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Finnish Council of Regulatory Impact Analysis, Annual Review 2023

Finnish Council of Regulatory Impact Analysis



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Abstract

The Council of Regulatory Impact Analysis issued a total of 24 statements on draft government proposals and Union communications in 2023. The Council assessed 14 draft government proposals and 10 Union communications. Draft government proposals and Union communications of economic and social importance were selected for analysis.

On the basis of standard appraisals, the level of impact assessments for government proposals has improved from the previous year. The average of the standard appraisals improved in 2023 and was 3.6 (on a scale of 5 to 1, where 1 is the highest and 5 the lowest standard). The average for the year before was 3.3. However, it must be taken into account that statements were only issued on 14 proposals. The most typical appraisal of a draft proposal was the second highest appraisal. The most common areas for improvement in government's draft proposals remained unchanged from previous years. The most shortcomings were in matters related to the technical layout of the proposals and quantitative estimates.

This annual review summarises the findings of the Finnish Council of Regulatory Impact Analysis on the impact assessments of EU regulation and the quality of legislative drafting in 2023. In addition, the Council presents development ideas on legislative drafting. The Council has noted that urgency has an impact on impact assessments and the quality of legislative drafting. The Council also highlights the importance of assessing fundamental and human rights impacts as well as synergies.

Keywords economic impact, legislation, assessment, government proposals

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Lainsäädännön arviointineuvoston vuosikatsaus 2023

Valtioneuvoston kanslian julkaisuja 2024:5

Julkaisija Valtioneuvoston kanslia

Yhteisötekijä Lainsäädännön arviointineuvosto
Kieli englanti

Sivumäärä 83

Tiivistelmä

Lainsäädännön arviointineuvosto antoi yhteensä 24 lausuntoa hallituksen esitysluonnoksista ja U-kirjelmistä vuonna 2023. Arviointineuvosto arvioi 14 hallituksen esitysluonnosta ja 10 U-kirjelmää. Arvioitavaksi valittiin pääasiassa taloudellisesti ja yhteiskunnallisesti merkittäviä hallituksen esitysluonnoksia ja U-kirjelmiä.

Standardilausumien perusteella hallituksen esityksien vaikutusarviointien taso on parantunut edellisvuodesta. Lausumien keskiarvo kohosi vuonna 2023 ja sai arvoksi 3,6 (5 on paras ja 1 huonoin), kun edellisvuonna keskiarvo oli 3,3. On kuitenkin otettava huomioon, että lausuma annettiin vain 14 esitykselle. Tyypillisin annettu arvio esitysluonnoksesta oli toiseksi paras lausuma. Yleisimmät kehityskohteet hallituksen esitysluonnoksissa pysyivät ennallaan edellisvuosiin verrattuna. Eniten puutteita oli esitysten tekniseen ulkoasuun liittyvissä seikoissa sekä määrällisissä arvioissa.

Tähän vuosikatsaukseen on koottu arviointineuvoston havaintoja EU-sääntelyn vaikutusarvioista sekä lainvalmistelun laadusta vuodelta 2023. Lisäksi arviointineuvosto esittää kehittämisajatuksia lainvalmistelusta. Arviointineuvosto on huomannut kiireen vaikuttavan vaikutusarvioihin ja lainvalmistelun laatuun. Arviointineuvosto tuo esille myös perus- ja ihmisoikeusvaikutusten sekä yhteisvaikutusten arvioinnin tärkeyden.

Asiasanat vaikutusten arviointi, lainsäädäntö, hallituksen esitykset, arviointi

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Språk engelska **Sidantal** 83

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Rådet för bedömning av lagstiftningen gav sammanlagt 24 utlåtanden om utkast till regeringspropositioner och U-skrivelser 2023. Rådet bedömde 14 regeringspropositioner och 10 U-skrivelser. För bedömning valdes i huvudsak ekonomiskt och samhälleligt betydande utkast till regeringspropositioner samt U-skrivelser.

Utifrån standarduttalandena förbättrades nivån på konsekvensbedömningarna i regeringens propositioner jämfört med året innan. Genomsnittet av uttalandena steg 2023 och medeltalet var 3,6 (5 är bäst och 1 sämst), medan medeltalet året innan var 3,3. Man måste dock beakta att endast 14 propositioner fick ett uttalande. Den vanligaste bedömningen av ett propositionsutkast var det näst bästa uttalandet. De vanligaste utvecklingsobjekten i utkasten till regeringspropositioner förblev oförändrade jämfört med tidigare år. Mest brister fanns i aspekter som hänför sig till propositionernas tekniska utformning samt i de kvantitativa bedömningarna.

I denna årsöversikt finns en sammanställning av rådets observationer av konsekvensbedömningarna av EU-lagstiftning samt av lagberedningens kvalitet 2023. Dessutom presenterar rådet idéer för att utveckla lagberedningen. Rådet har märkt att tidspress påverkar konsekvensbedömningarna och lagberedningens kvalitet. Rådet påpekar också vikten av bedömning av konsekvenserna för de grundläggande och mänskliga rättigheterna samt av bedömning av de sammantagna konsekvenserna.

Nyckelord ekonomiska konsekvenser, lagstiftning, bedömning, regeringspropositioner

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FOREWORD

The Council of Regulatory Impact Analysis has been issuing statements to ministries for eight years, and now the Council dares to say that the quality of legislative drafting in Finland has improved since the early years of its operations. Ministries have actively paid attention to the quality of legislative drafting and have trained their law-drafters.

However, unfortunately, the Council still has to point out the same shortcomings: alternative solutions are still too rarely proposed, business impacts are not sufficiently assessed and there is still room for improvement in the assessment of impacts on fundamental rights.

Especially in the election year 2023, urgency had a visible impact on the quality of legislative drafting. Pleading urgency, ministries ignored some statements of the Council of Regulatory Impact Analysis and submitted government proposals to Parliament without complying with the Council's statements. On the grounds of urgency, the consultation periods for draft legislation were shorter than the guidelines and consultations were scheduled for popular holiday periods, such as July and the turn of the year. Consultation periods of insufficient length are usually not even justified in government proposals even though the guidelines for legislative drafting require such justification.

The Council of Regulatory Impact Analysis intervenes in actions that fail to comply with the guidelines in terms of the quality of legislative drafting. The Chancellor of Justice has already had to intervene as an overseer of legality.

The Government has publicly justified the shortcomings and urgency in legislative drafting in 2023 with the facts that the year was an election year, the government formation talks lasted until June, and Parliament required the finance acts to be processed according to its schedule.

Politically, the desire to launch important social reforms quickly and to frontload legislative drafting so that the reforms will be completed during the government term is understandable. However, such political urgency may lead to poor legislative drafting, where the impacts are insufficiently assessed, combined

impacts are inadequately understood and the fundamental rights impacts, particularly combined impacts, remain unclear. This may lead to unexpected detrimental impacts on citizens or society as a whole unintended by the Government and Parliament.

It is difficult to complete extensive or principled social reforms into high-quality finance acts for the year following the election year.

The Council engages in dialogue with ministries and receives important feedback from them on its work. The Council wishes to continue and reinforce this dialogue.

The Council of Regulatory Impact Analysis is constantly developing its work and practices. In 2023, the Council sought in its statements to focus on the most relevant observations and to reduce the number of recommendations it made to ministries in its statements. This policy is in line with the Guidelines for Impact Assessment in Law Drafting. Significant impacts must be assessed.

Leila Kostiainen, Chairperson of the Council of Regulatory Impact Analysis
March 2024

1 Activities in 2023

1.1 Council issues 24 statements

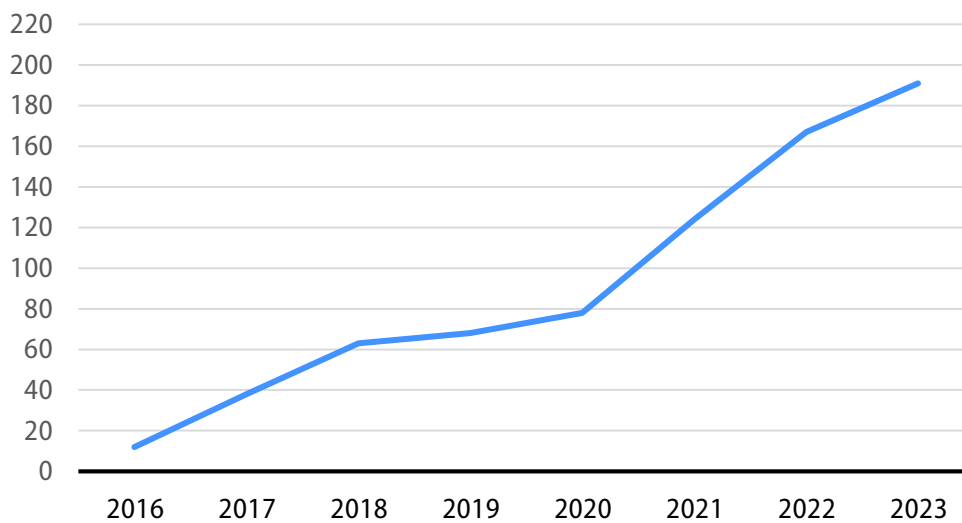
The Council of Regulatory Impact Analysis issued a total of 24 statements on draft government proposals and Union communications in 2023. The Council reviewed 14 draft government proposals, which represented 12.5% of all government proposals submitted during the year. In addition, the Council reviewed 10 Union communications. The Council reviewed more Union communications in the spring, as government proposals were understandably not evaluated during the government formation talks. Statements on Union communications are discussed in more detail in Chapter 3.

In accordance with its principles, the Council selected draft government proposals and Union communications of economic and social importance for review. In 2023, the Council discussed, for example, budget proposals on unemployment security, housing allowance and income support, which also sparked a lot of public debate. In addition, the Council issued statements on draft government proposals concerning, for example, the Alcohol Act, the compensation for electricity costs and the real estate tax. The Council's statements on Union communications covered topics such as the Energy Performance of Buildings Directive and the Regulation on Packaging and Packaging Waste. The Council also reviews proposals with a smaller impact if they are found to be of social or economic significance. For example, the Council reviewed a Government proposal concerning fire safety equipment. Appendix 1 provides further details about the statements issued.

The Council considers it important that proposals are selected for review from all ministries. In 2023, the Council issued statements on almost all of the draft government proposals and Union communications it selected for assessment. Review was cancelled for only three draft government proposals, either because the draft proposal was technical or because it was insignificant from the point of view of review.

The Council of Regulatory Impact Analysis has issued a total of 191 statements since its establishment. Figure 1 shows that more statements have been issued since 2021 and that, in 2023, the number of statements fell slightly behind the previous two years due to the election year.

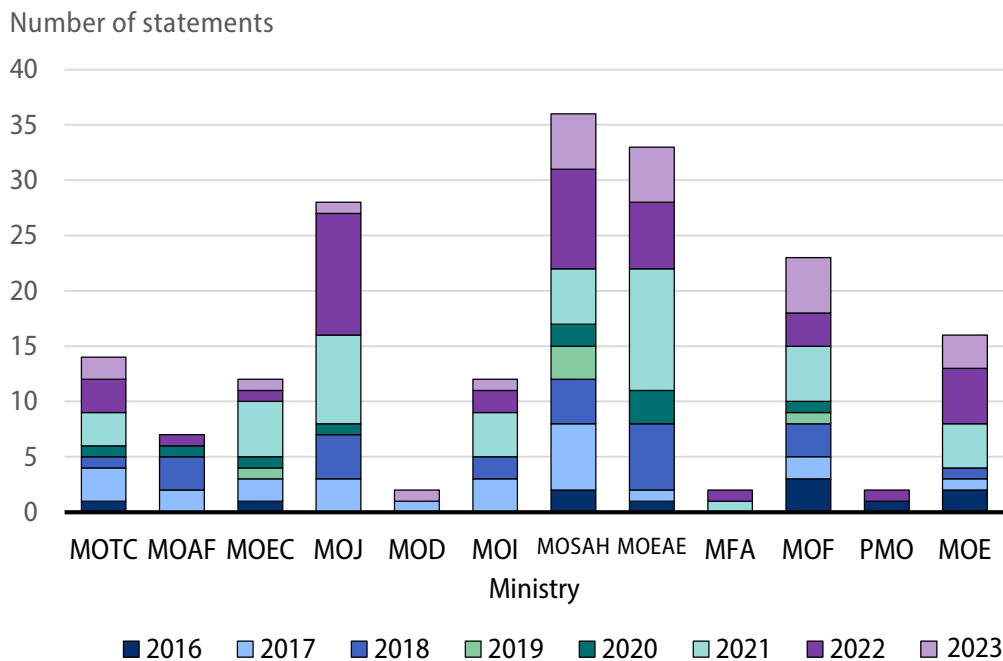
Figure 1. The total number of statements issued by the Council of Regulatory Impact Analysis in 2016–2023.



The 24 statements issued by the Council in 2023 were addressed to nine ministries (Figure 2). The Ministry for Foreign Affairs, the Prime Minister's Office and the Ministry of Agriculture and Forestry did not receive statements from the Council in 2023. All other ministries received at least one statement from the Council.

The volume of legislative drafting by ministries naturally affects the number of statements issued by the Council. The number of proposals reviewed depends, for example, on the year of the government term in which ministries schedule the preparation of significant government proposals. In addition, the emphasis and themes of government programmes also affect how legislative drafting projects are divided between different ministries. Therefore, projects from not all ministries are selected for review by the Council every year. The Ministry of Social Affairs and Health, the Ministry of Economic Affairs and Employment, the Ministry of Finance and the Ministry of Justice have been issued the most statements during the Council's years in operation.

Figure 2. Statements issued by the Council of Regulatory Impact Analysis by ministry in 2016–2023.



1.2 Level of impact assessments improves

In spring 2018, the Council adopted a set of standard appraisals to describe its view of the quality of draft proposals. The standard appraisals make reference to the Guidelines for Impact Assessment in Law Drafting.¹ In August 2023, the Council clarified the verbal formulations of the standard appraisals a little more precisely and reversed the current rating scale so that, in future, the highest appraisal will be 5 and the lowest 1. Previously, the highest appraisal was 1 and the lowest 5. After the change, the scale will be consistent with the operating logic of the scales used elsewhere.

¹ Guidelines for Impact Assessment in Law Drafting. Publications of the Finnish Government 2023:53. <http://urn.fi/URN:ISBN:978-952-383-660-0>.

One of the following appraisals is appended to each statement:

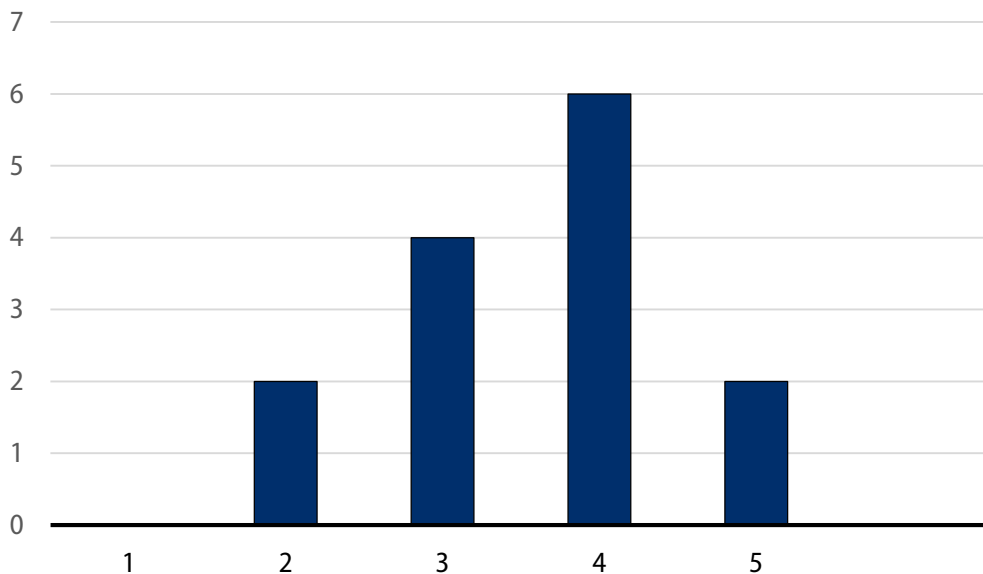
Standard appraisal

5. The Council finds that the draft government proposal meets the requirements of the Guidelines for Impact Assessment in Law Drafting, and proposes only minor amendments.
4. The Council finds that the draft government proposal meets the requirements of the Guidelines for Impact Assessment in Law Drafting. The Council recommends that the draft government 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 satisfactorily complies with the Guidelines for Impact Assessment in Law Drafting. The Council recommends that the draft proposal be corrected in accordance with the Council's statement prior to its submission to Parliament.
2. The Council finds that the draft government proposal passably complies with the Guidelines for Impact Assessment in Law Drafting. The draft government proposal has serious shortcomings and must be corrected in accordance with the Council's statement prior to its submission to Parliament.
1. The Council finds that the shortcomings of the draft government proposal are so significant that it fails to meet the requirements of the Guidelines for Impact Assessment in Law Drafting. The draft government proposal is unlikely to provide a foundation for any sufficient and reasoned understanding of the proposal or its economic and social impacts. Unless the shortcomings are addressed, submission of the proposal to Parliament is discouraged.*

* The last sentence may be omitted in situations where it is, in practice, impossible to withdraw the proposal.

