

The Lithuanian Government's Policy of Regulatory Impact Assessment

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Abstract

Purpose: This paper critically evaluates the development of the impact assessment instrument in Lithuania's public administration and suggests improvements to its impact assessment system.

Research question: What interesting conceptual imperatives have appeared in Lithuania's investigation of the impact of regulatory policy?

Methodology: This research study uses positivist methodology to analyse the problems that researchers have identified in Lithuania's impact assessment. This investigation explains why certain problems have appeared, what has changed and what system changes can be identified traced. The study proceeds as follows. First, the research on impact assessment carried out in Lithuania is analysed. Second, regulations on impact assessment in Lithuania are investigated. A substitute for non-existent integrated theory is emphasized by the logical structure of the EU administrative system imperatives, principles, and norms, whose modifications have become the basis of impact assessment system design in Lithuania. The present research combines, integrates and consolidates the theoretical and practical information on impact assessment into an explanatory scheme, which could be developed into a model in the future. Information from two qualitative interviews conducted in 2009 and 2010 was also used.

Conclusions: The present research reveals that Lithuania's regulatory impact assessment model is still being constructed and reconstructed towards evidence-based management. A model which revises the old impact stereotype has been designed, based on contemporary methodologies (cost-benefit and cost-effectiveness analyses), consultations with the interested parties, a small but exhaustive legal initiatives impact assessment, and a centralised and institutional coordination of impact assessment.

Practical consequences: The present research presents the issues which could be useful for the states that are starting to implement a regulatory impact assessment model. This study described the pitfalls to avoid in order to implement a successful evidence-based management initiative.

Originality: In the present research, regulatory impact assessment is emphasized as an assessment model and normative of the EU administration effectiveness and optimality, which can be used as a good-practice example for the modernisation of administrative activities in Central and Eastern Europe to the level their European counterparts.

Keywords: regulatory impact assessment, Lithuania, cost benefit analysis, public administration, public sector

JEL: D730, D780, D790, H830, L380

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Introduction

This article examines Lithuania's implementation of a regulatory impact assessment instrument. Regulatory impact assessment was adapted to create a project structure; therefore, this study presents and develops the pluralism of regulatory impact assessment skills, capacities, validation, and institutionalization. Obviously, this instrument expresses a contextual interrelationship between public policy impacts assessment and stimuli and a gradual unification of administrative processes according to the principles and regulations of EU public administration. The changes in the Lithuanian regulatory impact assessment serve as a decision-making basis for public policy assessment. The research makes a structural comparative analysis of regulatory impact assessment and its segment efficiency, expediency, and development in societies in transition. Theoretically, during the transition period, research objects constantly change as some elements disappear and others appear.

The body of research on impact assessment in Lithuania, as well as in other new EU member states, is not extensive. When analysing Lithuania, important results were obtained by Nakrošis and Vilpišauskas (2005). The book *Ko verta politika: Viešosios politikos vertinimas Lietuvoje ir Europos Sąjungoje [What Is the Policy Value: Public Policy Assessment in Lithuania and the EU]* analyses public policy assessment practice in Lithuania. It makes an impact analysis of important projects and initiatives in developed countries and in Lithuania in addition to perspectives on assessment use. This study is limited to a deeper analysis of impact assessment model and to a brief discussion of the theoretical aspects of assessment. The authors' conclusions and recommendations are primary in the formation of the Lithuanian regulatory impact assessment model. Ginevičius and Bruzgė (2008) analyse the application possibilities of cost-benefit analysis in the assessment of regulatory measures. Rutkauskienė (2008) has discussed and analysed impact assessment in library activities. The public institution "Europos socialiniai, teisiniai ir ekonominiai projektai" (hereinafter ESTEP) analyzed the quality of impact assessment, ways of consulting with society and interest groups, and their effectiveness. The researchers analysed the quality of impact assessment statements, ways of consulting society, and then identified problems, and suggested solutions.

