

Regulatory Impact Analysis (RIA) in OECD countries: a policy tool to manage the flow of regulation

Building capacity for RIA in South Africa -
Presentation to Officials 26 May 2009

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Regulatory Impact Analysis (RIA) : a policy tool to manage the flow of regulation

Presentation outline

I. The context for RIA:

- What is RIA?*
- Why is RIA important?*
- Constitutive elements of RIA*
- How does RIA fit into the policy-making process?*

II. Making use of RIA – OECD good practices:

- Common challenges*
- Making use of RIA – OECD good practices*

I. The context for RIA:

a. Definition

“RIA is a systematic policy tool used to examine and measure the likely benefits, costs and effects of new or existing regulation”

b. Why is RIA important?

- *Why RIA? – A tool to control the quality of regulation*
- *Evidence based policy tool – Is regulation the best available means to address the policy objective?*

c. RIA: A process of evidence based decision making

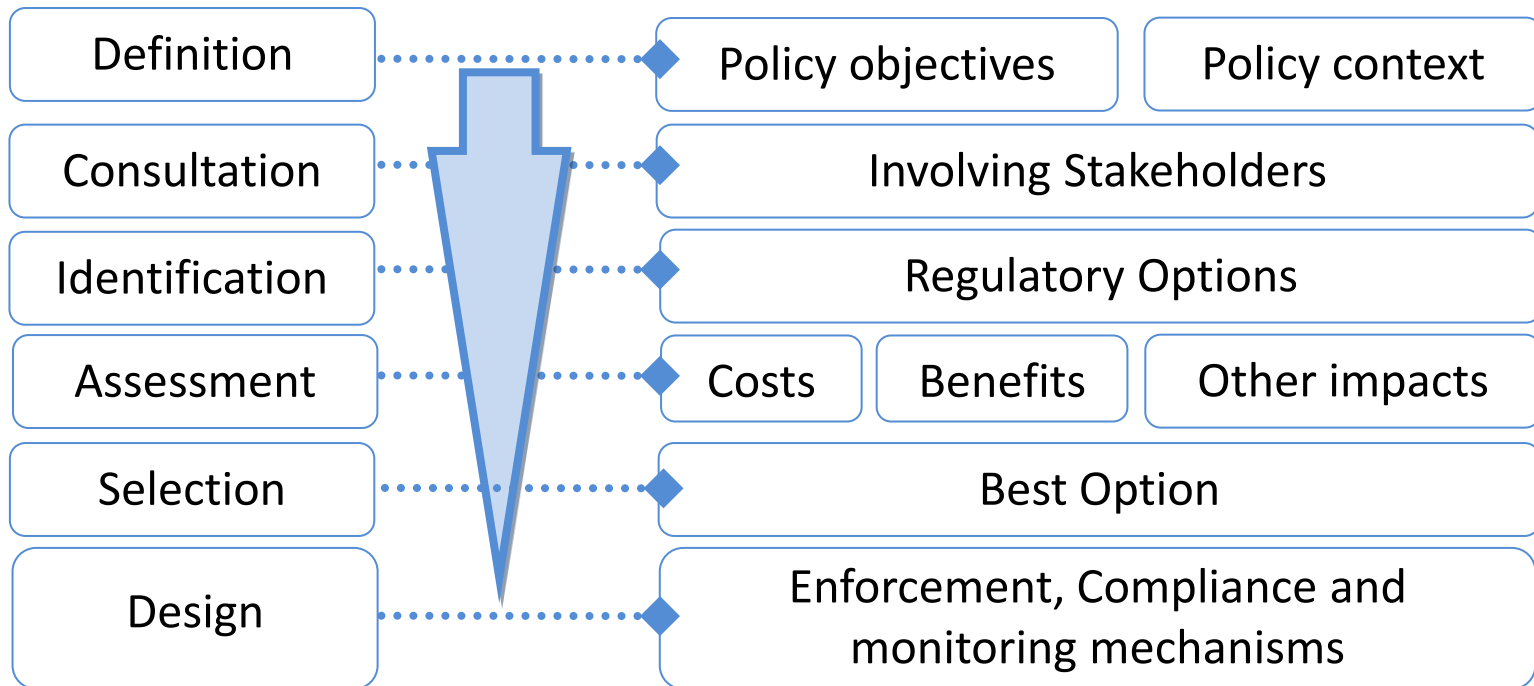
Elements of RIA:

- Identifying and defining the problem
- Spelling out the desired objective(s)
- Elaborating the different options, considering alternatives
- Consultation
- Analysing the options (assessment of the likely impacts)
- Recommending the policy option
- Communicating the results
- Monitoring (regulation) and reporting

I. The context for RIA:

c. Constitutive Elements of RIA

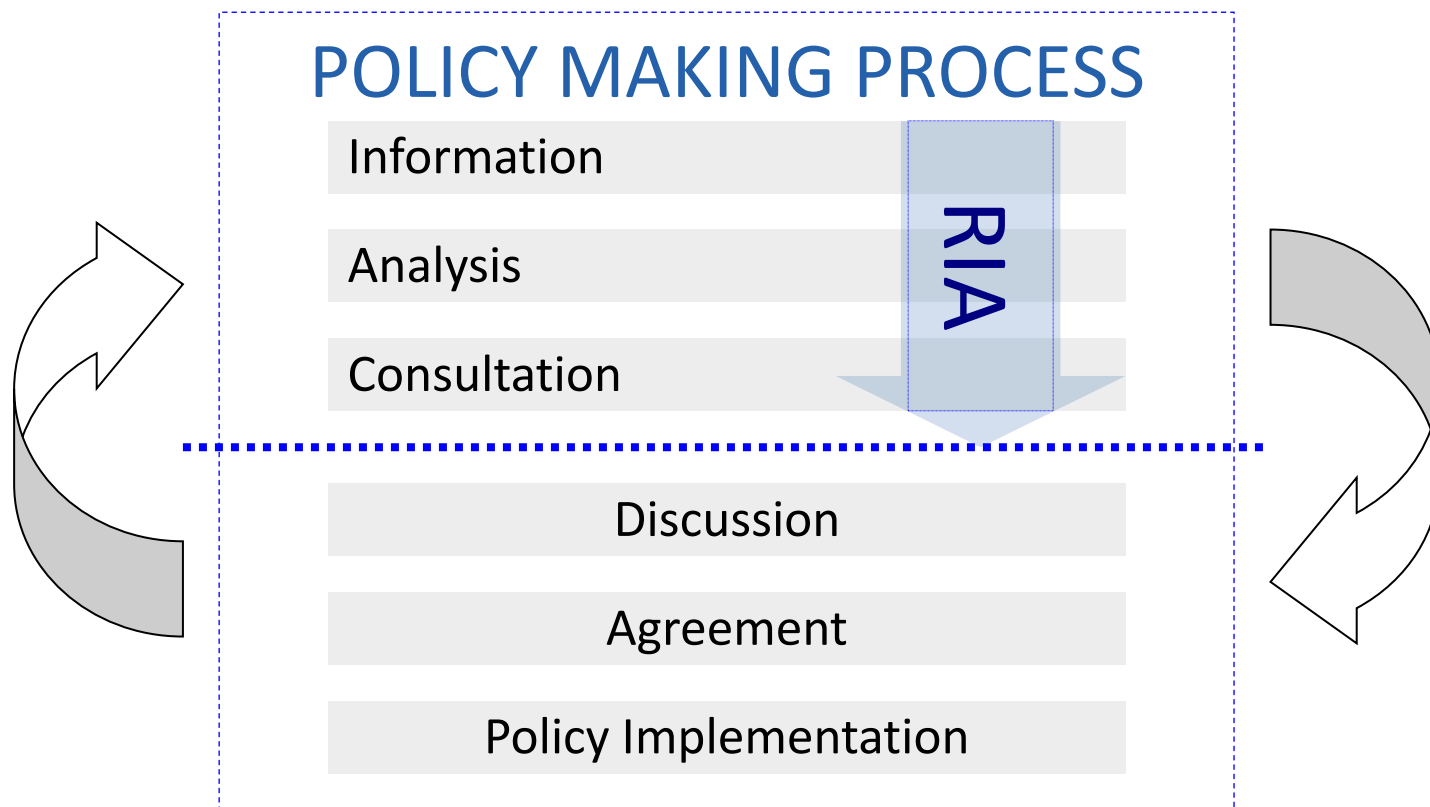
The process of Regulatory Impact Analysis



