount rate is a key element in calculating cost and benefits because it is a discounting factor of future costs and benefits. In the European Union the discount rate is expressed in real terms,

[2] Guidelines to Standardise Measures of Costs and benefits and the Format of Accounting Statements, OMB, 2002. For more details, see the web page: http://www.whitehouse.gov/omb/memoranda/m00-08.pdf

taking account of inflation. This rate corresponds approximately to the average real yield on longer term government debt in the EU since the early 1980s[3].

24. In the United Kingdom, the discount rate is determined by three factors: (i) time preference of individuals; (ii) annual growth in per Capita consumption and (iii) elasticity of marginal utility of consumption[4]. The "HMT Green Book" published by the UK Government explaining in detail how to determine the discount rate.

25. The United States determines the discount rate based on the marginal pre-tax rate of return on an average investment in the private sector in recent years. This rate is usually the same rate as the interest rate on Treasury Notes and Bonds. Significant changes in this rate are updated by the OMB Circular which is updated around the time of the president's budget submission to Congress. The OMB Circular shows the nominal and real discount rate depending on the time period[5]. It is also recommended that the sensitivity analysis using other discount rates should be added, if the use of such an alternative rate can be justified.

7. Risk Assessment

26. One important analytical method in RIA is risk assessment, which allows regulators to understand more clearly the human and environmental risk arising from regulation. As more social and environmental regulations are subjected to RIA, questions of assessing and balancing risks are further complicating the question of appropriate analytical methods. Many countries adopt risk assessment in health, safety and environmental regulations, some in all cases, while others require it only for major regulations.

27. In Canada, regulatory authorities proposing new regulatory requirements or regulatory changes must have evidence that a problem has arisen, that government intervention is required and that new regulatory requirements are necessary. In addition, when health, safety and environmental risks are involved, regulatory authorities must consider whether the relative and absolute risks posed are such that intervention is required at this time. Australia, Belgium, Denmark, EU, Mexico, New Zealand, the United Kingdom and the U.S.A require risk assessment in all cases. Austria, the Czech Republic, France, Germany, Hungary, Norway, Iceland, Poland, Sweden and Switzerland require risk assessment only in selected cases. Some countries such as the Finland and Japan require risk assessment on environmental regulations in all cases, while only in selected cases in the area of health and safety.

8. Effects on Competition and Market Openness

28. The effect on competition and market openness of regulation is an important factor to be considered in RIA. The EU, Hungary and New Zealand require effects on competition and market openness to be considered, where relevant, for individual proposals. Many member countries including

---

3 How to assess impacts–Guidelines for Commission staff, the Strategic Planning and Programming Unit in the Secretariat General of the EU.

4 The formula is: $R = p + e \times g$, where R is the discount rate; p is time preference of individuals; e is elasticity of marginal utility of consumption; g is annual growth in per Capita consumption. For more details, see "HMT Green Book" in web address: http://greenbook.treasury.gov.uk/annex06.htm

5 The following are the rates to be used through January 2005 when making cost/benefit calculations:
The nominal interest rates are: 3-year (3.0%); 5-yearss (3.7%); 7-year (4.2%); 10-year (4.6%); and 30-year (5.5%).
The real interest rates are: 3-year (1.6%); 5-year (2.1%); 7-year (2.4%); 10-year (2.8%); and 30-year (3.5%).
See more details in the web page: http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html

Australia, Canada, Denmark, Finland, Germany, Iceland, Ireland, Italy, Korea, Mexico, Poland, Sweden, Turkey and the United Kingdom require the effect on competition and market openness in all cases. The Netherlands, Norway, Switzerland and the United States require these effects only in the case of major regulations. Austria, the Czech Republic, France, Japan and Portugal require the effects only in selected cases.

29. The United Kingdom has a very detailed guideline for effects on competition. The Office of Fair Trading prepared "Guidelines for competition assessment" in February 2002. According to the guideline, there are two steps in the competition assessment process. The first step is a competition filter that identifies regulations required to make a detailed competition assessment. If the number of the answer 'yes' to the nine filter questions is more than half, those regulations are required to make a detailed assessment[6]. The second step is carrying out a detailed assessment along the lines of :

- **Identifying the affected markets:** First, define more precisely which economic markets are affected by a regulation. These markets may follow Standard Industrial Classification definitions or may differ. It is important also to identify indirectly affected markets.
- **Understanding the current nature of competition:** Before investigating how a regulation will change competition, policy makers should understand how competition currently operates in the relevant markets. This involves exploring in more detail supply and demand factors, market outcomes, and the competitive process.
- **Identifying the impacts of the regulation:** Having understood how competition currently takes place in the affected markets, identify the supply and demand impact and market impacts of a regulation, and the direct and indirect impacts on the competitive process resulting from that regulation, for each policy option presented.

9. Ex-post Monitoring

30. The ex-ante analysis of a regulation is difficult. There are too many factors to be considered and many items are difficult to quantify. Although one of the important lessons about RIA is avoid using it as an ex-post justification of a regulation; government officials tend to use it in that way. This increases the importance of the ex-post monitoring which can feedback into ex-ante analysis. Ex-post monitoring is also a good way to prevent regulatory failure. Leading countries in this field are recently paying much attention to ex-post monitoring.

- In Australia, RIA should include implementation and review section. It should state how the recommended option will be monitored, with a view to its amendment or removal when circumstances change.
- In Canada, departments are required to use the *Manual on Review, Internal Audit and Evaluation*, to structure the review process and identify performance measurements in the evaluation of their application of the *Regulatory Policy*. Furthermore, the central body of Canadian regulatory reform has initiated a number of initiatives in recent years to achieve meaningful and relevant performance measurement and reporting of federal regulatory programs, responsive to transparency and accountability expectations of Canadians, Parliamentarians and the public sector.
- In Denmark, every year the government chooses approximately 15 new laws that must be reviewed 3 years after their introduction.

---

6 See "Guidelines for competition assessment" Feb. 2002, Office of Fair Trading, UK

Reference web page: http://www.oft.gov.uk/nr/rdonlyres/a7138977-6fe2-45de-be32- 3ab6e767664a/0/oft355.pdf

- In the EU, services are asked to provide detailed plans for monitoring and evaluation of proposals. New legislative proposals should consider review clauses, where appropriate, in particular in areas subject to rapid technological change.
- Germany has created a concept of retrospective RIA. The retrospective RIA is done when operational experience is available after implementation. The key questions of retrospective RIA are: Were regulatory objectives achieved? Should the regulation be revised or up-dated?
- In Hungary, the Act on Legislation states that regulatory bodies have to follow the realisation of regulations and must take the experience into consideration when preparing new laws or the program on legislation.
- In Mexico, ex-post evaluation of the quality of RIA is done internally by a central body of Mexican regulatory reform and data is shared with individual agencies. There is an internal "score card" for RIA that is used for monitoring RIA quality.
- Norway also requires ex-post evaluation at intervals of central government institutions and policy instruments, especially concerning the pre-supposed social effects. Environmental regulations have been evaluated ex-post a number of times.
- In the Swedish Checklist, one question refers to the follow-up of effects on small businesses caused by regulation.
- In the UK, each RIA must state how the effectiveness of the regulation is to be measured and when. In addition to internal evaluation by a central body of British regulatory reform, the independent National Audit Office considers a sample of RIA each year.

10. Other Information to Contribute to the Development of RIA Systems

31. Having a high level commitment to the RIA system is necessary for its successful implementation. In the case of the U.S.A, legislators use RIA to judge the quality of new laws and regulations. The United States' regulatory agencies are instructed not to publish regulations unless the RIA is attached. Canada, Mexico and the UK require a minister or deputy minister to sign RIA to demonstrate his/her responsibility on RIA.

32. The generally poor performance of OECD countries in implementing data collection strategies means that the data essential to conducting good analysis is often lacking, while *ad hoc* strategies for data collection often fail on grounds of both timeliness and cost. A particular problem is the failure to utilize fully the potential of consultation strategies as data sources and means of verifying data quality and the quality of assumptions.

33. It is worthy of note that Denmark's efforts in the area of data collection in cost-benefit analysis. Denmark set up the Business Test Panels to assess the burden of regulations with businesses. The Business Test Panels are used to request information on the administrative burdens of approved legislation. There are three panels consisting of 500 firms in each panel. Ministries have discretion about using the test panel procedure but most have used it for legislation having significant business impact. Denmark also has Focus Panels which are used to obtain information on the impact of bills, with effects only on specific sectors of the economy. However, experience has shown the precision of test panel data to be low and the system is largely seen as an "early warning system" for unanticipated major impacts[7]. The Model Enterprise Program has also been introduced to provide more statistically robust data. Model Enterprises consisting of representative businesses in the industry sector are used to measure actual administrative burdens on business. The identified burdens by Model Enterprises can be applied to similar regulatory proposals.

[7] Regulatory Policies in OECD Countries – From Interventionism to Regulatory Governance p. 131, Dec. 2002

SURVEY OF RIA SYSTEMS IN OECD COUNTRIES

Explanation of key Elements

1. Type of analysis, date begun, and required by refer to the following:

   - The kind of analysis, for example: Regulatory Impact Analysis, Regulatory Impact Assessment, Business Impact Analysis, General Impact Analysis, etc.
   - When was it started and developed?
   - Is the analysis required by a law, presidential decree, cabinet instruction, or guidance, etc.?

2. Scope of coverage refers to the following:

   - In which case is RIA required? For example:
     - In all the primary laws
     - In all the subordinate regulations
     - Only in major regulations
   - What is the definition of major regulations?
   - Is RIA required in the review of existing regulations?

3. Public disclosure refers to the following:

   - Is the RIA publicly disclosed for a consultation?
   - If not, when is it publicly disclosed?

4. Quality control refers to the following:

   - Is the quality of RIA controlled by a quality control organisation?
   - What is the function of the quality control body? And what is the relationship between the control body and ministries?
   - Does the control body issue a guideline?

5. Cost/Benefit Analysis refers to the following:

   - Quantification of cost/benefit is required in all the regulations or only in major regulations?
   - What is the definition of the major regulation?
   - Cost/Benefit covers all the costs/ benefits or selected costs/benefits?
   - What are the selected costs/benefits?
   - The benefit should justify the cost?
   - Are there any other alternatives than counting the net benefits?
   - When is sensitivity analysis done?

6. Social discount rate refers to the following:

   - How is the social discount rate determined?
   - Is the same discount rate applied to all the regulations?

7. Risk Assessment refers to the following:

- Is quantitative risk assessment done in all the cases or only in selected cases?
- What are the selected cases? Is there a guideline for risk analysis?

8. Effects on competition and market openness refer to the following:

- Are the effects on competition and market openness considered in all the cases or in selected cases?
- What are the selected cases?

9. Ex-post monitoring refers to the following:

- Is ex-post monitoring done on RIA?
- How is ex-post monitoring done?

10. RIA contact point refers to the following:

- Who is in charge of RIA?
- What is his/her e-mail address?

