

Better Regulation Practices across the European Union 2025



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Note by all the European Union Member States of the OECD and the European Union

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Foreword

The *Better Regulation Practices across the European Union 2025* report provides a comprehensive analysis of rulemaking practices across all Member States of the European Union, assessing their alignment with OECD best practices for high-quality regulation. Building on the two previous editions published in 2019 and 2022, this third edition tracks progress to date and identifies key priorities for further improvement.

The analysis is grounded in the OECD Indicators of Regulatory Policy and Governance (iREG), which benchmark countries' performance against the *OECD Recommendation on Regulatory Policy and Governance*. To ensure full coverage of EU Member States (EUMS), the scope of the data collection has been extended to three OECD accession candidate countries -- Bulgaria, Croatia, and Romania -- as well as non-Members Cyprus and Malta. The report focuses on three core better regulation tools – stakeholder engagement, *ex ante* regulatory impact assessment and *ex post* evaluation. It also examines how EUMS apply these tools in the context of EU law, particularly in preparing for negotiations at the Council of the EU and in the domestic transposition of EU directives. To provide a practical and action-oriented assessment, this report uses the stages of the regulatory policy cycle as an analytical lens to track the implementation of better regulation practices, including identifying challenges and exploring solutions; regulatory design; monitoring and implementation; and evaluation and review. Numerous examples from across EUMS complement the data analysis, illustrating good practice and offering potential pathways for improvement.

The report was prepared by the OECD Public Governance Directorate under the leadership of Elsa Pilichowski. It was co-ordinated by Tobias Querbach under the direction of Anna Pietikäinen, Head of the Regulatory Policy Division. The main authors are Tobias Querbach and Ramisa Huq. Guidance and input throughout the development was provided by Paul Davidson. The report significantly benefited from comments by Daniel Trnka, Deputy Head of the Regulatory Policy Division (Chapters 2 and 3) and Giuseppa Ottimofiore, Head of the Effective Regulatory Delivery Programme, (Chapter 4). Analytical support and drafting inputs were provided by Anaïs Rault, Simay Tekin and Fernanda Pioli Macedo. The report greatly benefited from the peer review by Bagrat Tunyan, OECD-EU Initiative on Support for Improvement in Governance and Management, and Deniz Devrim, Innovative, Digital and Open Government Division, OECD Public Governance Directorate (Chapter 3). The development of the report greatly benefited from comments and feedback from delegates to the OECD Regulatory Policy Committee and other countries covered, in particular through a dedicated *ad hoc* session in October 2024. This report was prepared for publication by Jennifer Stein. It benefitted from editorial assistance from Andrea Uhrhammer.

The iREG and associated survey were developed in close co-operation with the OECD Steering Group on Measuring Regulatory Performance. The 2024 iREG data collection underpinning this report was conducted by the Measuring Regulatory Performance team under the co-ordination of Paul Davidson. The extension of the data collection and drafting of country profiles for Bulgaria, Croatia, Romania, Cyprus, and Malta was led by Tobias Querbach, Ramisa Huq and Pamela Portocarrero Pereira. Country profiles for OECD Member countries are identical reproductions of those published in the *OECD Regulatory Policy Outlook 2025*.

The development of the report was financially supported by the European Commission.

The work on regulatory policy is conducted under the supervision of the OECD Regulatory Policy Committee, whose mandate is to assist both Members and non-Members in building and strengthening capacity for regulatory quality and regulatory reform. The Regulatory Policy Committee is supported by the Regulatory Policy Division of the Public Governance Directorate. The Directorate's mission is to help governments at all levels design and implement strategic, evidence-based and innovative policies to strengthen public governance, respond effectively to diverse and disruptive economic, social and environmental challenges and deliver on government's commitments to citizens.

Editorial

As policymakers across the European Union navigate the ongoing structural transformations in our economies and societies, they need to ensure the actions they take are effective in meeting citizens' expectations and fostering trust in government. From optimising the opportunities offered by new technologies such as artificial intelligence or bioengineering, to efficiently managing the sustainable transition, to protecting people's rights in an online environment, governments need sound policy solutions. Laws and regulations are an important part of these solutions, helping to manage risks and maximise opportunities to improve people's lives.

If well-designed and implemented, rules can provide certainty and enable well-functioning markets, supporting fair competition and fostering investor and consumer confidence. In contrast, overly complex rules or inconsistent implementation can place a burden on citizens and businesses and can undermine European competitiveness at a time when growth and investment are under growing pressure. Keeping rules simple, streamlined and proportionate, and cutting excessive burdens in existing legislation can be powerful tools to unlock innovation and resilient growth and secure long-term prosperity.

Achieving these objectives will require governments across the EU to fully embed better regulation principles across the whole policy cycle. This starts with fostering meaningful dialogues with businesses and citizens to identify priorities for targeted government action. It also means ensuring rules are designed so that they are both effective and easy to comply with. Finally, it means tracking results to review and improve rules for the future. The *OECD Recommendation on Regulatory Policy and Governance* provides a framework to guide countries in these efforts to strengthen the quality of their rules.

Rules that are efficient and coherent are especially important within the European Union, where they underpin a single market of 27 Member States, representing nearly 500 million people. The Single Market can be a powerful engine for economic growth and prosperity, but its full potential is held back by complex rules and institutional responsibilities. The European Commission has made simplification and implementation a key part of its strategy to boost European competitiveness, but well-coordinated efforts across all EU institutions and Member States are needed to ensure that EU rules are effective, proportionate and easy to implement for citizens and businesses.

This third edition of *Better Regulation Practices across the EU* supports regulatory improvement efforts across Member States. Based on the OECD Indicators of Regulatory Policy and Governance, it provides an evidence-based assessment of how far EU Member States have come in implementing better regulation practices consistent with the *OECD Recommendation*. The report also identifies key opportunities for further improvement to foster a more competitive and resilient economy to the benefit of all EU citizens.



Mathias Cormann,
Secretary-General, OECD



Valdis Dombrovskis,
European Commissioner for Economy and
Productivity, Implementation and Simplification

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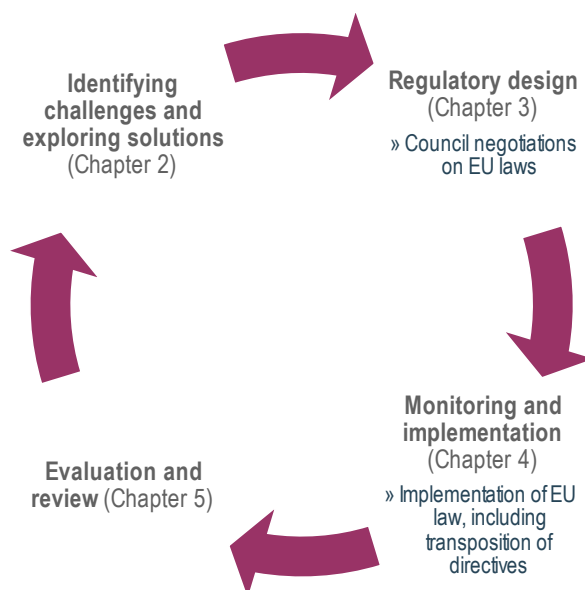
Reader's guide

This Reader's guide provides background information on the report's methodology to enhance the understanding of the analysis and its caveats. In particular, it describes the analytical approach as well as the underlying evidence base and its limitations, including in relation to the use of (composite) indicators.

Analytical lens: The policy cycle

To provide a practical and action-oriented assessment, this report uses the different stages of the regulatory policy cycle as an analytical lens to track the implementation of better regulation practices. They broadly align with commonly identified stages, including identifying challenges and exploring solutions; regulatory design; monitoring and implementation; and evaluation and review (Figure 1). In addition to Chapters 2 to 5 focusing on individual stages of the cycle, Chapter 1 examines the strategic and institutional foundations for better regulation and trends in the use of core tools, including stakeholder engagement and regulatory impact assessment (RIA) in developing rules and *ex post* evaluation.

Figure 1. Regulatory policy cycle in this report



To reflect the unique institutional ecosystem of the European Union, analysis of better regulation practices in relation to EU lawmaking is also embedded in relevant chapters. Based on available data (see below), this focuses mainly on how Member States use better regulation when they engage with EU lawmaking at the Council negotiation stage (Chapter 3) and implementation stage, including transposition (Chapter 4). Underlying data focus exclusively on EU regulations and directives (rather than on implementing and

delegated acts for which no data were collected). In addition, Chapter 1 provides highlights from this analysis and reflection on the broader institutional context of EU lawmaking.

Evidence base: the Indicators of Regulatory Policy and Governance (iREG)

The analysis in this report is mainly based on data collected through the Indicators of Regulatory Policy and Governance (iREG) survey, conducted with government officials. The data from three survey rounds are used, respectively reflecting information as of 31 December 2017, 1 January 2021, and 1 January 2024. To cover all EU Member States (EUMS) in the analysis, the surveys were extended to those countries that were not OECD Members at the time of the various data collections. This includes OECD accession candidate countries Bulgaria, Croatia and Romania as well as Cyprus, Malta.

The iREG survey focuses on better regulation practices as described in the *OECD Recommendation of the Council on Regulatory Policy and Governance* (OECD, 2012^[1]). It investigates in detail three principles of the *Recommendation*: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. For each of these areas, the survey collects information on formal requirements and has gathered evidence on their implementation. While stakeholder engagement, RIA, and *ex post* evaluation are all core elements of regulatory policy, they do not, in and of themselves, constitute a comprehensive better regulation framework. Other principles from the *Recommendation* are currently not assessed in as much detail and may be covered in future iterations.

Scope of the Indicators of Regulatory Policy and Governance (iREG) data and their use in the report

Survey results are used throughout the report in different ways. First, results of individual questions are displayed to show trends in the number of EUMS applying particular practices. Second, qualitative information and examples provided through the survey are used to enrich the analysis. Third, composite indicators for stakeholder engagement, RIA and *ex post* evaluation provide an overview of alignment with the *OECD Recommendation* (Chapter 1). Fourth, a transparency indicator has been developed, based on the methodology and composite indicators (Chapter 3).

Each composite indicator is composed of four equally weighted categories:

1. **Systematic adoption**, which records formal requirements and how often these requirements are conducted in practice;
2. **Methodology**, which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
3. **Oversight and quality control**, which records the role of oversight bodies and publicly available evaluations; and
4. **Transparency**, which records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publicly available.

The iREG survey focuses on the process of developing laws that are carried out by the executive branch of the national government and that apply to all policy areas. However, questions regarding *ex post* evaluation cover all national regulations regardless of whether they were initiated by parliament or the executive. Based on available information, most national regulations are covered by survey answers, with some variation across countries. Most EUMS have parliamentary systems. The majority of their national primary laws therefore originate from the executive. This is not the case, however, for Austria, France, Lithuania, Portugal and Romania, where fewer than 50% of primary laws are initiated by the executive.

For the purpose of the iREG survey, and in keeping with the *OECD Recommendation*, regulations are defined as the “[t]he diverse set of instruments by which governments set requirements on enterprises and citizens. Regulation includes all laws, formal and informal orders, subordinate rules, administrative formalities and rules issued by non-governmental or self-regulatory bodies to whom governments have delegated regulatory powers.” However, most questions in this questionnaire refer specifically to a subset of regulation, namely:

- *Primary laws*, which are defined as regulations that must be approved by the parliament or congress. Primary laws are also referred to as “principal legislation” or “primary legislation”;
- *Subordinate regulation*, which is defined as regulations that can be approved by the head of government, by the cabinet or by an individual minister or high-level official – that is, by an authority other than the parliament/congress. Note that many subordinate regulations are subject to disallowance by the parliament/congress. Subordinate regulations are also referred to as “secondary legislation”, “subordinate legislation” or “delegated legislation”.

Results for the European Union apply to all legislative acts (regulations and directives are considered as primary laws; implementing and delegated acts as subordinate regulations for the purpose of iREG) initiated by the European Commission, who is the executive of the European Union. It proposes new legislative acts, which are adopted by the European Parliament and the Council of the EU, usually through the ordinary legislative procedure. Throughout this procedure, the Council, comprised of representatives from EUMS, and the European Parliament can suggest amendments to the European Commission’s proposals. While the Council and the European Parliament can invite the European Commission to submit a legislative proposal, the European Commission is the sole initiator of legislation in the EU system. Further information on the EU’s regulatory system and the legislative process are provided in Chapter 1 and in the country profile of the EU in Chapter 6.

Caveats and limitations of the composite indicators

In interpreting results, it is important to bear in mind the methodological limitations of composite indicators, particularly those based on categorical variables, as in the current survey. Composite indicators are useful in their ability to integrate large amounts of information into an easily understood format (Freudenberg, 2003^[2]). However, by their very nature, cross-country comparable indicators cannot be context-specific and cannot fully capture the complex realities of the quality, use and impact of regulatory policy. While the current survey, compared to previous editions, puts a stronger focus on evidence and examples to support country responses, it does not constitute an in-depth assessment of the quality of country practices. For example, while countries needed to provide examples of assessments of some specific elements required in RIA to validate their answers, the OECD Secretariat did not evaluate the quality of these assessments nor discussed with stakeholders the actual impact of the RIAs on the quality of regulations.

In-depth country reviews are therefore required to complement the indicators. Reviews provide readers with a more detailed analysis of the content, strengths and shortcomings of countries’ regulatory policies, as well as detailed and context-specific recommendations for improvement. EUMS have a wide range of governance structures, administrative cultures and institutional and constitutional settings that are important to take into consideration to fully assess regulatory practices and policies. While these are taken into account in OECD peer reviews, it is not possible to reflect all these country specific factors in a cross-country comparison of regulatory practices.

It is also important to bear in mind that the indicators should not be interpreted as a measurement of the quality of regulations themselves. While the implementation of the measures assessed by the indicators aim to deliver regulations that meet public policy objectives and will have a positive impact on the economy and society, the indicators themselves do not assess the achievement of these objectives.

The results of composite indicators are always sensitive to methodological choices, unless country answers are homogeneous across all practices. It is therefore not advisable to make statements about the relative performance of countries with similar scores. Instead, composite indicators should be seen as a means of initiating discussion and stimulating public interest (OECD/European Union/EC-JRC, 2008^[3]). To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of the sensitivity analysis to different methodological choices, including the weighting system, has been published (Arndt et al., 2015^[4]).

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Abbreviations and acronyms

AI	Artificial intelligence
ANACOM	Autoridade Nacional de Comunicações
APPAG	Agenzia provinciale per i pagamenti
BNC	Beoordeling van Nieuwe Commissievoorstellen
CBA	Cost-benefit analysis
CCEIAN	Consultative Council for the Impact Assessment of Normative Acts, Romania
CfE	Call for evidence
CNR	Conseil National de la Refondation (France)
COMPCRO	Council Working Party on Competitiveness and Growth
CoR	Committee of the Regions
CSO	Civil society organisation
ECJ	European Court of Justice
EESC	European Economic and Social Committee
EIB	European Investment Bank
EIPLE	Estudio de Impacto sobre las Propuestas Legislativas Europeas (Spain)
EPE	Ex post evaluation
EPSR	European Parliamentary Research Service
EU	European Union
EUMS	EU Member States
FIU	Financial Intelligence Unit (Latvia)
IA	Impact assessment
ICSMS	Information and Communication System for Market Surveillance
IIA	Interinstitutional Agreement (on Better Law-making)
iREG	Indicators of Regulatory Policy and Governance
KPI	Key performance indicator
NGO	Non-governmental organisation
REFIT	Regulatory fitness and performance programme (European Commission)
RIA	Regulatory impact assessment
ROB	Regulatory oversight body
RSB	Regulatory Scrutiny Board (European Commission)

SDGs	Sustainable Development Goals
SME	Small and medium enterprises
SMET	Single Market Enforcement Taskforce
UTAIL	Unidade Técnica de Avaliação de Impacto Legislativo (Portugal)

Executive summary

To limit burdens whilst solving complex policy challenges, regulatory interventions need to be carefully calibrated. Laws and regulations are a powerful tool for governments across the European Union (EU) seeking to harness the transformative power of (technological) innovation, such as AI, whilst keeping people safe and driving forward the green transition. At the same time, regulatory burdens and complexity affect people's lives and undermine European competitiveness. Consistency and regulatory efficiency are especially important in the EU to unlock the full potential of the Single Market based on common rules across 27 Member States. Governments across the EU must rise to this challenge to retain and strengthen trust in their collective action and problem-solving capacity.

To get the balance right and make rules smarter, simpler and more streamlined, governments must embrace “better regulation” practices, as articulated in the *OECD Recommendation on Regulatory Policy and Governance*. This third edition of the *Better Regulation across the European Union* report tracks the progress made by EUMS in embedding these practices across different stages of the policy cycle. Appropriate reflection is also given to the EU's unique institutional ecosystem, in particular how Member States use better regulation tools in relation to EU law at the negotiation and transposition stage. The report also provides country profiles that track recent progress and highlight areas for further improvement in EUMS' better regulation systems.

Foundations and general trends in better regulation

In the face of increasingly complex challenges, EUMS need to build on their foundations for better regulation to improve how they use tools to optimise new and existing rules. Virtually all EUMS have articulated a strategy on better regulation and have assigned institutional responsibility and high-level leadership to translate better regulation principles into practice. However, the focus often remains on developing new rules – *ex ante* regulatory impact assessment and stakeholder engagement are relatively well developed compared to *ex post* evaluation although important gaps towards best practice persist and improvements have been marginal. Conversely, *ex post* evaluation remains far from being fully developed, yet has benefited from some more measured improvements over recent years.

Identifying challenges and exploring solutions

To avoid jumping to regulatory solutions and quick fixes, decision makers need to involve stakeholders and use evidence before deciding if, and how, to intervene. Early engagement with citizens and other stakeholders enables a better understanding of policy issues and possible solutions. Similarly, assessing and comparing different options can highlight potentially less burdensome alternatives. Despite some improvements, significant gaps remain among EUMS. For instance, early engagement remains mostly sporadic and alternative options – especially non-regulatory – are still not consistently considered across all EUMS, suggesting that evidence is used to justify rather than to inform policy.

Putting people at the core of regulatory design

At a later stage once a draft rule has been prepared, impact assessment and consultation procedures are relatively well developed but opportunities remain to strengthen the evidence base and boost transparency. Systematically weighing costs against expected benefits is essential to avoid biased decision making. Critically, to promote long-term prosperity, policymakers need to consider how rules affect competitiveness and the economy as a whole but this is rarely required across EUMS. More granular analysis, for example on decarbonisation targets or inequality, would afford a better understanding of the effects on people and the environment. Finally, governments routinely seek public input on draft rules but need to do better at responding to feedback, as less than half issue a public response to comments, with little recent improvement. Doing so does not only strengthen transparency but also demonstrates governments' responsiveness to people's concerns and helps secure buy-in.

Securing impact through monitoring and implementation

To secure real-life impact and simplify compliance for business and people, governments need to plan better how they will implement rules and apply “smart” enforcement approaches. No matter how well designed, the real-life impacts of a rule flow from its implementation. However, this often comes as an afterthought as only a minority of EUMS require active planning on how compliance should be achieved and identify methodologies and indicators to track results. Similarly, only a minority of governments in the EU actively require their inspection and enforcement authorities to base activities on risk and to use data-driven approaches to ensure targeted and streamlined enforcement.

Keeping rules fit for purpose through evaluation and review

More systematic and outcome-focused *ex post* evaluation of rules is needed to close the policy cycle. In a rapidly changing world, periodic evaluation is needed to keep rules fit for purpose and to remove unnecessary burdens. Currently, these efforts remain unsystematic in most EUMS, creating a risk of “regulate and forget”. There is also limited evidence that EUMS translate evaluations into tangible improvements. To change this, a more methodical approach is needed to target efforts on those rules with the highest impacts and assess the achievement of objectives as well as unintended consequences – something only few EUMS do systematically. Finally, policymakers need to listen to those impacted by rules to inform review findings and communicate clearly the action they will take in response.

Embedding better regulation across the EU policy cycle

To ensure a level playing field across the Single Market and boost European competitiveness, better regulation needs to be fully embedded throughout the whole of the EU policy cycle. Whilst legislative proposals from the Commission with significant impacts are subject to impact assessment and consultation procedures, this is not typically the case for substantive amendments made by the co-legislators, the European Parliament and the Council. Similarly, EUMS still have room for improvement when they intervene in the development of EU law through Council negotiations and, later on, when transposing and implementing them. Only a minority of them systematically use impact assessment and stakeholder views to inform national positions for Council negotiations. In addition, the risk of “gold-plating” in the transposition of directives often goes unchecked, potentially risking unnecessary burdens and a fragmentation of the Single Market. Finally, more effective pooling of evidence and sharing best practices between Member States and institutions across the policy cycle is needed to ensure EU laws are practical, drive consistent implementation and aid continuous improvement.

1 Foundations and general trends in better regulation

Embedding better regulation tools across the whole of the policy cycle is critical for EU Member States to solve complex policy challenges whilst keeping rules simple and easy to comply with. This chapter analyses to what extent EU Member States have laid the foundations for better regulation, including strategies, institutions as well as monitoring and evaluation. It also provides a high-level overview of recent trends in core better regulation tools – stakeholder engagement, regulatory impact assessment and *ex post* evaluation – through the lens of the composite OECD Indicators of Regulatory Policy and Governance (iREG). Finally, the chapter reflects on the role of better regulation in making EU laws with a focus on the interplay between Member States and the EU institutions.

Key messages

- **Complex policy challenges are putting rulemaking across the European Union (EU) to the test.** Governments in EU Member States (EUMS) are seeking to harness the transformative potential of innovation and digital technologies, including AI, whilst protecting citizens from its potential risks. In addition, they are also seeking to drive forward the green transition towards a carbon-neutral economy, protecting people from the impacts of climate change. At the same time, policymakers need to stay alert to the risk of a rise in regulatory burdens and adverse effects on European competitiveness. This is especially important in a context of continued pressures on people's cost of living and their legitimate concerns about their future prosperity and wellbeing. Solving these complex challenges is also important for governments to retain and strengthen trust in their action and ability to make important decisions.
- **Laws and regulations are a powerful tool for governments to tackle these challenges** – they can provide a framework for the responsible use of AI in people's lives or set clear pathways for the reduction of greenhouse gas emissions in the economy. However, to be effective in keeping people safe and protecting the environment – whilst avoiding unnecessary bureaucratic hurdles for citizens and businesses – rules need to be developed and implemented in a way that is open, transparent and based on the best possible evidence. Rather than regulating on a hunch and offering simplistic solutions, such principles of “better regulation” need to be applied consistently throughout the policy cycle – from identifying challenges to target government action, through the design of rules to implementation and, finally, their systematic review.
- **EU Member States (EUMS) have successfully laid the foundations for better regulation but remain more focused on the design of rules rather than the implementation and review.** Whilst all EUMS have established better regulation strategies, the implementation of rules and their evaluation are less frequently covered than the design of new rules. Governments have also laid the necessary institutional foundations by assigning responsibility for better regulation to one or several bodies, flanked by high-level political leadership. However, only a minority of these bodies play a gatekeeper function to drive consistent implementation. Finally, the monitoring and evaluation of better regulation itself remains underdeveloped in most countries, leaving question marks about their effectiveness in practice.
- **The use of better regulation tools across EUMS has seen little change over the last few years.** Composite indicator scores show that regulatory impact assessment (RIA) and stakeholder engagement to inform the development of rules have shown only marginal improvements since 2021, with reforms slowing down compared to 2018-2021. The focus remains on developing new rules rather than reviewing existing ones, with practices for *ex post* evaluation significantly lagging *ex ante* tools. However, *ex post* evaluation scores benefited from more measured improvements since 2021 than *ex ante* RIA and stakeholder engagement. Improvements tend to remain concentrated within a few EUMS that have conducted substantial reforms, particularly those.
- **The use of better regulation tools for targeted and effective EU laws remains incomplete, posing risks to European competitiveness and the functioning of the Single Market.** In the unique legal setting of the European Union, a variety of actors at both the EU level and within Member States intervene in the development and implementation of EU law. Whilst legislative proposals from the Commission are generally subject to impact assessment and consultation procedures, this is not typically the case for amendments made by the co-legislators, the Council and European Parliament. Similarly, EUMS still have room to improve their use of RIA and stakeholder engagement when they intervene in the development and implementation of EU law during Council negotiations and the transposition of directives.

Introduction

Governments across the European Union (EU) face complex policy challenges. Like other countries around the globe, they are striving to protect people from the most adverse effects of climate change. At the same time, they are also trying to help foster and harness unprecedented and transformative innovation, especially in digital technologies like Artificial Intelligence (AI). People rightly expect solutions to these complex challenges and doing so has been shown to be a key driver of trust in government. However, people are not currently confident – only around 40% of respondents from OECD countries think their national governments would regulate AI appropriately or that they would succeed in reducing greenhouse gas emissions (OECD, 2024^[1]).

Managing the complexity of the dual green and digital transitions – and doing so in a way that is socially just – puts rulemaking across the EU to the test. Creating new or reforming existing rules is a powerful tool for governments to manage these far-reaching transformations. The EU itself has adopted legislation to address those challenges, including through its Artificial Intelligence Act in 2024 and various rules under the European Green Deal. Successfully managing these transitions is not straightforward – policymakers are up against issues that are both highly technical and interrelated, and often involve trade-offs. For instance, the European Green Deal includes various measures intended to boost the manufacturing of clean technologies, whilst accounting for potential adverse employment impacts in existing oil and gas industries, which require mitigating actions to reskill workers (European Commission, 2023^[2]).

Devising the right rules to tackle these complex challenges and nurture people's trust in their problem-solving capability requires both the right tools and consistent implementation. Policymakers must resist the temptation to “regulate on a hunch” or propose simplistic answers for short-term political expediency. Instead, governments across EU Member States (EUMS) must consistently follow principles of good rulemaking, known as “better regulation”, at every stage of the policy cycle. This means focusing on issues that matter to people, listening to their ideas for solutions, using evidence to compare different options, and getting the details of rules right to ensure they improve outcomes for people. It also involves hardwiring the delivery of rules into their design and using data to monitor their impact. Finally, it means ensuring that rules are regularly evaluated to keep delivering positive outcomes. The *OECD Recommendation on Regulatory Policy and Governance* (OECD, 2012^[3]) provides governments with a clear, actionable framework to drive high-quality rulemaking across the whole of the policy cycle.

Consistently following better regulation practices to drive high-quality rulemaking is of particular importance in the context of the EU. As the world's largest single market (European Parliamentary Research Service, 2023^[4]), the EU offers significant opportunities to deliver economic growth and prosperity for its citizens. However, rulemaking is especially complex in the EU's unique legal and political system that involves an intricate interplay between sub-national, national, and supranational actors. As a result, rules can become overly complex through protracted negotiations and compromises between diverse interests. EUMS interpreting and implementing rules differently can also lead to fragmentation, creating unnecessary compliance costs, compromising competitiveness. *The Future of the Single Market* report warns that the EU's full potential is held back by “excessive regulatory burden and bureaucratic red tape” (Letta, 2024^[5]). Similarly, the report on *The Future of European Competitiveness* (Draghi, 2024^[6]) notes that the stock of regulation is higher and growing faster than in comparable economies. In addition, citizens moving across borders may face inconsistent protections or bureaucratic hurdles in accessing essential services or economic opportunities. Better regulation tools can promote synergies and position rules to achieve positive impacts, helping to harness the full potential the Single Market offers.

This introductory chapter analyses the extent to which EUMS – and the European Commission as the executive of the European Union – have laid the foundations for better regulation and presents the overarching trends in implementing key regulatory management tools over the last few years. This includes discussion of:

- how EUMS have established strategies, institutions, and monitoring mechanisms to support the use of better regulation tools;
- trends in stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation through the lens of the composite indicators of Regulatory Policy and Governance (iREG); and
- the role of better regulation in the making of EU laws with a focus on the interplay between the Member State and EU levels, including through interinstitutional negotiations.

The following chapters (Chapters 2-5) of this report will provide more detailed analysis of how EUMS are using better regulation tools at each stage of the policy cycle: identifying challenges and exploring solutions (Chapter 2), putting people at the core of regulatory design (Chapter 3), securing impact through monitoring and implementation (Chapter 4), and keeping rules fit for purpose through evaluation and review (Chapter 5). In addition, Chapter 6 provides an overview of the state-of-play of better regulation in each EUMS through country profiles, which include pointers to potential areas for improvement.

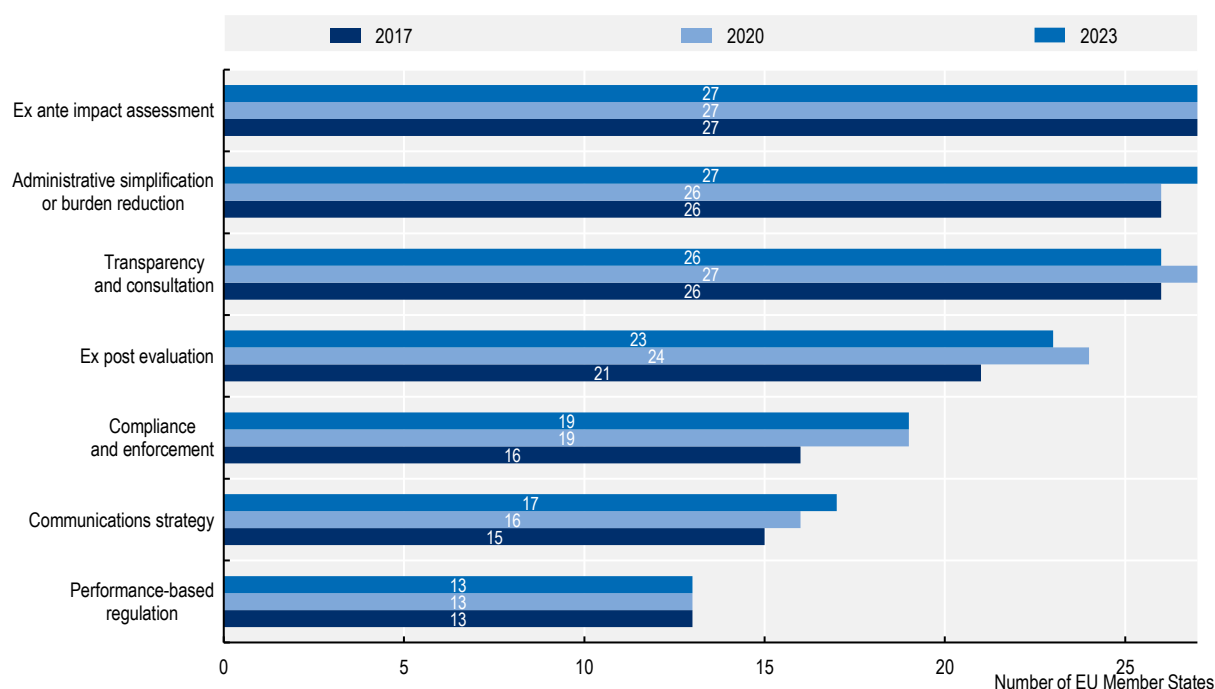
Foundations for better regulation

Strategy and institutions

Successfully driving high-quality rulemaking requires a comprehensive and coherent strategic approach across government. The impact of better regulation is dependent on mutually re-enforcing factors, including high-level political commitment and leadership, formal legal requirements and institutional responsibility and capability. The implementation of better regulation tools involves a variety of actors across the administration, including in central government, line ministries and regulatory enforcement bodies. However, translating abstract principles and guidelines on the use of evidence and consultation procedures into concrete action is dependent on high-level political buy-in. The *OECD Recommendation on Regulatory Policy and Governance* (OECD, 2012^[3]) therefore calls on governments to “issue a formal and binding policy statement underpinning regulatory reform including guidelines for the use of regulatory policy tools and procedures”. Such policy documents that articulate the government’s strategy on better regulation are instrumental to its success: they set expectations across the administration to drive behavioural change and adherence to principles; communicate the purpose of better regulation to the public; and can facilitate the allocation of resources that are required to sustain procedures, like impact assessment and public consultations.

In most EUMS, better regulation strategies remain strongly focused on the practices that underpin the development of new rules – but improvements have been made over time to better address the upkeep of existing rules. All EUMS have published an explicit whole-of-government policy for regulatory quality articulating their better regulation strategy. However, these strategies can be subject to limitations, especially as they do not necessarily cover all aspects of better regulation comprehensively, instead focusing on particular tools or stages of the policy cycle. As a matter of fact, most of these address the development of new regulations: in virtually all EUMS, such strategies cover the use of evidence through *ex ante* impact assessment (27) and government transparency and consultation (26) (Figure 1.1). Governments across the EU are also placing greater emphasis on how rulemaking is communicated in an increasingly complex world, which 17 EUMS now cover in their strategies (up from 15 EUMS in 2017). Despite a continuing focus on the initial design of rules, a growing number of countries have adopted strategies that also address *ex post* evaluation of rules (from 21 in 2017 to 23 in 2023), suggesting increasing efforts to close the regulatory cycle by assessing how rules fare in practice. In addition, administrative simplification or burden reduction of existing rules continues to be a consistent feature of better regulation strategies in all EUMS.

Figure 1.1. Better regulation strategies focus mostly on the design of rules, less on implementation



Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Regulatory delivery, i.e. the practical implementation of rules, remains less frequently covered in better regulation strategies, creating potential gaps in the rule-making cycle. For instance, compliance and enforcement features in strategic documents on better regulation in 19 EUMS, up from 16 in 2017. Performance-based regulation¹ – although being a key lever for effective regulatory delivery by enabling regulated entities like businesses to determine the best possible way to achieve a rules' objective (Hodges, 2022^[7]) – is only covered in 13 EUMS, with no change since 2017. However, guiding how various regulators – that is, government bodies that carry out these functions – should manage their activities is key to achieving regulatory objectives (this is further discussed in Chapter 4).

In addition to articulating a clear strategy, governments across the EU have also by and large established high-level leadership to drive implementation of the better regulation agenda. All of them – with the exception of Croatia, Belgium and Ireland – have attributed responsibility for continuous improvement of better regulation tools to a Minister or to a high-level official or political appointee. In 20 EUMS, this responsibility extends to reporting on the performance of the better regulation system.

Along with a clear strategy and high-level leadership, governments need sound institutional foundations for better regulation. Assigning clear institutional responsibility for better regulation (or specific elements of it) and appropriate resourcing are key to driving consistent implementation across the administration (OECD, 2021^[8]). A dedicated unit (or units if responsibilities are shared) can fulfil critical functions of “regulatory oversight”, including: developing and issuing guidance, providing training and upskilling for officials, scrutiny of the use and quality of better regulation tools (e.g. assessing compliance with Impact Assessment requirements) and evaluating the effectiveness of tools at a system level.

The focus of better regulation approaches on the development of rules is also reflected in institutional settings across EUMS, with most regulatory oversight bodies (ROBs) having responsibilities that focus on regulatory design. All EUMS have established one or several ROBs and the vast majority of them cover better regulation tools to inform the development of new rules, i.e. *ex ante* impact assessment (26) and

stakeholder engagement and consultation (23). Institutional responsibilities for *ex post* evaluation of regulation are slightly less developed by comparison (18).

Looking more closely at the scrutiny of the quality of individual better regulation tools shows that important gaps remain in the institutional foundations to ensure tools are correctly implemented, in keeping with findings from the previous report (OECD, 2022^[9]). The majority of countries have a government body outside the ministry developing the draft responsible for reviewing the quality of RIA for primary laws (22). For example, **Romania** established in 2022 the technical secretariat of the Consultative Council for the Impact Assessment of Normative Acts (CCEIAN). In 11 EUMS – and at the EU-level in form of the European Commission’s Regulatory Scrutiny Board (RSB) – ROB can return RIAs for revision if deemed inadequate, providing a gatekeeping function. In all of these cases, the ROB may return the RIA on the grounds of lack of effective consultation. For *ex post* evaluation, quality control is less developed still. Since the last report, only **Slovakia** and **Romania** have assigned such responsibilities to a body outside the unit conducting the *ex post* evaluation, raising the total to 8 EUMS. Enhancing oversight in these areas is crucial for fostering a more consistent and effective use of better regulation tools.

Monitoring and evaluation

The monitoring and evaluation of better regulation tools remain largely underdeveloped in EUMS. Once governments have set out their strategic approach to achieving high-quality regulation and laid the institutional foundations, they also need to assess if better regulation tools are meeting their intended objectives in practice. The *OECD Recommendation* emphasises that the ongoing monitoring and regular assessment of tools, such as RIA, stakeholder engagement, and *ex post* evaluation is essential to their success in the long run. A first crucial step for governments is to put in place mechanisms to collect relevant data from across the administration. Gathering statistics on compliance with better regulation requirements, e.g. in the form of the percentage of RIAs that do (or do not) comply with formal requirements, provides decision makers with clear indicators to detect potential implementation issues. Breaking this information down by ministries/agencies can help target capacity building and awareness-raising efforts with a view to continuous improvement. In addition, making performance indicators publicly available also allows external stakeholders to scrutinise performance, providing incentives for agencies to improve their practices, increasing transparency (OECD, 2012^[31]).

Governments across the EU do not tend to have performance indicators readily available with no change since 2020. Only 10 EUMS have compliance statistics available for RIA (most of which also make them publicly available), while only 4 have compliance statistics for consultation requirements (Table 1.1). No EUMS report having figures available for *ex post* evaluation, although such indicators are available at the EU level. The lack of figures regarding especially *ex post* evaluation, highlight the fact that countries do not have a developed overview of how their better regulation system is working in practice.

Table 1.1. Monitoring and evaluation of better regulation remains uncommon

	Consultation		Regulatory impact assessment		<i>Ex post</i> evaluation	
	Indicator on compliance with requirements	Reports on performance published online	Indicator on compliance with requirements	Reports on performance published online	Indicator on compliance with requirements	Reports on performance published online
Austria	No	No	No	Yes	No	Yes
Belgium	No	No	No	No	No	No
Bulgaria	Yes, publicly available	Yes	Yes, publicly available	Yes	No	No
Croatia	No	Yes	No	Yes	No	No
Cyprus	No	No	No	No	No	No

	Consultation		Regulatory impact assessment		<i>Ex post</i> evaluation	
	Indicator on compliance with requirements	Reports on performance published online	Indicator on compliance with requirements	Reports on performance published online	Indicator on compliance with requirements	Reports on performance published online
Czechia	No	No	Yes, publicly available	Yes	No	No
Denmark	No	No	No	No	No	No
Estonia	No	Yes	No	Yes	No	No
Finland	No	Yes	Yes, publicly available	Yes	No	Yes
France	No	No	No	No	No	Yes
Germany	No	No	No	Yes	No	No
Greece	No	No	No	No	No	No
Hungary	No	No	Yes, internally available	No	No	No
Ireland	No	No	No	No	No	No
Italy	Yes, publicly available	No	Yes, publicly available	Yes	No	Yes
Latvia	Yes, publicly available	Yes	No	Yes	No	No
Lithuania	Yes, internally available	No	No	Yes	No	No
Luxembourg	No	No	No	No	No	No
Malta	No	No	No	No	No	No
Netherlands	No	Yes	No	Yes	No	Yes
Poland	No	No	No	Yes	No	No
Portugal	No	No	Yes, publicly available	Yes	No	No
Romania	No	Yes	Yes, publicly available	Yes	No	No
Slovak Republic	No	No	Yes, publicly available	Yes	No	No
Slovenia	No	Yes	No	Yes	No	No
Spain	No	No	No	No	No	No
Sweden	No	No	Yes, publicly available	Yes	No	No
European Union	Yes, internally available	Yes	Yes, publicly available	Yes	Yes, publicly available	Yes

Note: Data for the European Union reflect requirements and practices of the European Commission.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

In addition to ongoing performance monitoring of better regulation tools (outputs), EUMS would also benefit from assessing their better regulation systems based on the outcomes they achieve. Just like laws and regulations themselves, the frameworks for tools like RIA, stakeholder engagement and *ex post* evaluation need evaluating at regular intervals to ascertain the effectiveness in achieving their strategic objectives (OECD, 2012^[3]). Evaluation insights are key to enabling systemic improvements and guiding potential reform of requirements and methodologies. This is especially important as better regulation itself is a resource-intensive endeavour and governments seek to maximise the use value for taxpayers' money. Developing and publishing performance reports also provides governments with an opportunity to engage with citizens and stakeholders to ascertain whether their expectations are being met, driving accountability. For instance, the **European Commission's** (2019^[10]) stocktaking exercise in 2018-19 provided crucial insights that informed later changes to its better regulation tools, such as the streamlining of its consultation procedures (Box 1.1).

Box 1.1. The Approach of the European Commission's Stocktaking Exercise

The adoption of the European Commission's Better Regulation Agenda in 2015 brought a number of significant changes, including the new "Have your say" portal for public consultations, the establishment of the independent Regulatory Scrutiny Board (RSB) to check the quality of impact assessments and evaluations, and the REFIT platform to gather feedback on how to improve existing EU laws. Three years after adoption, in late 2018/early 2019, the Commission undertook a stocktaking exercise to review how the agenda was working, including areas of success and areas requiring improvement, with the objective of advancing the better regulation agenda.

To ensure an open and evidence-based process, the Commission adopted a multi-pronged approach to the stocktaking exercise, in particular relying on:

- A **literature review** of over 100 papers looking at better regulation generally and at the specific tools used by the Commission, conducted by the Commission's own Joint Research Centre;
- A **public consultation** available in 23 EU languages and supported by social media campaigns, which attracted 596 contributions from individuals, businesses, NGOs, think tanks, research, academia, consultants, public authorities; *and*
- **Targeted consultation** with officials in Commission services, the European Parliament, the Council, the Committee of the Regions (CoR), the European Economic and Social Committee (EESC). In addition, Member States were consulted via the Council Working Party on Competitiveness and Growth (COMPCRO).

The findings of the stocktaking exercise were presented and discussed at a public conference in April 2019, which also sought to exchange views on possible ways forward, and to further build the community of better regulation practitioners.

Overall, the stocktake showed support for the Commission's better regulation approach. It also identified opportunities for improvement that continue to shape reforms to date, including the recently streamlined consultation practices through the introduction of a single "Call for Evidence" on the revamped "Have Your Say" portal as well as the establishment of the Fit for Future Platform and the "one in, one out" approach to advance burden reduction efforts.

Source: European Commission (2019^[10]), [Better regulation: taking stock and sustaining our commitment](#).

The performance measurement of RIA, a cornerstone of better regulation, remains largely underdeveloped in EUMS. Only just over half (17) EUMS publish reports online. The numbers drop when it comes to publishing reports online on consultation practices to only 8 EUMS and to 5 on *ex post* evaluation. However, there are valuable examples of good practice, such as Finland's Quality Indicators of the Law Drafting Process, which combines quality indicators and engagement with interested stakeholders (Box 1.2).

Box 1.2. Improving Finland's legislative drafting through quality indicators

In **Finland**, the "Quality Indicators of the Law Drafting Process" report, published in 2023, highlighted that quality indicators for legislative drafting could provide tools to evaluate working methods and results of law drafting, which would enhance transparency and accountability of the legislative drafting process as well as improve the overall quality of laws. The project developed a quality indicator system covering seven areas: 1) initiative, need, and relevance; 2) ministry organisation and management; 3) resourcing

and capabilities; 4) knowledge base; 5) participation and consultation; 6) process quality and smoothness; and 7) Impact Assessment.

The indicators draw on three survey-based barometers: a) a legislative drafter barometer fielded across ministries to identify key development needs in law drafting; b) a stakeholder barometer, which is a simplified version designed for external stakeholders involved in legislative drafting; and c) a regulatory project barometer for legislative drafters, which is an adjusted version to suit the specific details of each legislative project. The barometer surveys include common questions, with the language tailored to each specific barometer target group and objectives, enabling comparability of the findings. When the surveys were piloted in September 2022, the legislative drafter barometer received 193 and the stakeholder barometer 752 contributions. The regulatory project barometer was answered by the legislative drafters who participated in five selected projects to test the quality indicator system. The results of surveys, according to the report, revealed that resourcing, management, process planning, and Impact Assessment are the most critical areas needing improvement. External stakeholders also called for more interactive consultation and participation practices.

The report made several recommendations for improving the quality of the legislative drafting process. These include a more systematic monitoring, evaluation, and research of the quality of law drafting in Finland, and an improvement of regulatory maintenance to keep rules up to date. Additionally, the management of the legislative drafting process needs clarification and strengthening at both, the civil service and political levels. Finally, report suggested that the barometers developed in this project should be integrated into the continuous development of legislative drafting practices.

Source: Finnish Government (2023^[11]), [Towards High-Quality Law Drafting: Quality Indicators of the Law Drafting Process in Finland](#).

Trends in the use of better regulation tools

The use of better regulation tools across EUMS has only seen very limited change over the last few years and continues to focus more on the development of new rules than the review of existing ones. With the appropriate strategic and institutional foundations in place, governments have a strong basis to implement the tools for more effective and efficient laws and regulations, as advocated in the *OECD Recommendation on Regulatory Policy and Governance* (2012^[3]). Looking at trends through the lens of the composite Indicators of Regulatory Policy and Governance (iREG) shows that stakeholder engagement and the use of evidence through *ex ante* regulatory impact assessment (RIA) have only seen marginal improvements across EUMS and that reforms have somewhat slowed down since 2020. *Ex post* evaluation continues to lag these *ex ante* tools but has benefited from some more measured improvement. On average, Member States that joined the EU more recently have improved their tools more than those that were Members prior to the 2004 enlargement round.

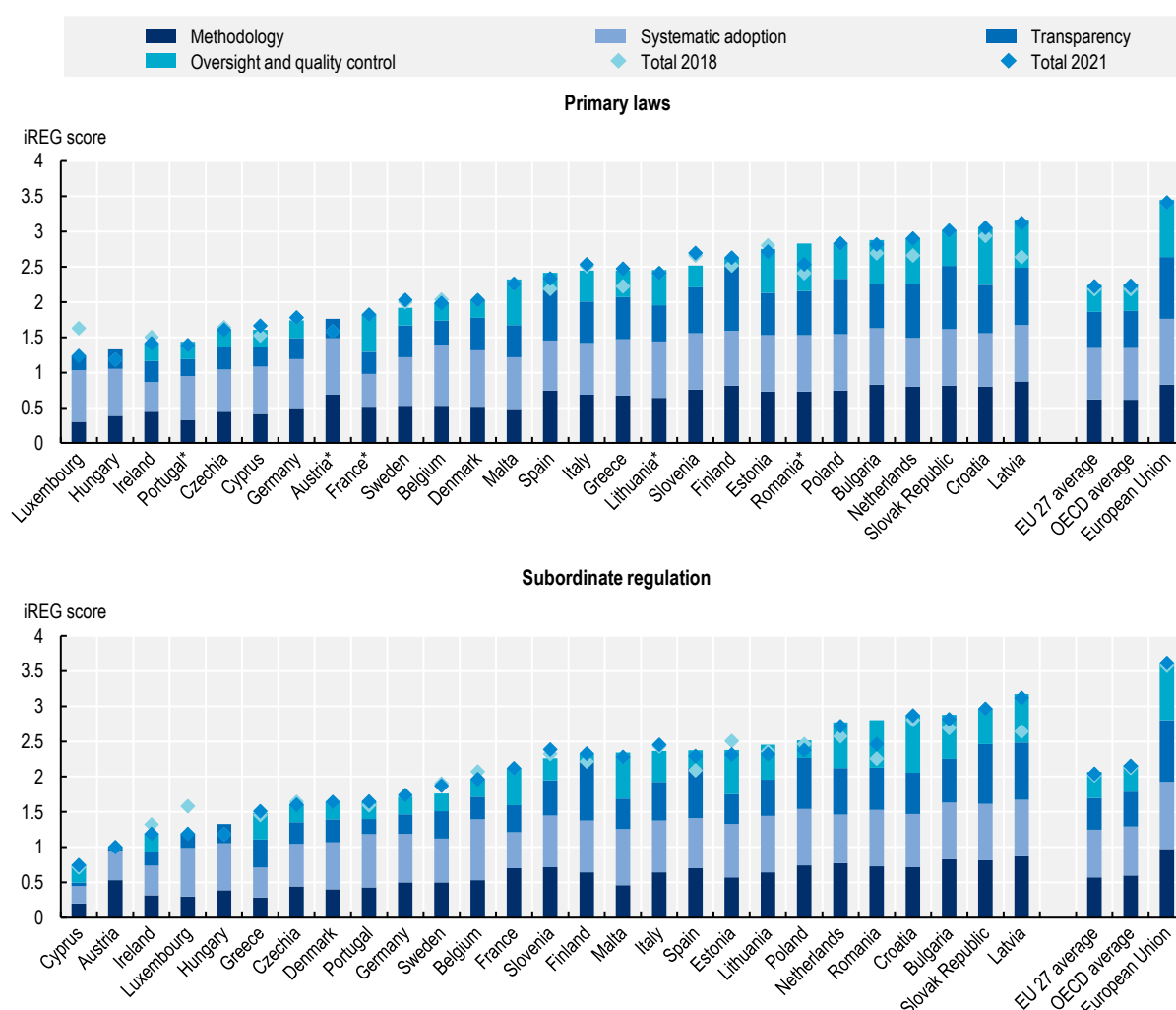
It should be noted that whilst the composite indicators offer an insight into the existence of the fundamental building blocks of these tools and their implementation, they do not provide an in-depth assessment of the quality of country practices (for further information on the scope and limitations of the indicators, see the Reader's guide). Unless specifically stated, examples of reforms set out below affect both primary laws and subordinate regulations.

Stakeholder engagement in rulemaking

A key component of better regulation is engaging with the people impacted by rules that are being developed. This may include citizens, businesses, consumers, employees (including their representative organisations and associations), the wider public sector, non-governmental organisations, international trading partners and others (OECD, 2012^[3]). Giving people a say in the rules that affect them means

providing them with opportunities to discuss, present and challenge ideas, and develop practical solutions. According to the *OECD Recommendation* (OECD, 2012^[3]), this is essential for creating effective, transparent, and inclusive rules. At the early stages of rulemaking, when policymakers have identified that a public policy problem exists and are considering various ways to solve it, effective engagement can help governments set their agenda and focus interventions on those challenges that matter most to people and use their input to develop solutions (further discussed in Chapter 2). Later on, consulting on proposed rules enables policymakers to finetune rules based on people's real-life insights (further discussed in Chapter 3). In a context of declining trust in government, effective engagement is especially important: a person's sense of having a say in rulemaking is one of the most powerful drivers of their trust in government. Data shows that people today are less satisfied with opportunities to engage meaningfully in policymaking and with governments' responsiveness to public feedback (OECD, 2024^[1]). Since 2021, EUMS systems and practices for stakeholder engagement have remained relatively stable (Figure 1.2).

Figure 1.2. Composite indicators: stakeholder engagement in rulemaking, 2018-2024



Note: The more regulatory practices as advocated in the *OECD Recommendation* a country has implemented, the higher its iREG score. The indicator for primary laws only covers practices in the executive. * Most primary laws are initiated by the executive in the majority of EU Member States, except for Austria, France, Lithuania, Portugal and Romania where a higher share of primary laws are initiated by the legislature. Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Overall, EUMS engagement with citizens and stakeholders in rulemaking has only seen very marginal improvement since 2021. Compared with the period between 2018-2021, the pace of reforms has somewhat slowed down in recent years with a lower increase in scores across EUMS. Whilst systematic adoption (i.e. the existence of formal requirements and carrying them out in practice) continues to be the most developed dimension, it has not seen significant progress since 2018. The area that has benefitted from the biggest relative improvements continues to be methodology of stakeholder engagement (i.e. including the variety of forms of engagement as well as supporting documents). This builds on previous improvements between 2018 and 2021, when improved use of diverse stakeholder engagement methods could be explained – at least in part – by the increased use of virtual meetings linked to the pandemic, and different documents being made available during consultations (OECD, 2021^[8]). However, engagement at earlier stages of rulemaking remains a prominent gap across EUMS. Consistent with trends among OECD countries, EUMS also have room to improve the transparency and oversight (i.e. having mechanisms and institutions to oversee the implementation and quality) of their engagement. Finally, while EUMS' engagement on primary laws is comparable with the average among OECD countries, EUMS remain slightly less developed for subordinate regulations.

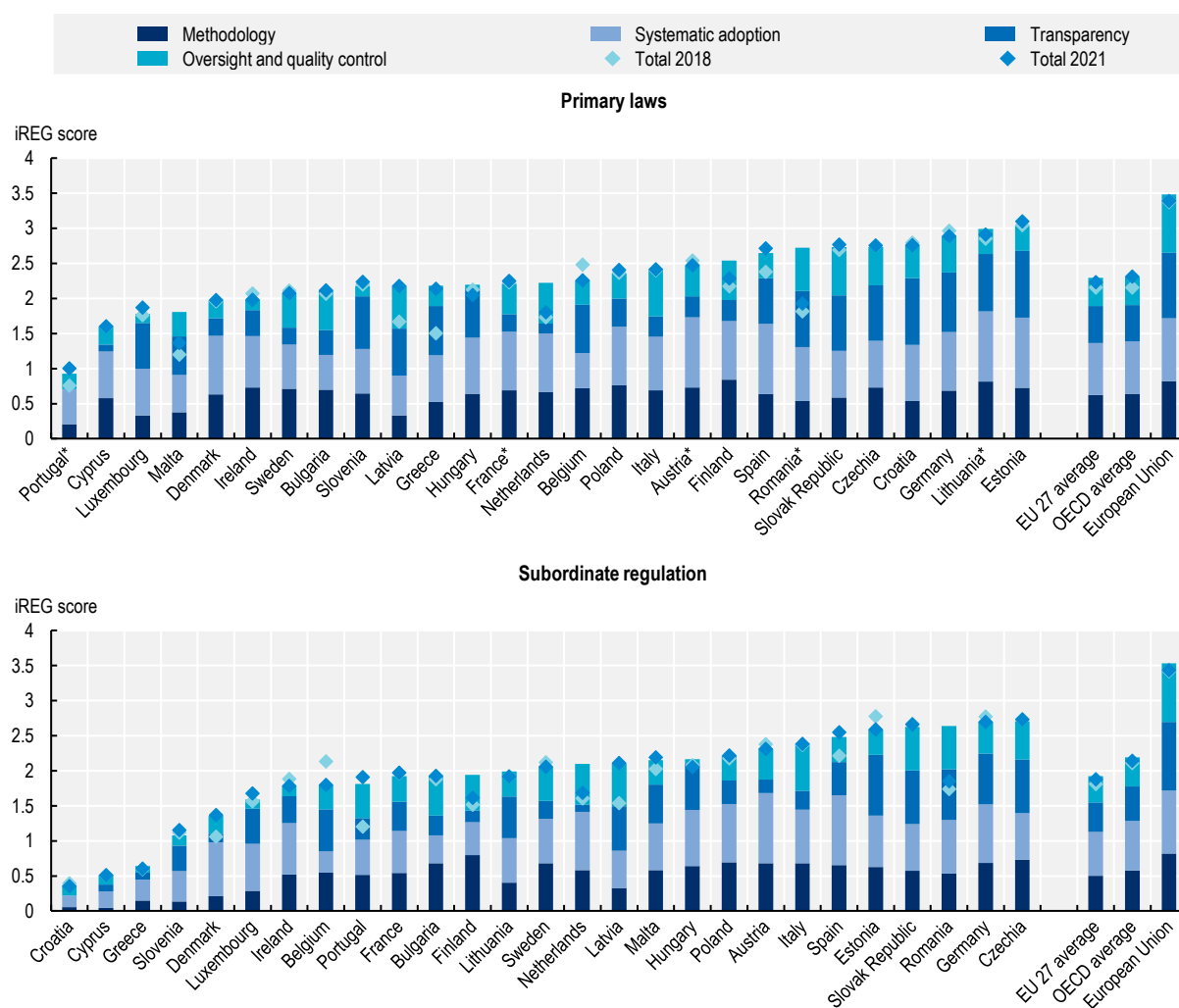
Some EUMS have enhanced adoption scores by expanding consultation requirements and enhanced methodology scores by embracing diverse modern and participative platforms to meaningfully engage stakeholders:

- In 2021, **Austria** expanded online consultation to enable public input on legislative initiatives (draft primary laws) introduced in parliament, including government-sponsored bills, bills from individual MPs, as well as popular initiatives that received the support of at least 100 000 citizens and petitions.
- **France** convened business and community stakeholders to discuss thematic challenges, such as ecological transitions, through the new *Conseil National de la Refondation* (discussed further in Chapter 2).
- The “Unified Portal for the Development and Agreement of Draft Legal Acts”, an online portal launched by **Latvia** in 2021, allows stakeholders to access and comment on all regulatory proposals across ministries on a central platform – a key aspect of transparency in engagement.
- **Romania** started using interactive websites to consult on draft and final rules, and strengthened its commitment to transparency by making public when and why consultations are not conducted in a substantiation note as part of the RIA process.

