

Finnish Council of Regulatory Impact Analysis, Annual review 2020

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Abstract

The fifth year of the Finnish Council of Regulatory Impact Analysis was characterised by the COVID-19 epidemic. The main task of the Council is to issue opinions on the draft proposals of the Government, but the ministries' preparation of legislation not related to the epidemic slowed down this year, which reduced the number of proposals submitted to the Council. In addition, the Secretariat of the Council worked for the Prime Minister's Office during the state of emergency in spring 2020, which affected the Council's work.

Over the course of 2020, the Council issued a total of 10 opinions. The most extensive proposals on which the Council issued opinions were the Act on Organising Healthcare and Social Welfare and the Act on Extending Compulsory Education.

The findings of the Council concerning the Government's proposals in 2020 were very similar to its findings in previous years. The opinions almost always drew attention to shortcomings in quantitative assessment. Half of the opinions noted shortcomings in the treatment of alternative means and the assessment of costs and benefits. In addition, the Council found shortcomings concerning the assessment of impacts on fundamental rights.

The Council's statements also drew attention to unclear writing. Some government proposals are written mainly for experts, which makes it difficult for laypeople to understand their content. Legislation is intended for businesses and members of the public who live with it on a daily basis.

Keywords government proposals, assessment, legislation, economic impact

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Lainsäädännön arviointineuvoston vuosikatsaus 2020

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Kieli englanti

Sivumäärä 29

Tiivistelmä

Lainsäädännön arviointineuvoston viidettä toimintavuotta sävytti koronaepidemia. Arviointineuvoston keskeinen tehtävä on lausuntojen antaminen hallituksen esitysluonnoksista, mutta ministeriöissä muuhun kuin epidemiaan liittyvä lainsäädännön valmistelu hidastui ja vähensi siten arviointineuvoston käsiteltäväksi tulevien esitysten määrää. Lisäksi arviointineuvoston sihteeristö työskenteli keväällä 2020 poikkeusolojen ajan valtioneuvoston kanslialle, mikä vaikutti neuvoston työskentelyyn.

Vuonna 2020 arviointineuvosto antoi yhteensä 10 lausuntoa. Laajimmat esitykset, joista lausunto annettiin, olivat sosiaali- ja terveydenhuollon järjestämislaki ja laki oppivelvollisuuden pidentämisestä.

Arviointineuvoston havainnot hallituksen esityksistä vuonna 2020 olivat hyvin samanlaisia kuin edellisvuosina. Lausunnoissa kiinnitettiin lähes aina huomiota määrällisen arvioinnin puutteisiin. Puolessa lausunnoissa mainittiin puutteina vaihtoehtoisten keinojen käsittely sekä kustannusten ja hyötyjen arviointi. Lisäksi arviointineuvosto havaitsi puutteita perusoikeusvaikutusten arvioinnissa.

Arviointineuvosto kiinnitti huomiota lausunnoissaan myös epäselvään kirjoittamiseen. Jotkut hallituksen esitykset on kirjoitettu lähinnä asiantuntijoille, jolloin maallikon on vaikea ymmärtää esityksen sisältöä. Lainsäädäntö on tarkoitettu sen kanssa arjessa eläville yrityksille ja kansalaisille.

Asiasanat hallituksen esitykset, arviointi, lainsäädäntö, taloudelliset vaikutukset

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Det femte verksamhetsåret för rådet för bedömning av lagstiftningen präglades av coronavirusepidemin. Rådets viktigaste uppgift är att ge utlåtanden om utkast till regeringspropositioner, men antalet propositioner som rådet tog upp till behandling minskade på grund av fördröjningar i ministeriernas lagberedning utan anknytning till epidemin. Under undantagsförhållandena våren 2020 arbetade rådets sekretariat dessutom för statsrådets kansli, vilket påverkade rådets arbete.

År 2020 gav rådet för bedömning av lagstiftningen tio utlåtanden. De mest omfattande propositioner som rådet gav utlåtanden om var lagen om ordnande av social- och hälsovård och lagen om förlängning av läroplikten.

Rådets observationer av regeringens propositioner 2020 var mycket likartade som under de föregående åren. I nästan alla utlåtanden fäste rådet uppmärksamhet vid brister i den kvantitativa bedömningen. Rådet nämnde behandlingen av alternativa metoder samt bedömningen av kostnader och fördelar som brister i hälften av sina utlåtanden. Rådet konstaterade också brister i bedömningen av konsekvenserna för de grundläggande fri- och rättigheterna.

Dessutom fäste rådet uppmärksamhet vid propositionernas oklara språkliga utformning. Vissa regeringspropositioner är främst skrivna för sakkunniga, vilket gör det svårt för lekmän att förstå deras innehåll. Lagstiftningen är avsedd för företag och medborgare som lever med den i sin vardag.

Nyckelord regeringspropositioner, bedömning, lagstiftning, ekonomiska konsekvenser

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FOREWORD

The fifth year of the Finnish Council of Regulatory Impact Analysis has brought a change to the Council's work as well as other activities; as a result of the COVID-19 pandemic, the Council shifted to remote work and adopted a new way to communicate with policymakers, administration and stakeholders. The Council continues to work in the new way, which will probably remain an alternative meeting arrangement after the coronavirus outbreak has subsided. In March, the Finnish Council of Regulatory Impact Analysis decided not to issue a statement on temporary legislation related to the coronavirus epidemic, as the timetable for the preparation of interim legislation prevented employing the Council's normal assessment process. In this context, it was also decided that the Prime Minister's Office will have access to the secretariat to support the Government's activities.

The most extensive statements in 2020 were issued to the Ministry of Social Affairs and Health in connection with the Act on organising healthcare and social welfare, and the Ministry of Education and Culture in connection with the Act on Compulsory Education. During 2020, the Council has repeatedly had to intervene in the same matters as in previous years. However, particular attention has been paid to assessing the impacts on fundamental rights, proposing and assessing alternative solutions and the language used in government proposals.

Using understandable standard language in government proposals is an essential part of good legislative drafting. Accessible language contributes to ensuring the Parliament's right to information and is a necessary prerequisite to the successful implementation of an act. On several occasions, the Finnish Council of Regulatory Impact Analysis has pointed out that legislation must not be written for legal experts, but, instead, the citizens and companies whose daily lives it concerns.

Successful legislative drafting requires a clear understanding of both political actors and legislators of their respective roles in the drafting process. Public officials are responsible for finding and assessing the best solutions for achieving the objectives set in politics. The ministers and the government decide on the means to be used based on the legislative drafting. Throughout its period of operation, the Council has been forced to pay attention to untimely political steering that restricts official preparation and leads to inadequate impact assessment of alternative solutions.