Literature review

Contemporary governments use a wide spectrum of evaluation methods in order to guarantee the effectiveness and efficiency of policies, programmes, and public services. The governments are interested not only in ascertaining the real impact of policies

and projects, but also in determining how successfully these initiatives have been implemented. Therefore, there is a need to find out how, why, and under what circumstances policies can be implemented and delivered. Even though regulatory impact assessment does not usually have a direct and apparent impact, it still influences decision makers' thinking, and informs even their small and unnoticeable decisions.

State regulation has to be effective and efficient in order to ensure economic and social welfare (Kirkpatrick and Parker, 2007). To evaluate efficiency, it is necessary to determine whether or not the aims planned were fulfilled. To evaluate effectiveness, it is necessary to determine whether the goals planned were fulfilled at the least cost (i.e. government regulation costs and costs for economics are evaluated). Naturally, the positive and negative effects of any suggested regulatory change must be considered.

Regulatory impact assessment practice has become a global norm (Radaelli, 2009; Radaelli and De Francesco, 2010). There is some basis to maintain that impact assessment promotes liberal values because it is intended to lighten the regulatory burden of business. This global diffusion is explained by the regime potential (i.e. evidence-based policy, accountability, and transparency in policy formation processes). According to Jacob, Hertin, Bartolomeo, Volkery, Cirilo, Wilkinson (2004), and Radaelli (2009a; 2009b), impact assessment diffusion has affected all governmental initiatives in order to improve the quality of regulations of governments, business costs, and the measurement of social benefit. Even though impact assessment does not solve all governmental problems, it is the main element in creating an international management system (regime). In addition, it is often a precondition in initiating reforms or receiving financing. OECD has played the major role in disseminating impact assessment as it is an administrative requirement in the member states.

Since 1990, an international standard in this policy area has been established. Actors, resources, tools, processes, and consequences have formed, supporting a high level of evaluation in the member states (Radaelli and Meuwese, 2009). Canada and the USA have used the economic analysis of regulation since the 1980s. The situation is similar in Great Britain; when the Conservatives came to power, a movement for better regulation started. The analysis of factors, influencing impact assessment adaptation in OECD states, provide a better understanding about the transnational dissemination of the practice under the present investigation.

The research on dissemination has clarified the application of new practices in the social system and distinguished two main theoretical sources: effectiveness and legitimacy. Economics and law warn that transfer is the ineffectiveness source of institutional

choice. Regulatory impact assessment is considered to be a necessary component of the decision-making system; therefore, before the adaptation of this tool or during the process, the state has to develop a system of regulation and policy management (Staronova, 2007). Naturally, when the OECD states started their impact assessments, there were some cultural changes in the governments: traditionally closed decision-making processes and politicized procedures had to become more open. However, in order for regulatory impact assessment to be effective, it has to meet three conditions (George and Kirkpatrick, 2007):

1. In order to carry out impact assessment, the government must develop evaluation capacity, including shortcomings assessment capacity, which should help in determining the costs and benefits directly related to drawbacks;
2. Impact assessment requires additional consultations in order to collect the necessary information and analyse attitudes towards regulatory impact. Some states may not have traditions of consulting before preparing regulations; those chosen for consultation might not be the representatives of the interested parties. Consultations are an important part of impact assessment process;
3. Impact assessment has to be an important tool of the whole government and be constantly applied in order to become a normal part of regulatory policy formation. Impact assessment requires strong political support to be able to avoid the bureaucratic and political inertia.

A clear tendency can be observed when trying to understand why the governments apply impact assessment. States that are members of an international organisation or a state block are much more motivated to apply impact assessment. This can be explained by the interdependence because the trade volume and increased investment flows. Radaelli and De Francesco (2010) have distinguished several reasons why the governments apply regulatory impact assessment. They use the example of the US Congress to explain the delegation of regulatory power to the agencies. Another reason is democratic government. In democratic governments, impact assessment opens the decision-making process to stakeholders because it is based on consultation and is much more accountable to the citizens. In addition, this model stimulates social learning as it provides the possibility for debate (Jacob, 2007). Finally, regulatory impact assessment can be applied because of rational decision-making. Under these circumstances, impact assessment stimulates regulations, which improve community welfare. A systematic use of economic analysis is therefore necessary.

