



Institutionalising Regulatory Impact Assessment in India

Regulation intends to change behaviour. While presumably having certain benefits, such behaviour change comes at a cost. It is necessary that the cost of regulation is outweighed by its benefits. Regulatory Impact Assessment (RIA) is a framework to estimate costs and benefits of regulatory proposals and identify such proposals which is likely to result in maximum net benefits.

RIA has been institutionalised in several jurisdictions and the Indian government is also considering its adoption. This paper reviews RIA models in different jurisdictions and recommends the way forward for India. It suggests: 1) enacting a legislation mandating adoption of RIA; 2) creating dedicated RIA Units within all government departments and regulatory agencies; 3) constituting a Regulatory Productivity Commission (RPC) at the centre and states to oversee the RIA process in government departments and regulatory agencies, and conduct an independent review of the quality of RIA statements prepared by RIA Units; and 4) facilitating capacity building of RIA Units through the National Institution for Transforming India (NITI) Aayog.

Introduction

Regulations have several intended and unintended impacts on a diverse set of stakeholders. Such impacts can be direct, indirect, patent or latent. Despite having widespread impacts, regulations may not always achieve their intended objectives. Thus, it is crucial to estimate in advance potential impacts of regulatory proposals and adopt such proposal which is most likely to achieve the objectives and RIA helps in doing so.

RIA is a highly scientific and systematic process which involves estimation and comparison of costs and benefits of different regulatory alternatives. It helps in adoption of such alternatives which have the potential to result in maximum net benefits to the stakeholders. RIA necessitates justification of regulation and consequently aids in avoiding adoption of unnecessary regulations. In-depth, structured and continuous stakeholder consultations are integral to RIA, thus facilitating stakeholder buy-in for regulatory proposals.

Benefits of Regulatory Impact Assessment

Developed and developing countries have increasingly realised benefits of RIA over the years. A study of 15 RIAs by the US Environmental Protection Agency showed that three (out of total 15) RIAs increased net benefits to society from recommended improvements in regulations, by US\$10bn. The total cost of preparing all 15 RIAs studied was approximately US\$10mn.

Similarly, removing numerous regulatory barriers in South Korea was estimated to boost Foreign Direct Investment (FDI) by US\$26bn over five years. Moreover, the One-in, Two-out Policy of UK, which mandates removal of £2 of costs for imposition of £1 of costs via state-led intervention, has resulted in net reduction of £836mn in costs to business between 2010 and 2014. A similar initiative recently adopted in United States (US) has reportedly resulted in regulatory cost savings of US\$8.1bn in in 2017.¹

The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation from the European Commission (EC) would have imposed €10bn in costs on the European chemicals industry, as it was first written. The regulation was revised to make it easier to comply, without significantly changing benefits. The final cost was €2bn. The RIA cost the Commission about €1mn, producing a social return on investment of 8,000 to one, and saving thousands of jobs.

The Organisation of Economic Cooperation and Development (OECD) estimated in Vietnam that each full RIA is estimated to cost nearly US\$500 (due to very low labour costs in the public sector), but the introduction of RIA is expected to save the private sector 100,000 times that amount through a reduced or more efficient regulatory regime. In Victoria State, Australia, a recent evaluation of RIA showed that between 2005-06 and 2009-10, the RIA

process achieved estimated gross savings of A\$902mn over the 10-year life of the regulations. For every dollar invested in the RIA process, gross savings to the private sector and government were identified between A\$28 and A\$56. Over 65 countries have adopted some form of RIA in making new laws and rules.²

In US, the annual benefits of major federal regulations reviewed by the Office of Management and Budget from October 01, 2006 to September 30, 2016, in aggregate were estimated to be between US\$287 and US\$911bn, while the aggregated costs were estimated to be in between US\$78 and US\$115bn. However, conducting RIA is not easy. Substantial variation has been noticed across regulatory agencies in estimating total net benefits.

