



RSSGROUP
REGULATORY STRATEGIES AND SOLUTIONS
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RIA Implementation Steps

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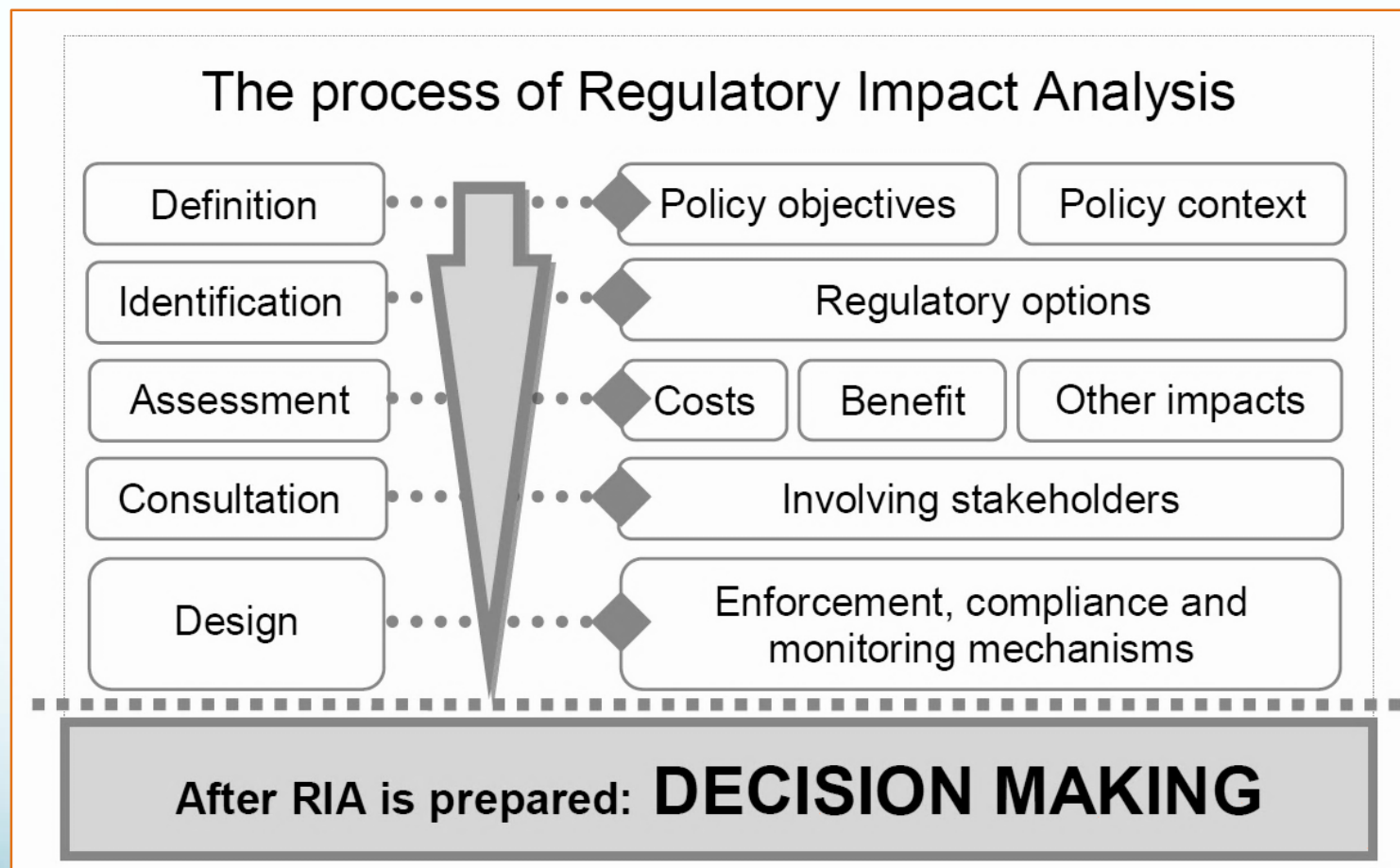


RIA Implementation

- Setting the stage for practical exercises
- Outline of fundamental RIA implementations steps
- Regulator presentations of Zambian RIA case studies
- Re-applying RIA implementation steps to Zambian case studies in small group settings



The RIA Process



Problem Statement

Before we regulate, we should be able to answer three fundamental questions:

- 1) What is the specific social or economic problem we are trying to solve?
- 2) Why is government intervention needed?
- 3) Why is regulation the most efficient and effective means of achieving the objective?



Establishing the baseline

- The “**baseline**” is the best assessment of current state of the world absent the regulation
 - The starting point for measuring costs and benefits.
- RIA compares the current state of the world, the “baseline scenario” to the expected state of the world with the regulation in effect -- the “policy scenario”
- Impacts of regulations are measured as the differences between these scenarios.



Defining Regulatory Requirements

- What specifically would the regulation require of stakeholders?
- Why are these requirements necessary to achieve the policy goal?
- How will compliance be measured/achieved?



Analyzing Policy Alternatives

- *Does the analysis enumerate other alternatives to address the problem?*
- *Is the range of alternatives considered narrow or broad?*
- *Does the analysis identify and quantify incremental costs of all alternatives considered?*
- *Does the analysis identify the cost-effectiveness of each alternative considered?*
- “No action” alternative to regulation should be considered but not in isolation



Regulatory Alternatives

- Information measures rather than regulation
- Market-oriented approaches rather than direct controls
- Performance standards rather than design standards
- Different requirements for different geographic regions
- Different requirements for different-sized firms
- Different degrees of stringency
- Different enforcement methods
- Different compliance dates
- Different choices defined by statutory instruments



Analyzing Costs and Benefits

- Costs to whom?
 - Clearly define who the regulated entities are
- Benefits to whom?
 - To which segment of the population do benefits accrue as a result of the regulation?
- Costs and benefits should be quantified where possible and should clearly cite data sources and methods to arrive at estimates.
- Qualitative analysis may be only feasible option but subjectivity can be problematic



Data Collection and Quality

- If RIA analysis is quantitative, where did the data come from and how do we know it is useful or trustworthy?
- Data quality assessment
 - Specify sources, assessment of accuracy, relevancy, representativeness, and appropriateness for intended uses
- RIA should specify assumptions, caveats and shortcomings of data utilized in the analysis.
 - If the analysis identifies data gaps, shortcomings or quality issues then the RIA can direct specific questions to stakeholders to elicit the desired data.



Public Consultation

- What should RIA practitioners do when lacking data on costs and benefits of policy options?
 - PUBLIC CONSULTATION can fill the gaps
- Design questions/inquiries to stakeholders based on the information desired
- If data is utilized from consultation, tell how this information was generated and how it was used



Practical Exercises

- **Zambian RIA Case Studies**
 - WRMA borehole/water quality
 - Road to Rail Cargo
 - Public Broadcasting
 - Health Fees
- Each will be analyzed through the lens of these implementation steps
- Objective is not to criticize or discredit, but to raise new issues, apply new concepts and spur debate about options and solutions
 - Remember – NO ONE SIZE FITS ALL!