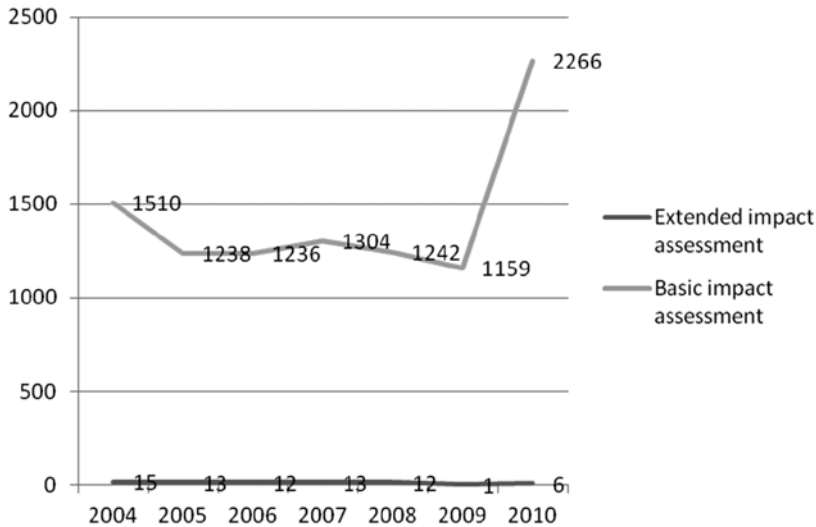
Development of impact assessment policy in Lithuania

External pressure (membership in the EU) influenced the adaptation of impact assessment in Lithuania's public administration; however, there was also internal demand from a small group of civil servants with academic qualification (Vilpišauskas and Nakrošis, 2005; Maniokas, 2006). Naturally, more demand was stimulated by the EU law impact assessment because it was financed from the national budget, the PHARE programme, and Denmark (ESTEP, VPVI, Jacobs and Associates, 2010). It is in this area that the first impact assessment systematicity features can be observed because a methodological base of regulatory impact assessment was prepared; regulatory impact assessment and impact on economy and enterprise assessment methodologies appeared. In 1999–2007, 60 regulatory assessments were prepared at a cost of approximately 637,000 EUR (ESTEP, VPVI, Jacobs and Associates, 2010). Output of regulatory impact assessments was used in negotiating with the EU, informing society, implementing public administration, and economic governance (ESTEP, 2009; ESTEP, VPVI, Jacobs and Associates, 2010).

In 2003, the government approved the Decision Project Impact Assessment Methodology for projects of national legal acts. The ministries, district governments, and municipalities started using impact assessment, but its effectiveness was slight. Even though Maniokas (2006) claims that impact assessment adaptation was influenced by the accession to the EU, the institutional context was related to the management of the EU affairs and internal regulatory reforms; however, on the basis of evidence, one can maintain that in this area, there was a lack of government leadership and support. Therefore, the first steps in impact assessment adaptation failed. The Lithuanian government adopted a careful strategy in its adaptation of impact assessment. First, either a simplified impact assessment procedure was obligatory, or experimental studies were carried out (i.e. obligatory requirements were checked and applied in the state context). Only later was this developed into a systematic obligatory and permanent impact assessment programme. This rational approach takes into consideration Lithuania's small size and lack of resources, experience, and skills. Initially, attention was focused on a few topical political questions; when there was more experience, impact assessment application was broadened.

However, this normative aim was not taken into consideration; according to the number of basic impact assessments (see Figure 1), 1428 basic assessments on average were carried out annually from 2004 to 2010. This is a feature of the Lithuanian impact assessment system: the assessment of all decision projects proposed to the government (ESTEP, VPVI, Jacobs and Associates, 2010).

Figure 1. Number of basic and extended impact assessments implemented during 2004–2010



Source: Prepared according to the data from ESTEP, VPVI, Jacobs and Associates (2010).

The research has revealed that the information about the number of impact assessments conducted can be misleading. First, the institutions carelessly uploaded the impact assessment statements to the information system; in some cases, two statements are uploaded. Second, it was not obligatory to publish the statements; therefore, one should trust the institutions that they published them in the information system (ESTEP, VPVI, Jacobs and Associates, 2010).