11. Other remarks refer to other useful information to be noted in relation with RIA.

1. AUSTRALIA

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• 1985 to 1997 Regulation Impact Statement (RIS) required in certain circumstances, required by Cabinet decision. • March 1997 RIS process strengthened and new guidelines were released in 1998. This RIS Guide may be updated in 2004. • The RIS takes a community-wide focus and covers economic, social and environmental impacts. RIS should also highlight impacts on small business and Ecologically Sustainable Development where appropriate. • All Australian States and Territories also have RIS systems.
2. Scope of coverage	• Primary laws, subordinate regulations, international treaties and quasi-regulations that have business or competition impacts. The Australian Government and inter-governmental regulatory forums make approximately 2000 regulations each year, with about 150 of these being subject to the RIS process. • Business impacts arise in the case that proposed regulations (1) govern the entry or exit into or out of market (2) control prices or production levels (3) restrict the quality, level, or location of goods and services available (4) restrict advertising and promotional activities (5) restrict price or type of inputs used in the production process (6)are likely to confer significant costs on business, or may provide advantages to some firms over others. • Reviews of existing regulations should adopt the RIS framework.
3. Public disclosure	• Federal Government RIS are not required for community consultation. Publication of such RIS is required for regulation that is tabled in the Australian Parliament and is encouraged in other cases. • For RIS applying to Ministerial Councils and national standard setting bodies, a draft RIS should be publicly available as part of the community consultation process.
4. Quality control	• For Australian Government, Ministerial Councils and National Standard Setting Bodies, RIS are reviewed by the Office of Regulation Review (ORR) which is part of the Productivity Commission. The Commission has statutory independence from the executive arm of government. • RIS Guidance issued via *A Guide to Regulation* (1998). • Proposing departments/agencies should contact the ORR early in the policy development process to decide whether a RIS is required. • One of the ORR's key roles is to ensure that the level of analysis in a RIS is commensurate with a regulation's potential impact on business and the broader community. This is part of the Government's policy of regulatory best practice. A key tenet of the policy is to ensure that regulation provides the greatest net benefit to the community, and that it is the most efficient and effective way of addressing a problem. • The RIS Guide and ORR training sessions are used to promote the RIS process and enhance cooperation with departments/agencies. When a RIS is being prepared, drafts of the RIS are exchanged between these bodies and the ORR. The ORR endorses a RIS once it meets the requirements of the RIS Guide. • If a RIS fails to meet the minimum requirements, the ORR will advise the department/agency and decision-maker accordingly. Other sanctions for RIS non-compliance include identification of non-compliance within the ORR's Annual Report, "Regulation and its Review". • Regulation review units within State and Territory governments provide RIS quality control in their respective jurisdictions.
5. Cost/Benefit analysis	• The RIS should show a net benefit to justify the preferred option. • Quantitative and qualitative information about impacts, benefits and costs of feasible options is required. The level of quantification of costs and benefits depends on the scale and scope of the impacts. • Data collection and analysis is undertaken on a case-by-case basis.
6. Social discount rate	• While no social discount rate is specified in the RIS Guide, the ORR recommends, where applicable, the social discount rate endorsed by the Australian Government Department of Finance and Administration.

7. Risk assessment	• Quantitative and qualitative risk assessment undertaken on a case-by-case basis. Risk assessment is included within RIS, where applicable. Risk assessment is outlined in *A Guide to Regulation*.
8. Effects on competition and market openness	• Likely effects on competition and market openness are considered in RISs in all cases.
9. Ex-post monitoring	• RIS should include implementation and review section. It should state how the recommended option will be monitored, with a view to its amendment or removal should circumstances change. • Ex-post monitoring is usually undertaken on a case-by-case basis.
10. Contact point	• Chris Toyne [ctoyne@pc.gov.au].
11. Other Remarks	• Australia has a separate RIS process for Australian Government taxation measures, focusing on implementation options. • RIS should include a subsection that assesses the impact on small business compliance costs and paper work burdens. • Where a proposed regulation has a direct bearing on export performance, a Trade Impact Assessment should be incorporated in RIS. • States/Territories have their own different and separate set of RIS requirements. • Australian Government RIS requirements are broadly consistent with the RIS requirements which apply to inter-governmental forums (such as Ministerial Councils and national standard setting bodies). However, for inter-governmental decision making forums a draft RIS is assessed by the ORR before being released for public consultation. The final RIS is assessed by the ORR to ensure it meets the RIS requirements. The RIS is then considered by the decision making body. • Regulatory Plans are part of the Government's strategy to improve regulation. These are prepared by departments/agencies and record their previous year's regulatory activity and their intentions for the year ahead. • Regulatory Performance Indicators are designed to facilitate an assessment of the effectiveness of regulation, including compliance costs. **(Useful web addresses)** ➢ This is the web site of the Australian Government Office of Regulation Review (ORR). You can get the information on the functions of the ORR, government policy on regulation, specific regulation reform initiative, etc. • http://www.pc.gov.au/orr/orrintro.html ➢ This is the web address in which you can find Guidelines for preparing Australian Government Regulation Impact Statements (RISs), and RIS check list. • http://www.pc.gov.au/orr/reports/guide/reguide2/index.html ➢ The COAG *Principles and Guidelines for National Standard Setting and Regulatory Action by Ministerial Councils and Standard-Setting Bodies* is available from: • http://www.dpmc.gov.au/publications.cfm

2. AUSTRIA

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Fiscal analysis is recommended in 1992, required by Federal Chancellery Guidelines
2. Scope of coverage	• Primary laws and subordinate regulations.
3. Public disclosure	• No
4. Quality control	• Responsibility of regulators. • Guidance issued.
5. Cost/Benefit analysis	• Quantification of cost: n.a. • Quantification of benefit is required in all cases. • Cost covers: n.a. • Benefit covers all benefits. • Benefit of new regulation should justify cost in selected cases.
6. Social discount rate	n.a.
7. Risk assessment	Quantitative risk assessment for health, safety, and environmental regulation is done in selected cases.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in selected cases.
9. Ex-post monitoring	• n.a.
10. Contact point	• n.a.
11. Other Remarks	

3. BELGIUM

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• No * Is there only risk assessment?
2. Scope of coverage	• No
3. Public disclosure	• No
4. Quality control	• No
5. Cost/Benefit analysis	• No
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in all cases.
8. Effects on competition and market openness	• No
9. Ex-post monitoring	• No
10. Contact point	• n.a.
11. Other Remarks	

4. CANADA

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Socio-economic Impact Analysis in 1978, required by Cabinet Directive. • Regulatory Impact Analysis in 1986, required by Treasury Board Policy, under authority of Financial Administration Act. • RIAS in 1999, required by Cabinet Directive – lead challenge function by Privy Council Office, as of 1999. • The *RIAS Writer's Guide* of 1992 states that "drafters should quantify estimates for impacts on inflation, employment, distribution of income, operating costs, international trade, including global competitiveness and direct benefits". Also, the guide requires that, "whenever there are possible environmental effects, drafter should summarize the results of an assessment of the environmental implications. • Further, the *1999 Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposal* provides clarification with regard to environmental assessment – it states that "the strategic environmental assessment should contribute to the development of policies, plans and programs on an equal basis with economic or social analysis; the level of effort in conducting the analysis of potential environmental effects should be commensurate with the level of anticipated environmental effects."
2. Scope of coverage	• RIAS is required only for subordinate regulations. Memorandum to Cabinet (MC) similar to RIAS is required for primary laws and policies. *MC constitutes the frame of analysis for primary laws or statutes, and, as such, they are secret documents for internal use of Cabinet and government officials only. The RIAS summarizes the analysis, effects and consultation required by the Regulatory Policy and forms the basis of the Government's decision making and public challenge regarding regulatory proposals. they provide a description of what the government is going to deliver, how Canadians have been consulted, and what they have said, hence the public nature of RIAS. * It should be noted that adoption of primary laws typically involves consultation with stakeholders, the discussion of policy proposals among government ministries with different mandates, discussion of the proposal by Cabinet, and public debate in Parliament during the legislative process. All of these elements promote the development of high quality legislation. RIAS is also applied to the review of existing regulations
3. Public disclosure	• All RIAS are published in draft form in Canada Gazette Part I and all final RIAS are published in the Canada Gazette Part II. • The Cabinet Directive on Law-Making makes provisions for consultations with affected parties. By tradition, draft bills have been treated with strict confidence before they were introduced in Parliament. However, in keeping with the Government's commitment to openness and consultation, sponsoring Ministers may wish to consult on the basis of draft bills. This consultation is intended to ensure that bills take into account the views of those concerned and it must not pre-empt Parliament's role in passing bills. • Planned regulatory agendas found in departmental and agency annual reports on plans and priorities are tabled in Parliament, as well as on departmental and agency web sites and non-govt sources such as trade and professional publications • Primary legislation is made publicly available through the Parliamentary process and through parliamentary website.
4. Quality control	• Regulatory Affairs and Orders in Council Secretariat (RAOICS) of the Privy Council Office of Canada provides ministries with advice, assistance and can ask them to revise RIAS. RAOICS, assumes, as part of its central regulatory agency review role, a challenge function of regulatory proposal sponsored by departments. • Guidance Issued on all aspects of regulation-making, including specifically on the Regulatory Policy, the Regulatory Process Management Standards and the *RIAS Writer's Guide* - refer to http://www.pco-bcp.gc.ca/raoics-srdc

5. Cost/Benefit analysis	• All significant regulatory proposals must undergo a cost/benefit analysis. This is used to assess the gains and losses resulting from a set of alternative regulatory and non-regulatory actions to help decide whether any of the actions should be undertaken. In carrying out the analysis, four questions must be addressed: (1) What will change as the result of the introduction and operation of each proposed action? (2) What is the estimated value of the benefits that will come about as a result of each proposed action, and who will obtain them? (3) What are the estimated costs of each proposed action, and who will pay them? (4) Given the estimated benefits and costs, should any of the proposed actions be undertaken and, if so, which one? *A significant regulation is defined as one with a present value of costs greater than $50 million or it has a low degree of public acceptance even if the cost is less than $50 million. • The impact assessment should clearly assess: (i) the economic, social, environmental and health impacts of the proposal on Canadian society; (ii) distributional impacts (fairness and equity implications) of the proposal. For example, will the proposal have a disproportionate impact on an industrial sector, area or identifiable social group? (iii) impacts that may affect a region, business and trade, and competitiveness. For example, will a proposal impede competition or promote it? Business Impact Test may be appropriate for regulations that affect business. • The Privy Council Office (PCO) provides guidance documents on measurements. Such documents include a *RIAS Drafter's Guide*, a Guide for Business Impact Testing (BIT), and a Cost-Benefit Guide for Regulatory Programs. * The BIT, as well as the Cost-Benefit Guide, offers a framework for regulators to measure the impact of regulatory proposals on affected businesses. As such, this instrument provides for guidelines on how to survey the potentially-affected industry.
6. Social discount rate	• Departments are encouraged to follow Treasury Board Secretariat's (TBS) guidelines on benefit-cost analysis. For long-term time horizons, TBS suggests using specialists to estimate discount rates and the suggested social discount rate is described as robust around 10%, with a range from 7.5 to 12%. A review of practices in Canada in 2002 suggests that practices in applying social discount rates in Canada are similar to practices in OECD and the US – generally, financial investment analyses use 7.5 to 12% discount rates whereas health/ environment studies use lower discount rates than the suggested 10%. Very short-term impact analyses, where discount rate would have little impact, may not be discounted at all.
7. Risk assessment	• For health, safety, and environmental regulations, regulatory authorities should demonstrate that relative and absolute risks posed are such that intervention is required. • Risk assessment is an intrinsic part in the consideration of alternatives required by a RIAS analysis before arriving at the proposed regulatory direction. The Cost-Benefit Guide for Regulatory Programs- 1995 provides additional guidance for risk assessment.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases.