Regulatory impact assessment

After establishing high-level policy goals, governments need to establish the best way to achieve them. In doing so, policymakers should use a sound evidence base to assess and compare a range of options (see Chapter 2). Options can vary from not intervening at all, through to regulating, and a multitude of alternatives in-between such as co-designing rules with those affected, encouraging the adoption of voluntary standards and codes of practice or market-based solutions and incentives. If and when regulation has been identified as the preferred option, policymakers can use evidence iteratively to formulate the specifics of a draft proposal (further elaborated in Chapter 3). To ensure a well-informed approach to decision making, policymakers need a holistic evidence base including social and environmental impacts, along with business and economic ones. The *OECD Recommendation* (OECD, 2012^[3]) identifies the use of regulatory impact assessment as a cornerstone to ensure that proposed rules are based on thorough analysis and evidence. People's belief in whether their government makes decisions based on the best available evidence is, in turn, linked closely to the trust they have in their national governments (OECD, 2024^[1]). Since 2021, impact assessment practices have largely remained steady among EUMS, with a few having undertaken reforms (Figure 1.3).

Figure 1.3. Composite indicators: Regulatory impact assessment in rulemaking, 2018-2024



Note: The more regulatory practices as advocated in the *OECD Recommendation* a country has implemented, the higher its iREG score. The indicator for primary laws only covers practices in the executive. * Most primary laws are initiated by the executive in the majority of EU Member States, except for Austria, France, Lithuania, Portugal and Romania where a higher share of primary laws are initiated by the legislature.
Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Overall, EUMS have made minor improvements to their RIA systems since 2021 even though the pace of improvement has slightly slowed, compared to the 2018-2021 period. There has been a general trend of intensifying efforts in the dimensions where countries are already relatively stronger. Adoption, which involves having formal requirements to conduct RIA and following through on those requirements in practice, has been the most developed dimension since 2019. It is also the dimension in which countries have shown the biggest improvements since 2021 whilst improvements between 2018-2021 were more evenly spread across different dimensions. Meanwhile, oversight, which includes scrutiny of the quality of RIA, showed the least average growth since 2021 despite also being the least developed dimension across EUMS (though some countries like **Croatia**, **Greece**, and **Romania** have made important reforms in this space). There is also a pronounced difference between practices for primary laws and subordinate regulations: whilst on the former, scores present the lowest variation across countries, suggesting a degree of convergence, on the latter, countries are comparatively less developed on average and show larger variation. The average EUMS score for subordinate regulations is also slightly lower than that for the

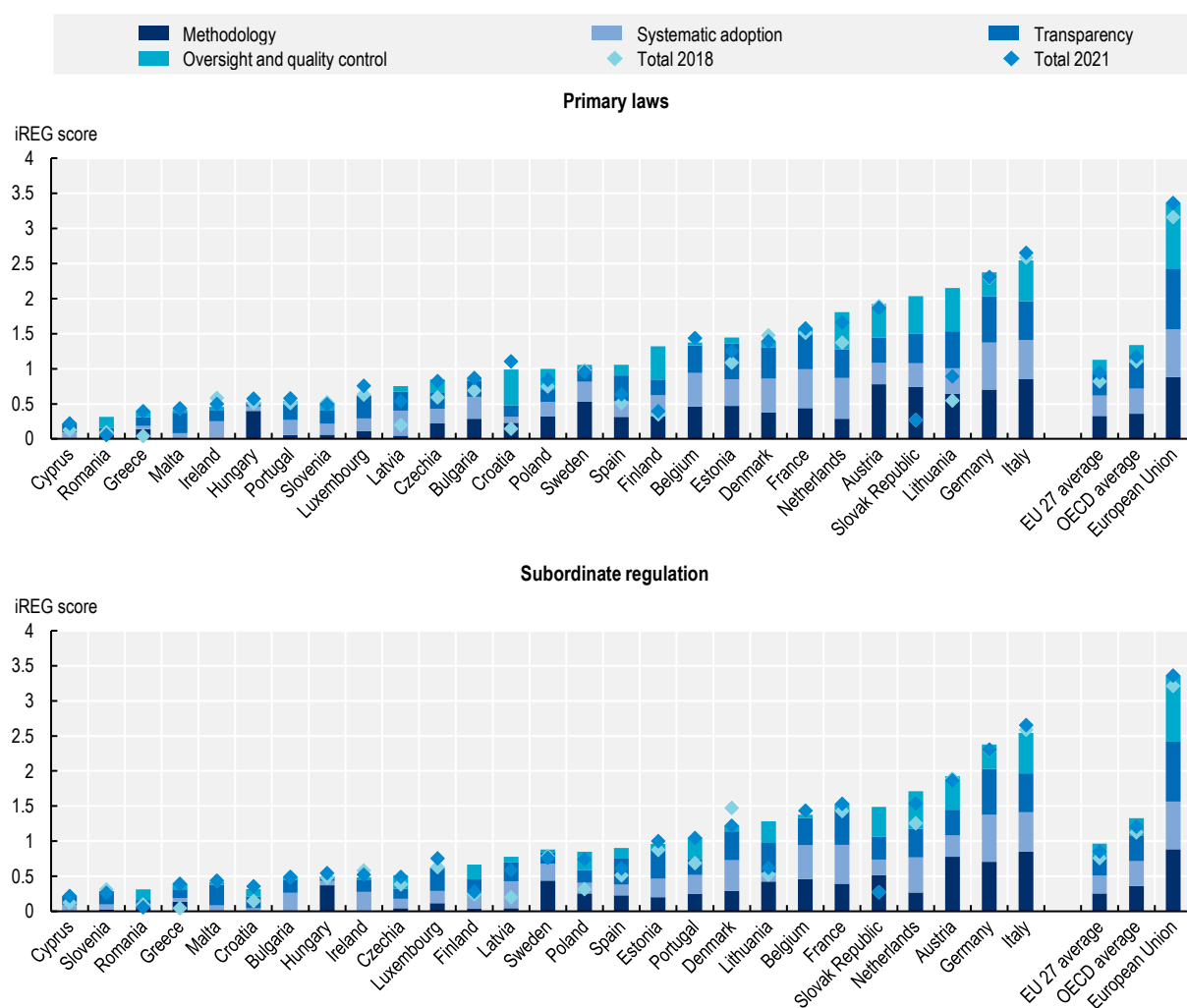
broader OECD membership. Along with oversight generally, practices for subordinate regulation would benefit from further attention.

Several EUMS have pursued reforms to improve their RIA frameworks since 2021, often embedding proportionality and/or expanding the range of impacts being assessed:

- **Malta** fundamentally changed their approach to RIA. Whilst the previous system focused exclusively on subordinate regulation, legislative changes made in 2021 established RIA requirements for primary laws underpinned by a template. Then, streamlining impact assessment requirements for less significant subordinate regulations created a more proportionate system.
- **The Netherlands** updated its RIA framework by launching in March 2023 its Policy Compass (*Beleidskompas*). This requires policymakers to first complete a scan questionnaire covering impacts related to people, society, and environment for new proposals. Based on the scale of anticipated impacts, the questionnaire identifies proportionate mandatory and suggested assessment modules.
- In **Romania**, Government Decision 443/2022 introduced, among other changes, proportionality for RIAs based on the level of expected impact. Rules subject to more in-depth impact assessment include those that would entail significant costs, directly affect vulnerable groups, impact a set percentage of companies or employees in a sector, impact many people, regulate a new activity, or substantially change existing laws. In addition, the CCEIAN's establishment in 2022 provides independent scrutiny of the quality of RIAs.
- **Finland** adopted renewed RIA guidelines in 2022, which include more comprehensive guidance and extend requirements to include assessment of macroeconomic, financial, and indirect costs. A government competence network for impact assessment, renewed until 2027, supports law drafters in preparing RIAs in accordance with the new guidance.

Ex post evaluation

Any new rule is an experiment that aims to meet certain policy goals, as their real-life impact cannot be predicted with absolute certainty. Rules are not made in a vacuum, but rather interact with existing frameworks, change people's behaviours, and are themselves impacted by external developments or shocks. With an ever-growing statute book of domestic laws and EU *acquis*, understanding where these rules deliver and where they do not is critical to keeping them fit for purpose over time. Evaluating rules regularly enables policymakers to learn what has worked, whether things can be improved, avoid repeated mistakes, and use this information to improve other policy areas. It involves collecting data and other evidence on real-world outcomes, comparing them to the intended goals, establishing the extent to which rules have been successful, and if it led to any unintended consequences (OECD, 2020^[12]). *Ex post* evaluation (EPE) is therefore an important pillar of the evidence base for ensuring new and existing rules remain fit for purpose over time, as asserted in the *OECD Recommendation* (see Chapter 5 for further discussion). Despite this, EPE remains far from being fully developed among EUMS, similar to the wider OECD membership and reflecting the overall focus on flow of new rules rather than review of existing ones (Figure 1.4).

Figure 1.4. Composite indicators: *ex post* evaluation of rules, 2018-2024

Note: The more regulatory practices as advocated in the *OECD Recommendation* a country has implemented, the higher its iREG score.
Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Since 2021, EUMS have continued to make minor improvements to their EPE requirements and practices. The pace of change accelerated from 2021 to 2024 compared with the 2018-2021 period, with 14 EUMS improving their EPE scores. Whilst still significantly lagging behind *ex ante* tools, reforms on EPE have been bigger than those for RIA and stakeholder engagement over recent years, both across the EU and the wider OECD membership. Countries in the EU were most likely to improve their EPE methodology (i.e. existence of appropriate guidance and what types of impacts and other considerations an EPE covers), which had been less of a focus of reforms previously. In keeping with the period from 2018-2021, EUMS were least likely to improve systemic adoption (i.e. the existence of legal requirements to conduct EPE and how frequently this is done in practice). Consistent with trends in both stakeholder engagement and RIA, EPE is slightly more developed for primary laws than subordinate regulations. In comparison with RIA and stakeholder engagement, EUMS have on average a bigger gap on the higher OECD score for EPE of subordinate regulations.

Countries that have implemented key reforms since 2021 have established new or more comprehensive evaluation frameworks, resulting in significant improvements across all dimensions. This includes:

- **Finland** adopted its first policy document on EPE in 2023, outlining common principles for monitoring and evaluating national legislation, state treaties and EU rules. The policy newly established EPE methodology, and processes, and was complimented by a new dedicated website that enhanced transparency by enabling people to provide feedback on existing rules.
- **Lithuania** introduced legal requirements for EPE through a subordinate regulation titled, “Methodology for Ex Post Assessment of the Impact of Applicable Legal Regulation”. The Methodology sets out formal requirements (including when EPE is mandatory and how associated legal provisions should be formulated), process (from preparation to report publication), and the roles and responsibilities of different bodies.
- **Romania** introduced a basic EPE framework through Government Decision 443/2022, requiring public authorities to evaluate the effectiveness and efficiency of emergency ordinances two years post-implementation. The Government Decision also bolstered transparency by enabling judicial challenges of existing rules.
- **Slovak Republic** created in 2022 a Unified Methodology for evaluating existing regulations, newly establishing guidelines, requirements, and oversight responsibilities. The Methodology covers the systematic evaluation of individual regulations – both primary laws and subordinate regulations – that is undertaken by the responsible ministry or agency. The country also enhanced transparency by introducing requirements to consult on EPE.
- **Spain** adopted legislation on the evaluation of public policies in December 2022 (Law 27/2022 on the institutionalisation of the evaluation of public policies in the General state administration) and set out methodology for the evaluation of additional costs, benefits, and impacts. The law also paves the way for the establishment of a state agency dedicated to *ex ante* and *ex post* evaluation of public policies.

Better regulation and EU rulemaking

Institutional context

In the unique legal system of the European Union, rulemaking involves a variety of institutional actors and, thus, better regulation needs to be considered as a shared endeavour. The European Commission retains the sole “right of initiative” to prepare draft EU laws, which are then submitted to the Council and European Parliament. Acting as “co-legislators” under the ordinary legislative procedure, they finalise and jointly adopt EU laws (further details are set out in the previous edition of this report (OECD, 2022^[9]) and material produced by the Council (Council of the European Union, 2025^[13]). In accordance with the Treaties,² responsibility for the effective application of legislation rests with the Member States. However, in its capacity of “guardian of the treaties”, the Commission has an important role in overseeing the correct application of EU laws, including the incorporation of EU directives into national law and implementation and enforcement conducted by national authorities.³ The Commission may also take remedial action in cases of non-compliance by Member States, including formal infringement procedures.

Over the years, and as set out in previous reports (OECD, 2022^[9]), the European Commission has developed a framework that guides its use of better regulation in the development of draft EU law. The Commission’s Better Regulation Guidelines (2021^[14]), and the Toolbox (2023^[15]) underpinning it, set out the various requirements and methodologies for better regulation (see country profile on the European Union in Chapter 6 for a general overview). Consistent application of the guidelines and overall quality of impact assessments are supported by independent scrutiny by the Regulatory Scrutiny Board. Whilst the Better Regulation Guidelines and Toolbox are generally considered to be highly developed, their practical

implementation could be further improved. A study conducted by the European Parliamentary Research Service (EPRS) (2025^[16]) concludes that, whilst the quality of Commission IAs over the 2019-2024 term was generally “satisfactory” and has improved over the years, some weaknesses remain. This includes, in particular, the assessment of various impacts – especially non-economic ones – as well as the presentation of realistic alternatives to the preferred option.

Better regulation within the European Commission has been benefitting from high-level political support and renewed focus over the recent years. Initiatives taken forward under the first von der Leyen Commission (2019-2024) have focused in particular on leveraging better regulation to bolster European competitiveness and SMEs. They include the introduction of a “one-in, one-out” approach for new EU rules, fully implemented since 2022, the introduction of a new “competitiveness check” in 2023, and a commitment to reducing reporting burdens from EU rules by 25%, the latter two forming part of the Commission’s long-term competitiveness strategy (European Commission, 2023^[17]).

Better regulation also continues to be a key priority under the second von der Leyen Commission (in office since December 2024), with the aim of pursuing sustainable prosperity and competitiveness. The new Commission’s approach places particular emphasis on implementation and simplification, laid down in a Communication under the banner of “A simpler and faster Europe” (European Commission, 2025^[18]). To drive this, each Commissioner is being asked to “stress test” the EU *acquis* within their area of competence to simplify, consolidate and codify it. New consultation tools, such as implementation dialogues with stakeholders at the political level and reality checks with practitioners in companies are expected to support these efforts (discussed further in Chapter 4). The renewed focus on competitiveness and simplification will be underpinned by a new SME and Competitiveness Check to avoid unnecessary burdens while maintaining high standards. The Commission also reinforced its commitment to reduce costs by expanding the scope to all administrative burdens (and not only reporting requirements) and increasing the target for SMEs from at least 25% to at least 35%. Finally, political leadership within the College of Commissioners is reflected in the appointment of a dedicated Commissioner for Implementation and Simplification.

The use of open and evidence-based policymaking through better regulation tools remains incomplete in EU lawmaking. Whilst initial proposals from the Commission are generally subject to impact assessment and consultation procedures, this is not typically the case for subsequent amendments made by the Council and/or European Parliament, even when they are significant and altering the scope of the proposed legislation. Both co-legislators recognised through the 2016 *Interinstitutional Agreement on Better Law Making* (IIA) (European Union, 2016^[19]) the importance of conducting impact assessments on substantial amendments made. However, subsequent reports including most recently on *The Future of the Single Market* (Letta, 2024^[5]) and on the *Future of European Competitiveness* (Draghi, 2024^[6]) found that its implementation remains wanting.

Whilst both co-legislators have established some capacity to assess impacts of their substantial amendments, this remains underutilised. The Directorate for Impact Assessment and Foresight – part of the EPRS – offers parliamentary committees a range of support in relation to *ex ante* impact assessment and *ex post* evaluation. Whilst it offers committees the possibility to commission IAs on substantial amendments, this is rarely used in practice and the Directorate’s focus has rather been on appraising and potentially complementing initial Commission IAs (European Parliamentary Research Service, 2024^[20]). For the European Council, evidence suggests that “there are no cases at all where the Council has requested or prepared its own impact assessments (Meyers, 2024^[21]).” While committees of the European Parliament regularly organise hearings with experts, there is no evidence of systematic public consultations when co-legislators introduce substantial changes.

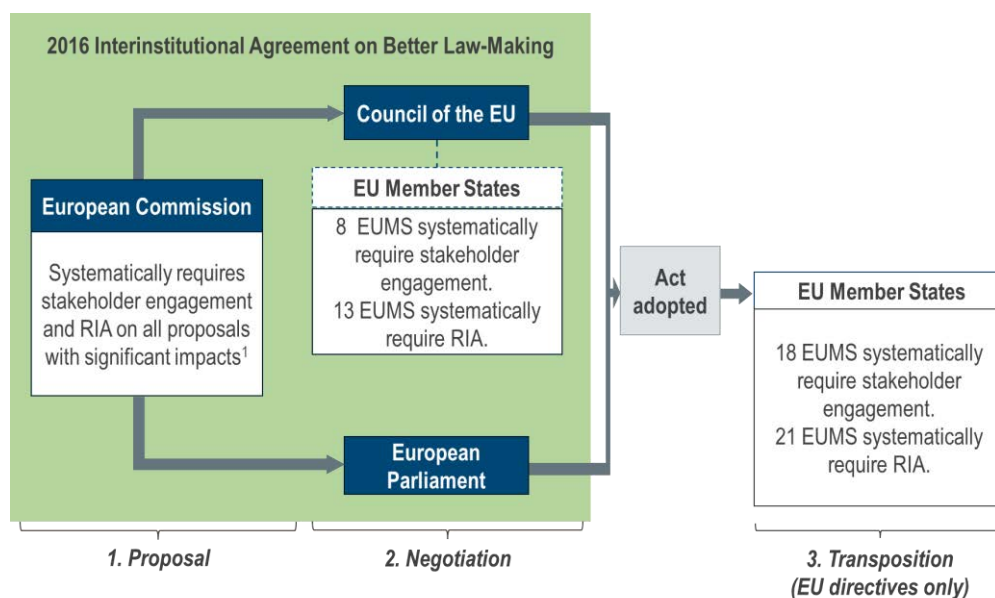
The “trilogue” process, through which the co-legislators negotiate informally to reach a political agreement on amendments is not seen as transparent (Meyers, 2024^[21]) (Business Europe, 2018^[22]). The trilogue process and the pressure to reach a compromise between co-legislators leads to the “creation of rules that reflect the balance of power rather than sound policymaking grounded in evidence. The result is often

legislation that lacks coherence, with potential unintended consequences that could undermine the effectiveness of the Single Market” (Letta, 2024^[5]). More consistent implementation of the IIA is needed to ensure that final rules are based on the best possible evidence. The Commission has repeated its calls for better implementation of the IIA (European Commission, 2021^[23]), most recently through its Communication on implementation and simplification (2025^[18]), calling for it to be renewed.

Interface between domestic and EU rulemaking

Member States have a key role to ensure that EU regulations and directives are based on the best possible evidence and are developed in a transparent way (Figure 1.5). At the negotiation stage, Member States’ national positions influence Council decisions and thereby shape final EU laws and their real-life impacts on people and businesses.⁴ In the case of directives, national governments’ role is even more central as they must then incorporate them into their domestic legal framework and do so ensuring consistency across the Single Market and avoiding the introduction of unnecessary additional burdens (“gold-plating”). Whether directives or regulations (which are directly binding), EUMS are integral to how impacts materialise for people through their role in implementing and enforcing EU law on the ground. EUMS are therefore well-placed to gather insights on how EU rules are working in practice. If EUMS improve their reporting on rules’ effectiveness to the European Commission, for example through sharing the results of evaluations or monitoring data, the Commission would be better positioned to continually improve them.

Figure 1.5. Use of better regulation in EU rulemaking: By stages



1. Based on the Better Regulation Guidelines (European Commission, 2021^[14]), which state “Stakeholders should normally be consulted when preparing an initiative accompanied by an impact assessment” (p. 15) and that “An impact assessment is required for Commission initiatives that are likely to have significant economic, environmental or social impacts or which entail significant spending, and where the Commission has a choice of policy options”, (p. 30). For data on EU Member States, “systematically” here refers to requirements that apply to all or at least major (rather than “some”) EU regulations and directives.

Source: Adapted from (Council of the European Union, 2025^[13]); (European Commission, 2021^[14]); and OECD Indicators of Regulatory Policy and Governance 2024.

Current efforts by EUMS to use better regulation tools tend to focus on the transposition rather than negotiation stage, despite both being key in defining final EU laws. As shown in Figure 1.5, less than half of EUMS systematically require engagement with stakeholders and assessment of impacts to inform their negotiation position. Assessment and stakeholder engagement at this stage tend to take place on the basis

of a published Commission proposal but can also, in some cases, occur at an earlier point with the publication of the Commission's annual work programme before a draft is available (better regulation at the negotiation stage is discussed in Chapter 3). By contrast, a large majority of EUMS do have requirements for RIA and stakeholder engagement when transposing EU directives into their domestic legal framework (transposition and "gold-plating" more specifically are discussed in Chapter 4). In most cases, transposing measures undergo the same process as domestic regulations. Table 1.2 compares the extent to which each EUMS uses different better regulation tools during the stages of negotiation, transposition, and review. This also shows that only a handful of EUMS indicate that they feed the insights of domestic *ex post* evaluations back to the European Commission, potentially missing opportunities to inform the reform of EU laws through actual impacts experienced (see Chapter 4).

Table 1.2. Use of better regulation in EU rulemaking: by Member State

	Definition of a national position for Council negotiations (of draft EU directives and regulations)		Transposition (of EU directives)		Review (of EU directives and regulations)
	Requirement to conduct stakeholder engagement	Requirement to conduct Impact Assessment	Requirement to conduct stakeholder engagement	Requirement to conduct Impact Assessment	Feeding results of domestic <i>ex post</i> evaluations back to the European Commission
Austria					
Belgium					
Bulgaria					
Croatia					
Cyprus					
Czechia					
Denmark					
Estonia					
Finland					
France					
Germany					
Greece					
Hungary					
Ireland					
Italy					
Latvia					
Lithuania					
Luxembourg					
Malta					
Netherlands					
Poland					
Portugal					
Romania					
Slovak Republic					
Slovenia					
Spain					
Sweden					

- For all EU regulations / directives
- For major EU regulations / directives
- For some EU regulations / directives
- Never

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Especially at the negotiation stage, EUMS place less emphasis on engagement with stakeholders than on the assessment of (domestic) impacts. Whilst better regulation requirements are generally less developed at negotiation stage, about half of EUMS systematically require RIA to inform their national position but less than a third (8 EUMS) consult with the public at this point. The relative importance given to RIA rather than stakeholder engagement is less pronounced at the transposition stage: 21 EUMS systematically require the assessment of expected impacts, whilst 18 do so for engagement with stakeholders at this stage (Table 1.2). It should be noted though that, at both the negotiation and transposition stages, engagement is typically conducted with targeted stakeholders: public consultation is rarely required (2 EUMS at the negotiation stage and 8 at transposition stage). Member States' use of better regulation practices when engaging with EU lawmaking is further elaborated in Chapter 3 on regulatory design (at the negotiation stage) and Chapter 4 on monitoring and implementation (at the transposition stage).

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Notes

¹ Regulations that impose obligations stated in terms of outcomes to be achieved or avoided, giving regulated entities flexibility to determine the means to achieve the mandated or prohibited outcomes. Also referred to as outcome-based regulation.

² Article 288 of the Treaty on the Functioning of the European Union.

³ Article 17 of the Treaty on the European Union.

⁴ The role of Member States in relation to implementing and delegated acts are beyond the scope of the data underpinning this report and might differ from those for EU regulations and directives.

2 Identifying challenges and exploring solutions

The early stages of the rule-making process – when officials first identify policy challenges and explore potential solutions – are fundamental in shaping the rules that ultimately affect citizens and businesses. Making use of sound evidence to compare and assess a variety of options and consulting with stakeholders and citizens is therefore essential to keep rules targeted and proportionate and avoid biased decision making. This chapter investigates how systematically and through which channels EU Member States use stakeholder engagement before developing a draft regulation to help define policy problems and identify potential solutions. It also considers how they use regulatory impact assessment from the outset to inform decisions on whether and how to regulate, including requirements to assess different options. Finally, it also considers practices to ensure proportionality of process in the use of evidence.

Key messages

- **Using sound evidence and taking into account a variety of views is key to accurately defining policy challenges and identifying solutions that are both effective and targeted.** The considerations and choices at the outset of the policy-making process set the foundation and direction for the rules that will ultimately affect citizens and businesses. Basing them on a thorough understanding of the problem at hand and people's priorities and lived realities leads to more effective, responsive and targeted rules. Moreover, policy approaches based on comprehensive evidence and a variety of options help avoid biases and narrow, ideologically-driven solutions. At the same time, efforts must be proportionate, as excessive procedural demands can delay beneficial changes and divert resources away from more critical policy areas.
- **Engagement and impact assessment often come too late – sometimes being used to justify, rather than inform, decisions that have already been made.** Stakeholder engagement to help define problems and identify solutions significantly trails comparable procedures on draft rules. Analytical practices, such as options assessment, are relatively more advanced than engagement in these early stages of the rule-making process but there remain important gaps for EUMS to ensure that policy choices are well-founded.
- **Early engagement with citizens and other stakeholders remains a significant gap among EUMS and underutilised as a tool to inform policy choices.** Almost all EUMS report undertaking some form of early engagement to define problems and identify solutions before developing a draft proposal, but only two of them do so systematically. With minimal improvements since 2021, this is an important area of focus for EUMS. When it is undertaken, policymakers tend to prioritise targeted engagement, especially with advisory groups with relevant expertise, or selected groups of stakeholders, foregoing the input of the wider public. However, on issues from climate to taxation, innovative deliberative models like citizen panels have emerged as encouraging practices to bring people meaningfully closer to policymaking from the outset.
- **Without sufficiently considering a variety of policy options, particularly non-regulatory ones, EUMS risk jumping to conclusions leading to presumptive or ineffective rules.** Despite some improvements over the years, alternative options are still not consistently considered across all EUMS. Non-regulatory approaches remain the least likely options to be assessed at all, and only five EUMS require identifying multiple non-regulatory options. When it is required, options assessment is not sufficiently scrutinised, as a minority of EUMS indicate that oversight bodies can return impact assessments for revision if alternatives are not appropriately considered. With rising regulatory burdens across the EU and impact on competitiveness, robust options assessment can help policymakers minimise unnecessary rules without compromising fundamental policy objectives or protections.
- **EUMS have taken steps to ensure proportionality in how evidence is analysed in rulemaking but still have room to improve and maximise the use of limited government resources.** Two-thirds of EUMS have a general requirement for proportionality in impact assessment. However, the use of objective criteria via threshold tests to guide proportionate analysis is comparatively less developed, with only one-third of EUMS using either a qualitative or quantitative trigger to determine whether a full or simplified regulatory impact assessment (RIA) should be undertaken. As a result, proportionality might be applied inconsistently and risking for impact and/or options assessment turning into a “check-box” exercise.

Introduction

The decisions that influence the effectiveness of rules are made long before a legal draft is prepared. Before even deciding whether to regulate or not, policymakers need to be clear what challenges they are seeking to address through government intervention. Diligent agenda-setting lays the foundation for policies based on an accurate understanding of the problem, and a thorough instrument choice exercise helps to identify the most appropriate solution for the given circumstances. Conversely, taking shortcuts at this early stage and regulating “on a hunch” can have serious consequences – like jumping to ineffective and ideologically-driven solutions. However, overlooking critical impacts early, or missing public concerns cannot be effectively resolved later on in the process once expectations are set.

From the start of the policy-making process, people play a crucial role in informing effective and well-rounded policies. Listening to stakeholders early can help policymakers focus on the most pressing issues and gain a comprehensive understanding, including potential impacts, challenges, and opportunities. By engaging diverse perspectives early on, policymakers can uncover innovative ideas, identify potential unintended consequences, and build a more nuanced understanding of the problem they are trying to solve. Resulting policy choices based on the input shared may then be better aligned with public priorities and expectations. People, in turn, are more likely to trust a decision that is demonstrably based on their inputs than one made unilaterally by government behind closed doors (OECD, 2020^[1]). Moreover, when citizens, businesses, and other affected parties feel their voices are heard from the outset, they may be more likely to support and comply with the resulting regulations (OECD, 2021^[2]), ultimately enhancing the effectiveness of government action. Building on the discussion in this chapter, Chapter 3 further explores the role and importance of transparency and engagement later in the policymaking process when rules are being designed.

Informed by both diverse input and diligent analysis, building and then basing decisions on comprehensive evidence early in the policy development process is crucial for avoiding biased or narrow policy design. Confirmation bias occurs when policymakers favour information or options that confirm their pre-existing beliefs (Drummond, Shephard and Trnka, 2021^[3]). For instance, an assumption that immigration targets are needed to protect local jobs may lead policymakers to overlook structural changes in the economy and demand for new skills that would require a more nuanced policy response. Relying on preconceptions can lead to rules that create unnecessary costs on businesses and citizens and that are fixated on (perceived) symptoms but do not address the root causes of the issue. Making use of evidence to consider and evaluate a range of options from the start, rather than using it to justify decisions that have already been made, helps to foster effective regulation. It can also have downstream effects on public trust, as people who believe that their government uses the best available evidence in decision-making are more likely to trust their government (OECD, 2024^[4]).

At the same time, there is such a thing as too much preparation – and that in itself can have real consequences. The *OECD Recommendation on Regulatory Policy and Governance* emphasises that impact assessment should be proportionate to the anticipated impacts of a policy proposal (OECD, 2012^[5]). Otherwise, overly extensive analytical requirements can hold up minor but beneficial changes. Instead of swiftly addressing simple regulatory updates, policymakers get bogged down in paperwork and analysis – which can undermine the buy-in for impact assessment as the crucial foundation for well-informed policy rather than a procedural hurdle. Resulting delays can also increase burden and compliance costs for people and businesses that are forced to wait for regulatory changes that would reduce red tape or improve clarity. Diverting resources from more significant policy issues that require more thorough analysis can ultimately reduce the efficiency of governance.

This chapter delves into the specific requirements and practices that EU Member States (EUMS) employ when deciding whether and how to regulate. It begins by exploring how EUMS engage stakeholders at an early stage to help define policy problems and identify potential solutions. The chapter also examines how EUMS assess different policy options, emphasising the importance of considering a range of approaches

before settling on a course of action. Finally, the chapter concludes by reviewing how EUMS set up targeted and proportionate processes for designing and assessing regulations.

Engaging stakeholders early to identify problems and possible solutions

The way that policymakers understand and define a given problem sets the course for the rest of the policy cycle, including how eventual regulations are designed and the outcomes they carry. A proper understanding of the situation should inform resulting policy objectives – not vice versa. Clear problem definition helps to ensure that the root causes of the issue are identified, allowing for targeted interventions that efficiently solve the problem. If a city defines its traffic congestion problem simply as “too many cars”, their response may be to restrict vehicle use or implement costly infrastructure changes. However, the real problem may lie in inefficient public transportation routes or poor urban planning. Resources may be wasted on interventions that are ineffective, costly, or meet public resistance. In this case, engaging with the public may have helped to identify the real challenge. Local businesses and commuters may have highlighted bottlenecks in specific bus routes or roads, which policymakers could have used to target changes.

Early-stage engagement with stakeholders is crucial to inform how problems are defined and how solutions are designed before rules are drafted. Compared to later stages of regulatory design, when engagement serves to refine how rules are drafted and inform how they are delivered (discussed in Chapter 3), early engagement allows stakeholders to be involved in a more foundational way when there is still substantial leeway to alter the direction of the policy. Early involvement fosters a sense of public ownership and commitment towards any solutions developed (OECD, 2021^[2]). People also bring first-hand experiences, often with unique insights and practical knowledge, that can lead to a more accurate understanding of the problem (OECD, 2023^[6]). Therefore, recognising its importance, this section explores how EUMS harness engagement to inform rulemaking early on.

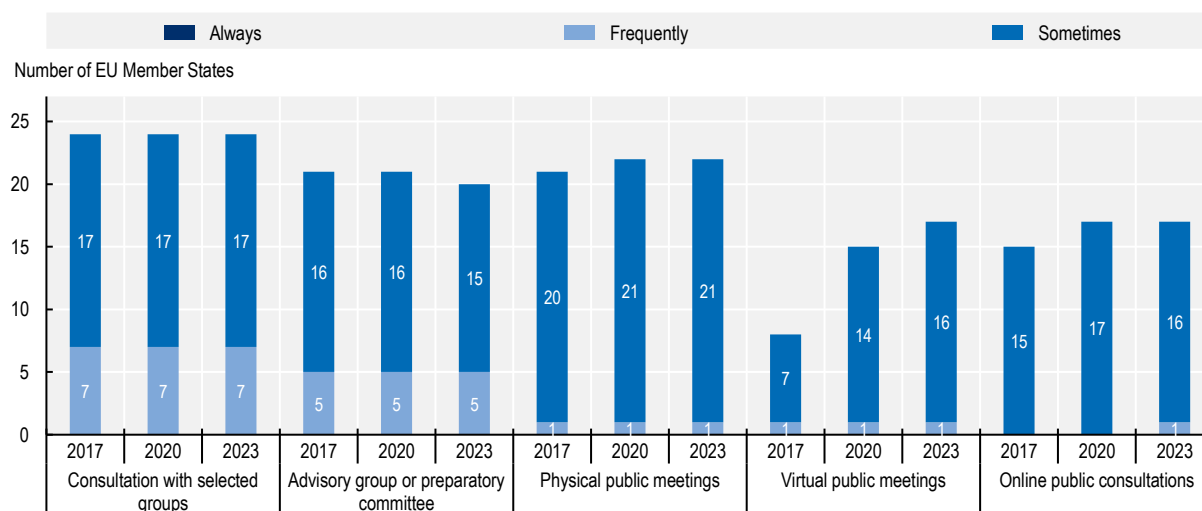
Frequency and forms of early engagement

Fundamentally, early-stage stakeholder engagement remains a gap among EUMS – as it was in 2017 and in 2020. Almost all EUMS report conducting some form of engagement before drafting regulations to better understand policy problems and potential solutions (24 for primary laws, 22 for subordinate regulations). However, when asked *how often* this engagement is done, only 2 EUMS (**Belgium** and **Italy**) have reported doing so systematically (for all or major regulations) since 2017. Contrasting the lack of systematic early engagement, Chapter 3 explores how engagement becomes more systematic in the next stage of the policymaking process: regulatory design; by comparison, almost all EUMS engage systematically with stakeholders at a later stage, once rules have been drafted. This shift highlights the need for a more balanced approach, ensuring meaningful input from the start to create well-informed and effective regulations.

EUMS can also take steps to enhance the depth of early consultations that they do undertake by providing respondents with comprehensive supporting information that equips them to engage meaningfully. Twenty two EUMS provide at least some type of supporting document for their consultations, but almost none do so systematically, with minimal changes in their practices since 2017. It is worth noting that, compared to later-stage engagement, RIAs are not commonly provided at this stage; this could indicate that such documents in the form of an early-stage RIA comparing different options and setting out a rationale for intervention are not yet developed at this stage, suggesting that RIA takes place as a formal exercise downstream in the process. Consultation documents and green papers, however, can allow EUMS to share relevant research and analysis that is available at this stage, including background on the issue and why regulation is being considered. Consultees, in turn, may be more likely to participate if they are provided with detailed, complete information, rather than general descriptions (OECD, 2022^[7]).

EUMS employ a range of methods, including public consultations, advisory committees, and targeted outreach, to gather input on potential regulations (general trends for primary laws, as shown in Figure 2.1, are consistent with those for subordinate regulations). However, there appears to be little consistency in how specific modes of engagement are being used, with most of them used ‘sometimes’ – rather than ‘frequently’ or ‘always’ – confirming a lack of established procedures at the early stage. Overall, EUMS show a preference for early targeted engagement, directly engaging with specific group of stakeholders relevant to the policy issue at hand. These could be selected experts, representative organisations or businesses in specific industries. However, it is important that EUMS not overlook broad and open engagement with the general public. Whilst public consultations will attract in particular those who feel affected by a particular issue or topic, their input can help shed light on an issue from a variety of angles and discuss the impacts of different potential solutions early on (OECD, 2020^[8]).

Figure 2.1. Early-stage consultation on primary laws remains non-systematic and focused on selected groups



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Figure 2.1 shows that digital platforms are a pillar for broad engagement. For instance, EUMS increasingly use **virtual public meetings to support active participation and real-time feedback**. This practice grew sharply between 2017 and 2020, which aligns with the Covid-19 pandemic driving governments to increasingly adopt virtual consultations as part of non-pharmaceutical interventions and social distancing. As virtual meeting technology continues to advance, governments have more dynamic tools than ever at their disposal to actively engage people in a more accessible and cost-effective manner. Moreover, 15 EUMS use broad online consultations at an early stage. For the other EUMS, adopting this practice may be low-hanging fruit to improve the reach and diversity of their early-stage engagement considering that most EUMS report already having the necessary infrastructure (i.e. a central government website for consultation). The **European Commission**, for instance, uses a single ‘Call for Evidence’ system on their online consultation portal to solicit input throughout the policy cycle, from the development of laws to their evaluation (Box 2.1). Recently, additional consultation mechanisms are being introduced: implementation dialogues at political level and reality checks at more technical levels to better understand issues encountered by stakeholders in implementing EU laws.

Box 2.1. The EU's Call for Evidence system

The Call for Evidence (CfE) system is the **European Commission's** primary means of explaining to the public and stakeholders the rationale behind a particular initiative, evaluation, or fitness check, outlining its objectives, and collecting feedback. Commission services are required to launch a CfE for new legislative proposals, evaluations, and fitness checks.

For new initiatives, the CfE bundles two previously separate consultation steps on the same initiative into a single engagement exercise. Stakeholders are asked to provide feedback on a CfE document (previously known as Roadmap/Inception Impact Assessment), which sets out the Commission's understanding of the problem and possible solutions, including the objectives to be achieved, the need for EU action, its added value, and alternative policy options. Depending on the significance of the initiative, the document may also specify expected impacts for each policy option and further detail, such as on subsidiarity issues and impacts on Sustainable Development Goals. In addition, stakeholders are also asked to participate in a questionnaire-based consultation to share their views and any relevant information they may have. It is still possible however for Commission services to launch the public consultation at a later stage and only seek feedback on the CfE document first.

The CfEs are conducted via the Public Consultations and Feedback ("[Have Your Say](#)") portal and are available in all official EU languages. When CfEs are accompanied by a questionnaire, stakeholders are given 12 weeks to respond to the consultations. A summary of the feedback received and how it has been addressed is published and complements the final IA (or evaluation) report.

The CfE is also used for evaluations of existing policy and fitness checks. Where this feeds back into changes to the existing regulations, the CfE for the evaluation and the impact assessment can be run as a single process. In this case, a public consultation with backward and forward-looking questions must be associated with this call unless a derogation is granted.

Source: (European Commission, n.d.^[9]), [Planning and proposing law](#); European Commission (n.d.^[10]), [Have your say - Public Consultations and Feedback - Published initiatives](#); OECD (2022^[11]), [Better Regulation Practices across the European Union 2022](#).

Targeted consultation with select stakeholders remains the most popular form of early engagement – even being undertaken by more EUMS at this stage than later in rulemaking. The different ways in which EUMS go about this are discussed further below.

Diverse methods for targeted engagement

Consulting with selected groups in a focused manner can be appropriate for situations where input from a specific group or a limited number of specific experts is needed. In fact, EUMS most commonly undertake formal targeted consultation with advisory groups that have particular expertise in the relevant policy area. In **Germany**, for example, the Federal Ministry of Justice and Consumer Protection established a working group on parentage law to assess the need for legislative reform. This group comprised experts from diverse fields, including family law, constitutional law, ethics, psychology, and medicine. The experts' recommendations informed the drafting of significant proposed parentage law reforms.

France's Conseil National de la Refondation (CNR) exemplifies large-scale targeted consultation supported by broader input. The CNR is a national forum that brings together identified local, government, business, and social representatives for discussions on key challenges such as education, healthcare, digital transition, and climate change; the work of these representatives is informed by over 100 000 online contributions from the general public. At the national level, stakeholders have developed action plans like a roadmap to support digital inclusion and accessibility. At the local level, consultations on issues like

health implicated local hospital administrators, medical professionals, and patients to discuss challenges and develop solutions tailored to their territory. For one town that was lacking a general medical practitioner, the territorial consultation on health led to nearby health centres committing their resources to provide the needed health services. The CNR seeks to reshape policymaking by promoting more inclusive and participatory approaches, ensuring that diverse perspectives are considered in the development of long-term reforms and public policies (Conseil National de la Refondation, 2023^[12]).

Targeted consultations are not limited to experts or organised stakeholder associations. Governments can also consider using representative deliberative processes such as citizen panels to bring regular people closer to policymaking. Deliberative approaches typically refer to a randomly selected group of people broadly representative of a community spending significant time learning and collaborating through facilitated deliberation to form collective recommendations for policymakers (OECD, 2020^[11]). OECD's understanding of such approaches is based on three criteria: deliberation, representativeness, and impact – which is measured by a clear link between the process and decision-making (OECD, 2020^[11]). Carefully choosing the number and issues covered is important given the resources involved in undertaking them (OECD, 2020^[11]), coupled with the fact that they may result in delays to decision-making. The European Commission models the use of deliberative approaches through their Citizens' Panels, which have tackled various policy challenges (Box 2.2).

Box 2.2. European Citizens' Panels

The Citizens' Panels are an essential element of the **European Commission's** Citizens' Engagement Platform, which provides a space for citizens to engage in European-level discussions regarding key policy areas. Overall, the citizen engagement process consists of several phases: participation, deliberation, follow-up and feedback.

Following the initial participation phase, where citizens can create, comment on, and vote for contributions from others on the Citizens' Engagement Platform, the inputs feed into the Citizens' Panels to inform the deliberation. Built on the success of the citizens' panels held at the Conference on the Future of Europe in 2021, the main objective of these panels is to allow European citizens to voice their expectations for the EU and have an active participation in shaping its future policies.

Each Panel brings together around 150 citizens from the 27 Member States (in which at least one third of the participants are between 16 and 25 years old), which are randomly selected based on a quota system to reflect various diversity criteria (educational background, geographical distribution, gender). Over three weeks, the selected individuals work together with the support of a facilitation team to develop recommendations for the European Commission. During the Panels, participants meet for three weeks during which they generate ideas. Through an iterative process, the Panels generate ideas, draft recommendations and, through an iterative peer review process, refine and expand on each other's work.

Since December 2022, these Citizens' Panels have directly informed and impacted EU policies:

- The Panel on Energy Efficiency's recommendations are being used by the Commission to inform the development of a proposal for a Recommendation on the "Energy Efficiency First" principle
- Recommendations of the Panel on Learning Mobility are informing the Commission's work on a proposal for a Council recommendation promoting learning mobility for everyone in the European Education Area

- Several recommendations of the European Citizens' Panel on Virtual Worlds were reflected in the Commission's July 2023 communication "An EU initiative on Web 4.0 and virtual worlds: a head start in the next technological transition".

Source: (European Commission, n.d.^[13]), [European Citizens' Panels](#); (European Commission, 2024^[14]), [European Citizens' Energy Efficiency Panel - Final Report](#); (European Commission, 2024^[15]), [European Citizens' Panel on Learning Mobility - Final Report](#); European Commission (2023^[16]), [European Citizens' Panel on Virtual Worlds - Final Report](#).

At a national level, countries have employed citizens' panels to bring ideas directly from people to decision makers. **Denmark's** Youth Climate Council aimed to bring new climate policy ideas and provide input to the Minister for Climate on future climate solutions. The members of the Youth Climate Council are appointed for a one-year period and come from all parts of Denmark, from different educational backgrounds, so that they can bring to the table different views and approaches to address the climate challenge. In **Finland**, the Centre of Excellence in Public Opinion Research at Åbo Akademi University collaborated with the Finnish Parliament to organise a Citizens' Parliament where randomly selected citizens participate in democratic deliberation and decision making. Guided by a moderator, participants discussed issues like fuel taxation and drug policy; a report summarising discussions will be submitted to relevant parliamentary committees. The aim of the Citizens' Parliament is to increase diversity in public discourse and increase public acceptance of political decisions (Kansalaisparlamentti, 2023^[17]).

Assessing and comparing policy options

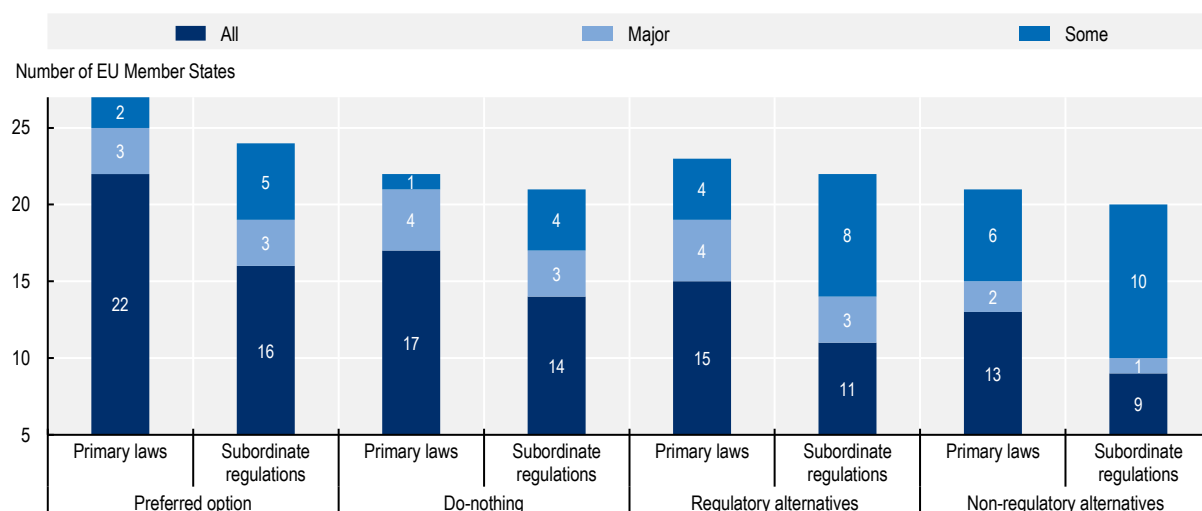
After a policy problem is identified, policymakers must determine the best path forward to reach their desired objectives based on a thorough consideration of various policy options – or otherwise risk ineffective rules based on assumptions. This means considering evidence on how different options can help to achieve the desired outcomes, and weighing that against the different costs and risks that each option entails before settling on a specific course. This is important because it allows decision-makers to evaluate and contrast the potential direct and indirect costs and benefits – and their respective distribution (OECD, 2021^[2]) – and potential side effects of each option. By considering a range of alternatives, governments can select a solution that is both effective and proportionate to the issue at hand. Critically, comparing different options based on objective evidence elicits inherent trade-offs, enabling decision makers to set out why they prioritised one approach over another. Early comparison of options also helps avoid rushed or poorly thought-out decisions, leading to better long-term policy outcomes. This section discusses how EUMS can better harness the value of thorough options analysis by addressing key gaps in impact assessment requirements and practices.

Identifying and assessing options

With both the Letta (2024^[18]) and Draghi (2024^[19]) reports calling for the modernisation and simplification of the regulatory framework, the systematic consideration of different and non-regulatory approaches, can play an especially important role in minimising unnecessary (or unnecessarily complex) new regulation without compromising policy objectives. This begins first with the careful assessment of what could happen if no policy action is taken. Importantly, this is not just an assessment of the current status quo, but an assessment of the assumed state of the world in the absence of any policy intervention, taking into account other factors that might influence the outcome over time (OECD, 2020^[8]). This assessment provides a counterfactual for policy intervention options. Is a new rule likely to make the situation substantially better for people than the simple passage of time and the natural evolution of the situation? Or would a new rule unnecessarily add to the regulatory stock? Most EUMS already consider this to some degree, with most

EUMS (78% for primary laws and 63% for subordinate regulations) systematically including impact analysis for a do-nothing scenario where no action is taken (Figure 2.2).

Figure 2.2. The preferred option and baseline are the most frequently assessed



Source: OECD Indicators of Regulatory Policy and Governance 2024.

Most EUMS also systematically assess multiple alternative regulatory options to inform their decision-making. However, non-regulatory alternatives remain the least likely to be assessed – and even when they are required, only five EUMS require identifying multiple non-regulatory options. Countries would benefit from a more systematic consideration of both regulatory and non-regulatory approaches early in their policymaking to ensure that the approach ultimately identified is, in fact, best suited to achieving the desired impact within the given context (OECD, 2022^[11]).

As a best practice, impact assessments should identify and assess all feasible alternative options for addressing the policy problem at hand – however, this analysis may either not be undertaken or conducted too late for the analysis to truly support decision-making. There needs to be freedom to assess a range of genuine alternative solutions, rather than a more limited choice based on predetermined preferences from decision makers to regulate. A tendency remains to use evidence to justify a decision that has already been taken, instead of using evidence to inform the decision itself (OECD, 2020^[8]). It risks overlooking alternative, potentially more effective ways of achieving the desired impact, or imposing unnecessary rules and burdens that can compromise the desired impact. To avoid this, decision makers need to be able to consider the implications of multiple options – including the option not to regulate – when selecting a path forward (OECD, 2012^[5]) (see Box 2.3). “Doing nothing” also has costs and benefits for the population, like the inaction to address climate change or the unchecked deployment of new technologies, as discussed in Chapter 3.

Box 2.3. Options to manage online gambling in the Netherlands

Since remote gambling licenses were first issued in the **Netherlands** in October 2021, players lost a lot of money in a short time and new research showed that 31% of players classified as moderate or high-risk gamblers, highlighting the greater addiction risks compared to gambling in physical locations.

Several key underlying causes were identified: 1) the choice architecture encourages high betting limits, 2) unclear processes around setting and adjusting limits, 3) no measures in the existing framework have restrictive or moderating effect on gaming behaviour, and 4) licensees do not intervene effectively when a player shows excessive or addictive behaviour.

Based on this, the government identified several potential approaches – regulatory and nonregulatory – to protect people against excessive gambling behaviours and prevent addiction.

- **The baseline “do nothing” option:** Without intervention, the choice architecture would likely continue to place the growing number of online gamblers, especially young adults, at risk of addiction and significant monetary loss.
- **Self-regulation:** The Government made some efforts to promote self-regulation through discussions with industry organisation. This led to some licensees adopting minor changes, like reducing pre-filled betting limits, but most remained reluctant to implement adequate measures to address the key underlying issues.
- **Provide better information:** While this option would address the issue of licensees providing unclear or little to no information on playing limits – or making access to that information difficult – it would not address the other identified problems, making it an insufficient solution on its own.
- **Tighten supervision:** The existing rules require licensees to provide clear information on playing limits and systematically monitor the gambling behaviour of players. Increasing supervision could prompt licensees to meet these existing obligations, but would be limited in scope (for instance, the rules don’t explicitly require real-time monitoring, which leads to delays in licensees intervening with problematic behaviour).
- **Change regulations:** New and amended rules could address gaps and ambiguities in the existing framework that the other options could not sufficiently resolve (e.g. explicitly require a neutral setup for setting play limits that does not influence players to choose high limits; require players to confirm higher desired limits; require values to be displayed in euros; and require reminders to help players stay aware of their gambling behaviour, like how long they have been playing and when they are close to reaching their limit).

The proposed approach, aiming to address all the identified underlying problems, involved a combination of adjusting regulations and tightening supervision to ensure effective compliance with the amended rules.

Source: Dutch Ministry of Justice and Security (2024^[20]), [Regeling speellimieten en speelgedrag](#).

The timely assessment of all relevant policy options, including non-regulatory alternatives, is especially valuable for identifying the best approach to foster agile regulation that can keep pace with innovation (OECD, 2021^[21]). Non-legally binding approaches, either as an alternative or as a complement to regulatory instruments, are a specific element of the OECD’s *Recommendation on Agile Regulatory Governance to Harness Innovation* (OECD, 2021^[22]). Tools like high-level principles, guidelines, technical standards, and codes of conduct are increasingly employed to govern emerging technologies due to their flexibility and adaptability in the face of uncertain technological pathways. However, the suitability of such

non-binding approaches must be carefully evaluated in each context, as they present challenges, particularly in terms of enforcement, given their non-binding nature (OECD, 2024^[23]). Doing so is crucial to identify the best approach to address regulatory policy problems involving innovations.

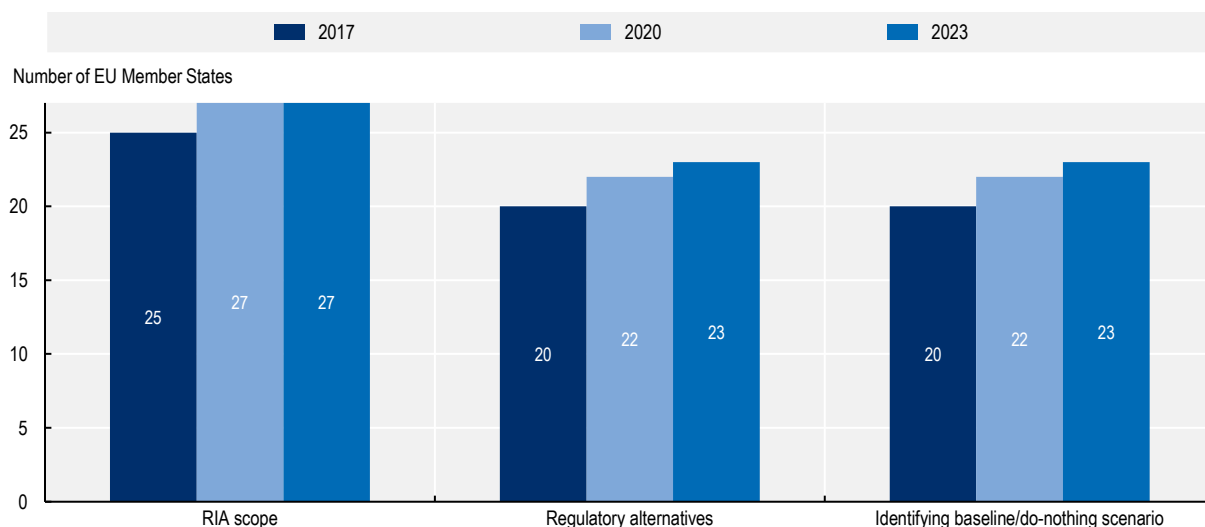
Ultimately, each policy option will carry its own considerations regarding potential direct and indirect costs, benefits, and risks that will determine its suitability and feasibility. Policymakers may find themselves weighing immediate costs against long-term benefits or weighing the risk of different unintended consequences associated with different policy options. Chapter 3 includes further discussion on the assessment of these different factors for each option.

Ensuring guidance and oversight

Effectively defining and assessing relevant options can be a challenge for policymakers. Time and resource constraints, as well as political pressures can limit a thorough consideration of alternatives, pushing policymakers towards quicker, less nuanced solutions. Particularly if a preferred option already exists, the definition of alternatives can be an afterthought – a simple exercise in framing the preferred option as the “middle-ground” between an excessive approach and an insufficient approach. Effective guidance and oversight can help avoid the critical process of option defining turning into a checkbox exercise.

Since 2017, EUMS have increasingly provided written guidance on the definition and assessment of regulatory alternatives and baseline scenarios (Figure 2.3). All EUMS provide officials with some form of guidance on the preparation of a RIA and its scope. Guidance on identifying alternatives and baseline do-nothing scenarios is comparatively trailing, but has seen consistent marginal improvement since 2017.

Figure 2.3. Most EUMS provide written guidance on the scope of RIA and alternatives



Source: 2024 OECD Indicators of Regulatory Policy and Governance.

Oversight, however, has been a gap since 2017 despite effective options analysis being a particular challenge for RIAs. Only a minority of EUMS indicate that regulatory oversight bodies can return the RIA for revision where an assessment of alternatives is not appropriately conducted (11 for primary laws and 7 for subordinate regulations). The **European Commission's Regulatory Scrutiny Board (RSB)** can – and often does – issue negative opinions on impact assessments if they do not include a clear comparison of regulatory options, including cost-benefit analyses for each. In 2023, the definition of options was consistently the weakest element in first submissions reviewed by the RSB. Common issues included a

narrow range of feasible options, options biased toward a preferred outcome, or a lack of consideration for alternative combinations that might arise during the decision-making process. The RSB highlighted that this limited the range of choices available to policymakers and hindered the making of balanced regulatory decisions. Year after year, options analysis remains one of the most challenging aspects of initial submissions (Regulatory Scrutiny Board, 2024^[24]).

