

# Summary of the Informal Joint Workshop of the Regulatory Policy Committee and the Annual Meeting of Sustainable Development Experts on the Role of Impact Assessments in Policy Making

2 November 2011

## Overview

Delegates from the Regulatory Policy Committee (RPC), and the Annual Meeting of Sustainable Development Experts (AMSDE), have been respectively considering the role of regulatory impact analysis (RIA) and sustainability impact assessment (SIA) in policy making. They welcomed the opportunity to collectively engage in discussing how to better institutionalise evidence-based decision making processes in governments, taking into account economic, environmental and social considerations.

## Key messages

Both committee representatives confirmed the importance of promoting sustainable development and that while being mindful of resource constraints faced by governments, it is important to ensure that impact assessments adequately reflect economic, environmental and social considerations and that they are institutionalised accordingly. A number of key points emerged, including:

**Benefits of impact assessments:** *Ex ante* impacts assessment should be viewed as a positive contribution to policy development (e.g. to avoid risks) and not a constraint (e.g. as an administrative burden), if positioned appropriately and practiced well. Through the identification of trade-offs, impact assessments introduce alternative policy approaches to optimise benefits and to avoid potentially adverse impacts of proposed regulations/policies.

**Diversity in methods and tools used:** There are multiple methods and tools being used for impact assessments and that there seem to be no one-size-fits all approach; a combination of tools may be required (e.g. cost-benefit analysis and multi-criteria analysis). The practice of Regulatory Impact Analysis (RIA) is being expanded in many countries to better account for economic, environmental and social considerations. Some countries have introduced an “integrated” approach, aiming to apply impact assessment methods to significant policy development, not solely regulatory proposals, and to analyse the effect across a range of policy areas.

**Timing and political commitment of impact assessments:** A specific concern is ensuring that impact assessment is commenced sufficiently early in the policy process to provide decision makers with the necessary information to influence better quality policy design. *Ex -post* assessment also plays an important role in assessing the outcomes and effects of policies. The workshop considered the results of research evidence and arguments from practitioners that the appropriate institutionalisation of impact assessment procedures and policies improves policy development. Political support for the institutionalisation of impact assessment is also necessary to ensure that evidence is appropriately taken into account in policy development.

**Capacity building and improvement of impact assessment processes:** The effective implementation of integrated impact assessment requires capacity building in member countries. There is a need for training and support to promote the best use of methods and tools applied in impact assessment processes (e.g. inclusion of qualitative data, resolving challenges associated with monetisation, enhance data availability, better accounting of ethical issues, simplification of methods/tools for easier application of IAs, equal weighting of economic, environmental and social considerations, ensuring quality control, etc.). Approaches to balance the use of internal resource (e.g. desk officers) as well as external resources (e.g. expert consultants) were also raised.

**Governance mechanisms and impact assessment:** Changes in the administrative culture are necessary to promote better use of evidence in policy development. Impact analysis is often not undertaken, or is developed in “silos” in governments. However, integrated IAs processes including internal consultation can play a significant role in breaking down the “silo” approach by facilitating cross-departmental co-operation. Integrated approaches as applied, for example, in the Impact Assessment system of the European Commission usefully resolve potential policy conflicts within the administration. Accordingly, it is necessary to focus on ensuring the success of the impact assessment procedure and avoid a proliferation of separate analytical procedures that do not fully resolve policy conflicts or present evidence in an integrated way that is useful to policy makers.

**Public Consultation:** Integral to effective impact assessment is integrating the views of affected stakeholders to improve the analysis and to promote the openness of policy processes. The importance of consulting relevant stakeholders in the IA process was therefore stressed.