9. Ex-post monitoring	• Departments are required to use the *Manual on Review, Internal Audit and Evaluation*, Part 1, to structure the review process and identify performance measurements in the evaluation of their application of the *Regulatory Policy*. • Further, RAOIC has initiated in recent years a number of initiatives to achieve meaningful and relevant performance measurement and reporting of federal regulatory programs, responsive to transparency and accountability expectations of Canadians, Parliamentarians and the public sector. • A study on RIA-RIAS in 2000 assessed the element of instilling discipline in analysis and affecting decision making by providing certain types of information. The study concluded, overall, that the RIA and RIAS requirements have changed the decision-making process; more attention is paid to alternatives and costs and benefits than appeared to exist when the requirements were instituted fifteen years ago; and, officials were sensitive to RIA requirements and departments had systems in place to consider regulatory options and costs and benefits.
10. Contact point	• Jody Aylard : jaylard@pco-bcp.gc.ca • Hélène Quesnel : hquesnel@pco-bcp.gc.ca
11. Other Remarks	• Ministers are accountable for the analysis and sign RIAS. • With respect to primary laws, the Government issued a Directive entitled "Cabinet Directive on Law-making" in March 1999, replacing an earlier Directive from 1981. • With respect to subordinate regulation, the most recent substantive changes to the Regulatory Policy were made in 1995, although this was later updated and reconfirmed by Cabinet in November 1999. • There is no specific formal requirement for different levels of government to co-operate in drafting RIAS, however collaboration in designing and consulting on inter-jurisdictional regulatory proposals is encouraged and in some instances formalised . **(Useful web addresses)** ➢ This is the web site of the main regulatory reform organisation in Canada. You can find the information such as the role of the body, departmental regulatory review, and parliamentary regulatory review. • http://www.pco-bcp.gc.ca/raoics-srdc ➢ In this web site there are links to the Cabinet Direction on Law-making, to the Guide to the Making of Federal Acts and Regulations and also international regulatory reform links such as Australia, European Union, Mexico, UK, and U.S.A. • http://www.pco-bcp.gc.ca/raoics-srdc/default.asp?Language=E&Page=links ➢ This is web page where you can find a Directive entitled "Cabinet Directive on Law-making" • http://www.pco-bcp.gc.ca/legislation/directive_e.htm ➢ This is the web page where you can find the most recent substantive changes to the Regulatory Policy of Canada. • http://www.pco-bcp.gc.ca/raoics-srdc/reg-pol/reg-pol_e.htm ➢ This is the web address where you can find RIA cases of Canadian meat regulations • http://www.inspection.gc.ca/english/reg/appro/2001/93014ria_e.shtml ➢ The web page address for the different regulatory guides offered to Canadian regulators is: • http://www.pco-bcp.gc.ca/raoics-srdc/default.asp?Language=E&Page=Publications&Sub=Current

5. CZECH REPUBLIC

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• The analysis of potential financial impacts especially on the State Budget has been required by the Legislative Rules of the Government (Government Decree No. 188 of 19th March 1998 as amended) since the Czechoslovak era. • Since the amendment of the Legislative Rules in 2002, the "analysis of economic and financial impact on State Budget, other public budgets, economic subjects, especially SMEs and social and environmental impacts" is required. • Implementation of a formalised RIA into the law-making process is currently under preparation as a part of the Central State Administration Reform.
2. Scope of coverage	• All primary laws including their "substantial intents" and Government decrees. Partial impact analysis is done in case of some major subordinate regulations in particular areas, however, this is not systematic.
3. Public disclosure	• As the analysis is a part of the substantial intent and the justification report (in case of a draft law) respectively, it is available to the public. However, it is not published systematically as a part of the regulation.
4. Quality control	• Legislative Council of the Government as the Government's advisory body formed by civil servants, academics and other experts is responsible for the control of the quality of legislative proposals (including the accompanying documents) and their accordance with the Legislative Rules. The new plan for implementation of RIA counts with creation of a specialised body responsible for impact analysis quality check. • The guidance is currently being prepared as a part of RIA implementation.
5. Cost/Benefit analysis	• Quantification of cost and benefits is required in all cases, concrete methodology is left to particular ministries' discretion. • Unified methodology is currently being prepared. • Cost/benefits cover all costs and benefits mentioned in the Legislative Rules of Government. • Benefit of new regulation should justify cost in all cases.
6. Social discount rate	• No common guidance is given concerning the discount rate.
7. Risk assessment	• Quantitative risk assessment for health and safety regulation is done in cases of regulations which may have such impact. • Quantitative risk assessment for environmental regulation is done in cases of regulations which may have environmental impacts. Separate guidelines exist for Environment Impact Analysis.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered by the Office for Protection of Economic Competition before submitting to the Government in those cases of primary laws and government decrees, where regulation has or could have potential impact on competition and market openness.
9. Ex-post monitoring	• Impact assessment is not systematically evaluated or monitored. This should be also a part of RIA implementation.
10. Contact point	• The Office of the Government, Department for Regulatory Reform and Central State Administration Reform, Mr. Daniel Trnka (trnka@vlada.cz, sor@vlada.cz) http://wtd.vlada.cz/urad/urad_reformaregulace.htm
11. Other Remarks	

6. DENMARK

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• There has been a long tradition of evaluating the economic and administrative impacts on the public sector before the introduction of RIA. • RIA, 1966, required by the Prime Minister's Office. It evaluates the economic and administrative impacts on the public sector, and the administrative consequences for the citizens and companies in general. • RIA, 1993, required by the Prime Minister's Office. In addition to the above, also covering the environmental effects and the economic impacts on companies. • RIA, 1995, required by the Prime Minister's Office. In addition to the above, also covering the relationship to the EU-regulation. • RIA in 1998, required by the Prime Minister's Office, covers the administrative impacts on companies. If there are other relevant impacts such as regional and equal opportunity effects, they are detailed as well.
2. Scope of coverage	• All primary laws. RIA is not applied on secondary regulations, however, from 1st of January 2004 all secondary legislation on business has to be tested in a Business Test Panel. • RIA is not applied to the review of existing regulations.
3. Public disclosure	• All RIA are required to be released for public consultation.
4. Quality control	• The quality control of RIA is primarily done by the Ministry of Finance, which must approve the expected consequences on the public sector, before any bill can be presented to the Parliament. The Ministry of Economic and Business Affairs, and the Ministry of Environment are consulted with respect to their areas of responsibility. • Manuals are issued on how to measure the environmental effects and the economic and administrative impacts on the companies.
5. Cost/Benefit analysis	• Cost/Benefit analysis is required only with respect to regulations that include major public construction projects. The results of this analysis are used as inputs in the RIA. • Benefits of new regulation need not be equivalent to or more than the estimated costs.
6. Social discount rate	• The Danish discount rate is set to 6 percent (cf. the Danish manual to social economic analysis). • The discount rate is thought to be in a reasonable interval of the theoretical concept: consumer's time preference (approx. to the interest rates the consumers must pay after taxes) and of the alternative payoffs of the capital. However it is recommended that the risk assessment also includes other discount rates to show the strength of the estimated results. • Projects that are financed through public taxes are also estimated to have a 20 percent tax wrench on the net cost.
7. Risk assessment	• Risk assessment is not an integrated part of the Danish RIA. However, a risk assessment is required when there is an obligation to make a Cost-benefit-analysis. • The guidelines for making a risk assessment can be found in the Danish manual to social economic analysis: http://www.fm.dk/1024/visPublikationesForside.asp?artikelID=2628
8. Effects on competition and market openness	• The effects on competition and market openness is an integrated issue in the analysis of the economic impacts on the companies. • Manual on economic impacts on the companies (only in Danish): http://www.eogs.dk/graphics/AdmLet/Publikationer/Okomanual.pdf http://www.moderniseringsprogram.dk/visLinks.asp?artikelID=4854&kategoriID=59

9. Ex-post monitoring	• Every year the government chooses approximately 15 new laws that must be reviewed 3 years after their introduction. However the review does not require a strict use of RIA.
10. Contact point	• JHK@fm.dk
11. Other Remarks	• Another type of quality control of new regulation is done by the Ministry of Economic and Business Affairs in its annual report to Parliament on the impact on business of legislation adopted in the previous year. The business organisations are consulted on the contents of the report on an annual basis. • Examples of the report (in Danish) can be seen on the following link: http://www.eogs.dk/sw670.asp • In its annual report to Parliament Government summarises the aggregate regulatory costs of new legislation adopted during the previous year. • The Impacts in the report are reported in four categories: administrative consequences on business, direct costs on the business community (e.g. Act affecting state revenue), secondary costs on the business community (other immediate effects on business that do not directly influence the public budget), and long term impacts on structural competitiveness. Only the first two types of impacts are generally quantified. • Business Panel are used to involve enterprises in the assessment of the administrative consequences of new legislation and ministerial acts. This will also encompass all secondary regulations on businesses from the 1st of January 2004. Three methods are used: ▪ Test Panels consist of 500 enterprises each that broadly represent the Danish business community. There are three standing panel. Test Panels are suitable for assessing new regulations that will affect all types of enterprises. ▪ Focus Panel typically consist of 100 enterprises and are put together specifically for the legislation og ministerial order in question. Focus Panels are suitable for industry-specific legislation or specific types of enterprises. ▪ Test Groups consist of a small number of affected enterprises, the promulgating authority and possibly experts, e.g. accountants. Unlike the other two methods, a Test Group takes part in a meeting at which proposals for new legislation are discussed. The advantage of Test Groups is the ability to contribute to complex legislation. • Results and reports (in Danish) from different business panels can be found on the following web-page according to the Parliamentary year: http://www.eogs.dk/sw482.asp • The Model Companies is a method used to measure the development in administrative burdens on business. This is done in consultation with 1000 enterprises, who are interviewed about the time spend and the costs they incur in connection with administering state regulation. The overall administrative burdens on business are also calculated. In addition to measuring the actual administrative burdens, the project can also help identify the reasons for it. • Reports and results (in Danish) from the Model Companies can be found on this site: http://www.eogs.dk/sw671.asp • As something new the government will set up specific reduction targets for each ministry and yearly follow up on the ministries' efforts to meet their target. Every year until 2010 yearly targets will be published in order to reach an overall reduction target onto 25% in 2010. • This is the site where the Danish Division for Better Regulation on Business can be found. On this site you will find information on the way the Division works with reducing administrative burdens and better regulation on business through i.e. use of the business test panels, Model Companies and the specific reduction targets: http://www.eogs.dk/sw184.asp •

	(Useful website addresses) ➢ This is the site where the Danish regulatory reform office can be found. On this site you will also find information about the role of the office, publications from the office, and descriptions of the present projects in reforming the existing regulation: • http://www.moderniseringsprogram.dk/visArtikel.asp?artikelId=5019 ➢ This website also has links to international regulatory reform sites such as European Union, Australia, Sweden, UK, Ireland and U.S.A: • http://www.moderniseringsprogram.dk/visArtikel.asp?artikelId=5320 ➢ On this site you can find the Prime ministers office Directive on Law-making, The Ministry of Justice manual on how to secure good quality in the regulatory process. Here you can also find all the existing manuals: • http://www.moderniseringsprogram.dk/visLinks.asp?artikelID=4854&kategoriID=59 •

