



PRIME MINISTER'S OFFICE
FINLAND



Finnish Council of Regulatory Impact Analysis Annual Review 2017



THE FINNISH COUNCIL
OF REGULATORY IMPACT ANALYSIS

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Contents

Preamble	5
1 Finnish Council of Regulatory Impact Analysis	7
2 Activities in 2017	9
2.1 Statements.....	9
2.2 Meetings	15
2.3 Communications and media presence	16
2.4 Interaction with stakeholders.....	16
2.5 Cooperation with the administration	19
2.6 International contacts	19
2.7 Finances	21
3 Overall efficiency and effectiveness of activities	22
4 Observations for improving law drafting.....	24

PREAMBLE

While the Finnish Council of Regulatory Impact Analysis has put its work on an established footing in this second year of operations, efforts to further enhance the Council's working methods remain ongoing. The statements issued by the Council have served to foster dialogue both within the administration and in the public arena regarding the quality and resourcing of law drafting, the proper timing of political guidance and the requirements for impact assessment.

Discussions between the ministries and the Council have highlighted in particular the scheduling of law drafting as well as the time required to prepare the Council's statement and the timing of that statement. The scantily resourced Finnish Council of Regulatory Impact Analysis was established to contribute to the higher quality of law drafting through the issue of public statements on impact assessments addressed to all law drafters. This system neither enables nor allows participation in law drafting per se.

The statements issued by the Council to date have all concerned draft government proposals. According to the Decree on the Council, the Council is also empowered to issue statements on impact assessments in other draft legislation, both *ex ante* and *ex post*. Consequently, the Council has been preparing approaches that would allow its statements to support impact assessment related to the drafting of EU legislation and to evaluate *ex post* assessments that will have an effect on future legislation.

In the year under review, the Council received its first invitations from Committees of Parliament to attend consultations before the Committees. This represents a new way of working for the Council and it is one that *de facto* requires the secretariat to prepare a second statement on the government proposal under consideration, in addition to the previously issued statement on the draft government proposal. No decline may be expected in the Committees' need to consult with the Council if government proposals do not feature a more thorough review of the Council's recommendations and also the manner in which these recommendations have been taken into account in the final government proposal.

The Finnish Council of Regulatory Impact Analysis is an active member in RegWatchEurope,

a network of independent European oversight bodies. European cooperation is an important avenue of cooperation for the Council, as it allows us to benchmark and further build on our own system and activities. Other partners of equal importance are the European Commission's Regulatory Scrutiny Board and the OECD.

The Finnish Council of Regulatory Impact Analysis will chair RegWatchEurope in 2019. In preparing for this duty, the Council will already in the current year have to reinforce its Europe-wide networking, plan the coming year of European activities and provide for the heightened resource requirements ensuing from the role of chair.

Helsinki, 25 April 2018

Leila Kostiainen

Chairperson

1 Finnish Council of Regulatory Impact Analysis

The Government Decree on the Finnish Council of Regulatory Impact Analysis entered into force at the start of February 2016. The Council is tasked with carrying out impartial and independent analysis of regulatory impact assessments. Administratively, the Council is based in the Prime Minister's Office and its two secretaries and permanent expert are public servants attached to the Office.

The Finnish Council of Regulatory Impact Analysis has the following duties under the Decree on the Council:

1. To issue statements on the impact assessments included in draft government proposals
2. To issue statements also on the impact assessments of other draft legislation
3. To submit initiatives towards improving the quality of law drafting and in particular the quality and performance of impact assessments
4. To assess whether the impact of legislation has been as intended
5. To monitor the development of the quality of impact assessments and to assess the effectiveness of its own operations
6. To submit an annual review of its operations to the Prime Minister's Office.

The Council consists of a chairperson, two vice-chairpersons and a maximum of six other members. The chairperson and other members of the Council are appointed by the Government for a term of office of three years. The Council must possess expertise in law drafting as well as a sufficient depth and breadth of expertise to analyse different impact areas. The Council selects two vice-chairpersons from among its members. The secretaries

and any permanent experts of the Council are appointed by the Prime Minister's Office. The Council has two full-time secretaries who are assigned to the Office's Government Session Unit.

The government plenary session appointed the chairperson and members of the Council for the first term running from 15 April 2016 to 14 April 2019 and the Council launched its operations in April 2016. The first chairperson of the Council, serving until 31 December 2016, was Kalle Määttä, Adjunct Professor, LL.D. In December 2016, the government plenary session modified the Council's composition: as of the start of 2017, the Council is chaired by Leila Kostiainen, LL.M. The Council's vice-chairpersons are Leena Linnainmaa, Deputy Chief Executive, and Emeritus Professor Jyrki Tala. They are joined on the Council by Kalle Määttä, Senior Adviser Bo Harald, Professor Ari Hyttinen, Professor Eva Liljeblom, Professor Tuula Linna, and Rauno Vanhanen, LL.M. Senior Ministerial Adviser Arno Liukko serves as the Council's permanent expert appointed by the Prime Minister's Office. The secretaries to the Council are Antti Moisio and Meri Virolainen. The Council's secretariat also included Specialist Tuomas Lihr from 1 September to 31 December 2017.