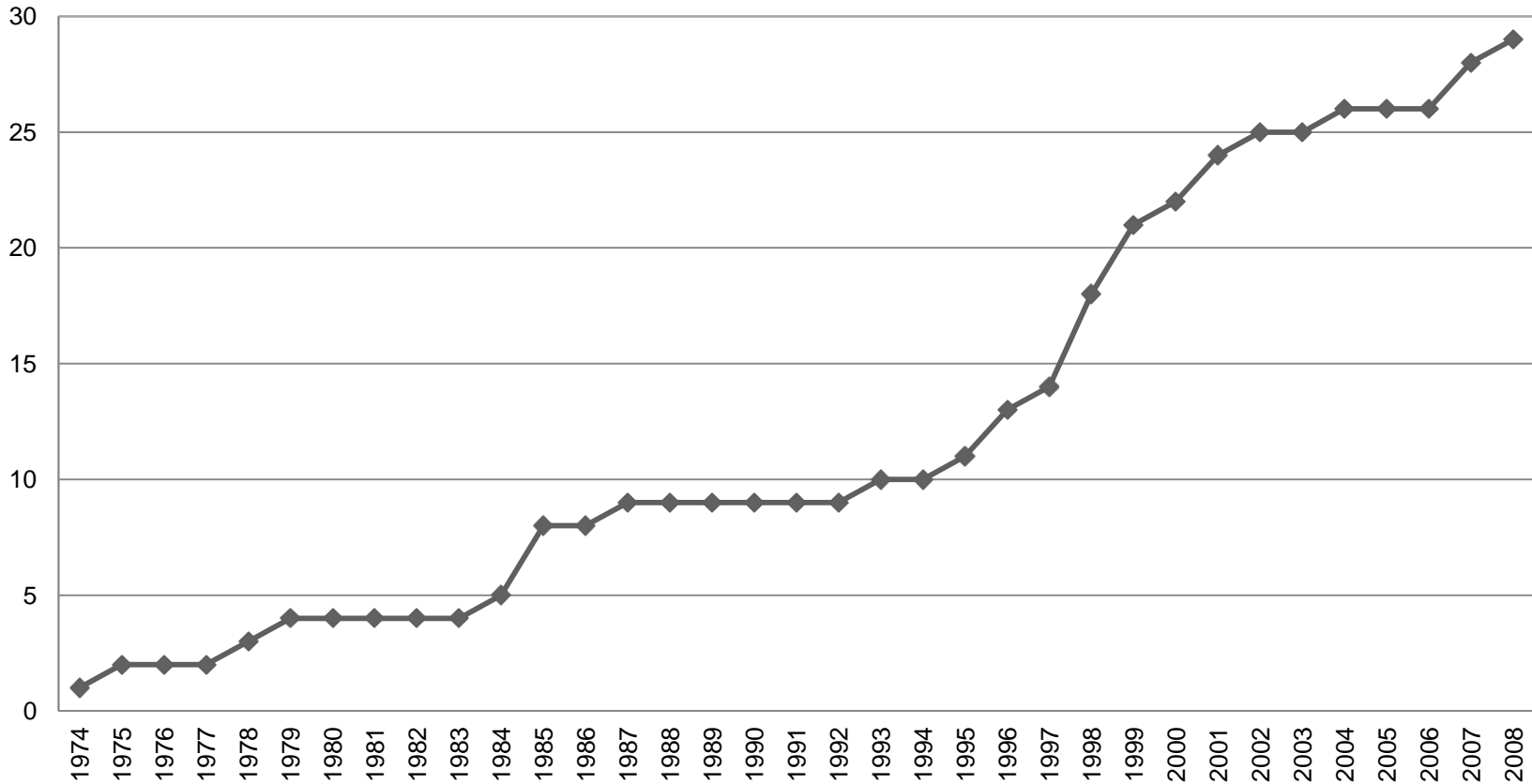
After RIA is prepared: **DECISION MAKING**

