

# OECD Regulatory Policy Outlook 2015

Country profile

## CZECH REPUBLIC



### 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 the Czech Republic:** [www.oecd.org/regreform/regulatory-policy/czech-republic.htm](http://www.oecd.org/regreform/regulatory-policy/czech-republic.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

The Czech Republic has made a significant progress in ensuring regulatory quality, especially by strengthening its Regulatory Impact Assessment process and its quality oversight through establishing an independent watchdog (see the Spotlight box). While a dedicated unit exists in the Government Office for RIA, there is no single body responsible for a whole-of-government regulatory policy.

The RIA system is quite strong as all draft primary and secondary legislation prepared by the executive has to be accompanied by an impact assessment. The quality of impact assessments could be strengthened especially in terms of quantifying all impacts.

Consultations on every draft regulation developed by the executive are conducted automatically. All legislative drafts which are submitted to the government are published on a government portal and anyone can submit comments to the responsible ministry. There are, however, no rules for handling such comments. In addition, this channel for consultation is used insufficiently due to the lack of information on ongoing consultations among the public.

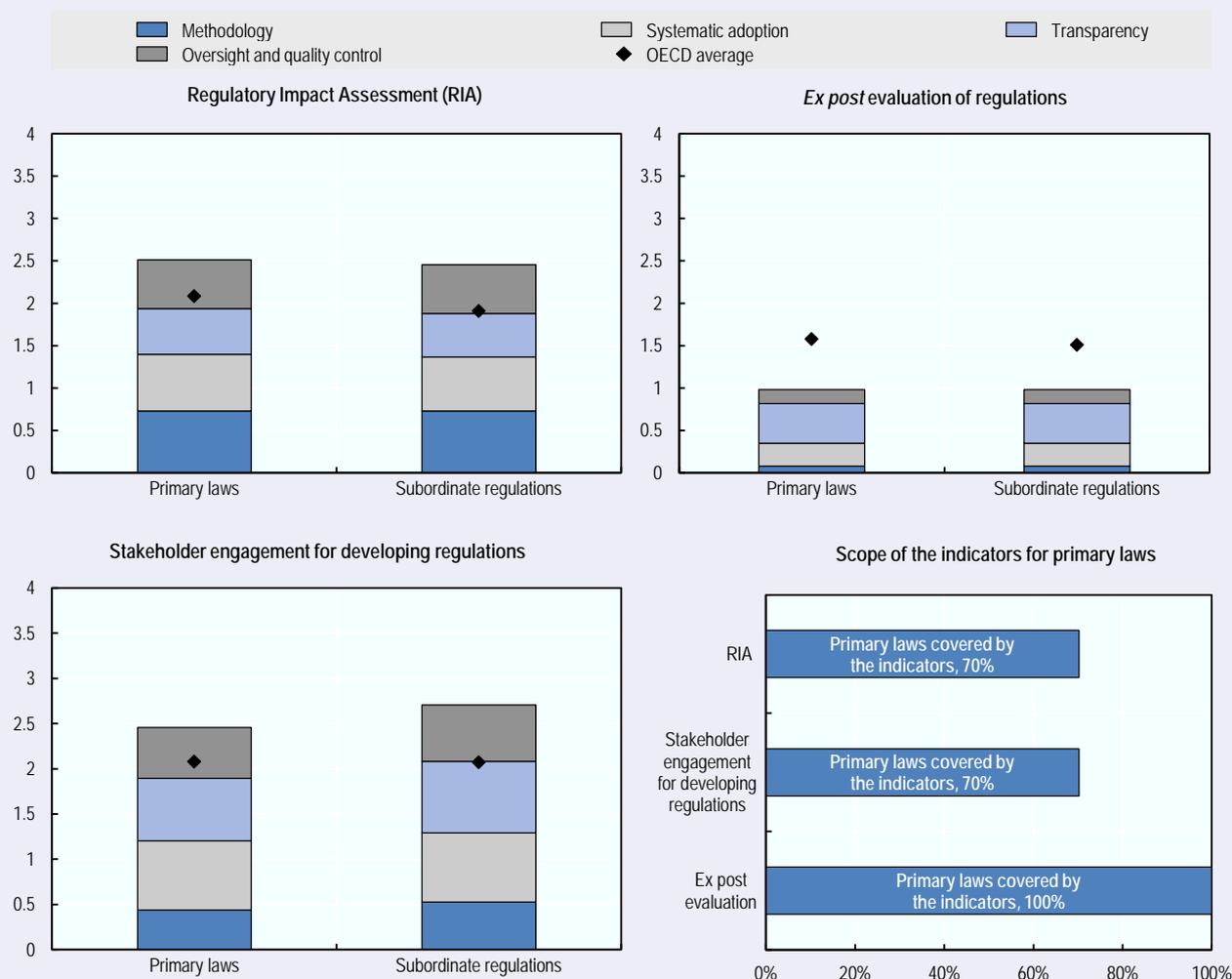
The Czech Republic was among the first to launch a programme on reducing administrative burdens. Cutting red tape is still a priority for the government, however, contrary to many other countries, the focus has not been widened to other regulatory costs. Evaluation of the performance of existing regulations takes place usually on an ad hoc basis and is used rather rarely.



### Spotlight: Review of effectiveness of Regulatory Impact Assessment

The RIA Board is one of the commissions of the Legislative Council of the Government – an independent advisory body to the government overseeing the quality of legislative drafts. The Board consist of independent experts, mostly economists, representatives of business associations, academics and other experts. The Board discusses the quality of impact assessments provided with draft regulations submitted to the government, gives suggestions on improving these IAs and has a right to issue a negative opinion to the adoption of proposals due to insufficient quality of IAs. It also provides recommendations on the necessity of producing an RIA on planned legislative drafts when they are listed in an annual legislative plan. The quality of government RIAs improved significantly subsequent to the establishment of the Board in November 2011.

# 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 the Czech Republic approx. 70% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 70% of primary laws. There is no formal requirement in the Czech Republic 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/10.1787/888933263099>

# 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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