



Klaus Jacob
Environmental Policy Research Centre
Freie Universität Berlin
jacob@zedat.fu-berlin.de
www.fu-berlin.de

Considering Environmental Aspects in RIA

Regulatory Policy at the Crossroads – Towards a New Policy Agenda

Paris, OECD 28-29 October 2010

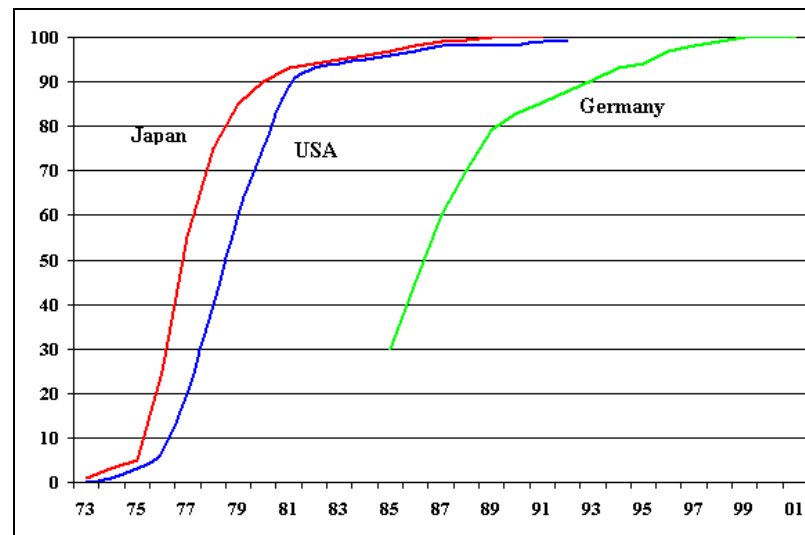
Background

What are the opportunities to improve the regulatory quality of legislation in terms of environmental impacts?

- Environment as cross cutting issue: Integration and coherence
- Environment as driver for innovation and economic growth

Example: Lead Markets for Automobiles with Catalytic converter

Fig. 1. Share of passenger cars equipped with catalytic converter in %



Environmental Policy Integration

Since the 1970s: Ex ante Impact Assessments on policies/regulations, e.g.