Typically, estimates reflect the current state of science and information available. Insufficient empirical information and data is a continuing challenge when assessing the likely effects of regulation. In some cases, the quantification of various effects might be speculative and incomplete. For example, the value of particular categories of benefits, such as security or personal privacy might be sizable, but monetisation can present significant challenges. Careful consideration of costs and benefits is best understood as a pragmatic way of providing insights regarding the prospects for regulations to improve social welfare.³

International Experience in Institutionalisation of RIA

There is no uniform model for institutionalisation of RIA, as it needs to be localised to suit unique requirements of relevant countries.⁴ The World Bank Group and OECD have recommended following principles for ensuring optimal design of RIA systems:⁵

- A formally established RIA policy, with endorsement at a high political level (for instance in a strategic/policy document)

- Integration of RIA in the policy/rule making process (integration of RIA in the policy cycle/policy formulation process through a legal provision)
- Central coordination/oversight of RIA
- Design of RIA guidelines and methodological requirements
- Presence of consultation mechanisms
- Capacity building activities and early practice/piloting of RIA
- Consistency in RIA application
- Targeting of RIA efforts
- Data collection strategies
- Oversight of regulatory quality
- Application of RIA to existing, as well as proposed laws

Jurisdictions like Australia, UK, EU, and US, have matured RIA systems. For instance, in **Australia**, the Office of Best Practice Regulation (OBPR) in the Department of the Prime Minister and Cabinet administers the RIA requirements of the Australian Government and the Council of Australian Government. The OBPR also conducts training and provides guidance to agencies in preparing Regulation Impact Statements (RIS) and fulfills other regulatory review and reform obligations. The Australian Government reports regularly on implementation of regulatory reforms and administration of RIA. These reports are publicly available.⁶

In **UK**, each department has a Better Regulation Unit (BRU), which oversees the department's processes for better regulation and advises on how to comply with the requirements. The Better Regulation Executive, a Department within the Department of Business, Energy and Industrial Strategy, works with government departments to monitor the measurement of regulatory burdens and coordinate their reduction, and to ensure that the regulation which remains is smarter, better targeted and less costly to business.⁷

In addition, UK has constituted a Regulatory Policy Committee (RPC) which is the government's independent advisory body to provide scrutiny of the evidence and analysis supporting regulatory changes affecting businesses.⁸ UK has recently adopted a new threshold for independent scrutiny of RIAs and Post Implementation Reviews (PIR) by RPC. RPC scrutiny is optional for measures where the Equivalent Annual Net Direct Cost to Business (EANDCB) is less than +/-£5mn. For such measures, departments are required to do a proportionate cost benefit analysis to inform decision making and stakeholders, and to demonstrate that the impact of a measure is below the +/-£5mn EANDCB threshold.⁹

In **US**, the Office of Information and Regulatory Affairs (OIRA) is a statutory part of the Office of Management and Budget within the Executive Office of the President. OIRA is the central authority for the review of executive branch regulations.¹⁰ In addition to reviewing drafts of proposed and final regulations, OIRA also coordinates retrospective review of regulation.¹¹ In addition, the US Federal Communications Commission (FCC) recently voted to establish the Office of Economics and Analytics in an effort to bring benefit-cost analysis to the agency. This is expected to improve the quality of rule-making at the FCC, and re-evaluate existing rules.¹²

In **South Korea**, RIA has been implemented since the Basic Act on Administrative Regulations (BAAR) came into force in 1998. In accordance with BAAR, when the head of a central administrative agency intends to establish a new regulation or reinforce existing regulations, RIA needs to be conducted. Based on the results of the RIA, the regulator makes decisions on the target, scope and method of regulation. The BAAR also constituted a Presidential Regulatory Reform Committee (RRC), which is tasked with reviewing regulatory proposals as well as existing regulations.

However, concerns have been raised on quality of RIAs in South Korea.¹³ In 2013, South Korea launched a Public-Private Joint Regulation Advancement Initiative, which operates as a task force of the Office of Government Policy Coordination, the agency responsible for regulatory oversight, and is housed within the Prime Minister's Office. The task force serves as the coordinating body for identifying inefficient regulations that are overly burdensome on small and medium enterprises, improving specific regulations in direct consultation with the pertinent regulating government ministry, and conducting retrospective review to quantify the impact of these changes on Korea's economy.¹⁴

In **Malaysia**, a National Policy on the Development and Implementation of Regulations was adopted in 2013. The federal regulators (ministries and agencies of the federal government that have regulatory powers) are required to notify Malaysia Productivity Commission (MPC) on proposals to introduce or amend regulations. MPC assesses whether the regulator is required to submit a RIS for the proposed regulation. If RIS is required, it needs to be submitted to National Development Planning Committee (NDPC) which examines RIS for compliance with the regulatory process management requirements, adequacy and make appropriate recommendations. The RIS is then forwarded to the Cabinet, Minister or other authority relevant authority.¹⁵ The MPC provides guidance and assistance to regulators in RIA and preparation of RIS, and assists NDPC in assessing RIS. In MPC, the custodian of the RIA process is a unit called Quality Regulatory Management System.