Picture: Lauri Heikkinen,
Prime Minister's Office

2 Activities in 2017

2.1 Statements

A key duty of the Finnish Council of Regulatory Impact Analysis is to issue statements on draft government proposals. The Council scrutinises government proposals holistically in as finalised form as possible, meaning that the observations made during the consultation round have already been included in the draft proposal and the contents of the draft proposal have been finalised to the highest extent possible. The Council selects independently the draft government proposals taken under consideration, making use of e.g. the Government's legislative plans and legislative projects put forward by the meeting of permanent secretaries. While the focus in selection is on economic and social significance, the Council also strives for equal coverage of the ministries and the issue of statements on draft government proposals of varying scope.

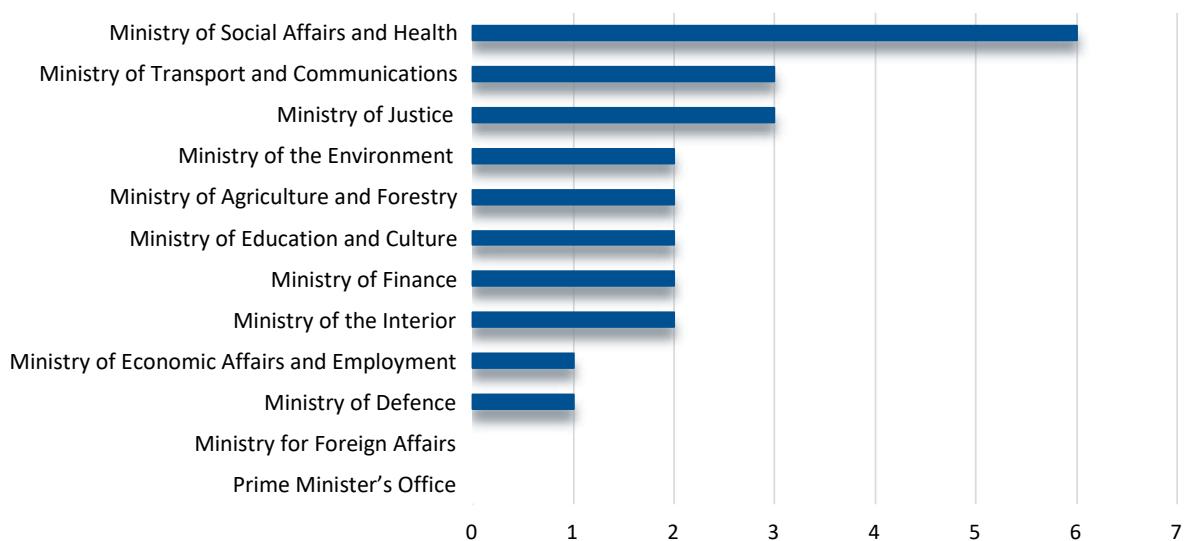
The relevant ministry is immediately informed of the Council's decision to take a certain government proposal under consideration and it is requested to provide the Council with as finalised a version as possible of the relevant proposal. The government proposal, statements received during the consultation round and a summary of the statements are sent to the Government Registry at the Prime Minister's Office (registry@vnk.fi). After the government proposal has been received by the Registry, the Council will have about four weeks for preparing its analysis. The Council publishes its statement once it has been adopted and signed.

The Council's analysis takes place towards the end of the law drafting process and the Council does not take part in the drafting. Weighing in on the constitutionality of the draft proposals is also excluded from the Council's ambit.

During 2017, the Council took a total of 30 draft government proposals under consideration and prepared 26 statements by the end of the year.¹ A further three statements were published after the turn of the year, in 2018.

The statements prepared by the Council in 2017 concerned draft proposals prepared by ten different ministries (Figure 1) and included proposals of both broad and more limited scope, although the emphasis clearly was on broader proposals (Figure 2). The most extensive proposals (rationale in excess of 100 pages²) accounted for 9% of all government proposals issued by the Government in 2017 but for 50% of the proposals taken under consideration by the Council. In practice, the Council analysed more than half of the most extensive government proposals. The proposals taken under consideration by the Council in 2017 consisted of a total of 5,750 pages. Measured in pages devoted to rationale, the Council analysed roughly one third of the total rationales in all government proposals in the previous year.

