

# OECD Regulatory Policy Outlook 2015

Country profile

## Luxembourg



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

Luxembourg's 2009-2014 government programme stresses the government's commitment to improving regulatory quality. The Minister for Civil Service and Administrative Reform is accountable for promoting regulatory reform, and his ministry is in charge of co-ordinating RIA and administrative simplification. Luxembourg's regulatory reform strategy, as summarised in the 2013 guidelines "Transparency and administration simplification of State procedures and formalities" focuses mainly on administrative burden reduction and simplification.

Impact assessment forms are required to inform the development of all regulations. These take the form of a checklist mainly focussing on administrative burdens and enforcement costs and do not contain further analytical evidence. The Ministry for the Civil Service and Administrative Reform, which is in charge of reviewing RIAs, currently lacks the formal authority to ask for a revision of a RIA to ensure its quality. In order to enhance the usefulness of RIA, the analysis included in the impact assessments could be deepened and extended to other types of impacts and benefits of regulation. Transparency could be strengthened by making RIAs publicly available on a systematic basis.

Consultation with stakeholders informs the development of all regulations. However, input is mostly sought at the later stage on draft proposals. Making more systematic use of consultation at the early stage would help policy makers better understand the policy problem and possible solutions. Consultation with the general public is only required for some primary laws and thus remains very limited in practice. Increased use of ICT, e.g. through a single government consultation portal, would be helpful in extending openness to the public.

Between 2009 and 2012, 260 administrative simplification measures were implemented and some *ex post* evaluations of specific regulations have been carried out. A more systematic approach, for instance by making *ex post* evaluations mandatory and including sunset clauses and automatic evaluation requirements in regulations, could help ensure that regulations serve their purpose.

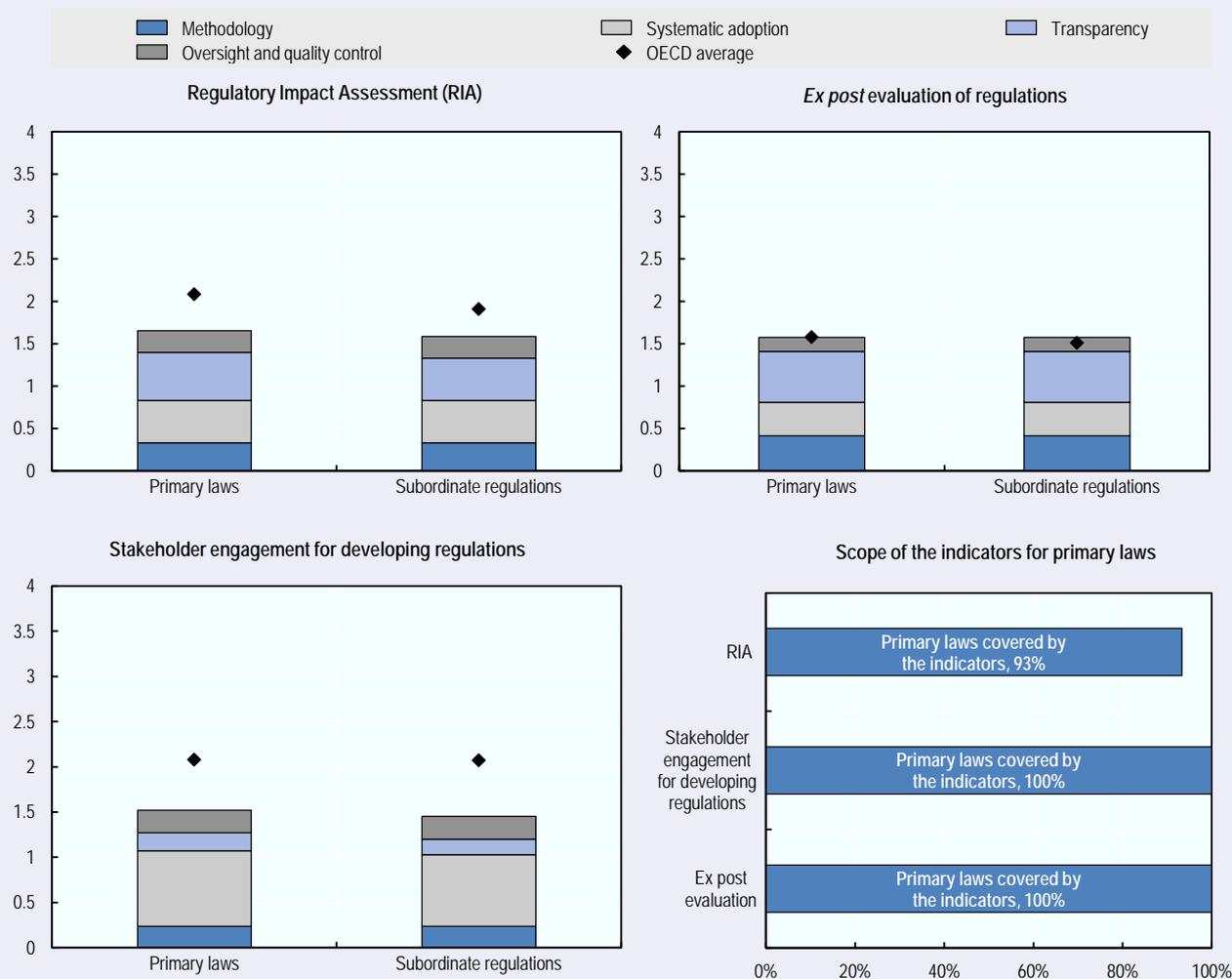


### **Spotlight: Interministerial platform for administrative reform and simplification**

Under the authority of the Ministry for Civil Service and Administrative Reform, this interministerial platform is responsible for co-ordinating the work of the government on administrative simplification. The main functions of the platform are the development of an inventory of administrative procedures and screening administrative processes for potential improvements for citizens. Citizens, business and civil society associations can submit their ideas for improving administrative services on the interactive website [vosidees.lu](http://vosidees.lu). Suggestions are reviewed by the platform, and the most relevant ones are translated into action proposals for reform.

The platform is led by a committee of representatives of the ministry and the State Centre for Information Technology (CFIE). It regularly engages with professional organisations and the Association of Towns and Municipalities (SYVICOL).

# 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 indicator for primary laws on RIA only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in Luxembourg approx. 93% of primary laws are initiated by the executive, the indicator on RIA covers approx. 93% of primary laws. There is no formal requirement in Luxembourg 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 stakeholder engagement and *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 2012 and 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/10.1787/888933263243>

# 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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