

There is a fundamental value in assessing the effectiveness of regulation once it is in force. It is only after implementation that the effects and impacts of regulations can be fully assessed, including direct and indirect incidence and unintended consequences. Regulations may also become outdated as the result of a change in societal preferences or technological advancement. Consequently, regular reviews are needed to ensure that regulations are still necessary, relevant and fit for purpose. Evaluation of regulations is mainly carried out *ex ante* through the Regulatory Impact Assessment process while *ex post* evaluation remains the least developed of the regulatory tools. Administrative simplification, on the contrary, has been widely used both in OECD and LAC countries. It encompasses the reduction of administrative requirements to comply with regulation and moves from a simple review of norms to the quantification of the administrative burdens and better targeting of the simplification efforts.

Ex post evaluation to assess the effectiveness of laws and regulations in achieving their objectives is mostly unexplored in the LAC countries covered, a trend similar to OECD countries. Only very few countries present isolated cases in which regulators are required to conduct *ex post* evaluations. For instance, regulatory commissions in Colombia are obliged by law to conduct every three years an *ex post* evaluation of all regulations adopted over that period. In other countries, there are cases that also show the complexity of completing the exercise to understand if the intervention met its intended objectives. The case of Chile reveals an interesting example, as the Chamber of Deputies, through its Law Evaluation Department, plays a role in assessing the effectiveness of laws. The Department has conducted several *ex post* reviews of laws, making recommendations in each case for further improvement.

By contrast, LAC countries have invested substantially in administrative simplification programmes to ease the regulatory burden. These efforts have been widely spread across the whole region, including different levels of government, and are supported by guidance available to officials. LAC countries have extensive experience in the implementation of administrative simplification projects, which have made it easier to do business in the region. However, very few of them complete the systematic requirement to link these efforts to the systematic adoption of other tools, such as RIA and consultation to improve the quality of the regulations.

In terms of legal instruments, such as codification or consolidation, LAC countries have made use of a variety of approaches to review their stock of regulation. However, they appear to be mostly focussed on rationalising rather than reviewing the effectiveness of regulations, as sunseting and review clauses are rarely used.

Methodology and definitions

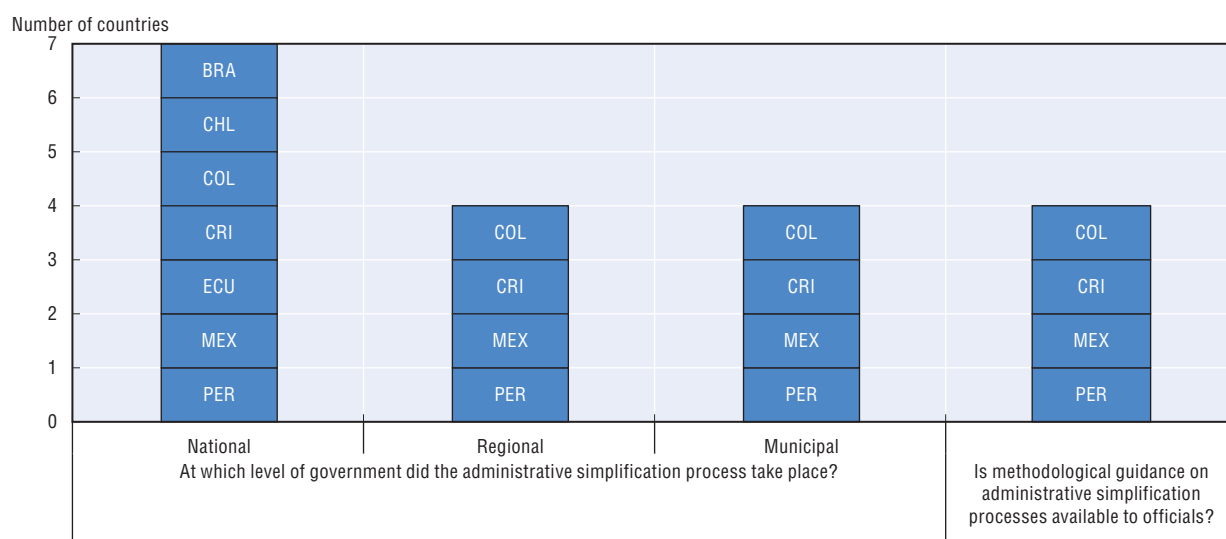
The OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 draw upon responses to the OECD-IDB Survey on Regulatory Policy and Governance 2015 from selected LAC countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. Responses were provided by government officials and reflect the situation as of 31 December 2015. Unless explicitly stated, the scope of the data covers only regulations initiated at the national level.

Primary laws are regulations which must be approved by parliament or congress, while subordinate regulations can be approved by the head of government, by an individual minister or by the cabinet – that is, by an authority other than parliament/congress. Sunseting clauses refer to the automatic repeal of regulations a certain number of years after they have come into force.

Further reading

- OECD (2015), *Regulatory Policy Outlook 2015*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264238770-en>.
- OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264209022-en>.
- OECD (2016), “OECD Indicators of Regulatory Policy and Governance”, OECD, Paris, www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.
- OECD (2012), “International Practices on *ex post* Evaluation”, *Evaluating Laws and Regulations: The Case of the Chilean Chamber of Deputies*, pp. 9-46, OECD, Paris, <http://dx.doi.org/10.1787/9789264176263-3-en>.

7.7. Administrative simplification, 2015



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

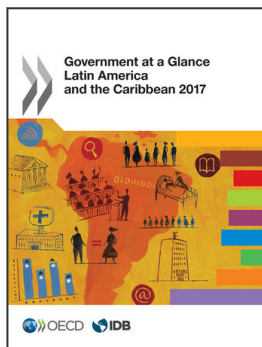
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7.8. Ex post reviews of regulations, 2015

	Types of ex post reviews conducted								Did any of these reviews include an assessment of whether the objectives of the regulation have been achieved?	
	Codification		Legal consolidation		Sunsetting clauses		Review clauses			
	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations
Brazil	●	●	●	●	○	○	○	○	○	○
Chile	●	●	●	●	●	●	●	●	●	●
Colombia	○	○	○	●	○	○	○	●	○	●
Costa Rica	○	○	○	○	○	○	○	○	○	○
Ecuador	●	●	●	●	○	○	○	○	○	○
Mexico	○	●	○	●	○	●	○	●	●	●
Peru	○	○	○	○	○	○	○	○	○	○
LAC total										
● Yes	3	4	3	5	1	2	1	3	2	3
○ No	4	3	4	2	6	5	6	4	5	4

Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

StatLink <http://dx.doi.org/10.1787/888933431804>



From:

Government at a Glance: Latin America and the Caribbean 2017

Access the complete publication at:

<https://doi.org/10.1787/9789264265554-en>

Please cite this chapter as:

OECD (2016), “Ex post evaluation and administrative simplification”, in *Government at a Glance: Latin America and the Caribbean 2017*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264265554-38-en>

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