



OECD OVERVIEW ABOUT THE PORTUGUESE EXPERIENCE – APPROACHES AND PERSPECTIVES

Daniel Trnka, Senior Policy Analyst, OECD
Eric Thomson, Policy Analyst, OECD



ASSESSMENT OF THE RIA FRAMEWORK IN PORTUGAL



Quick scan of the RIA framework in Portugal

- Conducted in November/December 2017
- Desk research + presentations by the Portuguese government
- Fact-finding mission – meetings with institutions, trade unions, private sectors and academia
- OECD 2012 Recommendation (#4)
- Report on the first year of activities



LIA - a fundamental starting point

- Strong points:
 - Strong political support
 - A solid legal base
 - A formal oversight body in the centre-of-government (JurisAPP-UTAIL)
 - A simple and clear methodology for measuring costs along with some tools to help the exercise
 - A pragmatic, incremental approach to implementing RIA
 - Positive and constructive stance towards the reform



From an incremental approach to a systemic change

- The RIA process itself is important
- RIA in Portugal mostly focusing on costs, but benefit analysis also paramount.
- Definition of a problem is missing as well as identifying alternative options



Leveraging RIA to tackle wider regulatory challenges

- Structural, systemic and strategic considerations “with and beyond” Custa Quanto? approach and timeline
- Key regulatory challenges in PT
 - Predictability
 - Stakeholder engagement
 - Data availability
 - Implementation & enforcement
- A consistent, whole-of-government regulatory policy that tackles these challenges seems to still be missing.



Key recommendations

- A plan to sustain momentum
- The incremental approach vs systemic change in policy design
- Encourage demand for RIA by showing how it is used to effectively design regulations and policies.
- Limiting the types of initiatives for which RIA is required
- RIA should be integrated with legislative planning, stakeholder engagement, compliance and enforcement policies and administrative simplification efforts
- Tackle other Better Regulation issues - predictability, transparency and consultations, open data, compliance and enforcement



