



No system – little outcome: the results of better regulation initiatives in Estonia, Latvia and Lithuania



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Better regulation

	Estonia	Latvia	Lithuania
Obligations	<ol style="list-style-type: none"> 1. Rules for legislative drafting in government (1999) 2. Rules for legislative drafting in parliament (2001) 	<ol style="list-style-type: none"> 1. Cabinet Regulations No.111 „Rules of Procedure of the Cabinet of Ministers” (2002) 2. Guidelines on the Development of Policy Making System (2006) 	<ol style="list-style-type: none"> 1. Government Resolution No 276, (2003) 2. Guidelines for impact assessment (2003)
Reform	Initial conception ready in April 2008	No system yet, only obligations that are rarely followed	Since 2003 assessing economic, social and envir. impacts is compulsory

Better Regulation

	Estonia	Latvia	Lithuania
Coordinating institution	Ministry of Justice collects white papers and checks compliance with current regulations but is not coordinating impact assessment	State Chancellery, but deals only with legal questions	Government office checks compliance with strategic plans, political priorities and current regulations. No impact assessment coordinator.
Guidelines	Some ministries have compiled own guidelines. Inter-ministerial will be created by the end of 2008	Law on system of development planning is being written + some best practice codes	Questions about social, economic and environmental impacts. Not used enough though.

Better Regulation

	Estonia	Latvia	Lithuania
When is impact assessment necessary	For all regulatory proposals going to government and parliament	For all regulatory proposals going to government and parliament	For all regulatory proposals going to government and parliament
When is extended impact assessment needed?	Depending on scope of impact. A few full cost-benefit analysis made so far.	Not clear	Depending on scope of impact. About 5 extended impacts done in a year

Better Regulation

	Estonia	Latvia	Lithuania
Comparison of alternatives	Suggested	Suggested	Suggested
Main criteria	Efficiency	Minimal cost	Efficiency
Listing all affected target groups	Yes	Yes, necessary certain type of proposals	Only mapping businesses is compulsory



Better Regulation

	Estonia	Latvia	Lithuania
Guidelines for consultation	Code of good involvement practice	Yes	-
How consultation works in practice?	Unofficial + roundtables, focus groups + written consultation	Mainly unofficial + roundtables + written consultation	Unofficial
How impact assessment works in practice	Usually some kind of analysis is used, but often quite poor. Is taken usually as a formality. At state chancellory level also used for political aims.	Mainly a formal procedure for justifying chosen policy with some exceptions	Mainly a formal procedure for justifying chosen policy with some exceptions

What is going on in Estonian ministries?

- Ministries generally do not write white papers. When a white paper is sent to Ministry of Justice, it often seems to be written as a formality and it does not contain sufficient analysis.
- White papers often do not contain a list of target groups, who have to be involved and no descriptive data about current situation
- The explanatory notes of drafts do not include alternative solutions and impact assessment is mainly written as a description of the goal
- When previous research and analysis has been used no direct sources are referred to
- When other countries' practices have been used, there is no analysis how this suits into Estonian context

Conclusions of a study made by Ministry of Justice, 2007

Principles of European Commission and do ministries in Estonia follow them?

- Integrating different policy goals (no)
- Impact assessment is a tool for decision making not a substitute for it (yes)
- Values: transparency and involvement of target groups (partially)
- Following the Lisbon Strategy and Sustainable Development (in theory yes)

Principles of European Commission and do ministries in Estonia follow them?

When is impact assessment necessary?

- White papers, funding programs and regulatory proposals (not agreed in Estonia)
- Not necessary for green papers (not agreed in Estonia)

Principles of European Commission and do ministries in Estonia follow them?

Planning impact assessment

- Impact assessment is part of annual working program to reserve sufficient time (partially)
- Road-maps are created about what kind of data is available, what is needed, how to gather and analyse (no)
- Road-maps have information about possible impacts for each alternative and how much time is needed for further analysis (no)
- Road-maps are distributed early enough before finalizing the work-program (no)

Principles of European Commission and do ministries in Estonia follow them?