The National Institute for Public Administration (INTAN) is responsible for providing training on RIA. The RIA must have following components: problem identification; objectives; instrument options; assessment of impact; consultation; conclusion and recommendations; and implementation

strategy. The RIS formalises and provides evidence on the steps taken during the development of the proposal, and includes an assessment of the costs and benefits of each option considered.¹⁶ It has been suggested that Malaysia also needs to strengthen its regulatory oversight, including a challenge function of RIA, to complement its advocacy and capacity building activities.¹⁷

In **Croatia**, the Parliament promulgated the Act on RIA in 2011. The Act laid down the mechanism for conduct of RIA in Croatia. The central and state administration bodies having authority to submit regulation – defined as Qualified Authorities, are entrusted with the responsibility of conducting RIA. The Qualified Authorities get support from the Legislation Office and Competent Authorities. The Act creates Competent Authorities in the areas of health and social welfare, economy, environment protection and finance. The Competent Authorities are required to examine and give opinions on the draft proposals submitted by the Qualified Authorities.

The Legislation Office provides professional education and training on RIA and drafting regulations. The RIA procedure consists of: 1) analysis of present situation; 2) establish the goals which are to be achieved; 3) drawing up at least two non-normative solutions and at least two normative solutions, which might result in setting goals; and 4) establish most significant positive and negative impacts, particularly on respective economic sectors, financial impacts, social welfare and environment protection; and fiscal impact. In this process, the Qualified Authority is required to consult public, inter-departmental bodies and other interested stakeholders.

After completion of consultation, the Qualified Authority is required to notify the public and interested parties by posting on its web site the information about the accepted and rejected remarks and proposals. Thereafter, the modified draft proposal is submitted for the

opinion of Component Authorities. After receiving such opinion, the qualified authority responsible for drafting regulations shall commence with the drafting of the regulation. The draft regulation should be made available for public consultation to the public and interested parties. The draft regulation along with proposal is reviewed by the Legislation Office.¹⁸ It has been noted that owing to lack of preparedness of officers and inability to meet the prescribed timelines often results in sub-optimal quality and delays in conduct of RIAs.¹⁹

Challenges Faced by Developing Countries in Adopting RIA

An increasing number of developing countries are developing and implementing new RIA systems, by adapting and integrating RIA within their existing policymaking processes and institutions. It has been highlighted that such initiatives have faced setbacks and a slower than-expected implementation. This has been due to a combination of factors, including overly ambitious implementation targets, and a lack of underlying capacities and governance. Despite political support for regulatory reform, little evidence exists of creation of capacities to integrate the use of RIA reform within developing economies.

In addition, it has been noted that when RIA is implemented as a part of comprehensive regulatory reform package, the amount of resources that can be, particularly dedicated to establish RIA systems gets reduced by an overwhelming number of reforms that also require attention by government officials. RIA seems to compete with other reforms and it is not always a top priority in the reforms to be implemented. Such multiple reform efforts may also make the process difficult to manage and coordinate, as witnessed in the case of Uganda, among other countries.²⁰

Further, developing countries often commit the mistake of ignoring existing formal mechanisms due to the lack of appropriate skills, support structures and real commitment to their operation. This makes RIA implementation challenging, as many countries try to reinvent the wheel, instead of making use and improve existing mechanisms already in place. For instance, in Indonesia, lack of high level commitment, capacity constraints, budget limitations, have been preventing the country from benefitting from RIA.²¹

Consequently, it has been pointed out that, owing to their inherent nature, developing countries might face additional difficulties in adopting RIAs, owing to, *inter alia*:²²