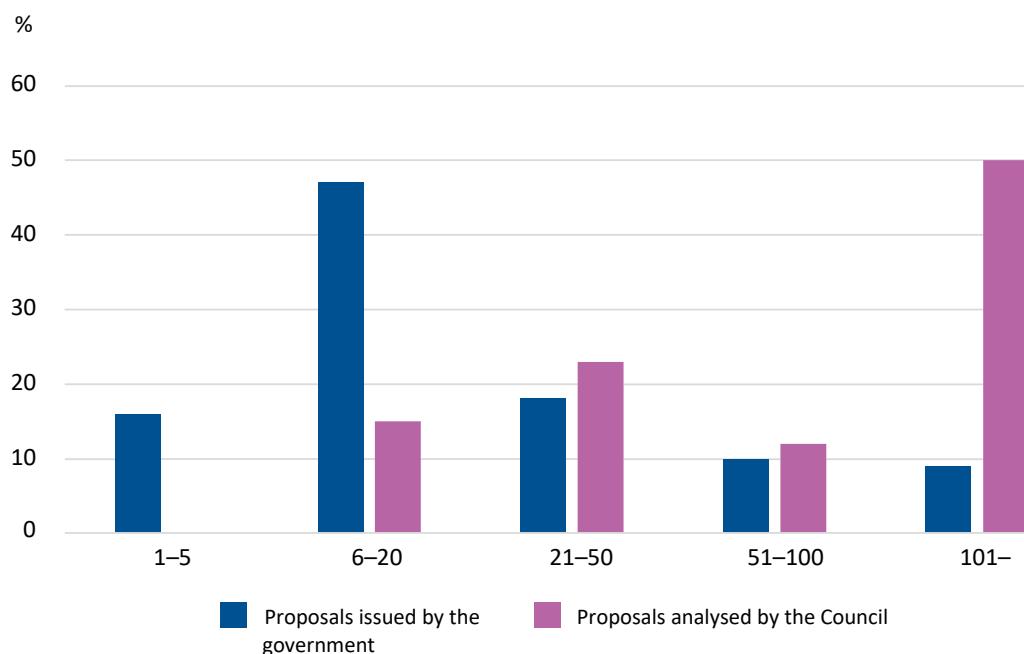
Figure 1 Statements issued by the Council in 2017 by ministry, N = 24



¹ A total of 24 statements were issued in 2017. Statements were also prepared on draft proposals for Acts on motorcycle tax and boat tax. These statements were withheld, however, as the draft proposals were withdrawn from consideration before the statements could be issued.

² Rationale includes the general rationale and the detailed rationale of government proposals.

Figure 2 Scope of proposals analysed by the Council in 2017 (N=26) expressed in length of rationale in pages relative to scope of all government proposals issued (N=206) (per cent of analysed/issued proposals)



The Council's median processing time for statements was just under three weeks (thirteen working days, summer holiday season included) (Table 1).

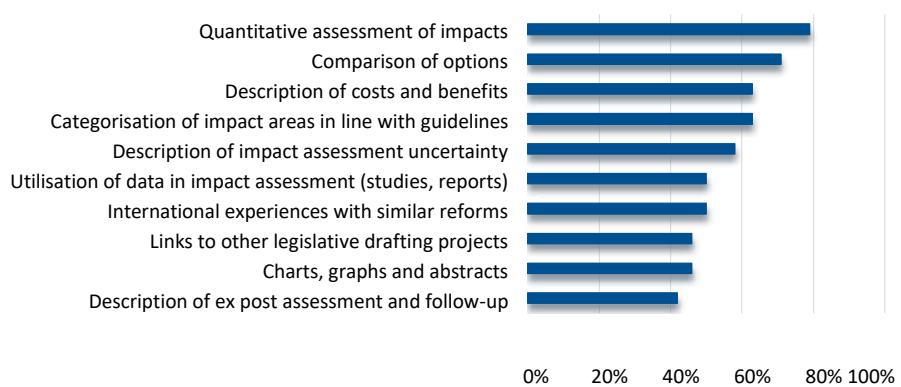
While a considerable proportion of the draft government proposals analysed featured significant deficiencies, the Council also analysed proposals that gave rise to little remarks. For example, the Council considered the draft proposal for an Act on insurance distribution (Ministry of Social Affairs and Health) to be exemplary in terms of impact assessment procedure and transparency. The draft proposal for an Act on amending section 3 of the Keva Act (Ministry of Education and Culture) was found by the Council largely to meet the requirements laid down in the guidelines for impact assessment in legislative drafting and also to be well-written.

Table 1 Details of statements issued in 2017

Draft government proposal	Ministry responsible for preparation	Revised draft proposal received from ministry, date	Statement issued, date	Processing time by the Council, working days since receipt of draft proposal	Number of sections	Number of pages in draft proposal
Postal Act	Transport and Communications	19.12.2016	16.01.2017	20	16	96
Courts Act	Justice	16.12.2016	16.1.2017	21	20	105
Forest information system	Forestry and Agriculture	24.1.2017	10.2.2017	13	10	50
Regional government and health and social services organisation reform	Social Affairs and Health	19.1.2017	13.2.2017	17	over 200	1002
Organisation of rescue services	Interior	6.2.2017	20.2.2017	10	17	33
Vocational education	Education and Culture	9.2.2017	2.3.2017	15	over 200	545
Pension foundations and pension societies	Social Affairs and Health	7.2.2017	8.3.2017	21	over 200	335
Keva	Education and Culture	13.3.2017	23.3.2017	8	1	18
Alcohol Act	Social Affairs and Health	6.4.2017	24.4.2017	12	122	222
Freedom of choice in health and social services	Social Affairs and Health	5.4.2017	26.4.2017	15	96	318
Provision of social and healthcare services	Social Affairs and Health	10.4.2017	5.5.2017	19	42	124
Private Roads Act	Transport and Communications	26.5.2017	19.6.2017	16	20	172
Land Use and Building Act	Interior	16.6.2017	22.6.2017	4	5	30
Right of occupancy housing	Environment	16.6.2017	30.6.2017	10	115	88
Traffic services	Transport and Communications	5.7.2017	8.8.2017	24	over 200	878
Act on Insurance Distribution	Social Affairs and Health	24.7.2017	24.8.2017	23	120	327
Incomes information system	Finance	8.9.2017	20.9.2017	8	40	176
Real Estate Formation Act (3D)	Agriculture and Forestry	13.10.2017	9.11.2017	19	17	71
EURES	Economic Affairs and Employment	10.11.2017	6.11.2017	4	7	24
Act on the Municipal Guarantee Board	Finance	5.12.2017	5.12.2017	8	1	11
Act on court proceedings in administrative matters	Justice	5.12.2017	8.12.2017	9	126	241
Military intelligence	Defence	8.12.2017	1.12.2017	9	123	414
Civilian intelligence	Interior	8.12.2017	1.12.2017	9	135	385
Oversight of intelligence operations	Justice	8.12.2017	1.12.2017	9	23	78