Proportionality

- The bigger the impacts, the more precise quantitative and monetary indicators are used (partially yes)

Subsidiarity

- When planning a new initiative it must be shown, why regulating at EU level is necessary and not to let each member state decide about that (yes, when comparing national and local government levels)

Changing the current regulation

- Must bring out whether the conditions have changed and whether the current goals for solving the (no)
- When there is change in conditions then it must be proved whether the current solutions can be adopted to the changes or are new solutions needed (no)

Principles of European Commission and do ministries in Estonia follow them?

For strategies:

- Includes only general description of the situation, goals and initial impact assessment (yes)
- The proposed activities should be detailed enough to be able to consult with target groups and do initial impact assessment (partially)

Funding programs

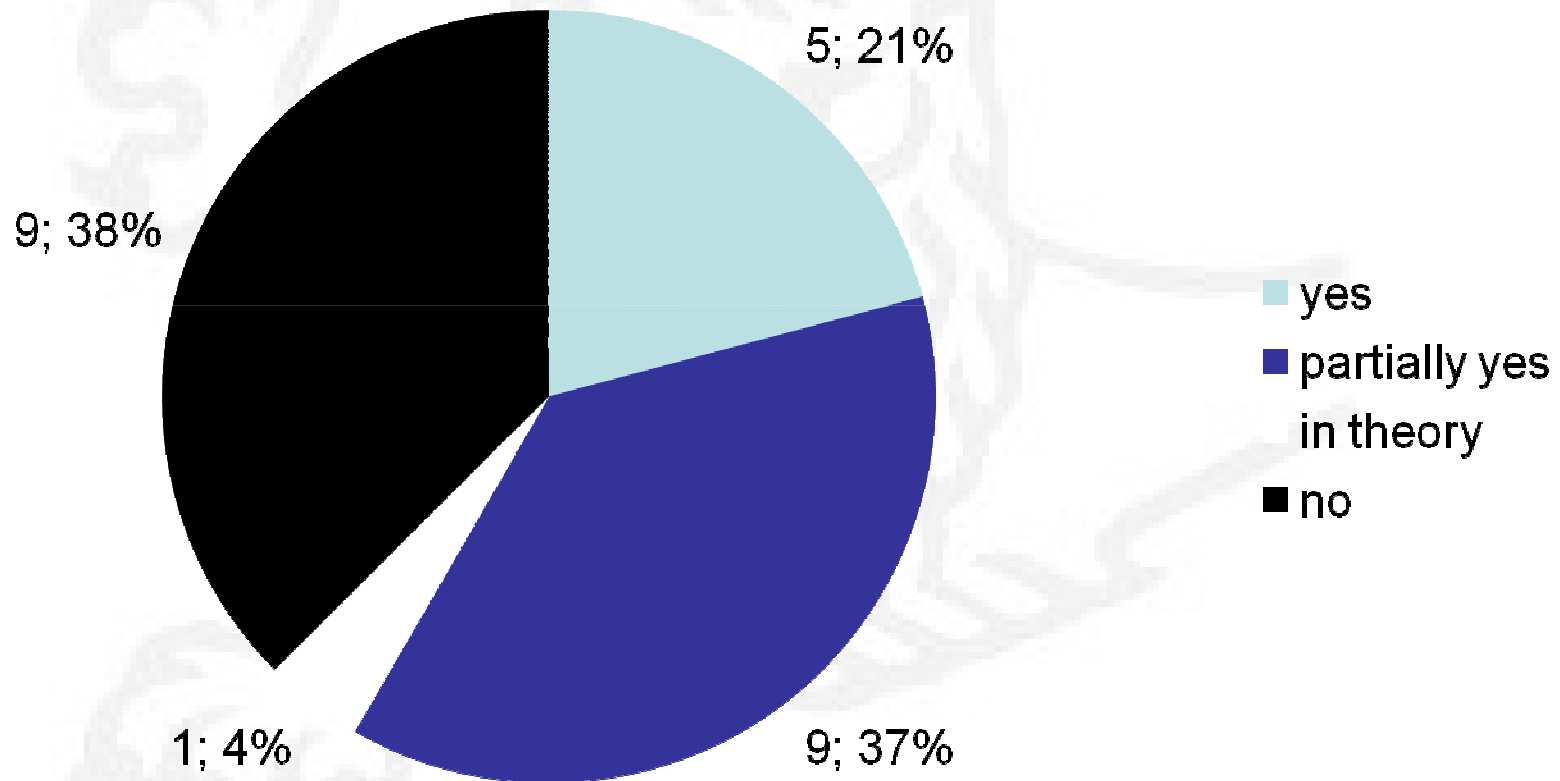
- Rather ex-post assessments for previous similar programs are used than predictions for planned ones (no impact assessment made)

Principles of European Commission and do ministries in Estonia follow them?