I. The context for RIA:

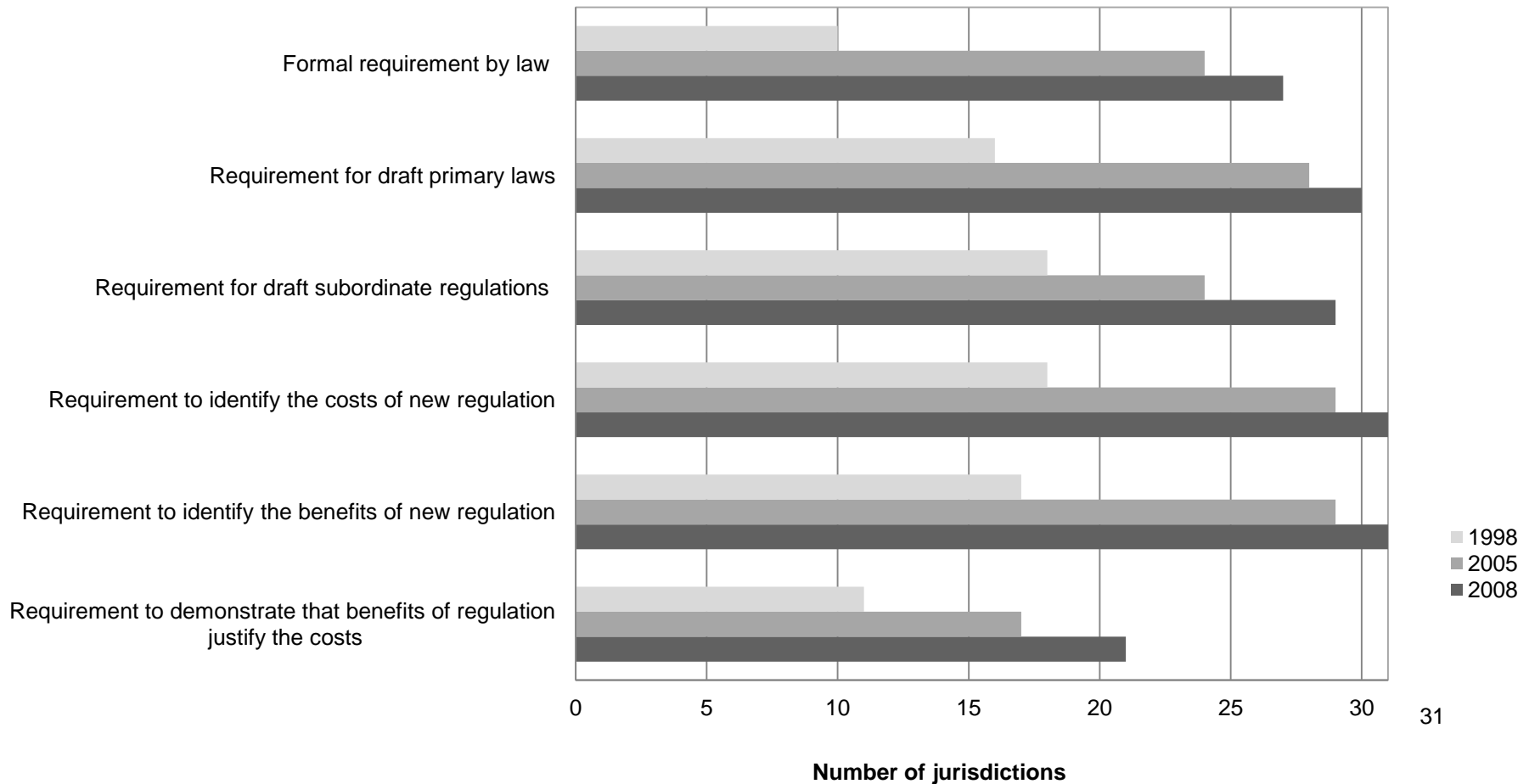
d. How does RIA fit into the policy-making process?



