



REGULATORY
SCRUTINY
BOARD



Session II

Quantification, Scope of Impacts and Proportionality

Background of the session

- The ambition of better regulation
- What the RSB observes
- Issues for scrutiny

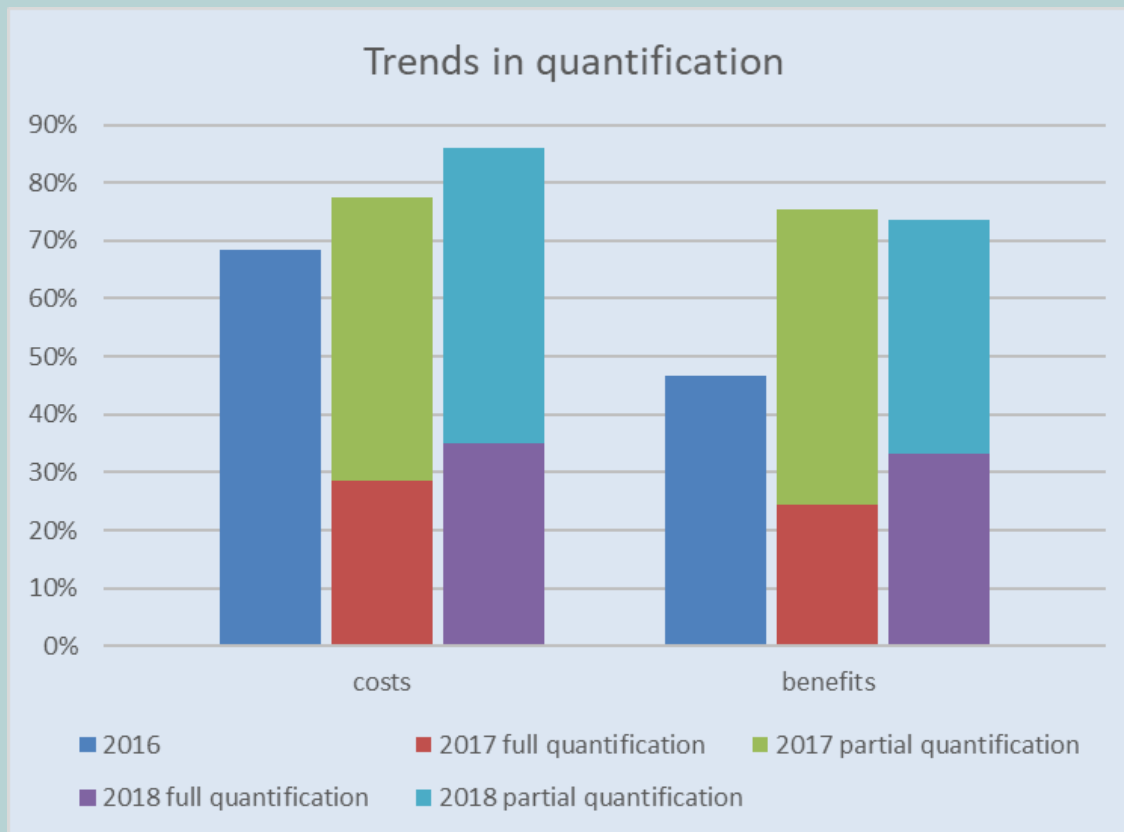
The ambition of better regulation

- Evidence based policy making naturally needs quantification of benefits and costs
- OECD Regulatory Policy Outlook defines Regulatory Impact Assessments as
"Systematic process of identification and quantification of benefits and costs ..."
- All benefits and costs are to be made commensurable in monetary terms
- Indicator for degree of quantification is used for league table of OECD countries

The ambition of better regulation

- EU guidance less demanding: Impacts should be quantified whenever possible and proportionate.
- Warning that impacts that are not quantifiable should not be neglected, adding another dimension of proportionality

What RSB has observed



What RSB has observed

- Improvement based on introduction of “quantification table”
- Strong heterogeneity between DGs and types of initiatives
- Quantified benefits are rarely accounted in monetary terms

Issues for scrutiny

- Methodological guidance treats impact assessment as costless: What is proportionate?
- Quantification and proportionality will get more important with “one in one out” rule.
- The regulatory burden ceiling can only be observed with full quantification and monetization of costs.

Issues for scrutiny

- What drives the costs of assessments, what is “possible” and “proportionate”?
 - *Data availability and access*
 - *Perceptions of what cannot be quantified*
 - *History of investment in analytical tools for policy areas*
 - *Past investment in capacity building*
- How can we expand the domain of what is possible and proportionate?