Principles for consulting

- Use simple language and include all relevant (partially yes)
- Consult with all stakeholders who will be impacted (partially yes)
- Ensure sufficient spread of information among target groups (partially yes)
- Leave at least 20 working days for submitting proposals (partially yes)
- Public the results of consultation (yes)
- Give feedback whether the proposals were taken into account and why (partially yes)
- Consulting is not a substitute for impact assessment (yes)

Principles of European Commission and do ministries in Estonia follow them?



Steering committee for regulatory impact assessment reform in Estonia

- Mari-Liis Liiv (Ministry of Justice, head of department for criminal policy analysis)
- Aare Kasemets (Ministry of Environment, head of department for development)
- Ahti Kuningas (Ministry of Economics and Communication, head of analysis department)
- Katrin Lasn (Ministry of Finance, head of economic policy analysis department)
- Karl-Erik Tender (Ministry of Social Affairs, development advisor)
- Klas Klaas (State Chancellery, advisor in strategy unit)
- Urmet Lee (State Audit Office, audit coordinator)
- Statistical Office of Estonia
- Toivo Mängel (Parliament Office, head of economic and social information)
- Jon Ender (PRAXIS Center for Policy Studies, analyst)
- Katrin Pihor (Applied Research Center Socialia, Tartu University, director)
- Eveli Karner (Center for Civil Society Research and Development, analyst)

Steering committee for regulatory impact assessment reform in Estonia

- What kind of impacts should we assess?
- How should we organise impact assessment in order to avoid justifying politics?
- Who should coordinate, advise and train?
- In what part of policy process should we add impact assessment?

Steering committee for regulatory impact assessment reform in Estonia

- How should we distribute tasks between ministries and coordinating body?
- In what part of policy process should we consult?
- How to organise ex-post assessment?

Steering committee for regulatory impact assessment reform in Estonia

- Evaluate how extensive analysis is needed when the white paper is created
- Different guidelines for economic, social and environmental impact assessment
- What kind of methods should we prefer?
 - 1) Experience of Germany, UK, Czech, Netherlands, Finland, Ireland
 - 2) RIA in scientific literature
 - 3) RIAs made in Estonia

Steering committee for regulatory impact assessment reform in Estonia

Schedule:

15.02.2008 Checklist with guidelines: for what kind of drafts do we need impact assessment and how to do it?

31.03.2008 Who assesses, who controls, when and who to plan?

31.05.2008 Testing the guidelines on two drafts

31.08.2008 Preparing for changes in rules for drafting

31.12.2008 Creating the infrastructure: recruiting new staff, databases, training

2009 Implementation and monitoring

Creating a system for assessing impacts of strategies

- Lead by State Chancellery, strategy unit
- Direct link with the work of Steering committee for regulatory impact assessment
- Activities start in March 2008, first results by 2009
- Main goal is to create suggestions for standardised methodologies and policy analysis models
- Second goal is to agree on minimum requirements for impact assessment (end of 2009):
 - What type of analysis we need to apply for certain strategies and what kind of questions we need to answer?
- Agree on distribution of roles between RIA system and strategy impact system

Conclusions for Estonia

- Generally only available statistics used for drafts that can even be not relevant for the policy questions
- There is capacity only for a few extended impact assessments a year
- Analysis done by ministries is usually not taken seriously by politicians, they see party affiliation
- PRAXIS is trusted and quoted, also some other policy research centers
- Some survey companies also have tried RIA, but they lack practical policy analysis orientation and main motive is financial not to improve the situation
- Civil servants are being trained, ministries have formed departments for analysis
- More analysis is being contracted out and done by ministries compared to past 3 years

Conclusions from better regulation initiatives in the Baltic countries

- Only a few RIAs can be seen, when there is no system in place and no political commitment for creating it and using RIAs in the policy process
- Majority of people connected to policy process still need explaining why RIA and how
- Need for stable governments and staff in ministries