A need for changing the Council's role from one of oversight to consultation available at the early stages of the legislative project has been repeatedly raised both within and outside the administration. The Council has considered such a change in its role impossible, because the task of the Council is to provide independent analysis of the level of impact assessments of proposed statutes and the preparation of projects. An alternative two-statement system, in which the first statement would be given in connection with a general consultation round, for instance, and the second before submitting the proposal to the Government, would require multiplying the Council's rapporteur resources. Within the limits set by its resources, the Finnish Council of Regulatory Impact Analysis will continue cooperating with ministries and strongly participating in training, general guidance and discussions for legislators.

According to the OECD, the Council has the scarcest resources in Western Europe. In 2021, the secretariat's person-years will be increased to three. The Council is constantly developing its work to be more efficient and effective. The political decision-maker must assess whether more resources should be allocated to monitoring the quality of legislative drafting and impact assessments.

Helsinki 29 April 2021

Leila Kostiainen
Chairperson

1 Finnish Council of Regulatory Impact Analysis

1.1 Establishment and composition

The Government Decree on the Finnish Council of Regulatory Impact Analysis (1735/2015) entered into force at the start of February 2016. The Council is tasked with carrying out analysis of regulatory impact assessments. The Council is an impartial and independent body. Administratively, the Council is based in the Prime Minister's Office.

Under the Decree, the Council has the following duties:

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 benchmark the impacts of legislation against assessments,
5. to monitor the development of the quality of impact assessments and to assess the effectiveness of its own operations, and
6. to submit an annual review of its operations to the Prime Minister's Office.

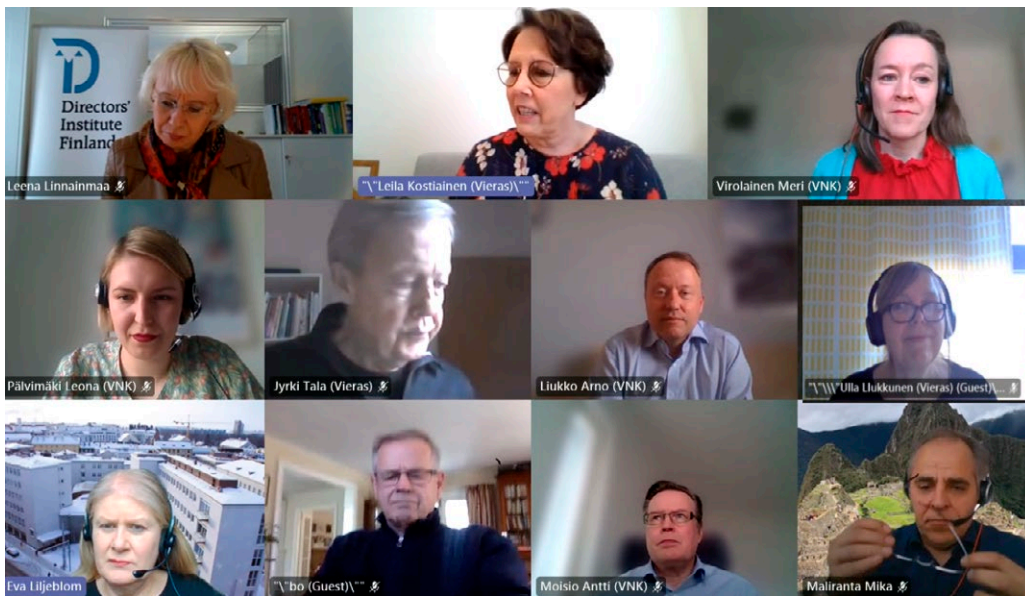
The Council consists of a chairperson, two vice-chairpersons and a maximum of six other members.¹ The chairperson and other members of the Council are appointed by the Government for a term of office of three years. The Council must possess expertise in both law drafting and the various impact areas assessed. The Council selects two vice-chairpersons from among its members. The Prime Minister's Office will appoint the Council secretaries and possible permanent experts. 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. Since 2017, the Council has been chaired by Leila Kostianen, LL.M.

¹ The duties, composition and appointment of the Council are reviewed in more detail in the Government decree explanatory memorandum (21 December 2015).

On 21 March 2019, the government plenary session appointed the Council for its second term running from 15 April 2019 to 14 April 2022. Leila Kostiainen continues to chair the Council and the vice-chairpersons are Secretary General Leena Linnainmaa and Professor Jyrki Tala. They are joined on the Council by Senior Adviser Bo Harald, Professor Mika Maliranta, Professor Eva Liljebom and Professor Ulla Liukkunen. Senior Government Adviser Arno Liukko serves as the Council's permanent expert appointed by the Prime Minister's Office. Senior Ministerial Adviser Meri Virolainen has served as secretary to the Council during its second term. The Council's second secretary in spring 2020 was Senior Ministerial Adviser Kaijus Ervasti; at the start of September 2020, Senior Ministerial Adviser Antti Moisio returned to his duty. In autumn 2020, Leona Pälvimäki, a university student in social sciences, interned in the Council's secretariat.

Photograph of a video conference of the Finnish Council of Regulatory Impact Analysis, 29 April 2021



1.2 Issuance of statements on draft government proposals

A key duty of the Finnish Council of Regulatory Impact Analysis is to issue statements on draft government proposals. The Council scrutinises proposals only after the consultation round but before they are submitted to the Government for adoption. The Council selects independently the draft government proposals taken under consideration, making use of e.g. the Government's legislative programme and plans. While the emphasis in selection is on economic and social significance, the Council also strives for equal coverage of the ministries as well as randomness. The Council typically focuses on law-drafting projects of broader

than average scope such as Government key projects or legislation that is otherwise of considerable significance to society. Nonetheless, the Council aims to issue statements on draft government proposals of all scopes, meaning that less extensive projects are also subjected to analysis.

The Council analyses the degree of assessment of the impacts of draft legislation. In this analysis, the Council adopts a holistic perspective, taking into account economic, environmental and social impacts as well as impacts on the authorities in equal measure. Social impacts involve matters such as due process, gender equality or service availability. The Council pays attention to the impacts of legislative projects on fundamental and human rights, in addition to which the Council reviews also the other sections of each draft proposal's rationale: the current situation, main proposals, alternative solutions and the implementation plan. The Council examines the consistency of the draft proposal and the quality of its drafting. The criteria employed by the Council parallel the recommendations issued by the OECD.

In its statements, the Council has repeatedly drawn attention to deficient impact assessments, deficient descriptions of objectives and alternatives, and appropriate regard for consultations. 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.

When the Council decides to take a certain government proposal under consideration, the relevant ministry is immediately informed. The ministry is asked to provide the Council with as finalised a version as possible of the relevant proposal. In other words, the Council undertakes its analysis at the final stage before decision-making. The Council thus defers its comments until after the end of the regular consultation round. The four weeks or so reserved for the Council to prepare its analysis start to run once the government proposal has been received by the Registry. The ministry should also reserve time for making possible corrections after the statement has been issued. Statements are published once they have been adopted by the Council.

