



RIA Training: Consolidation

EXPERTS

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Contents of the day

Introductions

What today will cover

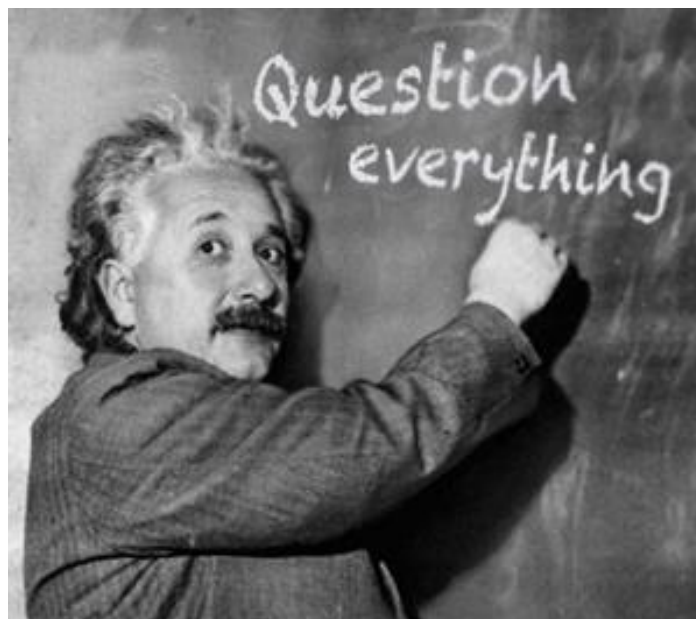
The format for the day

Outcomes





Ask Questions At Any Time!





Aim of Training & Schedule

- Economic Impact Assessment
- Standard Cost Model
- Cost benefit analysis
- Social Impact Assessment
- Environmental Impact Assessment
- Alternatives to Regulation
- Stakeholder Engagement/Media Issues
- Quality assurance
- Summary, Q&A and Close





What is a Regulatory Impact Assessment?

A Regulatory Impact Assessment (RIA) is a straightforward process which helps the development of Government policies and regulation by:

- Identifying the benefits, costs and risks of a proposed public policy and the options available for implementation;
- Provides evidence on the probable consequences of those options and of introducing new legislation; and
- Takes into account the views of a wide range of stakeholders, thus enabling policy development to be better informed as to the most cost-effective means of achieving the policy objectives, as well as greater transparency and accountability which in turn helps lead to greater public confidence in the process and outcomes of public policies.”

RIA Guidelines July 2015





Peljesac bridge





Peljesac bridge

PM Milanovic: "Peljesac bridge will be built for sure"

"The Peljesac bridge has been assessed in a feasibility study as the best way to connect the southernmost part of Croatia with the rest of the country and will be built for sure, Prime Minister Zoran Milanovic said"

15.07.2015 <https://vlada.gov.hr/news/pm-milanovic-peljesac-bridge-will-be-built-for-sure/17361>



Peljesac bridge

Some key facts

- 2.4-km-long bridge will connect two parts of Croatia – Dubrovnik and divided by a 14-km stretch of territory belonging to Bosnia
- The total cost of the project will be €380 million, while the bridge itself will cost around €206 million



Peljesac bridge

Some key facts

- Bridge capacity exceeds traffic demand for 50 years
- Passage duration for vehicles: 3 minutes
- Daily capacity: 42,000 vehicles, no weight restrictions
- Average toll: 5 Euro + tax



What is an Economic Impact Assessment?

RIA process establishes the most significant NEGATIVE and POSITIVE Impacts on areas of Economy, Social Welfare and Environment

RIA will inform decision makers on expected impacts

Expected Economic Impacts are assessed through impacts on:

1. Individual Economic Area
2. Economy in total
3. Market Competition





What is an Economic Impact Assessment?

Assessment of expected criteria are classified as:

- None
- Probably small
- Significant
- Highly Significant





What is an Economic Impact Assessment?

Criteria of significance:

- Size of target group
- Scope of change
- Frequency of event
- Risks





What is an Economic Impact Assessment?

Specific Economic Areas: businesses are considered as:

- Micro less than 10 employees
- Small 10 – 49 employees
- Medium 50 – 250 employees
- Large more than 250 employees





What is an Economic Impact Assessment?

Specific Economic Area: impacts on SMEs assessed through:

- Costs of employment
- Requirements for investment
- New administrative costs
- Creation of new public competences
- Impact on property rights
- Other expected impacts on economy





What is an Economic Impact Assessment?

Impacts on the Economy as a whole assessed through effects on:

- Competitiveness
- Competition
- Growth
- Investment





What is an Economic Impact Assessment?