Figure 3 shows the areas for improvement most frequently addressed in the statements broken down by assessment method.

Figure 3 Most common areas for improvement in impact assessments in draft government proposals broken down by method (relative frequency in statements issued by the Council in 2017, N=24)



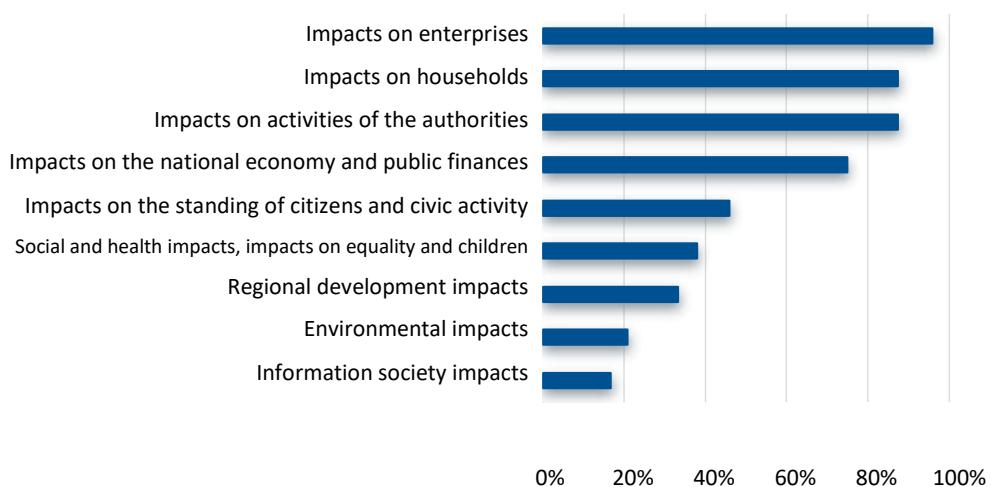
A recurring deficiency in the draft proposals' impact assessments has to do with the quantitative assessment of impacts. Impact assessments are often presented only in qualitative terms, leaving the magnitude of even the most relevant costs and benefits unclear. Consequently, it is impossible to determine from the draft proposal whether the benefits of the law will outweigh the ensuing costs. The fairly common lack of summaries of economic impacts presented in table format is a related deficiency. Since uncertainty perforce attaches to quantitative impact assessment, this should be transparently addressed in the draft proposals by means of ranges, for example.

There is also room for improvement in the utilisation of research findings, studies and international experiences in impact assessments. Here, however, there is considerable variance between proposals. Links with other legislative drafting projects may cause lack of clarity in the impact assessments; in such cases, reference is made to assessments presented in other government proposals but an adequate understanding of the totality of the impact assessment is difficult to come by.

The draft proposals may also fail to justify the measures proposed by presenting alternative means of implementation. The key elements of proposals should always be underpinned by a comparison of the options available.

Figure 4 shows the areas for improvement most frequently addressed in the statements broken down by areas of impact. In its statements, the Council has often drawn attention to deficient assessments of economic impacts in the various sectors (households, enterprises, public finances and the national economy). The Council has also recommended often improvements to impact assessment relating to impacts on the activities of the authorities, environmental impacts and other social impacts.

Figure 4 Most common areas for improvement in impact assessments in draft government proposals broken down by area of impact (relative frequency in statements issued by the Council in 2017, N=24)



Some of the deficiencies in the draft proposals could have been remedied through better adherence to the guidelines for impact assessment in legislative drafting prepared by the Ministry of Justice (Ministry of Justice 2007)³. The issue is also one of legislative drafting resources and expertise in the preparation of impacts assessments, however. It would appear that ministries do not always have adequate access to the specialised economic expertise required in preparing impact assessments. In such cases, the relevant ministry is advised to consult e.g. economic research institutes or universities for outside support.

³ Government resolution on impact assessments in legislative drafting adopted in 2007.

2.2 Meetings

The Council of Regulatory Impact Analysis held a total of 18 meetings in 2017 (13 January, 3 February, 17 February, 10 March, 31 March, 18 April, 21 April, 12 May, 2 June, 16 June, 18 August, 31 August, 8 September, 29 September, 3 November, 24 November, 27 November and 15 December). The meeting attendance rate among Council members was 80%. The Council also held some meetings by means of written procedure to adopt statements considered earlier. A considerable portion of the Council's work is done outside meetings, in the form of reviewing draft statements and government proposals. Most of the statement preparation by Council members indeed takes place outside meetings.