7. EUROPEAN UNION

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Requirements by the European Commission for a Business Impact Assessment (Fiche d'impact) on new legislation since 1986 together with ex-ante budgetary evaluations. • Other sectoral Impact Assessments developed during the 1990's for legislative proposals in the areas of environment, health and consumer protection, gender and trade. • As from 2003, a general impact assessment procedure is introduced (replacing all previous single sector assessments) for an integrated Impact Assessment on all major Commission proposals covering economic, social and environment impacts as well as a regulatory strand examining the principles of subsidiarity and proportionality and the choice of instrument. The new procedures are based on common guidelines for all Commission services.
2. Scope of coverage	• Major regulatory and/or non-regulatory proposals with significant economic, social and / or environmental impacts. • Proposals with a significant impact on major interested parties • Proposals that constitute a new policy, policy reform and/or significant change to existing policy • Proposals that involve major regulatory issues (subsidiarity/proportionality/choice of regulatory instrument) • The new procedure does not apply to Community decisions that derive from the executive powers of the European Commission, e.g. adoption of EU funded projects, decisions in application of EC competition law, etc.
3. Public disclosure	• Preliminary Impact Assessments for proposals included in the European Commission's work plan are made public every year with the adoption of the Commission's Legislative and Work Programme. • All Extended Impact Assessments are attached to the proposals formally adopted by the Commission, destined to the legislator (European Council and European Parliament) and the public at large. • Stakeholder consultation is an integral part of the extended Impact Assessment process.
4. Quality control	• Monitoring and guidance over process is ensured by the Strategic Planning and Co-ordination Unit in the Secretariat General, which supervises and coordinates the European Commission's agenda planning. • This Unit also sets the Commission's agenda and can refuse to put forward a proposal on the grounds that an Impact Assessment has not been carried out or is of inadequate quality but is likely to do so in exceptional cases only. However, it supervises the selection process of proposals to be submitted to Extended Impact Assessment and takes part in the ad hoc inter-departmental steering committees supervising such exercises. • It also issues guidelines and gives opinions during the inter-service consultation process, before adoption by the Commission. In this context, it has blocked proposals on the grounds that their impact assessment was not satisfactory. It is supported in this exercise by inter-service networks. Moreover, individual Directorates-General are often involved in each other's impact assessment work and/or give opinions in the inter-service consultations, also providing an internal quality check. • No formal sanctions are foreseen as the approval of the content of the impact assessments is left at the political decision of the College of Commissioners. However, non compliance with the requirement to produce an impact assessment may be sanctioned by a refusal of the College to examine the proposal. In future, the other Institutions may also increasingly demand that proposals are accompanied by an impact assessment.
5. Cost/Benefit analysis	• No single impact assessment method is prescribed, allowing the choice of methodology to be made on a case by case basis, considering the proposal and specific issues at hand. In all cases, all relevant positive and negative impacts should be analysed and described in qualitative, quantitative and/or monetary terms, where appropriate

6. Social discount rate	• The discount rate is expressed in real terms (4.5%), taking account of inflation. • This rate approximately corresponds to the average real yield on longer term government debt in the EU over a period since the early 1980s.
7. Risk assessment	• Risk identification and assessment is part of the impact assessment process where relevant, in particular on health, safety and environmental proposals. • Basic guidelines are available on the collection and use of expertise.
8. Effects on competition and market openness	• Impact Analyses notably concern European Commission's legislative proposals related to the completion and functioning of the EU's Internal Market where competition and market access are fundamental issues often requiring regulatory harmonisation. • Likely effects on competition and market openness are to be considered where relevant for individual proposals within the Extended Impact Assessments.
9. Ex-post monitoring	• Services are asked to provide detailed plans for monitoring and evaluation of the proposals • Ex-post evaluation of programmes, policies and selected Internal Market legislation (e.g. SLIM programme) is current practice since the 1990's • New legislative proposals should consider review clauses, where appropriate, in particular in areas subject to rapid technological change • Since 2002, on-going programme on 'updating and simplifying community legislation'.
10. Contact points	• European Commission, Secretariat General, Unit C.1, Strategic Planning and Coordination (Michel.Servoz@cec.eu.int) • European Commission, DG Enterprise, Unit G1, Better regulation and Impact Assessment sector.(manuel-maria.santiago-dos-santos@cec.eu.int)
11. Other Remarks	• The integrated Impact Assessment process is based on a two step approach. • Preliminary Impact Assessments are required for all proposals to be included in the Commission's Work and Legislative Programme one year before adoption. • From the list of Preliminary Impact Assessments, major proposals are selected for Extended Impact Assessment. • Completion of Impact Assessments fall under the responsibilities of the drafting departments • Certain Extended Impact Assessments with a particular cross-sectoral focus are monitored by an inter-departmental steering group under the supervision of the central unit of the Secretariat General ➢ For more details guidelines, Commission's procedures and examples see • http://europa.eu.int/comm/governance • http://europa.eu.int/comm/sustainable/pages/impact_en.htm • http://europa.eu.int/comm/enterprise/regulation/better_regulation/index.htm

8. FINLAND

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• General impact analysis, distributional, and fiscal analysis, including impacts on municipalities in mid-1970s • Expanded in 1990, a wide range of impact assessments on such as budget, economy, environment, social and health, regional policy are done by Cabinet Instructions. *There is no integrated RIA. Fragmented impact analyses are done by various ministries.
2. Scope of coverage	• All primary laws and subordinate regulations. * The impact assessment does not apply to review of existing regulations.
3. Public disclosure	• All impact assessments are required to be publicly released for consultation.
4. Quality control	• Mainly responsibility of regulators. *Bureau of Legislative Inspection and Ministry of Finance exert limited and specific controls, but there is no central quality control body. • Various ministries issue the guidance on their respective fields of activity. Guidance is brought together in the Institutions on Drafting of Government Proposals.
5. Cost/Benefit analysis	• No particular methodology is laid down. • No minimum standards.
6. Social discount rate	• No
7. Risk assessment	• Quantitative risk assessment for environmental regulation is done in all cases. • Quantitative risk assessment for health and safety regulation is done in major regulations.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases.
9. Ex-post monitoring	• Ex-post monitoring is the responsibility of each ministry .
10. Contact point	• Kirsi.kuuttiniemi@om.fi
11. Other Remarks	• Most officials agree that RIA has so far had little impact on the shape of regulations, but there is also concern that a stronger approach to RIA could generate red tape and slow-down of policy making. • No political pressure and no sanctions to enforce RIA requirements.

9. FRANCE

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• General Impact Analysis with specific addresses of employment impacts, fiscal impacts in 1996 (one year trial basis) required by Prime Ministerial Decree.
2. Scope of coverage	• GIA is required for all legislation and decrees in Council of State, being based on the legal importance (French country review page 41)
3. Public disclosure	• GIA is made public, but only at the end when it is submitted to the Council of Ministers, which in fact prevents any involvement of the public beforehand.
4. Quality control	• No * The General Secretariat of the Government checks that GIA is attached, but does not control the quality.
5. Cost/Benefit analysis	• Quantification of cost is required in major regulations. • Quantification of benefit is required in major regulations. • Cost covers all costs. • Benefit covers all benefits. • Benefit of new regulation should justify cost in major regulations.
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in major regulations.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in selected cases.
9. Ex-post monitoring	• n.a.
10. Contact point	• n.a.
11. Other Remarks	

10. GERMANY

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Cost/Benefit analysis and budget cost analysis suggested by "Blue Checklist" in 1984; expanded in 1989. • Stronger requirement for calculation of effects on business & administration since 1996, required by Government Resolutions. • Since 2000: New RIA system, based on the revised Joint Rules of Procedure for federal ministries. • RIA cover the impacts of a law, its intended effects and unintended side effects; especially: the costs of industry and small and medium-sized enterprises in particular; effects on government expenditure; impacts of the law on unit prices, price levels in general as well as the effects on the consumers. • For practical application, a RIA Handbook and RIA Guidelines were prepared to specify RIA methods. • The Regional Governments do have their own RIA systems.
2. Scope of coverage	• Primary laws and subordinate regulations. • The RIA process can be applied to the review of existing regulations
3. Public disclosure	• The Joint Rules of Procedure requires all draft regulations to be accompanied by a summary of RIA in the explanatory memorandum. However, consultation documents rarely have RIA.
4. Quality control	• In general, each ministry is in charge of the quality of its RIA. • Instead of an integrated quality control organisation, some federal ministries are in charge of supervising specific parts of the RIA: Ministry of Interior Affairs (with testing compliance with Joint Rules), Ministry of Finance (with impacts on Federal budget), Ministry of Economics (with business and price impacts), Ministry of Justice (with constitutionality and technical quality). • The ministries offer guidance and have developed guidelines, i.e. the RIA Handbook.
5. Cost/Benefit analysis	• Quantification of costs is required in all cases. • Cost covers selected costs: e.g. costs of industry and small and medium-sized enterprises in particular; cost for public budget for Federal and Länder level. • Benefit of new regulations is not obligatory required to justify cost. • The RIA handbook covers a variety of methods how to collect and calculate costs.
6. Social discount rate	• Discount rates are applied when formal cost-benefit analysis are undertaken. The RIA Handbook offers methodological assistance.
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in selected cases, however not as an integrated part of RIA.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases.
9. Ex-post monitoring	• As part of the RIA, it has to be explained whether regulations can be limited as to time. If a time limitation is included, an additional 'evaluation clause' might be installed which assesses the effects and impacts of the law. • Germany created a concept of retrospective RIA. The retrospective RIA is done when operational experience is available after implementation. The key questions of the retrospective RIA are: Were regulatory objectives achieved? Should the regulation be revised or up-dated?
10. Contact point	• Federal Ministry of the Interior, Section O 2, Simplification of Law and Reduction of Bureaucracy (O2@bmi.bund.de)

11. Other Remarks	Germany has developed three concepts of RIA according to different stages of the regulatory process. They are outlined in the RIA Handbook and RIA Guidelines and are closely linked to the obligations defined in the Joint Rules of Procedure: (1) Preliminary RIA: The objective is to test if regulation is necessary, to identify and compare alternatives. It is done in the very early step of regulation development. Key questions are: Which regulatory option can best support the regulatory objectives? What effects can be expected? When and for whom? List of regulatory option includes "not to regulate". (2) Concurrent RIA: The objective is to test and examine draft regulations. It is done in drafting stage. The key questions are: Do the planned regulatory measures match and suit the regulates and the regulatory context? Can expected costs be reduced and benefits increased? (3) Retrospective RIA: The objective is to monitor the implementation. It is done when operational experience is available after implementation. The key questions are: Were regulatory objectives achieved? Should the regulation be revised or up-dated? www.staat-modern.de