Ensuring proportionality

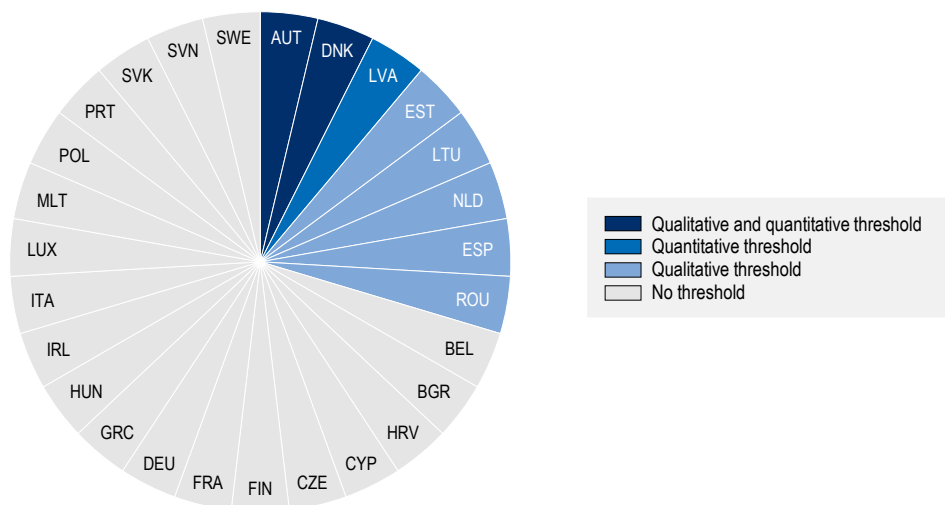
The Letta report recognises the challenges that European policymakers face in policy preparation, including time constraints and resource limitations, which can be exacerbated by excessive analytical demands (Letta, 2024^[18]). Proportionality is an important principle to help limit the burden associated with the lawmaking process itself. This section explores how EUMS use threshold tests that trigger proportionality considerations and how they apply proportionality in determining the scope of RIAs, as well as mechanisms for oversight in both cases.

Threshold tests

Threshold tests are a means of implementing the proportionality principle through a first-decision judgement on the depth of impact analysis required. A threshold for triggering requirements for more extensive evidence can be based on qualitative or quantitative impacts, a mix of qualitative and quantitative criteria (e.g. the number of affected businesses or a subjective determination of the significance of identified impacts on key sectors), impacts on specific stakeholder groups, or the determination of a regulatory oversight body following initial analysis by the policymaker (OECD, 2020^[25]). In **Denmark**, proposals expected to create more than 4 million DKK in administrative burden or more than 10 million DKK in direct compliance costs for regulated businesses would require a more in-depth assessment (including a detailed assessment and rationale for how relevant businesses will be impacted). The **European Commission** uses a qualitative determination of whether initiatives are expected to have “significant” social, economic, or environmental impacts and policy options, as a trigger for a full impact assessment. The different types of threshold tests and their usage across EUMS and OECD countries are expanded up in the previous edition of this report (OECD, 2022^[11]) and in a dedicated annex to the OECD Best Practice Principles on RIA (OECD, 2020^[25]). Without carrying out a threshold test, the costs of conducting an impact assessment of a policy with minor impacts may outweigh its benefits (OECD, 2020^[25]).

Among EUMS, the use of threshold tests to guide impact analysis remains largely lacking since 2017. Only two EUMS (**Italy** and **Lithuania**) use threshold tests to determine whether a RIA is required at all, as established in the previous edition of this report (OECD, 2022^[11]). This significantly trails the OECD average, where one-fifth of OECD members use a threshold test to make the same determination. As shown in Figure 2.4, just under one-third of EUMS use qualitative and/or quantitative threshold tests to determine the level of analysis in cases where a RIA is required, (i.e. whether a full RIA for primary laws and subordinate regulations should be undertaken, as opposed to a simplified RIA), compared to almost half of OECD members.

Figure 2.4. Use of thresholds to determine whether a full or simplified RIA should be undertaken remains uncommon



Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Defining and applying a meaningful threshold can be challenging. It is important that thresholds are inclusive and based on the size of impacts across society rather than focusing on specific sectors or stakeholder groups (OECD, 2020^[25]). There should also be consideration of how proposals that carry significant impacts not accounted for by the threshold test will be accommodated. On the other hand, overly complex or vague threshold tests may be more vulnerable to being employed inaccurately or inconsistently. With only 9 EUMS having written guidance on RIA that includes advice on threshold tests, the general lack of available guidance reflects overall gaps in the use of threshold tests among EUMS.

In addition to improving the availability of guidance, EUMS should look to bolster their transparency in the use of threshold tests. Among the minority of EUMS that employ threshold tests for their impact analysis, only four do so transparently. **Estonia, Italy, Lithuania, and Croatia** publish the results of a threshold test before the regulation is drafted, conveying to the public why a proposal is deemed to warrant a certain level of analysis. The **European Commission**, in its Call for Evidence for a proposed initiative, also states whether an impact assessment will be carried out for that initiative.

Proportionate impact assessment

The *2012 Recommendation* advocates ensuring that the depth and scope of analysis underlying regulatory design are aligned with the significance of the proposed regulation's potential impacts (OECD, 2012^[5]). The majority of EUMS recognise that the level and depth of analysis should be aligned with the proposals' expected impacts. Over two-thirds of EUMS require that impact assessments are proportionate to the significance of the proposal (22 for primary laws and 19 for subordinate regulations in 2024, up from 18 and 17 respectively in 2017). Contributing to this growth, and as noted in Chapter 1, the **Netherlands** and **Romania** are the latest to introduced proportionality requirements for conducting impact assessments since 2021 (Box 2.4). The previous edition of this report also breaks down in detail how proportionality is employed in other EUMS, like **Germany, Denmark, Estonia, and Cyprus** (OECD, 2022^[11]). Previously-identified membership and geographic trends remain relevant: 1) older and founding EUMS are more likely to require that RIAs are proportionate to the significance of the proposed, than EUMS that joined the EU since 2004; 2) southern EUMS are less likely to require applying proportionality principles to impact assessment (Arndt-Basacle and Davidson, 2022^[26]).

Box 2.4. Going from simplified to in-depth RIAs

The Netherlands

An online questionnaire helps policymakers determine the applicability of relevant impacts and tests for their proposal. The questionnaire requires identifying whether any of seventeen identified social, economic, or environmental impacts are anticipated for the proposal. For each impact that is foreseen, in-depth analysis should be undertaken to define the extent and management of that impact, as appropriate. For instance, answering positively to the question “do you expect regulatory burden effects?” will inform the policymaker that the following tests are mandatory for their proposal’s RIA: regulatory burden assessment, data protection impact assessment, and social cost benefit analysis.

The RIA template – referred to as a “Policy Compass” – is inherently modular. Policymakers complete relevant sections for their proposal, as advised based on their questionnaire.

Romania

Government Decision 443/2022 introduced, among other changes, proportionality for RIAs based on the level of expected impact. In-depth RIAs should only be conducted for proposals that are of “significant importance and complexity”, with the following criteria provided as guidance:

1. New regulations in a particular field or regulations that involve a substantial change to a current law;
2. Major reforms included in the Government Programme or other programmatic documents undertaken by the Government of Romania that generate systemic changes and that affect a large number of citizens, especially in areas such as education, social protection, health or business;
3. It directly affects vulnerable groups as defined by the Social Assistance Law;
4. It has an impact on at least 10% of the active companies or at least 20% of the employees in a certain sector of activity, according to the official data provided by the institutions with responsibilities in the field (National Institute of Statistics, National Bank of Romania, the National Commission for Strategy and Forecast, the Ministry of Labour and Social Solidarity etc.);
5. Its implementation involves a total net cost of more than 20 million lei over the general consolidated budget;
6. Generates an impact of over 100 million lei on public investments.

In-depth RIAs involve, for instance, more extensive risk assessment, as well as requirements to quantify more costs to businesses.

Source: OECD Indicators of Regulatory Policy and Governance Survey 2024.

The frequency and extent to which simplified and in-depth RIAs are employed varies across countries. For instance, in **Austria**, a simplified RIA is carried out for about two-thirds of all regulations and focuses on a simplified assessment of financial costs, while the full RIA evaluates a suite of economic, social, and environmental effects, and requires prescribing indicators to measure progress. In **Estonia**, a simpler preliminary RIA is developed for all primary laws and selected subordinate regulations. The level of analysis contained within their preliminary RIA has deepened over time, making in-depth RIAs increasingly irrelevant and rarely done (OECD, 2021^[21]).

The practical difference in the level of analysis between a full and simplified RIA varies across countries. In **Austria**, a simplified RIA does not require policymakers to define indicators to measure progress, relying instead on a simplified assessment of financial costs and brief narrative descriptions. **Cyprus** similarly uses a more descriptive – rather than quantitative – analysis in their simplified RIAs. In **Denmark**, the simplified RIA must define Standard Cost Model variables to the greatest extent possible to assess whether the proposal meets the threshold for in-depth analysis; if so, a full RIA includes more thorough assessment of impacts on companies based on both costs and interviews.

In some cases, proportionality may deem that an impact assessment is not required. For example, minor legislative changes, administrative updates, or regulations that primarily involve existing frameworks may qualify for exemptions, allowing for a streamlined approach to rule-making. As well, the risk of not taking swift action may be so great as to warrant bypassing RIA requirements to expedite regulatory responses. There should be only limited exceptions to the general rule that RIA is required. Where exceptions are invoked (and to reduce the incentive for their misuse), it should be mandatory to conduct an *ex post* evaluation in such cases (OECD, 2020^[8]) – though this is only the case for five of the EUMS that allow for RIA exemptions. In the European Commission, for example, if an impact assessment is waived due to urgency, an analysis must be published within three months of the initiative’s adoption.

Requirements, however, do not always translate into practice. The RSB observed that in their 2023 report that, across the RIAs they reviewed, “getting proportionality and the level of analysis right is probably the most difficult challenge” (Regulatory Scrutiny Board, 2024^[24]). **Croatia**, meanwhile, adopted a new system moving away from proportionate RIAs in an effort to address compliance challenges with RIA requirements by making the process more straightforward. While the challenges associated with employing proportionality in regulatory design make effective oversight more important, that in itself is a gap for several EUMS with only 40% having a body responsible for reviewing the decision made by officials about whether a RIA is required. Chapter 3 further discusses RIA and the assessment of different social, economic, and environmental impacts.

Using open and evidence-based tools at the outset can pave the way for the following stages of the rule-making process. Once policymakers have engaged citizens and other stakeholders to identify a clear rationale for intervention and objectives, the consistent application of proportionality helps set the course for evidence-based and proportionate regulatory design process, as set out in Chapter 3.

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3

Putting people at the core of regulatory design

The regulatory design stage – when policymakers fill the details of new laws and regulations – greatly affects its effectiveness and impact on people’s lives. Putting people at the core of this process is vital to ensure rules deliver against their expectations and nurture trust in government action. This chapter explores how governments across the EU actively consider impacts on various facets of people’s lives when preparing rules and how they make them an integral part of the process by consulting and keeping them informed. The chapter also explores how EU Member States use regulatory impact assessment and stakeholder engagement when they engage in the final design of EU law, specifically in preparing for Council negotiations.

Key messages

- **Placing people at the core of regulatory design is key for governments to deliver on expectations and foster trust.** The design stage is a critical step in the rule-making process where government officials fill in the specifics of new laws and regulations, translating a concept into a legal draft. However, often the “devil is in the detail” as even minor provisions might have unforeseen or disproportionate impacts on people’s lives or create unnecessary burdens for businesses. Making people an integral part of the process can help mitigate this risk. This starts with taking them into account by thinking about the impacts a proposed rule might have on all facets of their lives; it also means actively involving them in regulatory design in a meaningful and transparent way.
- **Better regulation practices at the design stage are relatively well developed,** compared with other stages of the policy-making cycle. Virtually all EU Member States (EUMS) have adopted processes to systematically use evidence through regulatory impact assessment (RIA) to consider likely impacts and to engage stakeholders when designing new rules. At the same time, governments still have scope to maximise the use of these tools to put people front and centre of regulatory design.
- **More comprehensive analysis during regulatory design is needed to better ascertain how new rules affect long-term growth and, thereby, people’s economic opportunities and prosperity.** The assessment of economic impacts has traditionally been a focus of better regulation and is well developed across EUMS. However, governments continue to put a stronger emphasis on assessing costs over benefits and rarely analyse indirect and “second-round” effects. Critically, officials are rarely required to “add up” how expected impacts might affect the country’s competitiveness and economy as a whole, with little progress over recent years. As a result, governments are at risk of making decisions based on potentially partial or biased evidence, making it difficult to identify and weigh up trade-offs.
- **Finetuning the use of evidence can help governments drive forward important policy objectives like the green transition or social justice and inclusion.** A large majority of EUMS regularly consider environmental and social impacts when designing laws and regulations. Whilst policymakers in EUMS are generally required to consider such impacts in broad terms, requirements to look into specific aspects are significantly less developed: only 10 EUMS systematically check for impacts on domestic or international decarbonisation targets. Similarly, only around half of them do so for impacts on poverty and inequality, with slow progress since 2017.
- **EUMS have made strides in opening up the regulatory design process but still have scope to boost transparency.** Governments across the EU routinely give people a say in the design of new rules. Consultation practices – both with targeted stakeholders and the public at large – are well-established when a regulatory draft has been developed. However, accessibility could be enhanced through a more systematic use of centralised websites for all ongoing consultations and consistent use of minimum and advance notice periods to give people time to share their views. Critically, governments across the EU still need to close the consultation feedback loop, with less than half of them issuing a public response on how views have been incorporated, with little recent improvement. Doing so, however, would not only support transparency but also demonstrate governments’ responsiveness and help secure buy-in from people.

- **Member States have a chance to better inform the final design of EU laws through their role in the Council of the EU.** As part of the EU's legislative process, Member States – brought together in the Council – have a key role in amending legislative proposals and adopting them jointly with the European Parliament. Despite initiatives in some Member States, only a minority of them systematically assess expected impacts and engage domestic stakeholders in developing their negotiating position. In the light of the scant use of such tools within the Council itself, EUMS would greatly benefit from using impact assessment and consultation to prepare for Council negotiations. Evidence generated would not only support Member States' own interests but also enrich Council negotiations by complementing the initial Impact Assessment by the European Commission.

Introduction

To deliver against people's expectations and strengthen trust, governments must put people at the core of regulatory design. Once a goal and different potential options to achieve it have been identified through the agenda setting process (see Chapter 2) comes the critical step of formulating the specifics of a policy. If an initial decision to regulate is taken, either as a standalone or part of a suite of measures to achieve a goal, policymakers in ministries have to work out the relevant details. However, the process of translating a policy idea into a legal draft is not straightforward and, often, the “devil is in the detail”. What might appear to be relatively minor provisions in a legal draft could ultimately determine a rule's effectiveness and impact on people's lives. The risk is that rules – even if focused on pressing needs – will fail to deliver desired benefits for people or, at worst, do harm or expose them to unnecessary risks.

Putting people at core of rulemaking starts with actively taking them into account. Laws and regulations have the potential to greatly enhance human welfare – from maximising people's opportunities to find employment and earn a decent living, securing fair treatment of disadvantaged groups and protecting their civic freedoms and rights, to protecting the natural environment from adverse effects of climate change. Understanding these impacts on people's lives and their environment is critical for policymakers to design rules that work in people's best interests. This is especially important as governments across the EU are managing the complexity of the dual green and digital transitions. Adopting a holistic and human-centred approach to gathering and analysing evidence throughout the (re)design of rules can help policymakers shed light on the variety of impacts and unintended consequences on people's lives (OECD, 2020^[1]).

Placing them at the core of the design of rules also means making people an integral part of it by consulting and keeping them informed. In addition to prioritising outcomes for people, putting them at the core of the rule-making process more directly fosters trust in government action. In a context of declining trust, people's sense of having a say in government action has been shown to be a critical driver: 69% of people surveyed in OECD countries who feel they have a say in government actions trust their national government, whilst this is only the case for 22% of those who feel they do not have a say (OECD, 2024^[2]). The same data suggests that those thinking their government uses the best available evidence also have greater trust; however, only 40% think their government does so. Therefore, fostering transparency about the evidence used to inform decisions may help governments to further drive the trust that people have in them.

People's critical feedback and input during the design of new rules – be it as consumers, employees, users of public services, business owners or else – is also a source of invaluable evidence that can help improve the quality and impact of rules (OECD, 2012^[3]). Seeking comments and inviting challenge from those affected enables policymakers to ground the details of new laws and regulations in real-life experience, driving compliance and better outcomes. Giving people a say in the design of rules – and providing

feedback on how their views are (or are not) reflected – also has an intrinsic value and can generate better acceptance and, thereby, compliance with laws and regulations (Lind and Arndt, 2016^[4]).

This chapter examines efforts by governments across the EU to put people at the centre of rulemaking. It first discusses how regulatory design takes account of the various impacts on people and their quality of life. This includes consideration of long-term growth and economic opportunity, which underpins people's livelihoods, advancing the green transition to secure their natural environment and fostering social justice and inclusion for a fulfilling life for all. The chapter then examines how governments inform and involve people to foster trust through open and transparent regulatory design.

Finally, the chapter reflects on the role of the Council of the EU as a “co-legislator”, determining the final design of EU law. Since the initial legislative proposal developed by the European Commission is likely to be subject to amendments by the Council and European Parliament during the legislative process (Goldberg, 2018^[5]), the negotiations between EU Member States (EUMS) within the Council can be seen as a key stage of the design of new EU laws. The chapter therefore investigates how Member States use better regulation tools to inform these negotiations.

Supporting long-term growth and economic opportunity

Governments need to comprehensively assess the potential economic impacts new rules might have on people's lives and livelihoods. This is especially important in the context of a cost-of-living crisis where just under 60% of people in OECD countries cite rising prices and inflation as the most important issue facing their country (OECD, 2024^[2]). Whether their express purpose is to govern how a particular market operates, e.g. by ensuring fair and open competition, or to achieve some other policy objective like the green transition, laws and regulations have far-reaching impacts that shape people's economic opportunities and the price and quality of products and services they consume. For instance, new rules to upgrade to more energy-efficient heating systems may come at a cost for homeowners but also foster more sustainable long-term growth; tighter or looser immigration rules will impact labour supply in the economy. Broader impacts on economic growth will indirectly affect people's purchasing power and employment opportunities.

Whilst policymakers across EUMS have made strides to assess economic impacts of proposed regulations, they continue to focus more on the costs and less on their potential benefits. As a critical step in appreciating a draft rule's potential impact on the economy – and by extension on people's livelihoods – policymakers need to assess and weigh their potential costs as well as benefits. Virtually all EUMS systematically require policymakers to identify, and a broad majority (over three-quarters) also quantitatively assess, the costs of proposed regulations. By comparison, just over half of EUMS do not systematically assess and quantify the benefits of new rules, with little change since 2017. The relative focus on regulatory costs makes it difficult for policymakers to ascertain the net benefits for people. As a result, decision makers might receive a potentially biased assessment of the overall impact of proposed rules, including their ability to stimulate long-term growth. One reason for the less consistent quantification of benefits might be that intangible benefits tend to be harder to quantify or monetise than costs. However, whilst the full value of certain goods, such as air quality, can be challenging to quantify, the European Commission's Better Regulation Toolbox proposes different techniques to assign a market value and monetise these benefits. These include, for example, revealed or stated preference techniques to arrive at an estimate of the total economic value (TEV) (European Commission, 2023^[6]).

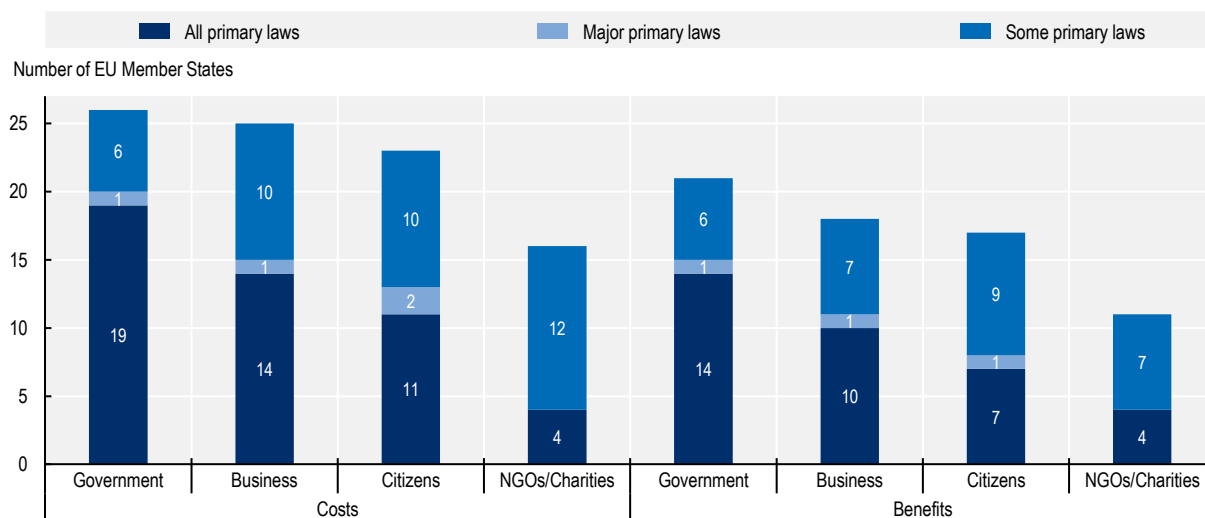
In addition to analysing the overall costs and benefits of proposed rules, policymakers need to understand how they fall on different groups of stakeholders and the people behind them. For instance, costs and benefits for individuals may weigh on people's disposable income or affect the value of their property; those on particular demographics, like people in rural areas or vulnerable populations, may be disproportionately higher than other groups; those on businesses can have knock-on effects on prices people pay for

particular goods and services; those for non-governmental organisations (NGOs) or charities might affect how effectively these can contribute to social goals through their activities; and costs borne by the public administration itself (government) affect how future taxpayers' money can be used for vital public services like education and health care.

The assessment of costs remains focused on government (public administration) and businesses where a majority of EUMS quantify costs systematically (Figure 3.1). The assessment of costs for citizens and NGOs and charities are less commonly required with only a minority of countries doing so systematically for all or major laws and regulations, with little improvement since 2017. Appreciation of costs beyond government and businesses is important though, as they can have significant consequences on people's lives. For instance, in 2021, 11% of civil society organisations (CSOs) operating in EUMS reported facing challenges related to counter-terrorism measures, such as changes in registration requirements, restrictions on funding sources, or increased administrative burdens (OECD, 2022^[7]). Such impacts can potentially limit how CSOs can support people and defend civic rights. Through the 2022 update of its RIA guidelines, **Finland** introduced a requirement to assess the costs of new laws and regulations on NGOs/charities as part of impacts on "Development of democracy and the rule of law" (Chapter 2.3.4), which promotes in particular free civic activity. According to the guidelines the operating conditions of associations and other groups should be assessed, for example, through their finances and administration and the security of the operating environment.

Figure 3.1. Policymakers place greater emphasis on requiring quantification of costs than benefits

Requirements to quantify costs and benefits for different groups in the development of primary laws



Note: Data based on the 27 Member States of the European Union.

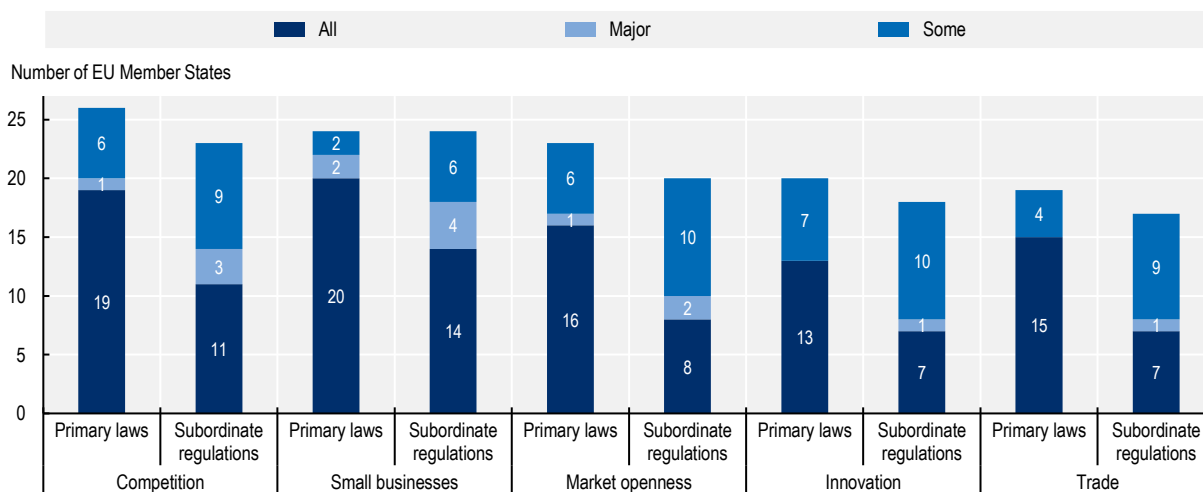
Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Governments across the EU have scope to consider more comprehensively how new rules affect key drivers of economic growth beyond direct costs and benefits. In a context where "over-regulation places significant additional costs on businesses, proving unsustainable for SMEs and inadvertently favouring non-European companies that are not bound by the same stringent rules" (Letta, 2024^[8]), rigorous assessment of broader economic impacts is essential to fostering the EU's competitiveness. A large majority of EUMS look into the potential impacts of new primary laws on competition and small businesses (Figure 3.2). For instance, the use of "SME tests" can provide policymakers with relevant information on how SMEs might be affected by proposed rules and potentially consider mitigation against any

disproportionate impacts (OECD, 2022^[9]). However, the share of countries investigating consistently other drivers of economic growth like market openness, innovation and trade is lower, with around a third of EUMS not systematically requiring an assessment of these impacts. It should be noted though that, in practice, RIAs may still cover such aspects as part of wider impacts on the business environment regardless of any formal requirement but place the onus on officials to include them in their analysis.

Figure 3.2. Governments have scope to assess drivers of economic growth more consistently

Requirements to assess different types of economic impacts of new rules



Note: Data based on the 27 Member States of the European Union.

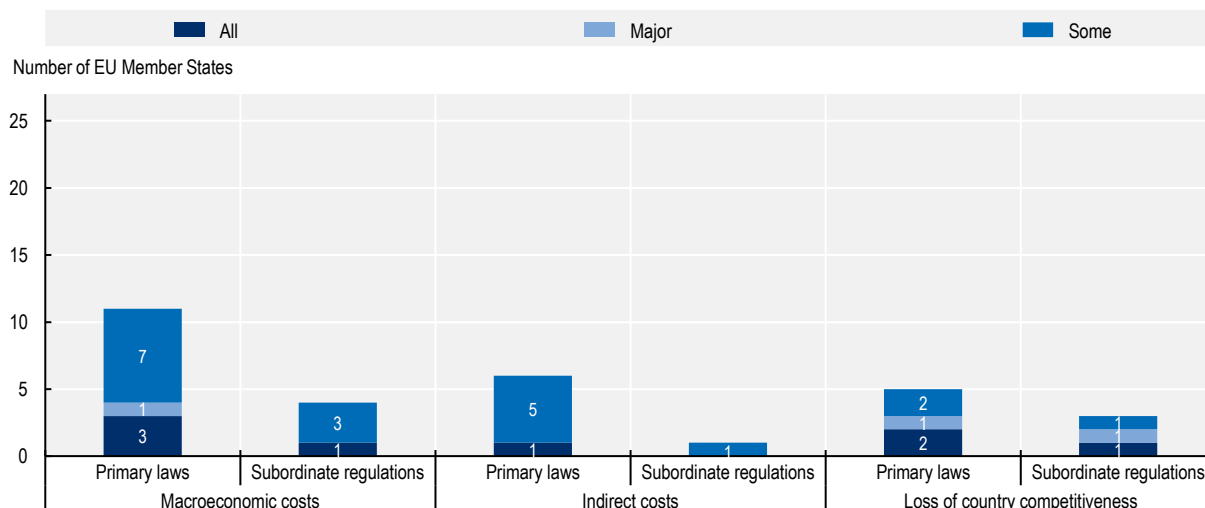
Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Overall, the assessment of such underlying drivers of economic growth is significantly less developed for subordinate regulations than for primary laws. For example, 10 EUMS or less systematically assess impacts on market openness, innovation and trade when they design subordinate regulations. This risks significant evidence gaps, as subordinate regulations might be amended over time without comparable levels of scrutiny. This opens the door to a creep of changed/new requirements on businesses, which can weigh on growth potential and, ultimately, people's economic opportunity.

Whilst policymakers in EUMS assess impacts on individual drivers of economic growth to a degree, they rarely consider and assess their aggregate impact on competitiveness and the economy as a whole. Whilst not all laws and regulations will have significant macro-economic or impacts on competitiveness, systematically checking against and reporting them is still a critical step to develop a rounded evidence base. For example, only around one-third explicitly require the assessment of macroeconomic costs¹ for primary laws and those requiring assessment of the loss of country competitiveness are only a small minority of EUMS (Figure 3.3). Similarly, indirect or second-round effects – though equally important to understanding overall impacts and side-effects – are rarely required to be assessed. As a result, decision makers might be missing critical information to inform decisions on potential trade-offs between competing policy objectives.

Figure 3.3. Assessments of cross-economy and competitiveness impacts are underdeveloped

Requirements to identify different types of economic impacts of new rules



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

However, there are encouraging examples of countries adopting and refining the assessment of macroeconomic impacts and on competitiveness. **Croatia** adopted in 2024 the Regulation on the Methodology and Procedure for Implementing Better Regulation Policy Instruments (Government of Croatia, 2024^[10]), which sets out requirements for the assessment of a variety of macroeconomic impacts of new legislative proposals, including: household consumption, capital investment, government spending, and net exports. It also emphasises the evaluation criteria associated with competitiveness, such as the business environment for the development of new products, services, and advanced technologies, the establishment of infrastructure for economic activities, and the removal of barriers and price trends of the exchange of goods, services, labour, and capital. The **European Commission** has recently taken steps to strengthen the assessment of competitiveness of draft EU laws as part of its impact assessment process (Box 3.1).

Box 3.1. The European Commission's "Competitiveness check"

As part of its strategy for the "Long-term competitiveness of the EU", the European Commission introduced in March 2023 a new "Competitiveness check" that must accompany all impact assessments (IA) of legislative proposals. The check takes the form of a mandatory annex that provides decision makers with a high-level appreciation of the proposal's impact on four competitiveness dimensions:

1. **Cost and price competitiveness:** if an initiative affects production costs (labour, capital, natural resources, intermediate goods and services, and energy), compliance costs (time spent complying with new policies, adjustments in production processes, additional equipment, and sector restructuring), competition and market power (changes in the number of suppliers or producers, their ability to compete, and consumer choice and information), and the free movement of goods, services, capital, and persons.

2. **International competitiveness:** if an initiative affects the competitive position of EU firms relative to non-EU competitors, trade and trade barriers, areas with existing international standards or regulatory dialogues, cross-border investment flows (including the relocation of economic activity), the resilience of EU companies during shocks or international crises, and market shares in international markets.
3. **Impacts on capacity to innovate:** if the initiative affects the capacity to carry out R&D (skills, protection of intellectual property rights), product innovation (technical skills, new technologies, respect of technology neutrality), process innovation (production and distribution, marketing, after-sales services; management and organisational skills, “digital by default”), and access to risk capital and financing.
4. **SME competitiveness:** if the direct impact of the initiative on SMEs differs substantially from the impact on large companies; if SMEs are likely to be indirectly affected through their position in the value chain or through subcontracting; if there is a differing impact on competitiveness on micro-companies compared to small- and medium-sized ones; the extent to which the initiative is designed to minimise negative impacts on SMEs; and if the initiative includes mitigating measures such as simplified reporting and phasing-in obligations for SMEs.

Drawing on the analysis in the main part of the IA report, the annex sets out the preferred option’s impacts on these competitiveness dimensions in form of a standardised table and a short narrative. The table includes the expected scale of impacts for each dimension, i.e. positive or negative impact of moderate/high magnitude, neutral or not applicable, and quantitative estimates wherever possible. As part of the IA report, the assessment undergoes independent scrutiny by the Regulatory Scrutiny Board, which has been reinforced with two additional members to shore up capacity to focus on competitiveness.

As part of its Communication on implementation and simplification in February 2025, the Commission announced reinforced SME and competitiveness checks. Going forward, the competitiveness check will have a stronger sector focus. It will assess the competitive position of EU companies in the sectors most affected by each proposal, using indicators and qualitative information to better understand the cumulative impacts on certain key sectors, such as those identified in the Draghi report. The Commission will then consider the most appropriate mitigating measures where competitiveness issues are identified.

Source: European Commission (2025^[11]), [“A simpler and faster Europe: Communication on implementation and simplification”](#); European Commission (2023^[6]), [Better Regulation Toolbox](#); European Commission (2023^[12]), [Long-term competitiveness of the EU: looking beyond 2030](#).

Advancing the green transition and social justice

Designing rules that work in people’s best interests requires governments to fully understand their impacts on all facets of people’s lives and their environment. This is especially important as Member States across the EU are devising the rules to respond to ever more complex policy challenges to advance the green transition whilst protecting and nurturing the social fabric. Policymakers need to evolve the way in which they analyse evidence to inform the design of new rules. In particular, *ex ante* impact assessments need to go beyond assessing economic factors to capture broader social and environmental impacts. This might be more obvious when the express purpose of a new rule is to achieve such objectives, e.g. tighter environmental regulations to reduce carbon emissions but, as a matter of policy coherence, it is crucial that policymakers also consider such impacts when this is not the case.

Green transition

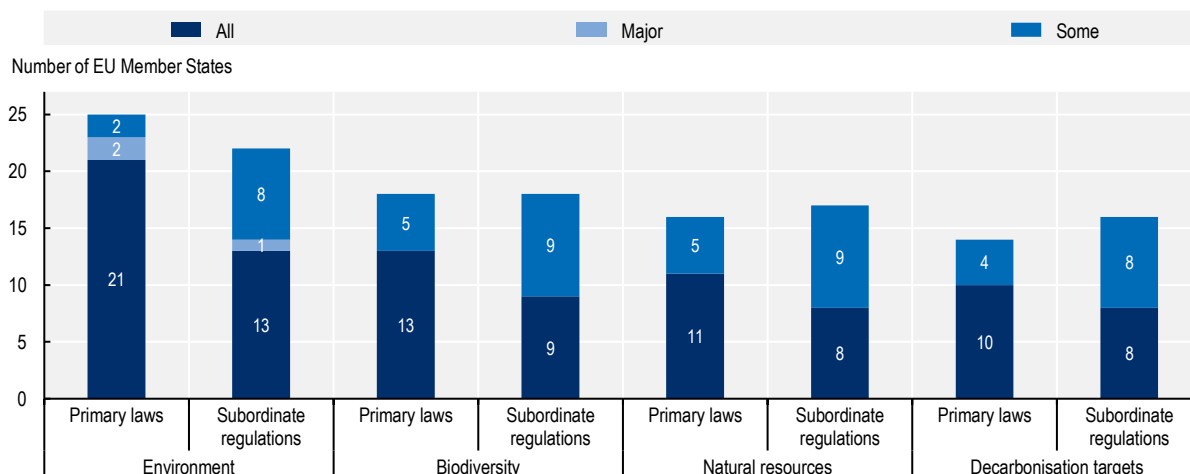
The impacts that environmental degradation and climate change have on people are direct and real, calling policymakers to action. Amidst warnings that the “world is not on track to meet the long-term goals of the Paris Agreement” to limit global warming to 1.5 degrees Celsius (UNFCCC, 2023^[13]), people around the globe, including across Europe, are already feeling the impacts. More frequent and extreme weather events, such as heatwaves, floods, droughts and wildfires, are becoming more likely (European Environment Agency, 2022^[14]). These “climate hazards” present a direct threat to human life and health, as shown by the devastating floods in Germany in June and in Valencia in October 2024, which caused several fatalities. Elsewhere, people might be subject to water rationing in response to (or anticipation of) droughts. In addition to the direct impact on people’s lives, these events also come with significant economic losses: EUR 59.4 billion in 2021 and EUR 52.3 billion in 2022 – the highest annual losses recorded since 1980 (European Environment Agency, 2023^[15]). People are also more directly affected by the degradation of the environment they live in with estimates suggesting that air pollution leads to around 300,000 premature deaths per year in the EU, which new stricter rules are seeking to address (European Parliament, 2024^[16]).

Regulation is a critical lever for governments to advance the green transition and help to avert or mitigate the potentially catastrophic impacts of climate change on people’s lives, preserving natural resources for future generations. Laws and regulations – both their design and their delivery, the latter being discussed further in Chapter 4 – can boost the use of renewable sources of energy, strengthen energy efficiency, encourage more sustainable modes of transport and protect vital ecosystems. For instance, new (or changed) rules can unlock the use of new climate-friendly technologies and sources of energy like hydrogen. More broadly, laws and regulations can also drive changes in behaviour and consumption patterns that are more environmentally sustainable, for example through the ban of single-use plastics in bars and restaurants. In Europe, a range of new policies and initiatives have been put in place under the European Green Deal, announced in 2019, with the aim to make it the first climate-neutral continent by 2050. This includes also a number of regulatory measures, such as changes to the Energy Labelling Regulation to enable consumers to make better informed and sustainable choices when they buy electronic devices (European Commission, 2023^[17]).

Governments across the EU have scope to improve the process of designing new rules to advance the green transition and support environmental sustainability more broadly. In particular, RIA methodologies could be refined to shed light on specific types of environmental impacts of a proposed law or regulation. Whilst policymakers in a broad majority (two-thirds) of EUMS are usually required to assess impacts on the environment in broad terms, the assessment of specific environmental impacts is significantly less developed (Figure 3.4). Less than half of EUMS systematically assess the impact of new primary laws on biodiversity (13) and natural resources (11). Critically, only 10 of them systematically check new laws against (domestic or international) decarbonisation targets. **Finland** has set rules for how greenhouse gas emissions should be considered when evaluating government policies. These rules require using carbon price estimates, which are updated every year by the Ministry of Finance and help to assess the economic impact of greenhouse gas emissions by putting a monetary value on them. In 2021, **Spain** introduced climate change assessments in RIA for all primary laws and subordinate regulations to promote decarbonisation and achieve greenhouse gas emissions neutrality by 2050. More specifically, public agencies are required to prepare an estimation of the “impact due to climate change, which must be assessed in terms of mitigation and adaptation to it”. It is also worth noting that less than one-third of EUMS require assessments of all types of environmental impact covered in the data available.

Figure 3.4. Assessment of specific environmental impacts remains unsystematic in most EUMS

Requirements to assess different types of environmental impacts of new rules



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Beyond the consideration of environmental impacts, a number of OECD member countries have also made compliance of all policies with the UN Sustainable Development Goals (SDGs) mandatory. For instance, in Germany, all new legislation has to undergo an electronic sustainability impact assessment and before a legislative draft can be presented to the parliament in Luxembourg, it passes a sustainability check (see Box 3.2). Findings from impact assessment should inform how the design process is carried out – particularly in terms of informing stakeholder engagement.

Box 3.2. Supporting policymakers with sustainability checks in Germany, Luxembourg and the Netherlands

Germany's electronic tool for sustainability impact assessments known as eNAP (*eNachhaltigkeitsprüfung*) is now required for all rules. eNAP's design provides officials with relevant data and information, particularly on the Sustainable Development Goals (SDGs), to enhance the quality of assessments. Information includes data sources for sustainable development indicators from the German Statistical Office.

Luxembourg introduced a "Sustainability Check" (*Nohaltegkeetscheck*) for all draft legislation. Draft bills require to include a sustainability assessment, based on a set of 118 national indicators designed to measure progress towards the achievement of the 2030 Agenda.

The **Netherlands** uses a "policy compass" to assess the impacts of draft rules and policies from a sustainability lens. It helps policymakers to co-operate with stakeholders, consider all relevant quality standards and explore different policy options. Each rule's objectives are structured into different levels (strategic goals, specific goals and desired behaviours) and for each of them the impact on SDGs is detailed. The consequences of the options are also analysed under a sustainability approach and indicators of the impact on well-being are disaggregated into different timeframes.

Source: PS4SD (2022^[18]), [Peer 2 Peer Report for Mainstreaming the SDGs in Regulatory Impact Assessment](#); German Federal Ministry of the Interior and Community (2024^[19]), [Electronic Sustainability Check](#); OECD (2023^[20]), [Driving Policy Coherence for Sustainable Development: Accelerating Progress on the SDGs](#); OECD (2022^[21]), [Luxembourg Policy Coherence for Sustainable Development \(PCSD\) Light-touch Institutional Scan](#); OECD (2024^[22]), [Guidance to Consolidate the Integration of Malta's Sustainable Development Strategy in the Drafting and Reviewing of Legislative Bills](#).

Environmental impacts intrinsically carry significant implications for social justice. The impacts of climate change, for instance, disproportionately impact young people – a reality that has led some policymakers to pursue targeted engagement with young people on climate issues and policies (Chapter 2 notes examples of such engagement, while the subsequent section includes broader discussion of later-stage stakeholder engagement to inform draft rules). Some governments try to quantify the regulatory impacts of climate change on human health and well-being to support a comprehensive impact assessment, despite inherently subjective methodologies. Germany, for instance, is one of several countries that has developed their own global estimates of the social cost of greenhouse gases (Matthey, Bünger and Eser, 2024^[23]). As part of CBA, policymakers need to decide whether to recognise and how to account for the “inherent” value of the environment, which should be protected not only for economic, social and health reasons, but also for ethical and moral ones (Ehrlich and Ehrlich, 1997^[24]), (Stone, 2010^[25]). In this context, qualitative descriptions of impacts that complement quantitative assessments can be valuable (OECD, 2023^[26]).

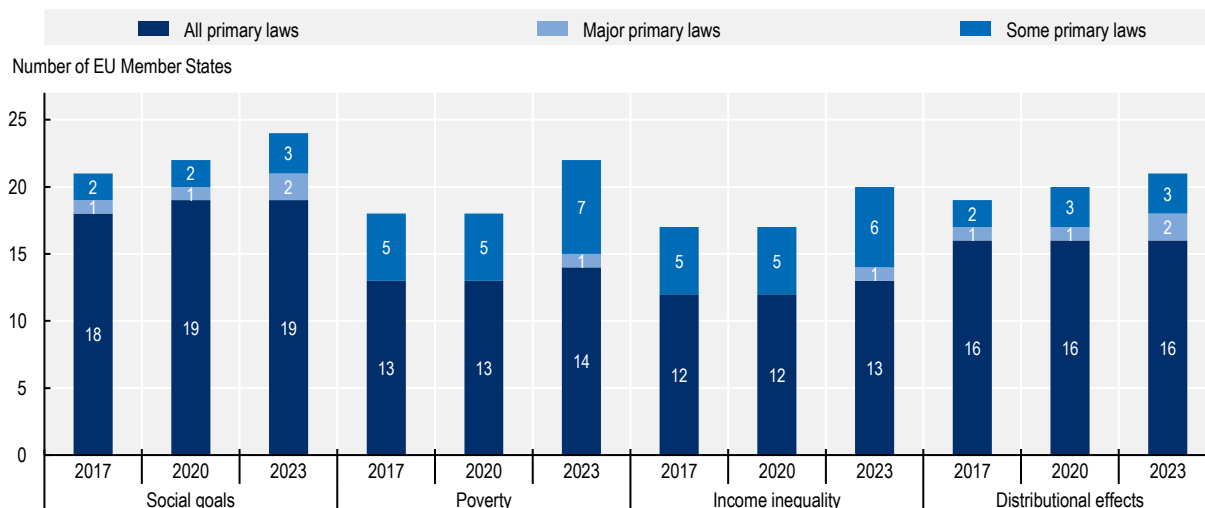
Social justice and inclusion

To protect and reinforce the social fabric across the EU, governments need to be mindful of how reforms affect different groups of people and their wellbeing – from physical and mental health to social justice and equal opportunity for disadvantaged groups. The rules policymakers devise to manage the green and digital transitions impact different (groups of) people in different ways. The transformation of the economy through the introduction of new technologies, including Artificial Intelligence, might yield net economic benefits and reduce prices but the potential for automation can also “displace” existing jobs – about 28% of jobs in OECD countries are considered to be at highest risk of automation (Lassébie and Quintini, 2022^[27]). Taking these developments into account and thinking through distributional consequences when designing new rules is therefore critical, especially in a context where, according to Eurobarometer data from 2022, 81% of the population in EUMS think that the differences in income are too great and 78% wish to see their government do more to address this (Berlingieri, 2023^[28]).

Policymakers in EUMS have opportunities to pay further attention to how new rules can help achieve social justice by limiting inequalities and fighting poverty. Since 2017, the number of EUMS that are required to assess contributions to social goals when designing primary laws has continued to grow, with now 21 EUMS doing so systematically (Figure 3.5). However, analysing specific elements that underpin social justice and human wellbeing, are slightly less developed. Whilst distributional effects of primary laws are still considered in two-thirds of EUMS, just over half of them systematically require the assessment of impacts on poverty (15) and income inequality (14). In addition, it is important to note that assessments for any of these impacts is significantly less developed for subordinate regulations, with less than one-third of EUMS conducting them systematically, leaving potential evidence gaps.

Figure 3.5. EUMS have scope to refine the assessment of social impacts

Requirements to assess different types of socio-economic impacts of new primary laws



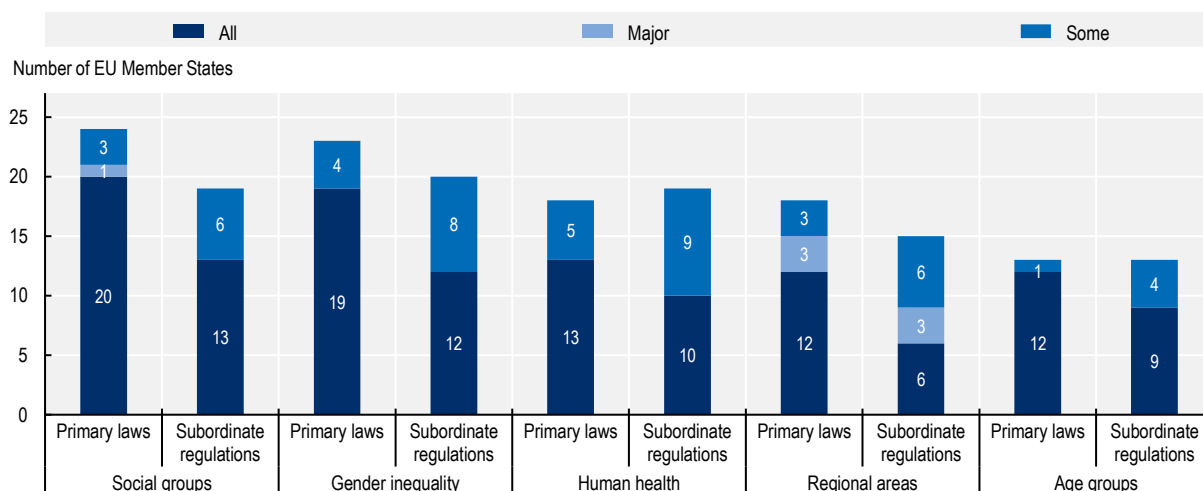
Note: Data is based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Policymakers across EUMS have an opportunity to broaden their assessment of impacts beyond a narrow focus on economic metrics to adopt a more holistic view of how different groups of people and their wellbeing will be affected by reforms. Social justice and fair opportunities for all is about more than income distribution. Understanding the real-life impacts on vulnerable or disadvantaged people such as elderly or people with disabilities, or other groups that may be more prone to discrimination like ethnic, language, religious or other minorities, can help avoid exacerbating existing disadvantages and drive positive outcomes for all. To be fully aware of trade-offs, policymakers should also acknowledge how proposed rules could impact different social groups, defined by their socio-economic background or education levels. Since 2017, the majority of EUMS that systematically assess impacts of draft primary laws on specific social groups and gender inequality has continued to grow (from 19 to 21 and from 17 to 19 respectively) (Figure 3.6). However, significantly fewer of them consider more specific impacts with only around half of them systematically looking into the impacts on human health, age groups (e.g. the young or elderly people) or regional areas.

In 2022, the European Commission called on EUMS to better assess the distributional impact of their policies before and after implementation to tackle rising inequalities and provided high-level guidance on the matter (European Commission, 2022^[29]). To support Member States in developing their practices, the Commission also committed to maintaining and updating the EUROMOD, a tax-benefit model that comparatively assesses the effects of taxes and benefits on household incomes and work incentives across each EUMS and the EU as a whole, as well as promoting mutual learning by facilitating the exchange of best practices among EUMS. With worsening inequality in several Member States, analysis of distributional impacts can be an important tool for governments to address – or at least prevent rules from exacerbating – inequalities (Eurofound, 2023^[30]).

Figure 3.6. Impacts on specific social groups and gender inequality are more regularly considered than other types of social impacts



Note: Data is based on the 27 Member States of the European Union.

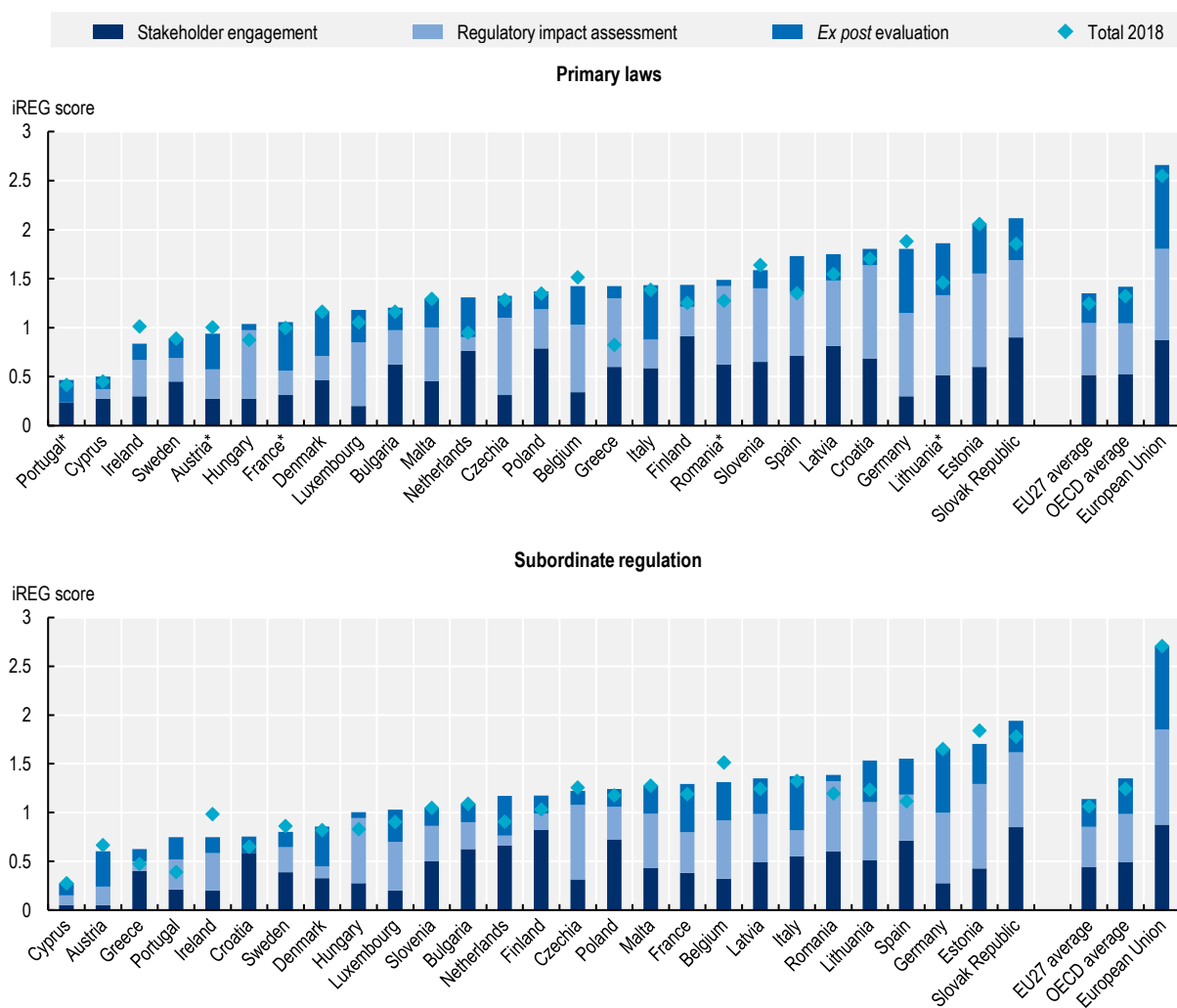
Source: Indicators of Regulatory Policy and Governance (iREG) 2024.

An active civic space and civil society organisations (CSOs) can play a critical role in championing social justice. By promoting the rights and defending the interests of disadvantaged groups of people, CSOs can contribute to fairer outcomes. Recognising their role, it is important for policymakers to understand how new rules might impact them in their operations and their ability to provide support. In its resolution on the shrinking space for civil society in Europe, the European Parliament called on the Commission “to include a systematic civic space check in its impact assessments, providing clear criteria for what constitutes an enabling space for civil society, based on international human rights standards on freedom of association, expression and assembly (...)” and, and “to equally review and monitor the implementation of EU law to ensure that it does not negatively affect civic space and provide the necessary remedies if it does; calls on Member States to adopt similar remedies at national level” (European Parliament, 2021^[31]). However, assessment of potential impacts on non-profit sector groups, including charities, are not systematically required in most EUMS, with 10 doing so systematically for all or major primary laws and 6 for subordinate regulations.

Fostering trust through openness and transparency

Designing rules in a way that is open and transparent is fundamental to fostering and sustaining trust in government. As noted above, people’s confidence that government decisions are based on sound evidence and their sense of having a say in the process are key drivers of trust (OECD, 2024^[2]). Opening up rulemaking by giving people opportunity to engage in the design of rules can reassure them that their government is responsive to public feedback and demands. In addition, when rules, their rationale, and impact are communicated transparently, people can see how decisions and trade-offs are made and who is involved, enabling them to hold their governments accountable. Transparency also empowers citizens by giving them the information they need to participate meaningfully in consultations, ensuring that diverse perspectives are considered, leading to better-informed rules. Finally, transparency in regulatory development builds public confidence in the rule-making system, encouraging compliance and co-operation with any resulting regulations (Lind and Arndt, 2016^[4]) (OECD, 2022^[32]) (OECD, 2012^[3]). Government transparency in rulemaking among EUMS has, on average, slightly increased since 2018 by 3.5% for primary laws – compared to the 3.2% average growth among OECD members over the same time period (Figure 3.7).

Figure 3.7. Composite indicator: transparency in rulemaking, 2018-2024



Note: Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. The indicators for stakeholder engagement and RIA only cover practices in the executive. Most primary laws are initiated by the executive in the majority of EUMS, except for Austria, France, Lithuania, Portugal and Romania where a higher share of primary laws are initiated by the legislature.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

For many countries, embracing digitalisation to make information and engagement on rule-making more readily accessible has been central to improving transparency over recent years. This is illustrated, in part, in the scores of **Greece**, **the Netherlands** and **Romania** – the three countries that, in order, have shown the most growth in transparency scores since 2018. **Greece** began publishing an online list of laws to be modified, using online consultations to inform the public when a RIA is due to take place, and establishing a dedicated website through which people can provide feedback on existing laws. **The Netherlands**, meanwhile, improved the usability of its centralised website and published online reports on the performance of their *ex post* evaluation system. **Romania** introduced a “digital by default” approach and began online publication of an annual roadmap for RIAs and evaluations. Finally, **Spain** has continued on its path of reforms since 2014, which include but are not limited to: listing consultations on a central website, requiring RIAs to be released for consultation, and establishing a standing electronic mailbox to receive feedback on existing rules.

EUMS improved transparency of their *ex post* evaluations more than for *ex ante* RIA and stakeholder engagement. Digitalisation contributed to this improvement, with 4 additional EUMS making evaluations available online since 2018 (total 16), along with increased adoption of mechanisms for public feedback on existing rules (discussed further in Chapter 5). The **Slovak Republic** now leads all EUMS in transparency, due in large part to requirements introduced in 2021 to consult stakeholders in *ex post* evaluations on primary laws and subordinate regulations. However, despite broad improvements across EUMS, *ex post* evaluation remains where transparency is the most lacking on average, with the least systematic consultation and publication practices.

