



CABINET OF MINISTERS OF UKRAINE

R E S O L U T I O N
as of March 11, 2004, N 308
Kyiv

On Approval of Methodologies for Regulatory Impact Assessment and Tracking of
Regulatory Act's Effectuality

Pursuant to the Articles 8 and 10 of the Law of Ukraine "On Principles of State Regulatory Policy in the Area of Economic Activity" ([1160-15](#)), Cabinet of Ministers of Ukraine **r e s o l v e s**:

1. To approve as per copy enclosed:

Methodology of Regulatory Impact Assessment;

Methodology of Tracking the Regulatory Act's Effectuality.

2. The State Committee for Regulatory Policy and Entrepreneurship shall provide clarifications, if necessary, regarding application of the methodologies as approved herewith.

3. The Resolution of the Cabinet of Ministers of Ukraine dated May 6, 2000, N 767 ([767-2000-п](#)) "On Approval of Methodological Guidelines for Substantiation of Draft Regulatory Acts» shall be deemed null and void" (Official Journal of Ukraine, 2000, N 19, p. 788).

Prime Minister of Ukraine

V. YANUKOVYCH

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APPROVED
by Resolution
of the Cabinet of Ministers of Ukraine
as of March 11 2004, N 308

Methodology
of
Regulatory Impact Assessment

1. This methodology shall set requirements for impact assessment of the regulation (hereinafter referred to as assessment), drafted by a regulator. Assessment shall be made before publication of the regulatory act. The requirements of this Methodology shall not cover the regulatory acts drafted by the National Bank of Ukraine.

2. If a draft regulatory act (hereinafter referred to as a draft) concurrently contains the norms regulating economic or administrative relationships between regulators or other public authorities and economic

operators, and norms regulating other social relations, as well as specific prescriptions, assessment shall be undertaken solely as to the norms, regulating economic or administrative relations between the above bodies or operators.

3. In the course of assessment:

a problem shall be defined to be solved through state regulation;

goals of state regulation shall be identified;

all acceptable alternative options of achieving the above goals shall be defined and evaluated, arguments in favour of the advantages of the chosen option shall be presented;

a mechanism to be applied for problem-solving and relevant actions shall be described;

opportunities for achievement of the above goals shall be substantiated in case a regulatory act is adopted;

the expected results from adoption of the regulatory act shall be determined;

the proposed period of the regulatory act's validity shall be justified (in case of this period limitation);

indicators of regulatory act's effectuality shall be determined;

actions to be taken to track the effectuality of a regulatory act shall be defined.

4. When defining a problem to be tackled through state regulation, conditions and reasons for emergence of the problem shall be highlighted; why it cannot be dealt with via market mechanisms or existing regulatory acts shall be substantiated; the stakeholders negatively affected by the problem shall be identified.

5. In defining and evaluating all acceptable alternative methods of achieving the set goals of state regulation, at least, two options shall be identified; each option shall be assessed; as well as reasons for refusal from application of alternative options of problem-solving; and arguments for advantages of the chosen option shall be highlighted.

6. In a description of the suggested mechanism to be applied for problem-solving and relevant actions, main principles and ways of achieving the goals of state regulation shall be presented as well as an extent of their efficiency.

7. When substantiating the capacities for achieving the goals in case a regulatory act is adopted, impact assessment of the effect of external factors on operation of the regulatory act shall be made, including identification and comparison of positive and negative factors that can affect the compliance with the regulation requirements; capacity for implementation and compliance with the requirements of the regulatory act by the public authorities and local self-governments, individuals and legal entities shall be evaluated; a mechanism for full or partial compensation of

the likely damage in case of the expected implications of the regulatory act's operation shall be characterised, as well as periodicity of supervision and public control over compliance with the act's requirements shall be highlighted.

8. Determination of the expected results from adoption of the regulatory act shall be based on the analysis of costs and benefits which can take a simple (a list of positive and negative factors) or a complicated form (using a variety of economic models).

A certain period shall be set for the cost-benefit analysis. When estimating a size of each benefit and cost, the statistics, findings of scientific research and surveys as well as data from other sources shall be used. Based on the estimated size of each benefit and cost, a total size shall be summed up.

9. The proposed period of validity of the regulatory act shall be substantiated, considering adequacy of this period to solve the problem and to achieve the goals of state regulation.

10. The forecasted values of indicators of the regulatory act's effectuality shall be set during different periods upon effectiveness of the regulatory act, with the following being mandatory:

rate of revenues to the central and local budgets and state purposeful funds related to operation of the act;

the number of businesses and/or individuals to be covered by the operation of the regulatory act;

the amount of money and time to be spent by the business entities and/or natural persons because of compliance with the regulatory act's requirements;

awareness level of the business entities and/or natural persons of the main provisions of the regulatory act.