- Checklists
- Indicators
- Models
- Guidelines
- Background studies

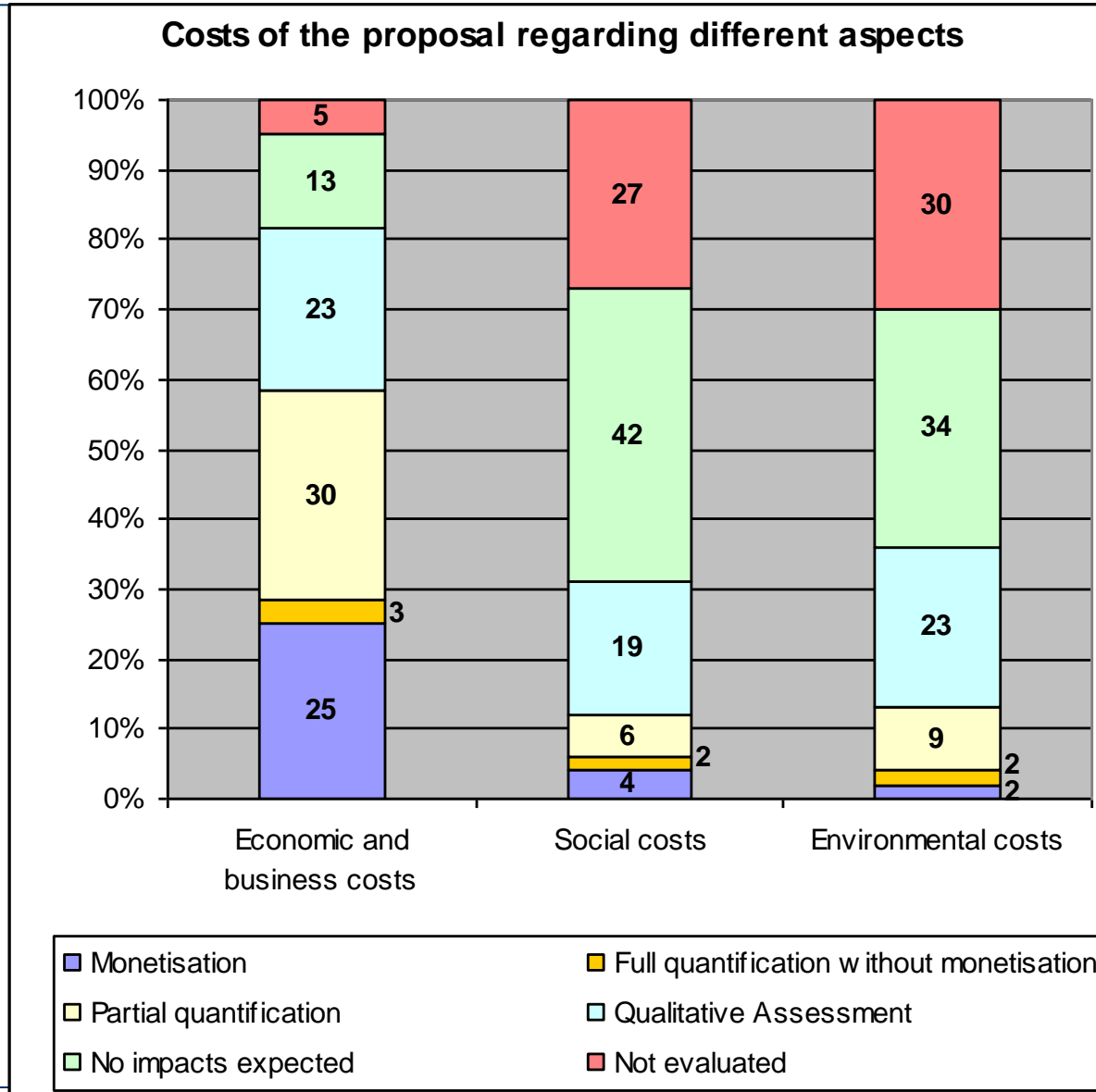
But: lack of implementation and consideration

Overall Implementation

- **High degree of variability of processes and results**
- **Overall considerable deficits in implementation**
 - Often no assessment
 - Late in decision making
 - Narrow definition of impacts (direct costs)
 - Little interdepartmental coordination
 - Little participation of external actors
 - Very little quantitative and formalised analysis
 - Frequently formalistic conduction
- **Potentials for Policy Integration are rarely used**
- **Exemptions UK and EU**
 - High degree of formal implementation
 - But: also room for improvement in quality

