

# OECD Regulatory Policy Outlook 2015

Country profile

## ESTONIA



### Access links

- **OECD Regulatory Policy Outlook 2015:** [www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm](http://www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm)
- **Indicators of Regulatory Policy and Governance and the underlying data:** [www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm](http://www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm)
- **Regulatory policy in Estonia:** [www.oecd.org/regreform/regulatory-policy/estonia.htm](http://www.oecd.org/regreform/regulatory-policy/estonia.htm)
- **Regulatory Policy Outlook country profiles:** [www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm](http://www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm)
- **OECD regulatory policy website:** [www.oecd.org/governance/regulatory-policy/](http://www.oecd.org/governance/regulatory-policy/)

## Overview

Estonia recently implemented significant reforms to improve its regulatory system. In 2012, it adopted “The guidelines for development of legislative policy until 2018” which form the basis for an explicit whole-of-government policy for regulatory quality. The document defines an activity plan for improving the quality of regulatory activity. It sets down common principles of legislative policy and long term principles that the public sector has to consider upon planning its activities. The aims and obligations deriving from the guidelines are given a precise content in different acts, most importantly in “The rules of legislative drafting”. A formal methodology of impact assessment which also covers *ex post* evaluation and regulatory oversight was endorsed by the government in December 2012.

The Minister of Justice has responsibility for promoting regulatory reform. The Legislative Quality Division of the Ministry of Justice provides an oversight and challenge function for RIAs and *ex ante* evaluations with regards to primary legislation. For government strategies, EU negotiations and subordinate regulations, oversight responsibilities lie within the Government Office.

Later stage online consultation is conducted for all major primary laws accompanied by a draft text of the regulation and explanatory memorandum. In 2007, a participation website, [www.osale.ee](http://www.osale.ee), was introduced to allow interactive communication between regulators and the general public. Implementing systematic consultation earlier in the process to inform officials about the nature of the policy problem and identifying policy options to address the problem could help improve the design of regulations.

Preliminary RIA is conducted in practice for all primary laws and selected subordinate regulations. The necessity for conducting an in-depth RIA is determined by applying a threshold test. Having established the requirement and a comprehensive methodology for conducting RIA, Estonia would benefit from an assessment of the effectiveness and usefulness of its current RIA system, and thus trace gaps in its implementation and identify areas for improving the quality of RIA.

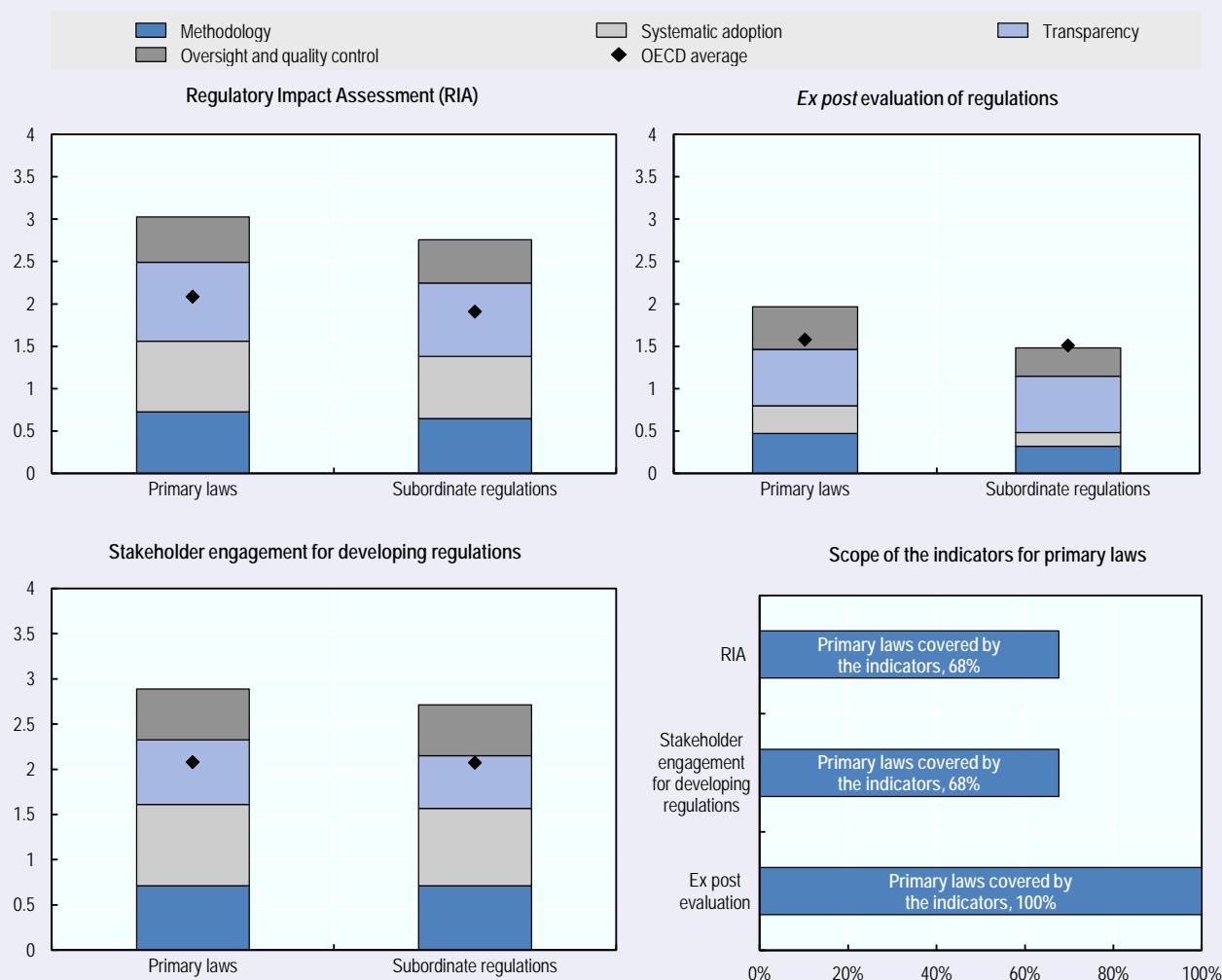
In 2012, Estonia introduced the obligation to conduct *ex post* evaluation for all new major primary laws adopted, but no *ex post* evaluations have yet taken place.



