

Executive Summary

Italy has experienced a rapid devolution of legislative and regulatory powers to the regions. The 2001 Constitutional amendments provided a new framework for sharing regulatory competences between the national level and the regions, in particular in areas of concurrent legislation (between the State and the regions) and those that are now of the exclusive competence of the regions. These areas cover key economic sectors, such as retail trade, agriculture, tourism, transportation, professional education, etc. This governance framework requires effective co-ordination mechanisms between levels of government in order to reinforce policy coherence and providing legal certainty through judicial review. It is also very important to promote accountability across levels of government.

In terms of co-ordination, an institutional agreement recently signed between the State and the regions aims at broadening the scope of regulatory programmes at regional level. This agreement completes a set of existing co-ordination mechanisms, including the Conference of State-Regions and of State-Municipalities, as well as the Unified Conference bringing them together. These co-ordination mechanisms serve to develop human and technical skills required to integrate regulatory policy in the regional decision making process. This also reflects the need to continued political support at different levels of government for regulatory policy. The current Inter-Regional Observatory provides a tool for exchange and training among all the legislative offices of regional Councils (*Consigli*) and Executives (*Giunte*).

In the current framework, regions enjoy significant regulatory powers and have their own Statutes defining the regional regulatory framework. However, the state of development of regulatory policy differs significantly across the regions of the study, which include Veneto, Calabria, Campania and Tuscany. While Tuscany is relatively advanced, few of the regions have introduced an explicit regional regulatory policy in their Statutes. Still, some regions have integrated some principles of high quality regulation for law-making procedures. There are still significant gap in implementation, for example to make full use of regulatory quality tools, such as Regulatory Impact Analysis (RIA), alternatives to regulation and administrative simplification.

Improving capacity for quality regulation at the regional level requires to further systematise consultation procedures and to train regional authorities on the use of RIA. Efforts to consolidate regional legislation at an early stage with a view to simplify it and to better use Information and Communication Technology (ICT) to reduce red tape for citizens and businesses should be encouraged. Economic activity would be fostered by setting up a better legal framework in which legal certainty, clarity and transparency of procedures is guaranteed and which promotes competition. Effective regulation and regulatory reform, with increased transparency and competition, could contribute to improve the economic performance of Italian regions.

This report analyses multi-level governance in Italy and the capacity of regions to produce high quality regulation, an important theme to achieve overall regulatory coherence. The study focuses on the evaluation of co-ordination mechanisms and competence sharing between the State and the regions. The study involves a general discussion of multi-level regulatory governance as well as regional chapters. These regional chapters concentrate on the use of regulatory tools, such as consultation, communication, appeal processes, regulatory impact assessment, administrative simplification and introduction of Information and Communications Technology to support high quality regulation. They also include a section to specific economic sectors in which regions have regulatory powers. The report concludes with a general discussion of key issues and policy options.

The policy options aim at consolidating governance structures to improve the overall effectiveness of regulatory activity and co-ordination between levels of government. They cover improving the definition and roles and responsibilities for regulatory quality; strengthening capacities for regulatory quality in a multi-level context; strengthening existing co-ordination mechanisms between the State and the regions; improving policy coherence facilitating the attainment of economic policy objectives; encouraging the use of RIA in a multi-level context; continuing and deepening administrative simplification efforts; and streamlining the frameworks for appeal processes and dispute mechanisms.