The Council heard from several visiting experts at its meetings in 2017:

- Senior Ministerial Adviser Ismo Tuominen of the Ministry of Social Affairs and Health gave a presentation on the draft proposal concerning the overall reform of the Alcohol Act (10 March 2017).
- Senior Ministerial Adviser Pirjo Kainulainen and Permanent Under-Secretary Tuomas Pöysti of the Ministry of Social Affairs and Health, along with Maija-Liisa Junnila, Ph.D., gave a presentation on the draft proposal concerning the Act on freedom of choice (31 March 2017).
- Director of Legislative Affairs Katriina Laitinen and Senior Specialist Heli Heikkola gave a presentation on the draft proposal for an Act on civilian intelligence (31 August 2017).
- Director of Legislative Affairs Hanna Nordström gave a presentation on the draft proposal of the Ministry of Defence for an Act on military intelligence (31 August 2017).
- Director of Legislative Affairs Tuula Majuri gave a presentation on the draft proposal of the Ministry of Justice concerning intelligence oversight (31 August 2017).
- Permanent Under-Secretary of State for EU Affairs Jori Arvonen addressed topical EU issues from the viewpoint of impact assessment (8 September 2017).
- Senior Ministerial Adviser Anu Talus, Director of Legislative Affairs Tuula Majuri and Senior Specialist Tanja Jaatinen gave a presentation on the draft government proposal on GDPR implementation (24 November 2017).
- Senior Ministerial Adviser Immo Aakkola, Senior Officer Raisa Leivonen and Attorney Eija Warma gave a presentation on perspectives into GDPR implementation (27 November 2017).

2.3 Communications and media presence

The statements of the Finnish Council of Regulatory Impact Analysis are public and they are posted on the website of the Prime Minister's Office (vnk.fi/arvointineuvosto). The publication of each statement is announced by a press release, and also on Twitter. A list of the draft government proposals selected for analysis is also posted on the website.

The statements issued by the Council have been widely addressed in the media and reference to these has been made in Parliament as well. The chairperson of the Council has given numerous interviews to the various media about the Council's statements and its work. The Council also makes use of various kinds of seminars and meetings to communicate about its activities.

2.4 Interaction with stakeholders

The Finnish Council of Regulatory Impact Analysis engaged closely with central government and other stakeholders in 2017. The chairperson of the Council met extensively with Ministers and high ministerial officials, Committees of Parliament, and representatives of interest organisations.

The Council's chairperson Leila Kostainen had the following meetings, panel discussions and other similar events in 2017:

- Meeting with State Secretary Jari Partanen 2 January 2017.
- Meeting with Project Manager Oskari Nokso-Koivisto of Aalto University 5 January 2017.
- Meeting with Minister Mika Lintilä 12 January 2017.
- Meeting with STTK Chairperson Antti Palola 12 January 2017.
- Meeting with Minister Jari Lindström 26 January 2017.
- Participation in panel discussion on sound legislative drafting arranged by the Ministry of Justice and the Ministry of Transport and Communications 26 January 2017.
- Review of current affairs for the meeting of permanent secretaries 30 January 2017.
- Meeting with Minister Timo Soini 30 January 2017.
- Presentation on legislative drafting quality at Government strategy session 30 January 2017.
- Meeting with Minister Petteri Orpo 3 February 2017.
- Meeting with National Institute for Health and Welfare THL leadership 6 February 2017.
- Meeting with trade union confederation Akava Director (Working Life) Maria Löfgren 10 February 2017.

- Meeting with Central Organisation of Finnish Trade Unions SAK Chairperson Jarkko Eloranta 13 February 2017.
- Meeting with Finnish Social Democratic Party SDP Chairperson Antti Rinne 14 February 2017.
- Presentation on legislative drafting quality for the Advisory Board of the National Audit Office of Finland 2 March 2017.
- Participation in Ministry of Finance seminar on freedom of choice in the health and social services reform 10 March 2017.
- Meeting with Swedish People's Party of Finland (SFP/RKP) chairperson Anna-Maja Henriksson 16 March 2017
- Meeting with Confederation of Finnish Industries (EK) Director Hannu Rautainen 23 March 2017.
- Meeting with Research Director at the Research Institute of the Finnish Economy (Etla), Professor Mika Maliranta 24 March 2017.
- Meeting with Minister Anne Berner 27 March 2017.
- Meeting with Director-General Kirsi Varhila of the Ministry of Social Affairs and Health 10 April 2017.
- Meeting with Project Manager Oskari Nokso-Koivisto and Professor Otto Toivanen of Aalto University 12 April 2017.
- Meeting with Mediconsult Oy Medical Director Ville Salaspuro 19 April 2017.
- Meeting with State Secretary Paula Lehtomäki 12 May 2017.
- Meeting with Deputy Managing Director Esko Kivilahti and Director Lea Mäntyniemi of Finance Finland FFI 15 May 2017.
- Meeting with University of Helsinki post-graduate student Mika Mäkilä 29 May 2017.
- Meeting with Permanent Under-Secretary of State Timo Lankinen of the Prime Minister's Office 30 May 2017.
- Meeting with Social Democratic Youth of Finland President Mikkel Näkkäläjärvi 19 June 2017.
- Meeting with State Secretary Jari Partanen 20 June 2017.
- Meeting with Minister Anne Berner 29 June 2017.
- Meeting with Minister Anne Berner and State Secretary Paula Lehtomäki 2 August 2017.
- Meeting with Minister Antti Häkkänen 17 August 2017.
- Presentation at Ministry of the Environment seminar on deregulation 30 August 2017.
- Meeting with Special Adviser Jukka Ihanus of the Ministry of Economic Affairs and Employment 12 September 2017.
- Meeting with Director-General Kirsi Varhila of the Ministry of Social Affairs and Health 24 October 2017.
- Meeting with Ombudsman for Equality Jukka Maarianvaara 2 November 2017.
- Meeting with Business Director Pekka Utriainen of Pihlajalinna 7 November 2017.