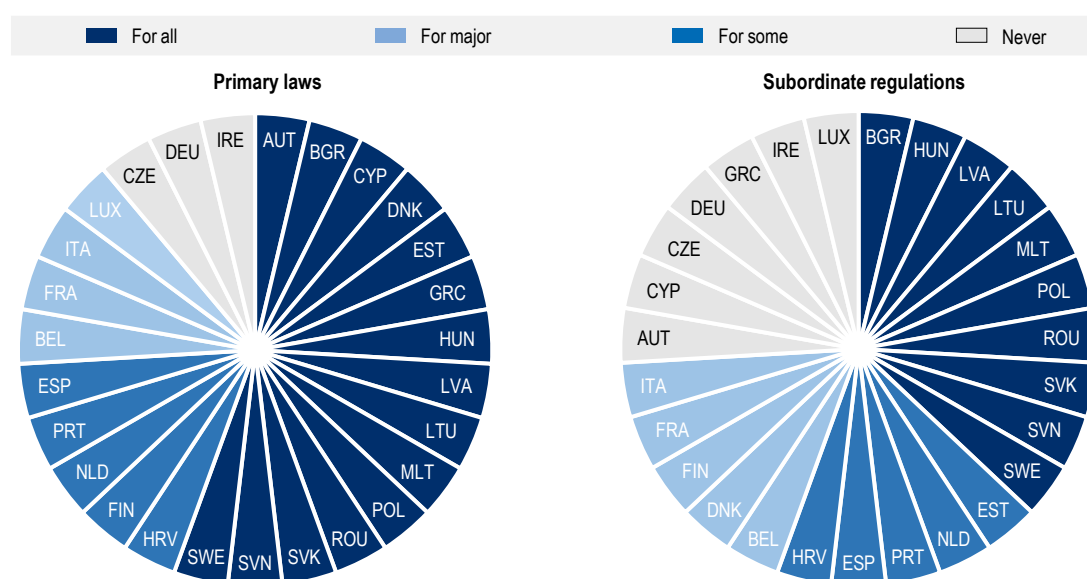
Conceptually, EUMS have two key avenues through which they can better embed transparency and openness when they design rules: ensuring opportunities to engage in rulemaking are, firstly, accessible, and secondly, meaningful. Doing so will also support rulemaking and consultation initiatives in the future: if people have a positive experience of engagement and believe that their input helps shape eventual decisions, they are likely to want to be involved again (OECD, 2023^[33]) (OECD, 2022^[32]).

Open and accessible consultations

Consultations open up the rulemaking process to people, who are the ones directly impacted by the rules and the rights and obligations they impose. Their input can provide valuable insights, experiences, and knowledge that policymakers might not have, leading to better-informed decisions and ultimately, better-informed rules. Evidence also suggests that people want to be involved in decisions that affect them. For example, more than 90% of people involved in a public consultation process in **Finland** reported that they would like to participate in future policy development (OECD, 2023^[33]).

In the majority of EUMS, policymakers are systematically required to consult with the public on draft rules (Figure 3.8), and countries generally report that these requirements are followed through in practice. However, in one-quarter of EUMS, these requirements are either still not in place for primary laws or are not systematic – for subordinate regulations, this is the case for almost half of EUMS. This gap potentially limits the scope of consultations to particular policy areas or leaves it at the discretion of political decision makers. This situation has not substantially evolved since 2018.

Figure 3.8. Most EUMS must consult the public to inform the development of rules

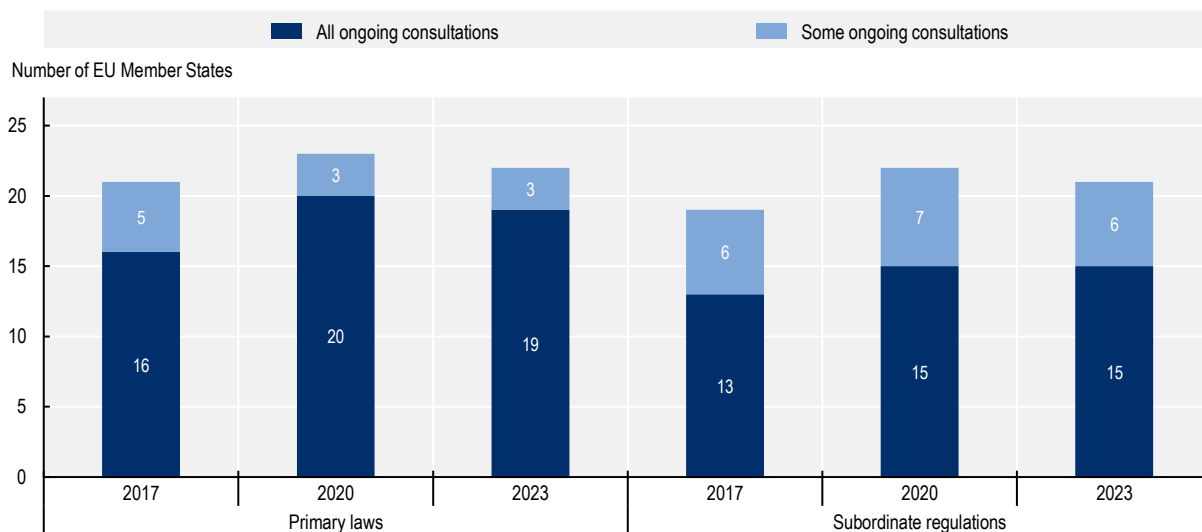


Note: Data based on the 27 Member States of the European Union.
Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Regardless of the extent of formal requirements, not all consultations are open in practice, with approximately half of EUMS allowing for any member of the public to choose to participate in consultations on all laws and regulations. While limiting the eligible audience for consultations can, in some cases, make the process more manageable for policymakers and avoid overburdening the public with engagement requests, it also risks limiting the diversity and quality of consultation input. Policymakers should take a proportionate approach to balance competing interests and limitations – for proposed rules that are projected to have more significant impacts on more people, it is important to ensure more people can have a say on how the rule is designed (OECD, 2020^[1]).

Planning and logistics can make the difference between a check-box exercise and a fruitful consultation that is truly open and transparent. Governments need to give people sufficient time to plan and organise, which can involve consulting relevant organisation members, gathering evidence, and developing informed positions. Despite this, providing advance notice remains a rare practice, with only 8 EUMS reporting that members of the public are informed in advance that a consultation is due to take place for primary laws and 7 doing so for subordinate regulations. **Latvia**, one of the few EUMS with an advance notice period, reports a minimum of 14 days' notice depending on the consultation process and complexity of the issue. By comparison, minimum periods, during which consultations must be open to allow stakeholders enough time to provide their feedback, are more common with 22 EUMS having set periods that range from eight days to three months. Prescribed minimums still provide flexibility for governments to extend consultations beyond these time periods, which may be appropriate in circumstances where regulatory impacts are expected to be significantly large and/or uncertain. While consultations during genuinely unforeseen emergencies may warrant very limited timeframes, these should be the exception – the more rushed that a consultation is, the more challenging it becomes for people to participate (OECD, 2020^[34]).

Figure 3.9. Most EUMS list ongoing consultations on a single central government website



Note: Data based on the 27 Member States of the European Union.
Source: OECD Indicators of Regulatory Policy and Governance (iREG).

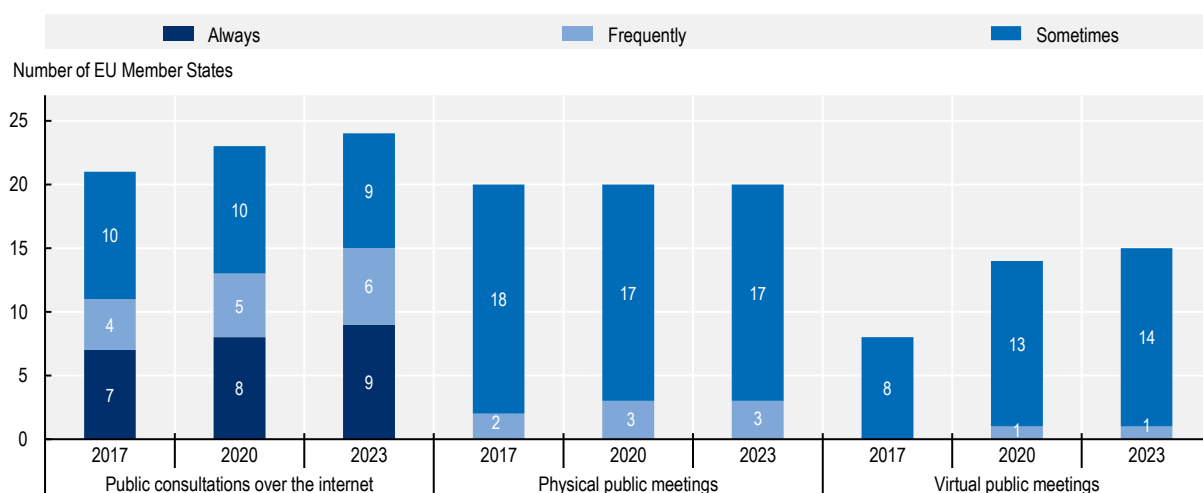
Sufficient notice and time to comment needs to be flanked by measures to ensure awareness and accessibility of consultations. EUMS use various digital tools – from announcements on government websites, to email alerts, to social media – to let people know about upcoming consultations and to invite submissions. **Estonia's** Information System for Legislative Drafts, for instance, sends out automatic alerts to notify registered people about upcoming consultations. In addition to being alerted, people should also

be empowered to easily find consultations relevant to them. There is still scope for governments across the EU to make public consultations more accessible by publishing them on a single central government website (Figure 3.9). Whilst most countries do so for consultations on primary laws, only about half of EUMS do so for all consultations on subordinate regulations, with no improvement since 2020.

Meaningful and targeted engagement

To facilitate productive and meaningful engagement, policymakers continue to use a variety of channels to consult with members of the public (Figure 3.10). Whilst consultations over the internet continue to be the preferred mechanism for engagement with the general public, governments complement this through virtual and/or physical meetings. Consultations over the internet remain the most common mechanism with the highest proportion of EUMS using this channel “always” or “frequently”. Physical public meetings are only used “sometimes” in most countries. Virtual public meetings are used less regularly still but has seen an increase since 2020, at least partially as a result of changes in ways of working following the Covid-19 pandemic.

Figure 3.10. Online consultations remain most common, despite growth of virtual meetings

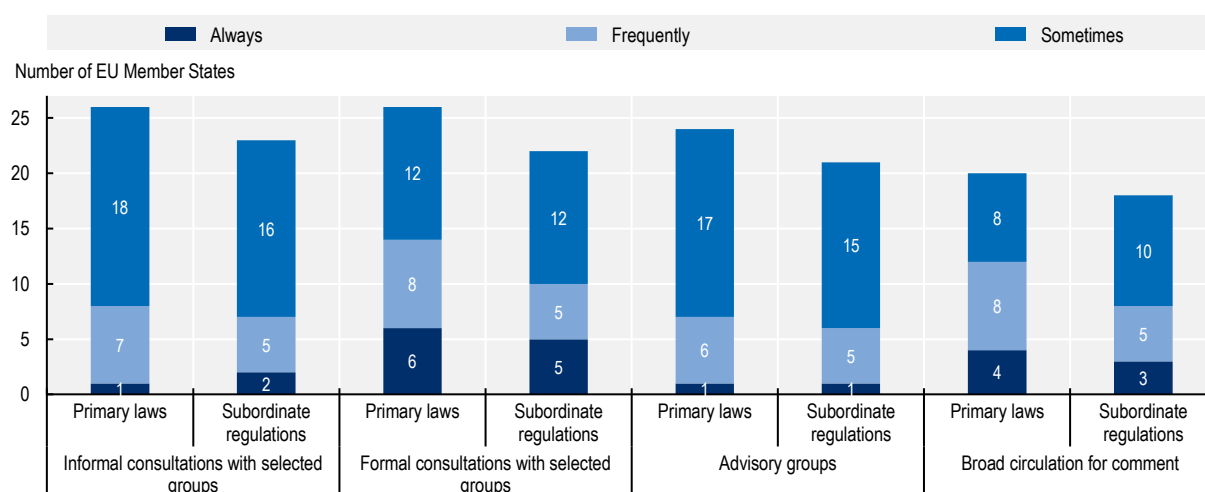


Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

The potential of interactive websites allowing stakeholders to see and react to each other’s comments remains unexploited in many EUMS, with only about half of them using it to consult on draft regulations and less than a quarter on plans to regulate. **Greece** posts all draft laws and regulations for consultation on its centralised platform, [opengov.gr](https://open.gov.gr), where people can comment and see what others are saying. **Estonia**, meanwhile, is developing an online platform that allows experts and other stakeholders to co-work on the same legislative text directly with civil servants across ministries. These tools not only make it easier for the public to participate in the regulatory process, but also provide people an avenue for more in-depth, substantive engagement.

Almost all EUMS complement open consultation on draft rules with more targeted forms of engagement with selected groups of stakeholders, such as relevant businesses, social partners, NGOs and/or citizen representatives (Figure 3.11). Trends are broadly similar between primary laws and subordinate regulations. Targeted consultation tends to be more common on draft rules than at earlier stages of rulemaking – 16 EUMS systematically consult selected groups when a regulatory draft has been prepared, whereas only 7 EUMS do so when policy problems first arise. This aligns with a broader trend of consultation generally being more common at later stages than at earlier stages (see Chapter 2).

Figure 3.11. EUMS use a variety of mechanisms for targeted engagement on draft rules

Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

The most common methods of targeted engagement include formally recorded and informal (i.e. ad hoc meetings at the policymaker's discretion) consultations with selected groups, used by almost all EUMS (Figure 3.11). Some countries may develop tailored focus groups depending on the policy area or the demographics most impacted by the proposal. Others may have “usual suspects” on their distribution list for draft proposals, like Chambers of Commerce or relevant academic experts. Whilst advisory groups and preparatory committees are also widely used, they tend to be used less frequently. The **European Union**, for instance, has a standing advisory body representing employers' and workers' organisations and other interest groups (the European Economic and Social Committee), while **Malta** has advisory groups in specific policy areas, from pensions to English language teaching.

Equipping people to participate meaningfully also requires making sure that they have the relevant context needed to develop informed and relevant input. EUMS provide a variety of supporting documents and information when consulting on draft rules, in addition to the text of the draft rule itself. RIAs are systematically provided by approximately around half of EUMS. RIAs are also relatively accessible outside of consultations, with most EUMS publishing them – at least for primary laws – on some online central registry, making it easier for people to find information on how potential rules may impact their lives and priorities (though this may occur after any consultations). However, when a decision is taken not to conduct a RIA, transparency is largely lacking: only three of the 18 EUMS where this decision *can* be taken for primary laws make this public.

As policy issues become more complex and technical, policymakers need to take steps to provide people with information that is clear and understandable. The ability of people to participate meaningfully can be hampered when the information shared by government is too complex. Rules should be articulated clearly to the public, in plain language that avoids technical jargon so that people can understand what the rule means for them and act accordingly (OECD, 2012^[3]). Some countries have requirements, guidance, or training initiatives for drafting rules using plain language (see Box 3.3). An effective mix of requirements and training can be especially important for helping policymakers and drafters navigate concerns of plain language creating legal ambiguity, inconsistency, or imprecision.

Box 3.3. Plain language use in Sweden: “everyone has the right to understand their rights”

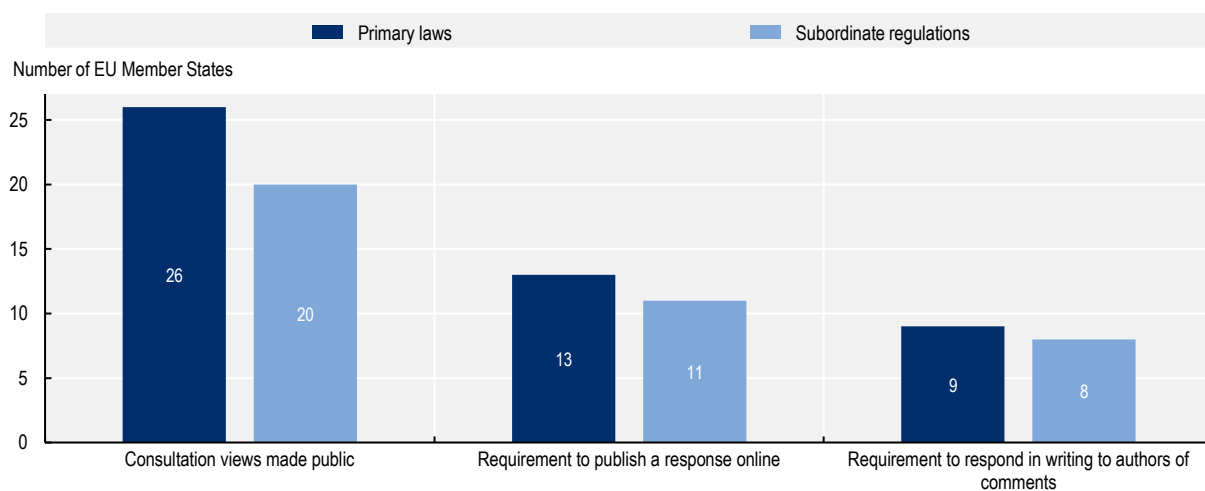
In 2009, **Sweden** passed the Swedish Language Act, which included a provision requiring the language used in the public sector to be clear, simple, and comprehensible. This requirement builds complements a suite of mechanisms to support the practical use of plain language in government documents:

1. The Prime Minister’s Office published guidelines on drafting rules in plain language, covering practical issues like avoiding long sentences and using headings.
2. Plain language experts work with legal advisors in the Government Offices at the Division for Legal and Linguistic Draft Revision to review all draft legislative texts.
3. The Institute for Languages and Folklore is responsible for plain language work in Sweden, which includes disseminating knowledge on practices to public authorities. Other types of training are also offered to public service employees.

Source: Swedish Institute (2022^[35]), [The language situation in Sweden](#).

Closing the consultation feedback loop helps to make participation more meaningful for people. By acknowledging and responding to comments, governments can actively demonstrate the role and value of public input in policymaking – though this is an area in which most EUMS have room to improve (Figure 3.12). In keeping with previous findings, virtually all EUMS now make views of participants in the consultation process on primary laws public (whether through summaries or individually), compared with 24 EUMS in 2017. However, more than a quarter of them still do not do so for consultations on subordinate regulations. Member States may also need to balance the need for transparency with relevant privacy concerns. In **Austria**, for instance, while all comments received are to be published on the Parliament’s website, those from private individuals are only published with their consent.

Figure 3.12. Government responses to comments remain relatively rare



Note: Data based on the 27 Member States of the European Union. Data for “Requirement to publish a response to consultation comments” is amalgamating positive answers that may include for all public consultations / for public consultations regarding major regulations / some public consultations.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Feedback includes providing information to people about how their input helped shape policies, which is linked to government responsiveness – something that people generally believe can improve. Less than half of respondents from the 2024 *OECD Trust Survey* considered that their government would improve a poorly performing service, implement an innovative idea to improve a public service, or change a national policy in response to popular demands (OECD, 2022^[32]). This is an area in which governments across the EU have an opportunity to improve, as only about half of them require policymakers to publish a response to consultation comments to explain how feedback has been used. In keeping with its Better Regulation Toolbox (European Commission, 2023^[6]), the **European Commission** services, for example, are required to publish within 8 weeks after closure a factual summary report to share the results of public consultations. In addition, a dedicated annex to the Impact Assessment summarises all consultation activities conducted in its context, including the public Call for Evidence and all other forms of consultation, and should also indicate how these views are taken into account. And when consultations are not undertaken, being transparent about the decision and rationale helps to show and encourage government accountability. Publishing information about why consultations were abridged or avoided altogether assists in ensuring that such occurrences are rare and for genuinely unforeseen events. There are 10 EUMS that publish instances where consultations were not conducted for primary laws, of which 6 provide reasons.

Use of better regulation tools at the negotiation phase of EU legal acts

The negotiation between Member States at the Council of the EU is an integral part of the design of new EU laws. Under the ordinary legislative procedure, the Council and European Parliament – acting as “co-legislators” – have to jointly agree on any proposal before it is adopted and can enter into force (Council of the EU, 2024^[36]) (see Chapter 1). In the process, these institutions can propose and agree amendments to the initial proposal put forward by the Commission. This may happen informally as part of the so-called “trilogue”, bringing together the co-legislators and the Commission as a mediator to reach a political agreement, or as part of a formal conciliation procedure that resolves conflicting amendments by both institutions.

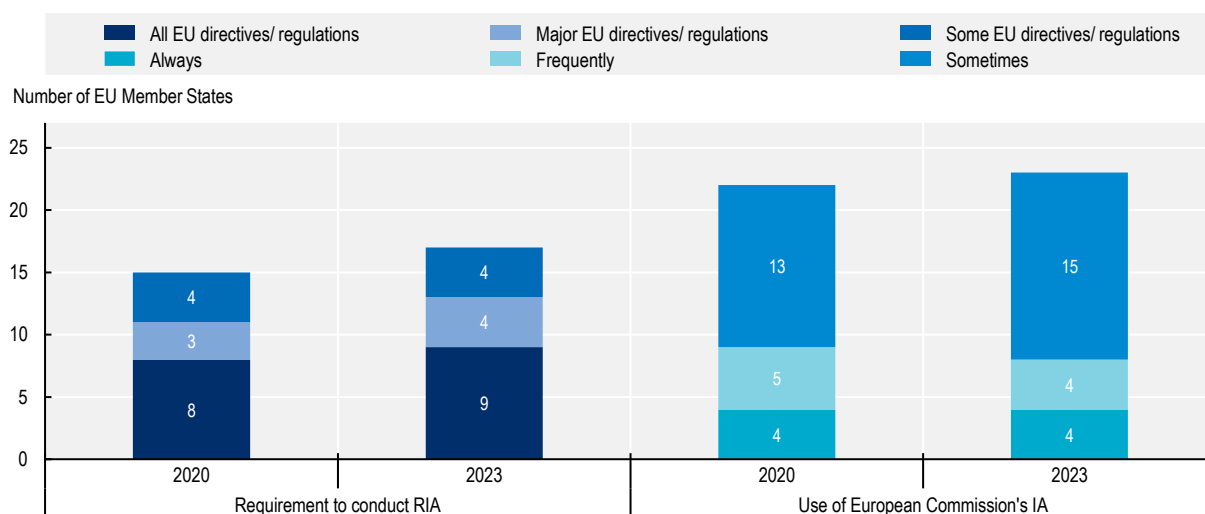
Amendments proposed by the Council of the EU during the “co-legislation” process that shape the final design of EU rules are at risk of not being supported by the best possible evidence. Whilst all legislative proposals developed by the Commission that are expected to have significant impacts and policy options are required to be supported by an impact assessment, the same is not the case for amendments proposed by the Council. Evidence suggests that “there are no cases at all where the Council has requested or prepared its own impact assessments (Meyers, 2024^[37]).” As a result – and despite commitments for evidence-based law making made in the 2016 Interinstitutional Agreement on Better Law Making (see Chapter 1), the amendments the Council proposes (and agrees together with the European Parliament) lack the benefit of being underpinned by sound evidence.

The way in which governments of EUMS prepare for and go into Council negotiations matters, as substantial amendments – if approved in the form of the final EU regulation or directive – will have direct consequences on people and businesses across the EU. Every Member State will rightly seek to defend their own interests in these negotiations but, to do so effectively, they must consider evidence and take into account stakeholders’ views before introducing and negotiating substantial amendments. This is especially important in light of the scant use of impact assessment by the Council itself. Systematic use of RIA and consultation by Member States at this stage can also help complement the Commission’s IA by focusing on the specific domestic impacts, including potential challenges with the transposition of directives into national law and implementation of EU law (see Chapter 4).

Regulatory impact assessment

Governments across the EU still do not systematically assess the likely impacts of Commission proposals to inform their national position for Council negotiations, meaning the outcome and final rules are not always based on the best possible evidence. Less than half of EUMS (13) have systematic requirements to conduct RIA to inform the national negotiation position for new EU regulations and directives. In general, there has been limited change in these requirements since 2020 (Figure 3.13). Self-reported data suggests that, where such requirements exist, they are also being followed through in practice. However, some EUMS have recently adopted new procedures in this regard, including **Spain** and **Portugal** (Box 3.4). The lack of a systematic approach to assessing impacts of draft proposals is also reflected in the absence of clear guidance available to officials to use RIA to inform a negotiating position (which only exists in about one-third of EUMS). However, by developing specific guidance EUMS could better cater to the specificities of the EU law-making process and ascertain how impacts will materialise at Member State level, especially since the initial Commission IA may not provide this level of granularity, as discussed below.

Figure 3.13. Only a minority of EUMS systematically assess impacts or use the Commission's impact assessment to inform a negotiating position for the development of new EU laws



Note: Data based on the 27 Member States of the European Union.
Source: OECD Indicators of Regulatory Policy and Governance (iREG).

EUMS have potential to further exploit synergies by using the Commission's impact assessments (IAs) to inform Council negotiations. In the context of a lack of systematic requirements to conduct a RIA of their own to define a negotiating position, using insights from the Commission's initial IA could provide EUMS with a helpful starting point to build a relevant evidence base. However, whilst most EUMS indicate using the Commission's IA for this purpose, most of them only do so "sometimes" (15) rather than "frequently" or "always" (4 each) (Figure 3.13). In these cases, the initial IA is typically used as general background, in particular with regards to the rationale of the intervention and its proportionality. The Council itself has prepared a "checklist" for assessing Commission IAs but reports suggest that this is not fully utilised in Council working parties to discuss IAs (Meyers, 2024^[37]). However, some EUMS also indicate that the Commission's IA is not sufficient to fully derive relevant domestic impacts, potentially limiting its usefulness in informing a negotiating position to promote national interests.

Box 3.4. Newly introduced practices to inform the negotiating positions of EU legislative proposals: Spain and Portugal

In September 2021, **Spain** introduced new requirements to develop an Impact Study on Legislative Proposals of the European Commission (EIPLE) for all proposals of EU regulations and directives in whose negotiation procedure the country intervenes. Accordingly, after the publication of a legislative proposal by the European Commission, the Secretariat of State for the EU of the Ministry for Foreign and EU Affairs designates a lead ministry to oversee all activities related to Spain's negotiation of the proposal, including the development of the EIPLE. The Secretariat may also designate other competent ministries to support the development of the EIPLE and provides an IT platform to facilitate and keep record of communication between relevant ministries. In addition to a description of the proposal, its procedural status, and the proposed Spanish negotiating position, the EIPLE also covers its expected impacts across a variety of areas, such as: legal, economic, budgetary, social, environmental, territorial, public sector and administrative burdens. During the development of the EIPLE, the lead ministry also conducts public consultations online with affected stakeholders, which may include citizens, interest groups, business and trade union associations, research offices, and experts. Once finalised, the EIPLE is submitted to the Secretariat of State for the EU for consideration. After the consideration of the Secretariat of State for the EU, the EIPLE, and its updates, are sent to the Interministerial Committee on European Union Affairs, for its formal examination and approval. Ministries are expected to update the EIPLE whenever substantive changes are made to the draft EU legal act as part of the legislative procedure, making it a "living document".

In 2022, **Portugal** adopted a decree-law to promote the participation of domestic stakeholders in the EU law-making process. Following the presentation of the EC's Annual Work Program, the Portuguese Council of Ministers establishes the country's priorities and general guidelines concerning the interests to be safeguarded during the negotiation of EU legislative acts. Subsequently, the Secretary of State for European Affairs leads a consultation process to define the national position on EU regulatory acts in preparation or under negotiation. This process aims to engage a broad range of stakeholders, including the autonomous regions, local authorities, social partners, and representatives of impacted economic or social sectors. After these consultations, the final national position on EU legislative proposals is determined by the relevant Ministry in co-ordination with the Prime minister. When deemed necessary by the Prime minister, the national position can also be deliberated and decided upon in the Council of Ministers. In this process, the established Technical Unit for Legislative Impact Assessment (UTAIL), provides technical assistance to ministerial offices, including the analysis of Commission impact assessments for draft regulations and directives to prevent excessive burdens and assesses the repercussions of adopted acts on the national territory, when considered necessary.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024; Government of Spain (2021^[38]), [Mejora del proceso de negociación e incorporación del derecho de la Unión Europea al ordenamiento jurídico interno](#); Government of Portugal (2022^[39]) [Decreto-Lei n.º 32/2022 - Procedimento de negociação de atos normativos da União Europeia](#).

Similarly, EUMS could create synergies by sharing relevant information and evidence between each other to inform Council negotiations and help ensure that impacts relevant to their country are taken into account. This could be particularly helpful early on in the process between countries expected to experience similar impacts from a draft EU law and to flag potential disproportionate impacts. However, there is also no evidence of specific mechanisms that EUMS are using to systematically share or exchange information and evidence on potential impacts of proposed EU directives/regulations with other Member States and the European Commission. Whilst evidence and expected impacts might be referred to in Council or Council Working Group meetings, a specific mechanism seems to be missing.

EUMS use different criteria to decide whether or not to conduct a RIA on a Commission proposal to inform their position for Council negotiations. Some countries (**Bulgaria, Latvia, Finland and Spain**) require a RIA to be conducted consistently for all proposals. In others (e.g. **Italy, Ireland, Estonia and Malta**), the significance of domestic impacts and national interest are primary decision factors. Other EUMS use a narrower focus to triage proposals that must undergo a domestic RIA at the negotiation stage. **Austria** focuses on budgetary impacts, both nationally and at EU level. In **Germany**, the *ex ante* check seeks to identify high or unnecessary compliance costs flowing from new legislative proposals early on when there is still an opportunity for changes to be made. Accordingly, any proposal where expected EU-wide compliance costs exceed EUR 35 million (in accordance with the Commission's IA) need to undergo an assessment by the competent ministry. This focuses on compliance costs for German economy, citizens, and administration. **Croatia**, while having no formal legal requirement to conduct RIA in preparing national negotiating positions encourages policymakers to perform a RIA to establish whether EU legislation will have domestic legal and financial implications. In the **Netherlands**, when a proposal for a binding EU legal act is received, the cross-government Working Group on the Assessment of New Commission Proposals identifies a lead ministry to complete a standard assessment form (BNC-fiche), which includes a descriptive summary of the proposal and its expected financial, legal and policy impacts for the country as well as an assessment, especially against principles of subsidiarity and proportionality. After further cross-government co-ordination, the BNC-fiche, including the Dutch negotiating position, is submitted to the Council of Ministers for approval. A summary of the fiche is also shared with both chambers of parliament and adopted BNC fiches are publicly available on [the website](#) of the Knowledge Centre for Decentralised Europe.

Where countries do conduct RIA to inform a national position for Council negotiations, they generally follow different processes than for regulations originating domestically. Only four EUMS indicate that they follow the same processes. Differences can be either procedural (how the analysis is presented and used) or substantive (what impacts are covered). In some countries, for instance, like **Austria** and **Sweden**, the assessment focuses on financial impacts for the government or implications on the country's legal framework. In some countries, results of the assessment are shared alongside with the negotiating position with the national parliament for transparency reasons or to formally seek approval of a mandate (**Denmark, Finland**).

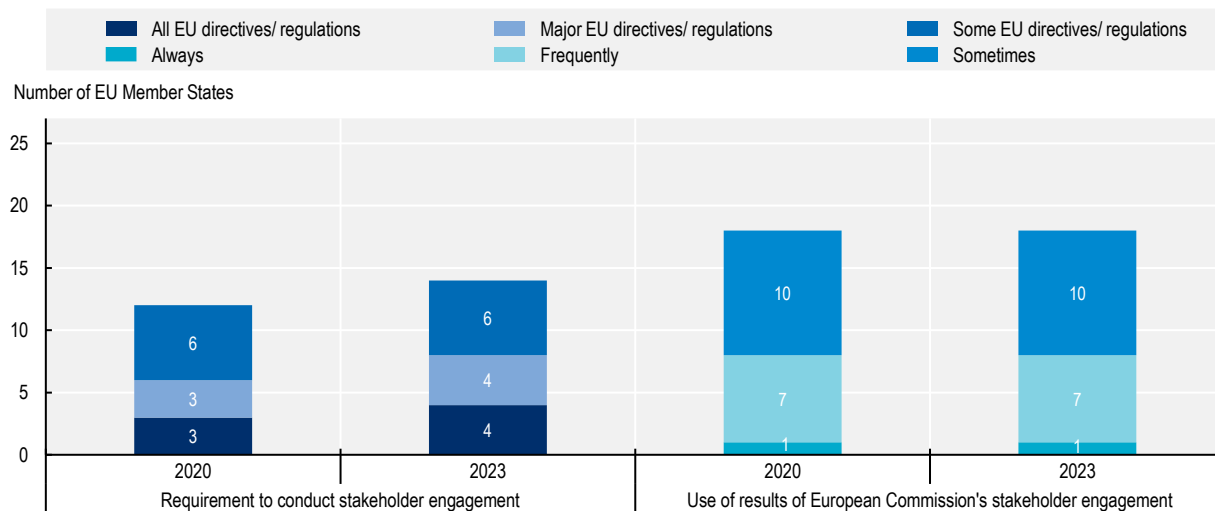
Stakeholder engagement

Member States do not systematically organise national consultations to gain insights from stakeholders, who will ultimately bear the impact of new EU laws. Whilst officials in around half of EUMS are obliged to engage stakeholders to inform a negotiating position, only in one-quarter are these requirements systematic for all or major EU directives and regulations (Whilst engagement with domestic stakeholders can help illicit how impacts of a proposed EU law might pan out at a national level, reviewing insights from the Commission's consultation process (e.g. contained in the published "synopsis reports") could help policymakers understand broader stakeholder concerns to prompt domestic considerations. However, out of the 18 EUMS considering stakeholder views in this fashion, most (10) do so only "sometimes".

Figure 3.14). Where engagement is required, this typically remains focused on engagement with selected groups of stakeholders – the obligation to conduct public consultations remains the exception (with 9 EUMS in total). This is consistent with the low number of EUMS – less than one-quarter – that provide guidance to officials on how to engage stakeholders at this stage of EU law making.

Whilst engagement with domestic stakeholders can help illicit how impacts of a proposed EU law might pan out at a national level, reviewing insights from the Commission's consultation process (e.g. contained in the published "synopsis reports") could help policymakers understand broader stakeholder concerns to prompt domestic considerations. However, out of the 18 EUMS considering stakeholder views in this fashion, most (10) do so only "sometimes".

Figure 3.14. Stakeholder engagement remains underutilised to inform national negotiating positions for EU laws



Note: Data based on the 27 Member States of the European Union.
Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Member States have an important opportunity to inform the design of new EU rules by boosting the participation of domestic stakeholders as well as officials in the Commission's public consultations. The views – be they from government officials or external stakeholders – can shed light on impacts that might befall a particular Member State in a disproportionate way, e.g. due to its market size or relative importance of certain sectors. As part of its commitment to increase awareness and participation in public consultations, the Commission committed in 2021 to collaborating more closely with the Committee of Regions, the European Economic and Social Committee, national authorities, social partners, and other associations in the dissemination of calls for evidence at national and regional levels, with support from the Commission's Representations in EUMS and EU Delegations (European Commission, 2021^[40]).

Governments in most EUMS report facilitating the engagement of domestic stakeholders (19) and government officials (14) in the consultation process conducted by the European Commission in the development of new EU rules. Most countries publish the link to consultations on the government and/or ministry websites. For example, in **Romania**, expert officials representing the government in EU Council or Commission working groups are responsible for facilitating the engagement of domestic stakeholders by publishing announcements regarding public consultations on the competent ministry's website. Newsletters and online communication, such as emails, are also used (e.g. **Belgium**, **Cyprus** and **Sweden**) to prompt stakeholders. In **Italy**, the Department for European Affairs of the Presidency of the Council of Ministers co-ordinates EU policy, sends consultation documents and promotes and publishes key EU consultations and national responses on its [website](#). Experts from EUMS are also often participating in targeted consultations.

Regulatory design has traditionally been the focus of better regulation in EUMS, with practices to analyse evidence through RIA and engagement with stakeholders well embedded in their rule-making processes. Whilst practices at this stage are relatively well developed – especially compared to implementation (Chapter 4) and evaluation and review (Chapter 5) – governments across EUMS have scope to do more to truly focus the design of new rules on people. This includes adjusting the kind of evidence they gather and how they analyse it and further enhancing openness and transparency of the process. Considering the negotiations and potential amendments introduced by the Council as an essential step of the design of final EU laws, EUMS also have room to improve their use of evidence and engagement with stakeholders.

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Note

¹ Macroeconomic costs are cost impacts on key macroeconomic variables such as GDP and employment caused by regulatory requirements.

4

Securing impact through monitoring and implementation

Once a rule has entered into force, governments need to take steps to foster compliance and observe outcomes. The implementation of laws and regulations through various mechanisms fundamentally shapes their real-life impact and perception by citizens and stakeholders. This chapter assesses to what extent governments across the EU plan early how they will implement and monitor rules. It also looks into the use of “smart” risk-based and data-driven approaches in their implementation that maximise efficacy and limit burdens. In addition, the chapter examines how Member States use better regulation tools and co-ordinate throughout the implementation of EU law, in particular when transposing directives into domestic law.

Key messages

- **The implementation and delivery of laws and regulations is critical to securing impact and achieving government objectives** – whether that is keeping people safe, protecting the natural environment or ensuring the proper functioning of markets. Once in force, the real-life impact of laws and regulations depends on whether they are implemented “on the ground”, and how – government action to drive up compliance determines how effective a rule will be in driving behavioural change and meeting policy goals, no matter how well it is designed. Implementation also fundamentally shapes how people and businesses perceive and experience rules, be that as fair and proportionate, or on the contrary, as a source of unnecessary burdens and obstacles. For example, overly complex reporting requirements can weigh heavily on businesses, especially smaller ones, putting competitiveness at risk.
- **Governments across the EU need to invest more into planning how rules will work out in practice.** Once a law or regulation enters into force, public authorities need to enforce it and encourage compliance. This can be achieved through a variety of delivery mechanisms ranging from awareness-raising campaigns, issuing licenses and permits, formal inspection and enforcement regimes and, as a last resort, sanctions for non-compliance. Planning early for these mechanisms, often carried out by decentralised agencies and/or at lower levels of government, can act as a “reality check” and pave the way for smooth implementation. Only a minority of EU Member States (EUMS) require policymakers to identify enforcement mechanisms and assess levels of compliance, suggesting that, too often, implementation comes as an afterthought. This creates a risk that rules might work well in theory but not in practice.
- **EUMS can improve the effectiveness and efficiency of how rules are enforced on the ground.** To make the best use of taxpayers’ money and avoid undue burdens on businesses, governments need to be “smart” in how they deliver and enforce rules. This starts with focussing on those areas where non-compliance would have the most severe consequences. Using risk analysis to guide inspection and enforcement activities – e.g. basing their frequency on the level of risk posed by a certain business (activity) – helps maximise the use of government resources without compromising outcomes. It also ensures proportionality, limiting regulatory burdens, and fosters a more conducive business environment. The use of data analytics and machine learning can help better understand, predict and identify risks associated with specific (economic) activities. At present, only a minority of governments in the EU actively encourages inspection and enforcement authorities to base activities on risk and to use data-driven approaches.
- **Governments across the EU need to step up efforts to track how rules perform in practice to prevent them going “out of sight, out of mind”.** Monitoring the implementation of rules and their real-life outcomes based on clear measurable targets helps policymakers understand if rules are achieving their objectives. This evidence, in turn, is valuable for informing future review and improvements. Sharing monitoring data publicly also supports transparency and can demonstrate government effectiveness. To set up systematic monitoring, policymakers need to determine early on what kind of data or other evidence is needed and how to collect it. Despite some progress over recent years, only a few EUMS require a methodology and/or clear indicators to assess progress towards policy goals when rules are prepared – potentially leaving decision makers as well as the public in the dark as to the effectiveness of rules.

- **EUMS have scope to improve the domestic implementation of EU law to ensure the smooth functioning of the Single Market and minimise burdens.** The implementation of EU law is largely within the purview of the 27 Member States and, in the case of EU directives, starts with their transposition into domestic law. Whilst this process is generally supported by an impact assessment, the risk of “gold-plating” – the addition of requirements that go beyond those of the directive – often remain unchecked. In addition, consultation procedures tend to be less open than for rules originating domestically, foregoing the views from wider stakeholders and citizens. As a result, transposed EU directives can be difficult to comply with and create unnecessary and/or unjustified regulatory costs, leading to a fragmentation of the Single Market.
- **There remain opportunities for closer collaboration and to pool evidence to improve the implementation of EU law.** Sharing information among EUMS and the European Commission throughout the development and implementation of EU law is vital to ensure a level playing field across the Single Market and keep rules practical. It also empowers Member States to learn from each other and foster synergies. In the absence of specific evidence sharing mechanisms for transposition, this potential remains untapped as only a handful of Member States actively use each other's or the Commission's impact assessments to inform the transposition of EU directives. Similarly, the feedback loop to inform the review and potential update of EU laws remains incomplete, as only a small minority feed results from their *ex post* evaluations back to the European Commission.

Introduction

A rule will only ever be as effective in achieving impact as its implementation on the ground, no matter how well designed it is. Once in force, the effectiveness of a law or regulation depends on the ability of governments to foster compliance and drive behavioural change. For instance, food safety regulation aims at ensuring that the food people eat is safe; however, if regulators are overstretched or otherwise unable to verify that rules are followed in practice, people are exposed to potential harm. For example, a newly established “dark kitchen” operator may inadvertently not be following required hygienic practices – if regulators are unable to detect such cases of non-compliance and intervene to rectify, food quality might be compromised putting people's health at risk. As such, implementation is critical to securing the desired impact of rules in mitigating risks, ensuring health and safety or protecting the environment.

Implementation also fundamentally shapes how people and businesses perceive and experience rules. For instance, they may find it easier to understand and comply with inherently complex reporting requirements, provided that they are communicated plainly and delivered through efficient digital filing systems. Rules that are enforced consistently and proportionately may be seen as fairer and more legitimate. On the other hand, inefficient implementation can have tangible consequences, like unnecessary burden, confusion, compromised trust in government, or an uneven playing field for businesses (OECD, 2014^[1]).

In the EU context, where consistency and a level playing field are critical to the functioning of the Single Market and the free flow of goods, services, people, and capital, the impact of inefficient implementation comes at a high cost. As highlighted in the Letta (2024^[2]) report, refining the application of existing regulations on goods and services can potentially unlock efficiency gains amounting to EUR 700 billion by 2030. The European Commission has recognised implementation as a critical priority and, through its Communication on implementation and simplification “A simpler and faster Europe” (2025^[3]), strengthened its commitment to reducing administrative burdens for businesses by at least 25%, and by at least 35% for SMEs. It also announced plans to “stress test” the EU *acquis* and to organise regular implementation dialogues with stakeholders.

As rules are transformed from theory to practice, ongoing monitoring¹ of real-world impacts and outcomes helps create an evidence base for ongoing improvement and accountability. When governments actively track the enforcement and impact of rules, for instance through compliance rates or other KPIs and measurable targets for the policy objective, they can quickly identify gaps, unintended consequences, or areas where compliance is lagging (OECD, 2018^[4]). Using this data allows for timely adjustments or support, helping businesses and individuals better understand their obligations. It also allows for proactively targeting high-risk areas, streamlining processes in low-risk areas, and closing loopholes that undermine the rule's functioning (OECD, 2014^[1]). All the while, the data gathered through monitoring – especially if based on measurable targets and KPIs – also contributes to an objective evidence base to inform future review and renewal of the political agenda (discussed in Chapter 5). Making relevant data and KPIs available to the public also empowers citizens to hold decision makers accountable and can facilitate effective parliamentary scrutiny.

This chapter scrutinises how governments across the EU can secure lasting impact through evidence-driven and consistent implementation of their laws and regulations, avoiding unnecessary barriers for citizens and businesses. It first considers how policymakers can ensure their rules are reflective of realities on the ground by embedding compliance and enforcement considerations into the early stages of rulemaking. The following sections of the chapter look into efforts across EUMS to harness the potential of risk-based approaches, as well as data-driven and joined-up approaches to maximise the efficacy and proportionality of rules.

This chapter also includes a focus on the use of better regulation tools in relation to the implementation of EU law, which is largely a responsibility of the Member States. After the adoption at EU level, Member States need to take the necessary measures to ensure directives are transposed and regulations are implemented correctly and in time. Incorrect or delayed transposition and implementation measures can pose a risk to the effective implementation of EU law across the Union. The addition of national provisions in transposition measures that go beyond the requirements of the directive – known as “gold-plating” – can further undermine the cohesion of the Single Market. With their pivotal role in mind, this Chapter concludes by looking specifically at how Member States approach the transposition and implementation of EU laws.

Embedding monitoring and enforcement upstream

Planning for effective monitoring and enforcement needs to be embedded early in the policy-making process. Using relevant evidence is critical in demonstrating the effectiveness of government interventions and to strengthen accountability. New or changed rules should be monitored by policymakers by drawing on reliable data and other information to gauge real-life impacts (OECD, 2012^[5]). Similarly, considering how a rule should be implemented through different enforcement mechanisms helps to ensure it is practical.

Monitoring progress

Observing and publishing performance against measurable targets – be it to protect people from food poisoning when they eat out or keeping rivers and wetlands safe from wastewater – enables officials to understand what works and what does not and allows people to scrutinise government action. To ensure that can occur, policymakers need to set the foundation for future monitoring when the rules are being designed. This includes, for instance, establishing the processes for gathering, analysing and reviewing data and other evidence. As they draft rules, policymakers should therefore simultaneously consider how it will later be determined whether requirements are working as intended, both in terms of effectiveness (“does it achieve its objective?”) and efficiency (“does it use more resources than is necessary?”) (OECD, 2020^[6]).

Overall, governments across the EU have scope for improvement when it comes to monitoring the implementation and impact of their rules. Despite some slight improvements over the years, the number of EUMS requiring to set out a process for assessing progress in achieving the goals for at least for major new rules is only at about half (14 in 2024 up from 8 in 2017 for primary laws and 10 up from 6 for subordinate regulations). In addition, not all of them underpin this with a clear methodology and indicators that measure progress (Table 4.1). Even fewer require indicators that measure the contribution towards a country's more strategic long-term goals, which could help ensure policy coherence. The lack of clear methodologies and indicators compromises governments' capability to monitor rules post-implementation, leaving ineffective or obsolete rules that undermine social, economic, or environmental goals unnoticed. As an example of positive adoption, the **Romanian** Government Decree No. 443 from 2022 provides that each normative act should 1) specify whether there is already a monitoring system regarding aspects within scope of the act; 2) a description of the way in which the impact of the act will be monitored; and 3) the indicators that will be monitored for the purpose of evaluating the results of the normative act will be listed.

Table 4.1. Less than half of EUMS set out a methodology or indicators to assess achievement of goals

	Requirement to specify in the development of regulation...					
	The methodology of measuring progress in achieving a regulation's goal		Indicators that can measure:			
			Progress in achieving the immediate policy goals		The contribution towards a country's long-term goals or agenda	
	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations	Primary laws	Subordinate regulations
Austria	No	No	Yes	Yes	Yes	Yes
Belgium	No	No	No	No	No	No
Bulgaria	Yes	Yes	Yes	Yes	No	No
Croatia	No	No	No	No	No	No
Cyprus	No	No	No	No	No	No
Czechia	No	No	Yes	Yes	No	No
Denmark	No	No	No	No	No	No
Estonia	Yes	No	Yes	No	No	No
Finland	Yes	Yes	Yes	Yes	No	No
France	Yes	Yes	Yes	Yes	Yes	No
Germany	Yes	Yes	Yes	Yes	No	No
Greece	No	No	No	No	No	No
Hungary	No	No	No	No	No	No
Ireland	Yes	Yes	No	No	No	No
Italy	Yes	Yes	Yes	Yes	Yes	Yes
Latvia	No	No	No	No	Yes	Yes
Lithuania	Yes	Yes	Yes	Yes	No	No
Luxembourg	No	No	No	No	No	No
Malta	No	No	No	No	No	No
Netherlands	No	No	No	No	No	No
Poland	Yes	Yes	Yes	No	No	No
Portugal	No	No	No	No	No	No
Romania	Yes	Yes	Yes	Yes	Yes	Yes
Slovak Republic	No	No	No	No	No	No
Slovenia	Yes	No	No	No	No	No
Spain	No	No	No	No	No	No
Sweden	No	No	No	No	No	No
European Union	Yes	Yes	Yes	Yes	Yes	Yes

Note: Data for the European Union reflects requirements and practices of the European Commission.

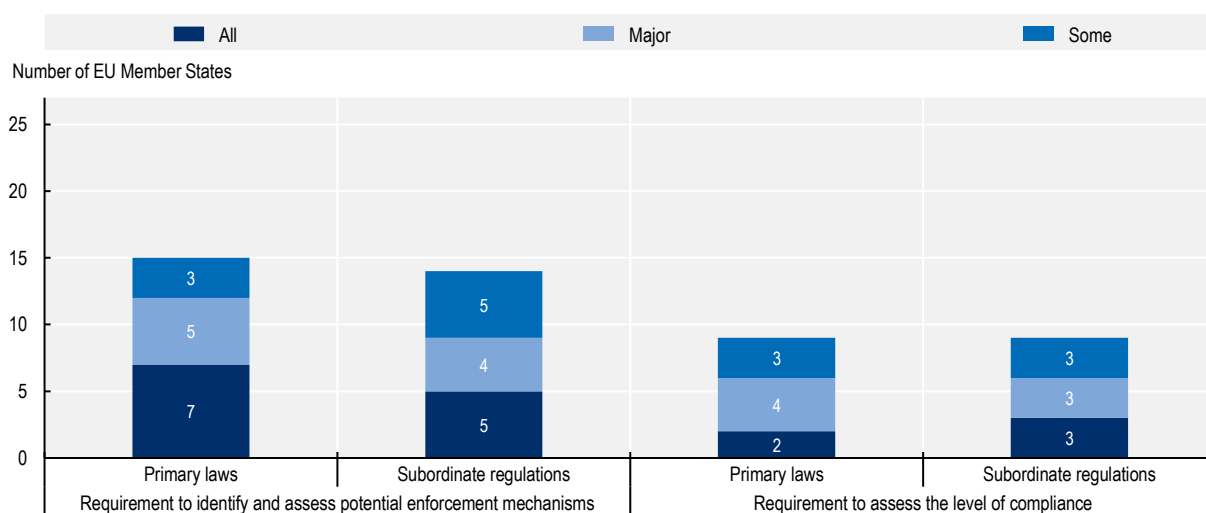
Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Despite the general lack of indicators and methodologies to measure progress against the objectives of rules, there are notable practice examples of EUMS gathering, analysing and making relevant data publicly available. In **France**, a *circulaire* from 2019 requires each legislative proposal to be supported by five impact indicators to enable policymakers to effectively measure the achievement of policy objectives. These indicators must be presented when the draft law is tabled in cabinet and included in the impact assessment. At a broader level, France has established in 2021 and revised in 2023 the *Baromètre des résultats de l'action publique*,² which provides the public with a real-time overview of the progress made against 60 key policies, grouped under four priority areas. Each policy objective is underpinned by one or more progress indicators and additional information provides context on impacts at a regional or local level.

Planning for enforcement and inspections

Governments in EUMS still have some way to go to create effective linkages between upstream (design) and downstream (delivery) considerations of regulation that can boost the impact rules might have in practice. Regulatory enforcement, i.e. the activities conducted by or on behalf of public authorities aimed at promoting compliance and reaching regulations' outcomes can take a variety of forms, including: issuing information and guidance, data collection and analysis, or inspections (OECD, 2014^[1]). To make sure rules are grounded in reality, policymakers must plan ahead to select the most effective (mix of) enforcement tools and anticipate expected compliance levels. However, most EUMS still do not systematically hardwire early consideration of regulatory delivery into the development of rules, suggesting that implementation remains somewhat of an afterthought (Figure 4.1). Only around one-third of EUMS identify and assess potential enforcement mechanisms for all or major rules when designing them, with very limited movement since 2017; still fewer assess expected levels of compliance.

Figure 4.1. Most EUMS do not systematically consider implementation issues when they develop new rules



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Gaps in planning for implementation can impede the effectiveness of rules once adopted. For instance, policymakers might realise too late that they have not required reporting of necessary information or if there are insufficient public resources to carry out the necessary inspection schedule. To prevent this, the **Netherlands**, developed an implementation test to identify early any adjustments necessary to facilitate

implementation while they are still feasible (Box 4.1). The implementation test was used, for instance, to verify the feasibility of proposed entry into force timeline for corporate tax relief rules (Knowledge Centre for Policy and Regulations, 2023^[7]).

Box 4.1. The Netherlands' “*ex durante*” implementation test

In 2023, the **Dutch** government developed an implementation test (*Invoeringstoets*) to better understand how regulations work out in practice and what can be improved. Its objective is to provide an early feedback loop to identify necessary adjustments while they are still feasible.

The implementation test is designed to be conducted at the earliest possible moment when meaningful observations from implementation can be made. As such, it is an “*ex durante*” test that provides early insights into perceived bottlenecks for the regulation’s target group and the implementing organisation. It thereby seeks to potentially reveal early signs of failure and to enable course corrections rather than to definitively confirm the effectiveness of the regulation. A series of core questions guide the test:

1. How does the scheme work out for the people, organisations or companies for whom it is intended?

- A. How is the scheme experienced by the target group and other stakeholders?
- B. Are there any bottlenecks or unintended effects in practice? (for example, ICT problems or discriminatory aspects)
- C. To what extent does practice correspond with the assumptions from the preparatory phase of the scheme?

2. How does the scheme work out for implementation?

- A. How is the implementation of the scheme experienced by the implementing organisations?
- B. Are there any bottlenecks or unintended effects in the implementation practice?
- C. To what extent does practice correspond with the assumptions from the implementation test?

The implementation test offers several benefits. Firstly, it enables quicker and more effective responses to feedback received (from citizens, implementing organisations, and businesses) about how new regulations are working in practice, allowing adjustments or its early termination. Furthermore, it aids implementing organisations by allowing them to report practical obstacles back to policymakers. Lastly, the implementation test can help the House of Representatives enhance its legislative, supervisory, and representative roles. Experience from initial trials of the innovation tests have been shared across the administration through a dedicated network and have fed into a guideline published in October 2024.

Source: Government of the Netherlands, Knowledge Centre for Policy and Regulations (KCBR), <https://www.kcbr.nl/themas/themas-z/invoeringstoets>.

Maximising effectiveness and efficiency through a focus on risk

Governments need to be “smart” and methodical in how they implement rules in order to maximise their effectiveness and efficiency in keeping people safe, while also limiting burdens on businesses. Testing and inspecting every individual product and business on an ongoing basis is neither achievable (limited resources) nor desirable (unnecessary burdens). Smart implementation of rules involves focussing compliance and enforcement activities on the level of risk they seek to mitigate and targeting interventions and actions, such as inspections, accordingly (OECD, 2021^[8]).

In this landscape, regulators' approaches should generally aim to focus on the positive promotion of compliance, with punishment as a last resort. To do so, inspectors should rely on a wide range of tools towards regulated entities that allow both i) providing guidance to those who are not yet fully aware of complex requirements or do not understand them, and ii) only adopting appropriate punitive measures against businesses for the most severe cases of infringement, where they actively and knowingly create significant risks or engage in criminal activities (Ayres and Braithwaite, 2016^[9]). Helping businesses comply and rewarding those who do so voluntarily and spontaneously can help nurture a common interest towards the protection of public goods (e.g. health, safety, environment) and, thereby, help strengthen trust between the public and private sectors.

Risk-based enforcement and inspections

All enforcement activities, including inspections, should be informed by an analysis of risks, understood as a combination of the likelihood of an adverse event and the potential resulting magnitude of harm (OECD, 2021^[8]). Public authorities can use risk assessment to target the most pressing challenges. More targeted enforcement can help focus on those areas where rule breaches are the most likely and/or have the gravest consequences. Doing so not only helps to upkeep vital protections for citizens and the environment, but also minimises burdens on businesses and saves public resources. For instance, data analysis, mathematical models and information systems can be used to predict where non-compliance is most likely to occur. This enables regulators to tailor their inspection regime to target those businesses that are most likely to be non-compliant (see Box 4.2).

Box 4.2. Using data to anticipate non-compliance in Italy's Lombardy and Campania regions

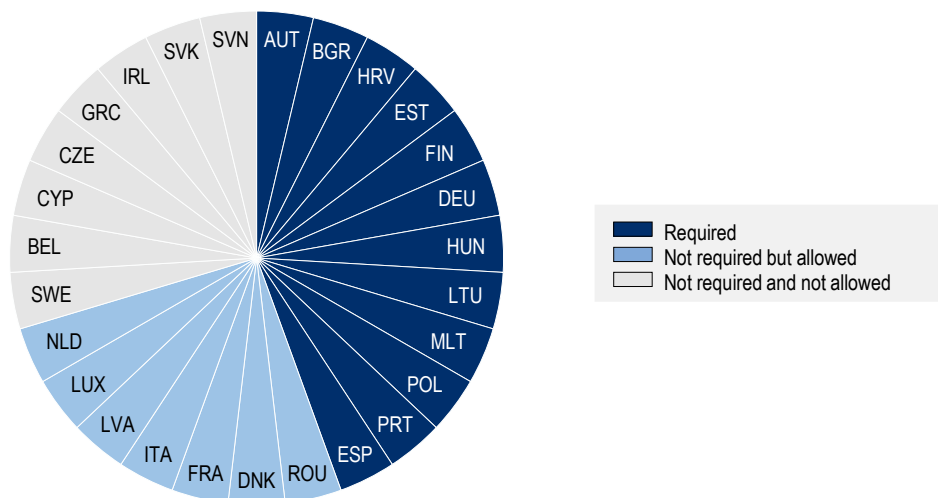
Using food inspection results in Lombardy and Campania regions, a compliance analysis was conducted to mitigate risks. Each inspection entails checks on various procedures (e.g. surface cleanliness, animal welfare). Assuming that a company in non-compliance of any of these points is probably also in breach of others, statistical correlations can predict compliance issues.