11. GREECE

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Fiscal Analysis is required by constitutional provisions. Selective Environmental Impact Analyses have been conducted for big public and private projects or investments by number of ministries since 1990. • Impact Analysis is done in two steps. Each ministry that drafts a new law has to accompany the draft with a preamble (justification report) as well as a financial report (budgetary impact report). At the next stage, the draft of law goes to the General Accounts Office, where the law is studied anew and the estimated costs are cross examined in greater depth. The Parliament does not discuss a proposed bill without its impact analysis. • RIA is not standardised yet through unified instructions to all state regulators. A systematic effort to pursue a systematic impact assessment is given by the independent regulators such as RAE (Regulatory Authority for Energy) and EETT (National Telecommunications and Post Commission).
2. Scope of coverage	• Primary laws and subordinate regulations
3. Public disclosure	• Even if the public disclosure is not required, many ministries have started publicising their draft bills at their web sites.
4. Quality control	• Each regulator supervises its own RIA. Prime Minister's office checks the justification reports that accompany the primary laws and the State Accounting Office the impacts on the state budget. • The control bodies have steady cooperation with the regulatory authorities during the whole pre-parliamentary legislative process. • Guidelines and training of high officials is a regular task of the control bodies.
5. Cost/Benefit analysis	• No unified guideline on C/B analysis
6. Social discount rate	• No unified guideline on social discount rate
7. Risk assessment	• No unified guideline on risk assessment
8. Effects on competition and market openness	• No unified guideline
9. Ex-post monitoring	• No
10. Contact point	• Dr. Panagiotis Karkatsoulis, e-mail: pkark@otenet.gr
11. Other Remarks	• None

12. HUNGARY

Key Elements	Brief Explanations
1. Type of analysis, date started and required	• The socio-economic analysis is required by the Act on Legislation, since 1987.
2. Scope of coverage	• Primary laws and subordinate regulations (all acts and decrees) • The analysis process is applied to the existing regulations.
3. Public disclosure	• No
4. Quality control	• Proposals to the Government can be rejected because of the poor quality of impact assessment but there are no fixed criteria or uniform methods. • The RIA methodology and guidelines prepared by the Ministry of Justice in 2003 are planned to be introduced in practice next year.
5. Cost/Benefit analysis	• Monetary cost and benefit for the state budget has primary importance. Cost/benefit calculations for other participants are also usually required by the Ministry of Finance. • The benefit and cost which can not be moneytised or quantified are evaluated in relevant cases.
6. Social discount rate	• A forecast of real interest rates from which the inflation premium has been removed and based on the economic assumptions from the most appropriate source (e.g.: rates of annual budget in case of short-term analyses, official assumptions of the National Bank of Hungary concerning mid- or long-term studies).
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in selected cases without a uniform methodology.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in the relevant cases.
9. Ex-post monitoring	• The Act on Legislation prescribes that regulatory bodies have to follow the realization of regulations and must take the experiences into consideration when preparing new laws or the programme on legislation.
10. Contact point	• Zsombor KOVÁCSY, J.D., M.D. (kovacsyzs@im.hu)
11. Other Remarks	• The proposal on a new Act on Legislation is under preparation and creates a broader field for the regulation of impact assessment activities. • The summary of the new RIA methodology of the Ministry of Justice is available on the http://www.im.hu/fooldal/cikk/cikk.phtml?cikkid=1053

13. ICELAND

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Fiscal analysis when (?), required by cabinet policy. General Impact Analysis would be required by a bill under preparation. *Some explanations are needed on the proceeding of "a bill under preparation".
2. Scope of coverage	• Primary laws and subordinate regulations.
3. Public disclosure	• Not for consultation, but it is disclosed when laws are submitted to the Parliament.
4. Quality control	• No.
5. Cost/Benefit analysis	• Quantification of cost is required in all cases. • Quantification of benefit is required in all cases. • Cost covers all costs. • Benefit covers all benefits. • Benefit of new regulation should justify cost in all cases.
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in selected cases.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases.
9. Ex-post monitoring	• n.a.
10. Contact point	• skarphedinn.steinarsson@for.stjr.is
11. Other Remarks	

14. IRELAND

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Quality Regulation Check in 1999, required by Cabinet Handbook.
2. Scope of coverage	• Primary laws.
3. Public disclosure	• No.
4. Quality control	• No.
5. Cost/Benefit analysis	• No.
6. Social discount rate	• No.
7. Risk assessment	• No.
8. Effects on competition and market openness	• Likely effects on competition and administrative burden are to be considered in all cases.
9. Ex-post monitoring	• No.
10. Contact point	• Martin_Troy@taoiseach.irlgov.ie
11. Other Remarks	

15. ITALY

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Preference for quantitative analysis, but qualitative analysis is acceptable. • Type of analysis depends on a series of factors: a. total amount of cost/benefit; b. comparability of the options considered; c. data availability. • Law No 50 of 1999 introduced the Regulatory Impact Assessment whose implementing rules were established in the directives of March 27th, 2000 and September 2001.
2. Scope of coverage	• Primary laws and subordinate regulations.
3. Public disclosure	• Public disclosure is not mandatory: RIA is attached to regulatory drafts.
4. Quality control	• Since July 2002, a RIA Unit, within the Department of Legal and Legislative Affairs of the Prime Minister's Office, was established. The Unit is responsible for the quality control of the RIAs carried out by the responsible ministries.
5. Cost/Benefit analysis	• The latest guidelines do not select a specific methodology for quantitative analysis. Cost-benefit analysis is mentioned alongside other methods, such as multi-criteria analysis. However, the guide to RIA does not explain how to conduct quantitative analysis.
6. Social discount rate	• A Social discount rate is not officially defined. As a consequence the surveys regularly made by public bodies are considered as benchmarks.
7. Risk assessment	o It is mentioned in the guidelines for RIA, but there is no formal definition of risk assessment. Neither are principles of risk assessment (i.e., precautionary principle, risk-risk analysis) defined and explained. There is no methodological guidance at the moment.
8. Effects on competition and market openness	o They are mentioned, but there is no guidance on how to conduct tests on competition effects. There is no indication of the type of economic analysis needed for the measurement of these effects. On a different and more general subject, there is no methodological guidance on how to perform the analysis in terms of impact of proposed regulations on competitiveness.
9. Ex-post monitoring	▪ Provided for in RIA indicators, but it is not operative.
10. Contact point	• Dott. Edoardo Cervone, Department of Legal and Legislative Affairs of the Prime Minister's Office Tel. 0039 06 6727319 – e.cervone@palazzochigi.it • Cons. Maddalena Filippi – Secretariat General of the Prime Minister's Office Tel. 0039 328 0416042 – mad.filippi@libero.it
11. Other Remarks	Since 2001 the government officials entrusted with RIA have been attending training courses at the National School for Public Administration, organized by the Department of Legal and Legislative Affairs of the Prime Minister's Office.

16. JAPAN

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Benefits test for permits in 1987
2. Scope of coverage	• Primary laws and subordinate regulations.
3. Public disclosure	• RIA is required to be publicly released for consultation only in major regulations.
4. Quality control	• No. • Guidance is not issued.
5. Cost/Benefit analysis	• Quantification of cost is required in selected cases. • Quantification of benefit is required in selected cases. • Cost covers selected costs. • Benefit covers selected benefits. • Benefit of new regulation should justify cost in selected cases.
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative risk assessment for health, and safety regulation is done in selected cases. • Quantitative risk assessment for environmental regulation is done in all cases.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in selected cases.
9. Ex-post monitoring	• n.a.
10. Contact point	• n.a.
11. Other Remarks	

17. KOREA

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• RIA in 1998, required by a law. • RIA includes various impacts such as environmental effect, employment effect, tax effect, government expenditure effect, trade effect, etc.
2. Scope of coverage	• Primary laws and subordinate regulations. • RIA is required in the case of strengthening existing regulations, but RIA is not required for the review of existing regulations.
3. Public disclosure	• No.
4. Quality control	• Regulatory Reform Committee in Prime Minister's Office. Regulatory Reform Committee can ask ministries to amend the drafted RIA. • Guidance issued. • The control body can demand ministries to supplement RIA
5. Cost/Benefit analysis	• Quantification of cost is required in major regulations. • Quantification of benefit is required in major regulations. • Cost covers all costs. • Benefit covers all benefits. • Benefit of new regulation is required to justify cost in major regulations. *Definition of major regulations: (i)the annual cost affected by a regulation is more than 10 billion Won in a year; or (ii)the number of the regulated people is more than a million in yearly basis; or (iii)the regulation that prohibits competition explicitly; or (iv)disproportionate or unreasonable regulation that does not go well with international standards. • The items that may be sacrificed as a result of the regulation shall be listed and the bearer of each cost shall be identified, and if possible, costs shall be quantified and stated in a common unit by deciding the cost estimation method and estimating the values of indexes • Amelioration of the problem or improvements expected from the regulation shall be listed, and these shall be quantified if possible by determining the benefit estimation method, estimating the values of indexes, etc
6. Social discount rate	• The guideline recommends the price increase rate of recent several years, but the ministries do not use the same rate.
7. Risk assessment	• No.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases.
9. Ex-post monitoring	• No.
10. Contact point	• jpark@opc.go.kr
11. Other Remarks	• In an urgent case, RIA is required in ex-post. **(Useful web addresses)** ➢ This is the web site of the main regulatory reform organisation in Korea. You can find the information such as the role of the body, registered regulations, classification of regulation, statistics of regulations, etc. • http://www.rrc.go.kr/Client/top.htm

18. LUXEMBOURG

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• n.a.
2. Scope of coverage	• n.a.
3. Public disclosure	• n.a.
4. Quality control	• n.a.
5. Cost/Benefit analysis	• n.a.
6. Social discount rate	• n.a.
7. Risk assessment	• n.a.
8. Effects on competition and market openness	• n.a.
9. Ex-post monitoring	• n.a.
10. Contact point	• n.a.
11. Other Remarks	

19. MEXICO

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• 1992. Cost-benefit analysis required for proposed mandatory technical standards by Federal Law on Standards and Normalization (no guidance, not public, no third party review) • 1996-97. Regulatory impact analysis required by the Federal Administrative Procedures Law (1996) and Federal Law on Standards and Normalization (1997) for all regulations that impose costs on "national economic activity" (guidance and review by Economic Deregulation Unit, not public) • 2000. Reforms to Federal Administrative Procedures Law extending RIA to citizen regulations, decentralized agencies and asymmetric regulations in cases of market dominance (guidance and review by Federal Regulatory Improvement Commission, all draft texts and RIA public) • RIA must include costs and benefits, including distributional effects. This naturally includes environmental and employment effects. There are also specific questions on trade, competition, consumer and small business effects. There is a separate section of implementation costs, in which government costs must be considered.
2. Scope of coverage	• Primary laws and subordinate regulations. • RIA does not apply to the review of existing regulations.
3. Public disclosure	• Yes, both RIA and draft regulatory texts, for at least 30 working days before publication. Required by both Federal Administrative Procedures Law and Federal Law (2000) on Transparency and Access to Public Government Information (2002).
4. Quality control	• Federal Regulatory Improvement Commission (Cofemer) • Guidance: Issued, available online. • All draft regulations that imply compliance costs for businesses or citizens must be sent to Cofemer. Cofemer has 10 working days to request additional information or corrections to the RIA. Sponsoring agency must make corresponding adjustments to RIA. Then, Cofemer has 30 working days to emit a preliminary or final judgement on the regulation. Sponsoring agency is required to incorporate Cofemer comments or to explain in writing the reasons for which it disagrees with Cofemer's judgements before a final opinion is emitted. No regulation can be published without a final judgement from Cofemer or and explicit notification that it will not review the regulation. • There are strong sanctions for non-compliance (removal from post for one year) for repeated violations of regulatory reform and transparency requirements, both for sponsoring agencies and for the Official Gazette if it publishes regulations without a Cofemer final opinion. • Cofemer provides training courses for RIA users and provides technical assistance for agencies if they request it.
5. Cost/Benefit analysis	• Qualitative costs and benefits required in all cases. • Quantification of at least some costs and benefits is suggested in all cases (if data is available), and required in cases of high impact regulations. • Benefits (monetary, quantifiable and qualitative) of regulations should exceed costs of new regulation, and provide maximum benefit for society (part of Cofemer's mandate, which also includes ensuring the transparency of the regulatory process). • There are three types of RIA: "high impact RIA", "ordinary RIA" and "periodic regulation RIA". • High impact regulations must provide detailed quantification of costs and benefits.
6. Social discount rate	• Agencies select discount rates. However, due to the uncertainty regarding the estimates of quantitative costs and benefits, this is not a great concern. Collection of adequate data is a much more pressing concern.
7. Risk assessment	• Risk assessment is required in the case of social regulations (labour, health, and environment). This implies the presentation of data relating to the likelihood and severity of negative events.