- Meeting with Special Adviser Anssi Kujala of the Ministry of Finance 10 November 2017.
- Meeting with president and CEO of Helsinki and Uusimaa Hospital District HUS Aki Linden 16 November 2017.
- Meeting with Senior Ministerial Adviser Heidi Kaila of the Prime Minister's Office 17 November 2017.
- Meeting with Pensions Europe Secretary General/CEO Matti Leppälä 21 November 2017.
- Participation in Ministry of Justice seminar on regulatory burden 27 November 2017
- Meeting with CEO Ulla-Maija Rajakangas of the Finnish Association of Private Care providers 29 November 2017.

The secretariat of the Council has been invited to attend expert consultations by Committees of Parliament in their consideration of government proposals on which the Council has issued a statement. In 2017, the secretariat of the Council also regularly attended meetings of the executive group for the key project of improving legal provisions chaired by State Secretary Jari Partanen, gave lectures at several training events arranged for law drafters by HAUS Finnish Institute of Public Management Ltd and took part in the following meetings and events:

- Presentation on the activities of the Council for the National Audit Office of Finland 18 January 2017.
- Presentation of the activities of the Council for the Information Support Unit of the Prime Minister's Office 7 October 2017.
- Expert consultation at the Committee of Finance on the incomes information system 25 October 2017.
- Meeting with Senior Ministerial Adviser Heidi Kaila of the Prime Minister's Office 17 November 2017.
- Finnish Society of Technology Assessment in Health Care seminar 5 May 2017, presentation entitled 'Perspectives of the Finnish Council of Regulatory Impact Analysis into health and social services reform impact assessments'.
- Expert consultation at the Constitutional Law Committee of Parliament on the proposal concerning freedom of choice in health and social services reform 17 May 2017.
- Expert consultation at the Social Affairs and Health Committee of Parliament on the proposal concerning freedom of choice in health and social services reform 17 May 2017.
- Presentation on the Council at a training event for Parliament officials arranged by the Parliamentary Office 9 October 2017
- Expert consultation at the Transport and Communications Committee of Parliament on a bill concerning traffic services 22 November 2017.

The Council is moreover represented on the Ministry of Justice HELO working group that is preparing a new set of bill drafting instructions. The term of this working group started on 1 October 2016.

An article on the Finnish Council of Regulatory Impact Analysis and its activities was published in the journal *Finnish Economic Papers* (FEP).⁴

2.5 Cooperation with the administration

The Council and its secretariat meet with representatives of the administration on a regular basis at various meetings and seminars. Direct meetings between the Council and the ministries have also been arranged. The Council's secretariat actively communicates with the administration on practical issues relating to statements on draft proposals.

Together with the Prime Minister's Office, the Council arranged an impact assessment seminar at the House of the Estates on 23 October 2017. The seminar was chaired by the Council's chairperson Leila Kostiainen and featured keynote addresses by Minister of Transport and Communications Anne Berner and Minister of Justice Antti Häkkänen as well as Johannes Ludewig, chairperson of the German Nationaler Normenkontrollrat and Nils Björksten, member of the European Commission's Regulatory Scrutiny Board. Legislative drafting leadership and officials as well as experts in impact assessments were invited to the seminar, which attracted an attendance of around 160 persons. The Council received much positive feedback on the success and high-standard programming of the seminar.

2.6 International contacts

The Finnish Council of Regulatory Impact Analysis joined RegWatchEurope, the umbrella organisation of its European sister bodies, immediately on launching operations in summer 2016. The Council's chairpersons and secretariat have regularly attended RegWatchEurope meetings and taken part in the organisation's activities. The better regulation seminar arranged by the European Commission's Regulatory Scrutiny Board on 20 March 2017 in Brussels, to which all member States of RegWatchEurope were invited, was attended by Finnish Council of Regulatory Impact Analysis chairperson Leila Kostiainen, vice chairperson Leena Linnainmaa and the Council's secretariat.

⁴ Hytyinen Ari and Moisio Antti, *Lainsäädännön arvointineuvosto – lainvalmistelun vaikutusarviontia* [Finnish Council of Regulatory Impact Analysis – impact assessment in law-drafting]. *Finnish Economic Papers* FEP 2/2017.