Companies that were in breach in the past were also more likely to be in breach in subsequent inspections. These observations allow authorities to focus resources on companies most at risk and help them achieve compliance. For instance, the analysis of the historical inspections in food safety revealed correlations between the outcomes of different inspection procedures of the same company. This paves the way for the possibility of inferring compliance variations for aspects not yet inspected. Therefore, the tool could be used both as a self-assessment system for the company and as a "probability" component for a complete risk-assessment system.

Source: OECD work in Italy.

Enforcement and inspection activities are typically delegated to arms'-length bodies but central governments in EU countries can play an important role in setting expectations and enabling them to adopt risk-based approaches. However, evidence suggests that governments of EUMS can better encourage the adoption of risk-based approaches to inspections and enforcement, as only around half of EUMS actively require their inspection and enforcement authorities to base their activities on risk criteria (Figure 4.2). Around one-quarter allow such approaches but do not actively require them, whilst the remaining EUMS do not allow such approaches at all. This puts a question mark behind how risk-based approaches are currently being used to boost effectiveness and efficiency of rules. Similarly, only 9 EUMS report having a regulation and/or policy document that explicitly allows for differentiated responsive enforcement (i.e. depending on the profile, compliance history and behaviour of specific businesses).

Figure 4.2. Most EUMS allow – or even require – inspection and enforcement authorities to base their activities on risk but gaps remain



Note: Data based on the 27 Member States of the European Union.

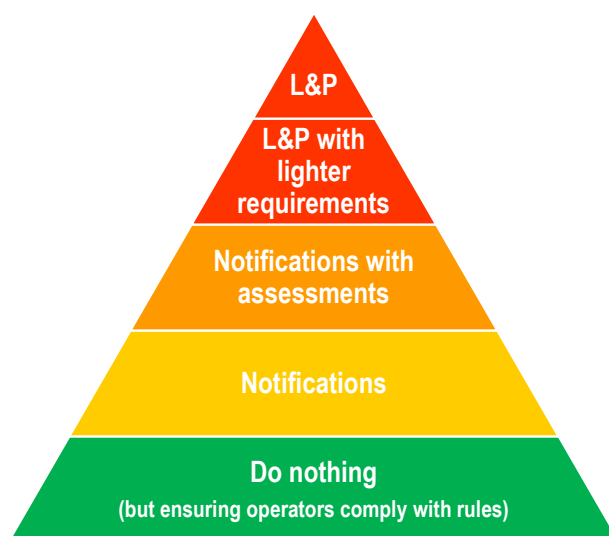
Source: OECD Indicators of Regulatory Policy and Governance (IREG) 2024.

Allowing, and even mandating, the use of risk-based approaches is insufficient if there is no proper understanding of what they actually mean, and how to implement them. Authorities need to translate findings from gathering data and risk analysis to proactively target their inspections (OECD, 2018^[4]). In the Autonomous Province of Trento in **Italy**, the Agricultural Payments Agency (APPAG) distributes payments to farmers based on land management practices, such as manual mowing or limited pesticide use, with contributions proportional to land size. Given the limited regional resources for inspection, APPAG seeks to prioritise inspections based on the level of risk. To do so and to improve precision, the agency applied machine learning techniques to validate and refine its risk criteria, making it easier to identify high-risk cases and improve non-compliance detection. Proportionality and risk-responsiveness mean that, even if a violation is found in a business that is usually compliant (or is a new business), but this violation is particularly egregious and poses very serious threats to life, health or other essential public goods or rights, the enforcement response should be stronger and more coercive than in cases where violations are relatively less egregious and do not create an imminent hazard (OECD, 2014^[11]).

Risk-based licensing and permitting

Consideration of risk should also guide authorities' approach to licensing and permitting. Whilst licensing and permitting are an important part of the regulator's toolkit for ensuring compliance with rules and enabling responsible economic development, they should only be used when necessary to safeguard against risks to people and the environment. In cases where hazards are limited and/or the probability and intensity of harm is low, considering a more proportionate regulatory tool that imposes less burden on regulators and businesses alike, such as notifications, may be appropriate (Figure 4.3) (OECD, forthcoming^[10]). If and where licensing and permitting is needed, aligning processes and requirements with the level of risk avoids bureaucratic hurdles for businesses that hinder the commercialisation of innovation and take up excessive government resources to administer. If an activity is considered low risk, for instance, less information may be asked for in the licence application or lighter reporting may be required to maintain a license (OECD, forthcoming^[10]). In **Portugal**, under the Responsible Industry System, thresholds based on the level of environmental and food safety risks are being used to determine both, whether licensing should apply and, if so, the level of information and reporting obligations imposed on a business.

Figure 4.3. Illustrative example of proportionate risk mitigation tools



Source: OECD (forthcoming^[10]), Best Practice Principles for Licensing and Permitting: Mitigating Risks and Incentivising Growth.

Risk-based licensing and permitting has played an important role in fostering the safe development of renewable energy technologies, which is critical in achieving the EU's objectives under the European Green Deal. In the case of environmental protection and in order to speed up the green transition, substantial efforts are needed to: 1) minimise the use of permitting, e.g. for the use of hydrogen applications, (and related information obligations and requirements) to what is strictly necessary, while 2) ensuring risk proportionality throughout the permitting process and 3) ensuring risks are assessed in a comprehensive context that accounts for various trade-offs (OECD, 2023^[11]) (OECD, 2014^[1]) (OECD, forthcoming^[10]). The flexibility to enable a proportionate approach to licensing needs to be built in upstream, including by specifying scenarios in legislation can enable regulators to enhance or relax requirements according to the level of risk. For instance, low-risk and generally small-scale renewable energy installations, like small-scale solar installations, can have simplified processes as the safety issues (both to environment and the public) are not severe. This is already taken into account in European countries where an environmental impact assessment is not required for small-scale projects (OECD, 2024^[12]).

Regulators have found it challenging to balance safety risks associated with the deployment of renewable energy technologies with the slow permitting processes resulting from technological uncertainty. If a risk is known to exist but its probability and magnitude of harm are uncertain or unknown, the precautionary principle (PP) can inform the approach of risk assessments (OECD, 2023^[11]). However, as the PP often works with worst-case scenarios, which can lead to the “exaggeration of real risk” (OECD, 2023^[13]), an over-application can undermine the pace of green innovation. To ensure balanced delivery of regulation, the government must regularly consider whether increasing or decreasing the stringency of regulatory frameworks as scientific insights on risk evolve (European Commission, 2023^[14]). Here, cost-benefit analysis (CBA) can provide a clear picture of the risks, advantages and disadvantages of a range of options to guide regulatory delivery.

The OECD recommends looking at risks or public concerns together and how they interact with climate risks, rather than considering them in isolation (OECD, 2023^[13]). In licensing and permitting of low emissions infrastructure, risks need to be assessed in a wider systemic and cumulative context that accounts for trade-offs (e.g. the trade-offs between the harms of climate change and the safety risks from producing, transporting, storing and using low carbon energy). Co-ordination between different authorities can help build a complete understanding to inform risk assessment. The need for co-ordination and holistic risk assessments also form part of the six lessons learned from hydrogen deployment in the **Netherlands**, which were identified by the OECD (see Box 4.3).

Box 4.3. Six lessons to foster hydrogen permitting in the Netherlands

Policymakers and regulators tend to take a more cautious approach towards permitting new technologies because of an unclear understanding of the way safety works. Regulators struggled to balance safety risks from the deployment of hydrogen technologies with slow permitting due to technological uncertainty. Six lessons were identified to support the transition toward widespread use of low-emission hydrogen in the Netherlands:

Advances in knowledge and technologies allow for better management of hydrogen risks.

1. Holistic risk assessments can ensure regulation effectively balances the multiple risks at stake.
2. Additional caution should be applied where necessary and when risks are still largely unknown.
3. Focusing on outcomes rather than prescribing detailed procedures can support efficient licensing, inspection, and enforcement practices.
4. Effective communication and guidance can support public trust and an enabling investment climate.
5. Role clarity, effective co-ordination and sufficient resources can empower public institutions to keep pace with changes.

Source: OECD (2023^[11]), [Risk-based Regulatory Design for the Safe Use of Hydrogen](#).

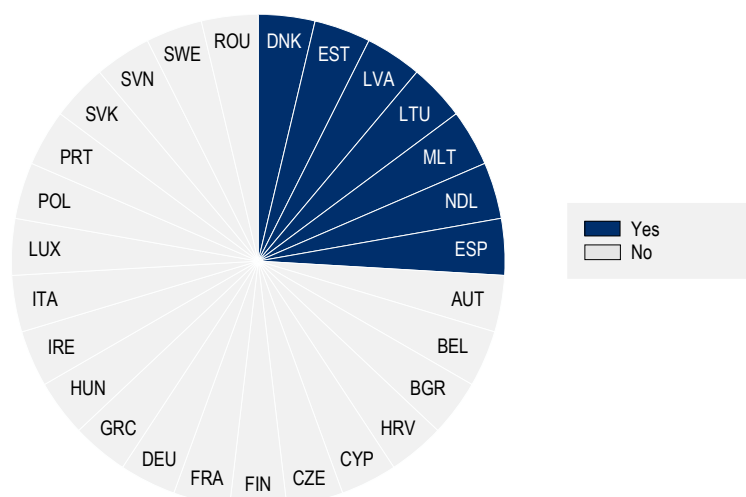
Data-driven and joined-up approaches to regulatory delivery

Advances in technology and a more interconnected society create new challenges as well as opportunities for governments to rethink how rules are delivered. The ability to gather and process large amounts of data in real time and using algorithms for risk analysis and prediction, enables regulatory enforcement agencies to monitor how rules are working in practice and identify non-compliance at pace. At the same time, risks have become more globalised and increasingly transcend national borders, making information exchange and concerted action critical to keeping people safe and protecting the environment. This is particularly the case in the highly integrated EU Single Market. However, most EUMS are yet to unleash the full potential of data and co-operation to improve how rules are monitored and enforced on the ground.

Data-driven approaches to monitoring and enforcement

Approximately three-quarters of EUMS are not applying data-driven approaches (Figure 4.4). Such approaches rely on the collection, utilisation and publication of (big) data to expand regulatory capacity and to improve the design, delivery, and review of laws and regulations. They can be supported by big data analytics, Artificial Intelligence, the Internet of Things, cloud computing, augmented reality, unmanned aerial vehicles, blockchain and open APIs. Data-driven approaches enable regulators to more effectively and efficiently monitor how rules are working in practice and/or to inform enforcement strategies. They can also provide a continuous, real time feedback loop of evidence into the policy-making process, making regulation more adaptive to changing circumstances. A similar low proportion – one-quarter – of EUMS do apply data-driven methods to monitor the impacts of laws and regulations. Where undertaken, most EUMS report applying data-driven methods relatively recently.

Figure 4.4. Only about one-quarter of EUMS apply a data-driven approach to regulatory enforcement



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Data that was previously unavailable, inaccessible or only usable at significant administrative cost can be harnessed through technology to enable more effective monitoring and targeted enforcement of rules (OECD, 2020^[15]). Tools like web scrapers are becoming increasingly common for compliance functions, making it possible to navigate the wealth of data available online and generate relevant insights. In **Italy**, for example, a regional environmental protection agency uses an automated web scraper to identify businesses that have not applied for required licences allowing the agency to monitor pollution activities. The programme uses public search engines like Google and Bing to identify businesses webpages (e.g. searching “car repair Trentino”), and then compares business identification numbers from webpages with the list of licenced operators. Examples from various countries showcase how data analytics can be employed to inform how monitoring and enforcement resources are targeted (see Box 4.4).

Box 4.4. Using data and technology for monitoring and enforcement

Estonia's statistical office, in collaboration with mobile network operators, utilised mobile phone positioning data to analyse the impact of COVID-19 restrictions on mobility. This project demonstrated that mobile phone data can precisely and swiftly measure human mobility, providing valuable insights into population movement patterns at both national and local levels. Additionally, Estonia is using data analytics to evaluate the effects of the country's 2014 e-residency regulation, which grants holders a transnational digital identity. The country is also employing data-driven methods to enhance traffic safety, including adaptive traffic lights, dynamic speed limits, real-time public transportation data, demand-based public transport, and AI-powered cameras in transit buses to detect parking violations in bus lanes and at stops.

In 2021, **Latvia's** Financial Intelligence Unit (FIU) adopted goAML, a tool originally developed by the United Nations Office on Drugs and Crime. This application streamlines the analysis and digital submission of suspicious transaction reports and threshold declarations from entities subject to the Anti-Money Laundering and Countering the Financing of Terrorism and Proliferation Law. It also enhances information exchange with competent law enforcement, supervisory and control authorities in the field of financial intelligence. In 2023, a new version of goAML was introduced, tailored to global trends in financial intelligence, to improve FIU's operations and ensure the collection of higher quality data for investigating money laundering cases and collaborating with relevant institutions.

Portugal's e-communications regulator, ANACOM, is starting to use AI in handling complaints by developing the Artificial Intelligence Platform for the Analysis and Management of Consumer Experience. ANACOM's goal is to achieve a comprehensive and complete view of market behaviour, enabling it to act more effectively in defending consumer interests. The platform, which is expected to be launched around the third trimester of 2024, will serve as the application support for processing complaints and information requests, while also enabling the identification of consumer dissatisfaction patterns and other behavioural trends of analytical interest, particularly on social networks. One of its main advantages is the automated classification of complaints by reason, which will make it easier for the regulatory body to measure consumer dissatisfaction levels.

Source: [Statistics Estonia, Mobility analysis](#); Transport Administration of Estonia (2021^[16]), [Road Transport ITS Development Plan 2021-2025](#); Latvian Ministry of Economy (2017^[17]), [Guidelines on the application of the "consult first" principle in the work of public institutions](#); Forthcoming OECD paper on AI in Regulatory Delivery.

Importantly, digital tools can empower members of the public to promote compliance and buy-in. In **Lithuania**, as part of a plan to tackle rising waste production and littering in the countryside in 2023, the environmental protection regulator launched a web and mobile application called "I manage Lithuania" (*Tvarkau Lietuvą*) that enables citizens to report illegal waste (Ministry of Environment, 2024^[18]). The regulator can then follow up to communicate when the report is received, addressed, and provide feedback on the actions taken. This application was inspired by systems used in many cities to let people notify the municipal authorities of damaged public goods or areas in need of cleaning. The system offers several advantages: it is very simple to use and entirely transparent as every message is public, showcasing the reaction of the authority.

To proactively prevent non-compliance, other countries have developed web services to give users a better understanding of their obligations. As part of its food safety strategy, the Campania region of **Italy** has launched a self-assessment tool to reinforce business compliance, called *GISA Autovalutazione* (self-assessment) (Region of Campania, n.d.^[19]). The web-based application allows companies to access and fill out the official and relevant inspection checklist autonomously. This enables them to identify the strengths and weaknesses of their facilities from the health authorities' perspective. The tool is also available to "guest users", enabling individuals to learn more about food and veterinary requirements before setting up a business, depending on its future characteristics. The result of the self-simulated inspection is expressed as a risk level. The purpose of *GISA Autovalutazione* is to educate, and it is therefore not a mandatory self-monitoring or self-reporting tool. Advances in the use of predictive techniques may in the future allow the tool to also indicate the occurrence of potential risks to profiled companies by enhancing their historical data.

Maximising effectiveness and efficiency through joined-up action

The risks and challenges that rules are seeking to tackle do not stop at borders – be they between different countries, regions or municipalities or between industries and sectors of the economy. However, the practical implementation of rules on the ground can often reveal gaps, duplication and inconsistencies in regulatory requirements, making them hard to understand and comply with. For instance, businesses that operate across jurisdictional boundaries may find it difficult to comply with varying interpretations of the same rule. In addition, businesses that are subject to various regulatory frameworks might be asked to provide the same information to different enforcement bodies, exacerbating administrative burdens. To maximise the effectiveness and efficiency of rules, policymakers and those responsible for implementation must collaborate within and across borders to expand their evidence base, share best practice, and to ensure coherent and consistent implementation of rules.

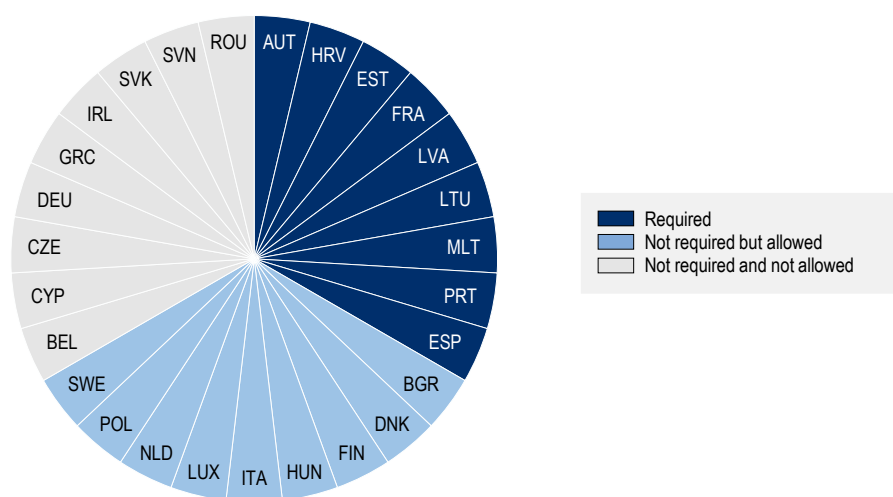
Within borders

Governments across the EU can foster more effective and data-driven enforcement by promoting and supporting information sharing between relevant authorities. The data held by one regulatory authority can afford useful insights for another. For example, a business that is in breach of food standard regulations may also be more likely to be non-compliant in other areas. Sharing information about businesses, their compliance history and other characteristics can help regulators create synergies and maximise efficiency in how they enforce rules. By pooling data and expertise together, agencies can have a global picture of potential risks and vulnerabilities in regulated industries and activities. Sharing information in real-time also allows for quicker identification of non-compliance and emerging risks, enabling authorities to take quick action if needed. In the **Netherlands**, Inspection View is an integrated used by over 500 national, regional, and local inspectors to consult and exchange data on inspections and enforcement of businesses, including data and results from previous inspection visits. Inspectors can then use this data to target actions in areas of higher risk and prevent duplication (OECD, 2021^[8]).

Governments can positively influence and set expectations of arms-length bodies to collaborate and share data. For example, adopting strategic policies or binding requirements on regulators can set important signals to compel regulators to share data – especially in an environment where data protection concerns can act as a disincentive. However, evidence suggests that countries are not fully exploiting the potential of sharing information systematically, as approximately one-third of EUMS do not allow for information-sharing by enforcement authorities with their counterparts in other bodies (Figure 4.5); another third does allow information sharing but does not actively require it. Authorities that operate in siloes risk creating gaps in their understanding of the market and emerging issues.

Central government and ministries also have a crucial role to play in facilitating seamless join-up and knowledge exchange between enforcement authorities, making life easier for the people complying with rules. Government bodies co-ordinating and sharing relevant information behind-the-scenes, e.g. through common IT systems and platforms, can limit the burden of navigating duplicative processes from falling on people and businesses. **Portugal**, for instance, developed the interoperability platform iAP that aims to connect public entities and digital platforms that accumulate public information and allows public services to share data in real time, thereby facilitating the “only-once principle”, whereby citizens do not have to repeatedly provide information that is already in a public administration database. Chapter 5 further discusses efforts to reduce administrative burden by reviewing existing rules and processes.

Figure 4.5. Most EUMS allow but do not actively require their inspection and enforcement authorities to share information and records or participate in joint alert systems



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

The prominent role of sub-national levels of government in implementing and enforcing laws and regulations in many EUMS creates a need for co-ordination and join-up, both horizontally and vertically. In several Member States, regional and/or local governments (or affiliated agencies) are charged with the implementation of regulations issued by national governments – or even those emanating from EU law. They do so through licensing, permitting and inspections and enforcement. Furthermore, subnational governments also often have the responsibility to regulate specific areas, such as sanitation, health services, waste management, and in some cases, energy generation and distribution. This system of shared responsibility for rulemaking and implementation means government bodies on different levels need to co-ordinate to avoid horizontal and vertical gaps, overlaps and contradictions in how rules are applied.

Evidence shows that mechanisms to promote regulatory coherence across levels of government are not consistently used across all EUMS yet. The number of EUMS with a co-ordination mechanism across national and subnational governments or municipalities to promote coherence in regulatory approaches and avoid duplication or conflict has increased from 17 in 2020 to 19 in 2024. The most common mechanism is a standing co-ordination mechanism, such as standing bodies, councils, or regular formalised meetings, as opposed to ad hoc commissions, laws, or administrative arrangements. These mechanisms can be cross-cutting or focus on specific policy issues or areas. Box 4.5 showcases an example from the **Netherlands** on providing advice on the correct application of EU law.

Box 4.5. Europa Decentraal – multi-level advice on EU law in the Netherlands

Europa Decentraal is an initiative founded in 2002 by the Dutch Ministry of the Interior and Kingdom Relations, the Association of Dutch Municipalities, the Interprovincial Consultation and the Union of Water Boards to assist decentralised authorities and national governments with questions about European Union law and policy. By informing and advising central and decentralised governments in the Netherlands about European law and policy, *Europa Decentraal* helps them with questions about the correct application of regulations coming from the European Union. According to the 2023 report by *Decentraal*, during that year it handled around 500 requests for help and advice with European Union law and policy, where 68% came from local or provincial government, 9% from central government, and the rest from other government bodies.

Source: OECD work in Italy; <https://europadecentraal.nl/>, accessed 20 April 2024.

Across borders

Just as challenges cross borders, so must the response to tackle them. To implement rules consistently and avoid loopholes, governments and enforcement agencies also need to collaborate with their counterparts in other countries – particularly in a context as interconnected as the EU, with goods, services, capital, and people flowing freely across borders where concerted action is necessary to avoid loopholes and inconsistencies. In addition to making rules more effective, collaborating across borders can also help governments avoid unnecessary divergence of rules and create synergies and save taxpayer and business resources, as well as citizen headaches (OECD, 2021^[20]). For example, the OECD's Environment, Health and Safety (EHS) Programme, through its Mutual Acceptance of Data system, helps avoid repeat testing for industrial chemicals, pesticides and biocides and reduces testing through the use of computational approaches for prediction of properties of chemicals. The annual net benefits of the programme were estimated at over EUR 309 million. In addition, over 32 000 fewer animals were needed annually for testing new industrial chemicals (APEC-OECD, n.d.^[21]). Furthermore, The OECD's work in promoting administrative simplification and regulatory efficiency is strengthening this approach by supporting human-centric policies and enhancing cross-border co-operation within the EU, fostering greater freedom of movement between Member States.

Collaboration and join-up between enforcement bodies in different countries is especially critical to keep consumers safe across the EU's integrated Single Market. Each Member State is responsible for the effective surveillance of their markets to protect consumers, workers, and businesses against unsafe products and unfair competition. To do so, they must monitor whether products on the market are safe and compliant and, as necessary, take actions like product recalls or sanctions to take products off the market or bring them into compliance (European Commission, 2023^[22]). Within the Single Market where products can circulate freely, effective market surveillance requires authorities in different jurisdictions to co-ordinate and share information. Tools like the OECD's Global Recalls portal,³ as well as the Commission's Information and Communication System for Market Surveillance (ICSMS)⁴ and Safety Gate⁵ help to facilitate sharing and co-ordination. Safety Gate, for instance, acts as a rapid alert system for dangerous non-food products across the EU. There is further potential to use other data sources, such as firefighting and healthcare institutions, which could signal to the market surveillance authority that a fire or an injury was linked to a specific dangerous product. The OECD has assisted Member States to review data sharing approaches within their market surveillance frameworks (Box 4.6).

Box 4.6. Market surveillance information-sharing in Greece and Latvia

Greece: Leveraging international platforms

To better predict the emergence of dangerous products on the market, the Greek government is looking to leverage expert heuristics, data sharing with other members of the EU Single Market and improved collection of user outputs. The approach will be based on a series of risk factors associated with class of products a software will guide inspectors to focus on the riskier produces first. The system will also be connected to the European ICSMS platform that allows market surveillance authorities to share information on their ongoing investigations. It will also receive data from Safety Gate, the European rapid alert system for dangerous products. Finally, as investigations often result from customer warnings, the paper forms previously used by the authorities will be replaced with an online system where anyone can send an alert to market surveillance inspectors.

Latvia: The impacts of fragmentation

Latvia's market surveillance actions are co-ordinated and implemented by the Ministry of Economics, who acts as market surveillance co-ordinating body. However, with market surveillance responsibilities fragmented (e.g. the Consumer Rights Protection Centre supervises most non-food products, but at least six authorities are responsible for surveillance of chemicals), effective communication between authorities is essential. Different authorities use different data platforms at various levels of modernisation to manage their surveillance – however, the absence of a centralised, integrated data-sharing platform limits the exchange of critical information among authorities and impedes the effective co-ordination of surveillance efforts. The OECD is supporting Latvia with recommendations on how to address this challenge and encourages the country to enhance data exchange mechanisms that allow for regular data-sharing between different authorities. Achieving full interoperability and making records of other authorities easily available would be important, especially if several inspection structures are active in the same regulatory field.

Source: OECD work in Greece and Latvia.

Transposition and implementation of EU laws

Member States play a pivotal role in the implementation of EU laws. According to the Treaties, they are responsible for the effective application of EU laws, including potential enforcement mechanisms. In the case of directives, Member States are also responsible for the timely and accurate incorporation into their

domestic legal frameworks. By a set date, EUMS must send the Commission the text of the national measures that incorporate the directive into their national legislation. The Commission is responsible for making sure that all Member States follow through on their implementation obligations and may take remedial actions in cases of non-compliance.

The divergent implementation of EU law by Member States can lead to a fragmentation of the Single Market and undermine its efficiency. Although all EUMS are equally bound by the objectives set out in the EU directive, their unique political, legislative, institutional, and capacity contexts means that national transposition and implementation measures can give rise to divergence of EU law and their real-life impacts on people and businesses. Between Finland and Sweden, for instance, factors like diverse RIA methodologies, varying levels of government centralisation, and different political mandates all contributed to divergence in how national provisions were formulated and how policies were implemented (Nerhagen and Jussila Hammes, 2024^[23]). In particular, the tendency of EUMS to add national provisions that go beyond the actual requirements set-out in the directive – also known as “gold-plating” – further exacerbates the risk of divergence and creates additional costs for businesses as pointed out in Draghi (2024^[24]) report.

Consistent implementation is further challenged by cases of incorrect, incomplete, or non-transposition. Actions taken by the Commission in 2022 included launching pre-infringement processes with 16 Member States due to incorrect transposition of agricultural policy rules, referring 10 Member States to the European Court of Justice (ECJ) for failing to fully transpose the European Electronic Communications Code into national law, and requesting the ECJ to impose financial sanctions on five Member States that still had not notified of transposition measures for the Code (European Commission, 2023^[25]). By using the better regulation tools described below and ensuring strong communication between parties, Member States can implement EU law in a manner that aligns with domestic interests without propagating unnecessary inconsistencies and regulatory barriers across the EU.

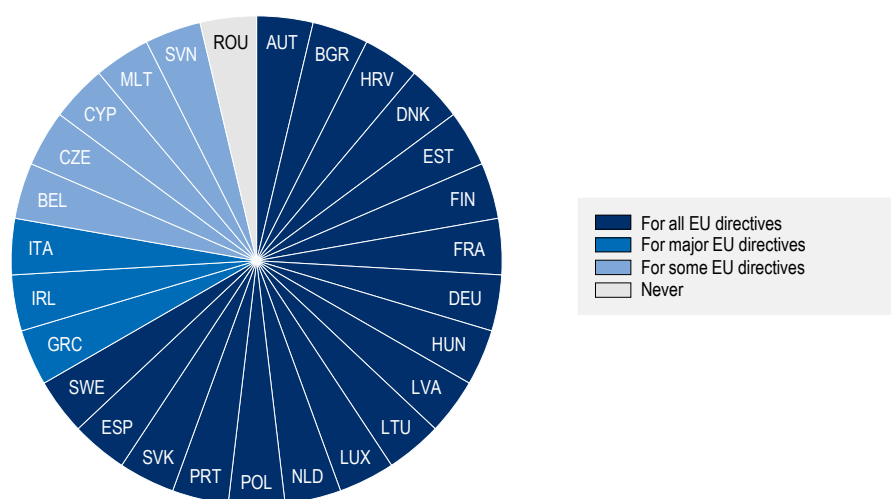
Use of better regulation tools in the transposition of EU directives

The transposition process allows national governments to determine the best form and method to domestically enact EU law. Even as more Member States opt for copying out directives as much as possible for simplicity and consistency, elaboration is still favoured on occasion to ensure policies fit the domestic context (Voermans, 2018^[26]). The use of better regulation practices at the transposition stage is relatively well developed – especially compared to the negotiation stage. A possible reason for this is that a large majority of EUMS indicate that, whether in carrying out regulatory impact assessment (RIA) and/or consultation, they follow the same procedures for transposition as for their own domestic rules. However, as discussed below, there remain concerns for EUMS to address: further attention needs to be paid to risks of “gold-plating” EU directives and evidence sharing in relation to transposition of directives and implementation of EU law.

Regulatory impact assessment

Government across EUMS have a crucial role to play in making sure that transposition of EU directives is based on the best possible evidence. The original impact assessment carried out by the European Commission does not necessarily include an assessment of impacts on individual Member States, given the need for specific national data. By definition, it also pre-dates any potential amendments by the Council and Parliament. Systematically assessing the impacts of transposing measures on the domestic economy, society and legal framework can help bridge the gap to identify the most appropriate option, catering to both EU requirements and national circumstances. Approximately three-quarters of EUMS systematically require RIA to inform the design of domestic regulations that transpose EU directives into national law (Figure 4.6).

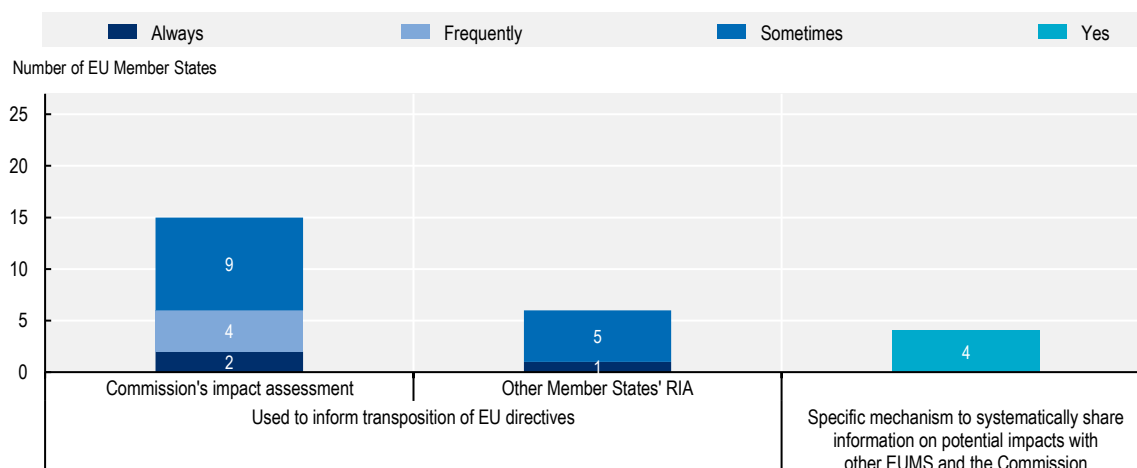
Figure 4.6. Most EUMS require RIAs when transposing EU directives into national law



Note: Data based on the 27 Member States of the European Union.
Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Despite the prevalence of RIA requirements at the transposition stage, there remain opportunities to improve, expand and pool the evidence base at this stage. Only around half of EUMS use the Commission's Impact Assessment – and most of them only do so “sometimes” – and less than a quarter of EUMS use those conducted by other Member States to inform their transposition (Figure 4.7). There is also limited evidence of any specific mechanism to share information on anticipated impacts of EU law with other Member States and the Commission. Only four EUMS indicate having such a mechanism and, in most cases, refer to Council working parties and/or Commission working groups. The absence of a bespoke mechanism to share and pool evidence leaves Member States vulnerable to duplicating analytical efforts, overlooking relevant evidence gathered by other jurisdictions, and creating inconsistencies across the Single Market.

Figure 4.7. A minority of EUMS make systematic and concerted efforts to pool their evidence base for transposing EU directives

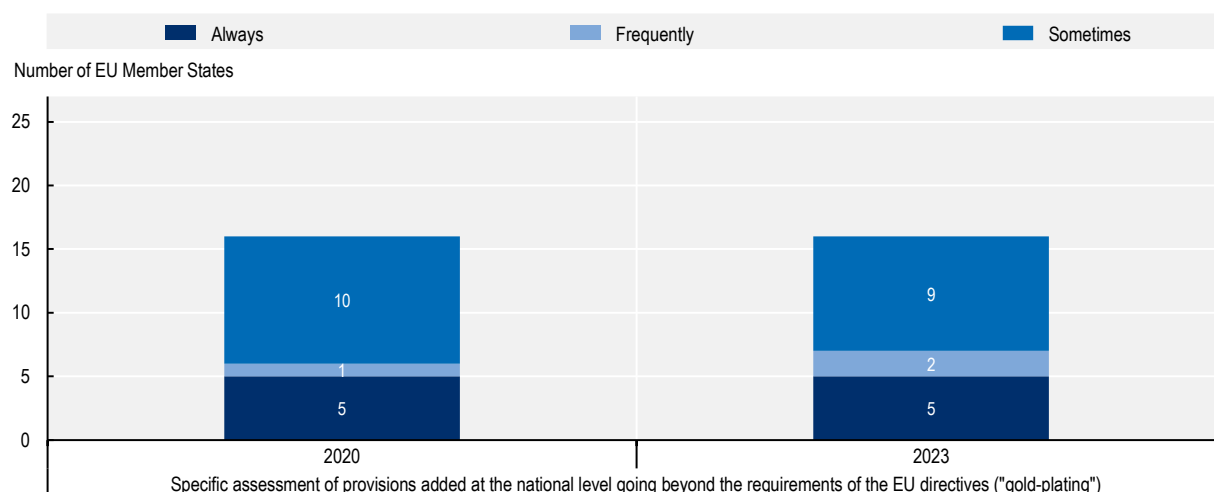


Note: Data based on the 27 Member States of the European Union.
Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

In most Member States, the procedures to assess impacts of transposition measures are the same as those for domestic rules. Only a small minority (4) of them indicate that procedures for transposition differ: in **Estonia**, the process is similar but provides an exemption from the development of a legislative intent document if the EU directive leaves no room for discretion; in **Cyprus** the RIA questionnaire is slightly different for transposition measures and in **Czechia**, the transposing measure is checked by the Department of Compatibility with EU Law within the Office of the Government. In **Romania**, legislation that transposes EU law is exempted from RIA requirements altogether. However, slightly more EUMS – less than one-third – have specific guidance for officials on how the RIA should be carried out on transposition measures. In **Finland**, for instance, the new 2022 RIA guidelines include a dedicated section addressing on the implementation of EU law (examples of specific unique guidance are discussed below and in (Box 4.7)).

The risk of additional national requirements that go beyond the actual requirements set-out in the directive – a practice known as “gold-plating” continues to go largely unchecked. Unchanged from 2021, few EUMS systematically assess the additional impacts that gold-plating imposes on domestic citizens and businesses (Figure 4.8), creating a risk of unnecessary and/or not properly justified burdens. EUMS are required to inform the Commission of gold-plating, but this does not prevent inconsistencies that can fragment the Single Market, creating uneven playing fields (Letta, 2024^[2]).

Figure 4.8. “Gold-plating” is not systematically checked against in most EUMS



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (IREG) 2024.

However, recently, some countries have taken steps to guard against the risk of gold-plating. Both **Finland** and **Slovakia** have taken measures to prevent the unnecessary expansion of national legislation beyond the minimum requirements of EU directives by issuing relevant guidance and – in the case of Slovakia – institutionalising advice mechanisms (Box 4.7).

Box 4.7. Preventing unnecessary gold plating in Slovakia and Finland

In **Slovakia**, the Slovak Ministry of Economy introduced in 2021 the reformed “Measures to reduce regulatory burden on business”. The reform was developed to mitigate the administrative and regulatory burdens caused by the transposition or implementation of European legislation into Slovak law, that may create a barrier to competitiveness for entrepreneurs operating in Slovakia compared to entities from other EU countries where the increased burden does not exist. As part of the amendment, the Institute of Protection against Unfounded Gold Plating was introduced, as well as the *ex post* evaluation

of regulations impacting the business environment. The law proposers are responsible for identifying in the compliance table whether gold plating is applied during the transposition of a directive, including specifying its category, the areas affected, and the type of impact. The proposer must also provide a justification for the gold plating in the compliance table and include any additional required details about its characteristics. If the draft law introduces gold plating during the implementation of a European Union regulation or decision, the extent of this implementation will be separately assessed in the general section of the explanatory report.

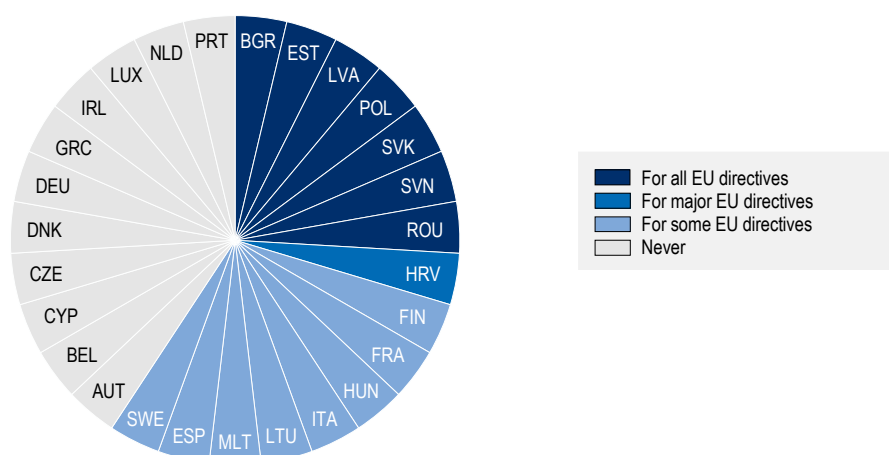
Finland's new RIA guidelines of 2022 specifies that RIAs should carefully assess impacts and options for any kind of national tailoring in the transposition of EU law. RIAs should distinguish impacts arising from standard EU provisions and impacts arising from any provisions proposed solely for national reasons. This applies especially to situations where the EU legal act comprises minimum regulation and national measures propose gold plating; in these cases, the impacts of using or not using any potential room for manoeuvre should be assessed comprehensively and justified accordingly.

Source: Slovak Ministry of Economy (2025^[27]), [Protection against unjustified gold plating](#); Finnish Government (2023^[28]), [Guidelines for Impact Assessment in Law Drafting](#); OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Stakeholder engagement

Policymakers in Member States routinely seek stakeholders' views to inform the transposition of EU directives but processes are less open than for domestic rulemaking. By seeking stakeholders' input during transposition, national governments can ensure that resulting measures remain aligned with local realities that may not have been considered in the formulation of the Commission's proposal. Contrasting the relative rarity of consultation requirements during the negotiation stage (see Chapter 3), approximately two-thirds of EUMS systematically require engagement with stakeholders to inform the transposition of EU directives. In keeping with previous results and analogous to RIA, stakeholder engagement requirements for transposing EU directives largely mirror domestic rulemaking procedures: the proportion of EUMS with such requirements is similar to the proportion that report having stakeholder engagement requirements for domestic laws and regulations, meaning there is no bespoke mechanism to consult on transposition measures. However, engagement on transposing measures appear to be less open than for domestic rules with less use of public consultations: only about one-quarter of EUMS systematically require this for the transposition of all or major EU directives (Figure 4.9) – opposed to three-quarters doing so for domestic primary laws (and over half of EUMS for domestic subordinate regulations).

Figure 4.9. Only about one-quarter of EUMS systematically consult the public on transposing measures



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

There are only a few exceptions – 3 out of 27 Member States – where consultation procedures on transposition measures differ from those for legislation of domestic origin. In **Ireland**, the government is obliged to bring the issue before the EU Affairs Committee of the Oireachtas (parliament) and may regularly carry out public consultations in practice, even in the absence of a specific requirement (for either domestic or EU-derived rules); in **Malta**, engagement on transposition measures is focused on targeted stakeholders and facilitated by the Malta-EU Steering and Action Committee (MEUSAC) in collaboration with the ministry responsible; finally, in the **Slovak Republic** the accompanying dossier must include a correlation table of legal provisions with EU law.

Some countries have also taken steps to institutionalise engagement on the adoption of EU law. Complementing direct consultation with stakeholders, governments in some EUMS have also established more institutionalised and business-focused engagement mechanisms. For instance, **Denmark** and **Sweden** established advisory bodies to help directly convey recommendations from external stakeholders to inform domestic adoption of EU law (Box 4.8).

Box 4.8. Advising on business-friendly domestic adoption of EU law

Denmark's Business Regulation Forum

The Danish Business Regulation Forum advises the government on how the implementation of new EU regulation can be carried out in a manner that minimises costs to businesses. Through the Forum, representatives from Danish business organisations, the trade union movement, and experts identify potential challenges that rules may create for businesses, such as involving significant time, driving expenditure, or restricting production. The Forum also prepares specific and actionable recommendations to reduce the costs of those rules in implementation.

Sweden's Implementation Council

In May 2024, Sweden established a new advisory body for the implementation of EU law, the Swedish Implementation Council (*Implementeringsrådet*) with the objective to strengthen Swedish competitiveness. The Council focuses on avoiding implementation above a minimum level, counteracting unjustified regulatory burdens and reducing administrative costs and other compliance costs when implementing EU regulations in Swedish law. It makes recommendations to the Government supporting the implementation of new or amended EU law that the Council considers to be of particular interest for businesses in Sweden and to draw the Government's attention to upcoming EU law of particular interest for businesses in Sweden. As such, the council can contribute both early in the EU's legislative process and when an EU legal act is to be implemented in Sweden. For instance, the Council's analysis can, among other things, form an important part of the Government's overall assessment of upcoming EU negotiations and contribute important knowledge before and during such negotiations.

Source: [Danish Business Regulation Forum: Terms of Reference](#); [Government of Sweden: The government's new implementation council will strengthen Swedish competitiveness](#).

Complementing efforts within EUMS, the European Commission announced new initiatives in 2025 to help better align implementation of EU law with the practical experiences of stakeholders. In keeping with the Commission's strategic objectives, implementation dialogues and reality checks aim to inform simplification proposals and, thereby, lighten regulatory burdens (Box 4.9).

Box 4.9. European Commission initiatives to use stakeholder input to facilitate the implementation of EU law

Implementation dialogues

Each Commissioner will hold at least two implementation dialogues annually with stakeholders to gather feedback on implementation challenges and identify improvements needed for EU policies to deliver results. These dialogues will target a balanced representation of the main groups affected by EU policies such as industry, SMEs, social partners, regional and local authorities and civil society. Outcomes will be documented in annual enforcement and implementation reports, highlighting poor implementation, gold-plating, over-compliance, and simplification opportunities.

Reality checks

The Commission will engage with business practitioners, especially SMEs and small mid-caps, to understand their on-the-ground experiences with EU law implementation and how EU law has impacted their activities. These technical exchanges will help identify practical challenges related to authorisations, permitting, controls, and compliance. Reality checks will evaluate whether EU legislation is meeting its intended goals and whether planned simplification measures are appropriate, effective, and likely to generate cost savings. Outcomes from reality checks would feed into the stress-testing of existing legislation (including evaluations and fitness checks, discussed in Chapter 5) and the design of future simplification proposals.

Source: (European Commission, 2025^[3]), [A simpler and faster Europe: Communication on implementation and simplification](#).

Although consultation practices during transposition are somewhat more developed than RIA, similar gaps exist. For instance, only 8 EUMS have specific guidance for officials on the conduct of consultation to inform transposition, like **Estonia's** Good Practices for Engagement. Whilst the final directive following potential amendments might differ substantially from the initial Commission proposal, the insights from the consultation process can still yield relevant evidence for the transposition, complementing domestic engagement procedures. For instance, if they point to implementation challenges, these can be factored into the design of transposing measures from the outset. However, most EUMS forego this readily available evidence with only 7 EUMS using the findings of the Commission's consultation processes to inform their transposition "always" or "frequently", with 9 of them using them "sometimes".

Monitoring and implementation of EU law

Continuous monitoring and smooth implementation of EU law hinges on effective communication and collaboration across Member States and with the Commission. With implementation of EU law being firmly within the purview of the Member States and the Commission's line-of-sight often limited to the information that Member States feed back, this stage of the policy cycle can be particularly prone to divergent practices and information gaps. Barriers resulting from inconsistent implementation by various national authorities can hinder the EU's efforts to ensure a single internal market with the free movement of goods, services, capital, and people. In addition to undermining efficiency and European competitiveness, uneven implementation of EU law can also have serious negative impacts on individuals when their rights as EU citizens are affected.

Sharing evidence and insights early in the development of EU law can help pave the way for smooth implementation. Just like for domestic laws and regulations, considerations of their practical implementation should be hardwired into the development of EU law, starting with the European

Commission when it starts working on a proposal. However, Member States are best placed to assess specific domestic impacts, including on the existing national legal and constitutional framework and to anticipate potential transposition and implementation challenges, such as administrative capacity. Anecdotal evidence suggests that at least some Member States already assess such impacts. Sharing these insights throughout the development and negotiation is critical to ensure that the final act is grounded in reality and implementable. It would also enable the Commission to tailor its implementation support for Member States according to their needs, making them more effective and undermining implementation problems later on.

The EU's Better Regulation Guidelines and Toolbox (European Commission, 2023^[29]) emphasise the importance of effective monitoring and implementation to ensure that EU laws achieve their intended goals in practice. This includes embedding monitoring and evaluation clauses into significant proposals, defining when and how the effects of the legislation will be evaluated. They also encourage Commission services to consider the development of implementation strategies, though they are not compulsory. It suggests such strategies should cover, inter alia, the different types of implementation support the Commission will provide as well as arrangements for monitoring. This may include the establishment of networks, expert groups, committees and workshops, "compliance dialogues" between the Commission and Member States, the development of scoreboards and barometers and Commission controls. The Better Regulation Toolbox also recommends that early consideration is given to monitoring – including relevant data and sources – and relevant legal provisions be included in the Commission proposal. This may include indicators and/or regulatory reporting requirements.⁶ The practical uptake of these measures and their effectiveness are beyond the scope of this report and warrant further investigation.

To further support the consistent implementation of EU law horizontally, the Commission has established multiple mechanisms to help ensure consistency in the application of rules. The Single Market Enforcement Taskforce (SMET), for instance was established in 2020 with the original intent of averting protectionist measures resulting from the COVID-19 pandemic. Since then, the SMET has evolved into an important mechanism for enhancing the implementation and enforcement of Single Market rules. Through the SMET, Commission and Member State representatives collaborate on diverse projects to reduce unnecessary market barriers and support economic competitiveness, digitalisation, and the green transition. Overall, feedback on SMET's activities has generally been positive, though there have been calls from European Parliament Members and business stakeholders for increased transparency. The Commission has also established an online service known as SOLVIT to help identify and address other inconsistencies (Box 4.10).

Box 4.10. SOLVIT: Identifying and addressing inconsistent implementation of EU law

SOLVIT is an online free service created by the European Commission in 2002, provided by national administrations in each **EU** country, as well as in **Iceland, Liechtenstein, and Norway**. The service assists individuals in various matters such as professional qualifications recognition, visa and residence rights, pension rights, unemployment, health insurance, and access to education, when their EU rights as citizens or businesses are breached by public authorities in another EU country, and legal action has not been taken yet.

National SOLVIT centres receive complaints from citizens and businesses via the online complaint form. A citizen or business is represented by a "home centre", typically the SOLVIT centre of their country of nationality or residence, or where the business is established. This centre assesses whether the problem stems from an incorrect application of EU law. If so, it forwards the complaint through the SOLVIT system to the SOLVIT centre of the country responsible for the potential misapplication of EU

law. This centre then engages with the relevant national authority to address the issue and ensure correct application of EU single market rules.

After 20 years of existence, 85% of 28 600 cases for EU citizens and businesses have been successfully resolved. At the same time, operational limitations hinder SOLVIT's performance, evident in unresolved cases, delayed handling, and inconsistencies in EU law application, due to insufficient staffing, lack of oversight, and varying procedural standards. To tackle these issues, the Letta report suggests that states establish a legal framework for SOLVIT and contemplate consolidating enforcement instruments within a "Single Market National Office" per Member State and an "EU Single Market Office" at the EU level.

Source: (European Commission, 2023^[30]), [Single Market Enforcement Task Force – Report 2022-2023](#); (European Commission, 2025^[31]), [SOLVIT – EU rights problem solving when working, living or doing business in another EU country](#); (Letta, 2024^[2]), [Much more than a market – Speed, Security, Solidarity](#).

Member States are best positioned to oversee how rules are working nationally – and their feedback is critical to inform the Commission's understanding of how effective existing laws are in achieving their objectives (Börzel, 2004^[32]). To be effective, monitoring arrangements should be based on consistent and meaningful data. Discussed further in Chapter 5, Member States use various tools to monitor evaluate existing rules, including feedback mechanisms and in-depth reviews. However, the feedback loop between the Commission and Member States remains a pronounced gap, potentially complicated by political dynamics and asymmetries in the EU (Voermans, 2018^[26]). While the Commission conducts its own evaluations, only four EUMS (**Denmark, Finland, Germany, and Italy**) share the results of their domestic evaluations of EU laws with the Commission – a number that has seen no change since the previous report (OECD, 2022^[33]). **Italy** invites its ministries to contribute to the Commission's evaluation process by providing relevant information and data on the on-the-ground impacts of the specific directive or regulation under review. This gap is reflective of the broader lack of focus on *ex post* evaluation compared to *ex ante* practices – in most countries where this feedback does not occur, the reason may be a lack of a regular domestic process for conducting such evaluations or the absence of a mechanism for evaluating EU directives and regulations specifically (European Commission, 2022^[34]).

Whether for EU or domestic legislation, the transposition, monitoring, and implementation stage of the policy cycle is not only a crucial reality check for laws and regulations but can also aid their continuous improvement. The way in which public authorities ensure compliance with rules is critical to their success – and to keeping them proportionate and practical in light of realities on the ground. Rather than the end point of a linear process, evidence gathered from implementation should set the scene for the ongoing improvement of regulations through evaluation and review (discussed in Chapter 5).

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Notes

¹ Monitoring here refers to the systematic gathering of data and other evidence to observe the implementation of a rule and its impacts.

² <https://www.info.gouv.fr/politiques-prioritaires>.

³ The Global Recalls portal includes information on mandatory and voluntary consumer product recalls from around the world that were issued by, or notified to, a government authority and made publicly available, see <https://globalrecalls.oecd.org/>.

⁴ ICSMS (Information and Communication System for Market Surveillance) is the comprehensive communication platform for market surveillance of non-food products and for mutual recognition of goods facilitating the exchange of information among market surveillance authorities, see <https://webgate.ec.europa.eu/icsms/>.

⁵ Safety Gate (former Rapex) is the EU rapid alert system for unsafe consumer products and consumer protection. It allows a quick exchange of information on measures such as repatriation or product recalls, whether carried out by national authorities or by voluntary action of manufacturers and distributors, see <https://ec.europa.eu/safety-gate/#/screen/home>.

5

Keeping rules fit for purpose through evaluation and review

In a rapidly changing world, rules can quickly become outdated or lead to unintended consequences and unnecessary costs. Regular evaluation and review are therefore essential to ascertain whether rules continue to meet their objectives in practice and inform ongoing improvement. This chapter investigates EU Member States' approaches to *ex post* evaluation, including requirements and methodologies. It also assesses how reviews are used to reduce unnecessary regulatory burdens. Finally, the chapter examines how governments involve citizens and stakeholders in reviews and ensure transparency and accountability.

Key messages

- **Evaluating and reviewing rules after they are implemented is vital to keep them fit-for-purpose and to feed a virtuous feedback loop.** In a rapidly changing world, with profound societal and economic transformations driven by the green and digital transitions, laws and regulations can quickly become outdated or lead to unintended consequences that undermine policy objectives. In addition, an ever-growing statute book risks imposing unnecessary burdens on citizens and businesses, threatening European competitiveness. Analysing relevant evidence and listening to stakeholders enables policymakers to check if rules stand the test of time and improve them and adapt to changing circumstances. It also offers governments an opportunity to query whether the goals initially identified as part of the agenda setting remain valid.
- **Policymakers across EU Member States (EUMS) are still at risk of “regulate and forget” as the use of evidence to evaluate rules *ex post* remains underdeveloped compared to *ex ante* assessment.** Although almost all EUMS have recently undertaken some policy reviews, whether of particular rules or across themes, efforts remain largely *ad hoc*. Only one quarter of EUMS require periodic evaluation of existing rules, and a minority use threshold tests to objectively trigger them. The lack of a systematic approach suggests that reviews are often politically driven or in response to the immediate issue of the day, possibly after regulatory failures. To avoid conducting them once it's too late, a methodical approach is needed to objectively prioritise and target reviews on those rules and policy issues with the highest impact.
- **Despite measured improvements over time, more holistic and consistent methodologies are needed to focus evaluations on policy outcomes that tangibly improve people's lives and prosperity.** There is clear indication that EUMS are investing in the development of methodologies, reflected in the increased adoption of written guidance for evaluations (up from 11 in 2017 to 18 in 2023). However, methodological gaps remain that hamper the potential impact of evaluations. Few EUMS systematically assess whether the policy goals have been achieved or look at unintended consequences. In addition, evaluations often do not systematically assess costs and benefits to determine the net impacts of rules. Improving the methodology – and ultimately the quality – of evaluations make them more likely to generate useful evidence to improve the regulatory stock, which only 9 EUMS report occurring within the last 5 years.
- **Reviews of existing rules can be used more strategically to advance policy goals – including burden reduction and driving growth.** Reviewing the stock of regulation through the lens of a specific objective has high potential to inform structural reforms. However, a declining number of EUMS report such broad-based reviews with a focus on simplification, competition, or compliance costs. Similarly, deep-dives looking at the total effects of different laws and regulations in a particular sector or industry carry significant potential to inform structural reforms that can unleash growth but are rarely used by governments. Stock-flow linkage rules that condition the introduction of new rules or costs upon the removal of existing ones like “one-in, one-out” are only used by 8 EUMS – to varying degrees of success. EUMS can look to feedback-driven simplification programmes as models for identifying and resolving irritants and reducing burden.
- **Governments can better involve the people directly impacted by rules in the evaluations they carry out, both in informing findings and in reporting back.** Compared to the design stage, stakeholder engagement in the evaluation of rules remains lacking, despite the necessary foundations already being in place: most EUMS have ongoing mechanisms for

feedback on existing rules and use interactive websites for consultation at earlier stages of the policy cycle. Whilst most EUMS publish the findings of evaluations, few of them systematically consult with stakeholders to shape them in the first place. Transparency and accountability are essential to maintaining credibility and trust. Accordingly, governments must communicate better how they intend to take evaluation results forward to demonstrate responsiveness – for instance by issuing a public response, which currently only few of them do.

Introduction

With an ever-growing stock of domestic laws and regulations and EU *acquis*, systematic evaluation and review are critical to ensuring that rules keep delivering against their stated objectives of bolstering safety, health, economic stability, and environmental sustainability. In a context of rapid technological change, evolving social and economic landscapes, and pressing crises like climate change, policymakers must resist the temptation to “regulate and forget”. To this end, the OECD *Recommendation on Regulatory Policy and Governance* calls on governments to “[c]onduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives” (OECD, 2012^[1]).

Even with diligent design and rigorous analysis, whether a rule works as intended – or leads to unintended consequences – can only be known after it has come into force. In **Spain**, solar subsidies introduced in 2007 to promote renewable energy led to rapid growth in sales but significant financial liabilities for the government, with the subsidy scheme being revised based on post-implementation data to create a more sustainable framework (del Río and Mir-Artigues, 2014^[2]). The **European Union’s** Common Agricultural Policy initially led to waste and disproportionate benefits for large agricultural business, unintended impacts that multiple subsequent reforms have since sought to address (European Parliament, 2023^[3]).