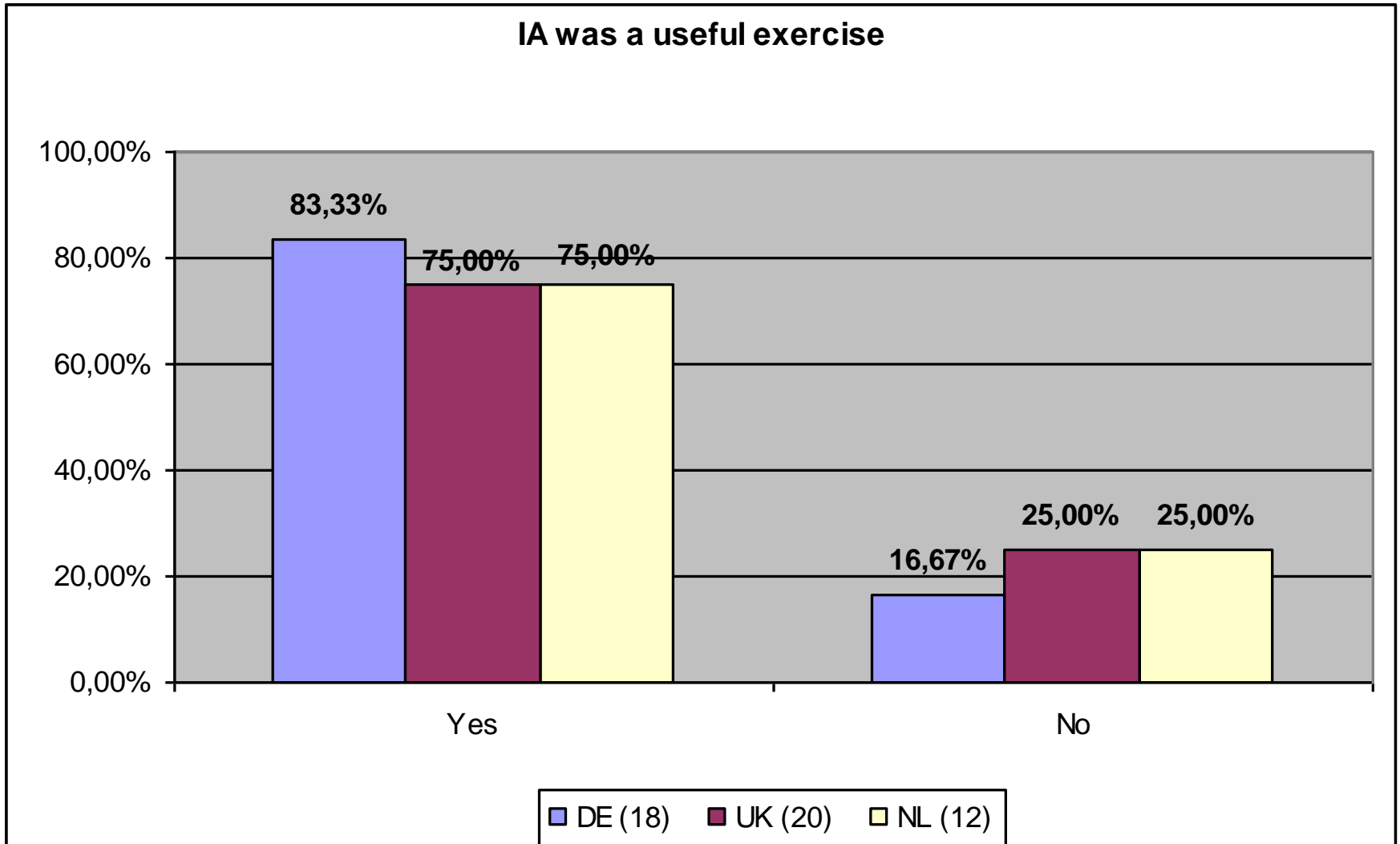


Considering different types of costs





Overall view on IA



Difficulties

- 1) Technical difficulties: Anticipation of behaviour is difficult, many different issue areas, long term perspective, difficulties to aggregate and weigh**
- 2) Lack of Resources: Budget, time, trained staff**
- 3) Lack of Demand: Commitment of the hierarchy, need to find compromises, proliferation of arguments**

Matching Demand and Supply

Experiences from jurisdictions which explicitly gear their (R)IA to integration of environment/sustainability

•Impact Areas:

- Holistic approaches (e.g. NL)
- Focused set of priority areas (e.g. Germany, Ireland)
- Guidance on impact areas, but case by case determination (e.g. EC, Switzerland)

•Tools:

- Quantification/Monetization (e.g. UK, Australia)
- Preference for CBA but inviting other aspects (e.g. IRL, EC)
- No recommendations on tools (e.g. NL, Germany)

Matching Supply and Demand

• **Consultation and Transparency:**

- Internal procedure (e.g. Belgium)
- extensive internal and external consultation (e.g. EC, UK)
- publishing of analysis or only conclusions

• **Environmental departments**

- Part of interdepartmental preparation
- Overseeing the process (e.g. EC, NL)

• **Quality control:**

- Procedural requirements
- Internal review (UK, IRL, EC)
- Parliamentary Committee (Germany)

Explaining Implementation

Conditions for effective IA:

- Transparency
- Integration
- Quality Control

Ambiguous:

