

# OECD Regulatory Policy Outlook 2015

Country profile

## ISRAEL



### 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 Israel:** [www.oecd.org/regreform/regulatory-policy/regulatory-policy-israel.htm](http://www.oecd.org/regreform/regulatory-policy/regulatory-policy-israel.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

Israel has made progress in improving its regulatory policy since it joined the OECD in 2010. No comprehensive whole-of-government regulatory policy exists; however, Government Resolution No. 2118 of 22 October 2014 provides a solid basis for such policy. Its focus is still mostly on reducing regulatory burdens, both *ex ante* through more rigorous Regulatory Impact Assessment and *ex post* through multi-year programmes on reviewing existing regulations. In general, the Prime Minister's Office is responsible for co-ordinating regulatory policy but there is no dedicated body or a unit.

Israel lags significantly behind other OECD countries in stakeholder engagement. The obligation to consult on legislative drafts exists only regarding the last draft of a law or by-law, but does not apply to preliminary stages of the process. Regulatory Impact Assessment has not been widely used so far but the 2014 Government Resolution introduced an obligation to conduct RIA for each legislative draft. Drafts should also be consulted with stakeholders. The new process will be tested in 2015 and should be fully implemented afterwards. Establishing effective and strong oversight over RIA, close to the centre of government and independent of political influence, is necessary to ensure RIA requirements are actually implemented in all ministries. RIA requirements in the Government Resolution apply only to laws initiated by the executive and not to the laws initiated by members of the Knesset which account for over 40% of all primary laws.

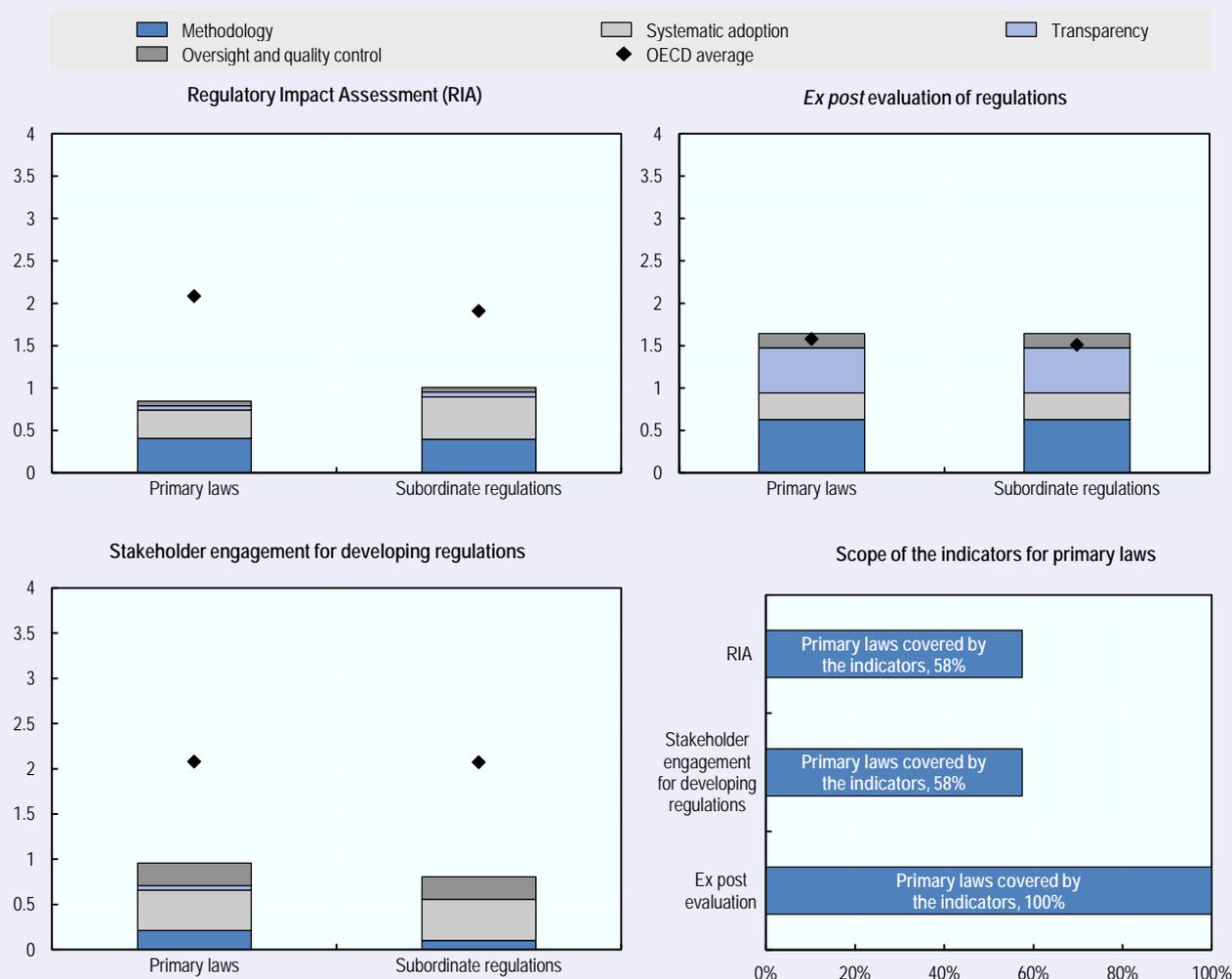
The *ex post* reviews of existing regulations have taken place mostly ad hoc in selected specific areas. The 2014 Government Resolution sets an obligation for each ministry to formulate a five-year plan to reduce regulatory burdens in its area of competence. This should lead to a 25% reduction in total regulatory burdens, according to the government plan.



### Spotlight: RIA Handbook

The RIA Handbook of the government aims to help regulators make regulatory decisions based on an analysis of the impacts of several alternatives of how to solve a given problem including non-regulatory ones. According to the Handbook and when developing or amending regulations, regulators should describe the problem and define policy goals of a given regulation, conduct risk management, organise consultations with external stakeholders, and assess costs- benefits stemming from various alternative solutions. Regulators should also develop an implementation plan, including measures for inspections to ensure “balance between providing an effective solution to the risk and the burden of a regulatory intervention”. In addition, indicators of performance for a given regulation should also be identified.

# 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 Israel approx. 58% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 58% of primary laws. There is no formal requirement in Israel for consultation with the general public and for conducting RIAs to inform the development of primary laws initiated by parliament. 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 to 2013.

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/10.1787/888933263205>

# 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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