Based on the standard appraisals, the level of impact assessments for government proposals improved from the previous year. However, it must be noted that appraisals were only issued on 14 proposals because appraisals are not issued in statements on Union communications.² In 2022, the number of statements was approximately three times higher (42), as almost all statements dealt with draft government proposals. The average of the standard appraisals improved in 2023 to 3.6 (on a scale of 5 to 1, where 5 is the highest and 1 the lowest appraisal). The average for the year before was 3.3. The median grade also increased by one point from 3 to 4. In other words, the most typical appraisal of a draft proposal was the second highest appraisal. In 2023, the lowest appraisal was never given at all, and the second lowest appraisal was only given to two draft government proposals.

Figure 3. Distribution of standard appraisals issued by the Council in 2023.



The Council welcomes the fact that well over half of all statements received one of the two highest appraisals in 2023. Between 2018 and 2023, the clearly most common (median) appraisal was 3. The two highest appraisals were given significantly less frequently in previous years than in 2023.

² Union communications are not issued appraisals because their assessment criteria differ from those for draft government proposals due to the incompleteness of the case handling and the rushed preparation schedule of Union communications.

The Council's recommendations for improvements per statement decreased from the year before. In 2023, an average of 7.7 recommendations for improvements per statement were issued, while in the year before the average number of recommendations for improvements per statement was 10.1. In 2023, the average appraisal of statements improved, which may have contributed to the fact that the number of recommendations for improvements decreased. The statements of the Council over the years indicate that the lower the appraisal issued, the more improvements the statement needs. In addition, it is worth noting that, in 2023, the Council decided to focus its statements only on the most relevant areas for improvement. This can be assumed to be another factor explaining why there were quantitatively fewer areas for improvement than in previous years. However, the impact ratios related to the reduction of areas for improvement have not been studied in more detail.

In 2023, the highest appraisal was received by the draft government proposal for the Municipality of Residence Act of the Ministry of Finance, on which the Council stated in its statement:

*"The draft proposal for the Municipality of Residence Act has been thoroughly prepared. The draft gives a good idea of the background, objectives and key proposals. The impacts and different options are discussed in a comprehensive and careful manner."*³

In addition, the highest appraisal was received by a draft proposal on fire safety equipment prepared by the Ministry of the Interior, on which the Council declared in its statement:

*"The draft proposal on fire safety equipment has been prepared with high quality throughout. The impact on businesses and public authorities has been thoroughly assessed. The Council has only minor suggestions for clarifications to the draft proposal."*⁴

3 Statement of the Council of Regulatory Impact Analysis to the Ministry of Finance on the draft government proposal for the Municipality of Residence Act and certain related acts (VN/32811/2023-VNK-2).

4 Statement of the Council of Regulatory Impact Analysis to the Ministry of Interior on the draft government proposal for an act on certain fire safety equipment and related acts (VN/32276/2023-VNK-2).

The draft government proposals that received the second highest appraisal were also well prepared, but they contained more points that needed to be supplemented. The second highest appraisal was received by the proposals prepared by the Ministry of Finance, the Ministry of Economic Affairs and Employment, the Ministry of Education and Culture and the Ministry of Social Affairs and Health.⁵ The Council welcomes the fact that high appraisals have been given to the proposals prepared by various ministries.

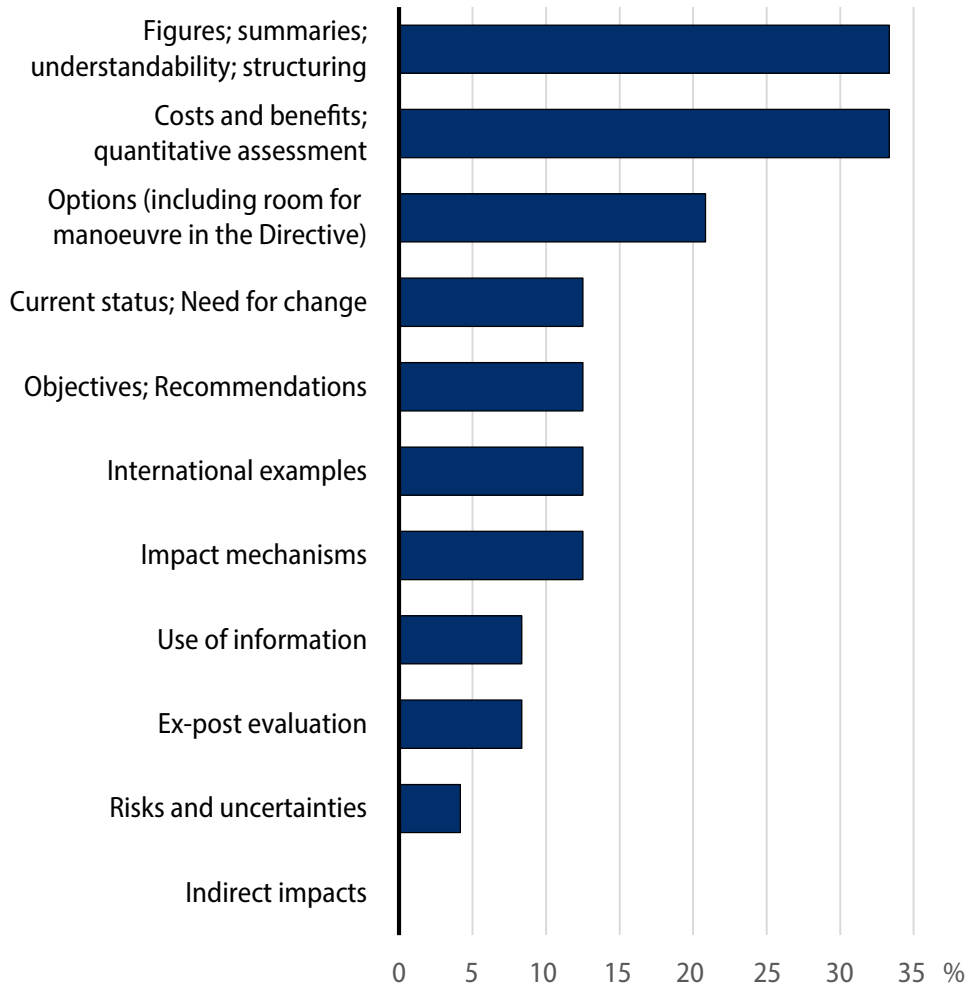
1.3 Areas for improvement remain unchanged

In its statements, the Council provides suggestions and recommendations on how to improve the impact assessment of the draft government proposal. In 2023, the most common areas for improvement in draft government proposals remained unchanged from previous years. Figure 4 shows that the most shortcomings were in matters related to the technical layout of the proposals, such as figures, text comprehensibility and structuring, as well as quantitative estimates. These shortcomings were found in about a third of the draft proposals. Compared to the previous year, the quality of statements seems to have improved slightly, as the Council issued significantly fewer recommendations for improvements in its statements than in 2022. The improvement in quality was particularly related to quantitative estimates and the technical shortcomings of the draft proposal for which the highest number of recommendations for improvements were issued in 2023. The improvement is also reflected in the increase in the number of the second-highest appraisals. The improvement may have been partly due to the fact that, in 2023, the Council focused on essential areas for improvement, which has allowed for less attention to be given than in previous years, so a comparison with the previous year does not tell the whole truth. In addition, fewer draft government proposals were reviewed than in the previous year, so the smaller sample of the government proposals reviewed may have had an impact on the result. This means that 2022 and 2023 are not fully comparable.

In 2023, the third most common shortcoming in draft government proposals concerned the examination of alternatives. This may have been due to the fact that the preparation of many proposals had been limited by the rather strict entries in the Government Programme. In other words, law-drafters had limited opportunities to consider different alternatives to achieve the objective. The proposals selected by the Council also included many legislative proposals to be discussed in connection with the budget proposal, i.e. the finance acts, the preparation of which was probably rushed due to the election year. This may have contributed to the fact that alternative ways were not sufficiently assessed in the legislative project.

5 The statements issued can be found in more detail in Appendix 1.

Figure 4. The most common areas for improvement in draft government proposals by field of assessment in 2023. Percentage of all statements.



The Council has often drawn attention to the fact that the readability and comprehensibility of draft government proposals would be improved by improving the technical aspects of the draft proposal. Diagrams and tables would make it easier for those unfamiliar with the topic to understand it as a whole. Summaries would also help readers to grasp the most essential aspects of the text. Draft government proposals are often quite long because they must include different

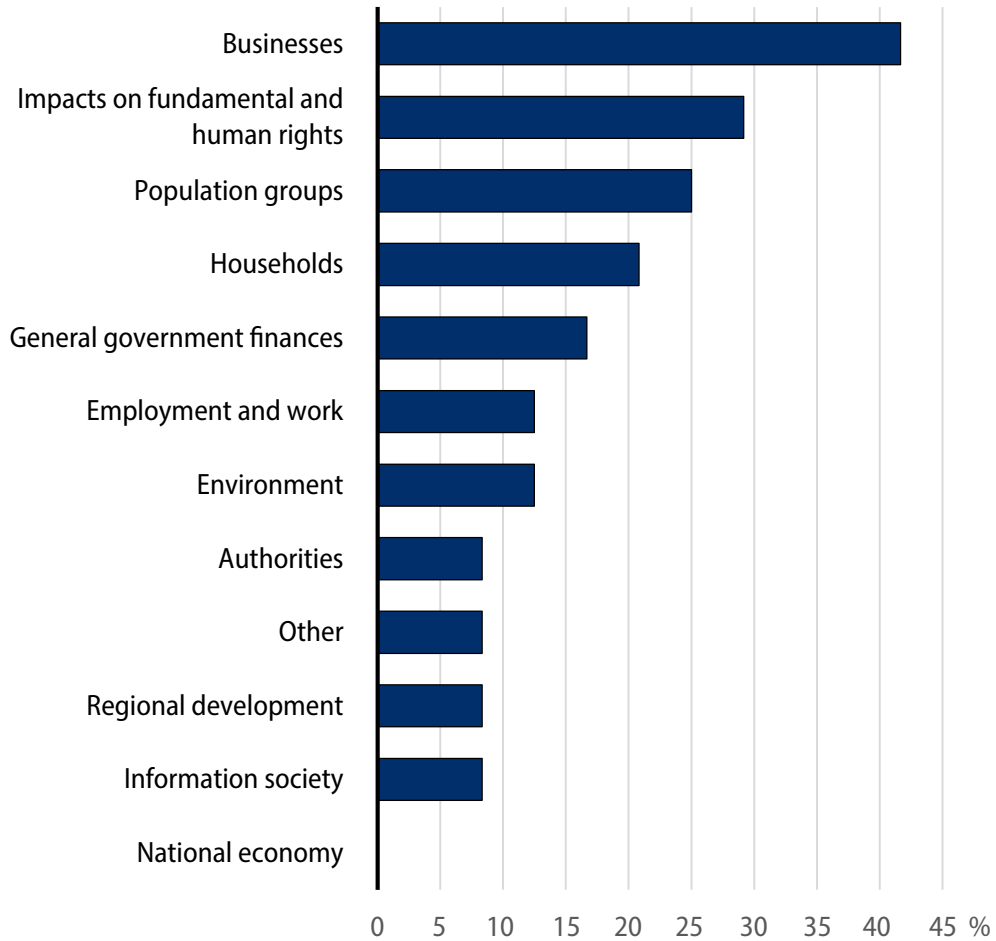
areas in accordance with the Guidelines for Drafting Government Proposals and, on the other hand, legislative proposals may be extensive⁶. In some cases, abstracts could help the reader understand the key points of the proposal.

Shortcomings in quantitative estimates means that the scale of the change, the number of target groups or the costs and benefits are not sufficiently understood. In 2023, there were more quantitative estimates in draft proposals than in previous years, which is positive. When evaluating the costs and social impacts of proposals, quantitative estimates are usually highly relevant. For this reason, the Council pays constant attention to these issues. The Council drew positive attention to the fact that shortcomings in the description of risks and uncertainties clearly decreased. In this respect, there has been an improvement in legislative drafting.

Figure 5 shows that, as in previous years, in 2023, business impacts were the most common area for improvement in the comparison between the areas of impact. More than 40% of statements presented recommendations for improvements regarding business impacts. The second and third most shortcomings were found in assessments dealing with groups of people, fundamental rights and human rights. Impacts on population groups refer to those affecting, for example, children, young people, older people, persons with disabilities, people of different genders, linguistic groups and people in different socioeconomic positions. Recommendations for improvements concerning fundamental and human rights impacts typically concerned situations where the proposal's relationship to the Constitution and the order of enactment had been described but the proposal's concrete effects on the implementation of fundamental and human rights at the everyday level had been only superficially discussed.

6 Hallituksen esitysten laatimisohteet ("Guidelines for Drafting Government Proposals"). helo.finlex.fi.

Figure 5. Most common areas for improvement by area of impact in 2023 Percentage of all statements.



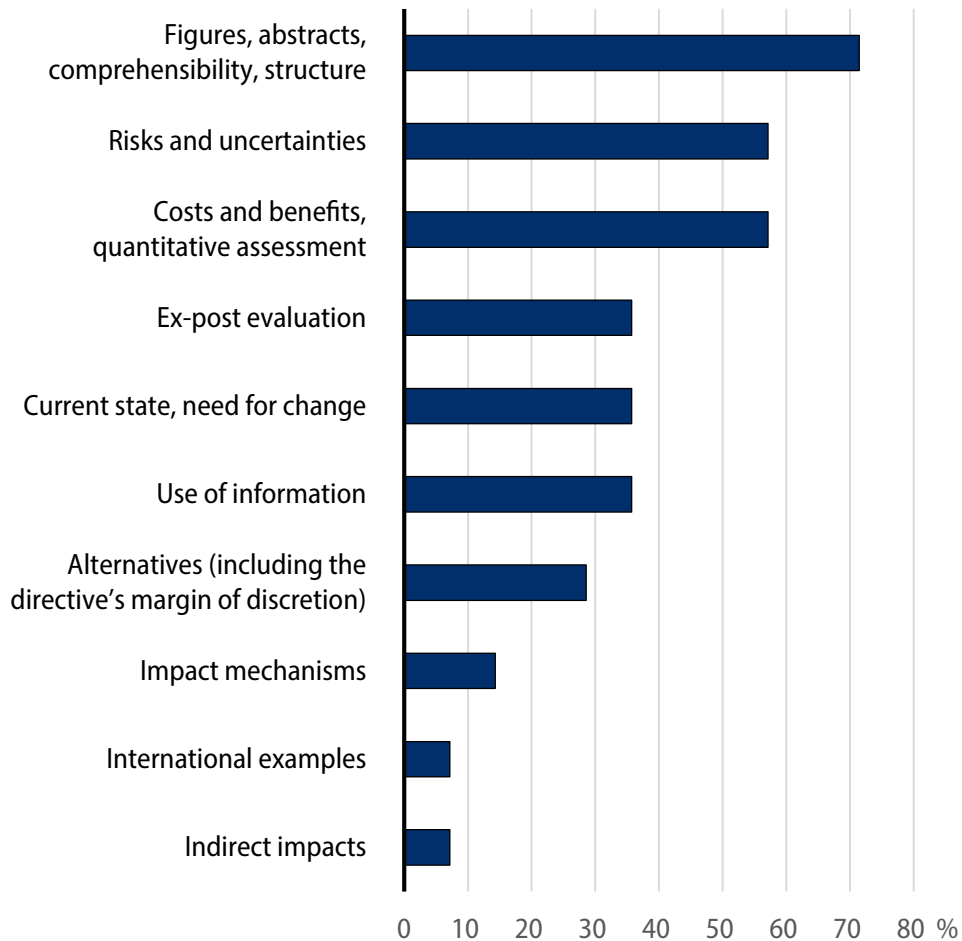
1.4 Statements also provide positive feedback

In its statements, in addition to recommendations for improvements, the Council also provides positive feedback on well-drafted sections in draft proposals. Of the comments issued on statements in 2023, 39% were positive while 61% concerned recommendations for improvements. The Council welcomes the fact that the statements concerning the Municipality of Residence Act⁷, fire safety equipment⁸, the Student Financial Aid Act⁹ and the Emissions Trading Act¹⁰ contained more positive observations than areas for improvement. These draft proposals received good appraisals.

Figure 6 summarises positive observations by field of assessment in 2023. The figure shows that the most positive feedback was given on text structuring, comprehensibility and the use of figures or summaries in the text of the draft proposal. The highest number of recommendations for improvements was also issued on these aspects. More than two-thirds of draft proposals contained well-structured and understandable text, as well as proper use of figures and summaries. On this basis, it can be concluded that more effort has been invested in diagrams and tables and in the comprehensibility of the text in general. In addition, more than half of draft proposals received positive feedback on quantitative estimates. On the other hand, quantitative estimates were also subject to many recommendations for improvements.

