

Executive summary

The government of Lithuania has taken action to strengthen regulatory policy. Recently, it has focused on the implementation of regulatory policies, with new measures for inspections and construction permits. Improving the entire policy cycle, from law-making to implementation, is crucial for creating a regulatory environment that attracts investment, supports growth and contributes to society's well-being.

The *OECD Review of Regulatory Policy in Lithuania* assesses the pace, depth and progress in developing and implementing these reforms. It is clear that efforts have been made to develop tools and policies for effective regulatory management, including through innovative practices. The challenge is to ensure that these efforts are better linked and co-ordinated across government and effectively implemented so that they have a real impact for citizens and businesses.

Key findings

- A number of laws and resolutions have set requirements for better regulation. However, measures were taken largely independently from one another, with limited communication on the overall objectives and results. There is no dedicated unit promoting and ensuring the implementation of better regulation.
- Consultation is a common practice. There are, however, areas for improvement, including on the time allowed for consultation and, more generally, the methodology and guidance for public consultation.
- The requirements for a proportionate regulatory impact assessment (RIA) are largely in place, but the RIA is mostly used to justify choices already made, and quality controls are diffuse. There are no clear guidelines on the laws and regulations which should undergo a more in-depth RIA.
- A programme to screen all licences and permits needed to start a business has led to the review of about 423 types of licenses. There is an obligation for individual ministries not to increase the overall administrative burden (a form of “one-in one-out” approach). However, the implementation and enforcement of the “one-in one-out” obligation is rather weak.
- Ministries should conduct reviews of existing regulation. However, there is little pressure put on ministries to appropriately review regulations. The results of these reviews are not analysed.
- Better regulation reforms have introduced requirements for impact assessment, stakeholder engagement and administrative burden reduction at the municipal level. However, there is little control on the implementation of these requirements.

- In its interactions with the European Union (EU), Lithuania has developed some relatively rare approaches. For example, it has created a special information system that enables online co-operation among state institutions and external stakeholders in the negotiation of EU legislation. An impact assessment of the EU legislative drafts is also prepared. Special attention is paid to avoid unnecessary administrative burden in the transposition of EU law (gold-plating).
- The reform of inspections has introduced some highly innovative solutions, including a requirement for inspection institutions to provide methodological assistance to economic entities. Areas for improvement include a better definition of the foundations and principles for inspection planning. The reform has also suffered from some implementation gaps and a relatively informal steering and co-ordination mechanism.
- The pace of reform implementation appears to have slowed down. Sustained implementation efforts and further action are needed, especially for those areas that are still missing, such as the governance of inspectorates, professionalism and training.
- Lithuania is among the top 15 economies in the world in terms of ease of obtaining construction permits. This result reflects an ambitious reform that has simplified the legal framework, reducing the overall number of days, procedures and institutional actors involved.
- However, the reform was not based on a robust assessment of the administrative burden and compliance costs actually imposed on developers. Also, the reform has not taken sufficient account of the likely difficulties that the municipalities would face in implementing the new deadlines and procedural requirements.

Key recommendations

- Bring the different elements of better regulation policy together in an integrated strategic plan for better regulation, with clear objectives, a communication strategy and a systemic framework for performance evaluation.
- Establish a high-level co-ordination body to steer and oversee the implementation of the strategic plan for better regulation as well as a better regulation unit within the Centre of Government to provide operational support for the work of this high-level co-ordination body.
- Develop guidelines for public consultation and allow more time for consultation, make use of digital tools and use the preparation of RIA to collect feedback from stakeholders.
- Start the preparation of RIA early in the decision-making process, consider the introduction of some threshold test to determine more systematically the legislative proposals that require an in-depth RIA, and strengthen and consolidate controls on the quality of impact assessment within the recommended better regulation unit.
- Introduce a more systemic programme of *ex post* reviews of regulations, including a timeline for the planned reviews, and guidance and methodologies for these evaluations.

- Ensure that the cap on administrative burdens on businesses, together with the simplification measures for 2014-15, are properly implemented and enforced, and ensure better co-ordination of e-government projects and the linking of these projects with administrative simplification efforts.
- Explore mechanisms to communicate more actively with municipalities on the benefits of better regulation and involve municipalities in the implementation of the Better Regulation agenda.
- Make sure that a proportionate analysis of impacts is carried out when preparing relevant positions to draft EU legislation. Implement the recommendations and methodology for preventing unnecessary administrative burdens in the process of EU law implementation.
- Review goals and missions of inspectorates; consolidate inspectorates on the basis of new missions and a newly defined governance model; build a framework for inspectors' professionalism.
- Strengthen the co-ordination framework (including guidelines) for the reform of inspectorates and further develop and strengthen performance management and impact data collection.
- Continue the development and implementation of risk-based approaches in conducting inspections, allocate resources based on data and risk analysis, introduce a system for shared information management.
- Streamline and strengthen the governance of the various institutions responsible for strategic planning and territorial planning, scale up support to administrations implementing the construction permit reforms, and ensure effective implementation of the simplification and digitalisation measures.



From:
Regulatory Policy in Lithuania
Focusing on the Delivery Side

Access the complete publication at:
<https://doi.org/10.1787/9789264239340-en>

Please cite this chapter as:

OECD (2015), "Executive summary", in *Regulatory Policy in Lithuania: Focusing on the Delivery Side*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264239340-4-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.