- Standardization of Methods
- Determination of Impact Areas

Assessing Carbon Impacts

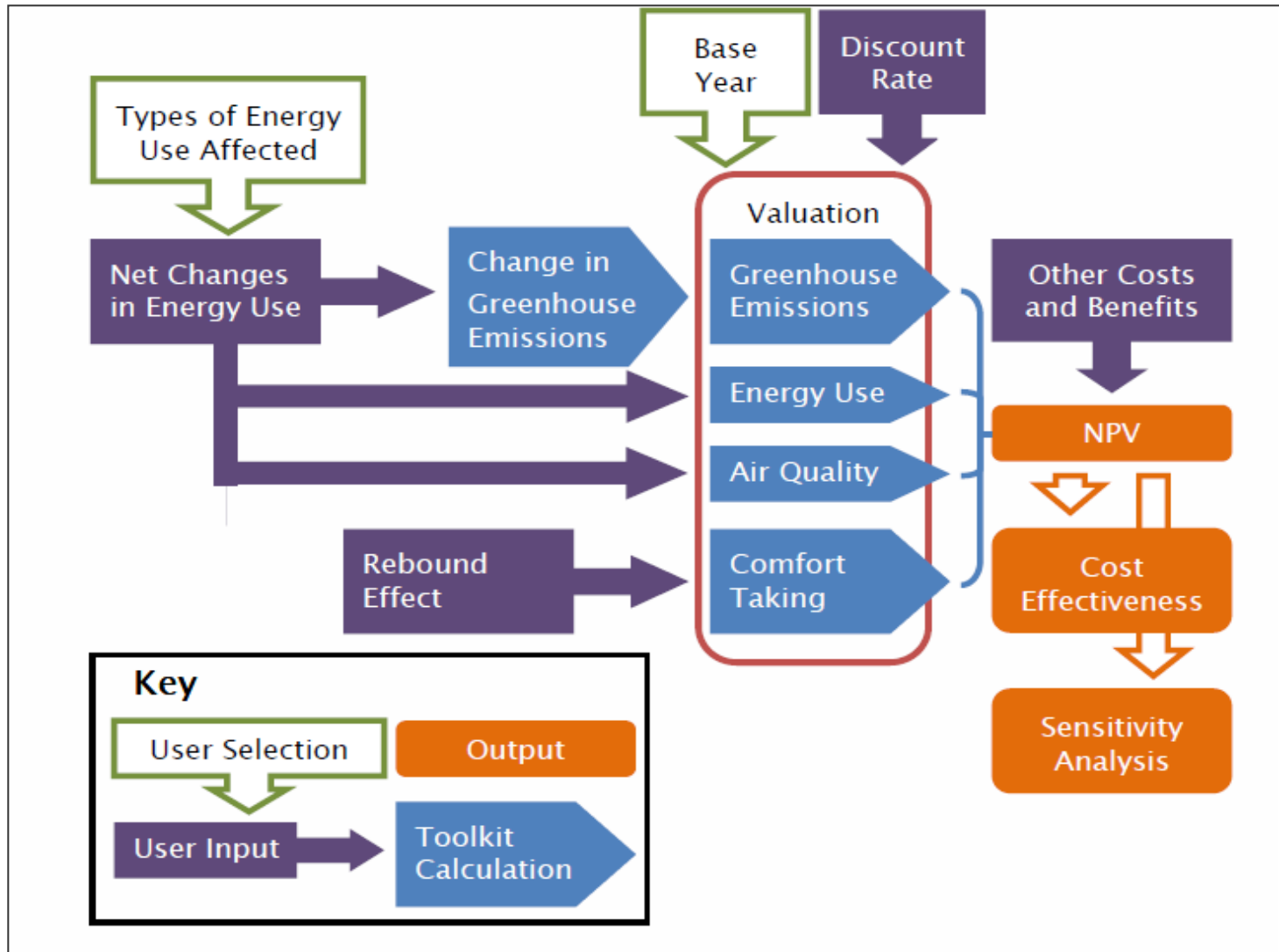
Examples from UK, USA, Austria and Belgium:

- 1) Analysing expected changes in energy use
- 2) Pricing CO₂ (e.g. shadow price/target consistent approach)

or

Qualitative Assessment

(Belgium: Focus on reduced carbon emissions from admin burden reduction)



CIA as the SCM for the Environment?

Use of Energy

Shifts in energy sources

Changes in efficiency

**Changes in CO2 Emissions
(in \$/EUR/YEN/RMB)**

- Assumptions independent from policy

- Related to high level goals

- Easy to aggregate and monetize

- Quality control

- Impacts on other environmental issues and possible trade offs

- Defining system boundaries