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- 7 Statement of the Council of Regulatory Impact Analysis to the Ministry of Finance on the draft government proposal for the Municipality of Residence Act and certain related acts (VN/32811/2023-VNK-2).
 - 8 Statement of the Council of Regulatory Impact Analysis to the Ministry of Interior on the draft government proposal for an act on certain fire safety equipment and related acts (VN/32276/2023-VNK-2).
 - 9 Statement of the Council of Regulatory Impact Analysis to the Ministry of Education and Culture on the draft government proposal to amend the Student Financial Aid Act (VN/28929/2023-VNK-2).
 - 10 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the Emissions Trading Act (VN/25784/2023-VNK-2).

Figure 6. Positive observations in statements by field of assessment in 2023. Percentage of all statements.¹¹



Risks and uncertainties related to impacts were also described more than in previous years. Other positive observations typically concerned references to follow-up, a clear and understandable description of the current situation, the need for a legislative change and the use of research data in the draft proposal. Positive comments were also often made about the fact that the government proposal described the objectives and suggestions in an understandable way.

¹¹ In Figure 6, the item Alternatives also includes the directive's margin of discretion. The fields of assessment relating to the directive's margin of discretion refer to whether the draft proposal describes the margin of discretion permitted by the directive and how it has been used in drafting.

For example, the statement of the Council to the Ministry of Social Affairs and Health on the amendment of the Alcohol Act states the following on the comprehensibility of the draft proposal and the use of statistical and research data:

“The Council welcomes the fact that the draft proposal is concise and easy to understand. The description of the current situation gives a good overview of alcohol consumption and its effects. The target groups of the proposed regulation are well understood, and the draft proposal uses a lot of statistical and research data. The memorandum prepared by the Finnish Institute for Health and Welfare at the request of the Ministry of Social Affairs and Health on the extension of retail licences for alcohol to drinks with a maximum ABV of 8% provides a good knowledge base for the preparation of the legislative project.”¹²

Several statements gave positive feedback on the description of risks and uncertainties. The description of risks and uncertainties is necessary in order to prepare for risks when implementing regulation and to identify uncertainties related to assessments in a timely manner. For several years now, the Council has encouraged ministries to openly disclose the risks and uncertainties associated with assessment. In particular, the open description of uncertainties increases the reliability and acceptability of assessment. In its statement to the Ministry of Economic Affairs and Employment on the Emissions Trading Act, the Council gave positive feedback on the description of the background and the transparency regarding uncertainties:

“The Council finds that the draft proposal describes the background to the matter well. The preparation of the proposal seems careful, and it is positive that the preparation has been carried out in several working groups, involving stakeholders that are relevant to the topic. The Council welcomes the fact that various assessment memorandums have been prepared on the subject, regarding which feedback on statements has been collected.

[– –]

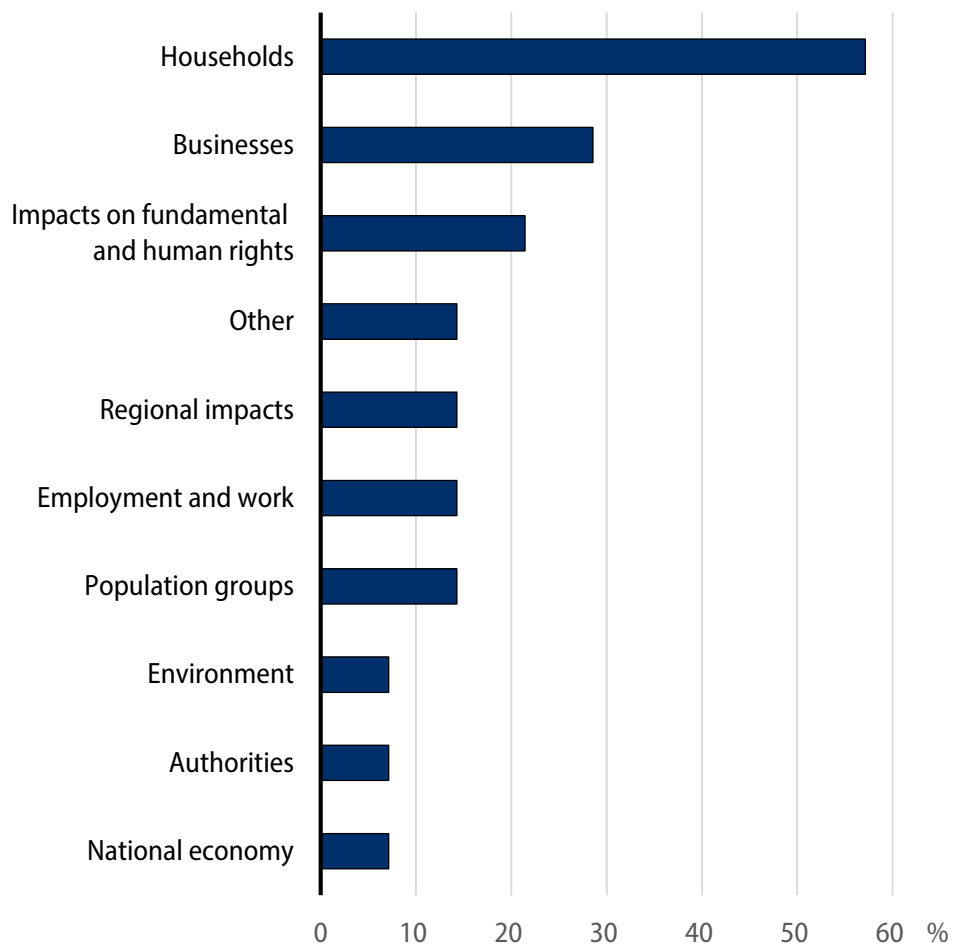
The Council welcomes the fact that the impact assessments of the draft proposal openly highlight the uncertainties of the assessments. For example, the draft proposal points out that some of the assessments were made before Russia’s invasion of Ukraine and that some assessments have been changed since then.”¹³

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- 12 Statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend sections 17 and 26 of the Alcohol Act (VN/34358/2023-VNK-2).
- 13 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the Emissions Trading Act (VN/25784/2023-VNK-2).

Figure 7 presents positive comments on impact assessments by area of impact. The most positive comments were made about the impacts on households. More than half of the draft proposals described impacts on households well. Although the statements provided positive feedback on the impacts on households, the Council also issued recommendations for improvements on the same theme.

Positive feedback was also given on the assessment of business impacts and fundamental and human rights impacts. An observation relating to households also applies to these types of impacts: the same statement often included both positive feedback and suggestions for improvement. In its statements, the Council often made suggestions for improving a good impact assessment if it was necessary to deepen or understand the impacts.

Figure 7. Positive observations in the statements of the Council in 2023. Percentage of positive comments in relation to the comments of all statements.¹⁴



¹⁴ In Figure 7, the other category includes other types of impacts, such as cross-border impacts and impacts on security and the information society.

Some of draft proposals did well in the assessment of household impacts. For example, a statement issued to the Ministry of Economic Affairs and Employment concerning the retroactive compensation for electricity costs states the following concerning household impacts:

“The Council welcomes the fact that the draft proposal contains sample calculations that open the basis for calculating compensation for households and illustrate the possible amounts of compensation. The draft proposal’s diagram on the distribution of support to different income groups demonstrates in a sufficiently concrete way the distribution of support and draws the reader’s attention to the exceptionally regressive distribution of support.”¹⁵

The statement of the Council to the Ministry of Social Affairs and Health related to the amendment of the Unemployment Security Act found the draft proposal’s description of impacts on households exemplary:

“The Council considers the assessment describing the position of households to be exemplary. The text, illustrative diagrams, tables and examples give a good idea of both the effects of individual proposals and the combined impacts of the proposals included in this draft government proposal. The draft proposal estimates the changes in euros, for example, by age group, gender, region and for different types of households. The draft proposal also highlights the groups that will be subject to the biggest changes. However, the assessment could have been supplemented with a description of the changes in the income level of the bottom two tenths.”¹⁶

15 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the legislation on retroactive compensation for electricity costs and the extension of the payment periods of energy bills (VN/2881/2023-VNK-2).

16 Statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend Act on Unemployment Security and certain other acts (VN/28072/2023-VNK-2).

1.5 Compliance with recommendations given in statements decreases

The Council monitors the effectiveness of its statements by comparing government proposals submitted to Parliament with the draft proposals submitted to the Council. The extent to which the recommendations are complied with should be considered only as an indicative measure of the effectiveness of the Council's activities, as recommendations can be very different in nature. Technical shortcomings are usually easy to fix, but observations related to, for example, quantitative assessments or the assessment of alternatives may be more difficult to remedy. Effectiveness also arises from the ministries examining the statements issued and the recommendations for improvements presented therein more extensively and not only with regard to the individual statement.

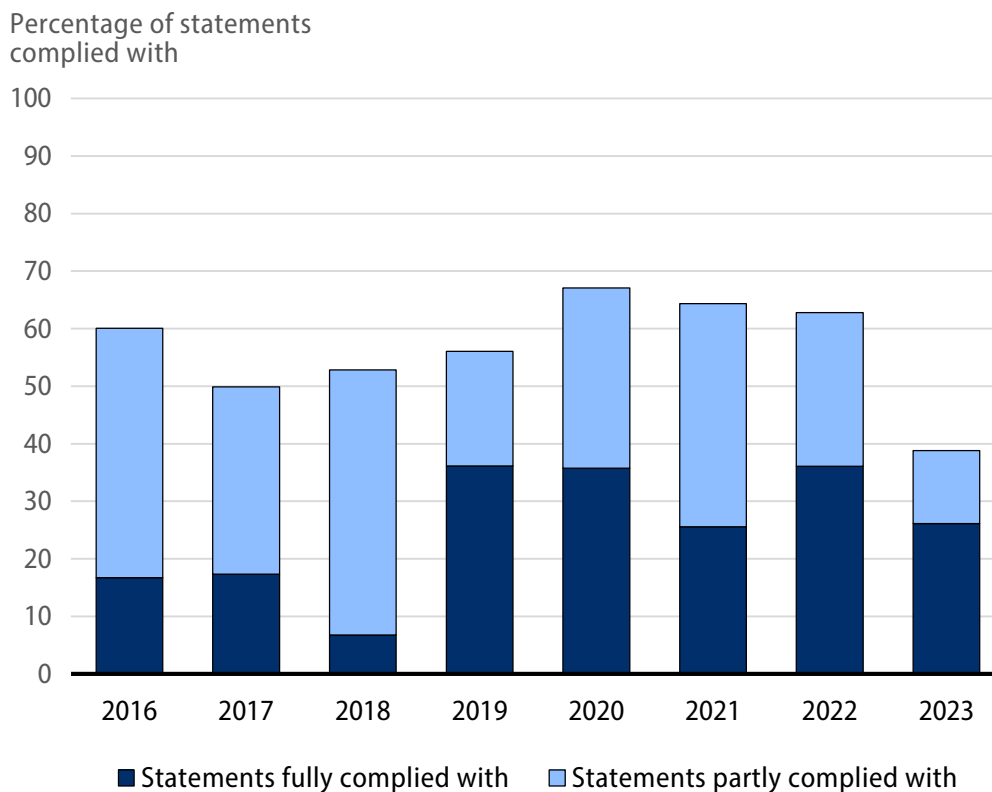
Ministries' ability to comply with the recommendations for improvements given in the Council's statements is also affected by the time allocated to legislative drafting. The Council strives to handle the draft government proposals as quickly as possible. In 2023, statements were processed in an average of eight working days, with a median processing time of nine working days. The processing time is calculated from the moment a ministry submits a draft proposal to the Council. As a rule, the members of the Council secretariat familiarise themselves in advance with the versions of all proposals during the consultation round before they are submitted to the Council for review. The draft proposal for compensation for electricity costs was processed in two days, which was the fastest processing time in 2023. Due to the exceptional urgency of the matter, the statement was processed by the Council under an accelerated procedure over one weekend¹⁷.

Figure 8 shows that compliance with the Council's recommendations decreased in 2023; final government proposals complied with about 40% of the recommendations. In previous years, around 60% of recommendations were complied with. The decrease in the compliance rate was probably due to the fact that the sample of 14 draft government proposals of the Council included five proposals with a zero compliance rate. The ministries submitted these proposals to Parliament before the Council had issued its statement on the draft proposals to the ministry. In other words, the ministry did not await the Council's statement, so

17 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for legislation on retroactive compensation for electricity costs and the extension of payment periods for electricity bills (VN/2881/2023-VNK-2).

it could not comply with the Council's recommendations for improvements. For this reason, the Council's statements were also communicated directly to the relevant parliamentary committee.

Figure 8. Compliance with recommendations included in the Council's statements 2016–2023.



The degree to which the recommendations of the Council's statements were complied with varied from proposal to proposal. The government proposal on the Emissions Trading Act submitted to Parliament fully complied with all the suggestions for improvement given in the statement¹⁸. This was positive, especially as it was a budget proposal. Of the recommendations in the statement on the real estate tax, 75% were fully complied with and 25% were partially complied with in

¹⁸ Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the Emissions Trading Act (VN/25784/2023-VNK-2).

the government proposal¹⁹. The proposal concerning the real estate tax was also a proposal to be discussed in connection with the budget proposal. Fewer than half of the recommendations of the Council's statement on the proposal on military discipline were fully complied with, and just over half were even partially complied with²⁰.

1.6 Lively interaction with administration and stakeholders

The Council considers dialogue with the administration, political actors, law enforcement and other stakeholders to be valuable. As in previous years, the Council Chairperson, Secretary General and the other secretariat met regularly with representatives of ministries and stakeholders. The secretariat participated in working groups dealing with better regulation and provided training to government law-drafters. In addition, the Ministry of the Interior, the Ministry of Economic Affairs and Employment, the Ministry of the Environment and the Ministry of Agriculture and Forestry invited the Council secretariat to discuss the Council's statements and the quality of the impact assessments. The Council Chairperson and the secretariat met with parliamentary committee councils. Dialogue with the Chancellor of Justice of the Government continued.

As an example of interaction, the Council held a meeting with the Public Sector ICT unit of the Ministry of Finance. The Council requested the meeting because it wanted to deepen its knowledge of the development of digitalisation in public administration, the assessment of the impact of data management and the assessment of the productivity effects related to digitalisation. In addition, the Council visited the Bank of Finland in the autumn and received an overview of the economic situation in Finland.

The Chairperson also gave presentations on the Council's operations and the Council's observations concerning impact assessments and took part in several discussion events. In addition, the Council Chairperson and the secretariat

19 Statement of the Council of Regulatory Impact Analysis to the Ministry of Finance on the draft government proposal to amend the Real Estate Tax Act (VN/27397/2023-VNK-2).

20 Statement of the Council of Regulatory Impact Analysis to the Ministry of Defence on the draft government proposal for the Act on Military Discipline and Combating Crime in the Defence Forces (VN/26412/2023-VNK-2).

participated closely in international meetings, both on-site and remotely. The Chairperson, together with the RegWachEurope network, met with Maroš Šefčovič, Vice-President of the European Commission, in spring 2023. Annex 2 describes the Council's interaction in 2023 in more detail.

In autumn 2022, the Council introduced a new practice in which the drafters of government proposals have the opportunity to discuss the statement with the Council's secretariat. Discussion had been possible before, but the Council wanted to encourage law-drafters to interact. Discussions with the secretariat are voluntary and informal. In 2023, no such discussions were requested.

The Council considers the feedback received from the ministries and law-drafters important and takes it into account in the development of its own operations. In February 2023, the Council conducted a survey of ministries on the appropriateness of the Council's statements. The results of the survey are described in more detail at the end of the annual review. In addition, the Council invited a drafter from the Ministry of Social Affairs and Health to one of its meetings to share their experiences with the Council's statement on a Union communication.

In its statements, the Council sought to focus on essential impacts. In addition, the Council stresses that the purpose of its statements is to not judge the success of the individual law-drafters but that of the ministries. The purpose of the statements is to improve the quality of impact assessments and the culture of legislative drafting.

The Council publishes its statements and related press releases in Finnish, with summaries in Swedish, on the Council's website. News items on statements are also published on the Government's X (formerly Twitter) account. In 2023, statements of the Council were the subject of some media and social discussion. For example, statements on compensation for electricity costs and social security changes were discussed in the media. The focus of the discussion was the speed and quality of the legislative drafting.

1.7 Council activities also of international interest

Active international cooperation continued in the field of better regulation in 2023. The Chairperson and representatives of the secretariat participated remotely in the OECD's and the EU's events on better regulation. The Chairperson and representatives of the secretariat travelled in person to only a few international events because of the Council's limited budget.

RegWatchEurope (RWE) is a network of the independent and autonomous councils of eight Member States. In the Council's view, the network's activities are important and useful, as they enable the participating councils to share best practices and learn from one another. In 2023, RWE was chaired by the Czech Republic, which organised two meetings for secretariats, two meetings for chairpersons, and five workshops. In addition, Sweden organised a Directors and Experts of Better Regulation (DEBR) conference, which the Council's Chairperson and a representative of the secretariat attended. DEBR is an unofficial European intergovernmental network for better regulation. Administration representatives, researchers and experts in better regulation are usually invited to the conference.