Figure 1 reveals that an extended impact assessment is rarely carried out: during the period under investigation here, it was done approximately ten times per year. Extended assessment is a stage of the decision-making process in which a detailed and exhaustive forecast of consequences, which can arise after the implementation of the chosen decision, is made. In 2003, the creators of the government's project impact assessment resolution assumes that basic assessments would comprise 90%, and extended assessments 10% (ESTEP, 2009). However, Picture 1 and previous research provided contrary evidence. Civil servants very rarely do an extended impact assessment. In 2005, 93% of the respondents indicated that the extended impact assessment had not been done; in 2009, 88.6% (35.8%+52.8%) of the respondents claimed that this assessment either had not been carried out they did not know (see Table 1).

Table 1. The use of the extended impact assessment in decision-making

	External consultants	Institution civil servants	Is not carried out	I don't know
2005*	5	2	93	n. d.
2009**	1,9	9,4	35,8	52,8

Question. * Was extended impact assessment carried out? (the following actions were enumerated: with experts, without experts, it is not carried out, I don't know). **If decision impact extended assessment was carried out in your institution, who carried it out (the most often)? (the following actions were enumerated: external consultants, institution civil servants, extended assessment was not carried out in our institution, I don't know)

Source: designed by the author based on Vilpišauskas and Nakrošis (2005).

The first study revealed a large number of issues in regulatory impact assessment. Vilpišauskas and Nakrošis (2005) have demonstrated that improvement in impact assessment is very small compared to the situation if this tool had not been adapted at all. In such areas as the use of impact assessment results in decision making, impact assessment, the source of information about the problem, its solutions, and their application, improving the quality of the decisions and their implementation, it was found that assessment has become a formal routine. As a result, the use of this policy tool does not yield convincing results or significant government actions.

A later research study (ESTEP, 2009) confirmed many of these problems. Essentially, in four years, the system did not develop at all; on the contrary, it deteriorated. Impact assessment has become invalid from the perspective of decision-makers because it lacks political support and was not creating additional value. Civil servants either could not or would not analyse the alternatives, and the impact assessment process turned into a simulacrum.

Dvorak (2011) has described the impact analysis done by civil servants as *quick and primitive*. While preparing 20% of the statements analysed, quantitative information about the expected state budget income and expenses or saved resources was provided only after a decision had been made. There are no explanations about the validity of the quantitative data, and there is no information about the calculations provided in the statements. Finally, there are no references to sources, databases, or inter-institutional cooperation documents which were used to arrive at the numbers in the statement. Therefore, the principle of *simplicity* is blatantly violated, and citizens cannot gain full access to the decision's consequences and to participate in the decision making. The impact assessment methodology did not ensure a high quality evaluation of decision

impact. The methodology did not describe what an *impact* is, and precluded understanding the positive and negative effects of a decision in a qualitative way. Based on the statements analysed, it was determined that the advantages of the decision impact were described intuitively, without consistent and detailed assessment methods. In addition, none of the statements analysed indicated the forecasted impact period. The analysis of the statements shows that there were now consultations with the interested social and public groups; the *transparency* principle was thus violated.

In 2009, the Prime Minister's Office began implementing the three-year project "Valdymo, orientuoto į rezultatus, tobulinimas (VORT)" ("Improvement of Result-oriented Management") (Office of the Prime Minister, 2009). The objectives of the VORT project were threefold: (i) to improve the monitoring of implementation results of strategic activity plans (including budget programmes); (ii) to improve the function analysis of institutions accountable to the Government and the evaluation of budget programmes; (iii) to improve the project impact on the assessment system. As one civil servant in the prime minister's office noted, "The success of the VORT project will depend on the practical applicability of the products created during the project: The Methodology of Establishment and Application of Evaluation Criteria, the Methodologies of Function Analysis and Budget Programmes Evaluation, a corrected Impact Assessment Methodology, and a new Methodology of Ex-post Impact Assessment" (personal interview, 2010). The implementation of the VORT project changed the direction of the impact assessment system development in several ways. First, the title of the resolution was changed to "Approval of the Prospective Regulatory Impact Assessment Methodology." In this methodology, new concepts were introduced: prospective regulatory impact assessment, legislation initiative, or priority legislative initiatives. However, after the changes in 2014, only priority legislative initiatives remained.² In addition, regulatory impact assessment was given a strategic status because from then on, the Ministries and the institutions accountable to the government would foresee the most important legislation initiatives when preparing their annual activity plans. This idea was implemented in 2013 (see Table 2).

