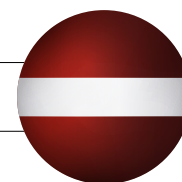




Indicators of Regulatory
Policy and Governance

EUROPE 2022

Latvia



Latvia

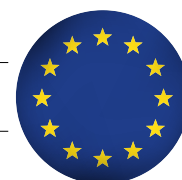
Overview and recent developments

Latvia has recently made several substantive reforms building on its existing regulatory policy framework. The obligation to conduct regulatory impact assessment (RIA) was introduced in 2009. RIA is required for all draft legal acts including subordinate regulations submitted to the Cabinet. RIA should be prepared early in the policy-making process and undergoes public consultation with the draft law. The impacts assessed cover mainly financial, budgetary, and administrative costs, and broader environmental and social costs. Policy makers now have the benefit of guidance material to assist in the preparation of RIAs including in the identification of the baseline, various options, and cost-benefit analysis. Consideration should now be given to improving the quantification of impacts of draft legislation and policy documents, as well as enhancing capacities to conduct cost-benefit analysis.

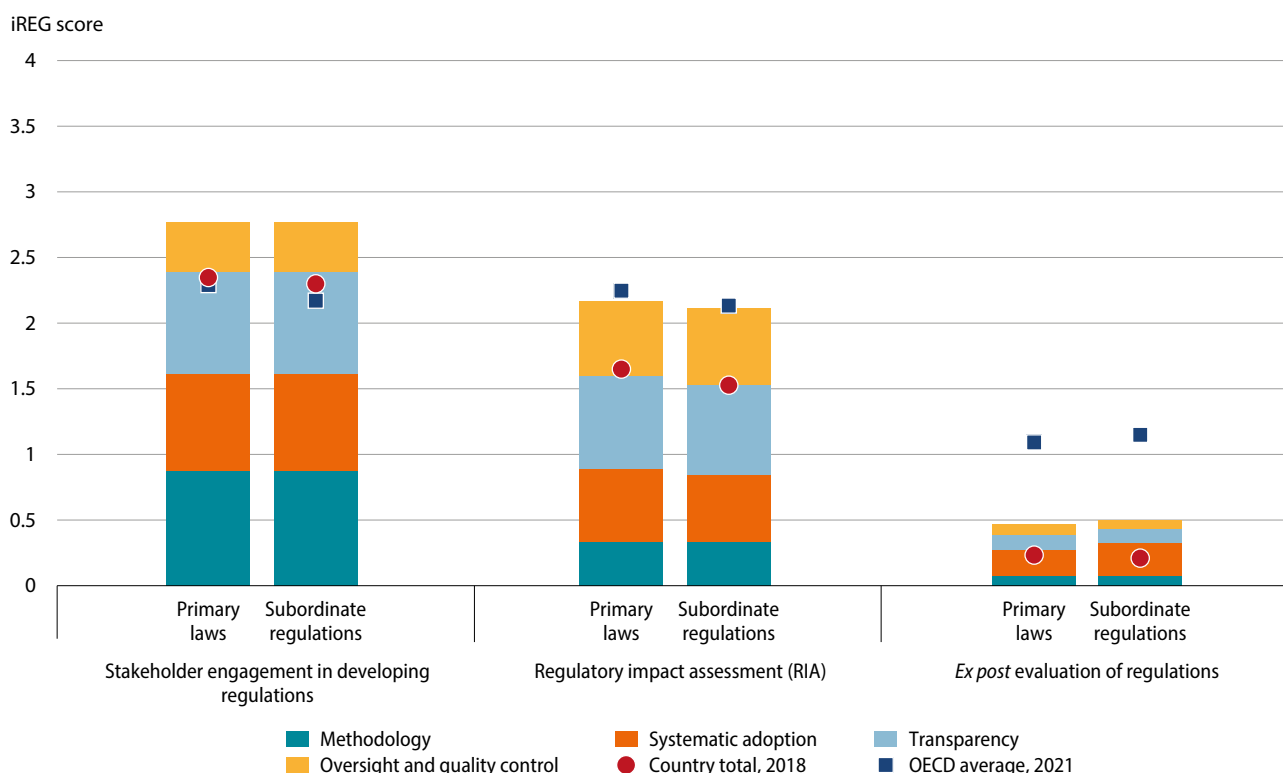
There is a structured and systematic process for consulting with social and civil partners. Public consultations are now systematically conducted at a late stage of policy development and stakeholders benefit from having a broader range of supporting material to help focus their input in policy proposals. While early stage consultation initiatives exist for planning documents, the next step will be to institutionalise this more broadly. Reviews of regulatory stock are mostly focussed on administrative burdens. While there is no explicit programme on *ex post* evaluations, they are now required for some subordinate regulations and an evaluation of all policy documents conforming to the SDGs was recently conducted.

The main responsibilities for co-ordinating regulatory policy and promoting regulatory quality are divided among the Ministry of Justice and the State Chancellery. The Ministry of Justice issues opinions regarding draft legal acts and draft development

planning documents drawn up by other institutions and provides methodological assistance in the development of draft laws and regulations including regular training of state administration personnel at the State Administration School. The Chancellery, through its Legal Department, focuses on compliance of each regulatory draft with the rules for drafting legislation, including the obligation to conduct impact assessment or requirements for stakeholder engagement. The assessment of the Ministry of Justice and the State Chancellery is binding for other ministries, which may be requested to revise their proposals accordingly. The Chancellery also co-ordinates the development and application of uniform rules of regulatory drafting including the impact assessment guidelines. In 2018, its mandate was expanded to include, among other functions, quality control of *ex post* evaluations and systematic evaluation of regulatory policy.



INDICATORS OF REGULATORY POLICY AND GOVERNANCE (iREG): LATVIA, 2021



Note: The more regulatory practices as advocated in the *OECD Recommendation on Regulatory Policy and Governance* a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (69% of all primary laws in Latvia).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <http://oe.cd/ireg>.

REQUIREMENTS TO USE REGULATORY MANAGEMENT TOOLS FOR EU-MADE LAWS: LATVIA



Source: Indicators of Regulatory Policy and Governance (iREG) Survey 2021, <http://oe.cd/ireg>.

THE OECD REGULATORY INDICATORS SURVEY AND THE COMPOSITE INDICATORS

The data presented in the *Better Regulation Practices across the European Union 2022* report are the results of the 2014, 2017, and 2021 indicators of Regulatory Policy and Governance (iREG) surveys. The results from these surveys for OECD member countries as well as the European Union have also been presented in the 2015, 2018, and 2021 OECD Regulatory Policy Outlooks. Composite indicators and country profiles for the five EU countries that are not members of the OECD were published for the first time and are based on the data from the 2017 and 2021 iREG surveys.

The Regulatory Indicators Survey investigates in detail three principles of the *2012 OECD Recommendation of the Council on Regulatory Policy and Governance*: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of 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 publicly available evaluations; and
- **Transparency** which records information from the questions that relate to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, 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. A full score on the composite indicators does not imply full implementation of the *Recommendation*. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (<http://oe.cd/ireg>).

Related links:

- Full report: [Better Regulation Practices across the European Union 2022](#)
- [Better Regulation Practices across the European Union 2019](#)
- [Indicators and underlying data and methodology](#)
- [Regulatory Policy Outlook 2021](#)
- [Recommendations and Guidelines on Regulatory Policy](#)
- [OECD Measuring Regulatory Performance Programme](#)
- [OECD work on regulatory policy](#)

For more information:

 mrp@oecd.org

 <http://oe.cd/ireg>