Through learning and iteration, reviews can help the regulatory environment evolve and respond in lockstep with societal progress, technological advancements, and global developments. For example, existing building codes may require the use of materials that undermine modern environmental goals. Outdated transportation regulations may prevent the use of modern automated vehicles. Insights from reviews can, in turn, provide valuable data to help improve existing rules and improve the evidence base for future decisions to keep pace with evolving societal needs and economic realities (OECD, 2020^[4]).

As the body of regulation expands over time, it becomes increasingly important to systematically review existing rules to prevent redundancies, inconsistencies, costs, and unnecessary burdens from accumulating (OECD, 2020^[4]). As noted in the Letta report, excessive regulatory burden and bureaucratic red tape pose a risk to the efficiency of the Single Market (Letta, 2024^[5]). Similarly, the Draghi (2024^[6]) report points out that the growing regulatory burden on businesses acts as a drag on European competitiveness, with 61% of EU companies citing it as an obstacle to investment. Regular review can help inform changes to legislation that minimise unnecessary costs for businesses. The European Commission, for instance, through regular review, identified and subsequently proposed several changes to legislation protecting the exclusive use of novel and unique designs to make the framework – originally set out in 2002 – fit-for-purpose in the digital age and more efficient. These changes include allowing for protection of new digital design types, like 3D printing, as well as making application processes cheaper and faster for designers (European Parliament, 2024^[7]). As part of its wider strategic agenda to boost competitiveness, the Commission is also putting forward a series of “omnibus” packages to simplify EU law across different areas and reduce burdens (European Commission, 2025^[8]).

Evidence-driven and transparent review of rules can also strengthen accountability of decision makers, highlighting successes and shortcomings in their choices, and help build trust in government. Using sound evidence, including from on-the-ground implementation, to evaluate the impact of policies and improve them can help address concerns shared by the 59% of respondents from the *2024 OECD Trust Survey* who do not believe their government uses the best available evidence in decision making. Similarly, putting stakeholder engagement and feedback at the core of reviewing rules can show responsiveness to the less than 40% of respondents that believe their government would improve a poorly performing service, implement an innovative idea to improve a public service, or change a national policy in response to popular demands (OECD, 2024^[9]).

This chapter sets out requirements and practices for how EU Member States (EUMS) and the European Commission are keeping rules and processes fit-for-purpose over time, through evaluation and review. The first section explores methodologies and characteristics of reviews that help to foster effective and efficient rules. The final section discusses the central role of stakeholders, as the people directly impacted by rules, in providing more complete information about how they are working in practice.

Reviewing the regulatory stock for efficiency and effectiveness

Observing how a rule works in the real world post-implementation can yield the most accurate and reliable evidence on its efficiency and effectiveness. By examining actual outcomes and progress towards initial policy goals, reviews help refine and optimise regulatory stock and implementation, making it more responsive to changing social, economic, and environmental realities.

Planning for evaluation

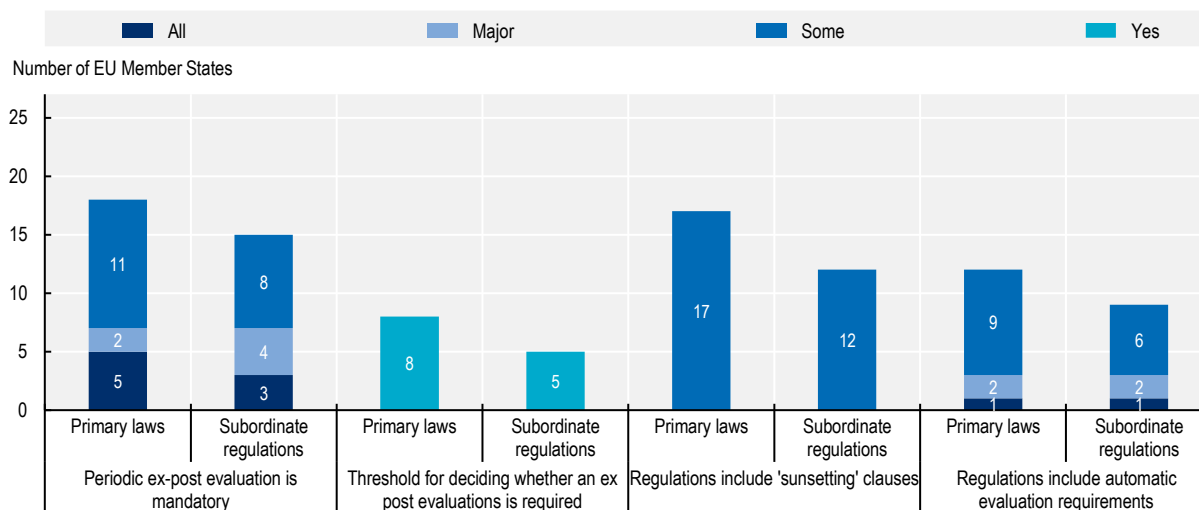
To ensure rules remain fit-for-purpose over time and deliver desired outcomes, their evaluation needs to be embedded into the rule-making process. The **European Commission**, for instance, is implementing a process to continuously stress-test their regulatory stock, with evaluations of individual laws or policy areas leading to concrete simplification measures in the Commission's work programme each year; the ultimate aim of this process is to review the full *EU acquis* (European Commission, 2025^[8]). Despite being a valuable tool for the regulatory cycle, *ex post* evaluations are systematically required for all or major regulations by only approximately one-quarter of EUMS (Figure 5.1). However, almost all EUMS report having undertaken evaluations within the last five years, suggesting that rules to be evaluated may not have been selected based on the scale of their impacts but at the discretion of political decision makers, in specific policy areas or in response to external events. Ad hoc political decisions, for instance, are the most commonly reported triggers for *ex post* evaluations undertaken between 2021 and 2024, alongside government or party programmes.

To ensure consistency and impact of evaluations, one of the first questions to address is *which* rules and *when* to review. This is especially important in the context of limited public sector resources to conduct extensive policy evaluation on top of day-to-day business. If rules have potentially significant social or economic impacts, if there is uncertainty as to whether a rule will be effective, or if a rule has a novel aspect, review requirements should be embedded directly into the corresponding legislative framework (OECD, 2020^[4]).

Whilst EU Member States (EUMS) use a variety of mechanisms to initiate evaluation of rules (Figure 5.1), they could use these “triggers” more systematically to focus efforts on those rules with the highest impact. In approximately half of them, reviews are embedded directly in the law through automatic evaluation requirements or sunset clauses (though it is important to note that this is mostly the case for only some primary laws and subordinate regulations). This is also the case for the **European Commission** where, under their “evaluate first” principle, evaluation clauses are incorporated into major acts. Notably,

sunsetting and legal review provisions are relatively common in rules created in an emergency context; **Denmark**, for example, used sunsetting clauses commonly for rules created as part of the response to Covid pandemic. Despite only **Austria** and **Germany** reporting threshold tests actually triggering a review, eight EUMS use threshold tests to decide whether a review is required.

Figure 5.1. EUMS could make better use of systematic triggers for *ex post* evaluations



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Threshold tests remain underutilised as a tool to focus review efforts on those rules with the highest impact on people and businesses. Only a minority of EUMS use threshold tests to require or trigger a review (Figure 5.1), with very limited change since 2017. Where threshold tests are used, projected impact/cost remains the most common threshold type. Since 2020, **Lithuania** and the **Slovak Republic** have newly adopted threshold tests to trigger evaluations of regulation. New legislation in Lithuania requires evaluation when a regulation has significant impact, or, more broadly, if a regulation is fundamentally changed or newly regulates a previously unregulated area. The **Slovak Republic** uses cost-based thresholds, requiring reviews if regulations introduced by parliament creates total expected costs of more than EUR 10 000 for businesses; the country also allows for reviews to be triggered if there is reason to believe that costs or benefits estimated *ex ante* were, respectively, underestimated or overestimated. In **Austria**, any regulatory proposal that warrants a full impact assessment also requires an *ex post* evaluation. **Germany** requires evaluation if proposals create over EUR 1 000 000 in annual compliance costs nationally for citizens, businesses or the administration. In **Estonia**, the trigger is a combination of impact and urgency: when a regulatory proposal with significant projected impact is exempted from *ex ante* analysis requirements due to urgent need, the proposal must include a requirement for *ex post* evaluation; this is similar to **Slovenia**, where any rules adopted under emergency procedures must be reviewed after 2 years.

In addition to helping determine *what* and *when* to review, qualitative and quantitative thresholds can also help governments to get right *how* they review and ensure the exercise remains proportionate. The coverage and duration of consultations, for example, should be proportionate to the significance of the rule and its impacts. The governance and resourcing of reviews also need to be proportionate to the nature and significance of the regulations concerned to ensure credible findings – that is, rules that are particularly sensitive or impactful are more likely to benefit from an arm's-length or independent review process.

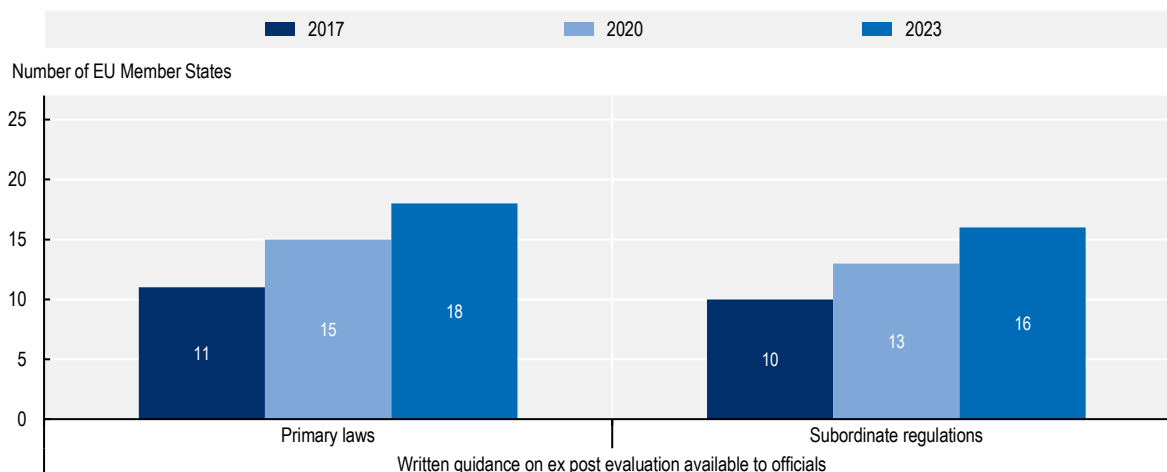
Review of regulations and in areas that carry major impact need to be resourced sufficiently to conduct more rigorous, in-depth analysis (OECD, 2020^[4]).

Complementing the role of governments and holding them accountable, parliaments have an important role to play in the evaluation of existing rules. Under the Principles of Public Administration, aimed at EU enlargement countries, parliaments should regularly review implementation of major laws and policies to assess their effectiveness and hold governments accountable (OECD, 2023^[10]). All EUMS parliaments play some role in post-legislative scrutiny – from triggering to conducting evaluations. Requests from parliament are also among the more common triggers, with 13 EUMS reporting such requests initiating an evaluation of existing primary laws or subordinate regulations between 2021 and 2024. However, the European Parliamentary Research Service (2020^[11]) notes that, broadly, their involvement remains limited. A 2024 OECD report highlighted different approaches, such as Belgium creating a dedicated parliamentary committee for *ex post* evaluation, or Germany's Federal Parliament (Bundestag) primarily relying on the government to conduct evaluations despite having different bodies that can be mobilised to conduct post-legislative scrutiny upon request by Members of Parliament (Tunyan and Goetz, 2024^[12]).

Outcome-focused methodology

To effectively close the policy cycle and generate evidence to inform the improvement of existing rules, the design of evaluations should focus on accurately identifying and demonstrating their outcomes. Grounding evaluations in robust methodologies enables policymakers to appreciate how *effective* and *efficient* a rule works in practice. Overall, the adoption of various requirements and practices that foster outcome-focused evaluations has steadily grown among EUMS since 2017 (see the composite indicator on *ex post* evaluation, discussed in Chapter 1). The provision of written guidance on evaluations, for instance, is one specific practice that has seen consistent growth over this time (Figure 5.2) – a potential reflection of growing commitment from governments and competency among officials carrying out evaluations. The **European Commission's** comprehensive guidance for carrying out an evaluation of EU law can serve as a model, guiding policymakers through identifying when an evaluation is required, applying common criteria and principles in the conduct of evaluations, and setting out a common format for conveying findings from the evaluation (European Commission, 2021^[13]).

Figure 5.2. Most EUMS now have written guidance on *ex post* evaluations available to government officials



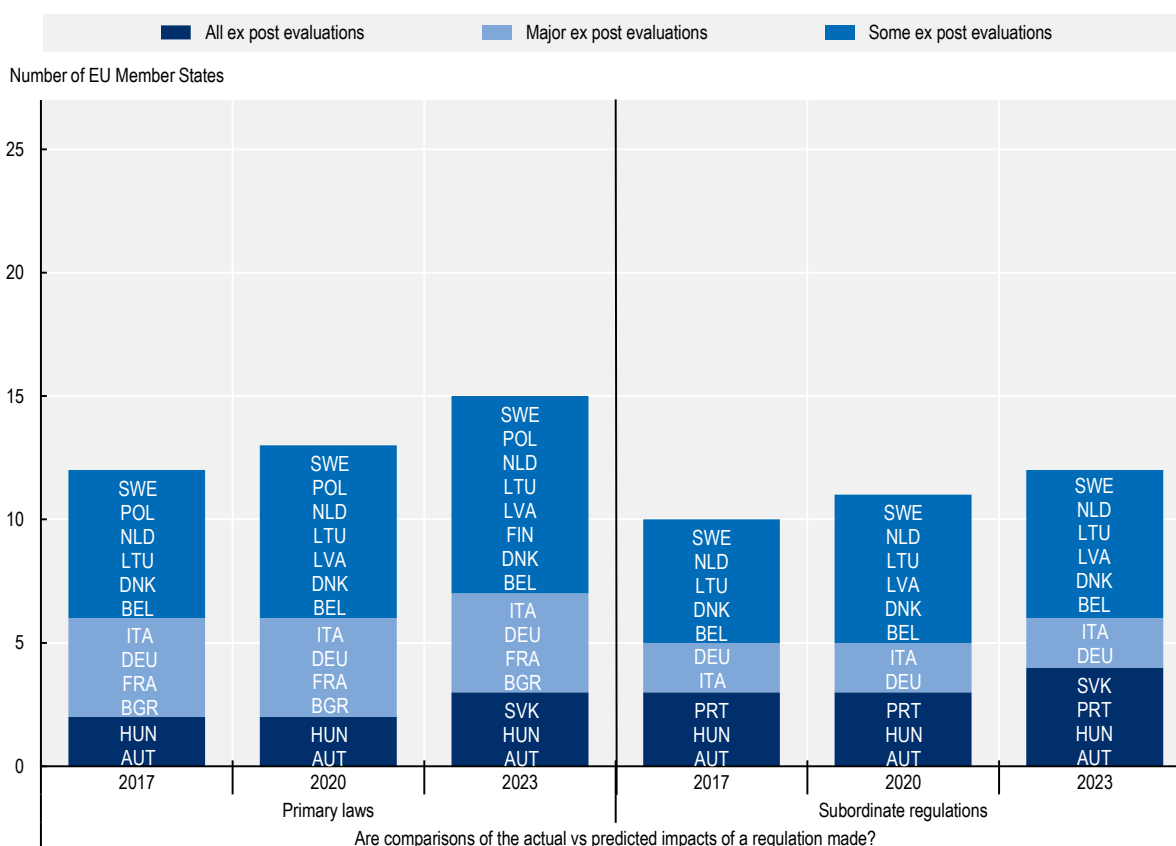
Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Assessing the *effectiveness* of a rule in practice involves determining whether it achieves the objectives for which the rule was introduced. Most EUMS still do not systematically assess, by default, whether underlying policy goals have been achieved, though this practice has become more common in the evaluation of primary laws: 17 EUMS in 2024 contain this assessment by default at all – 7 of which do so systematically – up from 11 in 2017, when 4 EUMS did so systematically. It is also important to note that this practice is still seen in evaluations where there was no explicit requirement to do so. In **Estonia**, *ex post* evaluation found that 2016 reforms to support and incentivise people with reduced work ability to return to the labour market exceeded the set indicator of 50% of working age people with partial work ability being employed by 2021 (Estonian Applied Research Center, 2022^[14]). As noted in Chapter 4, setting up for an assessment of effectiveness begins early in the policy cycle by identifying clear processes for assessing progress in achieving the desired short-term and long-term goals, including which data and other evidence may be needed and how it should be gathered.

Ensuring continued effectiveness also means that policymakers must be mindful of the assumptions made at the design stage and observe if they prove to be accurate in practice. Even when the initial *ex ante* analysis is robust, various factors can lead to divergence between the predicted and actual impacts of rules over time. Compliance with a rule, for example, can increase or decrease based on evolving societal attitudes (Lind and Arndt, 2016^[15]). Since 2017, comparison of actual and predicted impacts has steadily grown among EU Member States (Figure 5.3). Identifying and then understanding why divergence exists can inform important policy changes.

Figure 5.3. Most EUMS do not systematically compare actual versus predicted impacts



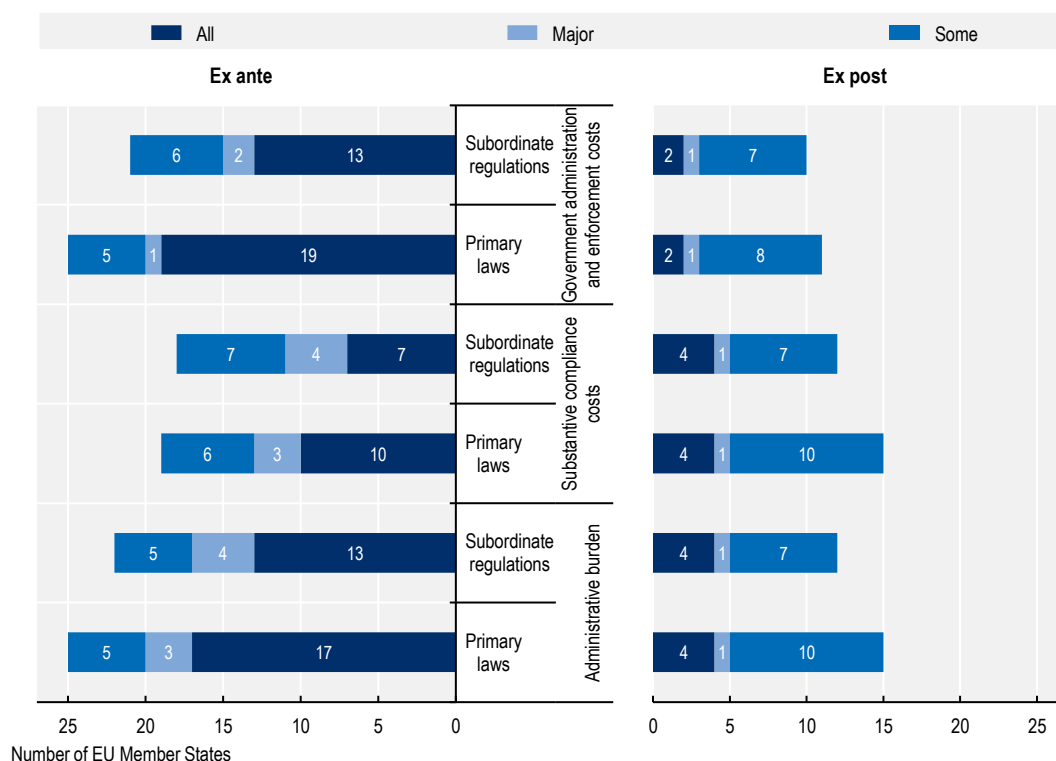
Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

A rule's effectiveness can also be undermined by unintended consequences. These can undermine the achievement of the rule's own objective and/or adversely affect the achievement of other public policy objectives, putting policy cohesion at risk. Rent control policies, for example, may be implemented with the intent of providing affordable housing options in a particular area; however, if the policies lead to unintended reductions in housing supply, deterioration in housing quality, or exacerbations of housing equality, policymakers may need to reconsider the rationale and design for the original policy. However, unintended consequences are not systematically looked into as part of EPEs, with only 6 EUMS doing so in EPEs for all EPEs or for those on major regulations.

Assessing whether a rule is *efficient* in practice involves determining whether it gives rise to unnecessary costs (OECD, 2020^[4]). Overall, EUMS are less likely to assess costs and benefits when evaluating rules than when designing rules – despite evaluation offering the opportunity to check assumptions underlying *ex ante* projections (see Figure 5.4). Comprehensive consideration of both costs and benefits is necessary for policymakers to determine the net impact of a rule (OECD, 2020^[4]). Most EUMS require assessment of costs for at least some reviews, with **Austria, Germany, Slovak Republic, and Sweden** requiring the assessment for all reviews. Specifically, assessments are most likely to cover compliance costs and administrative burdens – though this practice is not as common as with *ex ante* analysis. Meanwhile, reviews are less likely to quantify benefits than costs. Some countries, like **Germany**, also assess different social impacts (e.g. impacts on gender) as part of their *ex post* evaluations. Quantification should be attempted whenever feasible to inform necessary political judgements of whether rules are “worth it”, even when subjective elements – like benefits associated with less tangible social values – are present (OECD, 2020^[4]). To help address this gap, countries may look to models for *ex ante* analysis, where the quantification of both costs and benefits is more prevalent (discussed in Chapter 3).

Figure 5.4. Ex post assessment of both costs and benefits visibly trails ex ante analysis



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Evaluations should also consider whether alternative approaches may have performed better (OECD, 2020^[4]). Advances in technologies can present alternative solutions at the time of evaluation that were not available when the rules were originally drafted; as one example, data analytics can enable real-time compliance monitoring and provide an alternative to static, periodic reporting requirements (see Chapter 4 for discussion on data-driven approaches). There is significant unexploited opportunity for EUMS to use evaluation as an opportunity to revisit whether other options might be more efficient (at lower cost) and/or more effective (achieving greater impact) in achieving regulatory goals: less than one-quarter of EUMS compare the impact of a rule to alternative options, and only the **Slovak Republic** reports doing so for all laws and regulations.

For evaluations to improve the *efficiency* and *effectiveness* of regulations, they need to inform changes to existing rules, as appropriate. Despite the vast majority of EUMS having undertaken evaluations of some rules within the last five years, only nine of them report evidence of an evaluation's recommendations leading to a tangible improvement, suggesting a breach in the feedback loop. This crucial part of translating evidence into impact remains a gap among both EU and OECD members alike, though key examples set out in Box 5.1 highlight the potential and impact of reviews.

Box 5.1. Driving efficiency and effectiveness through reviews

In **Denmark**, the Danish Business Regulation Forum recommended removing a requirement for shops to accept cash payments, if the shop primarily catered to the professional market (B2B trade). Companies had highlighted that the capability to accept cash was burdensome and costly to maintain, as well as troublesome for employees. In July 2022, this requirement was removed for stores where more than 75% of the store's revenue comes from sales between companies and the primary marketing is aimed at traders.

In **Finland**, an evaluation report highlighted the cumulative impacts of amendments to the Finnish immigration code's provisions on the rights of asylum-seekers, made from 2015 to 2019. The report identified that a focus on making the asylum process more efficient had compromised human rights protections and increased the need for appeals and re-applications. As a result, key changes pursued to the Aliens Act included the reintroduction of legal aid at the start of the asylum-seeking process, placing greater focus on the vulnerability of applicants (including children), and addressing gaps in cases where people do not receive a residence permit but cannot be removed from the country.

In **Latvia**, following a fire hazard in a Riga hostel that resulted in the deaths of eight people in 2021, it was revealed that the property owner had failed to provide necessary information about fire safety compliance and had denied fire inspectors access to the building, highlighting the limited authority of the State Fire and Rescue Service when property owners refuse regular inspections. Consequently, in March 2023, Latvia adopted amendments to the Fire Safety and Fire-fighting Law. These amendments expand the rights of the State Fire and Rescue Service, allowing them to suspend the use of structures and facilities if the owner refuses or avoids inspection three times.

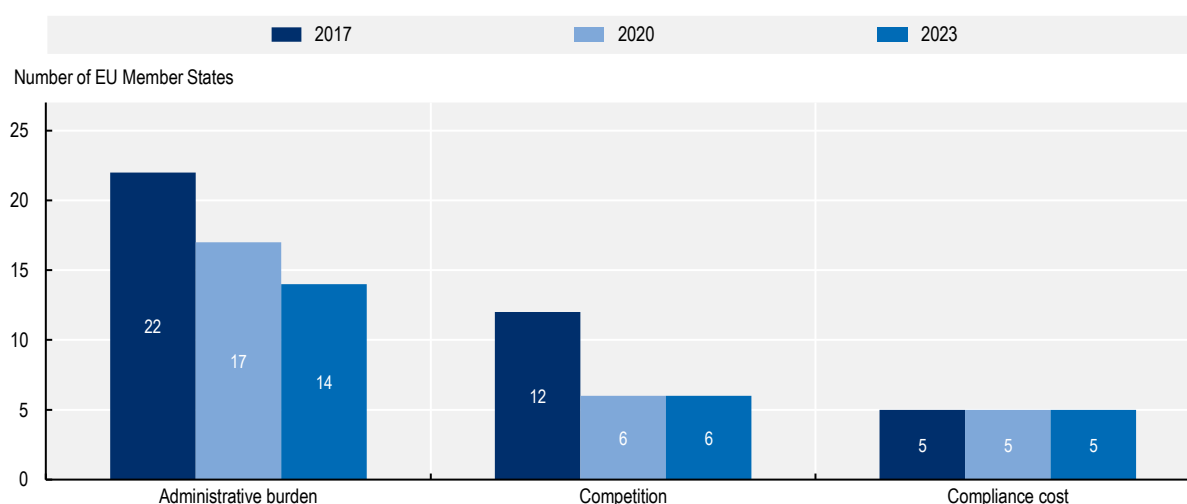
Source: OECD Indicators of Regulatory Policy and Governance (iREG) Survey 2024; Pirjatanniemi et al (2021^[16]), [Ulkomaalaislain ja sen soveltamiskäytännön muutosten yhteisvaikutukset kansainvälistä suojelua hakaneiden ja saaneiden asemaan](#).

Broader reviews to advance policy goals

Broader reviews of the stock of regulation as a whole can complement evaluations of individual (or packages of) regulations to help advance specific policy objectives or the efficacy of rules in specific sectors. They can assess the cumulative impact and interactions between multiple regulations and/or provide a deep dive into a particular policy area or sector of the economy.

EUMS have an opportunity make more strategic use of reviews that look at the regulatory stock to boost economic growth and competitiveness. Over the last five years, 17 EUMS have undertaken so-called “principle-based reviews” of rules, which focus on a specific type of impact or policy objective ranging from compliance costs to environmental sustainability. Over the last decade, such reviews have mostly focused on identifying administrative burdens to determine which regulations in specific sectors, policy areas or the economy as a whole warrant review or potential reform (see below). However, reviews are much less used to look at existing rules with a focus on other drivers or drags on the economy. Since 2017, the number of EUMS that report undertaking broader reviews to identify impediments to competition have dropped by half. Similarly, reviews based on compliance costs remain conducted by only a handful of EUMS (Figure 5.5) – though they could play an important role in alleviating the regulatory burden on businesses in the EU, which are considered high compared to other economies (Draghi, 2024^[6]).

Figure 5.5. EUMS have potential to use reviews to look beyond administrative burdens



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

EUMS also have opportunity to leverage other types of impactful reviews. Broader reviews can also take a deep dive into a particular policy area or sector of the economy. These more resource-intensive, in-depth reviews focussing on a larger set of impacts and their interactions in a specific policy area are growing but still less commonly reported (9 EUMS), despite carrying high potential benefits in identifying deeper challenges and opportunities, and informing structural reform (OECD, 2019^[17]). The least common reviews are cross-jurisdictional comparisons (6 EUMS), despite these comparisons providing a rare “counterfactual” – how things would have turned out under a different regime – and potentially identifying important improvements based on comparisons with jurisdictions having similar objectives (OECD, 2020^[4]). Across the EU, reviews based on comparisons with other Member States might be particularly instructive and offer opportunities to benefit from shared experience and strengthen the cohesion of the Single Market.

Using reviews to lift burdens on people and business

Excessive regulatory and administrative burden¹ can pose a serious risk to economic growth and competitiveness. For instance, 61% of businesses participating in the 2023 European Investment Bank (EIB) Investment Survey identified regulatory frameworks as barriers to long-term investment in the EU,

while 83% of firms surveyed by Business Europe across 21 Member States reported that the complexity and extended duration of permitting procedures posed significant obstacles to investment within Europe (EIB, 2023^[18]). As observed in the Letta (2024^[5]) report, “the dynamism and efficiency of the Single Market are currently being significantly impeded by a complex web of challenges, primarily due to the excessive regulatory burden and bureaucratic red tape.” Suggesting that the scale of the challenge is growing, stakeholders surveyed in 2022 also reported an increase in perception of regulatory burden in the EU compared to 2021 (European Commission, 2023^[19]). The Draghi (2024^[6]) report flags that this is in particular a challenge for SMEs and innovative scale-ups that are essential to European competitiveness.

The European Commission itself recognises this challenge, expanding the scope of its target of reducing reporting burdens by at least 25% to all administrative burdens and to 35% for SMEs (European Commission, 2025^[8]). In addition, the Commission is putting forward a series of legislative omnibus packages to simplify EU rules across a range of different areas such as sustainability, investment or data protection and cybersecurity (European Commission, 2025^[20]). To create impact and spur growth across Europe, these efforts need to be flanked and supported by actions at the national level. EUMS can rely on a range of approaches including stock-flow linkage rules, stakeholder engagement, and more novel methods such as “sludge audits” based on behavioural science to lift regulatory burdens.

Regulatory burdens from people’s interactions with government requirements can also tangibly impact their quality of life more directly. Unnecessarily complex administrative rules and processes – known as “sludge” – force people to invest significant time and energy in searching for information, evaluating options, deciphering complex information. The more burdensome a process is, the more emotional and psychological costs it entails, including stress, frustration, and helplessness. Furthermore, sludge can exacerbate inequity in government service delivery, disproportionately affecting those who rely on government services the most (OECD, 2024^[21]). These psychological costs can lead to feelings of helplessness and a loss of autonomy, reducing overall trust in government institutions (Moynihan, D. P., Herd, P., & Harvey, H, 2015^[22]).

Linking the flow of new rules to reviewing the stock

As governments faced rapidly growing regulatory stock and regulated entities (whether businesses or people) faced increasing burden, some OECD countries introduced regimes that conditions the introduction of new rules or costs upon the removal of existing rules or costs. Often referred to as ‘one in, one out’ (OIOO) rules, these mechanisms are designed to limit the overall regulatory burden by requiring that the introduction of new rules or costs be offset by the equivalent reduction of existing ones (Trnka and Thuerer, 2019^[23]).

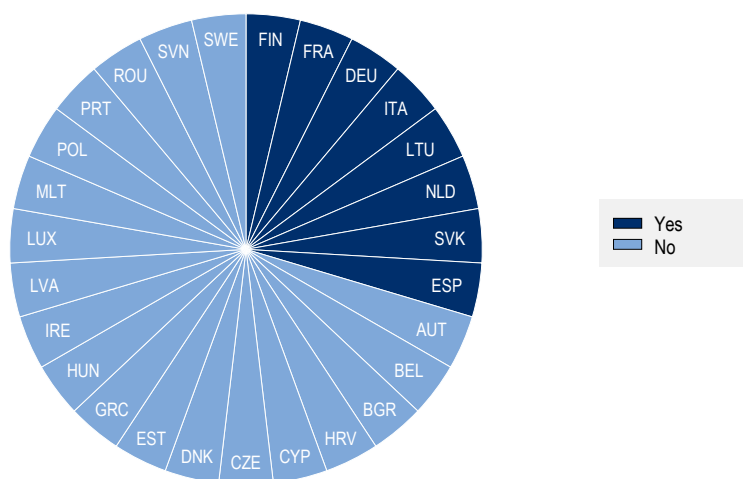
While these mechanisms can set incentives to review rules and procedures and consider alternatives to regulation, their implementation and methodological choices also present risks. If focused on the number of regulations, OIOO can lead ministries to repeal obsolete but innocuous ones (so-called “easy outs”) to make space for more complex and burdensome rules. Whilst this is not the case when OIOO instead focuses on offsetting estimated regulatory burden (cost-offsetting) rather than the number of regulations/acts, the same stakeholders negatively impacted by the burden of a new rule may not benefit from the removal of another, which may affect a different industry/sector. This challenge can either be helped or exacerbated through processes like “trading”, where ministries introducing rules offset that introduction with reduction in another sector or another portfolio – for instance, one portfolio has more regulations or has regulations that are considered easier to abolish (Trnka and Thuerer, 2019^[23]). Finally, the removal of rules may themselves entail some burden, as businesses and people may have to invest resources in learning and adjusting to a new regulatory environment. This suggests that stakeholder input to identify issues that may arise in implementation is critical for effectively realising OIOO targets.

Metrics that only contemplate burdens, instead of net costs and benefits, may lead to policymakers taking too narrow a focus that ignores broader policy objectives. This narrow offsetting can have the unintended effect of discouraging the introduction of rules that impose some direct cost but have a larger – potentially longer-term – net benefit for the economy and society more broadly. Narrow metrics can also overlook burdens that have hidden or more subjective human impacts, which is discussed further later in this section. In jurisdictions that have already undergone significant regulatory streamlining, OIOO can reach a point of diminishing returns, as governments find it increasingly difficult to identify unnecessary regulations to repeal in exchange for new, essential rules aimed at pressing public policy needs (OECD, 2017^[24]).

In 2022, the European Commission started to systematically implement a “one-in, one-out” approach that involved offsetting new administrative burdens resulting from the Commission’s proposals by equivalently reducing existing burdens in the same policy area. This means that adjustment costs are compensated to the greatest extent while administrative costs are offset in the same policy area. However, since the mechanism is based on the costs of the Commission’s legislative proposals, it does not account for any additional costs that may stem from subsequent amendments made by the co-legislators. This might potentially limit the effectiveness and impact the regime might have in curbing burdens. Some commentators have also suggested that the, in its current form, the Commissions “one-in, one-out” mechanism “cannot serve as a tool for better regulation” as it is too narrowly focused on the costs of regulation and not taking into account regulatory objectives (Xanthaki, 2023^[25]).

Currently, the adoption of such rules remains limited across the EU, with only eight Member States reporting the use of stock-flow linkage rules (Figure 5.6). Since 2021, the Slovak Republic has been the only country to adopt the practice. Compared to the one-third of OECD members that use such rules, adoption among EU states is proportionally slightly less common.

Figure 5.6. Stock-flow linkage rules like “one-in, one-out” are not commonplace across the EU



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Four EUMS have undertaken independent evaluations of their OIXO programmes. **Finland’s** 2019 review, which led to the continued scaling up of their pilot programme, identified challenges such as the availability of data on costs for certain rules, the need for extensive guidance and the need for specialised expertise; **Finland** has also quantified impacts associated with their application of the rule, with the total annual

regulatory burden falling by EUR 490 000 prior to significant increases in 2021 and 2022 likely linked to the government response to the Covid-19 pandemic.

Generally, perceptions on the effectiveness of OXIO rules have been mixed. The **United Kingdom**, for instance, increased offsetting requirements over time to a one-in, three-out target but ultimately decided to repeal the rule altogether. **Canada** published an evaluation in 2022 noting broad compliance over seven years and an overall removal of 185 regulations equivalent to over CAD 480 million in accumulated administrative burden on business. However, the evaluation also emphasised that repealing rules should not be automatically equated with a reduction in burden, noting that 87% of rules repealed had no impact on the administrative burden on businesses (Government of Canada, 2022^[26]). In implementing such rules, the metric of ins and outs needs to be thought through carefully.

Targeted simplification programmes

People will always experience some level of burden in navigating administrative procedures. Governments' role is to identify when burdens are unavoidable and when they are unnecessary, and remove the latter. Stakeholder feedback can be very valuable in helping governments to do this, as people and businesses are often best positioned to identify especially irritating or burdensome rules and processes. The **European Commission**, for instance, has an online portal – Have your say: Simplify! – where people can submit suggestions to simplify existing rules and to reduce regulatory burdens; the Commission also launched a call for evidence gathering feedback on burdensome reporting requirements, in support of achieving the Commission's burden reduction targets (European Commission, 2023^[27]). The Commission's new implementation dialogues and reality checks, discussed in Chapter 4, further ensure that the practical experiences of stakeholders shape the identification and design of simplification measures (European Commission, 2025^[8]). Meanwhile, the new **Swedish** Simplification Council, an independent decision-making body placed at the Agency for Economic and Regional Growth, is tasked with collecting and analysing proposals for simplification from stakeholders, using them as a basis for recommendations to the government. Box 5.2 highlights how **Spain** uses targeted collaboration with non-government partners to identify and address simplification opportunities.

Box 5.2. Spain's targeted public-private collaboration for burden reduction

Spain's Central Administration seeks to tackle unnecessary administrative burdens through collaborative agreements with key stakeholder organisations. Based on these agreements, stakeholder organisations bring together members and government representatives through workshops and discussion fora to identify burdens and propose specific opportunities for simplification. Currently, the administration has seven agreements with a variety of organisations representing business interests, from the Spanish Chamber of Commerce and Confederation of Business Organizations (CEOE-CEPYME), to social interests, like persons with disabilities (CERMI) and the elderly/pensioners (PMP). Self-employed people are also represented through ATA and UPTA associations, and so is the Social Economy, by the Spanish Business Confederation (CEPES).

Since 2008, Spain's Central Administration has received over 2,100 burden reduction proposals through these agreements, submitted through a structured template outlining the issue, responsible entity, relevant regulations, potential solutions, and estimated benefits. Competent ministries review these annually and must respond, indicating whether proposals are accepted, implemented, under review, or rejected, along with justifications. If proposals also impact regional administrations, they are forwarded by the Central Administration to the autonomous communities for review.

Simplification proposals point to some horizontal enablers, as most of them involve:

- Enhancing interoperability and co-ordination across government levels
- Eliminating redundant requests for information already held by the administration
- Digitalising administrative processes
- Standardising procedures across Autonomous Communities
- Ensuring timely responses from the administration
- Improving direct communication with public bodies

As an example of this collaboration in practice, the Spanish Chamber of Commerce alone has signed 14 collaboration agreements over the years, covering horizontal topics such as SMEs and electronic administration, and on specific sectors, such as tourism and agri-food. These agreements have led to over 900 proposals for simplification, around 23% of which were implemented within two years. The agreement on improving administrative processing in the tourism sector, for example, led to 53 proposals that the Chamber estimates would carry 433 million euros total in savings if implemented.

Source: Ministerio para la Transformación Digital y de la Función Pública (2023^[28]), [“Administrative Simplification in Spain: A Map”](#); Ministerio para la Transformación Digital y de la Función Pública (2014^[29]), [Manual de Simplificación Administrativa y Reducción de Cargas para la Administración General Del Estado](#)

Across EUMS, stakeholders generally want more digital and fewer duplicative touchpoints with government – as broad simplification programmes carried out by France and Italy have highlighted (Box 5.3).

Box 5.3. Simplification programmes highlight common stakeholder priorities and irritants

In **France**, a 2023 national consultation on simplification to make life easier for businesses solicited input through an online platform and in-person meetings with business leaders. In total, 29 000 participants submitted and voted on over 5 000 proposals to express their priorities. The most popular proposals were based on simplifying the administrative processes that businesses have to navigate when, for example, getting involved in public procurement processes, applying for aid, changing company information, transferring a business, or ceasing an activity. More userfriendly administration was also a top priority, with proposals on centralising the various government websites and portals that businesses must navigate, enabling access to dedicated advisors over telephone and virtual meetings, continuing to establish one-stop shops, and establishing a “tell us once” framework to avoid businesses needing to constantly re-submit the same information. The findings from the consultation are intended to inform the drafting of legislation to simplify existing rules and procedures.

Italy’s feedback-driven programme follows a target to simplify 600 procedures by 2026 as part of their National Recovery and Resilience Plan emerging from the Covid-19 pandemic. Through a 2022 public consultation, the government received 955 submissions from businesses, public employees, citizens, and public administrations. People contributed to the list of procedures to simplify, with many respondents highlighting unnecessary paper-based processes as a key burden. People also identified fragmented or duplicative information and reporting requirements. These burdens are particularly stressful for processes related to disability and healthcare (such as applications for aid) where the need to navigate through multiple offices and application systems compounds existing life stressors.

Source: Ministère de l’Économie et des Finances (2024^[30]), [23 idées plébiscitées pour simplifier la vie des chefs d’entreprise](#).

Administrative burden can also be a psychological human experience, imposing unnecessary complexity, confusion and stress that makes it difficult for people to go about their lives. Recognising this, “sludge audits” have emerged as a tool to extend traditional administrative burden assessment approaches to account for the psychological experience of dealing with burdens. Sludge audits of a service or process seek to identify the micro-level and hidden behaviours required to complete a process (e.g. waiting time) and analyse psychological experience and costs that include, but go beyond, time and money to encompass more qualitative experiences (e.g. stigma, uncertainty, confusion, lack of respect) (OECD, 2024^[21]). In a regulatory context, including a human-centred lens to consider the full citizen experience when identifying regulatory complexities – in addition to standard objective quantification methods (such as the Standard Cost Model) – can help to ensure that simplification efforts bring tangible benefits to the people who have to navigate the rules (Box 5.4).

Box 5.4. Human-centred approach to administrative burden measurement: the Franco-German Barometer on Administrative Complexity.

The Franco-German Barometer on Administrative Complexity is a tool to identify the most complex and irritating administrative procedures encountered by citizens in the French and German border regions. Funded by the European Union, it aims at fostering freedom of movement between France and Germany.

Focusing on the perspective of citizens, the barometer is developed to measure administrative complexity through the perspective of cross-border citizens to identify, evaluate, and simplify the most problematic administrative procedures in the Franco-German area. The barometer is an essential part of the process towards developing simplification solutions. The objective of the tool is to help prioritise between a certain number of pre-identified procedures for follow-up simplification work. This prioritisation exercise is thus determined by the citizens themselves, allowing for a proper human-centric approach.

The general concept of the barometer allows for the perspective of citizens to be captured through life events, ensuring questions are formulated in a way that is meaningful and relatable for citizens. The instrument’s design required an understanding of complexity as seen and experienced by citizens through different quantitative and qualitative elements to consider, ranging from administrative burdens and missed opportunities to frustration, dissatisfaction, and irritants. These elements are parts of what citizens may perceive as complex. Therefore, a key element of the approach developed within this barometer concerns the need for proper balance between quantitative and qualitative sources of information. The barometer survey questionnaire sees both objective and subjective questions, allowing for quantitative information on time and costs as well as perceived complexity. Subjective questions also come with possible bias, further arguing for the need for a hybrid approach combining objective and subjective questions.

Source: OECD work in France and Germany.

Listening to stakeholders to understand how rules work in practice

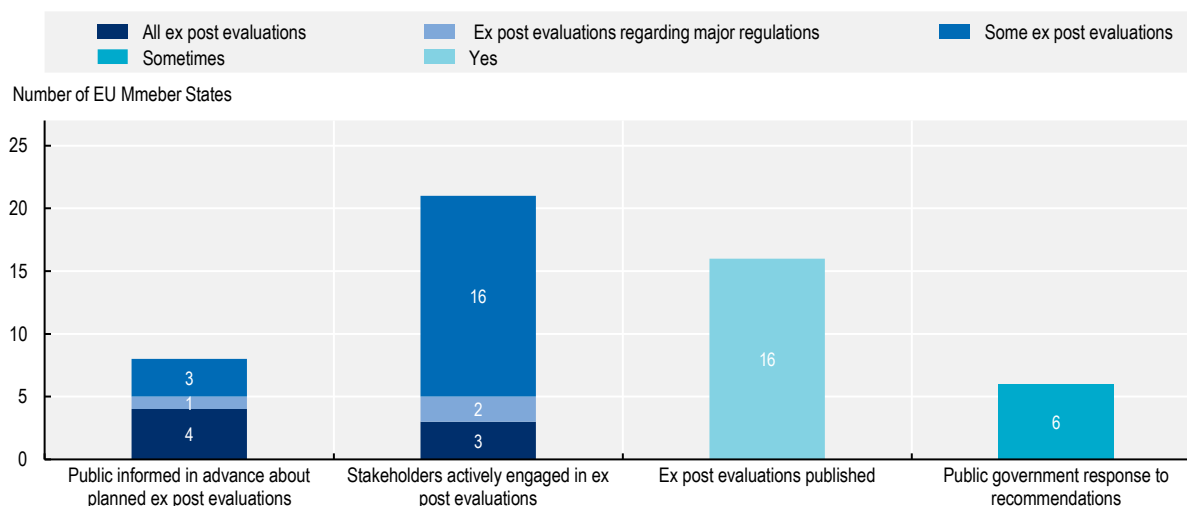
Citizens and other stakeholders “experience” rules, including any disparities between policy intent and real-world impact and implementation issues. Listening to stakeholders’ views is therefore an essential source of insight for governments to improve existing rules. In addition, incorporating feedback from the people who have to comply with the rules can also drive public trust and increase buy-in for resulting policies. For instance, only one-third of people surveyed by the OECD reported believing their government would adopt opinions expressed in a public consultation. Around 40% said that their government would improve a poorly performing service, implement an innovative idea, or change a national policy in response to public demands (OECD, 2022^[31]).

Making reviews open to stakeholders

Availability of information is a critical foundation for the public to be able to engage on how rules are impacting their lives. They need to first know the rules that are in place. It falls upon governments to effectively communicate the existence and content of all rules to the public, ensuring that the public enjoys unimpeded access to regulation. In all EUMS, this is done through a complete and up-to-date legislative and regulatory database, available to the public free of charge in a searchable format over the internet. Most EUMS also publish online a list of laws to be modified, reformed, or repealed in the near-term which allows for the public to remain informed as rules evolve – though less than half of them do so for subordinate regulations. Beyond creating a foundation for public engagement on existing rules, this practice entails broader benefits in increasing transparency while reducing possibilities for abusing discretion and for corrupt behaviour from public officials (OECD, 2022^[32]).

While most EUMS engage stakeholders in at least some reviews, improving key practices would bolster the scale and quality of feedback and engagement. Most EUMS have ongoing mechanisms in place for the public to provide feedback on existing rules and actively engage stakeholders in their review (though, on the latter point, only a minority of states do so systematically). Other good practices like providing advance notice to the public when reviews are planned to take place and providing public responses to reviews are notably less common (Figure 5.7), despite being important to establishing productive engagement. Providing advance notice to stakeholders, for example, enables data gathering on actual impacts and experiences that can be brought to bear during reviews. Similarly, referencing the initial impact assessment as part of reviews can prompt people to consider whether the evidence and assumptions used *ex ante* remain valid. Despite this, only 3 EUMS do so systematically. Ultimately, ensuring people are provided with the access and information needed to meaningfully engage is in the interest of policymakers – who, in turn, can then be better positioned to receive meaningful input that actually helps to determine whether rules are working as intended.

Figure 5.7. Engagement in evaluations remains unsystematic in most EUMS



Note: Data based on the 27 Member States of the European Union.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Particularly for more significant reviews, transparency is essential to maintaining credibility and buy-in. Reviews and findings should be made public, and reasons provided where feedback is not taken on board. Lack of responsiveness and lack of information about outcomes can reduce the future willingness of stakeholders to participate in review processes, negatively impacting the quality of future reviews, and may erode public trust in government's regulatory efforts generally (OECD, 2020^[4]).

Actively engaging stakeholders in reviews

Policymakers have an increasingly diverse set of tools and approaches at their disposal to gather feedback on existing rules, whether on an ongoing basis or as part of specific reviews. The **European Commission's** Have Your Say portal,² for instance, allows stakeholders to participate in calls for evidence to share direct feedback on how rules are working.

Among the 20 EUMS that report having ongoing mechanisms in place for public, the most common mechanisms are electronic mailbox and websites – both relatively generic initiatives that still provide a way for the public to directly relay comments and concerns on a range of regulatory issues to the government at any point.

More involved and targeted mechanisms range from regular call-outs for comments to standing bodies that assemble specific stakeholder groups to deliberate on regulatory issues. The **Danish Business Regulation Forum**, for instance, organises regular meetings where representatives from industry associations and businesses come together to discuss regulatory challenges, such as compliance burdens, administrative complexities, or barriers to innovation. The Forum then provides specific policy recommendations to government officials to inform changes for a more business-friendly regulatory environment. As technology continues to advance, digital tools make it increasingly accessible for policymakers to connect directly with stakeholders on the real-world implications of rules. Interactive platforms can be developed to support dialogue and collaboration beyond the independent submission of a comment. These tools not only make it easier for the public to participate, but also provide an avenue for more in-depth, substantive engagement.

Among EUMS, different types of interactive websites have become increasingly adopted since the first survey in 2014, with functionalities tailored to different parts of the policy cycle. **Estonia's** eelroud.valitsus.ee allows members of the public to review and comment directly on draft legislative and regulatory documents. **France's** vie-publique.fr, among its missions, allows people to engage on specific rules, as well as more generally on plans and broader initiatives. **Finland's** otakantaa.fi offers various interactive features such as surveys, forums for discussions with other users and government representatives, and the ability to submit feedback and proposals on policy issues.

Despite the general growth in adoption, there remains a consistent gap since 2017 in *when* interactive websites are used. Compared to draft regulations (discussed in Chapter 3), Member States are less likely to use interactive websites for engagement on plans to make regulations, plans to change regulations, or on finalised regulations or on plans change regulations. Chapters 2 and 3 includes further discussion of stakeholder engagement mechanisms and practices in the design and development of regulations.

In addition to involving stakeholders in ongoing evaluations, e.g. to test assumptions and possible recommendations, governments can also place them at the centre of reviews. Through so-called “public stocktakes”, governments invite businesses and citizens to provide information on the effectiveness, efficiency and burdens imposed by any legislation/regulation, either economy-wide or in a specific sector or policy area. 12 EUMS and the EU have undertaken such public stocktakes, spanning sectors and policy areas and driving tangible improvements to the regulatory system:

- In **Estonia**, for example, feedback from underage offenders, their family members, and law enforcement professionals informed changes to address challenges and inefficiencies with the “juvenile committee system”, a system intended as an alternative to help keep young people away from detention and the criminal justice system; this review ultimately led to the “juvenile committee system” being abolished.
- **Finland's** reform of the Food Act combined online and in-person consultations with the public, regulated businesses, and regulatory officials. Feedback collected helped changes to reduce compliance burden, including transition to a risk-based enforcement model, focusing enforcement on high-risk areas and on activities instead of physical locations.

- In **Slovenia**, the government surveyed construction stakeholders, including engineering and architecture groups, municipalities, building inspectors, real estate investors, developers, and realtors. Investors, for instance, identified challenges with a lack of legal certainty in cases where a purchased building is later found to be in non-compliance due to an issue that existed pre-purchase. As a result, reforms included a new option to seek “predecisions” from compliance authorities.

The feedback gathered through evaluation processes carries benefits throughout the policy cycle. Lessons learned from implementation help policymakers adjust laws and regulations – whether designing new or refining existing ones – to enhance outcomes and reduce unnecessary burdens, while also showing people that their insights are being fully integrated, fostering trust. This continuous feedback loop ensures that regulation remains adaptive, relevant, and responsive to societal and economic needs, effectively linking the end of one policy cycle to the beginning of the next.

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Notes

¹ Administrative burdens encompass the costs incurred by individuals and businesses when interacting with government bodies or institutions.

² https://ec.europa.eu/info/law/better-regulation/have-your-say_en.

6

Better regulation in EU Member States: Country profiles

This chapter presents country profiles for all EU Member States, setting out the key features of their better regulation systems. The country profiles are based on the Indicators of Regulatory Policy and Governance (iREG), benchmarking performance against OECD best practice, and are complemented by qualitative information to contextualise data. They highlight progress made and priority areas for further improvement.

Austria

Overview

In Austria, regulatory impact assessment (RIA) has been mandatory for all primary laws and subordinate regulations since 2013. A comprehensive threshold test determines whether a simplified or full RIA has to be conducted for draft rules. A simplified RIA is carried out in about two-thirds of cases. The methodology for a full RIA requires the assessment of a range of impacts, including on the environment, social aspects, and gender equality. Simplified RIAs contain only a short narrative explanation and text, no outcome indicators to measure progress and in most cases a simplified assessment of financial costs.

The threshold test also determines the requirement for *ex post* evaluations (EPE), which was introduced in 2013. Assessments of whether underlying policy goals have been achieved, the comparison of actual and predicted impacts, and the identification of costs, benefits and unintended consequences of regulations are part of the standard evaluation methodology.

The Federal Ministry for Arts, Culture, Civil Service and Sport (BMKOES) reviews the quality of all full RIAs and EPEs and oversees the application of threshold tests for simplified RIAs. It provides its opinions on RIAs for primary laws and can ask for revisions of assessments. The ministry also issues guidelines, provides training on regulatory tools, publishes RIAs and EPEs online and reports their results annually to Parliament. The Ministry of Finance supports the BMKOES with the development of guidelines and with reviewing assessments of financial impacts and costs.

All draft primary laws, their RIA and accompanying information are made available on the Parliament website, where the public can submit comments. An interactive platform was launched in 2018 to provide the public with an opportunity to express views ahead of parliamentary initiatives.

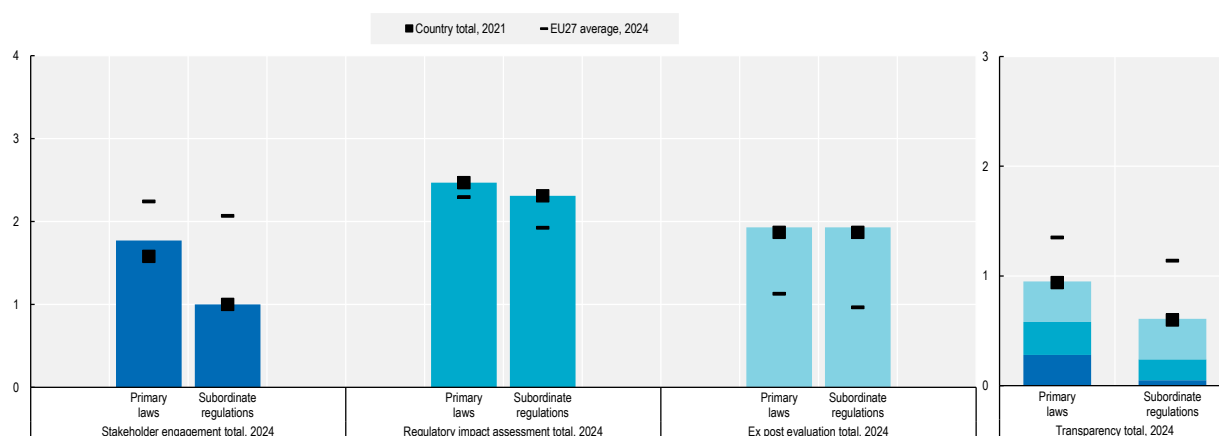
Indicators presented on RIA and stakeholder engagement only cover processes carried out by the executive, which initiates approx. 37% of primary laws in Austria. Since 2021, citizens can also share input on legislative initiatives introduced by MPs and popular initiatives. There is no mandatory requirement for conducting RIAs for primary laws initiated by the parliament.

In focus: Recent developments and next steps

Recognising the importance of stakeholder engagement on draft rules, Austria expanded the scope of online consultations in 2021. The public can now share input on most legislative initiatives introduced in Parliament, including government-sponsored Bills, Bills from individual MPs, as well as popular initiatives that received the support of at least 100,000 citizens and petitions.

Austria would benefit from extending the use of its online consultation platform to policy issues as a gateway towards establishing a more systematic approach to involving stakeholders early on in the development of regulations. Moreover, Austria could extend the scope of public consultations to subordinate regulations, and would benefit from introducing systematic quality control of engagement processes.

Indicators of Regulatory Policy and Governance (iREG): Austria



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (37% of all primary laws in Austria). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Austria: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Austria's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Belgium

Overview

Regulatory impact assessment (RIA) is mandatory for all primary laws and for some subordinate regulations submitted to the Cabinet of Ministers at the federal level. RIAs are required to include an assessment of impacts on decarbonisation targets, biodiversity, natural resources, and human health. In practice however, a significant number of laws are introduced without impact assessments.