The RWE workshops covered, inter alia, ex-post evaluation systems in different countries. Based on the discussions, the councils are interested in reviewing ex-post evaluations, but the role of the councils in this is still unclear. In addition, there are practical problems in the review of ex-post evaluations, such as limited resources and the rather uneven quality of ex-post evaluations.

The link between innovation and regulation was also discussed in the workshops. There has been much debate over the role of regulation in promoting innovation in recent years. Based on workshop discussions, innovations are developing rapidly. In this case, ex-post evaluations conducted several years later will no longer be appropriate. For this reason, shorter evaluation cycles should be considered for ex-post evaluation of innovation impacts. In addition, the discussions emphasised that lessons should be learned from the experiences of other countries and institutions, so as not to repeat their mistakes. The Finnish guidelines for the assessment of regulatory impact on innovation were presented in one of RWE's workshops and were received with great enthusiasm.

The annual conference of the EU Regulatory Scrutiny Board (RSB) focused on the trends and challenges of impact assessment. The Chairperson of the Finnish Council of Regulatory Impact Analysis spoke at the conference, highlighting the similarities and differences between the activities of the Council and the RSB. One common feature is, for example, a holistic approach to impact assessments. However, there

are differences in the independence of the two bodies and in the timing of the publication of statements. In addition, the Chairperson spoke about the code of conduct prepared by the Council of Regulatory Impact Analysis for times of crisis.

At the conference, on behalf of RWE as a whole, the Chairperson of the Finnish Council expressed her concern that some EU legislative proposals have not been subject to any impact assessments. In such cases, the national impacts of the proposals are difficult to assess. The Chairperson also pointed out that, during the COVID-19 pandemic, some EU Member States introduced an accelerated legislative drafting approach, which has continued in some countries even though it is no longer necessary. The Chairperson's address garnered much positive feedback from the audience.

During 2023, several parties asked the Council to present its activities. The Council presented its activities to representatives of Georgia, Israel, the World Bank, Romania and Denmark both in person and via video link. The presentations went over the review principles and emphasised the independence of the operations. The presentations highlighted the Council's broad and holistic review focus. In addition to economic impacts, impacts are also assessed from a social and environmental perspective. Discussions revealed that the others sought ideas from the Council for the development and establishment of their own national systems.

2 Observations on legislative drafting quality in 2023

2.1 Urgency threatens legislative drafting quality

For several years now, the Council of Regulatory Impact Analysis has expressed concern that laws are being drafted in a constant rush. The Council most recently paid attention to this issue in its previous annual review. The urgency of legislative drafting did not decrease during 2023. The Council has also received for review government proposals where it was clear that urgency had a significant impact on the quality of the legislative drafting. Of course, it must be taken into account that urgency will continue to affect legislative drafting to some extent in some of the government proposals.

It is unfortunate that proposals of social significance are also prepared in a hurry. The Council draws attention to the fact that the preparation of legislative proposals with significant impact on the budget for the year following the election year is challenging due to the tight schedule. Comprehensive impact assessments take time to prepare, especially if combined impacts with other proposals need to be assessed.

According to the Council, urgency affects the quality of legislative drafting in that government proposals are reserved insufficient time for considering alternative ways to achieve the objective. In this case, it remains unclear what would actually be the most effective and best way to solve the problem from the point of view of the subjects of the regulation and the administration. It may increase the costs of regulation in society, if ineffective or ineffective regulation has to be changed quite soon after the entry into force of the act. In addition, inadequate weighing of alternatives weakens the acceptance of regulation in society. For example, a statement issued to the Ministry of Economic Affairs and Employment concerning the retroactive compensation for electricity costs reads as follows:

“The draft proposal leaves the impression that the allocation of the compensation on the basis of needs or income categories could not be determined due to political guidance and urgency. The Council draws attention to the fact that an exceptional rise in electricity prices has been expected since last spring with the rise of electricity futures prices, especially after Russia’s war of aggression. Political

*decision-making and senior public officials should have anticipated the future situation and assessed different scenarios and means for alternative solutions in a timely manner. The preparation could have utilised, for example, register-based information on households. In this case, the compensation could have been better targeted at the households that need it most, and not all forms of support might have been needed.*²¹

In the same statement, the Council also stated the following on the assessment of alternatives:

“The Council finds that the draft justifies why other alternatives are not appropriate. However, the comparison of the alternatives does not indicate which option would be the most appropriate and effective way for society to help consumers. The proposal does not make it clear whether, for example, the regulation on income support could have been changed. The proposal must also assess the alternative of not making any changes. The draft proposal does not explain why the increase in the price of electricity must be compensated for, regardless of whether it causes problems for households or not.”

The urgency also affects participation in legislative drafting and the adequacy of consultation. According to the consultation guidelines, 6–8 weeks should be reserved for the consultation on a government proposal. If the hearing of a socially significant government proposal only lasts for a few days or a week, relevant stakeholders and citizens will not have the opportunity to be heard regarding the matter. Even if stakeholders and citizens are aware that the regulation of a certain subject area will be changed in accordance with the objectives of the Government Programme, consultation still requires a sufficient amount of time. The proposed change only becomes concrete in the draft government proposal.

Providing a statement on the proposed regulation requires stakeholders and citizens to carefully familiarise themselves with the various parts of the government proposal, such as individual bills and their justifications. In addition, individual acts often have links to other regulation. If there is insufficient time for consultation, the consultation will not provide sufficiently detailed information on the impact, risks, enforceability or coherence of the proposed regulation.²²

21 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the legislation on retroactive compensation for electricity costs and the extension of the payment periods of energy bills (VN/2881/2023-VNK-2).

22 See e.g. Naundorf & Radaelli 2017, 203. Regulatory Evaluation Ex Ante and Ex Post: Best Practice, Guidance and Methods. In U. Karpen & H. Xanthaki (eds.) Legislation in Europe. A Comprehensive Guide for Scholars and Practitioners, pp. 188–213. Oregon: Hart Publishing.

For the key government proposals submitted during 2022–2023, the Council considered whether the consultation period was in line with the guidance provided in the consultation guide and whether a shorter consultation period was justified for the government proposal. A total of 67 government proposals for 2022 and 28 for 2023 were examined. In 2022, the consultation period was in accordance with the guidelines of the consultation guide in 46% of the government proposals examined, while in 52% the time reserved for the consultation round was shorter than the guideline. In 2022, only about 9% of the government proposals examined had a shorter consultation period than the guidelines.

In 2023, only 29% of the government proposals examined had a consultation round in accordance with the consultation guide, and about 11% had no consultation at all. It is noteworthy that only 41% of the government proposals justify the shorter consultation period. If the consultation round was skipped altogether, it was justified in every case. The shortness of the consultation period is somewhat explained by the fact that some of the government proposals were ancillary to the budget proposal. On the other hand, government proposals discussed in connection with the budget proposal are often of social significance, in which case a proper consultation is also important with regard to these legislative proposals.

During 2023, in seven of its statements on government proposals, the Council drew attention to the shortcomings in consultation and the handling of feedback. In its statements to the Ministry of Social Affairs and Health regarding the amendment of the housing allowance and the amendment of section 7a of the Act on Social Assistance, the Council stated the following on consultation:

“The consultation period for the draft proposal is clearly shorter than the guidelines. In a socially significant proposal, all relevant stakeholders and citizens should have sufficient time to comment on the matter, especially since no weighty reasons have been presented for the urgency of implementation.”²³

23 Statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend the Act on General Housing Allowance (VN/28066/2023-VNK-2) and statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend section 7a of the Act on Social Assistance (VN/28068/2023-VNK-2).

In its statement to the Ministry of Economic Affairs and Employment on the Emissions Trading Act, the Council also drew attention to consultation in the other national language:

"The Council finds that consultation provides essential information on the impact of the draft proposal, so it would be good to ensure that key stakeholders and other actors are actually able to comment on the draft proposal in Finnish and Swedish. Legislative drafting must also ensure that opinions in Swedish can be effectively taken into account in the continued drafting of the proposal."²⁴

Government proposals prepared in haste may also have shortcomings in the knowledge base used in the proposal, the current situation and description of the problem, as well as the comprehensibility of and justifications for the proposed change. In this case, the proposal does not provide a sufficient understanding of why the change is necessary and what problems it aims to solve. Haste leads, above all, to the inadequate preparation of various sections of the government proposal, in which case the impact assessment is subject to a great deal of uncertainty, the information base used is thin, the impact assessments are carried out superficially or the relevant types of impact are not assessed.

The Council considers that more attention should be paid to the social impact of the urgency of legislative drafting. Shortcomings in impact assessments of legislative proposals, consultation, the knowledge base and the identification of alternatives lead to significant societal decisions being made with incomplete information. Parliament and the experts it consults are burdened by having to carry out legislative drafting work belonging to the Government, such as the assessment of the combined impacts of regulations.

In addition, there is a risk that the most effective solution will not be used to solve the problem and the regulatory objectives will not be achieved through the proposed regulation. This may result in the regulation needing to be changed very soon after its entry into force. On the other hand, poorly drafted regulation can also lead to problems in the implementation and application of regulation. Poorly drafted regulation places a burden on those applying legislation and on the target groups of the legislation.

24 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the Emissions Trading Act (VN/25784/2023-VNK-2).

The challenge to legislative drafting may be increased by the fact that, when parliamentary terms change, policy objectives may not be implemented in the long term over several government terms. In this case, the regulation may be changed in the short term between one parliamentary term and another – without the necessary information on the impact of the changes already made.

The government programme and the scheduling of its implementation must be proportionate to the resources allocated to the ministries for legislative drafting. The Council is of the view that, in future, the quality, resourcing and prioritisation of legislative drafting should be given much more attention.

2.2 Impact assessments must be in line with the regulation-specific justifications

The main task of the Council is to issue statements on impact assessments. Thus, in its statements, the Council focuses on impact assessments, but the Council may, if necessary, also examine regulation-specific justifications from the point of view of impact assessments and the enforceability of the act. The regulation-specific justifications may sometimes describe changes that have not been opened elsewhere in the government proposal and the impact of which has not been assessed. During 2023, concerns were raised from time to time that the development of the quality of legislative drafting over the past few years had focused too much on impact assessments, giving insufficient attention to the quality of regulation-specific justifications. The Council agrees that the quality of the regulation-specific justifications is important and that they play a significant role in the successful implementation and application of legislation.

The Council finds that the impact assessments for government proposals must be in line with the regulation-specific justifications. In terms of assessing the impact of the government proposal, it is essential that the content of the proposed regulation is understandable, in order to outline how the regulation is to be applied and how the status quo will change. The regulation-specific justifications play an important role as a source of law as part of the preliminary work on the law and thus in the successful implementation of the law. The regulation-specific justifications are linked to impact assessments and the enforceability of the law in at least two ways.

First, if the provision-specific justifications merely repeat the proposed provisions, the reader will not receive sufficient information about the content and interpretation of the proposed law, changes to the status quo and possible links

to other legislation or internationally binding obligations. This makes it difficult to perceive the effects of the proposed law. A legal situation that is unclear and open to interpretation complicates the implementation and compliance with the law and may, due to the use of legal remedies, burden the supervisory authorities and the judiciary.

Secondly, if the provision-specific justifications do not contain practical examples that facilitate the application of the law, the effects of the change will not be sufficiently concrete for the subjects of the regulation. Stakeholders' ability to assess the impact of the proposed regulation may be impaired and there may be a risk that there is not sufficiently accurate feedback on the functioning of the provisions. Decision-makers' understanding of the importance and impact of the proposal package may also remain incomplete.

If necessary, the Council may pay attention to the regulation-specific justifications if they have a significant link to the impact assessments or if the regulation-specific justifications are not balanced with the rest of the proposal. The Council emphasises that a government proposal is an entity in which all sections must be in sufficient balance with each other. The quality of legislative drafting must be developed evenly, and the close connection between the different areas must be understood.

2.3 Improvements needed in assessment of fundamental and human rights impacts

Already in 2022, the Council underlined the need to pay attention to assessing fundamental and human rights impacts, pointing out that draft proposals fail to sufficiently explain how the draft proposal will improve, weaken or safeguard the realisation of fundamental and human rights. The Council continues to draw the attention of the Government to the need to improve the assessment of fundamental and human rights impacts. Many legislative projects have links to fundamental and human rights, and most regulation affects various groups of people in some way.

The Council emphasises that the justifications for the government proposal's order of enactment cannot replace the assessment of fundamental and human rights impacts, as these sections of the government proposal have different purposes. The concrete impacts of the proposal at the practical level on the realisation of fundamental and human rights must be discussed in the section concerning the main impacts of the proposal. The assessment of fundamental and human rights

impacts is a more concrete description of how the proposal affects the rights of individuals in practice at the everyday level compared, for example, to the grounds for the order of enactment. The assessment of fundamental and human rights impacts in legislative drafting is described in the guide of the Ministry of Justice²⁵. The guide in question describes in more detail the differences between the assessment and the grounds for the order of enactment.

The assessment of fundamental and human rights impacts requires diverse information on the implementation of fundamental and human rights in the current situation in legislative drafting. Such an assessment in legislative drafting also requires expertise in the content of fundamental and human rights. In addition to these, consideration of fundamental and human rights in the drafting of legislation is required, as well as an understanding of how fundamental and human rights limit the use of public authority and thus the drafting of legislation. In addition, it should be understood that active obligations to the legislator can also be derived from fundamental and human rights.

Pursuant to section 22 of the Constitution, the public authorities shall guarantee the observance of basic rights and liberties and human rights. The obligation requires that fundamental and human rights also play a key role in legislative drafting. Systematic review of fundamental and human rights in government proposals is therefore an important part of the implementation of fundamental and human rights. This sets a quality requirement for legislative drafting to assess the fundamental and human rights impacts of proposals.

The assessment of fundamental and human rights impacts is closely linked to the assessment of alternatives in proposals. In particular, if the proposal restricts or weakens the realisation of fundamental and human rights, the importance of presenting alternatives is emphasised. The proposal must justify why other alternatives that are less intrusive for fundamental and human rights are not available. It is necessary to recognise that the Government has an obligation to indicate in the government proposal the necessity and proportionality of weakening or restricting fundamental and human rights. These are difficult to present without an adequate impact assessment of fundamental and human rights.

25 Assessment of Fundamental and Human Rights Impacts in Law Drafting. Publications of the Ministry of Justice, Reports and guidelines 2022:15. <https://julkaisut.valtioneuvosto.fi/handle/10024/164464>.

The Council drew attention to the assessment of alternatives in its statement to the Ministry of Social Affairs and Health on the draft government proposal to amend the Act on General Housing Allowance:

“The draft proposal does not explain how the objectives of the draft proposal could be achieved, or the need for housing allowance in society reduced, by alternative means. The Council welcomes how the draft proposal openly highlights the fact that the entry in the Government Programme has limited the ministry’s ability to assess various regulatory options. However, the proposal should have dealt with alternative means in accordance with the Guidelines for Drafting Government Proposals. In addition, where possible, the assessment of the alternatives could have considered the impact on the target groups of the act of the alternative of not making any changes. Weighing the fundamental and human rights impacts of different alternatives should serve as a basis for choosing which alternative to implement. The draft proposal should have described the alternative that is considered to best promote the implementation of fundamental and human rights.”²⁶

In the assessment of fundamental and human rights impacts, the legal obligations related to fundamental and human rights are brought down to the level of everyday life and the potential effects of the proposal on people’s lives are analysed. The shortcomings in the assessment of fundamental and human rights impacts in draft government proposals have been related to, firstly, the failure of the impact assessment of the legislative project to identify the groups which the impact affects and, secondly, its failure to assess the impact on people’s everyday lives. Shortcomings in the assessment of fundamental and human rights impacts lead to not knowing how the proposal will affect the realisation of fundamental and human rights. This also makes it difficult to assess the constitutionality of the proposal and its compliance with international human rights conventions.

In 2023, the Council of Regulatory Impact Analysis drew attention to the assessment of fundamental and human rights impacts in just over half of the statements it issued. The most attention was paid to the government proposals of the Ministry of Social Affairs and Health related to changes in social security. For example, in a statement given to the Ministry of Social Affairs and Health on the amendment of the Act on Social Assistance, the Council stated the following on the assessment of fundamental and human rights impacts:

26 Statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend the Act on General Housing Allowance (VN/28066/2023-VNK-2).

