

The Regulatory Impact Analysis Statement (RIAS) in Canada

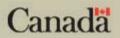
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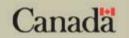
RIAS is the public face of regulation...

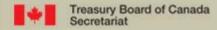
- Introduced in 1986 by the GC, RIAS describes the regulations and its impacts
 - Identification of reason for regulating
 - How Canadians have been consulted
 - Impacts of the regulations
 - Implementation, compliance and enforcement
 - Performance measurement and evaluation
- Draft regulations are published, with the RIAS, in the Canada Gazette to give Canadians and other interested parties (e.g., international companies and governments) a chance to have input
- Within government, the RIAS is intended to provide better information for decision-makers





- RIAS plays a fundamental role in the implementation of the Cabinet Directive on Streamlining Regulation (CDSR), the new Canadian regulatory policy
- Current RIAS is based on the 1999 Regulatory Policy and does not reflect the new the CDSR which came into force on April 1st, 2007
- Canadians and business expressed a strong interest in seeing clearer, more transparent RIAS and more and better analysis
- As of April 1, 2008, the new RIAS format will be implemented to reflect the enhanced CDSR requirements

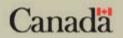




RIA assists in decision-making.

Regulatory impact analysis:

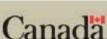
- Enhances understanding of the reason for regulating
 - Expresses the issue or problem, the objective of the regulation
 - Demonstrates analysis of costs, benefits, risks, impacts on regulators and regulated parties, and how regulation provides a good solution
- Provides ministerial accountability
 - The sponsoring minister is responsible to defend the regulatory proposal
- Public RIA provides opportunities for shared solutions
 - Increases understanding of issue/problem
 - Increases responsiveness of regulator
 - Increases compliance by regulated parties





The decision-makers and the public will see:

- New and enhanced regulatory system
 - Performance measurement, service standards, international regulatory cooperation, enhanced risk assessment and quantitative cost-benefit analysis
- Increased transparency and accountability
 - Web links to analysis
 - Summary "Cost-Benefit Statement"
 - Performance measurement & evaluation
- Consistent information with a risk-based approach
 - More effort on "high" impact regulations, less on "low" impact regulations

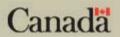




Canada's new RIAS

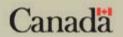
New RIAS intends to demonstrate and explain:

- Increased analysis and accountability (e.g., for costs and benefits, service standards, performance measurement)
- Choice of instrument (e.g., regulation, voluntary practice)
- Potential impacts on business, trade
- Life-cycle approach to regulating
- Links of proposed regulation to broad, government policy objectives



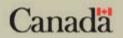
Benefits of RIA

- Consistency in approach for all federal regulators
- Accountability, transparency in decision-making by government officials and ministers
- Communication Tool
- Invites comments through consultation (e.g. Canada Gazette)
- Analysis of impact allows identification of potential areas for shared solutions
 - allows for alternative approaches to be developed and considered





- New CDSR enhances analysis included in RIAS, leading to an increased need for robust data and analytical requirements (mitigated by triage)
- Regulators must increased their effort to include new elements in RIAS and regulators must acquire new skills (mitigated by Centre of Regulatory Expertise, training, guides)
- Achieving common understanding of new requirements and consistent application across Government (mitigated by access to expertise and consistent advice from Centre)
- Culture change



Best Practices and Final Comments

Developing improvements to the RIAS using a consultative approach

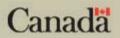
- Extensive consultation in Canada (EACSR)
 - Working Groups in Government
 - Comparing with international practices through OECD, WTO, SPP
- Consensus-building at many levels; Senior Executive (ADM) committee, officials for developing and implementation of tools and products
- Review the new RIAS before July 2008 to make any final adjustments

Developing and increasing capacity and skills to use the new RIAS

- Guides developed (4 to date) accessible online
- Courses at the Canada School of Public Service
- Training seminars (Risk, Evidence-based Regulation)

Tailoring analysis to fit different regulatory proposals

- Low versus Medium-High RIAS
- Using a consistent approach to determine impact level (Triage)



Annex A

Old RIAS compared to new RIAS

RIAS SECTIONS	OLD RIAS LOW	OLD RIAS MEDIUM/HIGH	NEW RIAS LOW	NEW RIAS MEDIUM/HIGH
Executive summary				$\sqrt{}$
Issue			$\sqrt{}$	$\sqrt{}$
Objectives			$\sqrt{}$	$\sqrt{}$
Description	$\sqrt{}$	V	√	$\sqrt{}$
Regulatory & non- regulatory options	√	V		V
Benefits & costs		\checkmark		$\sqrt{}$
Rationale			V	V
Consultation	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$
Implementation, enforcement & service standards		$\sqrt{}$	√ (when required)	$\sqrt{}$
Performance measurement & evaluation				V
Contact		V	√	√

Annex B



Key elements of the new Directive

- Necessary to regulate?
- Cost/benefit analysis
- Consultations
- Respect international obligations
- Identify rationale for approach
- International standards, guides and recommendations
- Performance based
- Cooperation (bilateral or multilateral)
- Life-cycle approach (continually meets initial policy objectives)

The Cabinet Directive on Streamlining Regulation is available at:

www.regulation.gc.ca