The Council's statements are public and released on the [website of the Prime Minister's Office](#). The publication of statements is accompanied by a press release on the Council website, and they are also announced on Twitter. The website moreover contains a list of the draft government proposals already selected for analysis.

2 Activities in 2020

2.1 Impacts of an exceptional year on the work of the Council

The COVID-19 epidemic affected the normal legislative drafting process in 2020. Of the submitted government proposals, 86 were concerned with the management of the epidemic; the total number of submitted government proposals was 264. Of the proposals related to the COVID-19 epidemic, 50 were issued in the plenary session term of the spring, and 36 of the autumn, of 2020. In addition, during the state of emergency of spring 2020, 26 government decrees related to the epidemic were issued. Legislative resources from the ministries were allocated to projects related to the epidemic, which resulted in postponing other projects. The Council did not receive the proposals it has selected for processing within the planned schedule, and this reduced the total number of statements. For example, in December 2020, the Council had selected 20 legislative projects, on which it was expected to provide comments.

After the start of the COVID-19 epidemic, the Finnish Council of Regulatory Impact Analysis decided that it would not assess the government proposals related to the epidemic due to scheduling constraints. The speed at which government proposals had to be processed was so rapid that the Council would have been unable to process the proposals even if the process was sped up. Some of the Council's European sister councils also decided not to process projects related to the epidemic.

The secretariat of the Finnish Council of Regulatory Impact Analysis moved to work for the Prime Minister's Office as the Emergency Powers Act entered into force in March. As a result, the secretariat carried out relatively few tasks related to the Council in spring 2020. In addition to working arrangements related to the coronavirus epidemic, the secretariat was under-resourced for almost a third of a year, which affected the Council's activities.

The COVID-19 epidemic had both direct and indirect effects on the working conditions at the Council, as described above. The predictability of the Council's own work was particularly undermined by delays in the timetables for the ministries' legislative proposals.

2.2 Statements in 2020

The Finnish Council of Regulatory Impact Analysis issued ten statements on government proposals and Union communications in 2020. The scope of the assessed government proposals varied considerably. The Act on organising healthcare and social welfare was a very extensive package containing over 1,400 pages. The proposals concerning compulsory education and electronic communication services were also extensive. On the other hand, the Council also issued a statement on a proposal to amend the Occupational Safety and Health Act, which was a concise, 20-page proposal. However, one should not pay too much attention to the number of pages in the proposals, as concise proposals may contain issues of great societal or economic significance.

The Council assessed that two government proposals concerning electronic communication services and the legal protection of asylum seekers met the requirements of the guidelines on impact assessment in legislative drafting. As the Council only made small suggestions for additions to these draft proposals, these statements were awarded "top marks" by the Council.

On average, 13 working days were used to assess all proposals, which is clearly less time than the four weeks allowed by the decree. The statements and standard appraisals issued by the Council on government proposals are presented in Table 1.

Table 1. Statements and standard appraisals issued by the Finnish Council of Regulatory Impact Analysis in 2020.

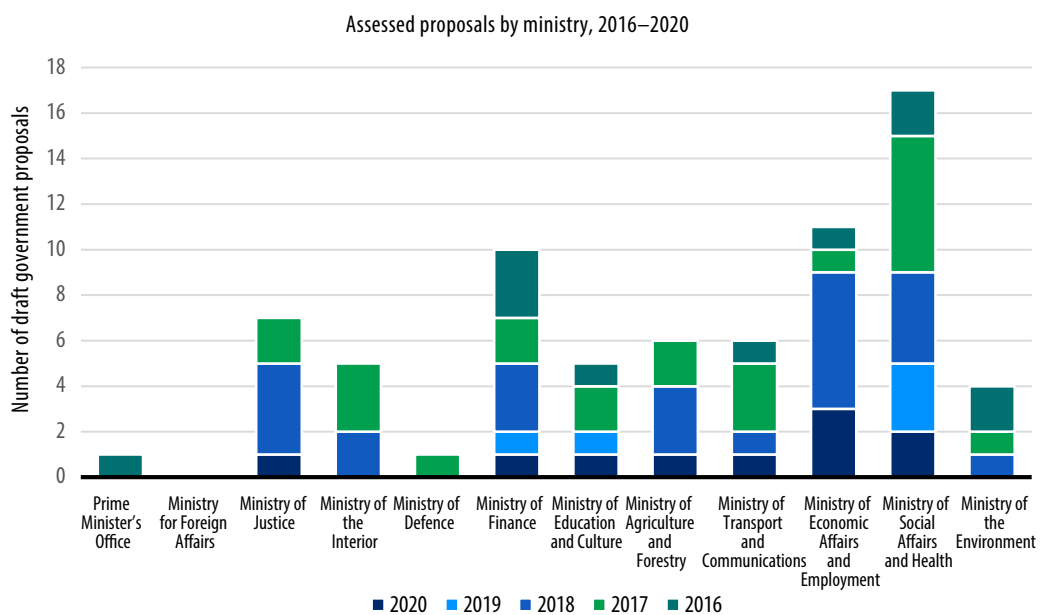
Draft government proposal	Government proposal / Union communication No.	Ministry responsible	Draft proposal received from ministry	Statement issued, date	Processing time, working days	Number of pages in draft proposal	Standard appraisal
Amendments to the Occupational Safety and Health Act		Ministry of Social Affairs and Health	2020-12-03	18 December 2020	11	20	(edited) 3
Act on Organising Health and Social Services	HE 241/2020 vp	Ministry of Social Affairs and Health	2020-10-17	9 November 2020	16	1,427	3
Act on Compulsory Education	HE 173/2020	(MEC)	on 3 September 2020	23 September 2020	14	341	2
Amendment to the Value Added Tax Act	HE 143/2020 vp	Ministry of Finance	on 28 August 2020	21 September 2020	16	41	2
Amendment to the Employment Contracts Act (restricting the agreement of non-competition)	HE 222/2020 vp	Ministry of Employment and the Economy	on 28 May 2020	18 June 2020	15	44	3
Union communication and follow-up Union communication concerning the EU's new common agricultural policy	U 73/2018 vp, UJ 5/2019 vp, UJ 4/2020 vp	Ministry of Agriculture and Forestry	already at the Parliament when received for assessment	on 18 June 2020			other
Energy efficiency	HE 104/2020 vp	Ministry of Employment and the Economy	on 13 March 2020	25 March 2020	8	59	4
Electronic communication services	HE 98/2020 vp	MTC	on 25 February 2020	17 March 2020	15	390	1
Local government pilots on employment	HE 87/2020 vp	Ministry of Employment and the Economy	2020-02-26	16 March 2020	13	86	3
Legal protection of asylum seekers	HE 247/2020	Ministry of Justice	on 12 February 2020	27 February 2020	11	25	1

For the first time, the Council issued a statement on an EU-based proposal while negotiations at the EU level were still in process, i.e. before the adoption of the proposal. This was a significant initiative by the Council. The Council assessed the Union communication concerning the reform of the EU's common agricultural policy and two follow-up Union communications. The Council did not issue a resolution similar to those given to a government proposal, as Union communications are different in terms of format and requirements. The Council considered that the communications gave a good idea of the proposals as a whole, the matters relevant to Finland and the key impacts. However, the Council made some development proposals for further drafting.