“The draft proposal should have included an estimate of how the proposed amendment will affect the implementation of human rights conventions and constitutional rights that are essential for the draft proposal. At the same time, an analysis should have been presented of how the proposal will affect the position of vulnerable people, especially in situations where, despite their own efforts, it is difficult for them to find work or more affordable housing.”²⁷

The Council has also drawn attention to the assessment of fundamental and human rights impacts from the perspective of property protection, privacy and personal integrity in a statement issued to the Ministry of Defence in connection with military discipline and combatting crime in the Defence Forces:

“The Council finds that the proposal should describe the fundamental rights that are central to the proposal in more detail and how the key proposals in the proposal affect the realisation of these fundamental rights. The use of enforcement measures and covert means of obtaining information interferes with people’s fundamental rights (such as personal integrity, privacy and property protection). The Council recalls that the justifications for the order of enactment of the draft proposal cannot replace the assessment of the fundamental and human rights impacts of the proposal.”²⁸

In addition, attention was paid to the protection of domiciliary peace in a statement issued to the Ministry of the Interior in connection with the Act on Fire Safety Equipment:

“The chapter of the draft proposal on the order of enactment shows that the draft proposal has links to the protection of domiciliary peace. The Council finds that the draft proposal leaves it unclear how significant the changes in the maintenance and inspection of fire safety equipment in residential apartments are compared to the current situation. What is the potential impact on occupants and domiciliary peace?”²⁹

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- 27 Statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend section 7a of the Act on Social Assistance (VN/28068/2023-VNK-2).
- 28 Statement of the Council of Regulatory Impact Analysis to the Ministry of Defence on the draft government proposal on military discipline and combatting crime in the Defence Forces (VN/26412/2023-VNK-2).
- 29 Statement of the Council of Regulatory Impact Analysis to the Ministry of Defence on the draft government proposal for an Act on Fire Safety Equipment (VN/32276/2023-VNK-2).

2.4 Meaning of combined impacts

On several occasions during 2023, the Council paid attention to the assessment of combined impacts. Slightly fewer than half of the statements related to the draft government proposals paid attention to combined impacts. Combined impacts received public attention in late 2023 after the government submitted several government proposals related to social security to Parliament. In the discussion of combined impacts, cumulative effects and overall effects also emerged. There is no established definition of the terms, and they may be used in different meanings.

For example, a publication of the Forum for Environmental Information described the significance of combined impacts³⁰. The publication stated that there is no precise definition for the combined impacts of legislation. The assessment of combined impacts may focus on striving to identify how the acts together affect the coherence of legislation. Legislation is based on a number of objectives, in which case the impact of one act on the achievement of the objectives of another act can be examined through combined impact assessment. Combined impacts between several regulatory reforms may also arise if several successive amendments to the same act result in multiplier effects, that is, effects that would not arise from an individual amendment alone.³¹

Combined impacts can refer to the overall effect of different acts. In this case, the acts are not interdependent but affect the same phenomenon or goal. Amendments to one act may also indirectly affect the achievement of the objectives of another act. Acts can also affect each other, in which case changes in an individual act will affect another act. Combined impacts can also arise from the actions and reactions of different parties in the implementation of legislation and acts, in which case the combined impact is the sum of the actions and reactions of the different parties.³²

30 Lakien yhteisvaikutustenarvointi parantaa lainsäädännön laatua ("Combined impact assessment of acts improves quality of legislation") [Forum for Environmental Information 1/2021](#).

31 Forum for Environmental Information 2021, pp. 3.

32 Forum for Environmental Information 2021, pp. 5.

The European Commission's Better Regulation toolbox mentions cumulative cost assessments (CCAs) and provides guidance on how to assess cumulative impacts, albeit from an economic perspective.³³ Cumulative effects can refer to the impact of a long-term event on a specific issue³⁴. The effects have a temporal dimension, during which the effects accumulate. Cumulative effects are often assessed from an environmental perspective³⁵, also taking into account health-related and social aspects³⁶.

Cumulative environmental impacts have been addressed in scientific research. For example, Bram Noble's article on cumulative environmental impacts states that there is no universal definition of cumulative impacts and recognises that definitions of cumulative impacts vary.³⁷ The first formal reference to the cumulative impacts of environmental assessment provisions was in the United States National Environmental Policy Act, which defined cumulative effect as an impact on the environment that results from the incremental impact of the action when added to other past, present and reasonably foreseeable future actions³⁸.

Cumulative impacts can consist of individual small changes that become significant effects over time. This definition has affected perceptions of cumulative impacts.³⁹ Cumulative impacts, related research literature and examples have been discussed in Finland, for example in the publication of the Ministry of the Environment:

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- 33 European Commission. Better Regulation Toolbox 2023, pp. 514. Better Regulation: guidelines and toolbox. Website. Cited 19 January 2024. https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en.
- 34 Cumulative effect. Website. Cited 21 December 2023. Merriam-Webster.com Dictionary, Merriam-Webster, <https://www.merriam-webster.com/dictionary/cumulative%20effect>.
- 35 See e.g. Noble, Bram. "Cumulative Impact Assessment", in K. Hanna (ed.) Routledge Handbook of Environmental Impact Assessment, 2022, Abingdon: Routledge, pp. 42–59.
- 36 See e.g. Website. Cited 21 December 2023. [International Finance Corporation of World Bank Group 2013. Good Practice Handbook on Cumulative Impacts Assessment and Management: Guidance for the Private Sector in Emerging Markets.](#)
- 37 Noble, Bram. "Cumulative Impact Assessment", in K. Hanna (ed.) Routledge Handbook of Environmental Impact Assessment, 2022, Abingdon: Routledge, pp. 42–59.
- 38 The United States National Environmental Policy Act, The United States' Council on Environmental Quality, US-CEQ 1978: "*a cumulative effect (referred to as cumulative impacts) as an impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions and that cumulative impacts can result from individually minor, but collectively significant, actions taking place over a period of time.*"
- 39 Noble 2022, pp. 43.

The rights of the Sámi as an indigenous people and impact assessment concerning the Sámi culture in a procedure under the Act on Environmental Impact Assessment Procedure.⁴⁰

Cumulative environmental impact assessment has presented different perspectives on the methods of the impact assessment. In addition, it has been pointed out that the cumulative impact assessment has not sufficiently adopted a cumulative approach.⁴¹ For example, it has been suggested that almost all impacts can be cumulative. Extreme thinking would force people away from the project-specific review of impact assessment, allowing for cumulative impact assessment.⁴²

Cumulative impact assessment is essential for the assessment of legislative projects related to the environment, and the assessment of cumulative impacts is likely to be emphasised in the future. For example, the climate crisis, the digital transition, security threats and pandemics have made the world more complex, and require long-term solutions that also have long-term and cumulative impacts. The rights of future generations are closely linked to fundamental environmental rights and sustainable development. On the other hand, the need has also emerged for foresight on human rights⁴³.

The methods of cumulative impact assessment and the significance also for non-environmental impact assessment should be considered. A cumulative approach could also be applied to the assessment of other impact types or to the planning of combined impacts, foresight and impact assessments for future generations. However, the impact assessment of legislative projects should focus on essential impacts and limit the field of assessment. Nevertheless, a cumulative mindset allows the initiation of impact assessment and better identification of the wider impacts of the project. In this case, relevant impact chains and cumulative impacts can be identified and assessed in more detail.

40 Heinämäki, Markkula & Saijets 2023, pp. 302-314.

41 A. John Sinclair, Meinhard Doelle, Peter N. Duinker, Looking up, down, and sideways: Reconceiving cumulative effects assessment as a mindset, *Environmental Impact Assessment Review*, Volume 62, 2017, pp. 183–194, ISSN 0195-9255, <https://doi.org/10.1016/j.eiar.2016.04.007>; Lauren M Arnold, Kevin Hanna & Bram Noble (2019) Freshwater cumulative effects and environmental assessment in the Mackenzie Valley, Northwest Territories: challenges and decision-maker needs, *Impact Assessment and Project Appraisal*, 37:6, pp. 516–525, DOI: [10.1080/14615517.2019.1596596](https://doi.org/10.1080/14615517.2019.1596596).

42 Sinclair, Doelle & Duinker 2017, pp. 184.

43 Sivonen 2023. Report on human rights foresight, resilience and preparedness during transformations in society (in Finnish). [Publications of the Human Rights Centre 4/2023](#).

A combined impact is the joint effect of two or more factors. However, 'cumulative effect' is not fully synonymous with 'combined impact.' Of course, the concepts have a lot in common, but combined impacts can be thought to have a shorter time span. The Guidelines for Impact Assessment in Law Drafting do not define combined or aggregate impacts or cumulative impacts. The following is stated on combined impacts on page 13 of the guidelines:

It is also important to assess possible links between impact types. For example, the project may have significant economic and environmental cross-cutting effects. The same impact can be associated with different types of impacts. It may be necessary to assess types of impact in parallel, taking into account such things as the combined impacts of social, economic and ecological factors of wellbeing.

The following is stated on cumulative impacts on page 14 of the guidelines:

Combined impacts with other projects should also be considered as far as possible. For example, the impacts may be cumulative, with the impacts of previous changes being intensified by a later project. Significant combined impacts with other projects may arise, for example when the impacts of different projects affect the same target groups.

In its statements on, for example, unemployment security, housing allowance and social assistance, the Council drew the attention of the Government to the fact that the combined impacts of legislative proposals should be assessed before government proposals are submitted to Parliament. Combined impacts should be assessed in such a way that the results of the combined impact assessment can already be used in the consultation phase of the drafting process. Only in this way can stakeholders and citizens be informed about the proposed change and form an overall picture of its impacts.⁴⁴

To be able to assess combined impacts, ministries must identify the projects being prepared in the ministry and their potential effects on each other. In addition, they must take into account projects being prepared in other ministries and cooperate

44 Lainsäädännön arviointineuvosto sosiaaliturvamuutoksista: merkittävien uudistusten valmisteluun varattava aikaa ja resursseja ("Council of Regulatory Impact Analysis on social security changes: allocate time and resources for the preparation of significant reforms"). Website. Cited 21 December 2023. <https://vnk.fi/-/lainsaadannon-arviointineuvosto-sosiaaliturvamuutoksista-merkittävien-uudistusten-valmisteluun-varattava-aikaa-ja-resursseja>.

with them as needed. The Council considers that particular attention should be paid to this issue in large-scale projects that may have combined impacts across project or ministry boundaries.

The Council drew attention to the combined impacts of environmental and business impacts in a statement issued to the Ministry of Economic Affairs and Employment concerning the Emissions Trading Act:

“The Council finds that the draft proposal should, as far as possible, assess the combined impacts of the proposal with other proposals relevant to the Fit for 55 package. According to the draft proposal, for example, when assessing the costs of flying and the competitiveness of airlines, it is justified to take into account the initiatives of the Fit for 55 package more extensively than in regard to emissions trading. Might the proposals overlap in some respects and increase the reporting obligations of operators?”⁴⁵

In the statement of the Council to the Ministry of Social Affairs and Health relating to the amendment of the Alcohol Act, the comments on the combined impacts were related to several legislative amendments concerning the alcohol trade. It is common for legislative changes related to the same topic to be made in several different packages, which creates a risk that the combined impacts of the changes will not be sufficiently well perceived:

“The Government Programme specifies several legislative amendments related to the opening of the market and increasing competition in the alcohol trade. In the Council's view, implementing the entries in the Government Programme in several separate projects makes it difficult to perceive combined impacts. This point of view is also raised in the statement feedback provided on the draft proposal.

“The Council considers that the combined impacts of other legislative amendments concerning the alcohol trade in the Government Programme should be assessed in more detail in connection with the proposals submitted later.”⁴⁶

45 Statement of the Council of Regulatory Impact Analysis to the Ministry of Economic Affairs and Employment on the draft government proposal for the Emissions Trading Act (VN/25784/2023-VNK-2).

46 Statement of the Council of Regulatory Impact Analysis to the Ministry of Social Affairs and Health on the draft government proposal to amend sections 17 and 26 of the Alcohol Act (VN/34358/2023-VNK-2).

The assessment of combined impacts is relevant for the assessment of the alternatives of legislative proposals. It is important to assess combined impacts in order to identify the common impacts of several projects in a timely manner. Similarly, different regulations may have an impact on, for example, a certain group of people, the environment or the administrative burden of companies, in which case it is important to form an overall picture of the impact of the change by target group.

If legislative projects identified combined impacts in time, it would be possible to choose the regulatory measures that are most effective in terms of the objectives of the legislative projects and, on the other hand, the significance of the impacts at the level of the everyday life of different target groups could be ensured and monitored. In addition, combined impact assessments can be used to determine the effects of different legislative projects on the achievement of each other's objectives and avoid regulations that damage the coherence and comprehensibility of the legislative package.

View of the Council

In the view of the Council, combined impacts can refer to the impacts of different acts together on a target group or phenomenon. Combined impacts can be related to regulation by several different ministries and the combined impacts created by these acts, but also to the combined impacts of the acts issued by a single ministry. Combined impacts may not occur for all types of impact of legislation.

Overall impacts can refer to all the indirect and direct impacts of a single project or several projects. For example, we can ask what all the indirect and direct impacts of the legislative project by type of impact are, for example, on children or businesses.

Cumulative impacts can mean the combined impacts of several individual actions over time on a condition or phenomenon.

3 Observations on impact assessments of EU regulation

3.1 Schedules pose challenges for national impact assessments

A significant number of government proposals are linked to EU regulations. In addition, some EU regulations adopted are directly applicable legislation, so EU-based proposals have a significant impact on Finland's legislative base, which is why it is important also to pay attention to the impact assessments of EU-based proposals.

The EU legislative process has multiple stages, during which the impact of a legislative proposal is also assessed. At the beginning of its term, the European Commission typically sets the priorities on which its five-year legislative work is based. Laws are proposed by the European Commission, and the proposals are then submitted to the Council of the European Union and the European Parliament for consideration and decision. Before proposing a law, the Commission also consults stakeholders, such as non-governmental organisations, local authorities and representatives of various industries and civil society. The Commission prepares a report on the impacts of the proposal. The quality of each assessment report is reviewed by the Regulatory Scrutiny Board (RSB), which issues a statement on the report. The legislative project will only proceed if the statement is positive.⁴⁷

The European Parliament and the EU Council evaluate the legislative proposals submitted by the European Commission and suggest amendments to them. In practice, legislative negotiations between the Council and Parliament take place in trilogues, in which the Commission also participates. The aim is to find a compromise between the different views of the Council and Parliament. In the trilogues, the Presidency of the Council negotiates on behalf of the Member States, while Parliament's negotiator is the presenting official.⁴⁸

47 How EU policy is decided. Website. Cited 19 January 2024. https://europa.eu/european-union/eu-law/decision-making/procedures_fi.

48 How EU policy is decided. Website. Cited 19 January 2024. https://europa.eu/european-union/eu-law/decision-making/procedures_fi.

The European Commission may not be able to consider the specific circumstances or needs of an individual Member State in its impact assessments. The impact assessments typically focus on average impacts for all Member States, so the assessments may differ significantly from Finnish conditions. For example, Finland's long distances, rurality, cool climate or even its dependence of foreign trade on shipping are factors that may significantly affect the impacts of a legislative proposal. Member States are therefore encouraged to provide material on the national impacts of projects. For this reason, it is important for Finland to exert advance influence on EU legislative projects and their impact assessments.

Once the European Commission has submitted its legislative proposal, the Parliament of Finland must be informed within six weeks of the content of the legislative proposal. The Government provides Parliament with information on EU matters through Union communications, Europe communications and foreign and security policy documents.⁴⁹ Preparing a Union communication is usually a hectic process in which impact assessments are a small part of the whole. The presenting official therefore does not have time to carry out a thorough impact assessment within the timeframe of approximately six weeks. During the preparation of a Union communication, it may also have taken time to form Finland's position, so it has been the focus of attention.

EU legislative projects undergo more changes after the European Commission's proposal than government proposals. EU projects may also involve plenty of advance lobbying, so the European Commission's proposal may differ from what was expected beforehand. The content of EU legislative projects may also involve surprises in the final stages of the tripartite negotiations between the European Commission, the Council of the European Union and the European Parliament. The surprises of EU legislative work also pose challenges for national impact assessment.

49 Union communications are prepared on matters to be decided by the EU which, due to their content, would fall within the competence of Parliament if Finland were not a member of the EU. These matters may relate to legislation or to Parliament's budgetary power or powers related to international treaties. Union communications are adopted at government plenary sessions. The communication describes the essential content of the EU's proposal and the Government's position on the matter.

3.2 Union communications and government proposals contain similar areas for improvement

In spring 2023, the Council reviewed a total of 10 Union communications and any related follow-up communications. The Union communications were selected for review on the same principle as draft government proposals: due to the project's social and economic importance. In its assessment of Union communications, the Council drew attention to the items listed below.

Questions used in the review of Union communications

1. How has the phenomenon or problem to which the reform responds been described?
2. Does the phenomenon or problem affect Finland? How important is the issue for Finland?
3. What are the objectives of the reform and does Finland have specific objectives of its own?
4. Are there any significant benefits, disadvantages or consequences for Finland?
5. Which parties, groups of people or companies will be affected by the reform?
6. What is the envisioned scale of change?
7. What is the national margin of discretion, and how will it be used and on what basis, if it is possible to assess it at the time?

The Council did not expect Union communications to provide as detailed a description of the suggestions and impacts as draft government proposals. Union communications are usually prepared within a short time frame and processed in a more unfinished way than government proposals, so the impacts cannot be assessed very accurately, either. In addition, no standard appraisals were issued for statements concerning Union communications. The purpose of the Council's assessment was to make recommendations for continued drafting.