The Federal Public Service Strategy and Support (BOSA) co-ordinates RIA and steers the implementation of better regulation. BOSA is supported by the Impact Assessment Committee (IAC), which provides advice on RIAs upon request by the responsible ministry and reports annually on the quality of RIAs and functioning of the RIA process. Often taking place late, RIAs rarely support decision-making. Belgium does not systematically require an identification and assessment of alternatives to the preferred policy option. RIA could be better used to help decide between policy options. A lack of proportionality criteria within the RIA framework prevent ministries from using resources efficiently by targeting proposals that require more attention.

Based on requirements spelt out across different documents, policymakers are required to consult with stakeholders in the development of new rules. The system of consultation involves different social partners. Public consultation is held on an ad hoc basis by ministries and published on their individual ministerial webpage. Periodic *ex post* review is mandatory for some legislation and sunset clauses are sometimes used. The Court of Audit has undertaken ad hoc in-depth reviews on specific regulatory areas such as agriculture, energy, and youth.

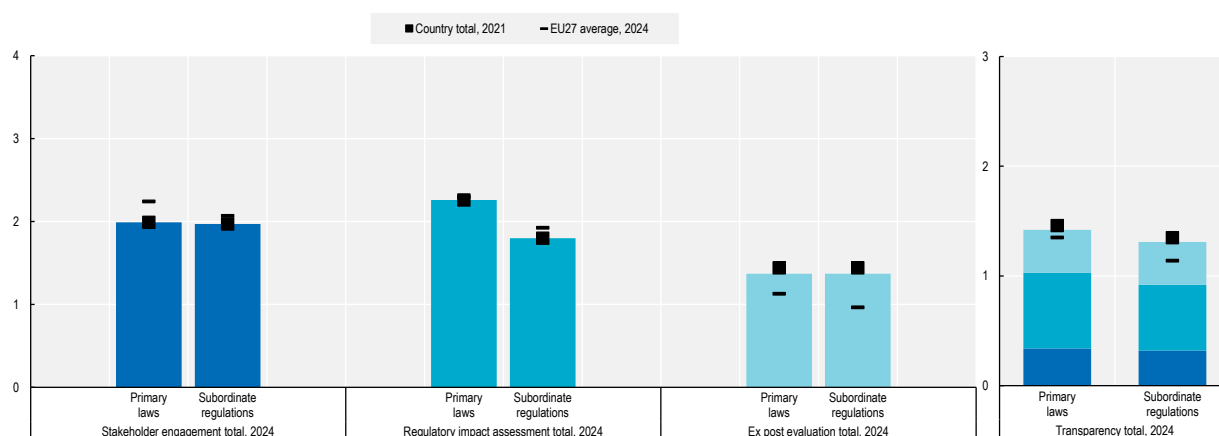
In focus: Recent developments and next steps

Belgium has not introduced substantive changes to its institutional and policy framework for regulatory quality at the federal level over the past years. In-depth reviews have been introduced, for example regarding wage supplements in the calculation of civil servants' pensions and certain security verifications by the National Security Administration.

To further enhance the quality of RIAs and functioning of the process, the establishment of proportionality criteria would support the identification of areas and rules which require further assessment. The IAC reviews RIA at the request of the proposing ministry, which is not required to follow its recommendations. The IAC could engage earlier and more systematically in reviewing RIAs. The introduction of additional training programmes could also help improve the quality of the analysis.

The overall system could benefit from further transparency. Consultations and engagement could be further strengthened through the creation of a single online platform, compiling ongoing consultations and be easily accessed by the public. The systematic publication of RIAs across all ministries can also help foster transparency.

Indicators of Regulatory Policy and Governance (iREG): Belgium



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (81% of all primary laws in Belgium). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Belgium: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules▲	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ▲	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Belgium's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Bulgaria

Overview

Regulatory impact assessments (RIA) are required for all draft laws and subordinate regulations enacted by the executive and legislative branches under the 2016 amendment to the Law on Normative Acts. However, in practice most of them are partial RIAs providing a brief qualitative analysis. The Council of Ministers Administration (CoMA) can recommend Ministries to conduct a full RIA, but there is no formal threshold for when full RIAs are required. The same 2016 law requires *ex post* evaluations (EPE) for all new legislation (not including legislative amendments), and the CoMA has issued methodological guidance to support public bodies conducting EPEs. However, although 55 evaluations have been conducted in Bulgaria since 2019, the use of EPE remains non-systematic and mainly occurs on an ad hoc basis. Since 2016, efforts have been made to promote RIA and EPE implementation through continuous training for public servants.

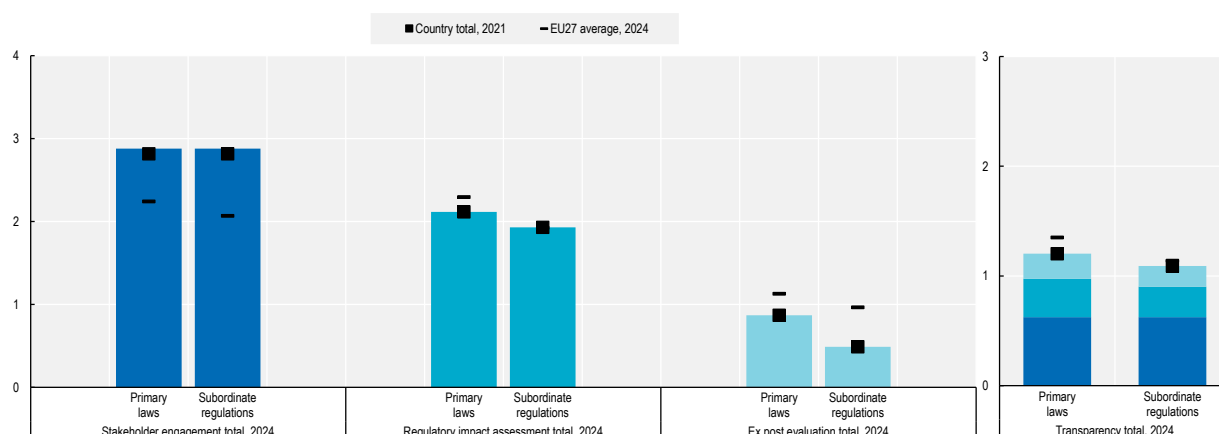
Stakeholder engagement is required to inform the development of all primary laws and subordinate regulations, and is undertaken systematically once a legislative proposal has been drafted. Draft laws are published for a 30-day consultation period on Bulgaria's online consultation platform, Strategy.bg, unless introduced through the emergency procedure. Ministries must respond publicly to comments made on the portal. Early-stage engagement with stakeholders before a draft is prepared takes place but remains ad hoc through working groups set up by ministries and is typically not open to the general public.

The Regulatory Policy Unit within CoMA is responsible for regulatory oversight in Bulgaria; it scrutinises the quality of all RIAs and stakeholder engagement where a full RIA is conducted. It also issues guidance on regulatory management tools. The Directorate also publishes yearly reports on the performance of the RIA and stakeholder engagement systems for draft regulations, including data on the percentage of RIAs and consultations that comply with applicable formal requirements.

In focus: Recent developments and next steps

Since 2021, the Council of Ministers has taken concrete actions to mainstream the use of evidence in the decision-making process. Decrees No. 218 and No. 436 in 2022 require each ministry to conduct a full RIA and EPE as a one-off measure to encourage practical adoption of these tools. Despite these efforts, better regulation tools have yet to become embedded in the institutional culture of ministries. To do so, Bulgaria should develop and publish a whole-of government regulatory policy strategy across all sectors committing at the highest possible level to regulatory quality. Bulgaria should also review its current RIA and EPE strategy to enhance their implementation in practice, and consider establishing a formal threshold for RIA to focus efforts where they can yield the highest impact.

Indicators of Regulatory Policy and Governance (iREG): Bulgaria



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (51% of all primary laws in Bulgaria). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Bulgaria: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Bulgaria's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Croatia

Overview

Croatia has introduced a well-developed regulatory impact assessment (RIA) system, requiring policymakers to assess a broad range of impacts for all primary laws from the early stages. Subordinate regulations, while currently not subject to RIA, must undergo an SME Test. The government has invested significantly in promoting the practical implementation of RIA, with the Government Legislation Office (GLO) developing guidelines and launching training initiatives for government officials. The 2024 Law on Better Regulatory Policy Instruments (BRPI Law) which repealed the 2017 RIA Law, aims at simplifying the RIA procedure for all primary laws. However, the repeal of the threshold determining whether full RIA is required potentially undermines proportionality. Since 2018, policymakers must conduct a post-implementation review to evaluate whether primary laws that were exempted from RIA are achieving their objectives, using the RIA methodology. The BRPI Law also introduced a new methodology for *ex post* evaluation (EPE). State administration bodies are encouraged to apply it on a voluntary basis, whilst Government and Parliament can task them to conduct EPEs of existing primary laws.

Croatia continues to engage stakeholders by publishing drafts of major laws and regulations on the online consultation platform, e-Savjetovanja, for 30-days. The body drafting the regulation publicly responds to all comments received. Policymakers also engage with stakeholders at early stages through ad hoc working groups that include representatives from civil society, businesses, and academia. Since 2018, early-stage engagement has extended to the general public through online consultations albeit non-systematically.

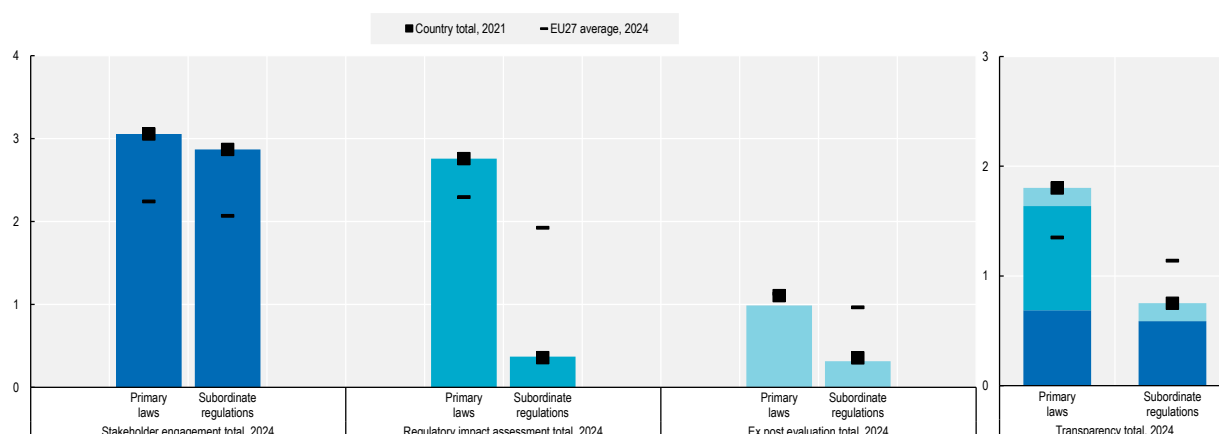
The GLO, located at the centre of government, is responsible for co-ordinating regulatory policy. Its mandate includes quality control of *ex post* evaluations and oversight of stakeholder engagement, including the management of the central consultation portal. The GLO reviews the quality of RIAs and provides support and training to ministries during the process. It also publishes yearly reports on the performance of the RIA system. The Ministry of Economy is responsible for the SME Test for subordinate regulations and checks the quality of the SME Tests included in the RIA. The Ministry also provides guidance and training on the SME Test to civil servants.

In focus: Recent developments and next steps

In January 2024, the BRPI Law entered into force, which aims to improve and consolidate legislative planning, RIA, *ex post* evaluation, and stakeholder engagement. The BRPI Law also envisages requirements to conduct RIA on those subordinate regulations that are enacted by the Government as a whole, with implementation pending.¹ As next steps, Croatia would benefit from broadening the scope of RIA as well as *ex post* evaluation to include all or major subordinate regulations with substantial impacts on the economy, citizens or the environment.

¹ These provisions are planned to become effective upon Croatia's accession to the OECD.

Indicators of Regulatory Policy and Governance (iREG): Croatia



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (99% of all primary laws in Croatia). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Croatia: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ▲	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Croatia's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Cyprus

Overview

Cyprus' regulatory policy system has largely remained stable, with some improvements to consultation practices. In 2023, the government launched an interactive online platform for all consultations on regulatory initiatives: e-consultation.gov.cy. The platform also includes a publicly accessible report of comments and whether they were accepted. Written guidance, updated in January 2024, details steps of the consultation process and requires a minimum four weeks of open consultation on all primary laws. Though not required, consultation is also undertaken in practice for some draft subordinate regulations. Stakeholders are not, however, consulted prior to a regulation being drafted to gather and compare different options.

Regulatory impact assessment (RIA) is required for all primary laws and is also undertaken in practice for some subordinate regulations. The RIA framework introduced in 2017 requires identifying and assessing multiple options, both regulatory and non-regulatory, on the basis of a range of social and economic impacts. It also requires quantifying costs and benefits for the different options. Key gaps that remain include risk assessment and early consideration of how policymakers will measure the progress of a regulation post-implementation. Cyprus has no system for *ex post* evaluation to verify if rules achieve their objectives in practice. However, successive government action plans have identified the simplification of existing rules and legal procedures as a priority, and the Law Commissioner carries out simplification and revision of national legislation on an ad hoc basis.

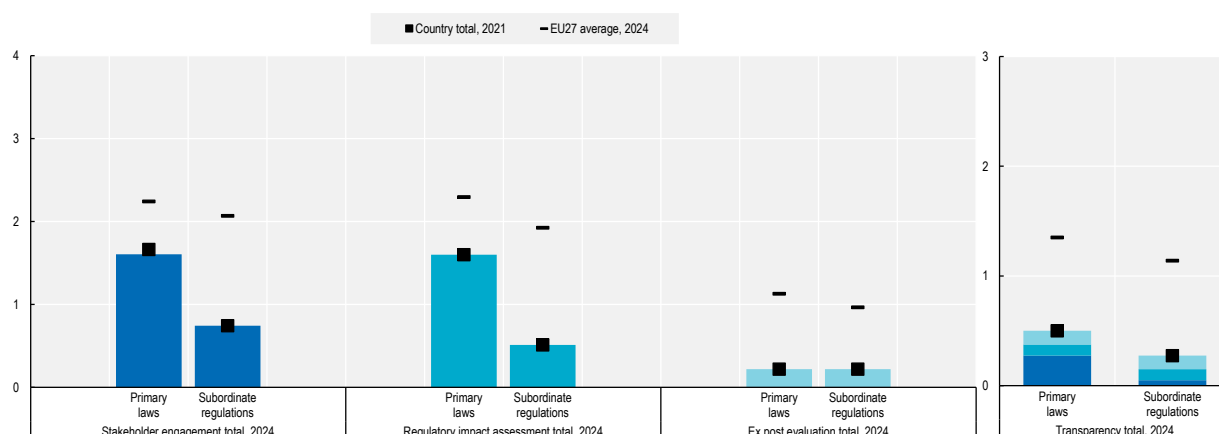
While there is no single institution responsible for overall regulatory oversight in Cyprus, the SME Envoy checks for adequate consultation with the business community. The Envoy also performs quality control of the SME test (which assesses the potential impact of regulations on small and medium- enterprises), issuing an opinion on the quality and mitigation measures as needed. The Law Commissioner, appointed by the President of the Republic, advises the President and the Ministers on any issue concerning the law, its modernisation, consolidation, amendment and reform.

In focus: Recent developments and next steps

Building on the recent establishment of a central online consultation platform, Cyprus could undertake public consultations earlier, before a decision to regulate is made. This could enhance the evidence base to help identify potential impacts and to consider multiple options, including alternatives to regulation.

Cyprus also has an opportunity to improve the evidence base and transparency of new rules by extending requirements to conduct RIA and stakeholder engagement to cover subordinate regulations with significant impacts too. Additionally, establishing explicit and systematic requirements and procedures for *ex post* evaluation would help Cyprus to ensure that rules are delivering results, and that the regulatory stock is effective and efficient, avoiding unnecessary burdens.

Indicators of Regulatory Policy and Governance (iREG): Cyprus



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (55% of all primary laws in Cyprus). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Cyprus: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ▲	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Cyprus practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Czechia

Overview

Czechia has a well-developed regulatory impact assessment (RIA) process, including mechanisms for quality control through the RIA Board operating at arm's length from the government. All draft primary laws and subordinate regulations prepared by the executive must be accompanied by a basic overview of impacts; a full RIA is carried out for drafts with significant impacts. The quality of RIA could be improved especially in terms of quantifications of impacts. Analytical capacities the carry out impact assessments are still insufficient despite recent progress.

All legislative drafts submitted to the government are published on a government portal accessible to the general public. It is obligatory to conduct public consultations within the RIA process and summarise their outcomes in RIA reports. However, there are no compulsory rules specifying the length or form of such consultations.

Czechia was an early adopter of administrative burden programmes which remains a government priority, with three “antibureaucratic packages” adopted since 2022. The focus has not yet been widened to other regulatory costs.

The Government Legislative Council is an advisory body to the government overseeing the quality of draft legislation before it is presented to the government. One of its working commissions, the RIA Board, evaluates the quality of RIAs and adherence to the procedures as defined in the mandatory RIA Guidelines, provides assistance to drafting authorities if requested, and issues opinions on whether draft legislation should undergo a full RIA.

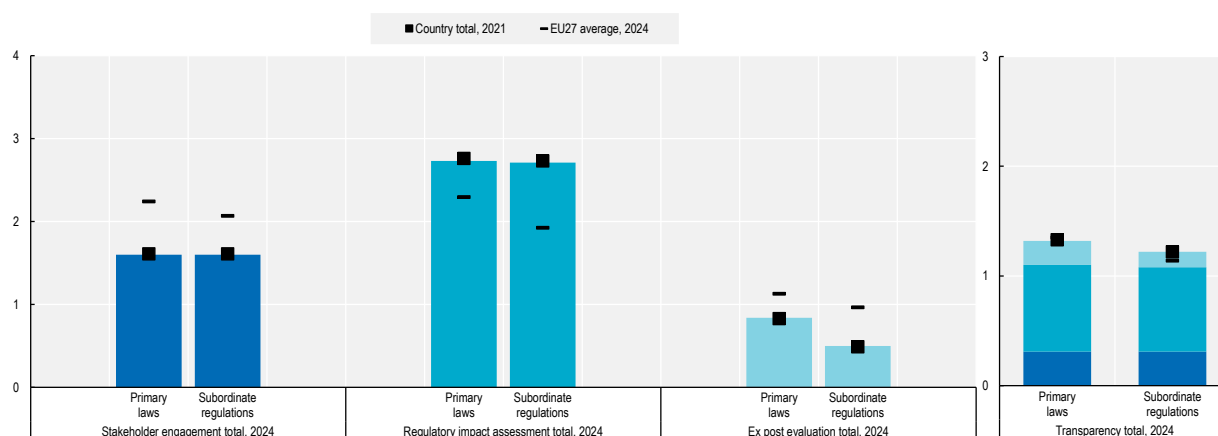
In focus: Recent developments and next steps

The January 2023 update to the RIA Guidelines included the addition of a new obligation to assess specific impacts on families and territories, as well as highlighting the need for consistent assessments of impacts on the SDGs (sustainable impact assessment).

From 1 January 2025, it will be obligatory to prepare an *ex post* evaluation according to a binding template for all laws that had a RIA within a maximum period of five years from the entry into force. The RIA Board will oversee this process. Czechia should ensure that analytical capacities are sufficiently developed.

Czechia should standardise the public consultation process, use the new “*eLegisativa*” portal for public consultations and be more proactive in engaging with stakeholders sufficiently early. Oversight over the quality of stakeholder engagement should be strengthened.

Indicators of Regulatory Policy and Governance (iREG): Czechia



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (65% of all primary laws in Czechia). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Czechia: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ▲	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Czechia's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Denmark

Overview

Regulatory reform is a longstanding feature of the Danish government agenda, with an increasing focus on fostering innovative, digital, and business-friendly rules. The Ministry of Justice is responsible for overall co-ordination and written guidance on regulatory policy. Full RIAs must be carried out for primary laws and subordinate regulations with significant expected administrative or compliance costs.

Denmark systematically engages stakeholders in the later stages of rule-making, including on RIAs for draft regulations. The Danish Business Regulation Forum (DBRF), a forum for industry stakeholders advises the government on business regulation and RIA methodology. The government periodically reviews existing regulation with significant impacts. The DBRF also conducts in-depth reviews of regulations in different policy areas, identifies options for simplification in response to digitisation, and offers business-oriented digital solutions.

The Better Regulation Unit at the Danish Business Authority (DBA) measures the impact of legislation on businesses, and performs quality control of RIAs for regulations creating significant burdens for businesses. It also provides guidance and training on regulatory management tools, oversees compliance with the DBA's Innovation and Entrepreneurship Check and principles for implementation of business-oriented EU-regulation. The DBA also operates a one-stop shop service, acting as a single point of contact for innovators to raise questions or identify regulatory barriers. It then works with other parts of government to provide support for the innovator.

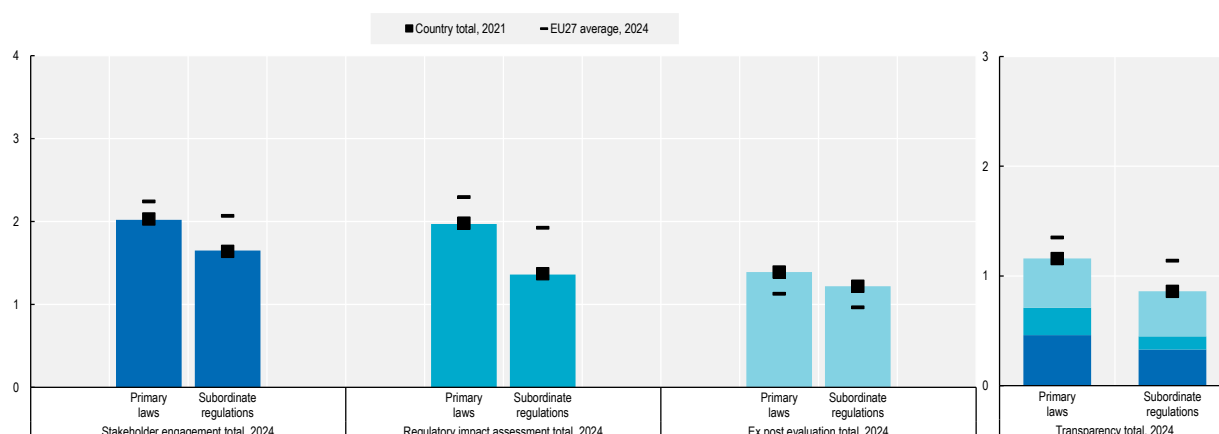
The Secretariat within the Ministry of Digital Government and Gender Equality receives draft legislative proposals before public consultation and makes recommendations to improve implementation impact assessments and compliance with the seven principles of digital-ready legislation.

In focus: Recent developments and next steps

Denmark has taken steps in advancing its principles for digital-ready legislation. As a next step, it is exploring how to improve the digital readiness of the regulatory stock. There are approximately 1,600 laws that pre-date the digital-ready requirements. Funded by the European Union and implemented by the OECD, a recent project developed a framework and methodology for prioritising the revision of existing legislation for digital readiness. The framework and methodology were finalised in June 2024, with the government currently considering an implementation timeline.

Additionally, building on targeted engagement initiatives – such as Denmark's Citizens Assembly on climate issues and Youth Climate Council – with methodological changes, like systematically informing stakeholders in advance that a consultation is due to take place and including consultation views in RIAs, would further bolster transparency.

Indicators of Regulatory Policy and Governance (iREG): Denmark



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (99% of all primary laws in Denmark). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Denmark: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	▲
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	▲
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	▲
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	▲
	Use data-driven approaches to monitor the impacts of rules ▲	▲
	Address innovation-related challenges when reviewing rules ▲	▲
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ●	●
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Denmark's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Estonia

Overview

In Estonia, preliminary regulatory impact assessments (RIAs) refer to the legislative intent documents, which precede all primary laws, unless exemptions apply. Full RIAs are rare, but simplified RIAs are included for all draft laws. Recent efforts to improve RIA practice include systematic training of law drafters and the creation of a network for public officials. A 2023 amendment to the inter-ministerial co-ordination process required the Ministry of Justice to review all draft laws twice before they are presented for Government approval, enabling earlier identification of RIA shortcomings and the chance to review improvements. The Ministry is testing a new methodology to assess RIA quality, data collection began in 2023, and data analysis and results are expected by the end of 2024.

In 2023, Estonia created an open government roadmap to improve stakeholder engagement in policymaking. Public consultations are spread via an information system for draft legislation (EIS), ministries' websites, social media and newspapers. Online consultations to inform stakeholders about the nature of the policy problem and identify policy options are conducted in some cases. Later-stage consultations are held for all primary laws and subordinate regulations.

Ex post evaluation has been mandatory for some regulations since 2012, occurring 3–5 years after implementation, and covering competition, administrative burden, and regulatory overlap. *Ex post* evaluations must now assess if the policy goals are met. *Ex post* evaluations are mandatory for urgent laws that bypassed usual rule-making processes where they impose significant impacts on specific groups. Publishing *ex post* evaluations is at the discretion of the relevant minister.

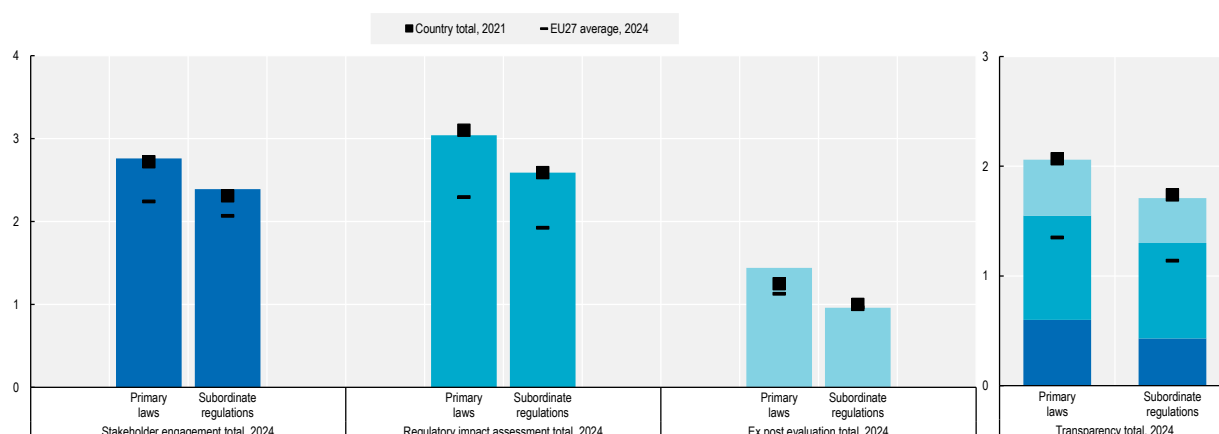
The Ministry of Justice oversees regulatory quality and is responsible for improving and evaluating regulatory policy. The Minister of Justice reports annually to parliament, including on compliance with RIA and stakeholder engagement requirements. The Government Office co-ordinates stakeholder engagement across government by issuing guidelines and promoting the engagement co-ordinators' programme. Its EU Secretariat co-ordinates EU law transposition, and its Legal Department examines the quality of draft subordinate regulations.

In focus: Recent developments and next steps

Estonia is developing a “digital co-creation workspace” for law drafters that will replace the existing EIS online information system, tracking legislative developments and making RIAs available on a central portal. The co-creation workspace will replace EIS once the public consultations' functionality, which began development in the summer of 2024, is fully implemented. This online platform will allow civil servants across ministries to co-create the same legislative text in a collaborative workspace with experts and stakeholders outside of the government.

The strategy document “Principles for Legislative Policy until 2030”, adopted in November 2020, aims to increase the proportion of *ex post* evaluations. Estonia would benefit from systematically applying *ex post* evaluations and reinforcing capacity to scrutinise their quality.

Indicators of Regulatory Policy and Governance (iREG): Estonia



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (92% of all primary laws in Estonia). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Estonia: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Estonia's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Finland

Overview

Recent Finnish governments have successively prioritised strengthening the rule of law, democracy, participation, and trust in society. Recent reforms aim to increase guidance and offer practical support to regulators in their application of a whole-of-government strategy on better regulation, extending stakeholder engagement to children and youth, and introducing *ex post* evaluations.

Several stakeholder engagement platforms exist in Finland to inform the public of regulatory drafts and solicit feedback. Lausuntopalvelu.fi, an online service for public statements, and the Governments Registry for Projects and Initiatives, which publicly provides information on the ministries' development projects, legislative preparation and various institutions, were recently complemented by new guidance to broaden target groups. RIAs are required and conducted for all primary laws and some subordinate regulations. The RIA Guidelines were renewed in 2022, and are expected to extend requirements to include assessment of macroeconomic, financial, and indirect costs. Meanwhile, *ex post* evaluation is not mandatory, and its principles do not specify impact categories as they build on the RIA guidelines for simplicity.

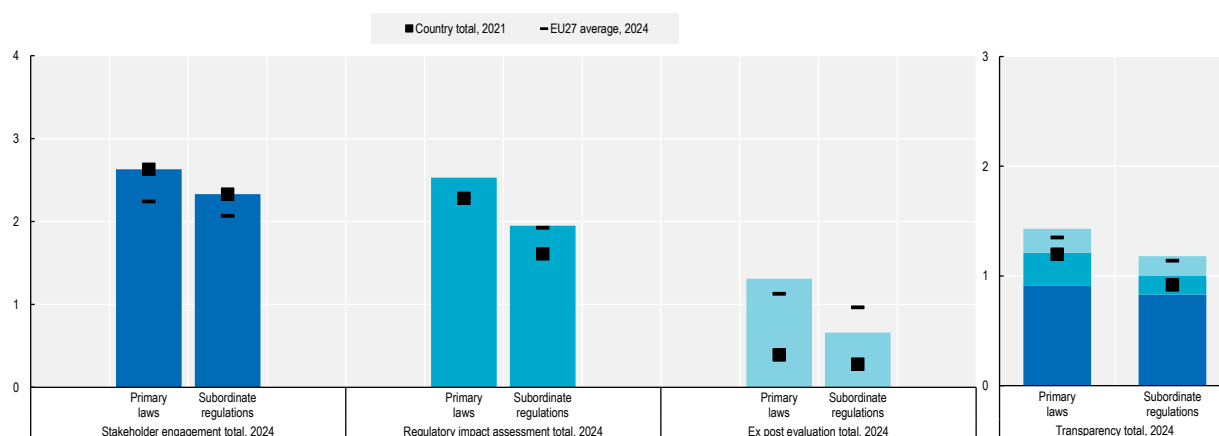
The Finnish Council of Regulatory Impact Analysis (FCRIA) is Finland's regulatory oversight body. It reviews selected RIAs for significance and representativeness before approval of the regulation, providing advice and formal opinions on quality but has no sanctioning power. The FCRIA chairs a government competence network for impact assessment, in place since 2021 to support law drafters in preparing RIAs. The FCRIA also has a mandate to review *ex post* evaluations. In addition, a government-wide working group aims to improve law drafting and enhance co-ordination across ministries and promote the uptake of best practices.

In focus: Recent developments and next steps

Finland has several recent reforms demonstrating high ambitions for evidence-based rule-making. The first policy document for *ex post* evaluation was adopted in 2023. It outlines common principles for monitoring and evaluating national legislation, state treaties and EU rules together with case examples of implementation methods. Mandatory requirements to conduct *ex post* evaluation and standardised evaluation techniques can further ensure rules continue to deliver for citizens and business.

Stakeholder engagement has improved in recent years, with specific guidance to strengthen the inclusion of different societal groups as targeted stakeholders. Children now have the right to participate in consultations: in particular, a new handbook addresses regulatory impacts on children. Finally, the legislative drafting consultation guidelines has been underway since early 2023. The preparation is carried out in collaboration between ministries and a working group. Fully implementing the new guidelines will be crucial to realising the gains offered by strengthened stakeholder engagement.

Indicators of Regulatory Policy and Governance (iREG): Finland



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (100% of all primary laws in Finland). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Finland: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Finland's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

France

Overview

In France, regulatory impact assessments (RIA) are required for all draft primary laws and major subordinate regulations and made available on the [Legifrance](#) platform. To manage regulatory burdens and rationalise the legal framework, the introduction of any new subordinate regulation is subject to a “one-in, two-out” offsetting approach. Each legislative proposal must be accompanied by five impact indicators to enable policymakers to effectively measure the achievement of policy objectives. *Ex post* evaluation of existing rules is conducted on an ad hoc basis by a range of institutions and typically cover a specific policy or reform. In a drive to simplify regulations for businesses, the French government conducted a series of stakeholder meetings in 2023 and a public consultation soliciting suggestions for simplification. France does not require public consultation for the development of new regulations, except for those with an impact on the environment. In practice, consultations with selected groups take place frequently but online consultations with the public remain non-systematic, except for environmental issues. When public consultations do occur, they are centrally accessible on the [Vie-publique](#) platform.

Under the authority of the Prime Minister, the *Secrétariat Général du Gouvernement* ensures compliance with procedures for RIA and stakeholder engagement, inter-ministerial co-ordination, and liaison with the *Conseil d'État* and the Parliament. The former plays a critical role, both upstream (through its consultative function for legal quality and the control of stakeholder engagement) and downstream (as the administrative judge of last resort). The *Ministère de la fonction publique, de la simplification et de la transformation de l'action publique* oversees simplification efforts.

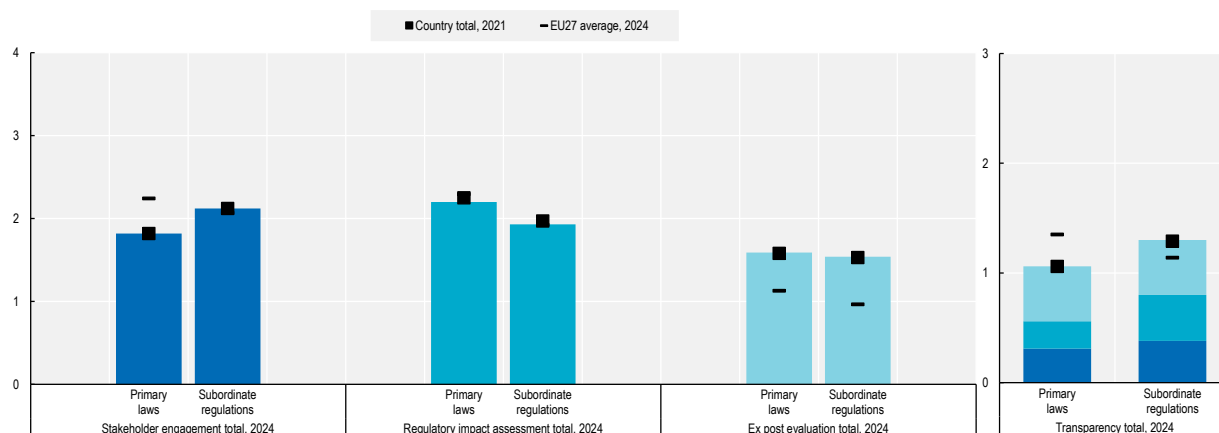
Indicators presented on RIA and stakeholder engagement only cover processes carried out by the executive, which initiates approx. 42% of primary laws in France. There is no mandatory requirement for consultation with the general public nor for conducting RIAs for primary laws initiated by the Parliament.

In focus: Recent developments and next steps

France established the *Pôle d'expertise de régulation numérique* (PEReN), a pool of specialist computer and data science experts that provide technical support and guidance across the administration. In addition, the *France Expérimentation* programme enables supervised testing of innovative business ideas through temporary derogation from existing rules to identify and remove regulatory barriers.

France has deployed new methods to involve stakeholders, in an ad hoc format, in early discussions prior to major reforms. For example, the *États généraux de la justice*, organised in 2021, brought together practitioners, specialists and individuals to share their concerns related to access to justice, leading to the adoption of two laws in 2023. However, to fully reap the benefits of stakeholder engagement, France should consider opening up consultations more systematically as is done for environmental regulations. In addition, France could also improve its *ex post* evaluation practice by making it more systematic.

Indicators of Regulatory Policy and Governance (iREG): France



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (42% of all primary laws in France). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

France: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects France's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Germany

Overview

Better regulation, and bureaucracy reduction in particular, have been in the focus of the political debate in Germany for some time. At the end of 2021, responsibility for better regulation moved from the Federal Chancellery to the Federal Ministry of Justice, albeit with a reduced number of staff. The State Secretaries' Committee for Better Regulation and Bureaucracy Reduction decided to strengthen the development and improvement of instruments to make legislation more fit for purpose, effective and user-oriented.

Regulatory impact assessment (RIA) continues to be mandatory for all primary and secondary legislation prepared by the Federal Government. The results are part of the draft proposals when they are published and deliberated in Cabinet. Germany has recently introduced a “digital readiness check” (*Digitalcheck*) to ensure that new rules are fit for digital implementation and also strengthened its sustainability assessment. The system for assessing impacts of draft proposals *ex ante* is complemented by *ex post* evaluation. Rules that create compliance costs of over 1 million EUR are subject to a full review to ascertain whether they achieve their intended objectives.

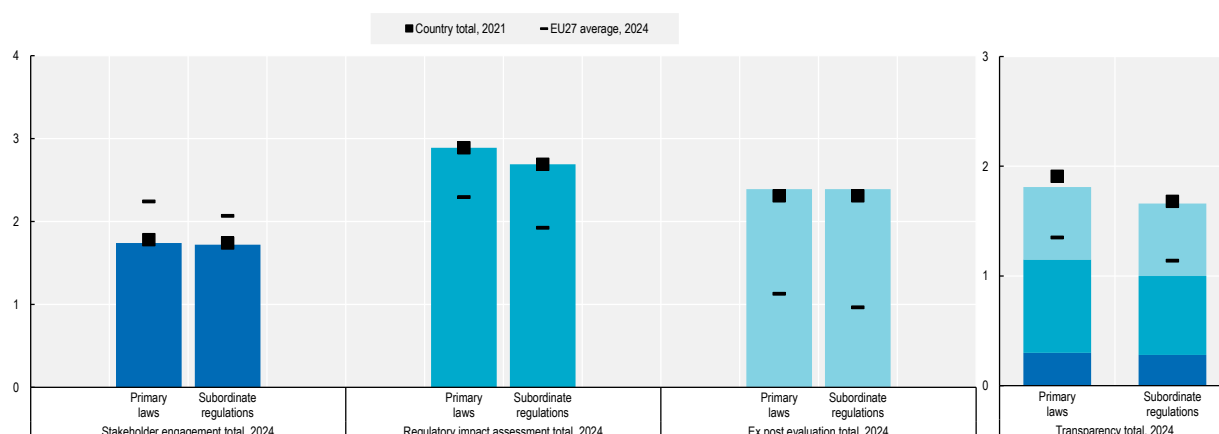
While consultation with social partners and experts is well established, consultation open to the general public is the exception rather than the rule. However, there are some positive examples over the last few years, including a public consultation led by the Federal Ministry for Economic Affairs and Climate to prepare a legislative proposal on regulatory sandboxes. The Ministry of Environment conducted an online dialogue on the Action Programme for Natural Climate Protection and a citizen dialogue on climate adaptation.

The National Regulatory Control Council (NKR) reviews the cost assessments in RIAs as well as the implementation of the *Digitalcheck*. It also provides advice during all stages of rulemaking and has responsibilities in administrative simplification and burden reduction. The Federal Statistical Office provides methodological support on the quantification of costs and has published guidelines and initiated a training programme on *ex post* evaluation.

In focus: Recent developments and next steps

With the Centre for Legislative Drafting (*Zentrum für Legistik*), Germany is establishing a government think tank, which will gather and promote scientific research as well as practical experience and provide tools, training and advice for Government officials. It will focus in particular on the earliest stages of the legislative process, including the involvement of all relevant stakeholders. Germany is also planning to continue its work on the development and implementation of so-called “Reality Checks” (*Praxischeck*) – a workshop-based approach to engage relevant stakeholders to identify from a users' perspective bureaucratic hurdles and potential solutions.

Indicators of Regulatory Policy and Governance (iREG): Germany



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (74% of all primary laws in Germany). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Germany: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ▲	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Germany's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Greece

Overview

Following the introduction of Law 4622 in 2019, regulatory impact assessments (RIAs) are required for all primary laws and subordinate regulations of major economic or social importance. RIAs should include specific, time-bound and measurable objectives and indicate how the proposed laws contribute to the SDGs. Despite these changes, impact quantification is focused solely on budgetary aspects, while broader impacts and risks such as those to public administration, market economy, environment, and society are analysed qualitatively.

Public consultations are systematically conducted for all primary laws, with few exceptions. In practice, draft primary laws are posted on the consultation portal without prior notification for a minimum of two weeks. Significant subordinate regulations can be, but are typically not, submitted for public consultation.

Ex post evaluation remains nascent. The requirement to conduct *ex post* evaluation of all primary laws and major subordinate regulations within five years after their enactment has not yet been implemented. A Handbook on *ex post* evaluation of legislation is expected to be published in late 2024. Codification efforts to improve consistency and quality have involved recasting, cancellation and consolidation of existing legislation.

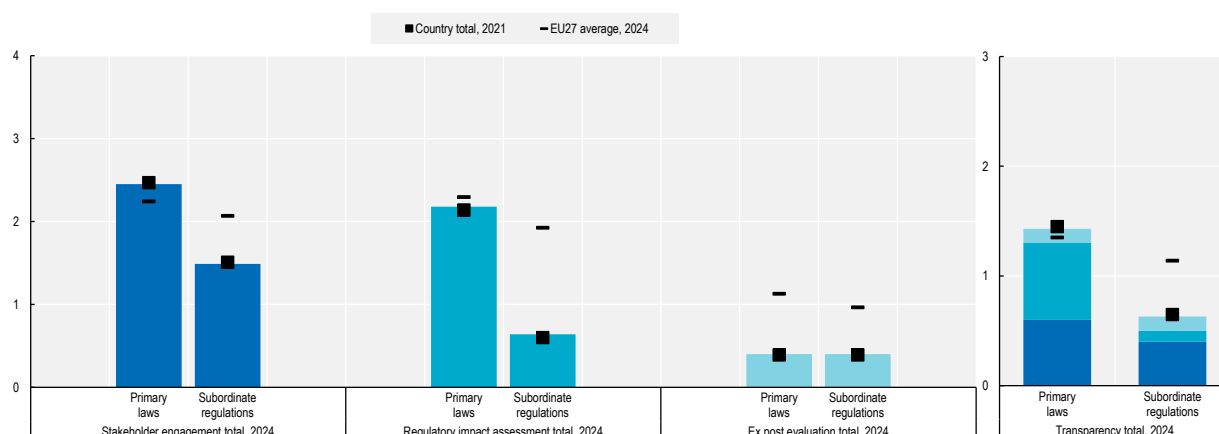
The Secretariat General of Legal and Parliamentary Affairs (GSLPA) oversees regulatory governance, supported by two Committees. The GSLPA is responsible for initiating the drafting of bills and accompanying RIAs, upon request from the responsible Ministry, and for posting them online for public consultation. The Committee on Evaluation of the Quality of Legislative Procedure is an advisory body responsible for scrutinising draft Bills and associated RIAs before they are introduced to Parliament by the GSLPA. The Central Codification Committee is responsible for the legislative codification process, pursuant to the methodology in the pertinent handbook. Simultaneously, a separate department within GSLPA, known as “Raptarchis”, consolidates existing regulations in force, following a distinct methodology outlined in a separate handbook. Despite their differing approaches, both entities collaborate closely. The GSCO monitors and evaluates public policies and, in co-operation with the GSLPA, prepares the annual report on Regulatory Production and Evaluation.

In focus: Recent developments and next steps

Greece has made positive recent steps to enhance regulatory management capacity by developing RIA handbooks and templates, legislative drafting, and codification methodology. The advisory Committees to scrutinise legislation and ensure regulatory quality are also contributing to establishing a robust regulatory management process.

Implementing the *de jure ex post* evaluation requirements would yield benefits, along with continuing efforts to simplify the existing regulatory framework. There are concerns about whether RIAs adequately reflect and assess potential costs and benefits, which should be carefully considered when developing rules. Applying the existing regulatory management tools to subordinate regulations would further enhance regulatory quality in Greece.

Indicators of Regulatory Policy and Governance (iREG): Greece



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (100% of all primary laws in Greece). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Greece: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ●	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Greece's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Hungary

Overview

All primary laws and subordinate regulations are required to undergo regulatory impact assessment (RIA). Policymakers are required to consider RIA results when developing new laws to ensure they are fit for purpose. Drafting requirements provide that legislation should result in simpler, faster and less costly procedures, reduces the number of legal obligations and administrative burdens, and prevent over-regulation and overlap.

Draft legislation must include a statement of purpose, which is then published to allow the possibility to provide comments by email. However, consultation is not required in the early phases of rule-making. While *ex post* evaluation is required, it is not done systematically. A new *ex post* evaluation methodology is being developed and will follow the same form as RIA.

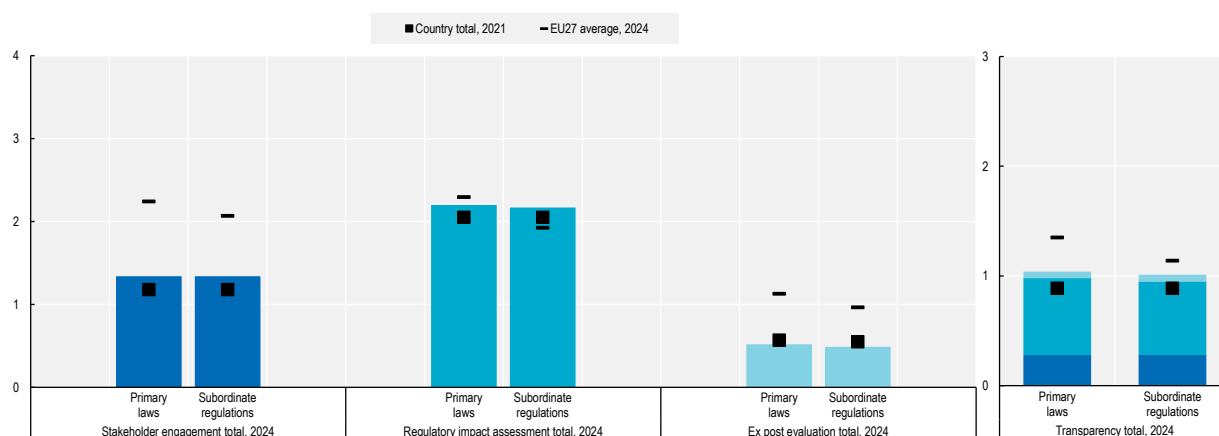
The Government Office of the Prime Minister develops and operates the impact analysis system, co-ordinates the preparation of rules with the responsible ministry, and can propose modifications to RIAs and *ex post* evaluations. It prepares an annual report on RIA based on feedback from each ministry, which is not publicly available. Within the Ministry of Public Administration and Regional Development, the State Secretary in charge of the territorial administration and the Ministry of Justice makes proposals for simplifying regulatory burdens on citizens and businesses. The Government Control Office (GCO), an independent body, audits whether ministries comply with obligations to publish summaries of preliminary RIAs of draft legislation and whether proposals exempted from consultation and RIA fall within the defined scope. The GCO also takes part in *ex post* evaluation. There is no specific oversight body in charge of the quality of the analysis and breadth of stakeholder consultation on RIA nor *ex post* reviews.

In focus: Recent developments and next steps

Hungary introduced a new central consultation portal, where summaries of preliminary RIA and other supporting documents are made publicly available. Furthermore, an amendment of Act CXXX of 2010 mandates that the Hungarian Central Statistical Office contributes to conducting both *ex ante* and *ex post* impact assessments of Acts, Government Decrees and Ministerial Decrees by providing the relevant data necessary to the legislative authority conducting the assessment.

Hungary would gain from improving transparency and stakeholder engagement through the policy cycle. Stakeholders should be engaged earlier in the policy cycle, during the problem identification stage and preliminary RIA should be made public and consulted on. Sufficient time should be given to stakeholders and legislative authorities to allow for meaningful engagement. Hungary would also benefit from technical quality support for RIAs and systematic *ex post* evaluation. This would allow to further improve the efficiency and effectiveness of public policies and promote system accountability.

Indicators of Regulatory Policy and Governance (iREG): Hungary



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (93% of all primary laws in Hungary). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Hungary: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Hungary's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Ireland

Overview

There has been little change in Ireland's Better Regulation agenda in recent years. Ireland still conducts mandatory regulatory impact assessment (RIA) for major primary laws and subordinate regulations. RIAs are required to include a variety of social, economic and environmental impacts and some are published on the central government's website.

Following various Open Government Partnership National Action Plans, Ireland had committed to improving consultation by public bodies with citizens, civil society and others. Despite some improvements, consultation practices do not yet operate on a systematic basis across government departments. Progress on developing a single central government website for public consultations seems to have stalled, with only some ongoing consultations published on the beta-version website. As Ireland develops the tools to conduct more transparent and open stakeholder engagement, public consultation could be applied more systematically to a broader range of draft regulations, particularly for subordinate regulations.

Standing orders from Parliament state that the minister responsible for implementing a law must provide an assessment of its functioning within a year. In addition, sectoral departments are required to enact policy and conduct reviews at least every seven years according to the Policy Statement on Economic Regulation. Ireland introduced sunset clauses in some of the subordinate regulations relating to the COVID-19 pandemic.

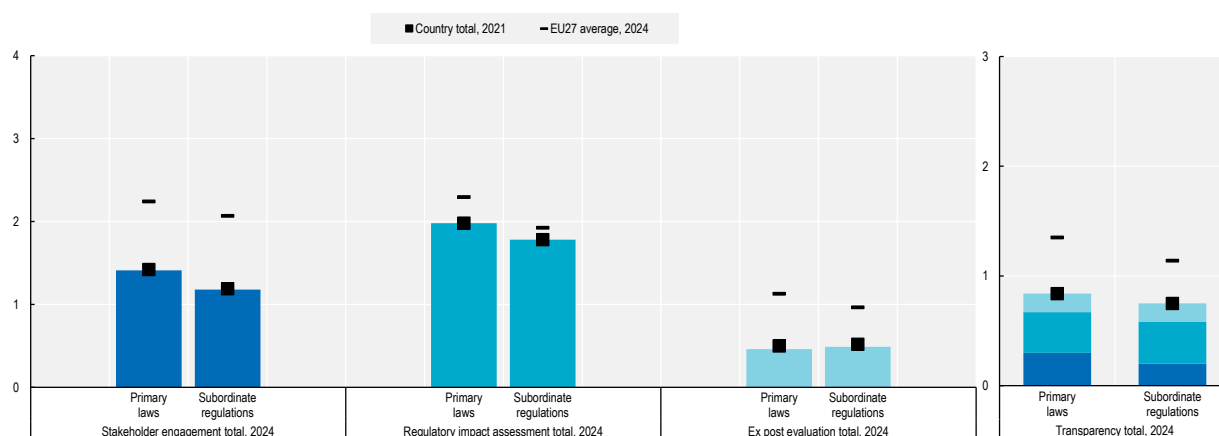
Various aspects of the Better Regulation agenda sit across a number of departments, with the Department of the Taoiseach, along with the Office of the Attorney General, having a role in relation to transparency and the quality of regulation; the Department of Public Expenditure and Reform leading on public service modernisation, development and reform functions (including in relation to RIA) and the Department of Enterprise, Trade and Employment leading on administrative burdens and competition issues. Responsibility rests with each department to ensure adherence with the "Regulating Better" principles as set out by government and ensure the effective oversight of regulatory bodies under their aegis.

In focus: Recent developments and next steps

Through the National Framework for Children and Young People's Participation in Decision-making, the government provided guidance for the public administration to better involve children and young people in rulemaking. A renewed push to fully operationalise the single central government website for public consultations will be an important step in broadening and improving stakeholder engagement in the rule-making process.

Establishing a central oversight body to review the quality of regulatory management tools and introduce requirements for the systematic *ex post* evaluation of existing regulations will help strengthen the quality of decision making in Ireland.

Indicators of Regulatory Policy and Governance (iREG): Ireland



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (99% of all primary laws in Ireland). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Ireland: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ▲	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Ireland's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Italy

Overview

Regulatory impact assessment (RIA) is mandatory for all major normative acts in Italy. Exemptions can be submitted for low-impact proposals, with a justification to be reviewed by the Department for Legal and Legislative Affairs (DAGL). In urgent case, simplified RIAs can be submitted for decree-laws, ensuring a minimum of information to support the decision-making. DAGL may issue a negative opinion to the State Secretary to the Presidency before the draft legislation is presented to the cabinet if the quality of any RIA is deemed inadequate. Policymakers are required to engage with stakeholders in the development of new rules. However, the scope of engagement remains discretionary and, in practice, only some primary laws and subordinate regulations undergo consultation with the general public. When ministries conduct public consultations, they are easily accessible via a single online access point. Ministries must also publish biannual legislative programmes, highlighting planned RIAs and consultations. The programmes are posted on central government and ministries' websites.

Periodic *ex post* evaluation (EPE) is required for some selected laws and regulations, based on a mix of qualitative and quantitative criteria but in practice the final decision lies with political decision makers. Ministries are obliged to publish biennial evaluation plans setting out which measures they intend to review, which are subject to public consultation and review by DAGL.

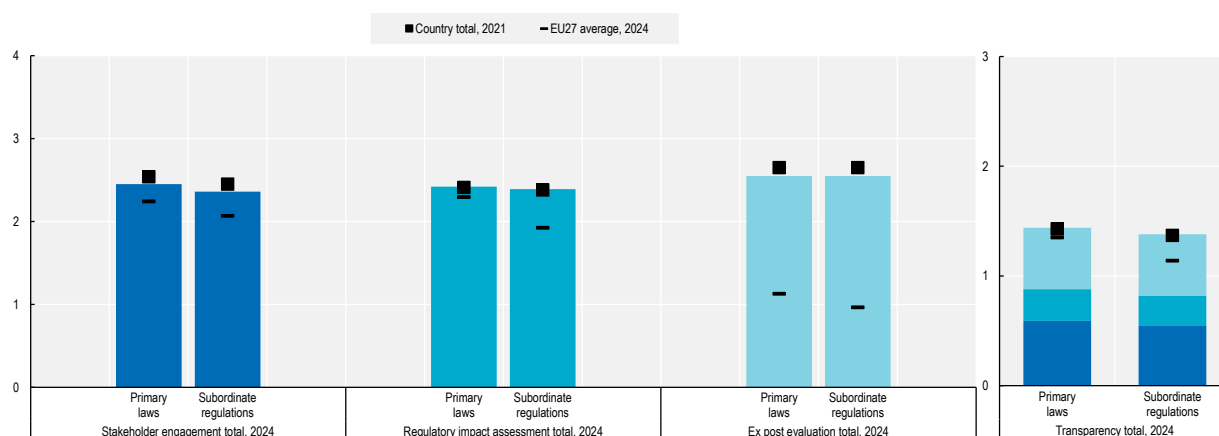
DAGL, within the Presidency of the Council of Ministers, has overall responsibility for regulatory policy and reports annually to Parliament on the use of regulatory management tools. DAGL is supported by the *Nucleo di valutazione dell'impatto della regolamentazione* (NUVIR), which is in charge of reviewing *ex ante* (AIR) and *ex post* (VIR) impact assessment; evaluating selected proposals if requested by the Presidency of the Council of Ministers; supporting training and the definition of RIA and EPE methodologies. Co-ordinated by the Department for Digital Transformation and the Ministry for Economic Development, the *Sperimentazione Italia* programme, since 2020, allows for the temporary derogation of existing rules to test innovative initiatives in a controlled environment and to inform rule changes.

In focus: Recent developments and next steps

Established in 2023 as autonomous office in charge of quality control for RIA and *ex post* evaluation, NUVIR has replaced the former Impact Assessment Independent Unit. It is composed of five independent experts, reporting directly to the Head of DAGL and working with the Department's Unit for Rationalisation and Better Regulation.

For RIAs to be easily accessible for the public, they should be published on a single webpage. RIAs should be measured in terms of impacts and by quantity of people affected. One positive is the preparation to issue guidelines for RIA at the regional level. However, national public agencies require updated guidance to combat challenging aspects such as scientific uncertainty and impacts of new technologies; longer-term perspective such as the SDGs; and to improve RIA quality of proposals with expected major impacts.

Indicators of Regulatory Policy and Governance (iREG): Italy



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (77% of all primary laws in Italy). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Italy: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ●	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Italy's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Latvia

Overview

Since regulatory impact assessment (RIA) was made obligatory for all draft legal acts submitted to Cabinet, including subordinate regulations in 2009, Latvia has continued to adjust RIA requirements and introduced guidance to support institutions. Accordingly, RIA should be conducted early in the policy-making process and undergo public consultation. Latvia's RIA methodology assesses mainly financial, budgetary, and administrative costs, as well as broader environmental and social costs. New requirements to assess impacts on gender equality and poverty were introduced in 2021.

