



# Regulatory Impact Assessment (RIA) as a tool for measuring the cost of regulations on Businesses

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A project funded by the European Union



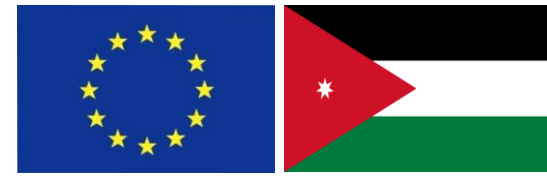
# What is RIA?



- ❑ A framework for taking a policy decision
- ❑ Key features of RIA
  1. Identification of the problem
  2. Definition of the objectives
  3. Development of the main policy options
  4. Analysis of the impacts of the options
  5. Comparison of the options
  6. Outline of policy monitoring and evaluation



# How Did RIA Develop?



- ❑ Office of Management and Budget (White House)
- ❑ Concerns about costs of regulation and impact on the free market
- ❑ OECD studies on regulatory reform
- ❑ Development of Better Regulation policies in European Union Institutions
- ❑ Development of Better Regulation policies in European Member States
- ❑ Development of Better Regulation policies in OECD countries
- ❑ Development of Better Regulation policies in Developing and transitional economies



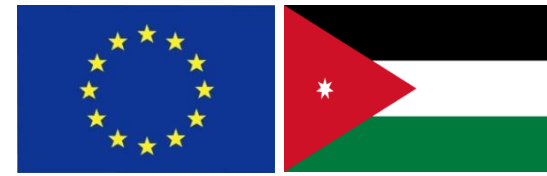
# Why is RIA Important



- ❑ Need for ‘evidence based policies’
- ❑ Need for a balance between costs and benefits of regulation
- ❑ Need to develop systematic process for policy making
- ❑ RIA leads to-
  - More transparency of government actions
  - The process leads to better quality decisions and better legislative outcomes



# Best examples



Commission of European Union

France

UK

Canada



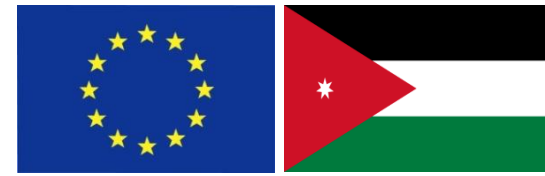
# What is needed to develop RIA?



- Enthusiastic officials
- Political Support
- Political Decision
- Initial programme of education for small group
- Create a Central Unit
- Create Units in each Ministry
- Pilot studies
- Apply to all legislation eventually



# How can RIA fail?



- Lack of champions
  - Political
  - Administrative
  - Civil society and business interests
- Lack of political support
- Poor training
- Lack of resources
- Lack of understanding of benefits



# What has this to do with SME's



- ❑ Same principles apply
- ❑ Success and failure depends on similar facts
- ❑ There is an overwhelming need to improve the quality of legislation
- ❑ The use of Better Regulation Tools such as RIA, Public Consultation, Administrative Simplification all bring advantages to the economy and society in which they are used





# Steps to build RIA



- First steps
  - Find champions
  - Organise training
  - Ensure sustainability (good planning)
  - Second steps?
    - These are up to you



**Thank you for your attention**

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**Project implemented by:**

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für Internationale  
Zusammenarbeit (GIZ) GmbH

 **eurecna**  
CNA Veneto  
International Services