Regulatory Impact Assessment (RIA) is both a document and process for supporting decision makers on whether and how to regulate to achieve public policy goals. RIA helps to improve the design of regulations by assisting policy makers in identifying the best solution to address a policy problem. RIA examines the costs and benefits of regulation and non-regulatory alternatives of achieving policy goals, in order to identify the approach that is likely to deliver the greatest net benefit to society. RIA can assist in promoting policy coherence by pointing to the trade-offs inherent in regulatory proposals, and identifying who is likely to benefit from a regulation and who will bear the costs. RIA can also improve the use of evidence in policy making and help avoid regulatory failure arising from unnecessary regulation, or failing to regulate when regulation is needed. Finally, RIA documents the evidence and increases accountability of policy decisions.

The indicator presented here is part of the iREG indicators and a key OECD indicator to measure the adoption of evidence-based policy making processes. It is based on the practices described in the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance. The more of these practices a country has adopted, the higher is its indicator score. The composite indicator is composed of four equally weighted categories: methodology gathers information on different assessments included in RIA, oversight and quality control records mechanisms to monitor and ensure the quality of RIA, systematic adoption records formal requirements and how often RIA is conducted in practice, and transparency records how open RIA processes are. The maximum score for each category is 1, the total score for the composite indicator ranges from 0 to 4.

Virtually all OECD countries have introduced formal requirements and a methodology for conducting RIA. Countries with high scores for methodology, such as the Canada and the United Kingdom, have gone beyond the mere assessment of potential costs of regulation. They assess a wide range of impacts of regulatory proposals, make the depth of RIA proportionate to the significance of a regulation, and consider compliance and enforcement issues. Most countries with a high score on the indicator have invested in the transparency and oversight of their RIA system, e.g. the Czech Republic, Estonia, Germany, Mexico and the United Kingdom. This includes measures like the online publication of RIAs in a central registry, the establishment of an oversight body that can return inadequate impact assessments for revision or the publication of performance reports on the RIA system. The OECD average on the indicator for subordinate regulations is slightly lower than for primary laws. The gap is most pronounced for Denmark, Greece and Iceland, which score substantially higher for primary laws.

RIA is an integral part of regulatory governance and should be integrated with other regulatory management tools. Releasing RIA documents for public consultation provides transparency in the rule-making process and the opportunity to obtain data and information for analysis. However, only 18% of OECD countries have a requirement to conduct public consultations on RIAs for all or major new primary laws. RIA can also pave the way for ex post evaluations of regulations by establishing criteria against which a regulation will be assessed after implementation, including whether its underlying policy goals have been achieved. Linking RIA to ex post evaluation is still a work in progress: only about 40% of OECD countries identify a process for assessing progress in achieving a regulation’s policy goals when developing new primary laws.

Methodology and definitions

The Indicators of Regulatory Policy and Governance (iREG) draw upon responses provided by delegates to the OECD Regulatory Policy Committee and central government officials to the 2014 OECD Regulatory Indicators Survey for all OECD countries and the European Commission. The data only cover primary laws and subordinate regulations initiated by the executive. In the majority of OECD countries, most primary laws are initiated by the executive, except for Mexico and Korea, where a higher share of primary laws is initiated by the legislature (respectively 90.6% and 84%). All questions on primary laws are not applicable to the United States as the US executive does not initiate primary laws at all. More information on the iREG indicators can be found in an Annex online and at www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

Primary laws are regulations which must be approved by the legislature, while subordinate regulations can be approved by the head of government, by an individual minister or by the cabinet.

Further reading


Figure notes

Data for Latvia are not available.

8.3: Country scores are presented in order of total scores for primary laws, with the exception of the United States, for which the score for subordinate regulations is taken as a basis.

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.
8.3. Regulatory Impact Assessment for developing regulations, 2014

- Methodology score: primary laws
- Oversight score: primary laws
- Transparency score: primary laws
- Total score: subordinate regulations


StatLink: http://dx.doi.org/10.1787/888933533017

8.4. Are RIAs for primary laws required to be released for consultation with the general public? 2014

- All RIAs: 12.1%
- Never: 60.6%
- Some RIAs: 21.2%


StatLink: http://dx.doi.org/10.1787/888933533036

8.5. Are regulators required to identify a process for assessing progress in achieving a primary law's goals when developing primary laws? 2014

- For all primary laws: 24.2%
- Never: 51.5%
- For major primary laws: 12.1%
- For some primary laws: 9.1%


StatLink: http://dx.doi.org/10.1787/888933533055