In the Council's view, the main elements of the Commission's proposals were, as a rule, well described in Union communications. Finland's positions were usually clearly presented, and the points problematic for Finland were described well on average. The basis, objectives and key suggestions of the proposal were generally well understood. The Council also welcomed the fact that the Union communications were concise and informative entities. There were some quantitative estimates in the impact assessments, and they generally gave an idea of the scale of the issue at hand. The Council's statement to, for example, the Ministry of Finance on the Union communication on making public capital markets in the Union more attractive for companies welcomed the fact that the impact on companies was discussed from a national perspective and the impact assessments also included estimates in euros.⁵⁰ For example, the statement of the Council to the Ministry of Transport and Communications on the Union communication related to the development of the EU-wide transport network stated the following:

"The Council finds that the communications give a good idea of the background, content, objectives and preliminary effects of the proposal. The Council finds that the communications identify essential types of influence."⁵¹

However, many of the Union communications showed that the ministries had not been able to assess the impacts very accurately while the negotiation process of EU legislation was ongoing. The Council found similar areas for improvement in almost all of the Union communications it dealt with. The short drafting time for Union communications may have contributed to the fact that almost every statement declared that the main benefits and costs must be specified in continued drafting.

In particular, the business effects remained partly unclear in almost all Union communications. For example, there were uncertainties about which companies would be bound by the proposed regulation or directive and what kind of concrete changes companies would face. In addition, the proposal's national margin of discretion was often unclear. The inaccuracy of the Commission's proposal and the

50 Statement of the Council of Regulatory Impact Analysis to the Ministry of Finance on the government communication to Parliament on the Commission's proposal for a Regulation to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises (VN/16079/2023-VNK-2).

51 Statement of the Council of Regulatory Impact Analysis to the Ministry of Transport and Communications on the government communication and follow-up communication to Parliament on the Commission proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network (VN/11863/2023-VNK-2).

incompleteness of the processing of the case could have partly been behind these development needs. For example, the statement of the Council on the regulation on packaging waste drew attention to the scope of the regulation:

“Under the proposal for a regulation, Member States could exempt micro-enterprises from the requirement to reuse the catering packaging of restaurants and cafes. The Council finds that further preparation of the matter should describe, as a guideline, the proportion of companies actually affected by the regulation if micro-enterprises are excluded from the proposal.”⁵²

The use of diagrams and tables in Union communications was very limited, although in many cases they would have been illustrative and made the proposal more comprehensible. Slightly more than half of the Union communications unclearly described the prevailing situation, the need for change or the problem to be solved with the proposal. The Commission’s proposals were often related to a broader whole, but not all Union communications indicated the whole related to the subject being regulated, which could make it difficult for those unfamiliar with the subject to understand the proposal. A few statements of the Council recommended the assessment of combined impacts with other parallel EU legislative proposals.

The Council reviewed a small sample of all Union communications issued last year, so the findings of the Council on Union communications may not be more widely generalisable. On the other hand, the Council observed very similar areas for improvement in Union communications and draft government proposals. There is often room for improvement in the identification and description of the national margin of discretion, as well as in the presentation of the scale of phenomena and how the impacts are specifically targeted at different actors. Based on this, it is possible that the findings of the Council on areas for improvement could more broadly represent the shortcomings of the Union communications.

52 Statement of the Council of Regulatory Impact Analysis to the Ministry of the Environment on the government communication to Parliament on the proposal for a regulation of the European Parliament and of the Council on packaging and packaging waste (VN/15921/2023-VNK-2).

3.3 National impacts not assessed in time

According to the Guidelines for Impact Assessment in Law Drafting (2022), the early identification of projects that are important for Finland, assessment of a project's national impacts, submission of assessments to the Commission, exerting advance influence on the Commission, the European Parliament and the Presidency of the Council, as well as cooperation with like-minded Member States all contribute to achieving Finland's objectives. The above-mentioned guidelines state that national impact assessments carried out at a sufficiently early stage also support the exertion of advance influence on the content of the legislative proposal.

At the beginning of 2024, a government resolution was issued on the exertion of advance influence within the EU and the proactive formulation of positions on EU affairs.⁵³ The operating model outlined in the resolution aims to influence EU projects in preparation in advance. With the resolution, EU influence will become a key priority for each ministry. Exerting advance influence also involves influencing the Commission's annual work programme and broader policy entities.

The purpose of exerting advance influence is to raise substantive issues that are relevant at national level, as well as the national impacts arising from the legislative proposal, when preparing the EU legislative proposal. In principle, the strong exertion of advance influence in EU matters has been considered important in Finland but, in practice, it often takes place too late. The exertion of advance influence often focuses on the processing phase of an EU legislative proposal when instead it should take place during the preparatory phase of the legislative proposal. In an ideal situation, the exertion of advance influence should take place, for example, at the preparatory stage of the Commission's annual work programme or various EU strategies, that is, before the law is even proposed.

In the view of the Council, there should already be a reasonably good understanding of the impact of the most important EU legislative proposals when the matter is being negotiated – or preferably even before the European Commission submits the legislative proposal. Impact assessments are an essential part of the exertion of advance influence. In practice, there are two natural stages for carrying out impact assessments: before the European Commission submits the proposal, at which point it may have an impact on the content of the proposal, and after the Commission submits the proposal, at which point its impact can be assessed.

53 [Government resolution on the exertion of advance influence within the EU and the proactive formulation of positions on EU affairs – Valto](#). Publications of the Finnish Government 2024:1.

The good thing about the first option is that exerting influence on the European Commission is more successful the sooner it starts. Impact assessment at a very early stage can be a challenge if the proposal has not yet been submitted. Until the European Commission submits the proposal, it is impossible to know how the legislative proposal will develop.

The good thing about the latter option is that the impact of a proposal that has already been submitted can be assessed. The exertion of influence is still possible at this stage, but the need to carry out a national impact assessment is urgent. The preparation of the impact assessment should start immediately after the European Commission's proposal, and the assessment should be completed as soon as possible so that the assessment can be used in the exertion of advance influence. Doing assessments on a tight schedule may be challenging, and there should be resources to carry out assessments practically as soon as a proposal is submitted. If national exertion of influence and impact assessment focus on the negotiation phase of EU legislation, Parliament will not be able to take a full position on the matter during the negotiation phase due to insufficient impact assessments.

The Council gives its assessment on Union communications at the stage where they have already been submitted to Parliament, at which point it is too late to adjust their impact assessments. However, the timetable for submitting Union communications to Parliament is so tight that it is practically impossible for the Council to issue its assessment before Parliament's deliberations. In the Council's view, the statements are still relevant even if the Union communications have already been submitted to Parliament. The findings of the Council on shortcomings in impact assessments provide guidance to ministries for continued drafting. The views of the Council can be taken into account, for example in follow-up Union communications, which will potentially improve Parliament's access to information.

Cooperation within RegWatchEurope (RWE) has been considered in the review of EU legislative proposals and their impact assessments. Some RWE Member Councils issue statements on EU legislative proposals and their impact assessments. However, cooperation may be challenging due to the fact that the RWE member councils that issue statements on EU legislative proposals and their impact assessments issue them at different stages of the EU legislative process and from different perspectives. There is no single established format for the review. The Council has considered how it could improve the review of EU-based proposals in the future. The handling of EU matters by the Government sets a certain framework within which the Council can operate. The Council will continue to work on the matter in 2024.

4 Council views and initiative for 2024

4.1 Essential impacts of government proposals to be summarised

According to the Guidelines for Drafting Government Proposals, a government proposal must also include a section on the primary impacts of the proposed legislation. If a separate report is prepared on the impact assessment, a summary of the assessed impacts can be written in the proposal.⁵⁴

It is important to have a clear overview of the impacts of government proposals. In the statements it issued in 2023, the Council paid a great deal of attention to factors facilitating the understandability of proposals and the perception of the subject matter, such as summaries, tables and figures. These themes received the highest number of statements containing positive feedback. In the statements issued in 2023, shortcomings in the comprehensibility of a proposal were often associated with difficulties in discerning its objectives and suggestions.

When presenting an issue related to the submission of a government proposal to the Government plenary session, the condensed main parts of the impacts are marked on the cover page of the list.⁵⁵ However, when the government proposal proceeds to Parliament, the cover page is not delivered to Parliament.

In addition to safeguarding Parliament's right to information, the Council considers it important to transmit information in an easily understandable and comprehensive form. In a flood of information, decision-makers should be able to

54 Hallituksen esitysten laatimisohteet ("Guidelines for Drafting Government Proposals"), IV 4.2 Website. Cited 18 January 2024. <http://helo.finlex.fi/iv-hallituksen-esityksen-perusrakenne/sisallys/#jakso-4-2-paaasialliset-vaikutukset>.

55 Valtioneuvoston esittelijän käsikirja ("Handbook for presenting officials of the Government") 1/2017, pp. 48. Website. Cited 18 January 2024. https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/79183/Esittelijan_opas_250117.pdf?sequence=1&isAllowed=y.

get a quick and easy overview of the essential impacts of proposals. In extensive government proposals, the relevant information is easily lost in the details, so the use of summaries could bring out the most relevant information.

The Council considers it important that Parliament has the necessary and sufficient information for decision-making. The information must be in such a form that it enables even someone unfamiliar with the matter to easily grasp it. Impact assessments are an essential part of the data set on the basis of which decisions can be made.

Initiative: Essential impacts in the summary

The Council proposes to the Government a development initiative where a summary of the objectives, key suggestions and essential impacts of the proposal about a page long would be added or appended to government proposals. The summary could be, for example, a table with a quantitative and/or qualitative assessment of the costs and benefits for businesses, the public sector and households. The table would also describe in detail other material types of influence.

4.2 Administrative burden to be considered as a whole

The European Commission has a long history of promoting better regulation and reducing administrative burdens. In its 2021 Better Regulation Communication, the Commission presented the introduction of the “one in, one out” principle as one approach to promoting better regulation.⁵⁶ The principle system was implemented in 2022. Its aim is to draw attention to the impact and costs of applying legislation,

⁵⁶ Better regulation Joining forces to make better laws. Communication from the Commission to the European Parliament, the Council, the European and Social Committee and the Committee of the Regions 2021, pp. 9. Website. Cited 18 January 2024. https://commission.europa.eu/system/files/2021-04/better_regulation_joining_forces_to_make_better_laws_en_0.pdf.

especially for SMEs. The “one in, one out” principle is also reflected in the impact assessments of EU legislative projects. The EU Regulatory Scrutiny Board (RSB) reviews the principle in its statements as part of impact assessments.⁵⁷

The programme of Prime Minister Petteri Orpo’s Government includes several entries related to deregulation and the reduction of administrative burdens in different administrative sectors. For example, the Government has committed to dismantling at least 300 norms that are detrimental to businesses and citizens during the government term. The Government is also committed to ensuring that the administrative burden on companies does not increase during the Government term.

The Government has outlined that the “one in, one out” principle will be applied in the Government as of 1 February 2024. The principle will apply throughout the government term. The “one in, one out” principle means that all government proposals that make changes to the obligations of companies are evaluated in euros for the impact on the administrative burden as part of the normal legislative drafting process.

While the “one in, one out” principle applies to all ministries, it does not apply to the minimum implementation of EU directives or regulations, nor to the national implementation of international conventions. Administrative burden is assessed using a regulatory burden calculator developed by the Ministry of Economic Affairs and Employment.⁵⁸ The principle has previously been tested at the Ministry of Economic Affairs and Employment since 2017 and in several different regulatory projects of different ministries between 2019 and 2023.

In January 2024, the Ministry of Economic Affairs and Employment set up a steering group to coordinate the implementation of the principle and an inter-ministerial network of experts at the technical level. The network’s task is to ensure that all relevant legislative projects of national origin are able to assess, at minimum, the direct impact on the administrative burden on companies, and to report on these effects on an annual basis. The steering group has a representative from the Council secretariat as a permanent expert.

57 Regulatory Scrutiny Board Annual Report 2022, pp. 33. Website. Cited 18 January 2024. https://commission.europa.eu/system/files/2023-05/RSB_2022_1.pdf

58 The regulatory burden calculator is an Excel tool based on the Standard Cost Model for business impact assessment and administrative burden calculation.

In its previous annual review, the Council pointed out that impact assessments of legislative projects should monitor the regulatory costs incurred by companies and that the regulatory burden calculator of the Ministry of Economic Affairs and Employment is a functional tool for this. The Council finds that in reducing the administrative burden, it is important to look at regulation as a whole. Reduction measures on individual regulations may have unforeseen or indirect effects on the functioning of regulation or on non-regulated items.

In its review of draft government proposals, the Council will continue to pay attention to business impact assessments and the assessment of reducing administrative burdens. In its statements, the Council has relatively often reminded ministries of the use of the regulatory burden calculator in the calculation of the administrative burden of companies in euros. The Council further proposes the consideration of whether the regulatory costs of the administrative burden for citizens should be assessed. This means the time spent on, for example, providing various types of information or dealing with authorities. For instance, the costs and benefits assessment included in the European Commission's Better Regulation tools can also consider the citizen's perspective.⁵⁹

4.3 Development of Council activities

In the summer of 2023, the Secretary General of the Council discussed the development of the Council's activities with each member of the Council (including the Chairperson) and the permanent expert. Based on the discussions, the members of the Council were satisfied with the Council's activities and its social significance. The members of the Council considered statements to be the main contribution of the Council's work. The members of the Council considered that statements should be developed in the future, even though they are already comprehensive and of uniform quality.

The Council outlined that, in future, its statements will be slightly shorter, in some places more in-depth, and focused on the most relevant impacts. The Council decided that the specific expertise of each member of the Council will be better utilised in the preparation of future statements. In addition, it was agreed that more draft government proposals will be presented to the Council at meetings. The

59 European Commission. Better Regulation Toolbox 2023, pp. 503–504. Better Regulation: guidelines and toolbox. Website. Cited 18 January 2024. https://commission.europa.eu/system/files/2023-09/BRT-2023-Chapter%208-Methodologies%20for%20analysing%20impacts%20in%20IAs%20evaluations%20and%20fitness%20checks_0.pdf.

Council decided that EU-based legislative proposals will be further discussed and appropriate approaches will be considered. The Council considered it important that the benefits and costs of digitalisation – in other words, whether digitalisation will achieve the benefits originally intended – be addressed in more detail. In addition, the Council considered it important to further improve awareness of its activities. The Council decided to provide more information on its activities to the media.

In addition to statements, the Council considered the annual review to be an important publication that brings together observations on key impact assessments, as well as legislative drafting findings that cannot be recorded in the statements. The annual review thus serves as a broader review of the Council's impact assessments and legislative drafting.

European Parliament elections will be held in summer 2024. The work of the Council will be influenced by the new Commission, which will start its work during 2024. The new Commission Work Programme will have an impact on the type of legislative proposals that can be reviewed by the Council in the coming years.

In the autumn of 2023, the RegWatchEurope network launched a study related to the implementation of the EU General Data Protection Regulation (GDPR) in the RWE member states and an assessment of the regulatory burden caused by the GDPR. The purpose of the study is to examine, among other things, the problems in application that have emerged since the entry into force of the GDPR and the predictability of its application in different sectors. In addition, the study examines the usefulness of EU-level impact assessments in evaluating regulatory burdens and how national-level implementation problems have been raised at the EU level.

The project is planned to be implemented during 2024. The preparation of the study is led by the Netherlands, but all RWE member states are participating in the project. The Council is contributing to the project by, for example, conveying information on Finnish studies and reports concerning the implementation and application of the GDPR in Finland.

5 Performance, effectiveness and risk factors

5.1 Council workload and costs

In 2023, the Council of Regulatory Impact Analysis held a total of 15 meetings (26 January, 16 February, 9 March, 30 March, 20 April, 11 May, 1 June, 13 June, 17 August, 31 August, 21 September, 5 October, 26 October, 16 November and 4 December). The meetings took place in person but could also be attended by video conferencing. The meeting attendance rate among Council members was 87%.

In the autumn of 2023, the Council issued several statements on the first budget-related government proposals of Prime Minister Petteri Orpo's Government. The Council received the proposals at a rather late stage from the ministries for review and prepared statements on a very tight timeframe.

Since Council members familiarise themselves with the draft government proposals and draft statements outside of meetings, the Council's work emphasises independent study of draft government proposals and draft statements. The workload of the members of the Council is quite considerable, meaning that, for example, the commenting tools of statements and meeting arrangements have an impact on the smooth running of operations.

The costs arising from the Council consist primarily of the salaries of its secretariat. Other costs include the Council's fees and expenses arising from catering for meetings, travel and other operating costs. The Council members and specialists receive an annual fee of EUR 9,600, the Vice-Chairpersons EUR 12,000 and the Chairperson EUR 19,200. The annual fee is based on a monthly fee, paid for 12 months.

The Prime Minister's Office handles the communication of the Council's statements and provides IT support. In addition, the Prime Minister's Office provides facilities for meetings.

