

OECD Regulatory Policy Outlook 2015

EUROPEAN COMMISSION



Access links

- **OECD Regulatory Policy Outlook 2015:** 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
- **Regulatory policy in the European Commission:** www.oecd.org/regreform/regulatory-policy/european-commission.htm
- **Regulatory Policy Outlook country profiles:** www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm
- **OECD regulatory policy website:** www.oecd.org/governance/regulatory-policy/

Overview

The European Union is based on a common political and legal foundation, mainly the Treaties and European legislation. The European Commission, as the executive of the Union, proposes new initiatives and legislation, which are adopted by the European Parliament and the Council, and monitors the application of Union law in the 28 Member States. The Member States are responsible for the effective implementation and enforcement of European law.

The European Commission has developed a comprehensive Better Regulation policy, with independent oversight functions for regulatory policy placed within the Commission's Secretariat General under the special responsibility of the Commission's First Vice-President. The Commission, which initiates all EU legislation, is required to engage with stakeholders in the early stages of development of major primary and subordinate legislation. Stakeholders are informed of upcoming consultations through roadmaps listing planned new legislation and amendments to existing legislation. The Commission is also required to conduct RIAs for major primary and secondary legislation. An Impact Assessment Board reviews RIAs and an opinion of the Board is a prerequisite for a proposal to be considered by the Commission. A dedicated unit in the European Parliament also conducts an assessment of the RIA once the proposal is submitted to the Parliament. In addition, the Commission is also required to undertake proportionate *ex post* assessment of legislation.

Some areas could be further improved. For example, legislative initiatives could be consulted with stakeholders not only in the early stages of development but also systematically at the proposal stage (which is currently only the case for social policies, where social partners are consulted, and for implementing and delegated acts, where consultation takes place through committees of national experts). The RIA could be part of this consultation process. The Commission already makes significant efforts to systematically evaluate legislation *ex post*. Some additional steps could contribute to strengthening these assessments. For example, more legislation could be systematically subject to *ex post* evaluations. A threshold with objective and transparent criteria for determining the depth and scope of the evaluation could help better calibrate resources and enhance transparency of what is being evaluated. The Commission adopted on 19 May 2015 a package of better regulation measures, which includes new commitments on many of these issues.



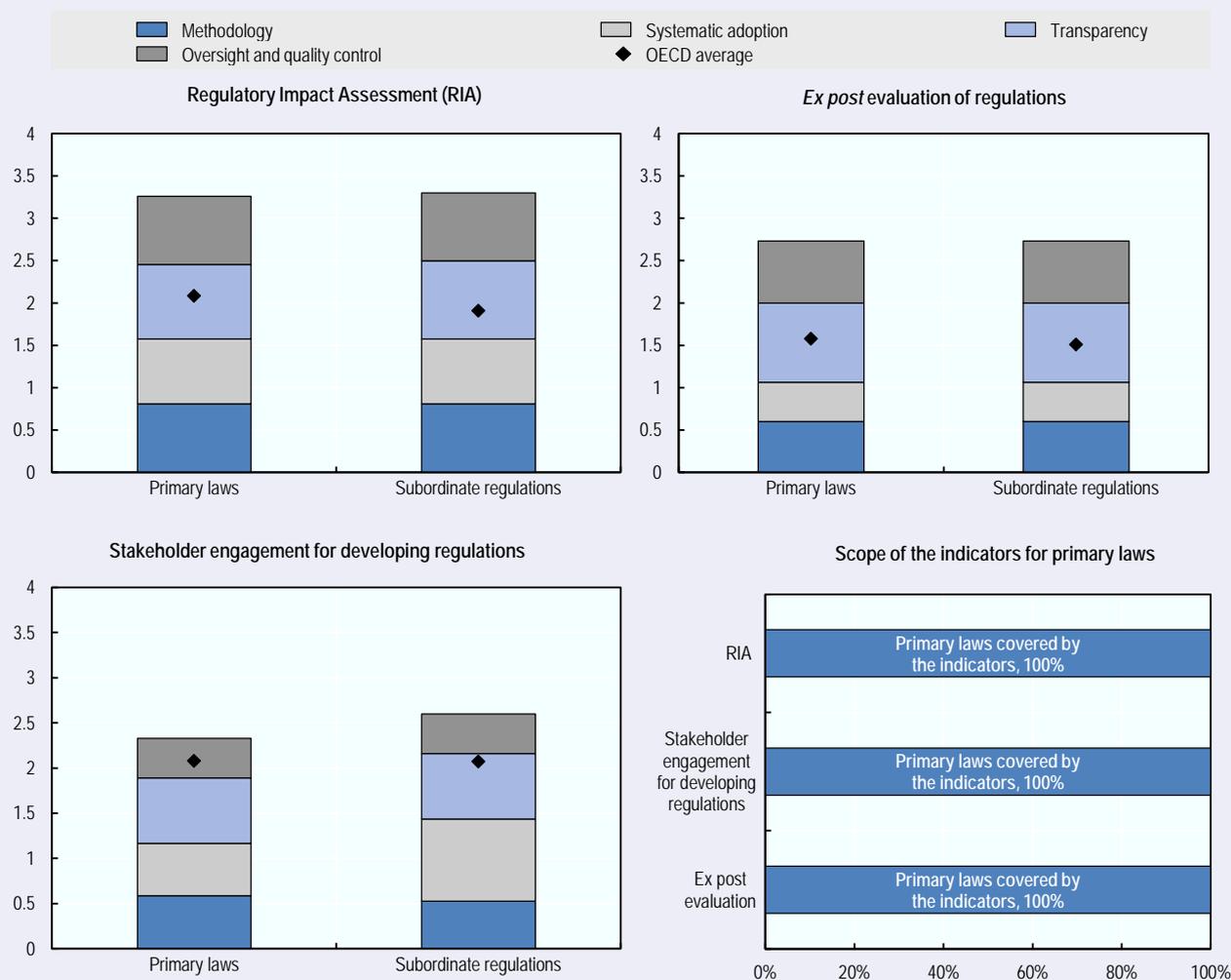
Spotlight: *Ex post* evaluation of legislation and regulatory policy

In 2010, the Commission introduced Fitness Checks to evaluate regulatory areas and identify gaps, overlaps, inconsistencies, administrative burden and cumulative impacts. Fitness checks have been scaled up following the launch of a REFIT programme in 2012, which is aimed at assessing administrative burden in the EU. The Commission, with the help of Member States, has measured administrative burdens related to Community legislation and national transposition.

Regulatory policy has also been evaluated. In 2010, the European Court of Auditors completed an audit of the RIA, analysing RIA procedures, use and content.

The Commission also reports on the performance of key aspects of the application of EU law to the other European institutions and on its application of the subsidiarity and proportionality principles, which determine to what extent the EU can exercise the competences conferred upon it by the Treaties.

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. Results presented apply to all legislation (regulations, directives and implementing and delegated acts) initiated by the European Commission, who is the sole initiator of legislation in the EU system.

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

Statlink: <http://dx.doi.org/10.1787/888933263124>

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.

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) 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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