2.3 Observations on government proposals and impact assessments

In the period 2016–2020, the Finnish Council of Regulatory Impact Analysis has issued the largest number of statements on proposals by the Ministry of Social Affairs and Health, the Ministry of Economic Affairs and Employment, and the Ministry of Finance. This is explained by the fact that these ministries prepare the highest number of government proposals. The Council has issued the lowest number of statements on proposals by the Prime Minister's Office and the Ministry of Defence, as these ministries engage in only little legislative drafting. So far, no proposals submitted by the Ministry for Foreign Affairs have been assessed, as the Ministry for Foreign Affairs also has limited legislative drafting. However, in 2021, the Council has selected two draft proposals prepared by the Ministry for Foreign Affairs for assessment.

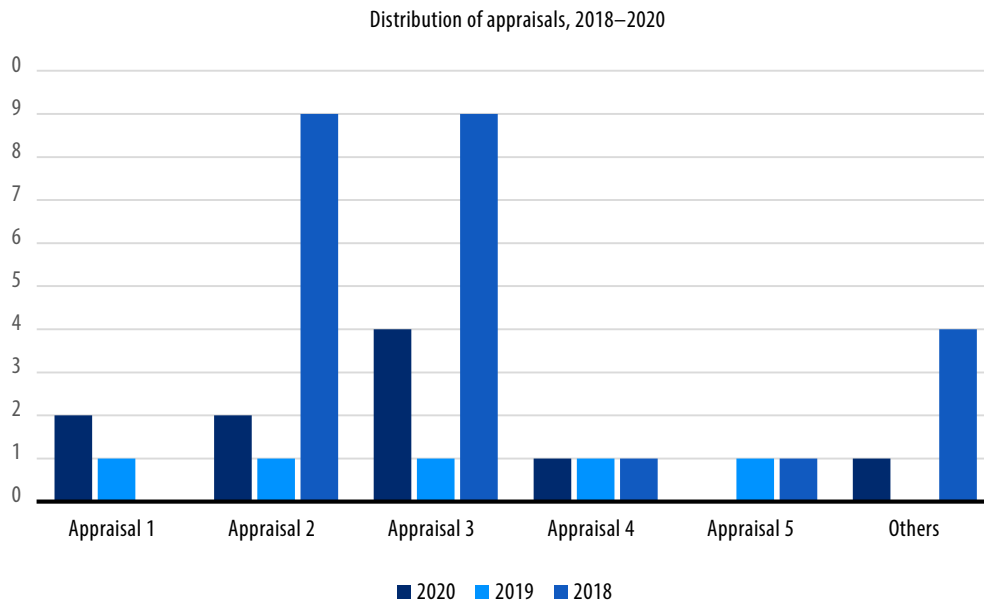
Figure 1. Statements issued by the Council by ministry



In spring 2018, the Council adopted a set of 'standard appraisals' to describe its opinion on the quality of the draft proposal. The standard appraisals make reference to the guidelines for impact assessment in legislative drafting (Ministry of Justice 2007). Each statement of the Council is accompanied by one of the following appraisals:

1. The Council finds that the draft government proposal meets the requirements of the guidelines for impact assessment in legislative drafting and only proposes minor amendments to the draft proposal.
2. The Council finds that the draft government proposal to a large extent complies with the guidelines for impact assessment in legislative drafting and recommends that the draft proposal be supplemented in accordance with the Council's statement prior to its submission to Parliament.
3. The Council finds that the draft government proposal to some extent complies with the guidelines for impact assessment in legislative drafting and recommends that the proposal be revised in accordance with the Council's statement prior to its submission to Parliament.
4. The Council finds that the draft government proposal is deficient from the perspective of the guidelines for impact assessment in legislative drafting and must be revised in accordance with the Council's statement prior to its submission to Parliament.
5. The Council finds that the draft proposal is highly deficient and unlikely to provide a foundation for any sufficient and reasoned understanding of the proposal or its economic and social impacts. Unless the deficiencies are addressed, submission of the proposal to Parliament is discouraged.

Figure 2 illustrates the distribution of standard appraisals issued by the Council in the period 2018–2020; appraisal 1 refers to the highest and appraisal 5 to the lowest standard. The category "other" means that as the above standard appraisal system was introduced in the middle of 2018, not all proposals have been subject to it. Moreover, the proposal issued on Union communications was not accompanied by a standard appraisal. The distribution of appraisals shows that most of the proposals receive the second or third best appraisal. The two extremes of the scale are also represented, i.e. some proposals have been accompanied by the very best, and some by the very worst, appraisal. If a ministry was to be issued the poorest standard appraisal, the Chairperson of the Council would contact the minister concerned before the publication of the statement and ask whether the ministry wants to withdraw its proposal. So far, none of the ministries have withdrawn their proposals.

Figure 2. Distribution of standard appraisals issued by the Council, 2018–2020

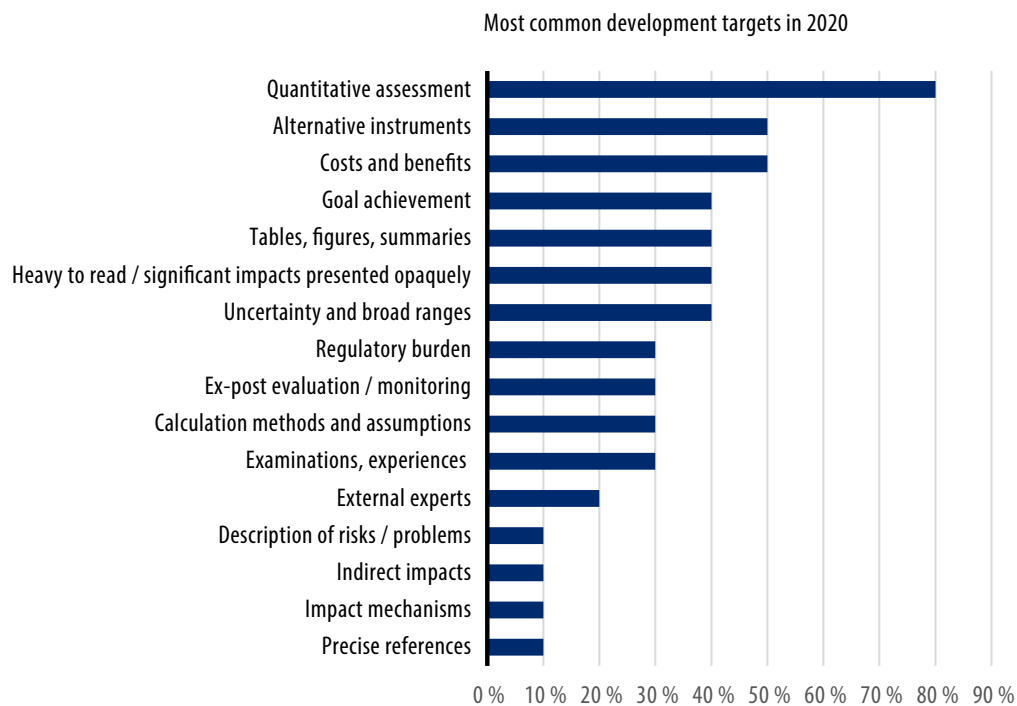
Based on the Council's view, the standard of impact assessments of proposed statutes has been raised but continues to vary, as illustrated by the scale of appraisals. However, it must be taken into consideration that the Council only processes around 10% of the submitted government proposals. As a result, the Council has no knowledge of how impact assessments have developed in the 90 per cent of proposals it does not process.

