Netherlands

Indicators of Regulatory Policy and Governance 2021





Netherlands

Overview and recent developments

The Netherlands has made some progress in its regulatory practices over the past years. Most notably, it saw an improvement in oversight and quality control for periodic *ex post* evaluation of the effectiveness and efficiency of regulations. The country has been an early adopter of regulatory reform policies and exhibits a culture of open stakeholder engagement processes. Under successive governments, the Better Regulation agenda has been largely focused on burden reduction for business and citizens.

The Integraal Afwegingskader (IAK) combines existing requirements and instructions for *ex ante* regulatory impact assessment. Measuring the regulatory burden on companies and citizens is still a key element of the framework, aided by relatively strong regulatory oversight on this component. However, the IAK has seen gradual updates over time to incorporate other impacts e.g. since 2018, the IAK includes new guidelines on the impacts on borders regions, gender equality and developing countries and the Sustainable Development Goals. SMEs are now engaged in the early stages of the development of a regulation as part of an SME Test.

The IAK was updated in 2018 to strengthen requirements on ministries to monitor and evaluate regulations after implementation. This happened in response to Article 3.1 of the Compatibility Act 2016 that came into force in January 2018, which committed government to provide an explanation of the objectives, efficiency and effectiveness pursued when introducing new policy proposals. The Inspectorate of the State Budget within the Ministry of Finance now monitors procedural compliance of ministries with Article 3.1, co-ordinates the government-wide *ex post* evaluation framework, and has developed a toolbox with guidance for officials conducting policy evaluations. As part of its work, the inspectorate is also responsible for training and capacity-building.

The Unit for Judicial Affairs and Better Regulation Policy within the Ministry of Justice and Security is responsible for scrutinising the overall compliance with the RIA framework. The Better Regulation Unit within the Ministry of Economic Affairs and Climate Policy co-ordinates the programme for regulatory burden reduction and provides oversight on the quality of assessments of regulatory burden. The main focus of the Unit has shifted from a quantitative reduction target on regulatory burdens for firms towards noticeable reductions in terms of problems, irritations and impediments brought forward by firms. The Dutch Advisory Board on Regulatory Burden (ATR) is an arm's-length body linked to the Ministry of Economic Affairs and Climate. Its core task is to advice on and scrutinise proposals for laws, decrees and regulations during the early stages of the legislative process or before or during the consultation phase.

The Netherlands should strengthen regulatory oversight and supervision capacities beyond the focus on regulatory burdens. It could also consider ways to reform the RIA process, to incentivise ministries to carry it out at an earlier point in the regulatory process and to consider and list alternative policy options. Finally, informing the public systematically in advance that a consultation is planned to take place could help to receive more input for regulations.

Indicators of Regulatory Policy and Governance (iREG): Netherlands, 2021



Notes: 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 (97% of all primary laws in the Netherlands).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, http://oe.cd/ireg.

Netherlands: Transparency throughout the policy cycle



Inform the public in advance that:	Consult with stakeholders on:	
Inform the public in advance that:	Consult with stakeholders on:	

Never

Some

No

Major

Some

Publish online:

Ongoing consultations*	All
Views of participants in the consultation process	Yes
RIAs	Some
Evaluations of existing regulations	Yes

Policy makers use:

A public consultation is

(RIA) is due to take place Ex post evaluations are

planned to take place

Regulatory impact assessment

planned to take place

Interactive website(s) to consult with stakeholders	Yes
Website(s) for the public to make recommendations on	No
existing regulations	

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regulations

Draft regulations

Evaluations of existing

Policy makers provide a public response to:

Consultation comments	Yes
Recommendations made in	Never
<i>ex post</i> evaluations	

* Publish on a single central government website.

Note: The data reflects Netherlands' practices regarding primary laws initiated by the executive. Source: Indicators of Regulatory Policy and Governance Survey 2021, http://oe.cd/ireg.



THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- Systematic adoption comprises formal requirements and how often these requirements are conducted in practice;
- Methodology presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- **Oversight and quality control** reflects the role of oversight bodies and publicly available evaluations; and
- **Transparency** comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (http://oe.cd/ireg).

Related links:

- <u>Regulatory Policy Outlook 2021</u>
- Indicators and underlying data and methodology
- 2012 Recommendation of the Council on Regulatory Policy and Governance
- OECD Measuring Regulatory Performance Programme
- OECD work on regulatory policy

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