### Spotlight: Use of online tools for greater transparency

The government of Estonia has placed a strong focus on accessibility and transparency of regulatory policy by making use of online tools: There is an up-to-date database of all primary and subordinate regulations ([www.riigiteataja.ee/](http://www.riigiteataja.ee/)) in an easily searchable format; and an online list of primary laws to be prepared, modified, reformed or repealed within a year ([www.just.ee/et/eesmargid-tegevused/oiguspoliitika/oigusaktide-moju-analuus](http://www.just.ee/et/eesmargid-tegevused/oiguspoliitika/oigusaktide-moju-analuus)). An online information system tracks all legislative developments, and makes available RIAs and documents of legislative intent (<http://eelnou.valitsus.ee/main>). Estonia also established the website [www.osale.ee/](http://www.osale.ee/), an interactive website of all ongoing consultations where every member of the public can submit comments and review comments made by others.

# Indicators of Regulatory Policy and Governance 2015



1. The figures display the aggregated scores from all four categories giving the total composite score for each indicator. The maximum score for each category is one and the maximum score for each aggregated indicator is four.
2. The information presented in the indicators for primary laws on RIA and stakeholder engagement only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in Estonia approx. 68% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 68% of primary laws. For primary laws initiated by parliament, there is a formal requirement in Estonia to conduct RIA, but not for consultation with the general public. The information presented in the indicators for primary laws on *ex post* evaluation covers processes in place for both primary laws initiated by parliament and by the executive. The percentage of primary laws initiated by parliament is an average between the years 2011 and 2012.

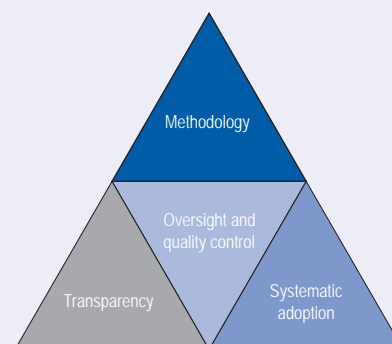
Source: 2014 Regulatory Indicators Survey results, [www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm](http://www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm).

Statlink: <http://dx.doi.org/10.1787/888933263119>

# Indicators of Regulatory Policy and Governance (iREG)

The three composite indicators provide an overview of a country's practices in the areas of stakeholder engagement, Regulatory Impact Assessment (RIA) and *ex post* evaluation. Each indicator comprises four equally weighted categories:

- Systematic adoption which records formal requirements and how often these requirements are conducted in practice.
- Methodology which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used.
- Oversight and quality control records the role of oversight bodies and publically available evaluations.
- Transparency records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publically available.



The composite indicators are based on the results of the *OECD 2014 Regulatory Indicators Survey*, which gathers information from all 34 OECD countries and the European Commission as of 31 December 2014. The survey focuses on regulatory policy practices as described in the 2012 *OECD Recommendation on Regulatory Policy and Governance*. The more of these practices a country has adopted, the higher its indicator score. Further information on the methodology is available online at [www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm](http://www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm).

Whilst the indicators provide an overview of a country's regulatory framework, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

## OECD Regulatory Policy Outlook 2015

The *OECD Regulatory Policy Outlook* ([www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm](http://www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm)) provides the first evidence-based, cross-country analysis of the progress made by OECD countries in improving the way they regulate. Findings are based on the results of the *OECD 2014 Regulatory Indicators Survey*.

Key findings:

- Laws and regulations are essential instruments, together with taxes and spending, in attaining policy objectives such as economic growth, social welfare and environmental protection. OECD countries have generally committed at the highest political level to an explicit whole-of-government policy for regulatory quality and have established a standing body charged with regulatory oversight.
- Implementation of regulatory policy varies greatly in scope and form across countries. While RIA has been widely adopted, few countries systematically assess whether their laws and regulations achieve their objectives. Stakeholder engagement on rule making is widespread in OECD countries, taking place mostly in the final phase of developing regulation.
- The national executive government has made important progress over the last decade to improve the quality of regulations. Parliaments, regulatory agencies and sub-national and international levels of government need to be more engaged to ensure that there are evidence-based and efficient laws and regulations for stimulating economic activity and promoting well-being.
- The impact of regulatory policy could be further improved by addressing shortcomings in the implementation and enforcement of regulations and by considering new approaches to regulatory design and delivery such as those based on behavioural economics.

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