The deficiencies in government proposals have remained very similar from year to year, although there is some random variation. The proposals typically lack quantitative assessments and ranges, and the cost and benefit estimates given in euros are incomplete. This makes it difficult to understand the quantitative effects of the proposal. In recent years, quantitative impact assessments have nevertheless increased, which is a positive development.

Some government proposals fail to describe sufficient alternative ways to achieve the set objectives. In this case, it remains unclear whether the objectives could be achieved more cost-effectively or efficiently by some other means. The Council has also noted if the objective of the proposal has not been described clearly enough. In some cases, the proposals refer only to the government programme or other policies, in which case it is unclear what the aim of the changes is. The Council has emphasised the importance of follow-up monitoring in many of its statements to ensure that the impacts of the proposal are also assessed later. The results of ex post impact analysis typically benefit legislative drafting as new projects revolving around the same topic are planned.

In EU-linked proposals, the Council has drawn attention to the fact that information about room for manoeuvre at the national level must be presented clearly enough. In 2020, the Council's statements related to government proposals nearly always drew attention to deficiencies in quantitative assessment (90% of the statements). Many of the statements (50%) also mentioned deficiencies in the processing of alternative instruments and the assessment of costs and benefits. The most rarely mentioned shortcomings included the description of risks (in 10% of statements), assessment of indirect impacts, description of impact mechanisms and references to sources. In connection with one draft proposal, the Council drew attention to the fact that no consultation round was organised on the proposal. However, after the Council had issued its statement, a consultation round was organised.

Figure 3. Percentage of statements in statements issued by the Council in 2020



In its statements, the Council has also been forced to pay attention to basic aspects, such as the language used in the proposals. This includes unclear writing and confusing structures in the text. This is also a matter of the Parliament's right to information. Government proposals should be written in a good standard language, which is also mentioned in the Bill Drafting Instructions. Based on the Council's view, some government proposals have been mainly written to experts, which makes it difficult for a layman to form an overall understanding of the proposal. This is a major problem, because citizens must be able to understand the content of statutes and act accordingly. If government proposals are only understandable to those invested in their topics, the preparatory work is not sufficiently transparent, and aspects with key importance to the proposal may go undetected during the preparatory stage.

In its own work, the Commission's Regulatory Scrutiny Board, RSB, has paid attention to the clarity of writing. The RSB used the so-called Flesch-Kincaid readability algorithm to find out what kind of language is used in the impact assessments and ex-post assessments published by the Commission. According to the results, nearly all of the summaries of impact assessments and ex-post assessments exceeded the level of reading comprehension of a 19-year-old reader who has graduated from upper secondary education. Passive structures were also common in summaries, making the texts more difficult to understand. Many EU citizens will find the summaries difficult to understand because of complex language.²

In the guideline concerning the impact assessment in legislative drafting, impacts are divided into four groups: economic impacts, impacts on the authorities, environmental impacts and societal impacts. These main categories contain many different types of impact. The Council adopted the guideline as a basis for its assessment at the start of its operations. While the guideline on the impact assessments of proposed statutes contains a large number of issues to be assessed, the Council has considered it important to pay attention to the impacts essential from the perspective of the assessed proposal, as is indicated in the guideline. For example, there are many proposals whose impacts on the national economy are so marginal that these are not worth assessing. In addition, some projects do not have impacts on issues such as regional development, and examining these is therefore not relevant.

Nearly all statements make some comments on the impacts on companies (80 per cent of the Council's statements make reference to impact on businesses, see also Figure 4), as the majority of government proposals have at least some kinds of impacts on companies. Observations are often related to inaccurate descriptions of target groups, shortcomings in the scale categories of impacts or unclear impact mechanisms. Impacts on the authorities are also often discussed in statements, as nearly all proposals are linked to the authorities.

Societal impacts are discussed in many statements. In this case, the perspective varies from one proposal to another, depending on which impacts are considered essential at any given time. According to the Council's experiences, impact assessments concerning issues such as the daily lives of citizens and the availability of services are often inadequate. The proposals often emphasise the perspective of the authorities and administration, in which case less attention is paid to the impacts on customers and groups such as patients.