8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases. Specific questions in the RIA format refer to these issues.
9. Ex-post monitoring	• Ex-post evaluation of quality of RIA is done internally by Cofemer and data is shared with individual agencies. There is an internal "score card" for RIA that is used for monitoring RIA quality.
10. Contact point	• ahaddou@economia.gob.mx
11. Other Remarks	• By law, all RIA must be sent to Cofemer by the deputy minister in charge of regulatory reform. The deputy minister is responsible for the information in RIA even though he may not actually undertake the analysis himself. All RIA are now handled electronically, so there is generally no physical signature. • The Federal Administrative Procedures Law applies only to federal regulation, and only federal agencies are required to prepare RIA. The federal government cannot impose obligations on state and local governments. The Constitution and "General Laws" establish the distribution of faculties between authorities. • You can find a training material for RIA in this web site: www.cofemermir.org • You can find good actual RIA cases in this web site: www.cofemer.gob.mx (regulations under review and RIA) under the heading of MIR y Anteproyectos/Anteproyectos en revision, also at www.cofemermir.org (in the Anteproyectos section).

20. NETHERLANDS

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• General impact analysis in 1985, required by Prime Ministerial Directives. • Developed into Business Effects Test (BET) in 1997.
2. Scope of coverage	• Primary laws in major regulations. Subordinate regulations in major regulations. • BET is also applied to the review of existing regulations.
3. Public disclosure	• Not for consultation, but it is disclosed when it is published or submitted to the Parliament.
4. Quality control	• Ministry of Justice (?) • Guidance: n.a.
5. Cost/Benefit analysis	• Quantification of cost is required in major regulations. • Quantification of benefit is required in major regulations. • Cost covers selected costs. • Benefit covers selected benefits. • Benefit of new regulation should justify cost in major regulations.
6. Social discount rate	• n.a.
7. Risk assessment	• No.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in major Regulations.
9. Ex-post monitoring	• BET is used as a tool for ex-post monitoring of a new regulation.
10. Contact point	• n.a.
11. Other Remarks	• A Ministerial Committee reviews the regulatory proposals and determines which of the 15 standard questions contained in the Directive governing BET must be answered for an each regulation.

21. NEW ZEALAND

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• RIS have been required since July 1998, extended to include Business Compliance Cost Statement (BCCS) in Apr. 2001, both required by Executive policy. • The RIS must provide impact analysis on all the economic and social costs and benefits, direct and indirect, whether they are quantifiable or not; and include e.g., impacts on business and competition, international obligations, health, environment, culture, and so on, as relevant. The content of the proposal determines the focus that the impact analysis should take – all relevant matters should be covered.
2. Scope of coverage	• Primary laws and subordinate regulations: • All policy proposals submitted to Cabinet which result in government bills or statutory regulations, whether for new regulatory proposals or for amendments or repeals of existing laws (both primary and secondary) need an RIS. Where the proposal has compliance cost implications (i.e., red-tape) for business, the RIS has to include a BCCS. However, there are exemptions from RIS requirements, e.g., for proposals that are minor/machinery, relate to government administration only, for commencement orders etc.
3. Public disclosure	• Yes, all RIS that include a BCCS are published on the responsible department's web site with a link to the Ministry of Economic Development (MED) web site. RIS/BCCS for Bills must be published in the explanatory note to the Bill. Under the Official Information Act, anyone can request a copy of an RIS (i.e., if it is not already voluntarily published on a department's web site) and there are only limited statutory grounds for withholding requested official information.
4. Quality control	• Responsibility of agencies and Ministers. • Guidance issued by the Regulatory Impact Analysis Unit (RIA Unit) in the Ministry of Economic Development. • RIS is a summary statement – unless for high impact proposal, general rule is 3 pages for RIS, or 4 for RIS/BCCS. • All RIS that contain a BCCS must, since August 2002, be assessed for adequacy of the disclosure and analysis by the RIA Unit, and a statement as to its adequacy inserted into the policy paper attaching the RIS/BCCS. • In practice, Ministers rarely, if ever, allow papers to go forward for Cabinet consideration if RIS/BCCS has not been found to be adequate by RIA Unit.
5. Cost/Benefit analysis	• Quantification of costs and benefits is required where that is both possible, an appropriate use of resources in relation to the likely impacts of the proposal, and appropriate. Where data is inherently un-quantifiable, sound qualitative analysis is required. For high impact proposals agencies prepare or commission more formal, comprehensive cost/benefit analysis. • All the relevant costs and benefits need to be addressed, tangible and intangible, and consideration given to impacts on different sectors of society. The content of the proposal will determine what is relevant. Consultation with stakeholders, relevant industry organisations and affected parties is strongly encouraged for the collecting of the data necessary for undertaking robust impact analysis. • Benefits should outweigh costs of any regulatory proposal.
6. Social discount rate	• Discount rates usually only considered when formal cost/benefit analysis undertaken and costs expressed as Net Present Value – usually only in respect of moderately high to high impact proposals. Guidance from RIA Unit in MED suggests a range of discount rates (e.g., 5 – 7% pa for value of avoiding death or serious injury, government bond rate for proposals on government expenditure, a lower (unspecified) rate for environmental values).
7. Risk assessment	• Risk assessment, whether quantified or not, will be undertaken in RIS if appropriate to the subject matter of the regulatory proposal. If risk assessment is thought to be appropriate, it would be incorporated into the cost/benefit analysis in the RIS.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered whenever relevant to the subject matter of the regulatory proposal.
9. Ex-post monitoring	• No formal requirement for ex-post monitoring on RIA.

10. Contact point	• Lisa Barrett [Lisa.Barrett@med.govt.nz]
11. Other Remarks	**(Useful web addresses)** ➢ This is the web page where you can find a Guide to Preparing Regulatory Impact Statements: • http://www.med.govt.nz/buslt/compliance/regimpact/index.html ➢ This is the web page where you can find Guidelines for Departments on Business Compliance Cost Statements: • http://www.med.govt.nz/buslt/compliance/guidelines/index.html ➢ This is the web page which has links to departments' published RIS/BCCSs: • http://www.med.govt.nz/buslt/compliance/risbccs/bydate.html ➢ This is the web page where you can find the Criteria used by the RIA Unit for assessing the adequacy of RIS/BCCSs: • http://www.med.govt.nz/buslt/compliance/adequacy.html#P10_2331

22. NORWAY

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Analysis of fiscal and administrative consequences in 1985, required by cabinet instructions (Royal Decree). General Impact Analysis in 1995 *("Instructions for Official Studies and Reports")*, revised in 2000. • Financial and administrative consequences are always included. Other significant consequences shall also be assessed, e.g. environmental, business sector, regional, health, gender alignment, human rights, and simplification.
2. Scope of coverage	• All work on official committee proposals, regulations, reforms and measures, and reports (white papers) and propositions to parliament. The GIA applies to committee proposals carried out by, or at the request of central government bodies, i.e. ministries and subordinate agencies. • No instruction on when RIA or a less comprehensive assessment is required. Requirements do not distinguish between primary and secondary legislation.
3. Public disclosure	• The GIA is included in the relevant report or proposition. Shall normally constitute a separate part (e.g. chapter, section). Official committee proposals and draft legislations usually are circulated for general review before final drafting by the ministry. Official studies, propositions and reports to parliament are public and available on government web-sides free of charge. • Even if there is usually not a separate consultation on the GIA, the common use of preparatory committees to assess major reforms implies there is a general review including the GIA before the ministry prepares a draft bill.
4. Quality control	• No central quality control body. Government reports and propositions are reviewed by the ministries concerned both before the study is initiated (preliminary assessment) and before being presented to the Cabinet (including GIA). Matters that have substantial financial consequences are always submitted to the Ministry of Finance. • Business Impact Unit *("Orakel")* was established in the Ministry of Trade and Industry in 2002. Unit for economic analyses, including B/C analysis, was established in the Ministry of Labour and Government Administration in 2003. • Non-mandatory guideline on socio-economic analysis issued by the Ministry of Finance, and by various ministries on assessment of impacts on business, environment, regions and gender alignment. • No sanctions for non-compliance.
5. Cost/Benefit analysis	• Consequences shall as far as possible be quantified. Thorough and realistic socio-economic analyses shall, to the extent necessary, form part of the impact assessment. Sensitivity analysis must be made if any appreciable uncertainty exists. *("Instructions for Official Studies and Reports").* • *"Instructions"* do not require benefit of new regulation to justify cost. However, the government programme on "Simplifying Norway" requires benefit to justify cost in the business sector. • No specific data collection for B/C analysis. Often based on data provided by Statistics of Norway Register Centre (e.g. business reporting obligations) or supervisory agencies (i.e. the Norwegian Pollution Control Authority). • General equilibrium model has been established in order to analyse effects of regulations in agriculture, fisheries and appurtenant food sectors (SNF Institute for Research in Economics and Business Administration, Bergen).
6. Social discount rate	• Social discount rate is determined as risk-free discount rate plus addition for estimated social risk of each project. The risk-free discount rate equals pre-tax real returns on risk-free long-term capital investments (3.5 % from 2000).
7. Risk assessment	• The offshore petroleum sector has been pioneering in quantitative risk assessment of accidents etc. Increasingly applied also in the transport sector. • No general guideline on risk assessment. Some sectoral guidelines/studies. Research on methodology, indicators etc. is on-going.

8. Effects on competition and market openness	• Analysis of all significant effects is required by *"Instructions"*. Competition and market openness is not mentioned specifically.
9. Ex-post monitoring	• *"Regulations on Financial Management"*, issued by the Ministry of Finance, require ex-post evaluations, with intervals, of central government institutions and policy instruments, especially concerning the presupposed social effects. • Ex-post evaluations shall be made available to the Office of the Auditor General. • Few ex-post evaluations on regulations and regulatory institutions in general (contrary to grant and support schemes, incl. appurtenant institutions). Environment regulations and alternatives have been evaluated ex-post a number of times.
10. Contact point	• The Ministry of Labour and Government Administration is responsible for *"Instructions for Official Studies and Reports"*. • Pål Mathisen [pal.mathisen@aad.dep.no]
11. Other Remarks	• *Instructions* require assessment of alternative instruments, including instruments other than those of a regulatory nature, e.g. economic instruments. • *"Instructions for Official Studies and Reports"* is available on http://www.dep.no/aad/engelsk/publ/veiledninger/ • The various guidelines have not been translated from Norwegian.

