

Regulatory Impact Assessment (RIA) is a key policy tool that provides decision makers with detailed information about the potential effects of regulatory measures on the economy, environment and social arrangements. It is therefore a core tool for evidence-based policy making. It is defined as 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. By strengthening the transparency of regulatory decisions and their justification, RIA may also bolster the credibility of regulatory responses and increase public trust in regulatory institutions and policy makers. The use of RIA has expanded over the past 30 years to become universal across OECD member countries; however, there is no single model that is followed in implementing this regulatory policy tool. The design and evolution of RIA systems has taken into account the institutional, social, cultural and legal context of the relevant country or jurisdiction.

Apart from Mexico, and to a certain extent Costa Rica, the use of RIA is relatively recent among LAC countries. While the rest of the countries covered have taken steps to adopt this tool, it has not been systematically implemented yet. For instance, in Brazil, Ecuador and Colombia several pilot projects were conducted with a view to institutionalising the use of RIA. The gap in implementation still remains high, which shows the need to introduce a RIA system that is adequate for the administrative culture and institutional capacity of each country, while ensuring the comprehensive analysis of impacts, the consultation process, the training of regulators and well-functioning institutional settings.

One of the major challenges for the consistent implementation of RIA in practice is the lack of oversight observed in most LAC countries. Only Mexico and Costa Rica have a dedicated oversight body that controls the quality of RIAs prepared by the regulators, ensuring coherence and developing a culture among regulators to better define their regulatory interventions. RIA is a tool that might require intensive resources and capacities, in addition to strong leadership and political support.

Written guidance on the preparation of RIA has been developed in all LAC countries covered except Peru, but it does not mean that it is fully used by regulators. Those documents also show a lack of a clear methodological approach to be developed and promoted in most LAC countries.

#### 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. The scope of the data covers only regulations initiated by the executive at the national level. Data for OECD countries are drawn from the OECD Indicators of Regulatory Policy and Governance (iREG) 2015.

Subordinate regulations are regulations that 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.


#### 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](http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm).
- OECD (2016), “OECD work on Regulatory Impact Analysis”, OECD, Paris, [www.oecd.org/gov/regulatory-policy/ria.htm](http://www.oecd.org/gov/regulatory-policy/ria.htm).

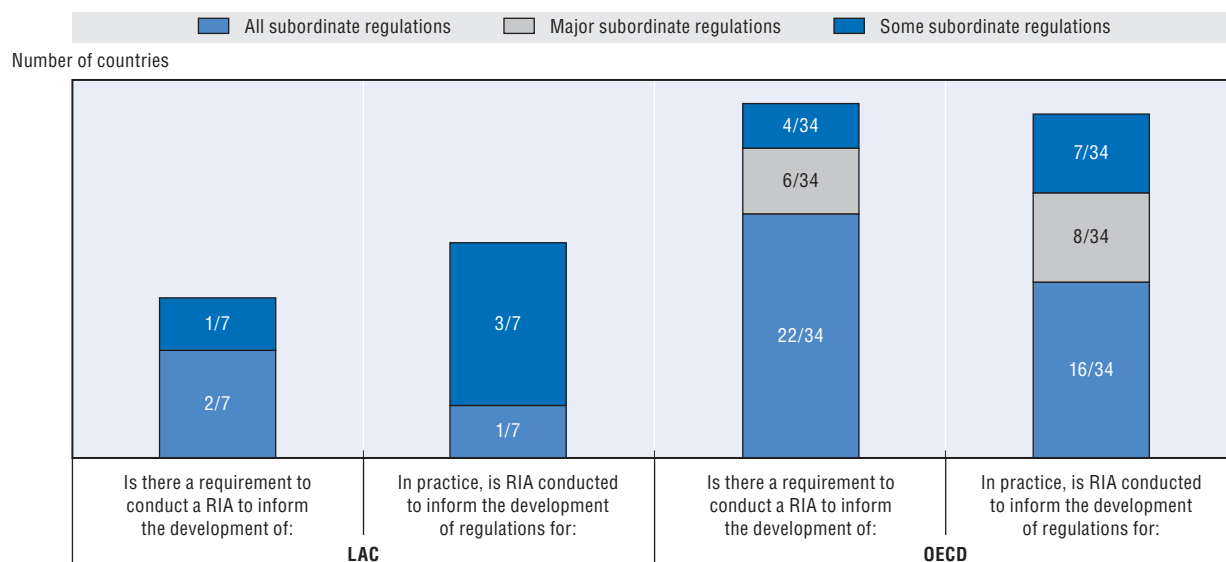
## 7.5. Regulatory Impact Assessment, 2015

	Requirement to conduct RIA to inform the development of:	RIA is conducted in practice to inform the development of:	RIA quality check by government body outside the ministry preparing the regulation	Is written guidance on the preparation of RIA provided?
Brazil	►	►	○	●
Chile	□	□	○	●
Colombia	□	□	○	●
Costa Rica	■	►	●	●
Ecuador	□	□	○	●
Mexico	■	■	●	●
Peru	□	►	○	○
<b>LAC total</b>				
■ All subordinate regulations	2	1		
▲ Major subordinate regulations	0	0		
► Some subordinate regulations	1	3		
□ Never	4	3		
● Yes			2	6
○ No			5	1
<b>OECD total</b>				
■ All subordinate regulations	22	16		
▲ Major subordinate regulations	6	8		
► Some subordinate regulations	4	7		
□ Never	2	3		
● Yes			25	33
○ No			9	1


Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. OECD Indicators of Regulatory Policy and Governance (iREG) 2015. [www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm](http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm).

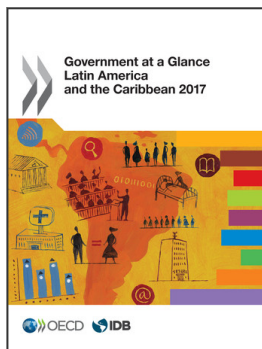
StatLink  <http://dx.doi.org/10.1787/888933431799>

## 7.6. Adoption of RIA: Formal requirements and practice, 2015



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. OECD Indicators of Regulatory Policy and Governance (iREG) 2015. [www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm](http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm).

StatLink  <http://dx.doi.org/10.1787/888933431370>



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