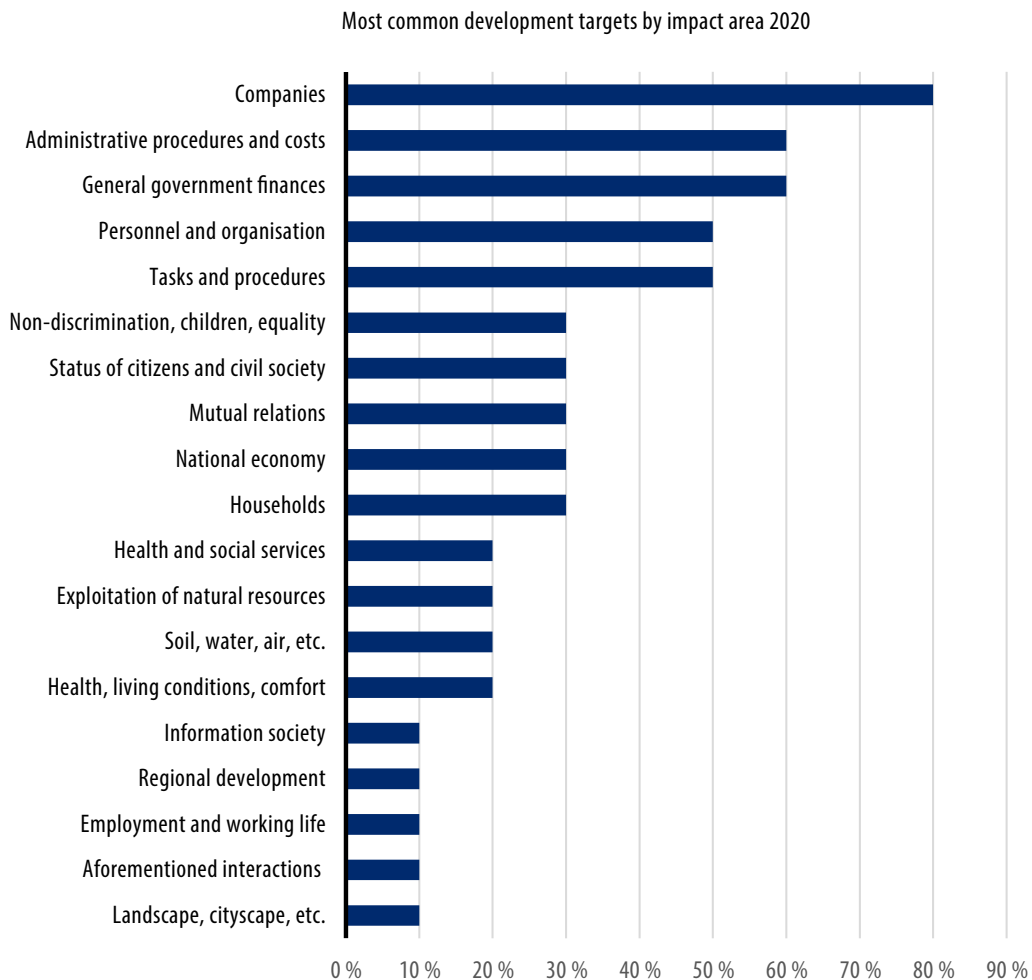
Environmental impacts have been discussed in the Council statements somewhat less than other impacts. The Council has chosen to assess socially and economically significant legislative projects, such as projects related to social and health care, working life, education and safety, in which environmental aspects do not play the most pivotal role. Therefore, the

2 Annual Report 2019 Regulatory Scrutiny Board

general premises of the Council's work have contributed to the fact that environmental impacts have been given slightly less attention than other impacts. However, environmental impacts have always been considered when they have been perceived to be relevant from the perspective of the project as a whole. For example, statements on draft government proposals concerning digitalisation and data use have drawn attention to changes in energy use and, as a result, climate and environmental impacts. Naturally, the statements on draft government proposals for land use and the built environment, transport and forest use have addressed environmental impacts.

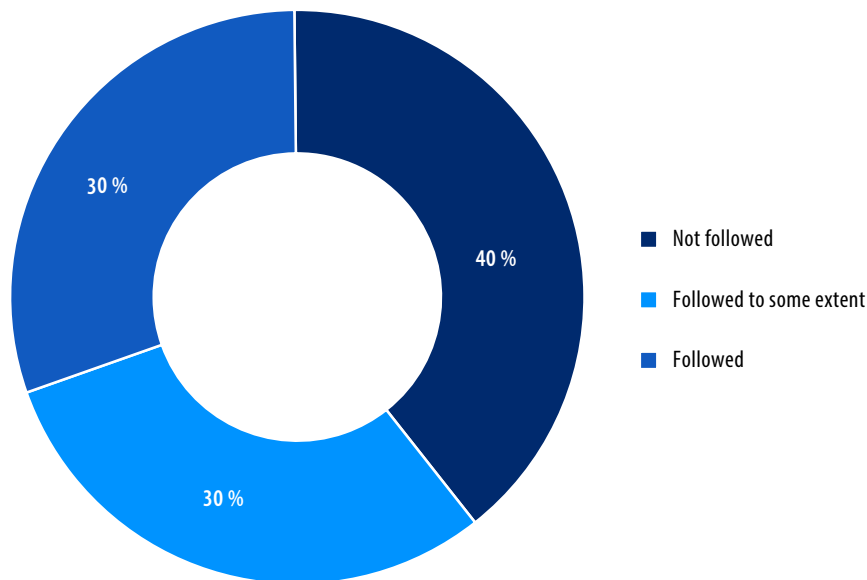
Figure 4 illustrates the most common development targets per impact area in 2020. The figure shows that economic and societal impacts have been addressed from different perspectives. Many statements have also addressed the impacts on the authorities (staff and organisation, tasks and procedures).

Figure 4. Most common areas for improvement broken down by impact area 2020 (percentage in Council's statements)



The Council monitors the effectiveness of its statements by comparing government proposals submitted to the Parliament with draft proposals submitted to the Council. In recent years, approximately half of the Council recommendations have been taken into account in the final government proposals in whole or in part. In 2020, the share of taking the statements into account grew. Around one third of the Council recommendations were taken into account in their entirety and about one third to some extent. While the Council finds that this trend is in the right direction, the small number of statements also makes it possible that the annual change is caused by random variation. The Council is concerned that around 40% of the Council's statements are ignored.

Figure 5. Following the recommendations included in Council statements, 2020



2.4 Communications and interaction in Finland

In spring 2020, the coronavirus pandemic affected the Council's communications and interaction. During the application of the Emergency Powers Act, the Council's interaction and communications remained very limited. On the other hand, after the state of emergency, the Council continued its training, presentation of activities and stakeholder meetings relatively normally, making use of video connections. From the point of view of interaction, early 2020 went as normal. Overall, interaction with government representatives, international partners and other stakeholders was fairly active. Appendix 1 provides a more detailed description of interaction in 2020.

The Council has considered it important to maintain dialogue with the administration, political decision-making and other stakeholders. This enables discussing any difficulties in legislative drafting and impact assessment and obtaining feedback on the Council's work. Presentations on the Council and training provided in ministries and various events on legislative drafting have also been considered important.

In addition to meetings and presentations, the Council communicates about its activities electronically. The Council regularly publishes its statements and the corresponding press releases on its website in Finnish and English. The releases are also made available on the Government's Twitter account. The Council secretariat has authored columns for the Council's website on regulation and law drafting. The website also contains a sign language description of the Council's activities.

2.5 International activities

In 2020, the Council's international activities were focused on the COVID-19 epidemic and its consequences. The epidemic was discussed in both the meetings of RegWatchEurope, a network of European regulatory impact analysis bodies, and OECD video seminars. Despite the epidemic, the Council participated in international events as much as previously via video connections. The international meetings covered issues such as the legislative processes and procedures of other countries during the emergency conditions.

The Presidents of the RegWatchEurope Councils, including the Chairperson of Finnish Council of Regulatory Impact Analysis Leila Kostainen, met with Maroš Šefčovič, Vice-President for Better Regulation at the EU Commission in January 2020. The meeting concerned the Commission's Better Regulation programme to be published in 2021, particularly its One-In-One-Out project. The impact of the Commission's Regulatory Scrutiny Board on the quality of legislative drafting in the EU was also discussed. In summer 2020, RegWatchEurope submitted a discussion paper on better regulation to the Commission. The Chairman of the National Regulatory Control Council, Johannes Ludewig of Germany, also presented the discussion paper to the working group of the Council of the European Union.