Council chairperson Leila Kostiainen attended the following international events and meetings in 2017:

- Meeting with Johannes Ludewig, chairperson of the German Nationaler Normenkontrollrat in Berlin 24 May 2017.
- RegWatchEurope Board meeting in London 6–7 June 2017.
- RegWatchEurope and Regulatory Scrutiny Board meeting in Brussels 26 June 2017.
- Meeting with Johannes Ludewig, chairperson of the German Nationaler Normenkontrollrat and Nils Björksten, member of the European Commission's Regulatory Scrutiny Board in Helsinki 22 October 2017.
- Meeting with representatives of the Government Office of Estonia regarding impact assessments in Helsinki 17 November 2017.
- Meeting with Nils Björksten, member of the European Commission's Regulatory Scrutiny Board in Brussels 21 November 2017.
- Meeting with Senior Specialists Johanna Himmanen and Antti Holm at the Permanent Representation of Finland to the European Union in Brussels 22 November 2017.
- Meeting with Frans Timmermans, First Vice-President of the European Commission, together with RegWatchEurope chairpersons in Brussels 22 November 2017.
- Meeting with representatives of the Parliament of Georgia in Helsinki 23 November 2017.
- Meeting of the Board of RegWatchEurope in London 12–13 December 2017.

The Council's secretariat attended a secretariat-level meeting of RegWatchEurope in London on 14 September 2017. The secretariat took part in a round table hosted in Oslo on 24 August 2017 by the Norwegian Regelrådet for its Swedish and Finnish counterparts. A representative of the Council's secretariat also attended the RegWatchEurope Board meeting on 6–7 June 2017 as well as the aforementioned meetings with the Estonian and Georgian delegations in Helsinki.

The Council has close ties with both RegWatchEurope and the Regulatory Scrutiny Board and has greatly benefited from its collaboration with its European colleague bodies. Finland will be in turn to chair RegWatchEurope in 2019.

2.7 Finances

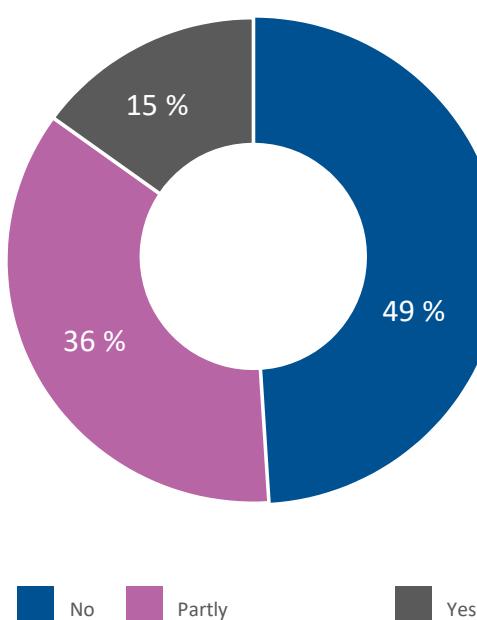
The costs arising from the Finnish Council of Regulatory Impact Analysis consist primarily of the salaries of the Council's secretariat. Other expenditure comprises the fees paid to Council members and other running costs arising from activities, mainly travel expenses related to international contacts.

Members of the Council were paid an annual fee of EUR 3,600, the vice chairpersons EUR 4,300 and the chairperson EUR 6,800 in 2017.

3 Overall efficiency and effectiveness of activities

The Council lacks the resources for monitoring in real time whether its recommendations have been implemented in the final government proposals submitted to Parliament, but a rough estimate based on full-year monitoring would suggest that in 2017, slightly over half of the deficiencies to which the Council drew attention in its statements would have been remedied at least partly in further preparation of the proposals (Figure 5).

Figure 5 Implementation of the Council's recommendations in the final government proposals submitted to Parliament (draft proposals analysed by the Council on which a government proposal had been submitted by 28 February 2018, N=21)



The median processing time for the Council's statements was 13 working days. According to the Council's mandate, government proposals shall be submitted to the Council in as finalised form as possible, which is why the Council's four-week period of consideration falls towards the end of the law-drafting process. Since the Council is also an authority, under the Act on the Openness of Government Activities the draft government proposals shall be in the public domain after having been supplied to Government Registry for assessment. The effectiveness and publicity of the Council's activities thus mainly come into play towards the end of the law-drafting process.

⁵ The memorandum on the Government Decree on the Finnish Council of Regulatory Impact Analysis states that "the selected government proposal shall be submitted to the Council in as finalised form as possible."

The role of the Council in enhancing the quality of law-drafting has many facets. The draft government proposals selected for analysis vary greatly in terms of content and scope, as indicated in chapter 2.1. The Council has independently selected for analysis many draft proposals that were also considered key by the ministries' executive group for the key project of improving legal provisions.⁶ Individual statements by the Council thus also serve as wider commentary instead of expressing an opinion on an isolated draft government proposal only.

The statements pay broad-based attention to impact assessments and the quality of law-drafting. The Council may provide the ministries with guidance as to appropriate information sources if it detects deficiencies in the knowledge base. While the statements often make reference to studies and indicative sample calculations, the Council is not tasked with performing impact assessments per se.