- Lack of financial and human resources, high turnover and low motivation of technical staff
- Lack of available data/difficulty in acquiring data owing to reluctance among stakeholders to share information
- Limited technical capacity to employ analytical tools
- Lack of transparency surrounding legislative process
- Challenges associated with creating ownership of RIA and overcoming the institutional norms and behaviours that RIA seeks to replace and
- Inability to link RIA to the wider policymaking process

A recent study of RIA systems in developing countries points out the key factors possibly hindering RIA implementation comprises:²³

- ‘Crowding Out by short-term and more visible regulatory reforms
- ‘Plug and Play’, i.e. insufficient adaptation of OECD country-approaches to RIA
- ‘Pig-in-a-Poke’, i.e. insufficient understanding by reform champions of RIA reform requirements

- Resistance from public officials
- Impatient donors, i.e. too short timeframe and
- ‘Unhinged’, i.e. RIA reforms not linked to or leveraged by other public sector reforms

The study found that the biggest differentiator between successful and not-so-successful RIA systems was adherence to two particular RIA design features, namely the establishment of an oversight body, and the formal integration of RIA procedures in the policymaking process, in the former. It suggests that RIA reforms, which do not include institutional leadership/oversight, and which do not formally ‘wire’ RIA requirements into the policymaking process, have a higher likelihood of not taking off than reforms that do observe these practices.²⁴

It has been noted that the role of a central unit or authority with responsibilities for overseeing and reporting the RIA programme is of even greater importance when a new RIA system is being developed and capacities are relatively low. Particular attention should be paid to the responsibilities given to this body and to the resources provided to it to carry out its functions.

In developing countries, this criterion has been met in leading reformers. Croatia, for example, established the Office of RIA, a single reform unit, at the centre of the government, independent of the institutions being reformed and with political power inside the government. Mexico assembled a small, high-level group of professionals outside the bureaucracy, called the Economic Deregulation Unit, at the early stages of RIA implementation.²⁵

Following measures have been highlighted as necessary to ensure that developing countries appropriately adopt RIA practice:²⁶

- Recast RIA as part of a long-term plan to improve regulatory quality and evidence-based rulemaking (not just burden reduction for businesses)
- Use high-level political support to lock in the RIA reform at an early stage
- Establish regulatory oversight bodies to champion RIA reform – functions might initially be focussed more on guidance and support than gate-keeping
- Leverage other public sector reform tools to promote evidence-based rule-making and
- Focus capacity building efforts on clear targets and on-the-job requirements

RIA Institutionalisation Models Previously Recommended for India

Several expert committees and independent studies²⁷ have highlighted the benefits of RIA and have recommended its adoption for India. These include erstwhile Planning Commission’s Working Group on Business Regulatory Framework (WGBRF) (2011),²⁸ Financial Sector Legislative Reforms Commission (FSLRC) (2013), Committee for Reforming the Regulatory Environment for Doing Business in India (2013), Tax Administration and Reforms Commission (2015), and the Department of Industrial Policy and Promotion’s Expert Committee on Prior Permissions and Regulatory Mechanism (2016).

The expert committees have also suggested possible mechanisms for adoption of RIA in India. A snapshot of RIA related recommendations made by relevant expert committees in the past is set out in Table 1.

Table 1: Expert Committees on RIA			
Working Group on Business Regulatory Framework	Committee for Reforming the Regulatory Environment for Doing Business in India	Financial Sector Legislative Reforms Commission	Expert Committee on Prior Permissions and Regulatory Mechanism
<p>Recommended <i>ex ante</i> and <i>ex post</i> RIA²⁹</p> <p>Suggested conducting a <i>regulatory mapping exercise</i> to identify critical regulations for conduct of RIA at central and state levels³⁰</p> <p>Highlighted eight elements that should necessarily constitute RIA for Indian context: policy coherence; cost of doing business; competition; innovation; SMEs; consumers; labour; environment and commons</p> <p>Recommended three modalities for countrywide adoption of RIA: voluntary adoption; incentive-linked adoption; and mandatory adoption</p>	<p>Recommended RIA of every proposed regulation to precede any public consultation process³¹</p> <p>Suggested creating a <i>Regulation Review Authority</i> in each organisation that is empowered to write rules and regulations, to be tasked with reviewing draft regulations and undertake RIA, which should be a condition precedent to the writing of regulations</p>	<p>A <i>structured regulation making process for regulators</i> was suggested.</p> <p>This involved:</p> <p>i) articulating the objective of the regulation ii) a statement of the problem or market failure that the regulation seeks to address iii) analysis of costs and benefits associated with the proposed regulation</p>	<p>Recommended the need for a <i>standing institutional mechanism</i> within the government for an independent RIA on an ongoing basis of the existing regulatory requirements and proposed new ones across the entire range of economic activities was felt.³² This was recommended to be performed by constituting a <i>Standing Committee on Regulatory Affairs</i></p>

