

Regulatory impact assessment (RIA) is a critical tool to improve the quality of government decision-making. It is a way of identifying and assessing the potential positive and negative effects that prospective regulations may have on the environment, society, and the economy overall. It should compare alternative ways of addressing public policy problems and should highlight the option that is expected to deliver the greatest net benefit to society. In addition to improving the evidence-base for government interventions, RIA provides the opportunity to enhance accountability and transparency in the policymaking and decision-making processes. The use of RIA continues to develop across OECD countries, and some form of RIA has now been adopted by all OECD countries.

While still at the early stages, countries in Latin America and the Caribbean (LAC) are making progress towards adopting RIA. Since 2015, a number of economies in the region have taken important steps towards implementing RIA. Chile, Colombia, Ecuador and El Salvador have all established their first-ever obligations to conduct RIA for at least some subordinate regulations. Brazil and Costa Rica have updated existing methodological guidance about conducting RIA and in Peru, new guidance material for undertaking RIA by individual regulatory agencies has been developed.

With the exception of Mexico, countries' efforts in implementing RIA are, however, still limited to specific sectors or specific types of subordinate regulations. For instance, Colombia made RIA a mandatory component for the development of technical rules through Presidential Decree 1595. Since 2018, government officials in Ecuador are required to conduct RIA for new administrative procedures, according to Executive Decree No. 372. In other countries, such as Brazil and Peru, RIA is conducted to support regulatory-making by specific regulatory agencies, but is not yet a consistent practice across the whole administration. Moving forward, it will be important to further expand the adoption of RIA in many countries in the region.

While some improvements have been made, the quality control of RIA remains weak across the region. Simply mandating that administrations produce high quality RIA's is not enough to ensure that this will happen in practice. Establishing quality control mechanisms places incentives on civil servants to better and more consistently use RIA. Some countries have, as part of introducing a RIA requirement, established a body responsible for reviewing their quality. In El Salvador for instance, the Law of Better Regulation assigned the Regulatory Improvement Agency the responsibility to scrutinise the quality of RIA's according to the standards established in the Law. Still, only a minority of LAC countries have established such a quality control function. Where a RIA oversight body exists, it is usually located close to the centre of government or in the ministry of economy, as advocated in the OECD Recommendation of the Council on Regulatory Policy and Governance.

Along with good regulatory practices in some OECD countries, RIA's are published online in most LAC countries that conduct them, although not always systematically. Where RIA's are made available for consultation, this is usually at a later stage of the regulatory process, once a regulation has been drafted. In Mexico for instance, the National Commission for Regulatory Improvement (CONAMER, previously COFEMER) publishes all draft regulations and RIAs online for public consultations. Consultations as part of RIA at an earlier stage, before a decision about whether to regulate is taken, are far less common across LAC countries.

Methodology and definitions

The iREG indicator for Latin America 2019 draws on responses to the OECD-IBD Surveys on Regulatory Policy and Governance 2015-2016 and 2019. The countries surveyed in 2015-16 were Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. The 2019 survey presents an update of these countries and additionally draws on data from Argentina, the Dominican Republic and El Salvador, surveyed for the first time in 2019. Responses were provided by government officials and reflect the situation as of 31 March 2019. The data cover regulations initiated by the executive at the national level, with a focus on subordinate regulations.

Regulation refers to the diverse set of instruments by which governments establish requirements on enterprises and citizens. Subordinate regulations are created by the executive and are generally approved by the head of government, a minister or the cabinet. RIA is the systematic process of identification and quantification of benefits and costs likely to flow from regulatory or non-regulatory options for a policy under consideration.

Further reading

OECD (forthcoming), OECD Best Practice Principles for Regulatory Policy: Regulatory Impact Assessment, OECD Publishing, Paris, forthcoming.

OECD (2018), OECD Regulatory Policy Outlook 2018, OECD Publishing, Paris, <https://doi.org/10.1787/9789264303072-en>.

OECD (2012), Recommendation of the Council on Regulatory Policy and Governance, OECD, Paris, <https://www.oecd.org/gov/regulatory-policy/2012-recommendation.htm>.

Figure notes

Data for 2015 cover Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. Data for 2019 additionally cover Argentina, the Dominican Republic and El Salvador.