As usual, travel expenses were incurred as a result of the Council's participation in international activities. The travel expenses mainly consist of the participation of the Chairperson and secretariat in four RegWatchEurope meetings a year.

In addition to participating in RegWatchEurope, the Council Chairperson and secretariat participate in events hosted by EU institutions. For each trip, the Council Chairperson and secretariat assess the necessity of the trip due to budgetary constraints.

The cooperation meeting scheduled for December 2023 between RegWatchEurope and the OECD was postponed to 2024, so no travel expenses were incurred in this regard. RegWatchEurope has called for closer cooperation with the OECD.

5.2 Ministry survey respondents mainly satisfied with the Council

The Council surveyed ministries on its activities in February 2023. The purpose of the survey was, among other things, to determine the ministries' views on the usefulness of the Council's statements and the areas for improvement listed therein. Another purpose was to find out, in particular, the reasons why ministries cannot always comply with the recommendations for improvements of the Council's statements.

The anonymous survey was distributed to ministries by email through the cooperative working group for improving law drafting (Lake). The survey consisted of multiple choice questions and open questions. In total, the survey had 63 respondents, mostly law-drafters or other experts involved in legislative drafting.⁶⁰ Responses were received from each ministry with the exception of the Ministry of Defence and the Prime Minister's Office, which do very little legislative drafting compared to other ministries. The most responses were received from the Ministry of Finance, the Ministry of Social Affairs and Health and the Ministry of Transport and Communications.

Figure 9 shows that more than half of the respondents felt that the statements of the Council of Regulatory Impact Analysis were useful for the development of impact assessments. More than half of the respondents also felt that the impact assessments of government proposals have generally improved due to the statements of the Council (Figure 10). The Council's view is that the impact assessments of government proposals have improved over the years, and the Council's statement practice has certainly had an impact on this.

⁶⁰ In addition to these, the survey was also answered by six Heads of Department or Unit, one Director of Legislative Affairs and one Permanent Secretary.

Figure 9. The statements of the Council of Regulatory Impact Analysis are useful for the development of impact assessments (N = 61).

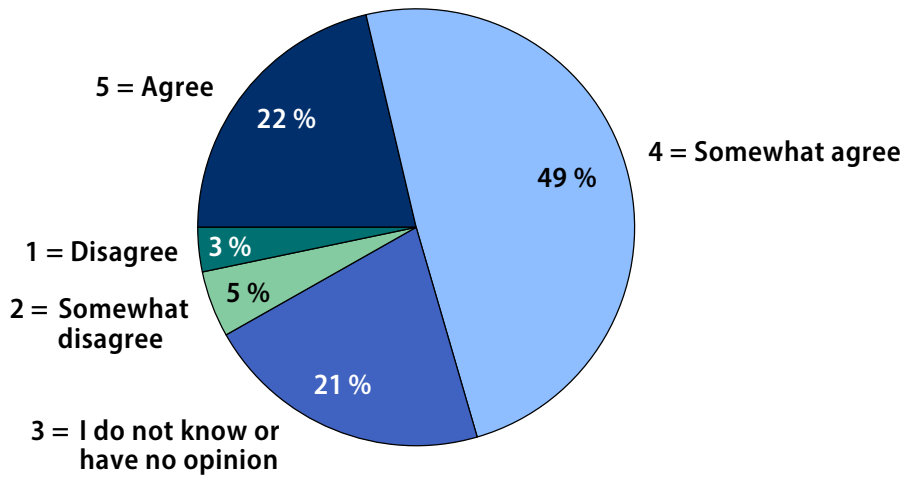
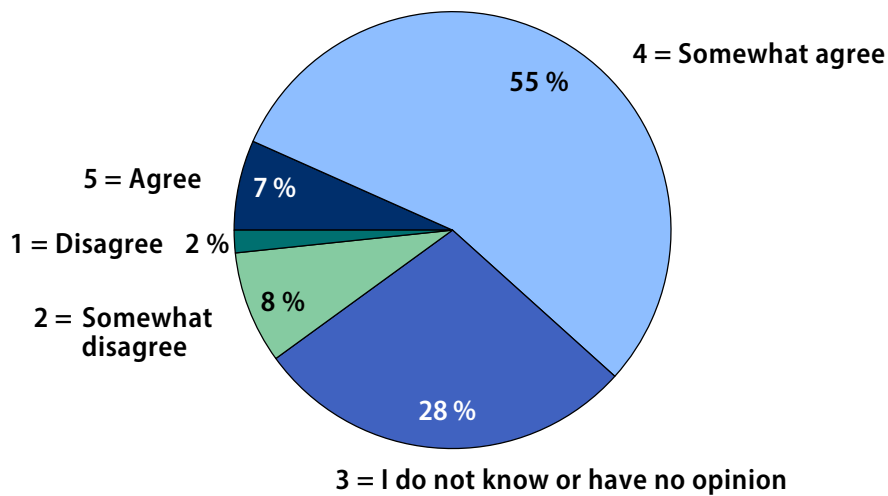


Figure 10. The impact assessments of government proposals have generally improved due to the statements (N = 60).



The ministries were also asked about the relevance and comprehensibility of the statements and the observations and recommendations for improvements presented in them. Approximately half of the survey respondents felt that they were relevant and useful (Figures 11 and 12). More than half of the respondents thought that the suggestions for improvement presented in the Council's statements were as expected. This may indicate that there had not been enough time for the preparation of the proposal, meaning that the proposal was partially incomplete when it was submitted for the consultation round and later to the Council for review.

Figure 11. The observations and recommendations for improvements presented in the Council's statements are relevant (N = 61).

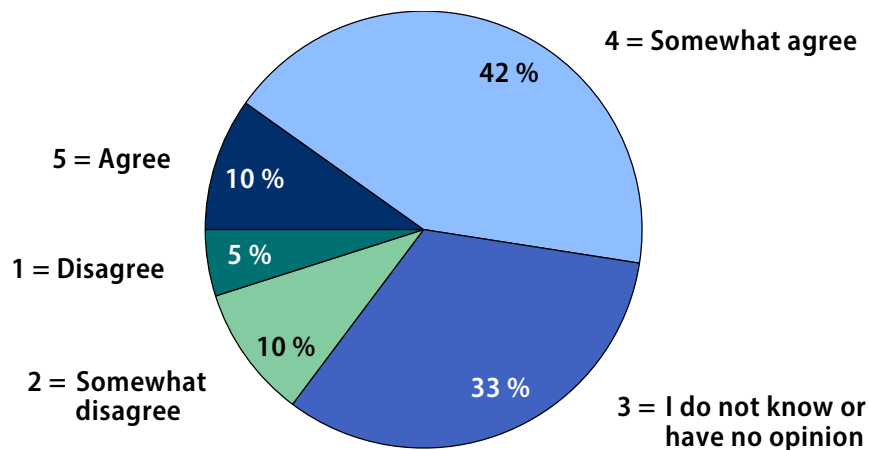
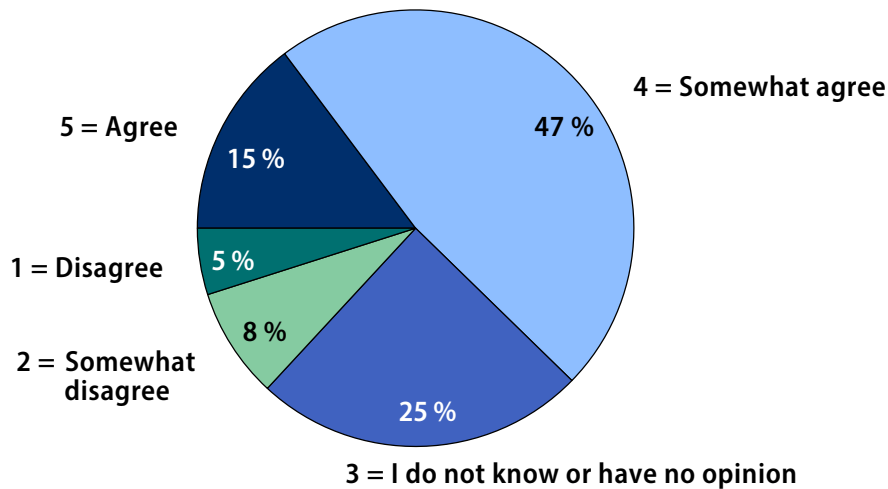


Figure 12. The statements and the recommendations for improvements presented in them are understandable (N = 61).



The open answers to the survey revealed divergent views on whether the statements or the observations and areas for improvement presented in them are relevant and understandable. Some replies mentioned the recommendations for improvements as being too general, while other replies considered them too detailed, stating that the Council was even challenging the law-drafter's assessment of the materiality of the impact. Some responses stated that the statements of the Council are based on existing guidelines and researched information, so their content is understandable and predictable.

The survey explored views on what kind of recommendations for improvements presented in the statements of the Council cannot be implemented. According to the responses received, the recommendations for improvements may have, for example, included wishes for the inclusion of research that does not exist or whose data is limited. A few respondents pointed out that it is often not possible to implement broader recommendations for improvements, especially new assessments. According to the respondents, there is a shortage of time and other resources. The individual responses also highlighted the impact of political consensus on the implementation of the recommendations for improvements issued by the Council.

The open answers to the survey pointed out that it is impossible to implement recommendations for improvements that are issued too late or that are irrelevant. Shortcomings in material or information were also mentioned as a factor preventing implementation. Individual responses also mentioned challenges related to the review of EU legislation and difficulties in visualising impacts.

Figure 13. Why can the recommendations for improvements given in statements not be complied with? N = 53.

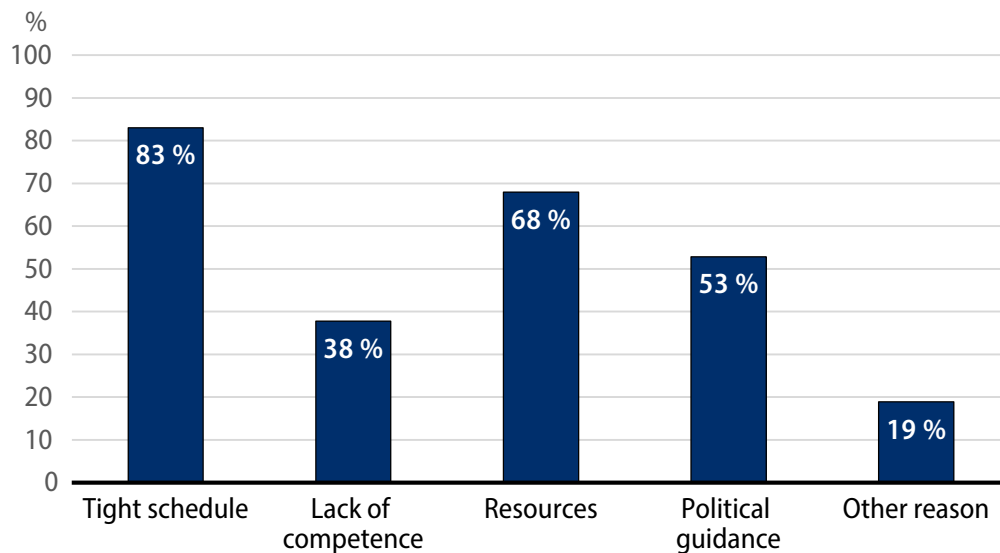


Figure 13 shows that the main reason recommendations for improvements given in the Council's statements cannot be complied with is a tight schedule. Resources were the second most influential factor and political guidance the third most influential. The Council has repeatedly drawn attention to these issues in order to improve the quality of legislative drafting. With regard to this question, respondents had the opportunity to choose between several response options; it is therefore likely that several reasons at the same time contributed to the inability to comply with the recommendations for improvements of statements.

The Council's survey sought to determine how the legislative drafting process should be developed in order to improve impact assessments. Respondents to this question considered it important to make use of an extensive network of experts when assessing impacts.⁶¹ Ministries should have access to extensive expertise and law-drafters from different educational backgrounds to carry out impact assessments. Individual responses also highlighted the need to increase resources, the importance of competence in the management and organisation of regulatory projects, the increase in qualitative assessments, the importance of training and stakeholder awareness, as well as the desire for Parliament to be more interested in impact assessments.

⁶¹ Of the 63 respondents in the survey, 39 answered this question.

The survey also sought to determine how the activities of the Council should be developed. Some of the respondents to this question hoped that the Council would give its statements on proposals at an earlier stage, for example, during the actual consultation round⁶². Some respondents hoped for interaction between the Council and the drafter of the proposal. The possibility of discussion could already exist during the review process. In addition, a few responses hoped that the statements of the Council could extend to the entire legislative proposal, in which case the statements would not focus solely on impact assessments. A few respondents suggested that checklists and compilations on carrying out impact assessments could be drawn up on the basis of statements.

5.3 Effectiveness and risks of Council activities

The Council monitors developments in legislative work and impact assessments and evaluates the effectiveness of its work. No other party in Finland systematically reports on findings related to legislative drafting and the development of impact assessments.

The Council has many tools at its disposal to promote the effectiveness of its operations. Firstly, the Council's annual review is effective in that it can highlight information on factors related to the quality of legislative drafting. The Council is aware that the Annual Review is read relatively widely by the administration and stakeholders.

Secondly, statements remain the Council's most significant means of exerting influence, and they improve the quality of the impact assessments of government proposals. Based on the findings of the Council, the quality of legislative drafting has improved in recent years. The Council considers that its several years of work have contributed to improving the quality of impact assessments. This is discussed in more detail in Chapter 1.

Thirdly, the effectiveness of the Council's activities is enhanced by cooperation with ministries. As in the previous year, the Council secretariat held ministry-specific presentations, which gave an overview of ministry-specific observations and ideas for the development of the ministry's impact assessments. This gives ministries an opportunity to receive more detailed feedback on the quality of impact assessments and how the quality could be improved.

62 Of the 63 respondents in the survey, 31 answered this question.

The Council's secretariat also shared with the cooperative working group for improving law drafting (Lake) its findings on the impact assessments of Union communications. In addition, the Council Chairperson and the secretariat met with counsels to parliamentary committees and discussed the statements made on Union communications and procedures for statements.

The Council issues statements to the individual ministry, but the aim is that all ministries can learn from the statements. In its statements, the Council has made more general comments on the drafting of legislation, such as the length of the consultation round, the inadequacy of Swedish-language materials, the assessment of combined impacts and compliance with the Council's statements. In this way, shortcomings in the drafting of legislation that affect all ministries jointly are brought up for wider discussion.

Fourthly, the Council's statements are publicly available on the Council's website. The Council's statements also arouse interest in the media. During 2023, for example, the impact of the urgency of legislative drafting on the quality of impact assessments and regulations was subject to public debate. In addition, the public debate drew attention to the short consultation periods in legislative drafting. The Council finds that it has been able to highlight shortcomings in legislative drafting well. Public debate on the quality of legislative drafting is important for understanding the social significance of good legislative drafting and the resources required for it.

The Council has previously identified the urgency of legislative drafting as a risk to the effectiveness of the Council's activities. Due to the scheduling pressure of legislative drafting, ministries do not reserve enough time for going through the Council's statement or do not comply with it at all when finalising the government proposal. If the schedule for legislative drafting is too tight, the Council cannot fulfil its mission of improving the quality of legislative drafting and impact assessments.

In the autumn of 2023, the Council issued statements on government proposals accompanying the budget proposal. The proposals were submitted to the Council for review at such a late stage that the ministry did not have the time to comply with the statements in the legislative drafting. The Government proposal concerning section 7a of the Act on Social Assistance (STM061:00/2023) was submitted to Parliament before the Council gave its statement to the Ministry of Social Affairs and Health. The Government proposal on general housing allowance (STM056:00/2023) and the Government proposal to amend unemployment security legislation (STM048:00/2023) were submitted to Parliament on the same day as the Council published its statement.

The Ministry of Economic Affairs and Employment did not submit to the Council the draft government proposal for the amendment of the Accounting Act and the Auditing Act and for certain related acts (TEM082:00/2022), which had been selected by the Council for review. The Ministry of Economic Affairs and Employment also failed to submit to the Council the draft government proposal for the retroactive compensation for electricity costs and the extension of the payment periods of electricity bills (TEM093:00/2022), which had also been selected by the Council for review.

6 Finnish Council of Regulatory Impact Analysis

6.1 Tasks and composition of the Council of Regulatory Impact Analysis

The Government Decree on the Finnish Council of Regulatory Impact Analysis (1735/2015) entered into force at the beginning of February 2016. The government plenary session appointed the Council of Regulatory Impact Analysis for its first term in April 2016. The Council is tasked with evaluating the impact assessments of draft government proposals. The Council is an impartial and independent body. Administratively, the Council is based in the Prime Minister's Office.

Tasks of the Council as stated in the act:

- issue statements on the impact assessments included in draft government proposals;
- issue statements also on the impact assessments of other draft legislation;
- submit initiatives towards improving the quality of legislative drafting, especially the quality and performance of impact assessments;
- monitor the development of the quality of impact assessments and to assess the effectiveness of its own operations; and
- submit an annual review of its operations to the Prime Minister's Office.

In addition, the Council can benchmark the impacts of legislation against assessments.