In addition to the expert committees, there has been some awareness and acceptance within the government on the RIA process. For instance, the Pre-Legislative Consultation Policy of the Government of India highlights the need for estimating the impact of proposed legislations on key stakeholders.³³ The Financial Stability and Development Council had decided to adopt implement non-legislative recommendations of the FSLRC, which include cost-benefit analysis of draft regulations.³⁴ However, this has met with limited compliance.³⁵

More recently, the Insolvency and Bankruptcy Board of India has proposed to make incorporate impact assessment in the regulation making process.³⁶ Regulators, such as Telecom Regulatory Authority of India (TRAI) have developed reasonably robust public

consultation process, which comprises seeking comments and counter comments from public.

In addition, the erstwhile Planning Commission had initiated a discussion on the Draft (Infrastructure) Regulatory Reform Bill, which was expected to provide for a process for regulation making for infrastructure regulations. Subsequent to the dissolution of the Planning Commission, the process was taken over by the NITI Aayog. It was suggested that RIA be incorporated in the proposed regulation making process.³⁷

It might be deduced from the above that awareness and limited acceptance of RIA exists among government and regulatory agencies in India. However, concrete measures are required to ensure adoption of RIA in India.

Proposed Model to Adopt and Institutionalise RIA in India

Based on experience of different countries in adopting RIA, following measures are proposed to facilitate institutionalisation of RIA in India:

Enabling legislation

An enabling legislation mandating adoption of RIA in India should be promulgated (Regulatory Productivity Act). The Regulatory Productivity Act must mandate that all draft legislations, policies, executive orders/actions, and regulatory instruments be accompanied by a Statement on RIA. The legislation must clearly lay down steps in an RIA, including requirement to assess costs and benefits, and conduct structured public consultation.

Creation of RIA Units

In case of draft legislations, policies, and executive orders/ actions, RIAs should be conducted by respective ministries at the centre and the states. In case of draft regulatory instruments, relevant agencies must conduct the RIA. To this end, the Regulatory Productivity Act must mandate creation of dedicated RIA Units within all government departments and agencies. Dedicated resources (without any additional function) must be allocated for functioning of RIA Units.

Constitution of a Regulatory Productivity Commission

The Regulatory Productivity Act must constitute a Regulatory Productivity Commission (RPC) at the Centre and states. The key functions of RPC will be to oversee the RIA process and conduct an independent review of the quality of RIA statements prepared by RIA Units. The RPC will employ

independent experts to review RIA statements, who must be adequately incentivised to conduct such reviews.³⁸ The RPC will also have the power to initiate regulatory evaluation of existing legislations, policies, executive orders/actions and regulatory instruments.

External stakeholders, including civil society, will be permitted to approach RPC to review and initiate regulatory evaluation of existing legislations, policies, executive orders/actions and regulatory instruments. About 50 percent of the members of the RPC will be nominated by the government, while the remaining 50 percent will be representatives of industry and external experts. The RPC will be chaired by the Prime Minister and will meet periodically. It will issue an annual report on quality of RIAs.

RIA support and capacity building

The Regulatory Productivity Act will require the NITI Aayog to provide support to RIA Units to conduct RIA, coordinate with different stakeholders and undertake public consultation. It will also provide capacity building support to RIA Units based on feedback received from RPC, on quality of reviews, and request of RIA Units. NITI Aayog will be obliged to invite external experts on RIA to provide support to RIA Units to conduct RIA and build their capacities. It will also inform the constraints faced by RIA Units in conducting RIA, such as lack of reliable data and sub-optimal feedback from stakeholders on regulatory proposals) to the RPC. In consultation with the RPC, NITI Aayog will devise strategy to address such constraints.