In 2020, RegWatchEurope organised two workshops involving, in addition to the eight members of the RWE, other European councils of regulatory impact analysis. The workshops discussed how the councils distinguish between significant government proposals and less important ones as well as the importance of consultations.

3 Performance, effectiveness and risk factors

3.1 Inputs and costs

In 2020, the Finnish Council of Regulatory Impact Analysis held a total of 14 meetings (16 January, 6 February, 5 March, 26 March, 16 April, 4 May, 28 May, 17 June, 27 August, 17 September, 8 October, 5 November, 26 November and 17 December). Nearly all of the meetings were held as video conferences. The meeting attendance rate among Council members was 95 per cent. The Council also considered and approved draft statements by means of written procedure. A considerable portion of the Council's work is done outside meetings, in the form of reviewing draft statements and government proposals.

The costs arising from the Council consist primarily of the salaries of its secretariat. The secretariat consists of two Senior Ministerial Advisors. Each year, the secretariat has also employed a university trainee for a three-month period, also in 2020. The Prime Minister's Office manages communications on Council statements, provides IT support and makes the necessary travel arrangements on behalf of the Council. In addition, the Prime Minister's Office provides facilities for meetings. Catering services can also be purchased through Prime Minister's Office. Travel expenses and meeting catering costs remained very marginal in 2020, as the coronavirus epidemic put an end to travel in March and all meetings were held as video conferences as of late March.

The annual fees paid to members of the Council were EUR 8,800 for members and experts, EUR 11,000 for vice-chairpersons, and EUR 17,600 for the chairperson.

3.2 Own assessment of performance

Over its first four years of existence, the Finnish Council of Regulatory Impact Analysis has become an established component in the Finnish law drafting system. The Council is made an independent and autonomous body by decree. In the view and experience of the Council, its independence and autonomy has been appreciated and no attempts have been made from the quarters of politics, government or stakeholders to influence the substance of the Council's statements

The Council may operate on lean resources but it believes it has made active contributions to enhancing the quality of law drafting and impact assessment. The Council has observed and pointed out in its statements numerous problems with impact assessments. Indeed, the Council finds the quality of draft government proposals to have improved in recent years for the part of those proposals assessed by the Council. However, the greater relevance of the Council arises from the guiding effect of its statements on impact assessments across all of the Government.

The Council is often asked to make presentations or provide comments in various events and serve as an expert body in parliamentary committees. The statements of the Council are regularly addressed in the media. The expertise of the Council has also been utilised within the administration. The secretariat of the Council has contributed to the work of a regulation streamlining group and legislative drafting development group through expert members.

The Council's activities have increased impact assessments and societal discussion on the quality of legislative drafting, which has strengthened the Council's view that its activities have a broader societal significance.

The University of Eastern Finland submitted a report to the Finnish Parliament Audit Committee on the implementation, current status and development needs of impact assessments.³ The report also commented on the Council's work. The Finnish Council of Regulatory Impact Assessment considers that the report commissioned by the Audit Committee gave a rather narrow idea of the Council's activities, which is partly understandable in a concise report.

The report commissioned by the Audit Committee suggests that the Council should have the right to return a draft government proposal for redrafting if the quality of the proposal is considered poor. While the Finnish Council of Regulatory Impact Assessment finds it necessary to explore this issue, it understands the fundamental problems related to it. In this context, it is important to gather experiences from an equivalent right to return proposals in the European Commission's Regulatory Scrutiny Board.

The report commissioned by the Audit Committee also proposes a new advisory role for the Council to improve its impact assessments. The Council takes a critical view of this advisory role. The Council considers that its independence should be safeguarded in all

³ Implementation of regulatory impact assessments – current state and needs for development. What can be done to improve impact assessment? Impact assessment and development objectives in Finnish legislative drafting. Publication of the parliamentary Audit Committee 1/2020. (Publication in Finnish.)

situations. If the Council advised ministries on performing impact assessments and would later assess related projects, this would create a very tricky setting from the perspective of independence.

The Council is of the opinion that it serves in a role of an oversight body, and that the purpose of the Council is not to advise ministries on individual legislative projects. The role of the oversight body is primarily to make observations on the quality of legislative drafting at a general level and, through this work, produce added value for society. The idea behind the establishment of the Council was that the steering occurring through the Council statements would promote improving the quality of legislative drafting in the Government at a general level and also more extensively than in separately processed individual cases. As presented above, the Council participates in the development of legislation at a general level within the limits of available resources.

The reasons given for expanding the advisory role often include the fact that many European Councils are involved in advisory work. However, the Finnish Council of Regulatory Impact Analysis has a clearly broader focus in assessment compared to other similar European bodies. For example, the regulatory impact analysis bodies of Sweden, Norway and Denmark are solely focused on business impacts. The Council considers that its broad focus is positive as it supports the trust of various societal groups in the assessment work carried out by the Council. The Council's field of operation is becoming increasingly demanding as the impacts on climate and the environment as well as fundamental rights have gained prominence. These impacts have also been highlighted in the Programme of Prime Minister Sanna Marin's Government.

The Council also draws attention to the scarce resources of the Council: the members of the Council work on a part-time basis and as far as is known, the secretariat's resources are the scarcest in Western Europe. Nevertheless, the Council finds it a positive development that the secretariat's resources will be increased by one person-year in 2021.

4 Looking ahead

In 2021, the Finnish Council of Regulatory Impact Analysis will continue its work to promote better regulation in many areas.

In late 2020, the Ministry of Justice set up an expertise network for the Government's impact assessment until the end of March 2023. The network has a representative from each ministry and is chaired by Antti Moisio, Senior Ministerial Adviser at the Council's secretariat. The establishment of the network is based on the Better Regulation Programme, which was prepared as a project under the government programme. The network serves as a network of contact persons for the impact assessments of legislative drafting. Based on its observations, the network makes development suggestions on the information and training needs of impact assessments and on ways to strengthen cooperation at the Government level in the preparation of impact assessments.

In 2021, the secretariat of the Council will serve as an expert body for the Ministry of Justice projects concerning the development of legislative drafting. The secretariat will also serve as an expert member in a new working group on the impact assessment of legislative proposals led by the Ministry of Justice.

At the start of 2021, the Finnish Council of Regulatory Impact Analysis also decided to process projects related to the COVID-19 epidemic. The Council considers that the epidemic may have become part of the new normal, in which case the legislative projects related to the epidemic are no longer particularly exceptional. The Council will deal with the proposals very promptly to ensure that the Council statement will not slow down the legislative process.

In 2019 the Council made an initiative concerning the creation of an ex post assessment system in Finland. A Government's analysis, assessment and research project (VNTEAS) has been launched in this context, providing suggestions on how to develop ex post regulatory impact analysis in Finland. Based on the Council's view, this work must be promoted in accordance with the government programme.