23. POLAND

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Justification report in 1997, required by council of ministers work regulation. • RIA in Sep. 2001, required by Resolution of the Council of Ministers. • RIA is prepared by ministries and governmental agencies responsible for drafting legislative projects. • In cases of significant regulations, having long-term socio-economic impact, the Government Centre for Strategic Studies (RCSS) prepares additional RIA as a part of intergovernmental consultations.
2. Scope of coverage	• All legislative proposals (primary laws and subordinate regulations). The Budget Act is excluded from that procedure. • RIA is not required in the review of existing regulations.
3. Public disclosure	• All RIA are required to be publicly released for consultation.
4. Quality control	• The Government Legislative Centre. • Guidance issued.
5. Cost/Benefit analysis	• Quantification of cost is required in cases of significant regulations. • Quantification of benefit is required in cases of significant regulations. • Cost covers all costs. • Benefit covers all benefits. • Benefit of new regulation is required to justify cost in all cases.
6. Social discount rate	• n.a.
7. Risk assessment	• Risk assessment for health, safety, and environmental regulation is done, if necessary
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in all cases.
9. Ex-post monitoring	• n.a.
10. Contact point	• Mr Jacek Jedruszak, E-mail: jacjed@mg.gov.pl
11. Other Remarks	• The impacts of minimum four areas to be considered in RIA: (i)impacts on public finance (including central budget and local governments' budgets) (ii)labour market (iii)internal and external competitiveness (here the short term and long term impact on business is also considered) (iv)the situation and development of the regions.

24. PORTUGAL

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Fiscal Analysis (when?), required by policy directive.
2. Scope of coverage	• Primary laws in selected cases and subordinate regulations.
3. Public disclosure	• Fiscal Analysis is required to be publicly released for consultation in selected cases.
4. Quality control	• No.
5. Cost/Benefit analysis	• Quantification of cost is required in major regulations. • Quantification of benefit is required in selected cases. • Cost covers selected costs. • Benefit covers selected benefits. • Benefit of new regulation is not required to justify cost.
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative risk assessment for health and safety regulation is done in selected cases. • Quantitative risk assessment for environmental regulation is done in major regulations.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in selected cases.
9. Ex-post monitoring	• none
10. Contact point	• n.a.
11. Other Remarks	

25. THE SLOVAK REPUBLIC

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• n.a.
2. Scope of coverage	• n.a.
3. Public disclosure	• n.a.
4. Quality control	• n.a.
5. Cost/Benefit analysis	• n.a.
6. Social discount rate	• n.a.
7. Risk assessment	• n.a.
8. Effects on competition and market openness	• n.a.
9. Ex-post monitoring	• n.a.
10. Contact point	• n.a.
11. Other Remarks	

26. SPAIN

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• When (?), what kind of analysis (?), required by (?)
2. Scope of coverage	• Primary laws and subordinate regulations.
3. Public disclosure	• No.
4. Quality control	• No.
5. Cost/Benefit analysis	• The questionnaire should be checked instead of cost-benefit analysis. The questionnaire has 20 questions consisting of three sections: (1) necessity of the project, (2) legal and institutional impacts, (3) social and economic impacts.
6. Social discount rate	• No.
7. Risk assessment	• No.
8. Effects on competition and market openness	• No.
9. Ex-post monitoring	• n.a.
10. Contact point	• n.a.
11. Other Remarks	

27. SWEDEN

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Making a checklist is required for environmental analysis and small business analysis. Other aspects such as budgetary effects, effects on gender equality, regions and municipalities are covered in interdepartmental negotiations • Those two checklists are mandatory for all ministries to follow. The checklists have the status of government decisions and are spelled out in circulars from the Cabinet Office. • The checklist for small business analysis was introduced in 1998 and it is a cost analysis tool consisting of 12 questions. The environmental analysis checklist came in use in 2001 and covers the effects on the 15 national environmental objectives.
2. Scope of coverage	• All primary laws, Government's Ordinances and subordinate regulations (including issued by independent regulatory agencies) that might have a substantial effect on small business. • The checklists do not apply to review of existing regulations.
3. Public disclosure	• Circulated to affected groups in draft for informal consultation where appropriate, but not publicly released for until the Government has made its decision. • If the Government's proposal is based on a report from a Committee of Inquiry, including a draft legal proposal with RIA, then the RIA is publicly disclosed in the consultation phase of the report preceding the Government's preparation of the proposal. (Almost every Government legal initiative has its base in a committee report.)
4. Quality control	• Guidance, support and advice are provided by the SimpLex Team for Committees of Inquiry, ministries and regulatory agencies. • The regulatory agencies also send in their RIA (both the small business RIA and the general impact assessment only required on regulatory agency level) to the Swedish National Financial Management Authority. • No formal control takes place of the independent regulator's RIA • All drafts on new and amended laws and Government's ordinances on the government level are scrutinised by the SimpLex Team, which is a part of the Ministry of Industry, Employment and Communications. • The SimpLex Team can thereby block any draft proposal that does not have an RIA included and hold back the Government's decision until the RIA has an acceptable quality.
5. Cost/Benefit analysis	• Quantification of cost for small business is a part of the required RIA on government level • Quantification of benefit is not required but benefits are expressed in the explanatory memorandum published together with the act. • Cost covers costs for small business. Costs for other parties are outside the RIA but included in the explanatory memorandum. • It is the responsibility of each ministry or government agency to estimate the costs and the SimpLex Team approves the quality of the RIA as far as the government level is concerned.
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative and qualitative risk assessment for health, safety, and environmental regulation is done to the extent it is needed . • Risk assessment is not compulsory but is used when considered needed

8. Effects on competition and market openness	• Effects on competition and market openness are to be considered in all cases and are assessed by the Competitiveness Group in the Business and SimpLex Divison to the extent it is needed.
9. Ex-post monitoring	• Ex post monitoring is the responsibility of each ministry and government agency. One question in the mandatory small business RIA checklist refers to the follow-up of effects on small business caused by the regulation.
10. Contact point	• Mr Henrik Wingfors, Ministry of Industry, Employment and Communications, SE-103 33 STOCKHOLM, phone + 46 8 405 27 03 or e-mail henrik.wingfors@industry.ministry.se
11. Other Remarks	• The analysis should consider the effects on small business and this checklist tool is built on the OECD experience with a problem definition etc. For environmental effects a simpler checklist applies without a problem definition. As indicated above an elaborated system for interdepartmental negotiations between ministries exists and aims at taking into account all other effects that a proposal for a new law or Government's ordinance may have.

28. SWITZERLAND

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Fiscal analysis had existed for a long time. Regulatory Impact Assessment and Business Test were introduced in 2000 by a decision of government (Federal Council)
2. Scope of coverage	• Primary laws and subordinate regulations. • RIA does not apply to existing regulations, but Business Test applies to existing as well as new regulations.
3. Public disclosure	• Yes, for primary laws and major subordinate regulations
4. Quality control	• State Secretariat of Economic Affairs (SECO) controls the quality in the case of major regulations. • The SECO sends a letter at the beginning of the year to signal major regulations (chosen among the list of Objectives of Federal council for the year- about 20-30 major regulations every year) • Extensive guidance (handbook, checklist, examples, FAQ, telephone support, annual conference) • The SECO cooperates when asked by the responsible ministry. It can submit its disagreement to the Federal Council on RIA proposed by ministries, and the Federal Council decides whether to accept the RIA or not. There are few sanctions, but RIA is also a learning process.
5. Cost/Benefit analysis	• Cost/Benefit analysis is done in selected cases. The cases are chosen by the ministry and / or by the SECO according to the importance of the regulation and available resources. • Often available data is used. Data collection depends on the subject.
6. Social discount rate	• n.a.
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in selected cases. The cases are chosen by the ministry and / or by the SECO according to the importance of the regulation and available resources. • There is no separate guideline – some ministries are stronger than others as regards risk assessment, no unified practice.
8. Effects on competition and market openness	Likely effects on competition and market openness are to be considered in major regulations. The cases are chosen by the ministry and / or by the SECO according to the importance of the regulation and available resources.
9. Ex-post monitoring	• Some RIA are examined several times by the quality control body. In general, after public disclosure there is no formal ex-post monitoring of RIA, but there are many activities in the field of evaluation.
10. Contact point	• State Secretariat for Economic Affairs, Analysis of Regulation, Effingerstr. 1, 3003 Berne, Switzerland, +41-31-322 21 16, email nicolas.wallart@seco.admin.ch
11. Other Remarks	• you can find some good training materials for RIA in the following web page. http://www.seco.admin.ch/themen/zahlen/strukturanalysen/regulierung/index.html?lang=fr *The checklist is especially useful as it can be applied to all kinds of projects in a very efficient way. • Resources for RIA are being increased and new products will be launched in 2004 (probably annual report on RIA including indicators of quality).

29. TURKEY

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Regulatory Impact Analysis will be required by the draft Code on Public Administration. • Justification report for the bills; required by the Standing Order of the Parliament, dated 1973. • Budgetary impact assessment; exercised by the Ministry of Finance, in which fiscal costs of proposed bills, regulations and decrees are considered. Fiscal costs of proposed decrees are considered by the Treasury Undersecretary as well. • Environmental impact assessment; introduced via a 1992 regulation and exercised by the Ministry of Environment and Forestry.
2. Scope of coverage	• After the enactment of the draft Code on Public Administration, the scope of coverage will be determined.
3. Public disclosure	• No.
4. Quality control	• No.
5. Cost/Benefit analysis	• No.
6. Social discount rate	• No.
7. Risk assessment	• No.
8. Effects on competition and market openness	• Likely effects of proposed laws and regulations on competition are to be considered in all cases according to a Prime Ministry order since 1998.
9. Ex-post monitoring	• No.
10. Contact point	• imdatpekdemir@basbakanlik.gov.tr • fuatcanan@basbakanlik.gov.tr • mbickici@basbakanlik.gov.tr
11. Other Remarks	

30. UNITED KINGDOM

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• Business compliance cost assessments in 1985, required by government policy. • Regulatory appraisal (including risk assessment and business cost analysis) in 1996, required by government policy. • Regulatory Impact Assessment (RIA) for all significant regulation since 1998, required by government policy. • The RIA must consider not only the obvious costs and benefits, but also a comprehensive analysis of all the wider environmental, social and economic impacts. • New regulations should only be introduced when other alternatives have first been considered and rejected, and where the benefits justify the costs.
2. Scope of coverage	• Any proposal for which regulation is an option – including both primary and secondary legislation - that would have a non-negligible impact on business, charities or the voluntary sector should have an RIA.. • RIA is also applied to reviews of existing regulations. • Regulations affecting only the public sector are currently subject to a Policy Effects Framework (PEF) assessment. From 2004, however, they will be brought within the RIA process.
3. Public disclosure	• The Government is committed to ensuring that RIA is readily available to the public. • Consultation is mandatory for all regulatory proposals that require RIA, with a minimum consultation period of twelve weeks. A partial RIA must be issued alongside formal public consultations. • *Partial RIA follows the same format as a full RIA but the analysis is not yet as complete. . For example, by setting out the Government's analysis to date, a partial RIA sent out with a consultation document can encourage input in the policy-making process, particularly in those areas where further information is particularly needed. In addition, a partial RIA can often contain a broader range in the quantification of costs and benefits than a final RIA. RIA must accompany Cabinet correspondence when seeking Committee clearance for policy changes, for example the publication of a White Paper. In order to secure collective ministerial agreement to proceed with a regulatory proposal, an adequate RIA must have been carried out. • Once a decision has been taken to proceed with regulation, a final RIA must be laid in Parliament alongside legislation. • The final RIA must be placed on the relevant department website as soon as possible.
4. Quality control	• Each department has a Departmental Regulatory Impact Unit (DRIU) responsible for helping policy officials to draw up RIA. • The Cabinet Office Regulatory Impact Unit (RIU) is also on hand to offer help and support and is responsible for scrutinising all RIA. In addition, it has issued guidance on the standard format for RIA. • Ministers must also sign a declaration in the final RIA placed before Parliament stating that they believe the benefits of the proposed regulation outweigh the costs. • The Prime Minister and the Cabinet are committed to ensuring that RIAs accompany any request for collective agreement to a measure. • In addition to internal evaluation by the RIU, the independent National Audit Office (NAO) conducts an ex-post evaluation of a sample of RIAs each year.