Through the "Government Modernization Plan 2023-2027", the government has set out measures to improve the quality of policy planning and regulation, in particular through data-driven policymaking and introducing a methodology for *ex post* evaluation. Currently, *ex post* evaluation is used ad hoc and required for only some subordinate regulations and not for primary laws. Latvia has undertaken periodic reviews comparing regulation across countries, regions, or jurisdictions, and thematic in-depth reviews.

Building upon existing processes, Latvia has taken steps to improve stakeholder engagement practices. In 2021, a centralised portal was created to allow stakeholders to participate in all government consultations more easily, aiding transparency and accessibility. In 2022, voluntary guidelines on engagement and effective public participation were developed and issued to government departments.

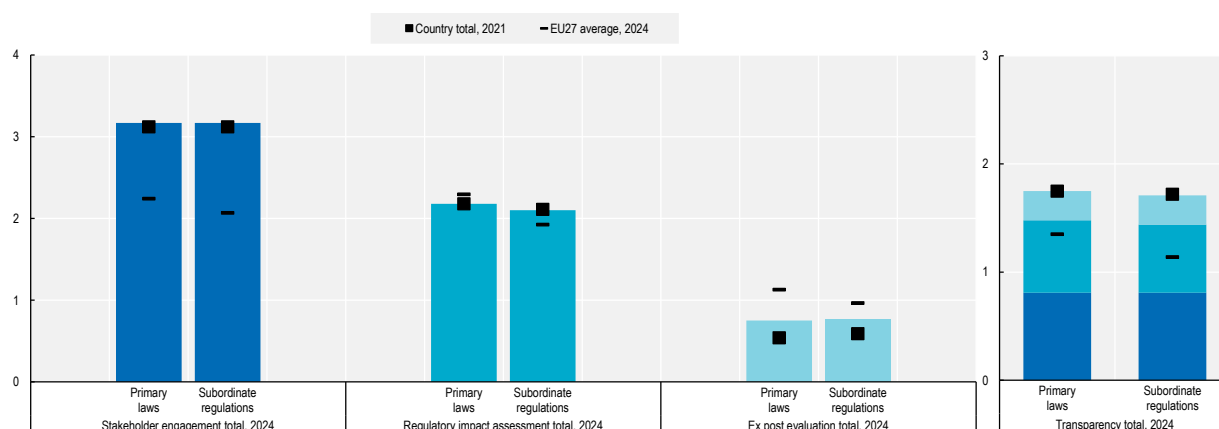
The main responsibilities for co-ordinating regulatory policy and promoting regulatory quality are shared between the Ministry of Justice and the State Chancellery. The Ministry of Justice issues opinions regarding draft legal acts and planning documents and provides methodological assistance. The Chancellery, through its Legal Department, focuses on compliance with the rules for drafting legislation, including the obligation to conduct RIA and engage relevant stakeholders, and also co-ordinates the development and application of uniform rules of regulatory drafting.

In focus: Recent developments and next steps

Latvia shows progress towards making RIA more holistic and improving the accessibility and transparency of stakeholder engagement. However, alongside the embedding of improved RIA methodologies, opportunities to improve the quantification of impacts and enhance capability in cost-benefit analysis remain. Latvia would also benefit from a proportionate approach to RIA (e.g. through thresholds) to drive up implementation whilst ensuring transparency regarding expected impacts in the absence of an in-depth RIA.

Finally, Latvia should follow through on its plans to use *ex post* evaluations more systematically, developing methodologies to ensure regulations are evaluated based on their goals, observed outcomes, and both costs and benefits.

Indicators of Regulatory Policy and Governance (iREG): Latvia



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (58% of all primary laws in Latvia). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Latvia: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Latvia's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Lithuania

Overview

The main document guiding regulatory policy in Lithuania is the Law on Legislative Frameworks, which establishes high-level requirements for regulatory impact assessment (RIA), consultation and *ex post* evaluation. RIA is required for all primary laws, with a 2022 amendment introducing additional impacts on climate and equal opportunities as well as strengthening the requirement to use data in RIA. Consultation is systematically required once a regulation is drafted. The obligation was updated in 2022 to more clearly determine when the public should be consulted, the purpose of the consultation, and what data should be collected. Additional guidance and methodology on consultations were also uploaded on the E-Citizen (*E-Piliėtis*) platform. A methodology for *ex post* evaluation was introduced in 2021 and determines the objectives, scope of applications, process and roles of actors involved, and extending its application to subordinate regulations. It includes an assessment of whether laws achieve their objectives and the associated costs and benefits. All reviews are carried out and overseen by the Ministry of Justice, with assistance by the Government Strategic Analysis Centre (STRATA). In implementing this methodology, Lithuania should ensure assessments go beyond purely qualitative exercises and include elements of quantitative analysis.

The responsibilities of the Government Meeting Organisation Unit were recently strengthened to prepare the legislative plan. For the first time, the mid-term legislative plan was prepared for the 2021-2024 period. It covers the laws, resolutions of both Parliament and the Government, and EU legislation being planned. It also indicates major legislative initiatives for which a full RIA must be performed. The Governance Department and its Analytics and Sustainable Governance Unit has an active role in promoting better regulation by enabling public sector data use for decision making and implementation.

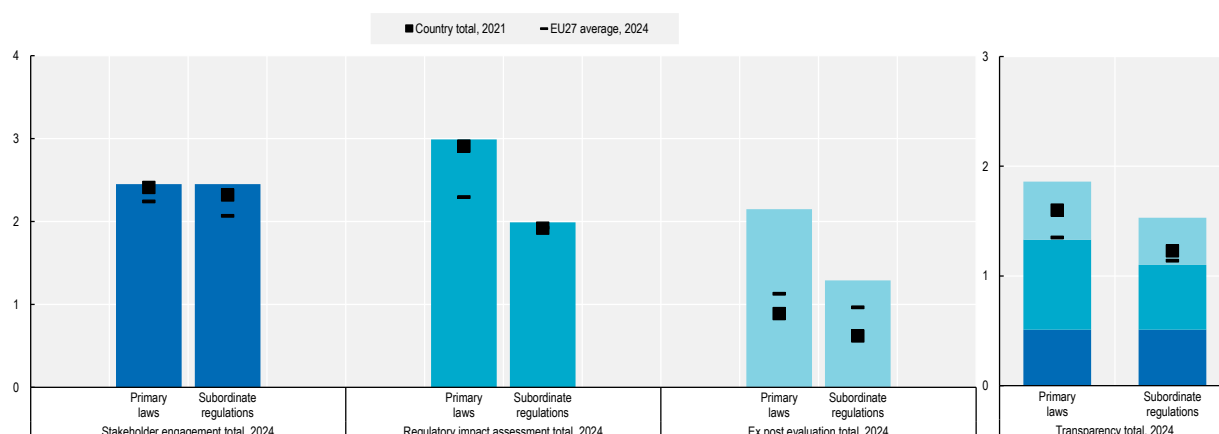
Indicators for RIA and stakeholder engagement only cover processes carried out by the executive, which initiates approx. 38% of primary laws in Lithuania. There is no mandatory requirement for conducting RIAs for primary laws initiated by the parliament but, according to its statute, the parliament may decide to publish draft laws for consultation. Proposals received shall be referred to the relevant committee.

In focus: Recent developments and next steps

With the recent changes to regulatory policy in Lithuania, the focus now needs to shift to implementation. The Environmental Protection Agency's Centre for Environmental Analysis has provided methodological support and strengthened capacities. Further improvements could focus on conducting RIA early in the policy process before decisions to regulate are made, extending its use more systematically to the design of subordinate regulations, and introducing a requirement to assess macroeconomic and indirect costs.

Building on the recent changes to stakeholder engagement, Lithuania should focus on complementing its consultations on draft regulations with a more systematic use of early-stage engagement and publishing responses to comments.

Indicators of Regulatory Policy and Governance (iREG): Lithuania



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (38% of all primary laws in Lithuania). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Lithuania: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Lithuania's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Luxembourg

Overview

Luxembourg has experienced some deteriorations in regulatory policy over the past three years. As foreseen by the “Omnibus” law, formal consultations with advisory groups or preparatory committees originally took place before 2021, but more recently such consultations are not taking place. Leveraging opportunities for stakeholder engagement and facilitating avenues for the general public to provide feedback on proposed regulatory drafts, would contribute to strengthen Luxembourg’s rule-making process. Stakeholder engagement for developing both primary laws and subordinate regulations currently remains limited to formal consultation with professional groups, with open consultations on two websites: www.legilux.lu and www.chd.lu.

In the past three years, no *ex post* evaluations of existing regulations have been undertaken in Luxembourg, a departure from the previous period during which some *ex post* evaluations were carried out on an ad hoc basis in areas such as sustainable development. Establishing and embedding an *ex post* evaluation framework, including a clear methodology, could help to ensure that rules continue to provide community benefits.

In Luxembourg, regulatory impact assessment (RIA) takes the form of a checklist that is undertaken for all rules. While Luxembourg refers to the European Commission guidance material rather than creating its own, the limited current focus of RIA in Luxembourg does not reflect those standards. To enhance the usefulness of RIA, the analysis included in impact assessments could be more thorough and further extend to other types of costs, impacts and benefits of regulations.

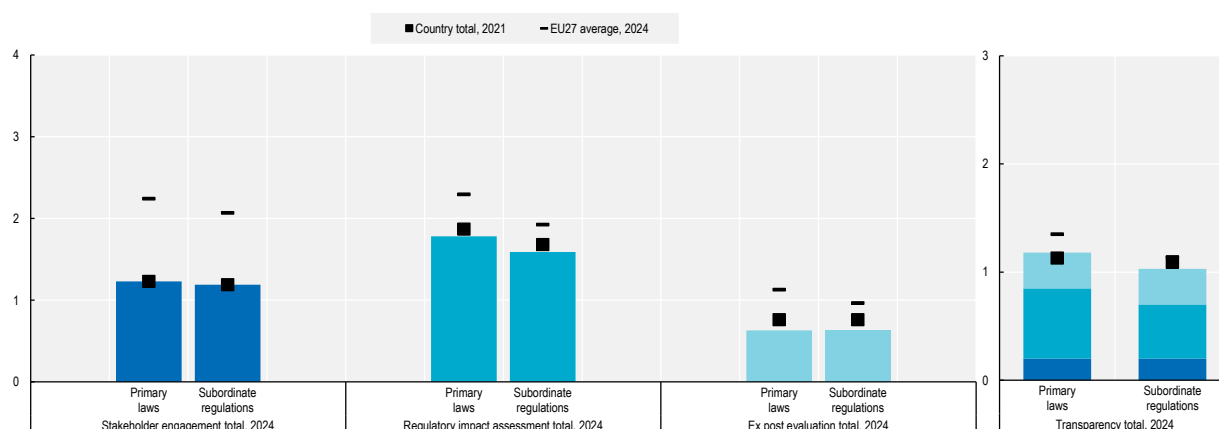
Since November 2023, there is no longer an explicit oversight body in charge of promotion or guidance on regulatory policy or regulatory reform as the current governmental program is focused on administrative simplification via digitalisation across all domains and ministries. These functions were previously under the purview of the Ministry of Digitalisation, which had taken over some competences of the Ministry of the Civil Service and Administrative Reform. In parallel, the Council of State provides opinions on whether proposed primary laws comply with the existing regulatory framework.

In focus: Recent developments and next steps

Luxembourg recently broadened the scope of RIAs to include a separate environmental impact assessment (*Nohaltegekeetscheck*) for all primary laws and subordinate regulations, based on guidance prepared by the Ministry for Environment. More broadly, RIA requirements could be deepened and extended to other types of impacts, including the benefits of regulation.

Luxembourg could enhance domestic support for regulatory policy through the creation of bespoke guidance material. In particular, guidance on stakeholder engagement, RIA, and *ex post* evaluation could promote buy-in and build awareness of the importance of regulatory management tools in the country.

Indicators of Regulatory Policy and Governance (iREG): Luxembourg



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (100% of all primary laws in Luxembourg). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Luxembourg: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ▲	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Luxembourg's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Malta

Overview

Malta fundamentally changed their approach to regulatory impact assessment (RIA) with revisions to the Small Business Act (SBA) in May 2021, which introduced requirements to conduct RIA for primary laws, underpinned by an updated template. The SBA has required RIA for subordinate regulations since the Act was first established in 2011. The legislative changes made in 2021 also streamlined RIA requirements for subordinate regulations by, for example, requiring fewer impacts to be assessed. Finally, the SBA continues to require that policymakers conduct an SME test to evaluate the potential impact of proposed primary laws or subordinate regulations on small and medium enterprises.

Public consultation is required for all primary laws and subordinate regulations. Online consultations are accompanied by a feedback report, summarising the views of participants and providing general feedback on the comments received. While Malta continues to systematically use a variety of mechanisms for consultation on draft rules – such as physical and virtual public meetings, and online consultations – early-stage consultation to gather and compare different options remains sporadic.

Although the Maltese government undertakes reviews of existing rules, there is no explicit requirement for periodic *ex post* evaluation nor is there a standardised methodology. Members of the public can raise issues with existing rules through the servizz.gov.mt online portal.

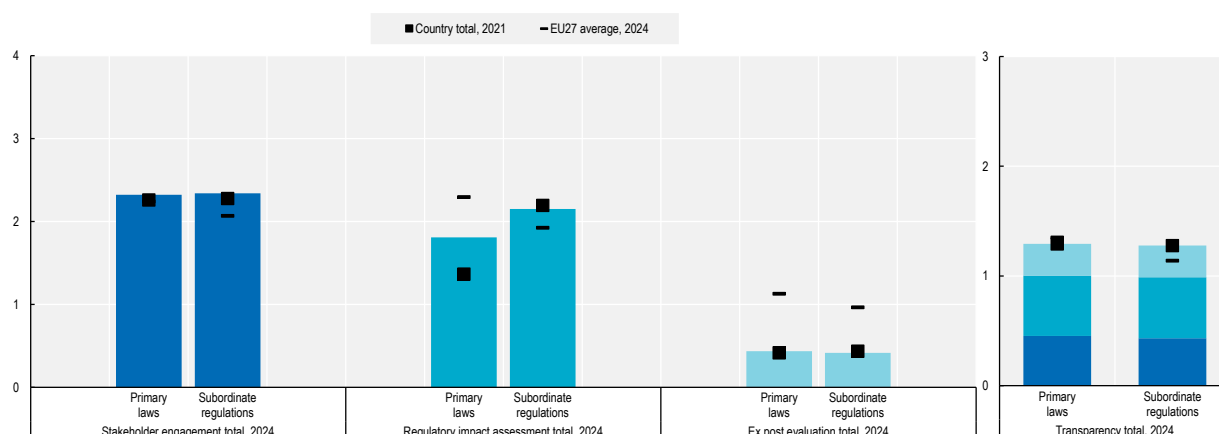
Responsibilities for regulatory policy and reform are dispersed across various government bodies. The Office of the Principal Permanent Secretary provides central co-ordination on regulatory policy, guidance on better regulation, and is responsible for administrative simplification. Within the Office of the Prime Minister, the Parliamentary Secretariat for Social Dialogue is responsible for the quality control of stakeholder engagement (particularly online consultation). The Cabinet Office provides central oversight on the quality of RIAs. The Ministry for the Economy, European Funds, and Lands is responsible for implementing the SBA and providing guidance and quality control on the SME Test.

In focus: Recent developments and next steps

Building on the introduction of RIA requirements for primary laws, the Maltese government has an opportunity to boost transparency and meaningful engagement by consulting on RIAs and publishing them online. In addition, Malta could better underpin existing requirements to assess the impacts of multiple options by systematically seeking public input to help identify possible solutions before rules are drafted.

Over the last few years, the Maltese government has conducted several ad hoc reviews on specific sectors and policy issues, ranging from health to waste management and money laundering. Building a more systematic approach to *ex post* evaluation – through requirements, guidance, and training – could help ensure the regulatory stock remains effective in delivering positive outcomes for citizens.

Indicators of Regulatory Policy and Governance (iREG): Malta



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (100% of all primary laws in Malta). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Malta: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects the Malta's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Netherlands

Overview

The Netherlands continues to progress its regulatory practices with an updated regulatory impact assessment (RIA) framework, improvements to regulatory oversight and quality control in *ex post* evaluation and supporting measures to increase the systematic use of evaluations. The Netherlands was an early adopter of regulatory reform policies and exhibits a culture of open stakeholder engagement processes and has recently improved useability of its longstanding central government website. The current better regulation agenda focusses on operability, particularly on enforcement.

A significant development has been the replacement of the *Integraal Afwegingskader* with the *Beleidskompas*, or “Policy Compass”, a framework for RIA across the central government. All policymakers must work within the *Beleidskompas*, whether proposing, revising, or evaluating a policy or regulatory act. Under the new framework, RIA scope and proportionality are embedded via a scan questionnaire that tests several impacts around the themes of people, society, and environment. The mandatory RIA modules are identified and the proportional level of RIA is determined based on the scale of anticipated impacts. Additionally, regulation (*Regeling Periodiek Evaluatieonderzoek*) requires every ministry to create a publicly available Strategic Evaluation Agenda (SEA). The SEA lists all evaluations on ministries’ budget lines and enables later *ex post* synthesis reports. The new rules also mandate periodic reviews on the most important “policy themes” of a ministry, the design of which is sent to parliament.

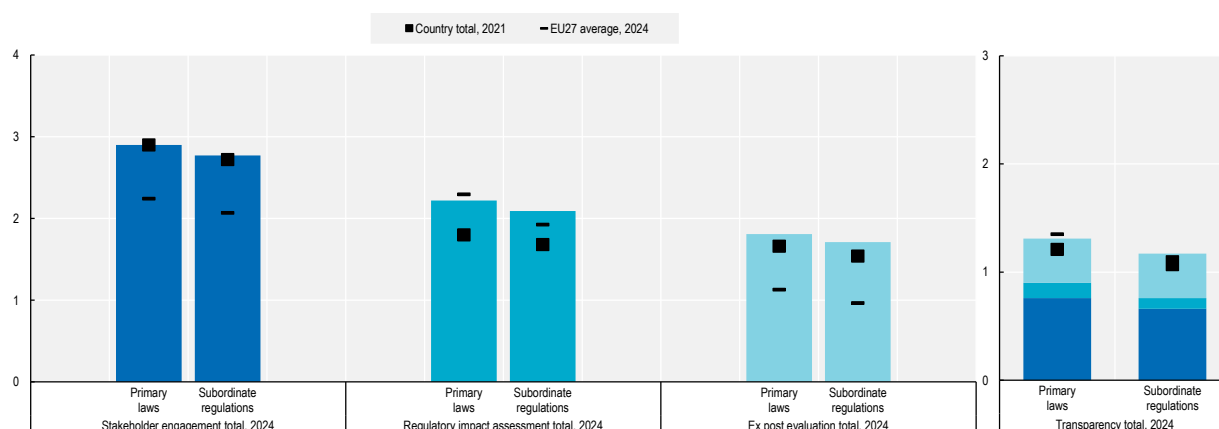
The Unit for Judicial Affairs and Better Regulation Policy within the Ministry of Justice and Security is responsible for scrutinising compliance with the RIA framework. The Better Regulation Unit within the Ministry of Economic Affairs and Climate Policy co-ordinates the regulatory burden reduction program and provides oversight on the quality of assessments. The Dutch Advisory Board on Regulatory Burden (ATR) advises on proposed rules during the early rule-making stages. The Inspectorate of the State Budget within the Ministry of Finance oversees ministries’ compliance with requirements to monitor and evaluate regulations after implementation and co-ordinates the government-wide *ex post* evaluation framework.

In focus: Recent developments and next steps

The updated RIA framework *Beleidskompas* has resulted in a streamlined, modular and more proportionate methodology. Boosting awareness of RIA and encouraging early engagement would support the identification and testing of relevant impacts and aid with robustly assessing costs and benefits. Special effort has been put in the development of a test to assess the capability-to-act, *doenvermogen*, of citizens when confronted with new regulations.

An *ex durante* style evaluation process, *Invoeringstoets*, started in 2023 to help support the implementation of new rules. It is conducted within a period of 1 to 3 years of the entry into force of the relevant regulation. The evaluation focuses on operations, enforcement, the identification of bottlenecks, and is undertaken with stakeholders and regulators responsible for implementation. Harnessing synergies between the *Invoeringstoets* and *ex post* evaluations will be important to ensure that regulations continue to deliver positive outcomes for all citizens.

Indicators of Regulatory Policy and Governance (iREG): Netherlands



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (95% of all primary laws in the Netherlands). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Netherlands: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects the Netherlands' practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Poland

Overview

Poland has continued adjusting its legal framework to improve regulatory management. Transparency and citizen participation in rule-making has improved in recent years. The public is increasingly informed in advance that public consultations are planned to take place for specific regulatory drafts and can submit comments on draft laws made available on an online portal. During the legislative process, draft laws may be returned to the ministries if the public consultation process did not comply with the rules, including if the consultation report is absent. The Government Legislation Centre will now oversee the correctness of the consultation process of all legislative acts.

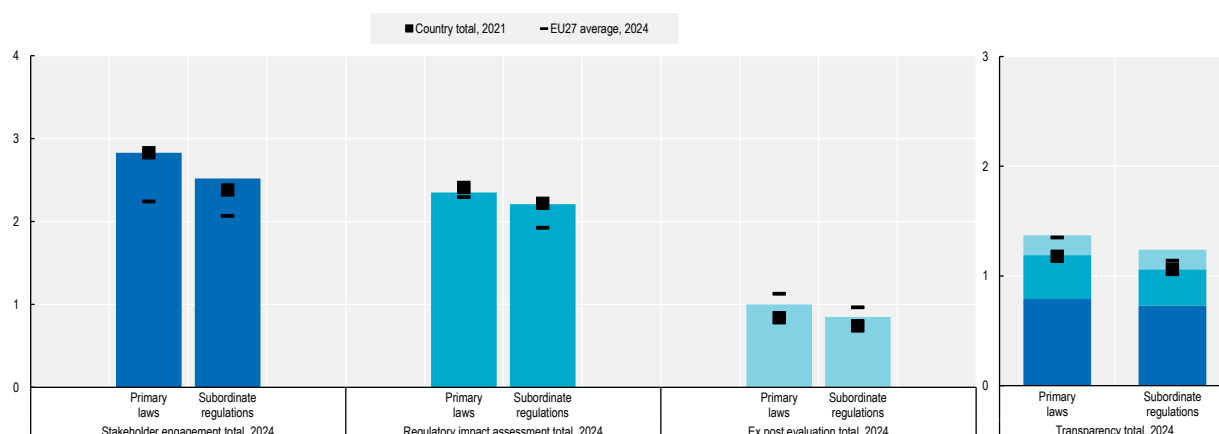
Regulatory impact assessment (RIA) is mandatory for all primary laws and subordinate regulations, and assess a range of impacts including competition, SMEs, environment, public finances (central and local government), regional areas, and specific social groups. A RIA must accompany all draft proposals submitted for public consultation. Moreover, RIA will be obligatory for parliamentary bills in the Sejm.

The Department for the Improvement of Business Regulation within the Ministry of Economic Development and Technology is responsible for the systematic advancement of the better regulation agenda. The Chancellery of the Prime Minister is responsible for the central oversight of regulatory management tools. It encompasses several regulatory oversight functions. The Government Programming Board is an auxiliary body to the Council of Ministers. The Board sets the government work programme, which includes legislation, strategic programmes and projects, and is responsible for the quality control of stakeholder engagement, RIA and *ex post* evaluations, together with the RIA Co-ordinator. Since 2024, the RIA Co-ordinator has become a member of the Government Programming Board and their mandate has been strengthened. The RIA Co-ordinator issues opinions on the impact of proposals before they are included in the government work programme and is responsible for reviewing all RIAs submitted by government ministries and offices for all primary laws and subordinate regulations at the stage of intergovernmental consultations. The RIA Co-ordinator is also tasked with examining RIAs for government acts and bills before their appraisal by the Council of Ministers' Standing Committee.

In focus: Recent developments and next steps

Ex post evaluations can be conducted by the initiative of the responsible Minister, at the request of the Council of Ministers or its auxiliary body, of the SMEs Ombudsman or of the RIA Co-ordinator. In practice, evaluations focus mainly on primary laws while subordinate regulations are not systematically evaluated after their enactment. Poland would benefit from conducting *ex post* evaluations more systematically and broadening their scope beyond administrative burdens, focusing more on the total social, economic, and environmental impacts of regulation. In June 2024, the Government Programming Board launched the first edition of an *ex post* evaluation along with its time schedule. The scope of the review was consulted with social partners.

Indicators of Regulatory Policy and Governance (iREG): Poland



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (80% of all primary laws in Poland). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Poland: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ●	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Poland's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Portugal

Overview

Requirements for regulatory impact assessments (RIAs) have existed since 2017 in Portugal. Originally focusing on subordinate regulations, subsequent reforms to Portugal's RIA framework extended its scope to encompass all primary laws. Reflecting this change, administrative burdens and substantive compliance costs are measured on all subordinate regulations for citizen and businesses, whereas they are only quantified for some primary laws. Recent reforms have also included attempts to enhance and automate the calculation of compliance costs in existing rules, and better integrate statistical information to improve evidence-based decision making. Methodological guidance for RIA was also recently updated in Portugal, with a particular focus on poverty, gender equality, disability, and climate action impact assessment.

Consultations are required for both major primary laws and subordinate regulations, and are posted on a central portal. In 2021, the Government of Portugal launched [Participa.gov.pt](https://participa.gov.pt) to support participatory processes in the public administration. Though not mandatory for all rules, *ex post* evaluations of existing regulations have been conducted, although their focus is generally limited to matters of administrative simplification. For instance, the government led the “*Cooperativa na Hora*” initiative, which streamlined and simplified various administrative procedures related to commercial registration and civil registration.

In 2021, Portugal's regulatory oversight body, the Technical Unit for Legislative Impact Assessment (UTAIL) transferred to Portugal's new Competence Centre for Planning, Policies and Foresight of the Public Administration (PlanAPP). PlanAPP absorbed all functions of UTAIL and integrated new functions of offering technical support to public bodies for the assessment, transposition and implementation of directives and regulations emerging from the European Union.

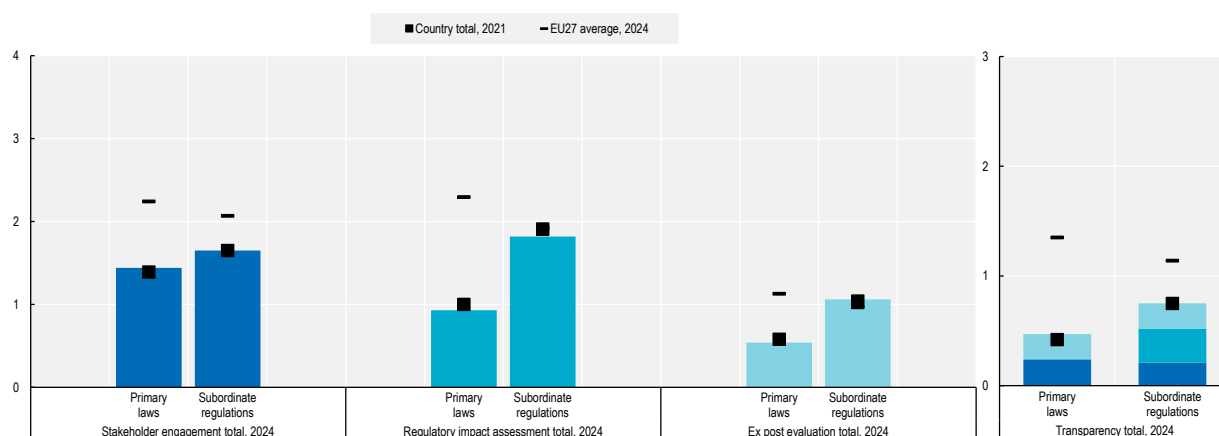
Indicators presented on RIA and stakeholder engagement only cover processes carried out by the executive, which initiates approx. 10% of primary laws in Portugal. There is no mandatory requirement for consultation with the general public nor for conducting RIAs for primary laws initiated by the parliament.

In focus: Recent developments and next steps

RIA was strengthened recently in Portugal. Decree-Law No. 32 of 9 May 2022 requires that all draft normative acts of the government be subject to RIA before adoption. Both consulting on and the publishing of RIAs would help to maximise the potential benefits of the changes in rule-making requirements.

Stakeholder engagement still tends to only take place at later-stages of Portugal's policymaking process. Early-stage consultations could, therefore, be adopted to benefit from stakeholders' experiences and identify and mitigate potential issues to improve Portugal's regulatory policy landscape. The Government of Portugal could also advance requirements to ensure *ex post* evaluations are applied for all subordinate regulations.

Indicators of Regulatory Policy and Governance (iREG): Portugal



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (10% of all primary laws in Portugal). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Portugal: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ●	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Portugal's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Romania

Overview

Romania has gradually developed its regulatory policy since the early 2000s. While Law 24/2000 on drafting legal acts first introduced regulatory impact assessment (RIA), the requirements have been refined recently. According to Government Decision (GD) 443/2022, all draft laws and regulations are required to be accompanied by an explanatory note, which describes the rationale and likely impacts. GD 443 introduced proportionality through a set of criteria to identify complex and significant rules for which in-depth RIA is required. Nevertheless, implementation challenges remain, with the quality of explanatory notes varying and limited capacity within the administration to carry out RIAs. Law 52/2003 requires ministries to publish all draft laws and subordinate regulations for comments on their websites. In addition, methodological norms were adopted in 2022 to increase the transparency in decision making through standardisation of procedures. However, the minimum period for submitting comments remains only 10 days. Romania publishes yearly reports on the performance of its RIA system and consultation practices.

GD 443/2022 also introduced an *ex post* evaluation system for existing emergency ordinances, requiring public authorities to evaluate their effectiveness and efficiency. Further *ex post* evaluations may be conducted on an ad hoc basis at the request of the Government and based on its priorities. However, implementation is challenging, as capacity and the practice for *ex post* evaluation is lacking within the administration.

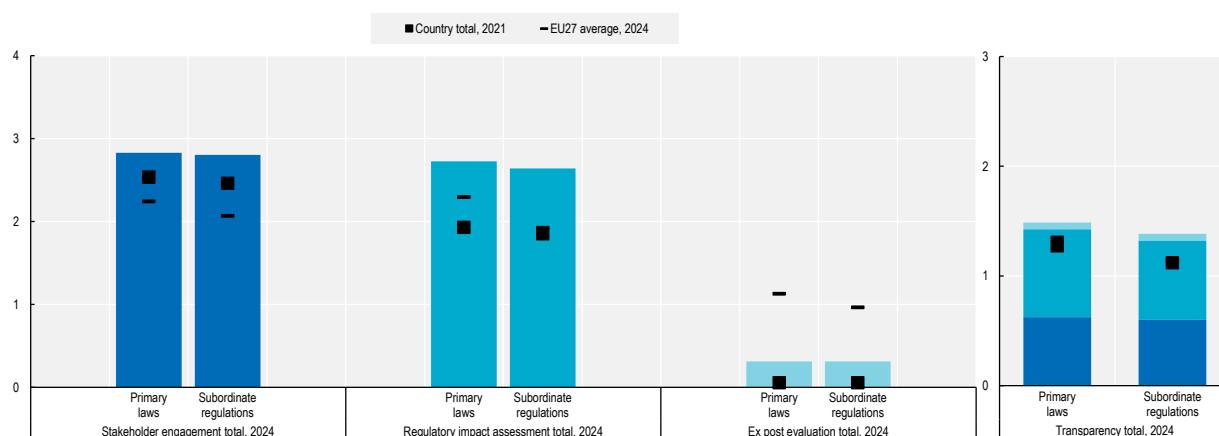
The General Secretariat of the Government, located at the centre of government, takes a leading role in co-ordinating regulatory policy. In 2022, the Consultative Council for the Impact Assessment of Normative Acts, an independent scrutiny board, was established to perform oversight on primary and secondary legislation to be adopted by the Government, including on the quality of RIAs and *ex post* evaluations. In addition, the Group for Assessing the Economic Impact of Normative Acts on SMEs – located within the Ministry of Economy, Energy, and Business Environment – is in charge of ensuring the quality and coherence of regulation affecting SMEs.

Indicators presented on RIA and stakeholder engagement only cover processes carried out by the executive, which initiates approx. 39% of primary laws in Romania. When initiated by parliament, public consultations are required for all primary laws and RIA for major primary laws.

In focus: Recent developments and next steps

Since 2021, Romania has introduced the “digital by default” principle, proportionality in RIA, the annual roadmap for RIA and evaluation reports, the “one-in, one-out” rule and a framework and methodology for *ex post* evaluations. As next steps, Romania should consider increasing the consultation period, and develop strategies to encourage the systematic implementation of the existing RIA framework, *ex post* evaluation, and ensure the quality of associated outputs.

Indicators of Regulatory Policy and Governance (iREG): Romania



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (39% of all primary laws in Romania). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Romania: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ▲	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Romania's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Slovak Republic

Overview

The obligation to conduct regulatory impact assessment (RIA) has been in place since 2008 with subsequent reforms introducing methodologies for assessing economic, social and environmental impacts, including an SME Test as well as impacts on innovation and, since 2021, on marriages, parenthood and families. Despite the deepened analytical resources available to decision makers, in many cases ministries still struggle with the quantification of wider impacts. The Government has introduced capacity building initiatives in an attempt to address these problems.

Public consultations are well developed and usually take place once a draft proposal has been prepared. Policymakers would benefit from opening up consultations at earlier stages too, which are currently focused on business associations and trade unions. Requirements to consult on *ex post* evaluations were introduced in 2021. *Ex post* evaluations of existing rules originally focused mostly on administrative burdens, with three “anti-bureaucratic packages” for businesses in 2020, 2022 and 2024, which led to cost savings of at least EUR 150 million. Since 2022, systematic evaluations of individual regulations affecting the business environment have been conducted, leading to amendments of existing rules.

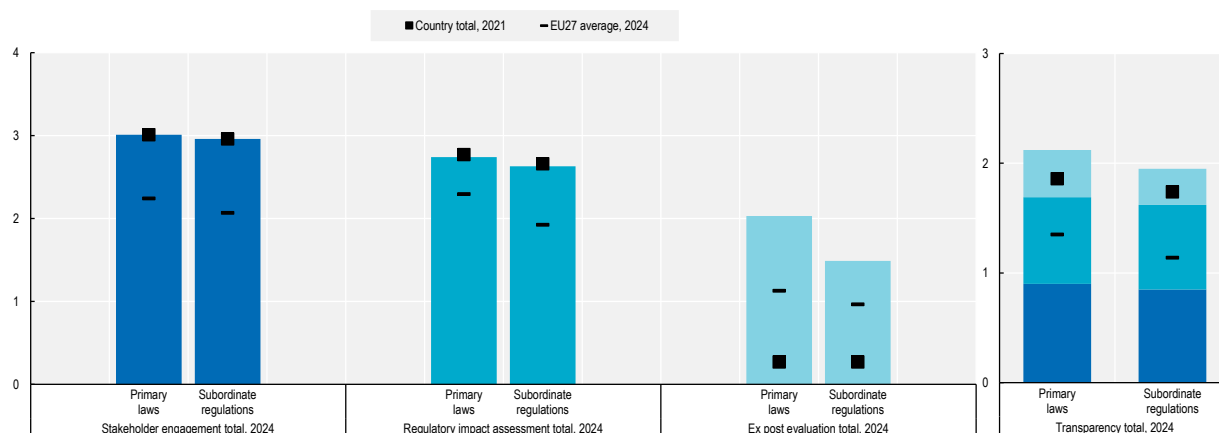
The Permanent Working Committee of the Legislative Council at the Ministry of Economy (RIA Committee), established in 2015, is responsible for overseeing the quality of RIAs and compliance with stakeholder engagement procedures. The Committee is composed of representatives from several ministries, checking the quality of RIAs in their respective area of competences. The *Ex post* Team, within the Better Regulation Unit at the Ministry of Economy, reviews the quality of *ex post* evaluations of regulations affecting the business environment.

In focus: Recent developments and next steps

In 2022, the Slovak Republic introduced a Unified Methodology for evaluating existing regulations. It covers the systematic evaluation of individual regulations and is undertaken by the responsible ministry or agency). The Unified Methodology also introduced a one-in, two-out approach for regulatory offsetting as well as rules regarding regulatory gold-plating in the implementation of EU laws.

Slovakia would benefit from further strengthening regulatory oversight by appointing one body close to the centre of government responsible for scrutinising the quality of RIA, rather than shared responsibility across several ministries, as is currently the case with the RIA Committee. Adopting a proportionate approach through “light-touch” RIAs for low-impact proposals and digitalising the RIA process could reduce burdens on the administration. As the *ex post* evaluation framework matures, it could also be broadened to focus on other areas than business environment.

Indicators of Regulatory Policy and Governance (iREG): Slovak Republic



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (78% of all primary laws in the Slovak Republic). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Slovak Republic: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ▲	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Slovak Republic's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Slovenia

Overview

Regulatory impact assessments (RIA) are mandatory for all primary laws (except proposals under urgency procedures and on the ratification of an international treaty), and for some subordinate regulations. One area that Slovenia has placed a strong emphasis on assessing impacts is on compliance costs for SMEs. Slovenia mandated the use of its SME Test in 2017, to quantify the impact of varied policy proposals for achieving regulatory goals without unfairly hindering opportunities for SMEs in the market, or the business environment. The comprehensive web-based version allows policymakers and civil society representatives to provide feedback and conduct sophisticated analysis. While the shorter version, MY Calculator, on the Stop Bureaucracy portal, enables general public to assess the effects of regulatory proposals.

Slovenia continues to focus most of its *ex post* evaluation efforts on reducing administrative burdens. The portal Stop Bureaucracy <https://www.stopbirokraciji.gov.si>, allows citizens and business representatives to provide suggestions to reduce regulatory burdens and monitor their implementation through the single document website, www.enotnazbirkaupov.gov.si. *Ex post* evaluation is generally discretionary; it is mandatory only for primary laws adopted through emergency procedures. Any *ex post* evaluations undertaken only provide a summary report as per the Government Rules of Procedure.

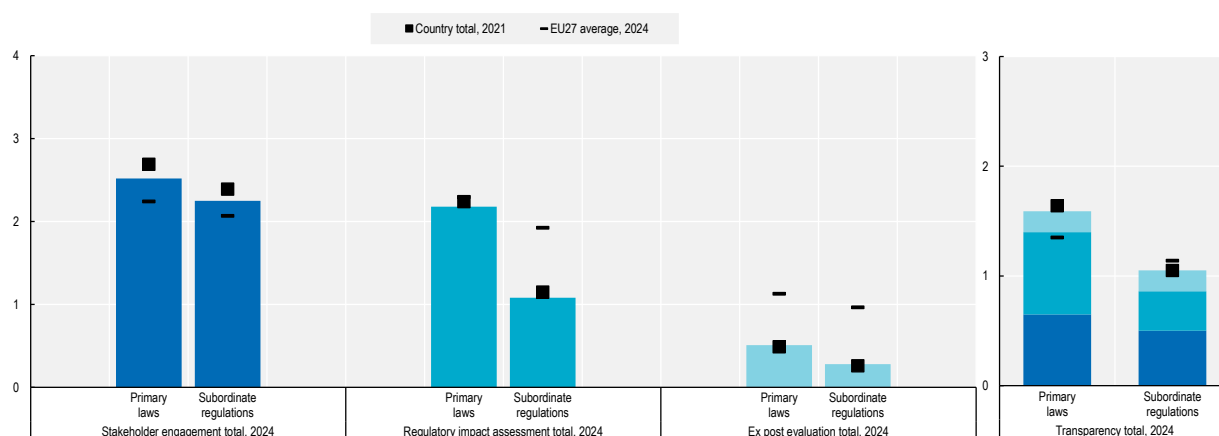
The General Secretariat of the Government is tasked with monitoring the implementation of stakeholder engagement, which is required for all primary laws and subordinate regulations. Engagement could be enhanced by systematically informing the public in advance about the planned consultations. RIA oversight is not centralised: the Ministry of the Economy, Tourism and Sport carries out inter alia an SME review, and the Ministry of Public Administration from a better regulation perspective and other fields within its competences. The Government Office of Legislation evaluates government proposals, for which the National Assembly solicits the government's opinion. The Government Office also provides guidance on the use of regulatory management tools and co-ordination on regulatory policy.

In focus: Recent developments and next steps

The Methodology for Assessing the Consequences of Regulation on Different Social Areas of Society, released in 2023, guides civil servants in conducting RIA and *ex post* evaluation. It covers administrative, financial, economic, social, environmental, and development impacts. The objective is to strengthen the governmental capacity in planning and implementing policies. Slovenia could benefit from introducing threshold tests or proportionality criteria to the application of RIA, which would help determine those proposals which warrant a more in-depth assessment.

Looking ahead, Slovenia could both formalise and expand the current scope of *ex post* evaluations. Broadening the application of *ex post* evaluations would present opportunities to better engage stakeholders on the regulatory stock and help to further improve the business environment, while at the same time ensuring that regulations continue to deliver positive outcomes for the broader community.

Indicators of Regulatory Policy and Governance (iREG): Slovenia



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (83% of all primary laws in Slovenia). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Slovenia: Regulating for...

People	Identify likely distributional effects when designing rules	
	Assess impacts on different age groups when designing rules	
	Assess impacts on social groups when designing rules	
	Provide mechanisms for the public to give feedback on existing rules ▲	
Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	
	Have regulation or policy on risk-based inspections ▲	
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Slovenia's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Spain

Overview

Spain's recent better regulation efforts focused on adding specialised analyses to regulatory impact assessment (RIA) and strengthening the policy setup for *ex post* evaluation. RIA is mandatory for all regulations. Specialised impact estimations include the effects on competition and SMEs. Spain now requires estimated impacts on digital public administration services on citizens and the government. *Law 27/2022* strengthened the evaluation framework for policies and regulations. Some primary laws and subordinate regulations are subject to *ex post* evaluations. Additionally, Spain has put in place the bases to institutionalise the use of regulatory sandboxes in specific sectors such as finance and energy. An independent assessment could identify areas to enhance the use of *ex ante* and *ex post* assessment tools.

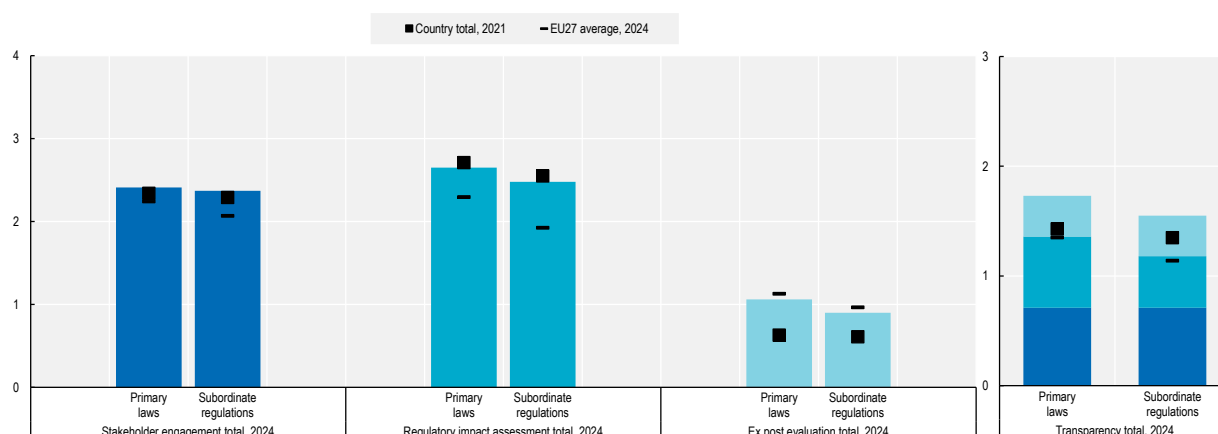
Stakeholder engagement focuses mainly on significant anticipated impacts and early-stage consultation is a common practice. In both cases, a centralised online platform provides citizens with opportunities to participate and offers access to the annual regulatory planning agenda. It also publishes yearly statistics on citizen engagement and hosts content related to transparency and good governance. Spain could introduce proportionality criteria to subject stakeholder engagement to a broader range of regulatory proposals.

Spain's institutional arrangements include the Regulatory Coordination and Quality Office, in the Ministry for the Presidency, Justice and Parliamentary Relations. The Office promotes the quality, co-ordination and coherence of the executive's rule making. It oversees the implementation of regulatory management tools and supervises the initial definition of the objectives and methodology for *ex post* evaluations covered by RIAs but does not scrutinise them. The Ministry for the Digital Transformation and Civil Service ensures the quality of various RIA components and oversees efforts to reduce administrative burdens and enhance public consultation. The Council of State reviews the legality of rules, monitors public administration, and ensures legal quality in regulations initiated by the executive.

In focus: Recent developments and next steps

Spain introduced climate change assessments in RIA as part of a series of reforms derived from *Law 7/2021*. The Law aims to establish a regulatory framework that promotes decarbonisation, to achieve greenhouse gas emissions neutrality by 2050. It seeks to promote an energy transition towards renewable energy sources, encourage energy efficiency, and ensure effective adaptation to climate change, aligning with international commitments. In seeking to achieve these goals, modifying *Law 50/1997* established the obligation for public agencies to prepare an estimation of the "Impact due to climate change, which must be assessed in terms of mitigation and adaptation to it". As part of an independent assessment of its RIA system, Spain could identify and address the difficulties faced by public entities to meet this requirement, to enhance its contribution of the Better Regulation policy to the green transition.

Indicators of Regulatory Policy and Governance (iREG): Spain



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (85% of all primary laws in Spain). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Spain: Regulating for...

People	Identify likely distributional effects when designing rules	■
	Assess impacts on different age groups when designing rules	■
	Assess impacts on social groups when designing rules	■
	Provide mechanisms for the public to give feedback on existing rules ▲	■
Planet	Assess impacts on the environment when designing rules	■
	Assess the social costs of carbon emissions when designing rules	■
	Assess the social costs of carbon emissions when reviewing rules	■
	Focus on environmental sustainability when reviewing rules ▲	■
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	■
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	■
	Use data-driven approaches to monitor the impacts of rules ▲	■
	Address innovation-related challenges when reviewing rules ▲	■
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	■
	Base inspection and enforcement activities on risk criteria ■	■
	Have regulation or policy on risk-based inspections ●	■
	Identify unintended consequences of rules	■

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects Spain's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Sweden

Overview

Sweden has strengthened its regulatory governance via an interdepartmental working group across the Government Offices. The Government has assigned 34 authorities with explicit responsibilities or reporting requirements on better regulation, and an additional 11 authorities to work on simplifying regulations. Stakeholder engagement is conducted via a central government portal, posting relevant documentation for public feedback from relevant stakeholders on primary and some subordinate regulatory proposals. Stakeholders are unable to comment directly on the portal, but can submit written feedback, which is publicly available. Committees of inquiry and regulatory agencies conduct engagement with stakeholders at an early stage when investigating a policy issue. They analyse and evaluate proposals, before the procedure continues within the agencies or Government Offices.

A new ordinance on regulatory impact assessment (RIA) was enacted in May 2024. Among other things, RIAs now need to explain why the chosen option does not entail more costs than necessary to achieve its purpose, as well as describe how and when regulatory impacts can be evaluated. *Ex post* evaluations are normally conducted by a ministry, government agency or committee of inquiry.

The Swedish National Financial Management Authority has new responsibilities for guidance, training and methodological support for conducting RIA. The Authority shall co-operate with the Swedish Better Regulation Council on proposals affecting businesses. The Council is a decision-making body responsible for RIA scrutiny and is placed at the Swedish Agency for Economic and Regional Growth. The Agency follows the development of regulatory costs for businesses, develops and proposes simplification measures, participates in international fora and raises awareness about the impact of regulations on businesses.

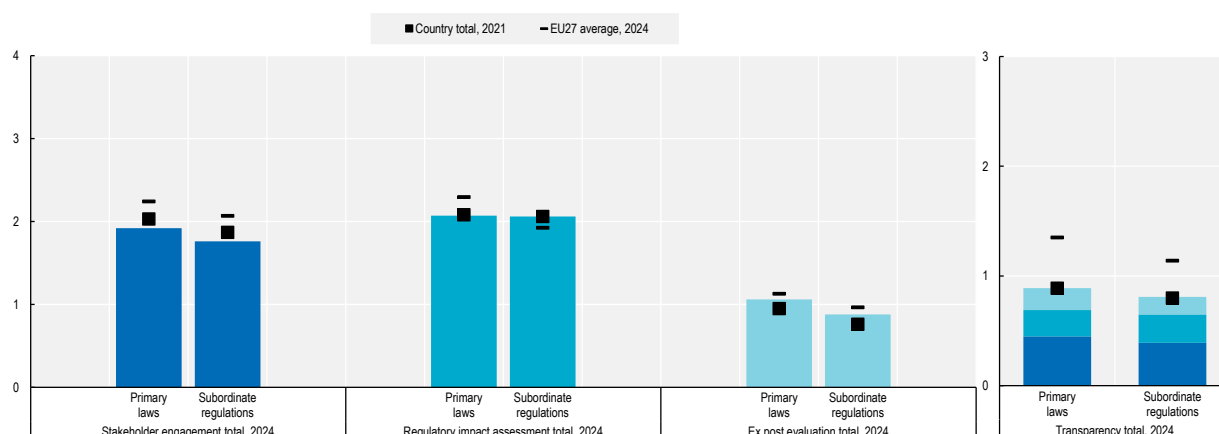
In focus: Recent developments and next steps

The Government established a simplification council, the Swedish Simplification Council, in April 2024 to identify areas for simplification for businesses and to submit proposals to the Government. Its focus is on reducing regulatory burdens from existing rules to promote competitiveness and innovation.

In May 2024, the Government established a council for implementation of EU law, the Swedish Implementation Council. It aims to improve Swedish businesses' competitiveness by analysing upcoming EU legislation ahead of negotiations, and making recommendations with the purpose of avoiding implementation of EU law above minimum level requirements.

Soundly implementing the recent RIA changes is key to their success. A short-term consideration is to mandate quality assurance for all RIAs to more fully leverage the expertise of the Better Regulation Council. Over time, broadening oversight scope to all economic, social, and environmental impacts would allow for more detailed feedback to further improve the quality of proposals.

Indicators of Regulatory Policy and Governance (iREG): Sweden



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (100% of all primary laws in Sweden). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

Sweden: Regulating for...

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■ Never/ ▲ No ■ Not allowed

Note: The data reflects Sweden's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

European Union

Overview

The European Commission (EC) conducts *ex ante* impact assessments (IA) for major EU laws (regulations and directives) and secondary legislation (implementing and delegated acts). They cover the rationale for intervention – including why EU action is required – different policy options and their expected impacts. The final IA report is shared with the College of Commissioners to inform deliberation and published alongside the legislative proposal. The EU's *ex post* evaluation system consists of systematic evaluation of individual regulations and comprehensive “fitness checks” that consider the aggregate impact of different interventions in a policy area. The EC's regulatory fitness and performance (REFIT) programme aims at making EU laws simpler, more targeted and easier to comply with. This is supported by the Fit for Future Platform, which brings together expertise from different stakeholders to make suggestions to simplify and reduce unnecessary costs of EU rules.

The EC has streamlined its process to engage stakeholders by bundling previously separate consultation steps on the same initiative (or evaluation) into a single “Call for Evidence” (CfE) on the “Have your Say” portal. Stakeholders are typically asked to comment on the CfE document and to participate in a questionnaire-based consultation. A summary of the feedback and how it has been addressed is published and complements the final IA (or evaluation) report. Transparency could be further strengthened by making IAs also available when consulting on draft secondary legislation, with the opportunity to comment based on the IA.

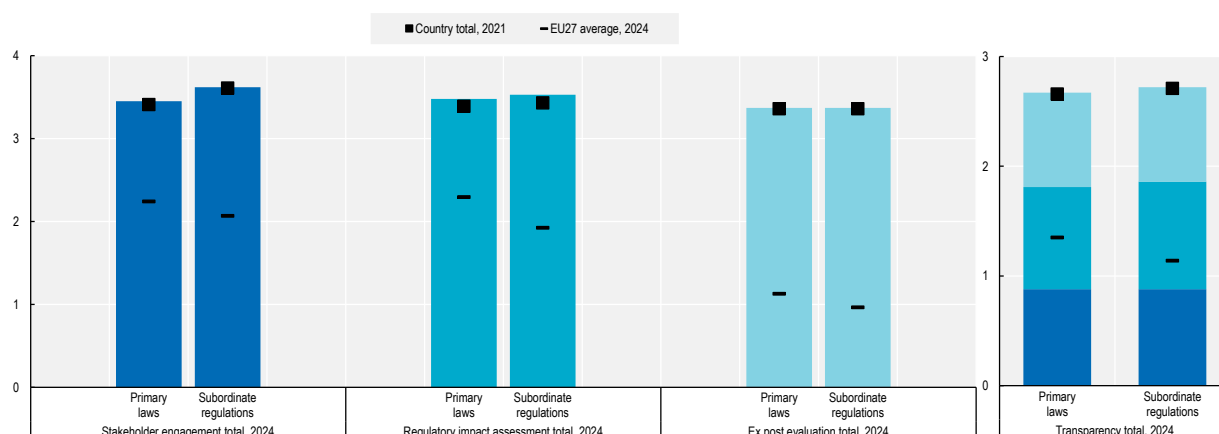
The EC's Secretariat-General ensures is responsible for its better regulation policy, providing capacity support and guidance. It also serves as secretariat to the independent Regulatory Scrutiny Board (RSB), which checks the quality of all IAs, fitness checks and selected evaluations.

In focus: Recent developments and next steps

Over the last few years, the EC has renewed its focus on driving competitiveness and growth, including through the introduction of a new “competitiveness check” in 2023 and a commitment to reducing reporting burdens by at least 25% and more recently of at least 35% for SMEs. In addition, the EC has been implementing a “one-in, one-out” (OIOO) approach since 2022, requiring the offsetting of new regulatory burdens in the same policy area. Simplification and implementation become a key focus of the new EC to ensure that legislation performs as it should. This will be supported by implementation dialogues with stakeholders and reality checks. The new EC also plans to stress-test the whole EU *acquis* with the objective of detecting implementation challenges and scope for simplification.

Several reports found the implementation of the 2016 Interinstitutional Agreement on Better Law Making remains wanting. Whilst the European Parliament and the Council, have established some capacity to conduct IAs on their substantial amendments to EC proposals, this is not being used in practice. More consistent implementation of the agreement is needed to ensure that finalised EU laws continue to be based on the best possible evidence.

Indicators of Regulatory Policy and Governance (iREG): European Union



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (100% of all primary laws in the European Union). Transparency is one of the four dimensions that underpin each of the composite indicators on stakeholder engagement, RIA and *ex post* evaluation. The transparency score presents the aggregate of that dimension across the three indicators. More information can be found in the Reader's Guide.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

European Union: Regulating for...

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	Assess impacts on social groups when designing rules	
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Planet	Assess impacts on the environment when designing rules	
	Assess the social costs of carbon emissions when designing rules	
	Assess the social costs of carbon emissions when reviewing rules	
	Focus on environmental sustainability when reviewing rules ▲	
Future	Address innovation-related challenges when designing rules, e.g. with increased agility or flexibility ▲	
	Co-ordinate cross-government to identify regulatory issues related to innovation ▲	
	Use data-driven approaches to monitor the impacts of rules ▲	
	Address innovation-related challenges when reviewing rules ▲	
Effectiveness	Identify a process for assessing progress in achieving regulatory goals	
	Base inspection and enforcement activities on risk criteria ■	Not applicable
	Have regulation or policy on risk-based inspections ●	Not applicable
	Identify unintended consequences of rules	

■ All primary laws/ ▲ Yes ■ Required ● Yes, there is a regulation and a policy

■ Major primary laws/ ● Yes, there is a regulation

■ Some primary laws/ ■ Not required but allowed ● Yes, there is a policy

■ Never/ ▲ No ■ Not allowed

Note: The data reflects European Union's practices regarding primary laws initiated by the executive.

Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2024.

Better Regulation Practices across the European Union 2025

Rulemaking across the European Union must address increasingly complex challenges, ranging from ensuring the responsible use of new technologies to driving the green transition. To respond to citizens' expectations and promote competitiveness and resilient growth, governments must ensure laws and regulations achieve their objectives and remain targeted, proportionate and simple to implement. This third edition of Better Regulation Practices across the European Union critically examines steps taken by EU Member States to promote the quality of rulemaking across the entire policy cycle for both domestic and EU rules. Using the OECD Indicators of Regulatory Policy and Governance, it tracks progress in implementing the OECD Recommendation on Regulatory Policy and Governance and identifies priorities for further improvement.



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