Endnotes

- ¹ Pradeep S Mehta, *Dismantle barriers to prosperity*, Live Mint, January 30, 2018
- ² Scott Jacobs, *The RIA Revolution*, Hindu Business Line, 19 November 2015
- ³ Office of Management and Budget, *2017 Draft Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act*, Office of Information and Regulatory Affairs, 2018
- ⁴ For instance, in Tanzania and Uganda, RIA experiments have replicated OECD best practice with very few positive results.
- ⁵ OECD, *Building an institutional framework for Regulatory Impact Analysis: Guidance for Policy Makers*, 2008
- ⁶ In Australia, every policy proposal designed to introduce or abolish regulation is required to be accompanied by a Regulation Impact Statement. Guidance in form of Commonwealth Regulatory Burden Measure and Regulator Performance Framework have been issued for use by policymakers to assist in calculating the compliance costs of regulatory proposals on businesses, individuals and community organisations, and minimising the impact of regulations while still achieving desired objective. See, Department of Jobs and Small Business, *Deregulation Agenda*, Australian Government, at: <https://www.jobs.gov.au/deregulation-agenda>
- ⁷ For details, see <https://www.gov.uk/government/groups/better-regulation-executive>
- ⁸ For details, see <https://www.gov.uk/government/organisations/regulatory-policy-committee>
- ⁹ UK Department for Business, Energy and Industrial Strategy, *Better Regulation Framework: Interim guidance*, February 2018, at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683119/better-regulation-framework-interim-guidance-2018.pdf
- ¹⁰ Ellig et al, *Regulatory Process, Regulatory Reform and the Quality of Regulatory Impact Analysis*, Mercatus Center, George Mason University, February 2017, at: <https://www.mercatus.org/publications/process-reform-regulatory-impact-analysis> notes, “...three reforms could noticeably improve the quality of RIAs: (1) require agencies to seek public comment on an analysis of alternatives before proposing a regulation, (2) require agencies to consult with stakeholders and experts before proposing regulations, and (3) expand the resources and influence of OIRA, which reviews executive branch regulations and their accompanying analyses.”
- ¹¹ The OIRA also oversees implementation of executive orders issued by the US president on regulatory reforms. For instance, executive order 13771 (January 2017) requires federal departments and agencies to eliminate, on average, two regulatory actions for each new regulatory action implemented by the end of each fiscal year, and not exceed a regulatory cost allowance, set at zero net costs, for fiscal year 2017. Similarly, executive order 13777 (February 2017) established within each agency a regulatory reform officer and a regulatory reform task force to carry out the US government’s regulatory reform priorities.
- ¹² McLaughlin et al, *New FCC Office a Step Forward for Regulatory Reform*, February 2018, at: <https://www.mercatus.org/commentary/new-fcc-office-step-forward-regulatory-reform>
- ¹³ Dunlop and Radaelli (ed), *Handbook of Regulatory Impact Assessment*, 2016, notes, “IA issues in Korea can be classified into several types based on the background and causes: (1) a lack of information and consultation/advisory activities; (2) grudging formalization of the IA system; (3) limitations of the cost-benefit analysis; (4) a lack of IAs’ examination, quality control and evaluation functions; (5) regulatory inertia for legislation by the National Assembly (which is free from IA obligation). Although IA quality remains far from being satisfactory, various government initiatives have gradually enhanced Korea’s IA competency and performance. First, diverse efforts to improve institutional circumstances have been made to conduct IA in a more effective manner. Second, Korea has established some education and training systems for IA staff members.”
- ¹⁴ USAID, *Final Report on Good Regulatory Practices in APEC Economies*, 2016. The report highlights RIA practices in Malaysia, Canada, Mexico, New Zealand, Thailand, et al.
- ¹⁵ Malaysia Productivity Corporation, *Best Practice Regulation Handbook*, July 2013
- ¹⁶ Malaysia Productivity Corporation, *Best Practice Regulation Handbook*, July 2013
- ¹⁷ Semam, Lim and Bahari, *Regulatory Coherence: The contrasting cases of Malaysia and Singapore*, August 2016
- ¹⁸ Act on Regulatory Impact Assessment in Croatia, July 2011, see https://zakonodavstvo.gov.hr/UserDocsImages/arhiva/1.%20RIA%20Law_NN%209011_EN.pdf
- ¹⁹ Romić et al, *Regulatory Impact Assessment in the Republic of Croatia – Situation and Perspective*, 2014
- ²⁰ World Bank Group, *Making it work: RIA Light for Developing Countries*, 2009
- ²¹ Kurnianwan et al, *Regulatory Impact Assessment and its challenges: An empirical analysis from Indonesia*, Kasetart Journal of Social Sciences, December 2017
- ²² Adelle et al, *New Developments: Regulatory Impact Assessment in Developing Countries: Tales from the road to good governance*, 2015, at: https://repository.up.ac.za/bitstream/handle/2263/45201/Adelle_New_2015.pdf;sequence=1
- ²³ Ladegaard et al, *Giving Sisyphus a Helping Hand, Pathways for sustainable RIA systems in developing countries*, World Bank, March 2018