The Council consists of a chairperson, two vice-chairpersons and a maximum of six other members, and its term of office is three years.⁶³ The Council must possess expertise in both law drafting and the various areas of impact assessed. The Council selects two vice-chairpersons from among its members. The Prime Minister's Office appoints the Council secretaries and possible permanent experts. The Council has three full-time secretaries who are assigned to the Government Session Unit of the Prime Minister's Office.

On 31 March 2022, the Government appointed the Council for its third term of office, running from 15 April 2022 to 14 April 2025. During 2023, there were no changes in the composition of the Council. Leila Kostiainen, LL.M., served as Chairperson of the Council, with Leena Linnainmaa, Secretary General, and Professor Mika Maliranta, Director, as Vice-Chairpersons. The members of the Council are Bo Harald, Senior Adviser, Tuulia Hakola-Uusitalo, Research Director, Professor Ulla Liukkonen, Professor Juho Saari and Arto Sulonen, LL.M. As in previous years, Arno Liukko, Senior Government Adviser, served as the permanent expert appointed by the Prime Minister's Office.

On 11 May 2023, the Government appointed Meri Virolainen as Secretary General of the Council of Regulatory Impact Analysis, with effect from 1 June 2023. Prior to this, Secretary General Virolainen acted as an assessment advisor at the Council secretariat. The Council secretariat had not previously had a Secretary General. The creation of the role of the Secretary General is intended to guide the work of the secretariat and increase the Council's interaction with the ministries.

The secretariat of the Council also includes Annika Collin, Chief Specialist, Essi Röpötti, Senior Specialist, and Birgitta Hämäläinen, Senior Specialist, who started as the fourth secretary on 4 September 2023. In addition, university trainees assisted in the work of the Council: Suvi Sillanpää, Bachelor of Administrative Sciences, worked as a university trainee until the beginning of March 2023. Sonja Hukkanen, Bachelor of Laws, worked as a university trainee until the beginning of January 2024.

⁶³ The duties, composition and appointment of the Council are reviewed in more detail in the Government decree explanatory memorandum (21 December 2015).

Picture 1. Photo of the Council of Regulatory Impact Analysis from June 2022. Top row from left to right: Tuulia Hakola-Uusitalo, Research Director, Bo Harald, Senior Adviser, Professor Juho Saari, Arto Sulonen, LL.M., and Arno Liukko, Senior Government Adviser. Bottom row: Professor Mika Maliranta, Director, Leila Kostiainen, LL.M., and Leena Linnainmaa, Secretary General. Professor Ulla Liukkunen is missing from the picture.



6.2 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 reviews draft proposals after the consultation round but before they are submitted to the Government for decision. The Council independently selects the draft government proposals to be assessed. For example, the Government's legislative programme and legislative plans are utilised in the selection. The emphasis is on the Government's most important legislative projects of economic and social significance. The Council also seeks to ensure equal coverage of ministries and randomness in selection. The

Council typically focuses on law-drafting projects of broader than average scope, However, the goal is to issue statements on draft proposals of all scopes, including less extensive projects.

The Council analyses the quality of impact assessments included in draft legislation. It bases its work on the Guidelines for Impact Assessment in Law Drafting and the Guidelines for Drafting Government Proposals. In its review, the Council adopts a holistic perspective, considering economic, environmental and social impacts in its statements. Social impacts include matters such as impacts on authorities, population groups, legal protection, gender equality and the workplace.

In addition to impact assessments, the Council also reviews the other rationale of draft proposals: the current situation, key proposals, alternative solutions and implementation plans. The Council examines the draft proposal's overall preparation. The criteria employed in legislative drafting are similar to the recommendations issued by the OECD.

The Council's work takes place near the end of the legislative drafting process. The Council is, therefore, not involved in the drafting work of the draft proposal. The Council also does not weigh in on the constitutionality of draft proposals.

When the Council of Regulatory Impact Analysis selects a government proposal for review, the relevant ministry is immediately informed. The ministry is asked to provide the Council with as finalised a version as possible of the draft proposal after the consultation round. A processing period of approximately four weeks reserved for the Council's review begins from the date the draft proposal is received by the Government Registry. The ministry must also reserve time for making any corrections required after the Council issues its statement. Statements are published after their approval by the Council.

The Council's statements are public and are published on the Council's website [Council of Regulatory Impact Analysis – Prime Minister's Office \(vnk.fi\)](#). The draft government proposals selected for review are also listed on the website.

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Appendices

Appendix 1 Statements issued by the Finnish Council of Regulatory Impact Analysis in 2023

Title of draft government proposal/Union communication	Union communication number/Government proposal project number	Ministry responsible	Statement issued, date	Processing time, working days	Number of pages in Union communication/draft government proposal	Standard appraisal
U 61/2022 European health data space	U 61/2022	MOSAH	31 March 2023		31	
U 35/2022 Corporate sustainability due diligence	U 35/2022	MOEAE	23 February 2023		35	
U 29/2022 Fair access to and use of data	U 29/2022	MOTC	2 May 2023		19	
U 26/2022 Energy efficiency of buildings	U 26/2022	MOE	17 April 2023		36	
U 16/2022 Guidelines for the development of the trans-European transport network	U 16/2022	MOTC	10 May 2023		12	
U 6/2022 Improving the working conditions in platform work	U 6/2022	MOEAE	28 March 2023		24	
U 120/2022 Union communication on urban wastewater treatment	U 120/2022	MOE	26 June 2023		23	
U 110/2022 for a regulation on packaging and packaging waste	U 110/2022	MOE	7 June 2023		20	

Title of draft government proposal/Union communication	Union communication number/Government proposal project number	Ministry responsible	Statement issued, date	Processing time, working days	Number of pages in Union communication/draft government proposal	Standard appraisal
U 106/2023 To make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises (Listing Act)	U 106/2023	MOF	6 June 2023		20	
U 101/2022 for a directive on the harmonisation of insolvency law	U 101/2022	MOJ	21 June 2023		16	
Government proposal for legislation on retroactive compensation for electricity costs and the extension of the payment periods of electricity bills	TEM093:00/2022	MOEAE	31 January 2023	2	47	3
Government proposal amending the Act on Military Discipline and Combating Crime in the Defence Forces	PLM002:00/2019	MOD	22 September 2023	9	305	2
Government proposal for an act on certain fire safety equipment	SM036:00/2017	MOI	30 November 2023	13	114	5
Government proposal on the implementation of the corporate sustainability reporting directive	TEM082:00/2022	MOEAE	6 October 2023	6	224	4
Government proposal on amending section 7a of the Act on Social Assistance	STM061:00/2023	MOSAH	12 October 2023	9	36	3

Title of draft government proposal/Union communication	Union communication number/Government proposal project number	Ministry responsible	Statement issued, date	Processing time, working days	Number of pages in Union communication/draft government proposal	Standard appraisal
Government proposal on amending the Act on General Housing Allowance	STM056:00/2023	MOSAH	12 October 2023	9	41	2
Government proposal for an Emissions Trading Act	TEM078:00/2022	MOEAE	20 September 2023	11	170	4
Government proposal for the legislation on the minimum tax for large groups	VM036:00/2023	MOF	28 September 2023	5	190	3
Government proposal for an act amending the Real Estate Act	VM086:00/2023	MOF	29 September 2023	6	20	4
Government proposal for an act amending the Act on Unemployment Security	STM048:00/2023	MOSAH	12 October 2023	9	158	4
Government proposal on amending the Alcohol Act (limits for alcohol by volume in retail sales)	STM062:00/2023	MOSAH	13 December 2023	9	35	4
Government proposal for an act amending the Student Financial Aid Act	OKM026:00/2023	MOEC	18 October 2023	7	23	4
Government proposal for the Municipality of Residence Act and certain related acts	VM125:00/2021	MOF	4 December 2023	11	174	5
Government proposal on amending the Act on Wellbeing Services Counties	VM093:00/2023	MOF	15 December 2023	11	49	3

Appendix 2 Interaction of the Finnish Council of Regulatory Impact Analysis in 2023

Date	Event/Body	Role/Purpose	Participants
23–24 September 2023	DEBR Conference in Stockholm	Participation in the conference	Collin Kostiainen
25 January 2023	Committee for the Future	Consultation	Kostiainen
26 January 2023	SAK, Director Heli Puura	Discussion	Kostiainen
3 February 2023	Presentation of the Council's activities to the Danish Ministry of Finance	Meeting	Kostiainen Virolainen
7 February 2023	RegWatchEurope and OECD	Teams meeting	Collin Kostiainen
14 February 2023	Ministry of Justice, Susanna Siitonen, Director of Legislative Affairs	Discussion	Kostiainen
22 February 2023	MOF, Public Sector ICT	Meeting	Collin Kostiainen Sillanpää
27 February 2023	Workshop of the cooperation group for the development of law drafting: Improving the quality of legislative drafting	Address	Kostiainen
8 March 2023	Discussion with Sitra on the Data Act	Discussion	Collin Römpötti Virolainen
15 March 2023	RegWatchEurope Secretariat meeting in Stockholm	Participation in the meeting	Collin (remotely) Römpötti Virolainen

Date	Event/Body	Role/Purpose	Participants
16 March 2023	RWE workshop in Stockholm	Participation in workshops	Collin Römpötti Virolainen
27 March 2023	Ministry of Economic Affairs and Employment: Future of Finnish Economy seminar	Participation in the seminar	Kostiainen
28 March 2023	Event of the government network of expertise on successful impact assessments	Address	Collin Römpötti Virolainen
12 April 2023	Ministry of Economic Affairs and Employment: Europe Forum	Participation	Kostiainen
21 April 2023	Meeting of the LAKE cooperation group	Presentation of the annual review of the Council of Regulatory Impact Analysis, the ministry survey and the network of expertise	Collin Römpötti Virolainen
27 April 2023	Meeting with parliamentary committee counsels	Meeting	Kostiainen Collin Römpötti Virolainen
2 May 2023	Meeting of Permanent Secretaries	Discussion	Kostiainen
3 May 2023	Veli-Mikko Niemi, Permanent Secretary of the Ministry of Social Affairs and Health	Discussion	Kostiainen
3 May 2023	Basic course in legislative drafting: Impact assessment	Training	Collin Römpötti Virolainen

Date	Event/Body	Role/Purpose	Participants
4 May 2023	Review of the annual review of the Council of Regulatory Impact Analysis and observations on the statements issued to the Ministry of the Interior	Address	Collin Römpötti Virolainen
9 May 2023	Sitra, EU influence	Discussion	Kostiainen
11 May 2023	Government formation talks	Consultation at the Government Leadership table	Kostiainen
12 May 2023	Henrik Haapajärvi, State Secretary	Discussion	Kostiainen
15 May 2023	Meeting with Chancellor of Justice	Meeting	Kostiainen Virolainen
16 May 2023	Presentation of the Council's annual review to the Ministry of Economic Affairs and Employment	Address	Virolainen
22 May 2023	RWE meeting with Maroš Šefčovič, Vice-President of the European Commission, in Brussels	Meeting	Kostiainen
31 May 2023	Joint RWE and RSB meeting in Brussels	Meeting of RWE chairpersons with RSB	Kostiainen Römpötti
31 May 2023	RSB conference in Brussels	Participation in the conference Kostiainen participated in the conference as a panellist.	Kostiainen Römpötti
6 June 2023	STTK, Taina Wallander	Discussion	Kostiainen
7 June 2023	RWE workshop in Stockholm	Participation in the workshop, giving a presentation	Collin Kostiainen Römpötti Virolainen

Date	Event/Body	Role/Purpose	Participants
8 June 2023	RWE Board meeting in Stockholm	Participation in the meeting	Collin Kostiainen Virolainen
14 June 2023	Meeting of the Romanian council (RIA Consultative Board) and administration, along with the World Bank	Video conference. Presentation of the Council's activities and experiences.	Collin Kostiainen Römpötti Virolainen
14 June 2023	Sitra's 'Reforming the decision-making process' project's guest event and panel discussion on <i>data, laws and policy</i>	Participation in the panel	Kostiainen
16 June 2023	Ministry of Transport and Communications: Situation of legislative drafting	Address	Kostiainen
19 June 2023	Shaldor Ltd./Israel's council	Video conference and discussion: Forming the Israeli Regulation Authority. Presentation of the activities of the Council of Regulatory Impact Analysis.	Harald Collin Römpötti Virolainen
1 August 2023	Meeting with Risto Artjoki, State Secretary	Meeting between the Chairperson of the Council of Regulatory Impact Analysis and the State Secretary	Kostiainen
16 August 2023	Meeting with Sitra	Meeting between the Chairperson of the Council of Regulatory Impact Analysis and Sitra	Kostiainen
23 August 2023	Event to familiarise university trainees with legislative drafting	Presentation of the Council for university trainees at an event organised by the Prime Minister's Office	Collin Römpötti

Date	Event/Body	Role/Purpose	Participants
7 September 2023	Meeting of representatives of the Council and the Public Sector ICT unit of the Ministry of Finance		Collin Hämäläinen Römpötti Virolainen Kostiainen Members of the Council
11 September 2023	Meeting of State Secretaries	Discussion	Kostiainen
13 September 2023	Lunch with Seniors of the Association of Finnish Lawyers: The most important thing in legislation is its impact – presentation of the work of the Council	Proposal	Kostiainen
14 September 2023	Ministry of Justice, Susanna Siitonen, Director of Legislative Affairs	Discussion	Kostiainen
18 September 2023	Ministry of Agriculture and Forestry, management	Discussion	Kostiainen, Virolainen
19 September 2023	14th OECD Conference on Measuring Regulatory Performance in Helsinki	Participation in the conference	Kostiainen Collin
19 September 2023	Visit of experts from Finnish Institute for Health and Welfare and the Georgian National Centre for Disease Control (NCDC)	Presentation of the Council and environmental and health impact assessment to NCDC experts	Liukko Hämäläinen Virolainen Römpötti
22 September 2023	Akava, Ville Kopra, Labour Market Director	Discussion	Kostiainen
28 September 2023	RWE workshop in Stockholm	Participation in the workshop	Hämäläinen Virolainen

Date	Event/Body	Role/Purpose	Participants
29 September 2023	RWE Secretariat meeting in Stockholm	Participation in the meeting	Römpötti Virolainen
5 October 2023	Bank of Finland	Visit of the Council of Regulatory Impact Analysis to the Bank of Finland	Kostiainen, Hakola-Uusitalo, Maliranta, Sulonen, Linnainmaa, Liukko, Virolainen, Römpötti, Hämäläinen, Collin
10 November 2023	Confederation of Finnish Industries (EK), Legal Affairs Committee	Presentation of the Council of Regulatory Impact Analysis	Kostiainen
16 October 2023	Central Organisation of Finnish Trade Unions (SAK), negotiators	Presentation of the Council of Regulatory Impact Analysis	Kostiainen
20 October 2023	Commerce Committee	Consultation	Römpötti
23 October 2023	Ministry of the Environment's coffee session on legal matters	Presentation of the findings of the Council on the draft proposals of the Ministry of the Environment	Collin Hukkanen Hämäläinen Römpötti Virolainen
10 November 2023	EK's Legal Affairs Committee	Discussion	Kostiainen
15 November 2023	Parliamentary Agriculture and Forestry Committee and the Committee on the Future, the Ministry of Agriculture and Forestry and the Rural Policy Council (MANE) on the assessment of impact on agriculture	Participation in the seminar and giving an address	Kostiainen Virolainen
21 November 2023	Social Affairs and Health Committee	Consultation	Collin
22 November 2023	SAK, Head of Public Affairs Niko Pankka	Discussion	Kostiainen

Date	Event/Body	Role/Purpose	Participants
30 November 2023	Event on legislative drafting as a job.	Presentation of the Council to law students at an event organised by the Prime Minister's Office	Hämäläinen Römpötti
11 December 2023	RWE workshop in Stockholm	Attending the workshop and giving a presentation	Hämäläinen Kostiainen Virolainen
12 December 2023	RWE Board meeting in Stockholm	Participation in the meeting	Hämäläinen Kostiainen Virolainen
15 December 2023	Finnish Institute for Health and Welfare	Discussion on the economy of wellbeing and its connection to impact assessment	Collin, Virolainen, Kostiainen
18 December 2023	Ministry of Justice: cooperation group on fundamental and human rights impact assessment on the topic of human rights foresight in legislative drafting	Comment address on the Human Rights Centre's Report on human rights foresight, resilience and preparedness during transformations in society	Collin Virolainen
20 December 2023	Finance Finland's event on lobbyists	Participation in the event	Kostiainen

The Council's secretariat also participated regularly in the meetings of the following working groups:

Legislative drafting development group (expert member)

Working group on the streamlining of legislation, term of office 10 February 2020–31 March 2023 (expert member)

Ex-post evaluation development group, term of office 30 June 2021–31 May 2023 (expert member)

Working group on the reform of the consultation guide, term of office 1 June 2023–29 February 2024 (expert member)

Network of expertise in impact assessment, term of office ended on 31 March 2023 (chair)

Government network of expertise in impact assessment 23 May 2023–30 June 2027 (chair)



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