In addition, the Council will continue its EU project that involves assessing the information obtained by the Parliament on EU legislative projects and their impacts on the national level.

Annex 1 Presentations, meetings and other activities of the Finnish Council of Regulatory Impact Analysis, its chairpersons and secretariat

Date	Event / Body	Role / Purpose	Participants
8.1.	National Audit Office	Discussion on audit subjects etc.	Ervasti Virolainen
13.1.	State Secretary Mikko Koskinen	Discussion on the Council	Kostiainen
14.1.	Counsels of disability organisations	Proposal on the impacts of fundamental rights from the Council's perspective	Ervasti
16.1.	Tuire Santamäki-Vuori, Director, Finnish Institute for Health and Welfare	Discussion on the Council	Kostiainen
16.1.	Law-drafters of the Ministry of the Environment	Discussion on environmental impacts	Ervasti Virolainen
17.1.	Representatives of the OECD Regulatory Policy Committee Celine Kauffman and Marianna Karttunen	Discussion on cross-border impact assessments	Kostiainen
17.1.	Ministry of Economic Affairs and Employment, hearing on local government pilots on employment	Participation in the hearing	Virolainen
29.1.	Special Advisers of the Centre Party	Discussion on the Council	Kostiainen Ervasti Virolainen
30.1.	Permanent Secretary Pekka Timonen	Discussion on the impacts of EU legislation	Kostiainen
31.1.	RWE meeting with Šefčovič, Vice-President at the EU Commission, Brussels	Discussion on better regulation	Kostiainen
31.1.	Commission Regulatory Scrutiny Board	Discussion on EU impact assessments	Kostiainen
31.1.	Representation of Finland to the EU, Senior Adviser Mikko Holm	Discussion on the impact assessments of EU legislation	Kostiainen
1.1.2020– 28.4.2021	VNTEAS project, ex-post evaluation of legislation and current status, steering group	Serving as chair	Ervasti
3.2.	Meeting of permanent secretaries	Presentation of impact assessments of EU legislation	Kostiainen
5.2.	Director of Government Communications Päivi Anttikoski	Discussion on the Council's communications	Kostiainen
7.2.	Special Adviser Henrik Haapajärvi	Discussion on the Council	Kostiainen

Date	Event / Body	Role / Purpose	Participants
10.2.	New growth sectors and regulation workshop	Participation in the workshop	Virolainen
11.2.	HAUS, law drafting course	Presentation of the Council's activities	Virolainen
12.2.	Kirsi Varhila, Permanent Secretary	Discussion on the health and social services reform	Kostiainen
24.2.	The Council's kick-off event for an EU project for representatives of ministries	Presentation of the EU project and listening to feedback on the project	Kostiainen Ervasti Virolainen
25.2.	Norwegian innovation delegation	Presentation of the Council's activities, Kostiainen	Kostiainen Ervasti Virolainen
26.2.	Johanna Ojala-Niemelä, Chairperson of the Constitutional Law Committee	Discussion on impacts on fundamental rights	Kostiainen
2.3.	Meeting with the management team of the Ministry of Social Affairs and Health	Discussion on the Council	Kostiainen Ervasti Virolainen
3.3.	Meeting the STTK health and social services team	Discussion on legislative projects in the social welfare and health care sector	Kostiainen
13.3.	Law-drafters of the Ministry of Transport and Communications	Discussion on electronic communication services	Kostiainen
26.5.	OECD seminar on regulation during a crisis	Participation in the seminar	Virolainen
27.5.	Pekka Suomela, Executive Director, Technology Industries of Finland	Discussion on the Mining Act	Kostiainen
3.6.	RWE board meeting	Participation in the meeting, Discussion	Kostiainen Virolainen
24.6.	Meeting related to the health and social services reform with the law-drafters of the Ministry of Social Affairs and Health	Discussion on health and social services	Kostiainen Virolainen
29.7.	Extraordinary RWE board meeting	Participation in the meeting, Discussion	Kostiainen Virolainen
18.8.	Familiarisation with legal drafting work - a theme group for university trainees	Presentation of the Council's activities	Virolainen
2.9	Meeting of the RWE secretariat	Participation in the meeting, discussion	Virolainen
3.9.	RWE workshop	Participation in the workshop	Virolainen
3.9.	Jouni Backman, Senior Adviser at Sitra	Discussion on a Sitra project	Kostiainen
10.9.	National Audit Office	Participation in the seminar	Kostiainen
10.9.	Meeting of the legislative drafting development group	Presentation of the current status of the Council's EU project	Virolainen
16.9.	Lauri Korkea-aho, Director, Terveystalo	Discussion on health and social services	Kostiainen

Date	Event / Body	Role / Purpose	Participants
24.9.	Presenter forum, Ministry of Social Affairs and Health	Presentation of the Council's activities	Virolainen
24.9.	HAUS, law drafting course	Presentation of the Council's activities	Virolainen
24.9.	Naantali 24h	Participation in the seminar	Kostiainen
24.9.	Ulla-Maija Rajakangas, Managing Director, Finnish Association of Private Care Providers HALI ry	Discussion on health and social services	Kostiainen
29.9.	EU Commission RSB	Networking meeting of councils	Kostiainen Moisio
29.9.	State Secretary Henrik Haapajärvi	Discussion on the development of the Council	Kostiainen
29.9.	Valtio JOVA course for leading specialists in central government	Presentation of the Council's activities	Virolainen
30.9.	University of Helsinki, Department of Private Law	Presentation	Kostiainen
6.10.	RWE workshop	Participation in the workshop	Moisio Pälvimäki
20.10.	Legal drafting event, Ministry of Agriculture and Forestry	Presentation of the Council's activities	Virolainen
23.10.	Discussion with those involved in legislative drafting related to the health and social services reform, Ministry of Social Affairs and Health	Preliminary discussion on the Council's statement	Moisio Virolainen
2.11.	RWE board meeting	Participation in the meeting, discussion	Kostiainen Virolainen
3.11.	Better Regulation Conference (DEBR)	Participation in the conference	Kostiainen Moisio Virolainen
4.11.	Prime Minister Sanna Marin	Discussion on the development of the Council	Kostiainen
18.11.	Yle politiikkaradio	Discussion on the health and social services reform in a radio programme	Kostiainen
24.11.	Ministry of Education and Culture seminar	Presentation	Kostiainen
30.11.	STTK health and social services team	Presenting a statement on health and social services	Kostiainen
3.12.	Seminar on steps towards smoother regulation, Ministry of Economic Affairs and Employment	Presentation of the Council's activities	Kostiainen Moisio Pälvimäki Virolainen
3.12.	Better Regulation Network - Regulatory Oversight (OECD RPC)	Participation in the seminar	Kostiainen Moisio
10.12.	Climate impact assessment and law drafting workshop, Ministry of the Environment	Participation in the seminar	Virolainen

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