Impacts on the Economy as a whole assessed through effects on:

- Environmental sustainability
- Social and regional development
- Specific regions or sectors
- Macroeconomic environment
- Any other expected impacts on areas of economic activity





RIA – Standard Cost Model





Cost Benefit Analysis

'Systematic process for calculating and comparing costs and benefits of a project, decision or government policy'





Cost Benefit Analysis

- Monetary value of the benefits
- Comparison of costs
- Economic justification
- *Do nothing*
- Values on a common scale
- Ex-ante and Ex-post (before and after)





Tools

- Unit cost database:
<http://neweconomymanchester.com/downloads/3316-150327-Unit-Cost-Database-v1-4-xlsx>
- IA
Calculator: <https://www.gov.uk/government/publications/impact-assessment-calculator--3>



Training on Social Impacts

- Employment and Labour Market
- Standards and rights related to quality of the working place
- Social Inclusion and Protection of Special Groups of People
- Gender equality, Equal Treatment, Equal Opportunities
- Individuals, Private and Family Life, Personal Data
- Public Health and Security
- Management, Inclusion of Public and Stakeholders in the Decision Making Process, Media, Ethics
- Crime, Terrorism and Security
- Access to Social Protection, Health and Education systems and the consequences of them
- Culture



Employment/workplace issues

Does the proposal:

- facilitate new business/workplaces?
- impact directly or indirectly on existing business?
- impact on professions/groups or self-employed?
- affect different ages?
- job opportunities or function of labour market?



Equality issues

Does the proposal affect:

- equal treatment and opportunities for all?
- discriminate on gender, race, religion, sexual orientation, disability, etc?
- or could lead to indirect discrimination?



Social Protection, Health and Education

Does the proposal affect:

- quality or access to services?
- the mobility of workers?
- access to education or vocational education?
- organisation/access to social and health services?
- universities and academic freedoms or self-government?



Definition: What is an Environmental Impact Assessment?

Assessing the impact on sustainable development includes a considered accumulation of mutual impacts on the economy, socially vulnerable and other groups and on impacts on the environment.





Categories of environmental impacts

1. Climate
2. Transport and use of energy
3. Air quality
4. Biodiversity, flora and fauna and landscape
5. Quality of water and water resources
6. Quality of soil and resources
7. Use of land





Categories of environmental impacts

8. Renewable or non-renewable resources
9. Ecological consequences of companies and consumers
10. Generation of waste/ use/ recycling
11. Possibility of ecological risks
12. Animal welfare
13. International ecological impacts





How to quantify an Environmental Impact Assessment?

Assessment of expected criteria are classified as:

- None
- Probably small
- Significant
- Highly Significant





THE GOVERNMENT OF
THE REPUBLIC OF CROATIA
Legislation Office

TWL SCIRIAS HR/2011/IB/FI/02

What level is?



Plovdiva Dam, Bulgaria





Background to Alternatives to Legislation

Legislation:

- ▶ Can be **ineffective** in achieving intended outcomes if its effects on the system as a whole have not been properly considered.
- ▶ If details of proposed implementation have not been thought through, including:
 - the costs to the economy, environment and society
 - the potential impact of enforcementthe burden of regulation can be much higher than necessary.

Hastily conceived legislation may be unenforceable and could be more harmful than doing nothing.



Background to Alternatives to Legislation

- **Policy makers must identify the most effective approach to achieving a desired policy outcome by:**
 - ensuring alternative approaches to legislation are thoroughly explored, and
 - that traditional 'command and control' regulation is seen as the last, not first, resort.



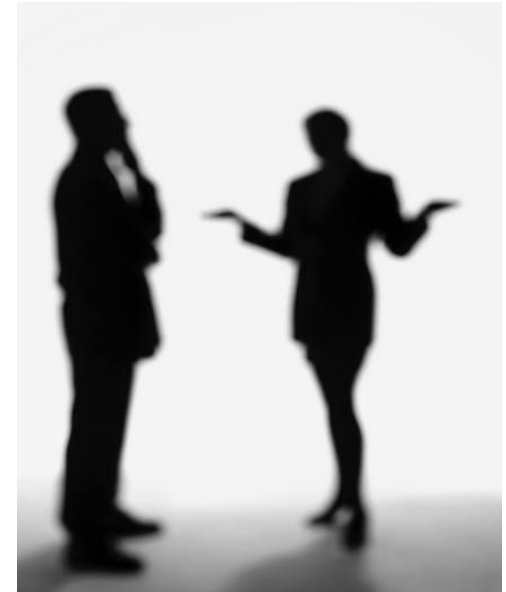
Examples of Alternatives to ‘Command and Control’ Regulation

- ▶ **Self-regulation**
- ▶ **Co-regulation**
- ▶ **Information and Education**
- ▶ **Economic Instruments**
- ▶ **Behavioural Economics**
- ▶ **No New Intervention**



So – Why aren't Alternatives used more widely?

- Lack of knowledge of alternatives
- Lack of understanding how they work
- Fear of losing control
- Institutional factors





Overcoming Impediments

- Policy making process that is supportive and encouraging of the use of alternatives & their consideration at an early stage
- Asking whether regulation is the best form of government action
- Integration of alternative approaches in RIA
- **Cultural change:**
 - Process needs to be supported by information
 - Gradually extend requirements for alternatives to be considered
 - Ensure information is widely available & publicised



Stakeholder engagement and media issues

- Identify stakeholders;
- Engage with stakeholders;
- Gain information;
- Integrate the views of stakeholders into the RIA;
- Communicate key messages with the media, using electronic, social and traditional media;
- Keep all messages simple and easy to understand.



Thank You and Goodbye!

