State Level Consultation Seminar
Impact Assessment in India
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

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