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- <http://documents.worldbank.org/curated/en/691961521463875777/pdf/WPS8367.pdf>. The paper reviews RIA practices in Uganda, Kenya, Cambodia, and Botswana.
- ²⁴ Ladegaard et al, *Giving Sisyphus a Helping Hand, Pathways for sustainable RIA systems in developing countries*, World Bank, March 2018, also notes, “The data also suggest that the relative importance of formal political commitment (i.e. a policy statement about commitment to establish an RIA system) as well as capacity-building measures are of less importance than other building blocks of a successful RIA system”.
- ²⁵ Ladegaard et al, *Giving Sisyphus a Helping Hand, Pathways for sustainable RIA systems in developing countries*, World Bank, March 2018
- ²⁶ Ladegaard et al, *Giving Sisyphus a Helping Hand, Pathways for sustainable RIA systems in developing countries*, World Bank, March 2018
- ²⁷ CUTS projects on Regulatory Impact Assessments in India are available at: <http://cuts-ccier.org/ria/>
- ²⁸ to which CUTS acted as a Knowledge Partner
- ²⁹ It was noted that ex ante, RIA helps to identify any possible side effects or hidden costs associated with regulation and to quantify the likely costs of compliance on the individual citizen or business. It also helps to clarify the costs of enforcement for the State. RIAs also identify potentially anti-competitive or protectionist regulations before being enacted. Ex post, RIA could enable regulatory and policy reviews on a periodic basis so as to ensure that the regulations and policies are reflective of the changing environment related to business competitiveness, growth and development.
- ³⁰ Acknowledging the huge volumes of regulations in the country, it was recommended to develop an action plan for application of RIA for Union as well as State administered regulatory instruments, in accordance with the mapping of regulations exercise.
- ³¹ It was considered necessary to address the existing body of regulations (the stock) in terms of contemporary relevance, clarity and continuity.
- ³² It was pointed out that the process of conducting RIA should take a fair and balanced view regarding what is good for business and consequently wealth creation and employment generation on the one hand, and public welfare considerations, such as consumer protection, safety, preservation of the environment and interests of labour, on the other.
- ³³ The Policy is available at: <http://legislative.gov.in/documents/pre-legislative-consultation-policy>
- ³⁴ See, <http://regulatoryreform.com/wp-content/uploads/2015/03/India-Handbook-on-adoption-of-governance-enhancing-and-non-legislative-elements-of-the-draft-Indian-Financial-Code-2013.pdf>
- ³⁵ Burman and Zaveri, *Regulatory responsiveness in India: A Normative and Empirical Framework for Assessment*, December 2016, at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2888310
- ³⁶ <http://pib.nic.in/PressReleaseIframePage.aspx?PRID=1523176>
- ³⁷ See, http://www.cuts-ccier.org/event-Regulatory_Reforms_in_India-A_Roundtable.htm and http://www.cuts-ccier.org/pdf/CUTS_Comments_on_the_draft_Regulatory_Reform_Bill-2013.pdf
- ³⁸ The importance of independent (non-government expert) review has been highlighted by Ellig, *Five Steps to improve Decision Making at Independent Regulatory Agencies*, March 2018. Also, OECD, *Improving Regulatory Governance: Trends, Practices and the Way Forward*, September 2017 and OECD, *RIA and its scrutiny*, November 2017

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