11. The projected values of the regulatory act's effectuality can be quantified. If quantification of this or that benefit or cost is impossible, a textual description of the act's effectuality shall be provided.

12. When determining the actions to be taken for tracking the act's effectuality, the dates of baseline tracking and retracing shall be specified; as well as type of data (statistics, findings of studies or surveys) to be used for such tracking; groups of respondents to be selected for participation in a respective survey; research institutions to be involved in tracking.

13. The findings of the analysis shall be made in writing and signed by the drafter, and if a drafter is a regulator, another body, institution or organisation - by the manager of a body, institution or organisation.

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METHODOLOGY
for Tracking Effectuality of a Regulatory Act

1. This Methodology shall establish the requirements for tracking effectuality of the adopted regulatory act (hereinafter referred to as tracking). The requirements of this Methodology shall not apply to the regulatory acts, adopted by the National Bank of Ukraine.

2. A baseline tracking, retracing and periodic tracking in respect of the regulatory act shall be undertaken within the time frames as established by Article 10 of the Law of Ukraine "On Principles of State Regulatory Policy in the Area of Economic Activity» ([1160-15](#)).

The baseline tracking shall be conducted prior to the effectiveness date of the regulatory act or most of its provisions to evaluate the state of social relations to be regulated by operation of the regulatory act.

Retracing shall be undertaken within a year of effectiveness of the regulatory act or most of its provisions, but no later than in two years' time, unless earlier date is set by a regulator who adopted this act, to evaluate an extent, thereto this regulatory act achieved the set goals. The established quantitative and qualitative values of the act's effectuality shall be compared with those established in framework of baseline tracking.

Periodic tracking shall be conducted every three years since the date of the retracing-related measures being taken, including in case operation of the adopted regulatory act for a definite period of time was extended to evaluate an extent to which it achieved the set goals. The established quantitative and qualitative values of the act's effectuality shall be compared with those established in framework of retracing.

3. During tracking, quantitative and qualitative values shall be established for each indicator of effectuality as defined in framework of regulatory impact assessment.

4. A baseline tracking, retracing and periodic tracking shall be based on measures and data as identified in the course of regulatory impact assessment.

5. Types of data to be used for tracking shall be defined by a regulator.

6. In the event that establishing the quantitative and qualitative values of the regulatory act's effectuality needs information, which is unavailable in the statistics and findings of scientific research, a survey of a sample of respondents shall be conducted orally or in writing (hereafter - a survey).

7. To establish the quantitative and qualitative values of the regulatory act's effectuality, statistics can be used for a relevant period preceding a date of commencement of tracking activities, while for baseline tracking - effectiveness date of the regulatory act or most of its provisions.

8. A survey conducted during tracking shall include identification of a group of individuals to comply with the requirements of the regulatory act

(hereinafter - a target group); as well as designing of a questionnaire; data gathering; creation of a survey data base, data processing and analysis.

9. To determine the target group composition, readily accessible data of registers can be used, as maintained by regulators and other public authorities.

10. The size of a target group as identified for the survey-inclusive retracing should be equal to that of the defined target group for baseline tracking.

11. During retracing and periodic tracking, the same approaches to the target group composition and sampling shall be applied (a part of the target group selected for a survey through special methods to reliably reflect the structure and main characteristic features of this group), as for baseline tracking.

If the size of a target group does not exceed 150 people, all respondents of the target group shall be interviewed without a sample being defined.

12. A ground for drawing up a questionnaire during baseline tracking, retracing and periodic tracking shall be quantitative and qualitative values of the regulatory act's effectuality as established in the course of its impact assessment.

Upon implementation of relevant actions, a report shall be produced separately for baseline tracking, retracing and periodic tracking to be published in accordance with established procedure.

13. The report about results of tracking shall include:

type and name of a regulatory act whose effectuality is tracked, date of its adoption and number (in the event of baseline tracking, adoption date of regulatory act and its number shall not be indicated);

name of implementing agency in charge of tracking;

goals of the regulatory act's adoption;

time frames of tracking activities;

type of tracking (baseline, retracing or periodic tracking);

methods of achieving the results of tracking;

data and assumptions underlying the tracking of effectuality as well as ways of obtaining data;

quantitative and qualitative values of the regulatory act's effectuality;

evaluation of results from enforcement of the regulatory act and an extent of achieving the set goals.

14. The report on tracking shall be signed by the manager of a regulatory agency.