5. Cost/Benefit analysis	• Quantification of cost is required in all cases. • Quantification of benefit is required in all cases. • Cost covers all costs. • Benefit covers all benefits. • The benefit of new regulation is required to justify cost in all cases. • No single method of assessment is prescribed, though guidance is available on a number of methods and the general process. • All analysis must be consistent with the guidance set out in the HM Treasury 'Green Book, Appraisal And Evaluation In Central Government' (http://greenbook.treasury.gov.uk). • Policy officials are encouraged to begin informal consultation with interested parties as soon as possible, to inform the process of appraising the various options, and to consult a wide range of sources.
6. Social discount rate	• The discount rate (3.5%) is determined by the following formula. $R = p + e \times g$ Where R is the discount rate; p is time preference of individuals; e is elasticity of marginal utility of consumption; g is annual growth in per Capita consumption. * For more details on the discount rate, see "HMT Green Book" in web address: http://greenbook.treasury.gov.uk/annex06.htm
7. Risk assessment	• The assessment of risk is integrated into the RIA. • The RIA must assess the risk of the problem the proposal is intended to solve happening, as well as flagging up the risks associated with each option and the validity of underlying assumptions.
8. Effects on competition and market openness	• A competition assessment examining the likely effects of the proposed regulation on competition and market openness must be included in all RIA. • The Office for Fair Trading (OFT) has developed a competition filter (included in the Cabinet Office guidance on RIA) to help policy officials determine whether a proposal is likely to have a small or large impact on competition and hence whether a simple or detailed assessment is needed. It also offers expert advice for officials undertaking a competition assessment.
10. Contact point	• Stephen Evans, Regulatory Impact Unit (stephen.evans@cabinet-office.x.gsi.gov.uk) • Alison Kilburn, Regulatory Impact Unit (alison.kilburn@cabinet-office.x.gsi.gov.uk)
11. Other remarks	**(Useful web addresses)** ➢ This is the web site of the Cabinet Office Regulatory Impact Unit. • http://www.cabinet-office.gov.uk/regulation ➢ This is the web address where you can find "Regulatory Reform Act 2001" which is the main framework for regulatory reform in the U.K. • http://www.cabinet-office.gov.uk/regulation/act/index.htm ➢ There is a standard format for RIAs, which is set out in detail in 'Better Policy Making: a guide to Regulatory Impact Assessment', available at • http://www.cabinet-office.gov.uk/regulation/scrutiny/betterpolicy.htm. ➢ All RIA published to date can be found at • http://www.cabinet-office.gov.uk/regulation/ria/regreport.asp ➢ This is the web page where you can find examples of RIA of U.K • http://www.cabinet-office.gov.uk/regulation/scrutiny/exampleRIA_page1.htm ➢ This is the web address about the book "Better Regulation: Making Good Use of Regulatory Impact Assessments", which is the report by the Comptroller and Auditor General of U.K. You can find many examples of good practice for preparing RIA. • http://www.tso.co.uk/bookshop/bookstore.asp?FO=38383&Action=Book&ProductID=0102912238 • ISBN: 0-10-291223-8 ➢ This is the web page where you can find the calculating way of costs and benefits. • http://greenbook.treasury.gov.uk/annex06.htm ➢ An example of a good RIA can be found at: • www.dti.gov.uk/enterprisebill/ria.htm ➢ This is the web page where you can find Guidelines for competition Assessment. • http://www.oft.gov.uk/nr/rdonlyres/a7138977-6fe2-45de-be32-3ab6e767664a/0/oft355.pdf

31. UNITED STATES

Key Elements	Brief Explanations
1. Type of analysis, date begun, and required by	• B/C in 1977; expanded in 1981. • Revised into RIA (Regulatory Impact Assessment) in 1993, required by presidential order and some laws. * The RIA includes various impacts such as on economic, social and environmental impacts.
2. Scope of coverage	• Primary laws in selected cases and all subordinate regulations.
3. Public disclosure	• All RIA are published in draft and final form in national gazette.
4. Quality control	• Independent review by presidential Office of Management and Budget. Guidance issued
5. Cost/Benefit analysis	• Quantification of cost is required in major regulations. • Quantification of benefit is required in major regulations. * major regulation: regulations that impose annual costs exceeding US$100 million, possibly impose major increases in costs for a specific sector or region, or have significant adverse effect on competition, employment, investment, productivity, or innovation. • Cost covers all costs. • Benefit covers all benefits. • Benefit of new regulation should justify cost in all cases (?).
6. Social discount rate	• The discount rate is based on the marginal pre-tax rate of return on an average investment in the private sector in recent years. This rate is usually the same rate as the interest rate on Treasury Notes and Bonds. • Significant changes in this rate are updated by the OMB Circular which is updated around the time of the president's budget submission to Congress. • It is recommended that the sensitivity analysis using other discount rate should be added if the use of such an alternative rate can be justified. * For more details on the discount rate, see the web page: http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html
7. Risk assessment	• Quantitative risk assessment for health, safety, and environmental regulation is done in all cases.
8. Effects on competition and market openness	• Likely effects on competition and market openness are to be considered in major regulations.
9. Ex-post monitoring	• n.a.
10. Contact Point	• n.a.

11. Other remarks	• Regulatory agencies are instructed not to publish their regulations unless an RIA is attached. **(OMB Guidelines on Cost-Benefit Analysis)** • If monetization of the effects is impossible, explain why and present all available quantitative information along with the timing and likelihood of the effects. • If even quantification of the effects is difficult, present any relevant quantitative information along with a description of the unquantifiable effects, the timing and the likelihood. • If monetizing benefits is difficult, you may use "Cost- Effectiveness Analysis" rather than Cost-Benefit Analysis. • If the benefits and costs are not traded in market, use willingness-to-pay measure to monetize the effects. • If benefit and cost estimates depend heavily on certain assumptions, make those assumptions explicit and carry out sensitivity analyses using plausible alternative assumptions. *For more details on the Guidelines, see web page: http://www.whitehouse.gov/omb/memoranda/m00-08.pdf **(Useful web addresses)** ➢ This is the web site where you can find the main organisation for regulatory reform in U.S.A • http://www.whitehouse.gov/omb ➢ This is the web page where you can find the RIA Guidelines of OMB • http://www.whitehouse.gov/omb/inforeg/riaguide.html ➢ This is the web page where you can find "Executive Order 12866 - Regulatory Planning and review" which is the main instructional frame of regulatory reform in U.S.A • http://www.whitehouse.gov/omb/inforeg/eo12866.pdf ➢ This is the web page where you can get a guidelines designed to help analysis at the US Environmental Protection Agency(EPA) prepare RIA that satisfy OMB's requiement. • http://yosemite.epa.gov/ee/epa/eermfile.nsf/vwAN/EE-0228A-1.pdf/$file/EE-0228A-1.pdf ➢ This is the web page where you can access the U.S.A's EPA RIA cases on air pollution. • http://yosemite.epa.gov/ee/epa/eermfile.nsf/vwAN/EE-0228B-01.pdf/$File/EE-0228B-01.pdf ➢ This is the web page where you can find guidelines of costs and benefits of OMB of the U.S.A • http://www.whitehouse.gov/omb/memoranda/m00-08.pdf

GLOSSARY

RIA: Regulatory Impact Analysis.

B/C: Benefit-Cost Analysis.

C/E: Cost-Effectiveness Analysis

GIA (General Impact Analysis): Assessments of impacts without specifying a specific methodology

RIS: Regulatory Impact Statement.

RIAS: Regulatory Impact Analysis Statement

Fiscal Analysis: Quantifying the direct budget costs for government administration.

Primary laws refer to those regulations adopted by the legislature (parliament or congress).

Subordinate regulations refer to lower level regulations issued by the delegated powers such as a president, prime minister, cabinet or ministry.

BIBLIOGRAPHY

Regulatory Impact Analysis – Best Practices in OECD Countries, OECD, 1997

Responses to the Survey on Regulatory Capacities in OECD Countries, OECD, 2000

Regulatory Policies in OECD countries – From Interventionism to Regulatory Governance, OECD, 2002

Communication from the Commission on Impact Assessment, Commission of the European Communities, European Union, June 2002.

"How Have Government Cost-Benefit Analyses Changed Over Time?" Robert W. Hahn and Patrick M. Dudley, AEI-Brookings Joint Centre, Washington D.C, Dec.2002

"Regulatory Impact Assessment in the European Commission: From Business Impact Assessment to the New Impact Assessment Procedure", Lukas Wernert, College of Europe, 2003.

"The Implementation of Regulatory Quality Instruments in Multilevel Countries", Francesco Sarpi, Paper for OECD expert meeting on multi level regulatory governance, July 2003

"The Diffusion of Regulatory Impact Analysis-Best Practice or Lesson Drawing?" Claudio M. Radaelli, Workshop on the Internationalisation of regulatory reform held at Centre for the Study and Law and Society, University of California, Berkeley, April 25-26 2003.

"Economic Analysis of Federal Regulations Under Executive Order 12866", Office of Management and Budget of the U.S., Jan. 11, 1996.

"Memorandum for Heads of Executive Departments and Establishments: Guidelines and Discount rates for Benefit –Cost Analysis of Federal Programs", U.S., Oct. 1992.

Comments of the United States Government on the European Commission's Better Regulation Package, 2003.

Guidelines for Commission Staff, the Strategic Planning and Programming Unit in the Secretariat General of the EU, European Union, 2003.

Guidelines to Standardize Measures of Costs and Benefits and the Format of Accounting Statements, OMB Memorandum M-00-08, March 22, 2002

Web site addresses:

(Australia)
- http://www.pc.gov.au/orr/orrintro.html
- http://www.pc.gov.au/orr/reguide2/index.html

(Canada)
- http://www.pco-bcp.gc.ca/raoics-srdc
- http://www.pco-bcp.gc.ca/legislation/directive_e.htm
- http://www.pco-bcp.gc.ca/raoics-srdc/reg-pol/reg-pol_e.htm

(Korea)
- http://www.rrc.go.kr/Client/top.htm

(New Zealand)
- http://www.med.govt.nz/buslt/compliance/regimpact/index.html
- http://www.med.govt.nz/buslt/compliance/guidelines/index.html

(United Kingdom)
- http://www.cabinet-office.gov.uk/regulation/act/index.htm
- http://www.cabinet-office.gov.uk/regulation/scrutiny/ria-guidance.pdf
- http://greenbook.treasury.gov.uk/annex06.htm

(United States)
- http://www.whitehouse.gov/omb
- http://www.whitehouse.gov/omb/inforeg/eo12866.pdf
- http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html
- http://www.whitehouse.gov/omb/memoranda/m00-08.pdf