The Council's resources at present do not permit an increase in the volume of draft proposals taken under consideration. Owing to the general applicability of the views put forward in the statements and the diverse nature of the draft proposals selected, no such increase may even be necessary, considering that the activities of the Council are based on the principle of its statements having an impact beyond the subject of the statement.

The Council will further build on its cooperation with vital stakeholders such as the Office of the Chancellor of Justice and other oversight bodies in the interests of fostering better regulation.

The Prime Minister's Office set the Council the performance target of taking at least 35 government proposals under consideration in 2017. Achievement of this target was materially hampered by the fact that the timetable for preparing government proposals often significantly differed from the law drafting plan announced at the start of the term. Departure from the plan impeded the work of the Council and the planning of its work. No quantitative performance target was set for 2018. The reasons for this include the VN-TEAS (Government's analysis, assessment and research activities) project initiated by the Prime Minister's Office to assess the effectiveness of the Council. The project is being carried out by the University of Joensuu under the leadership of Professor Anssi Keinänen and its results are expected by the end of 2018.

Two VN-TEAS projects completed at the start of 2018 both recommended reinforcement of the Council's operating conditions and operating ability. These projects were Sääntelytaakan arvointi ja vähentäminen [Evaluating and reducing regulatory burden] and "Yksi yhdestä" -malli osana sääntelyn kehittämistä ja arviointia [The "one-in, one-out" model in regulatory improvement and assessment].⁷

⁶ A compilation, in Finnish, of accomplishments in deregulation in 2017 is available for review at: <http://www.norminpurku.fi/wp-content/uploads/2018/01/Kooste-vuoden-2017-tuloksista.pdf>.

⁷ The final reports, in Finnish, of these research projects are available for review at: <http://tietokaytoon.fi/etusivu>

4 Observations for improving law-drafting

The Council observes that measures to enhance the quality of law-drafting remain necessary. In the view of the Council, ministries should allocate greater resources to impact assessments. A report of the Ministry of Justice on law-drafting resources indicates that the vast majority of law-drafting personnel are educated in the discipline of law.⁸ While the Council appreciates the relevance of legal skills in law-drafting, it nonetheless holds that persons with backgrounds in other disciplines should be also involved in law-drafting to an increasing extent. Expertise in the field economics in particular should be made available at the ministries. The Council is of the opinion that various alternatives to improve the resourcing of impact assessment preparation at the ministries should be considered with an eye to securing a broad skills base for law drafting and providing the conditions for the preparation of comprehensive impact assessments.

In the view of the Council, it is not only constraints in resources and expertise at the ministries but also, to some extent, deficiencies in the ministries' cultures that are having an adverse effect on the quality of law-drafting. The Council finds that particular attention should be paid to the management of law-drafting. The scheduling of legislation should also be made more predictable.

The Council observes that improving the quality of legislation can only succeed with the support of political decision-making. Allocating sufficient time to law drafting is an essential aspect of this support. According to the study of law-drafting resources, the most critical element in resource adequacy is expressly perceived to be the insufficient amount of time reserved for the drafting process.

The Finnish Council of Regulatory Impact Analysis clearly has the least resources when compared to equivalent bodies in the other EU Member States and Norway. The Council aims also in future to focus on analysis of draft proposals and will not seek a consulting role in assisting ministries in the preparation of impact assessments. The Council's scant resources must be allocated strictly to the effective performance of existing duties. The Council also puts a premium on maintaining its independence, which might be hampered by any intervention in and subsequent analysis of impact assessments in individual draft proposals.

The Council wishes to point out the high degree of technicality or other obscurity in the language of many draft government proposals. These are an impediment to comprehension.

⁸ Ministry of Justice, *Lainvalmistelun voimavarat vuonna 2016* [Law-drafting resources in 2016].

The Council considers it important for also others besides experts to be able to obtain an adequate understanding of the envisioned legislative amendments and their impacts. This applies equally to EU legislation, which is characterised by a fairly lengthy consideration period during which Parliament is provided with information on a regular basis but often in a fragmented manner. The Council holds that a government proposal on implementing a Directive or on an equivalent topic should provide a sufficient overview of the relevant Directive and its effects.

The Council wishes to draw attention to the fact that while ample guidelines for law-drafting are available, these are inconsistent and also overlapping to a certain extent. Besides the Bill Drafting Instructions, there are at least the Ministry of Justice's Impact Assessment Guidelines, which have been adopted by the Government, the Human Impact Assessment Guide of the Ministry of Social Affairs and Health, and the Ministry of Justice's guidelines concerning language impacts. The law drafting guidelines *Lainlaatijan EU-opas* furthermore address EU law and having regard to it in national law-drafting. There are no EU impact assessment guidelines per se, however.

The Council recommends the preparation of a revised and harmonised set of impact assessment guidelines that would also include guidance on assessing the impacts of EU legislation. These guidelines should be made concise so as to constitute a beneficial and manageable tool for law drafters. The Council recommends the preparation of, for example, a brief checklist that would allow law drafters easily to ascertain whether all necessary perspectives have been taken into account.



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