THE RIA MODEL IN PORTUGAL



Report on the current RIA model and recommendations for its improvement

➤ Background

➤ Authors: Luís Balthasar and Eric Thomson

➤ Methodology

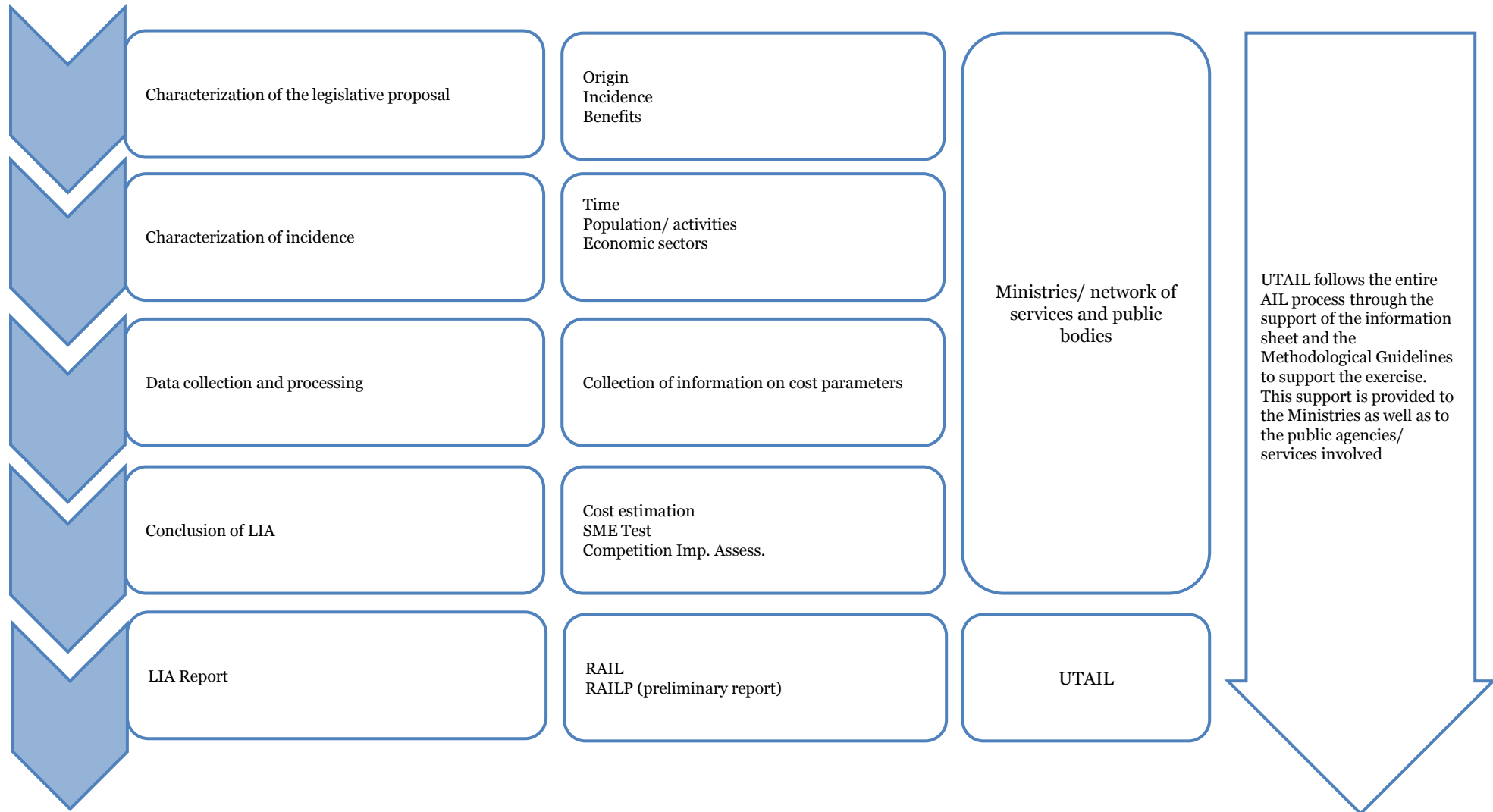
➤ Desk research on the experience and models of other OECD countries

➤ Information on the experience of implementing the "Custa Quanto?"

➤ Interviews during missions in Lisbon carried out by the OECD team with a peer from Germany. Complemented by survey.



The RIA Model in Portugal





Strengths of the RIA Model

- Ministries were generally happy with the tool. Most said that it helped the design process.
- Covers the whole process as of 2018.
- Data in the tool was useful. Most users didn't experience bugs (around 70%)
- UTAIL provides a lot of analytical support and guidance, despite its small team. The lowest # of employees per RIA of countries reviewed.



Key challenges

- Over time, the Model will become more complicated as new requirements for analysis are added. The tool could be targeted to high-impact proposals.
- Excel may not be an ideal platform, particularly to make RIA an integral part of the legislative development process. Technical and data improvements are possible.
- UTAIL's resources to support implementation are likely to be stretched as the program expands.



Threshold Tests

- Threshold test: An initial assessment of a policy proposal to determine how deep the proposer should analyse the issue.
 - A one-size fits all analysis doesn't make sense for policy-making
 - They exist in many countries in many forms (Canada, U.S., Switzerland, etc.)
 - Portugal should implement a threshold test for its RIA as the RIA process expands to a cost-benefit analysis



Threshold Test: Proposal

	Thresholds		
Descriptions	Total costs	No. companies	Costs per company
Low Impact	<100.000€	<500	n/d
Medium impact	b/w 100.000€ to 10 milhões	n/d	n/d
High impact	>10 milhões	n/d	n/d



Conclusions

- Good first step to help policy makers look at new draft proposals
- **Next steps**
 - *Portugal should continue to move towards a full cost-benefit analysis tool*
 - *Portugal should implement a threshold test*
 - *The RIA tool should be supported with a solid IT platform, human resources, permanent training and guidance*



THANK YOU!