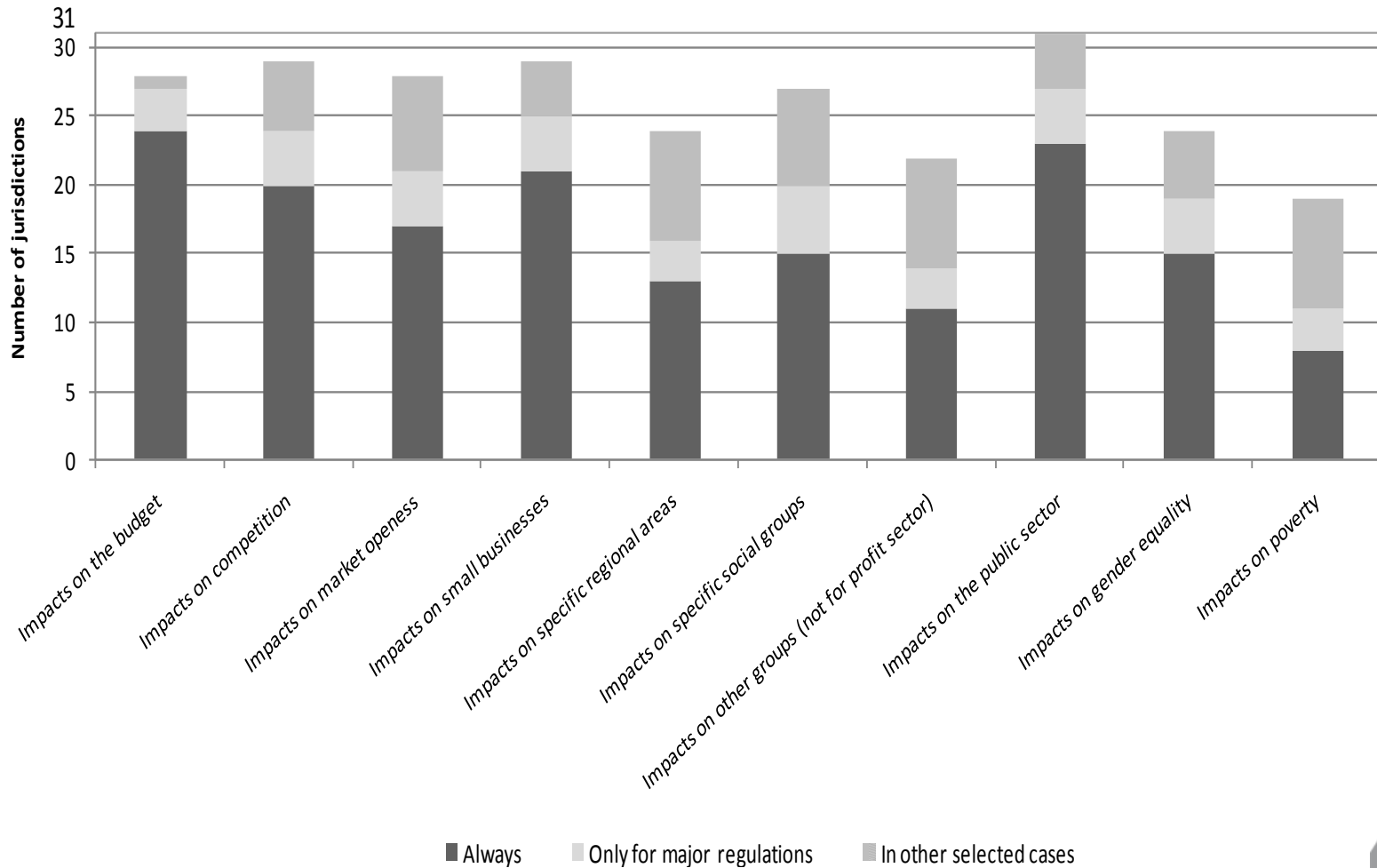
Adoption of RIA in OECD countries



RIA Requirements in OECD Countries



Requirement to measure specific impacts



Common challenges in implementing RIA

Related to the tool:

- Problem identification
- Consultation and data
- Considering alternatives
- “Proportionate analysis”
- Quantification
- Risk assessment

Related to the structure/process

- Scope of application / selection of proposals
- Quality control (oversight)
- Presentation / Communication
- Integrate RIA up-stream (early in decision-making)
- Integrate RIA down-stream (“closing the loop”)
- Training
- Multi-level context

Making use of RIA: OECD good practices (I)

1. Political commitment and endorsement at the highest levels

- Legal basis for RIA
- Clear ministerial accountability

2. Allocate responsibilities for the RIA programme

- Operational responsibilities with the services
- Inter-service coordination
- Central quality oversight

3. Target and prioritise RIA efforts

- Scope of application / thresholds for when to do RIAs
- Sectoral impacts

Making use of RIA: OECD good practices (II)

4. Develop comprehensive guidelines

- Mandatory
- Both on process and on technical aspects

5. Carry out sound analysis

- Strategies for data collection
- Consistent but flexible methodologies

6. Consultation / Transparency / Communication

7. Training, training, training

8. Apply RIA to both new and existing regulation



Thank you for your attention

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