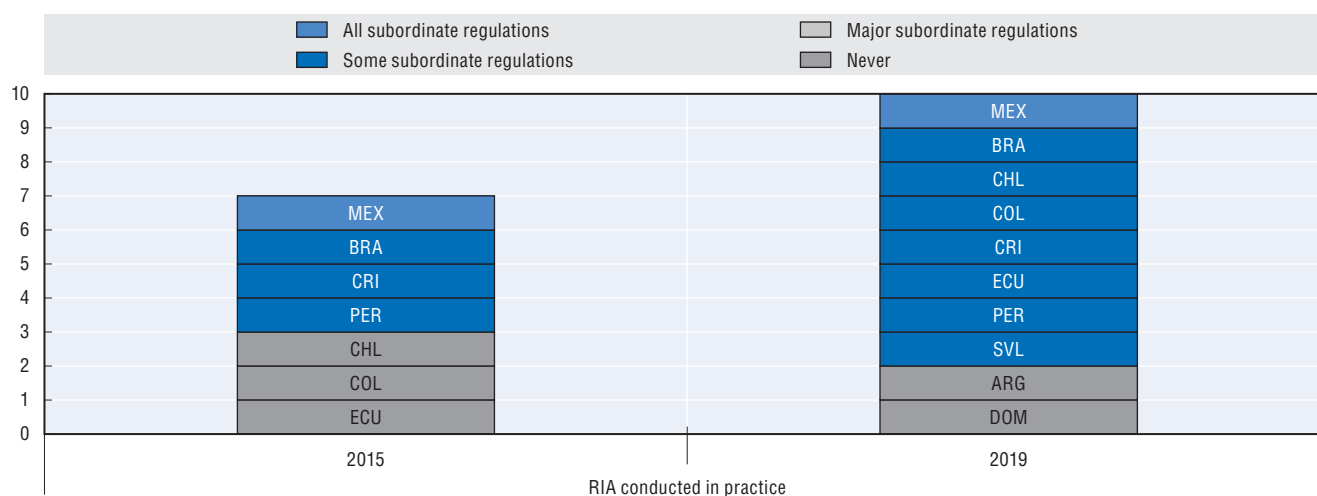
7.7. Requirements to conduct regulatory impact assessment, 2015 and 2019



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 and 2019, www.oecd.org/gov/regulatory-policy/ireg-lac.htm.

StatLink <https://doi.org/10.1787/888934092569>

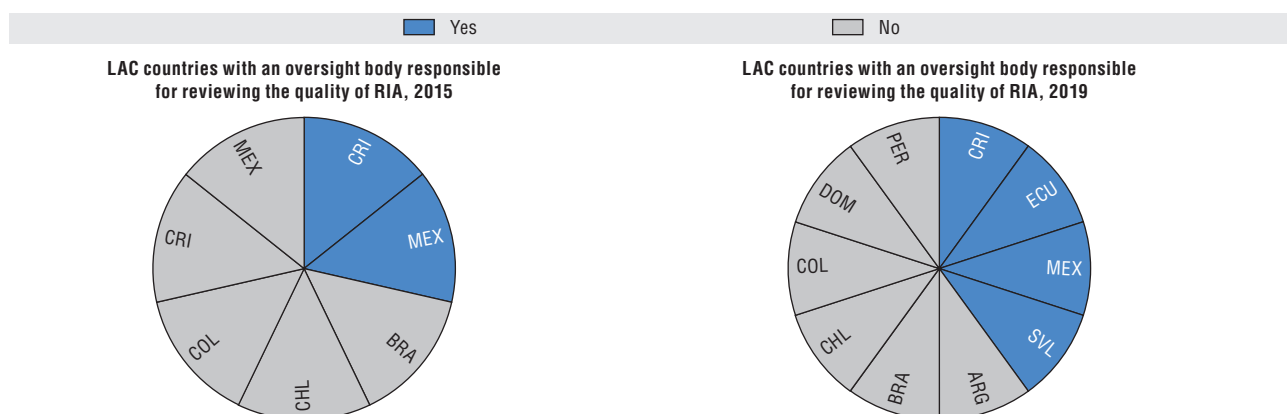
7.8. Regulatory impact assessment conducted in practice, 2015 and 2019



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 and 2019, www.oecd.org/gov/regulatory-policy/ireg-lac.htm.

StatLink <https://doi.org/10.1787/888934092588>

7.9. Regulatory impact assessment quality control, 2015 and 2019



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 and 2019, <http://www.oecd.org/gov/regulatory-policy/ireg-lac.htm>.

StatLink <https://doi.org/10.1787/888934092607>



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