

State Level Consultation Seminar Impact Assessment in India

November 15, 2014

Outline

- About impact assessment
- Types of IA
- CUTS initiatives
- Impact assessment in financial sector
- Way ahead

About impact assessment

- Evaluating the impact of proposed and existing legislations/regulations on all the stakeholders
- Ensures:
 - Adoption of most optimal alternative
 - Clarity in objectives and their achievement
 - Benefits of legislations outweigh the costs
 - Accountability
 - Stakeholder buy-in

Types of IA

Ex-ante	Ex-post
Identifies potentially anti-competitive, protectionist, welfare reducing, and sub-optimal regulations before enactment	Review of existing policies and regulations and assessment if legislations are achieving their objectives, and suggesting suitable modifications
IFC: Regulation making process	IFC: Review after three years

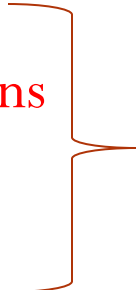
- While OECD countries started to utilise IA in 1970s, non OECD countries started to incorporate it in policy making and review since mid 1990s.

CUTS initiatives

- Facilitating adoption of impact assessment framework in India
- Assessing select existing legislations on a case study basis in energy and financial sectors
- Objective:
 - Generate awareness about IA
 - Create evidence of benefit of IA
 - Develop a toolkit for undertaking IA in India
 - Build capacity by conducting training seminars
 - Provide specific suggestions on laws reviewed

IA in financial sector

- Ex-post IA in banking and insurance sector, in two cycles of around one year each
- Supported by the British High Commission
- Methodology:
 - Identification of issue/problem
 - Selection of legislation(s)
 - Analysis of select legislative provisions
 - Develop legislative alternatives
 - Undertake cost-benefit analysis
 - Selection of alternatives



Data collection
via stakeholder
consultation

IA in financial sector

- First year: Banking sector and non-performing assets
- Legislations:
 - Recovery of Debts Due to Banks and Financial Institutions Act, 1993
 - Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
- Data collection and analysis of impact of provisions is ongoing. e.g. Impact of s. 4 of RDBFI Act (DRT to consist of one person only) on stakeholders
- Challenge: Data availability in public domain

Way ahead

- On-going consultations with key stakeholders
- Analysis of summary orders of debt recovery tribunals
- Two focused group discussions with government/regulator and industry
- Drafting of research report, toolkit, policy brief and briefing paper
- Advocacy and dissemination seminar
- Two training sessions with government officials

THANK YOU

Comments, suggestions or clarifications?