In 2013, the ministries offered 122 legal suggestions; however, the Office of the Government selected only 13–16% of them. In 2014, there were 175 of which the Office of the Government selected 27 (15%). These measures might encourage ministries and insti-

² Priority legislative initiatives are the legislation initiatives approved annually by the Government of the Republic of Lithuania; because of their economic, social, and political significance and sensitivity a more detailed impact assessment is carried out in order to ground the proposals of determining a new or changing the existing regulation, its necessity, benefits, and costs (Government of Lithuania, 2003).

tutions under the ministries to change their administrative culture, facilitating the integration of regulatory impact assessment into the decision-making process.

Table 2. The number of legislation initiatives approved in different ministries in 2013–2014

Ministries \ Year	2013	2014
Ministry of Environment	1	5
Ministry of Energy	2	2 (1 with the Ministry of Transport and Communications)
Ministry of Justice	–	1
Ministry of National Defence	1	1
Ministry of Culture	3	–
Ministry of Social Security and Labour	3	4
Ministry of Health	1	3
Ministry of Education and Science	1	2
Ministry of Economy	2	2
Ministry of the Interior	1	3
Ministry of Agriculture	1	1
Ministry of Finance	–	1
Ministry of Transport and Communications	–	2 (1 with the Ministry of Energy)
Total:	16	27

Source: prepared by author.

In general, external pressure (accession to the EU) had the most influence on regulatory assessment in Lithuania. Nevertheless, this instrument has imposed an administrative burden on civil servants because of lack of political support, weak administrative culture, and lack of knowledge. Many aims were not simply fulfilled, adapting impact assessment. Impact assessment system, as a project structure, is being reconstructed. However, only after the implementation of the VORT project, was the content of the previous methodology changed, giving priority legislative initiatives a strategic status.

Regulatory impact assessment methodology and process

One of the conditions of public policy impact assessment system functioning is the rise of legal assessment basis. For this reason, in the political-administrative systems of the Western states, the institutionalization of impact assessment took place in the Parliament, the Government, ministries, and self-government levels. Assessment has become obligatory in making decisions about new policies, programmes, preparing regulations, or discussing programme implementation results. This chapter discusses the legal impact of assessment regulation in Lithuania.

The resolution “Approval of the Prospective Regulatory Impact Assessment Methodology” (earlier “Approval and Implementation of Project Impact Assessment Methodology”). On February 26, 2003, the government approved resolution No. 276 “Approval and Implementation of Project Impact Assessment Methodology” in order to improve decision making and implementation. The resolution defined a methodology for project impact assessment (Government of Lithuania, 2003). The methodology comprised impact assessment, decision project, decision projects preparers, basic impact assessment project and extended assessment; however, the concept of “impact” is not described. It should be noted that the methodology foresees the possibility of external expert and science institution participation in carrying out extended assessment but only if the project is especially complicated and specialised preparation, knowledge, and expertise are necessary. The methodology claimed that impact assessment is obligatory, having provided a motivated suggestion, except when the editorial or technical projects are provided.

The resolution enumerated only three impact assessment principles: proportionality, professionalism, and cooperation. In 2010, the principle of cooperation was broadened because there was a legal basis for the decision project preparer to consult with the associations, professional unions, NGO representatives, citizens, or their groups, which represent the public interest. The Ministry of Finance was empowered to require information about the decision impact of the state finances. The resolution briefly noted that it was necessary to provide quantitative information whenever possible in preparing impact assessment. Finally, the basic and extended assessment implementation processes were defined in great detail, a questionnaire and a statement were provided for the civil servant to use in preparing the decision.

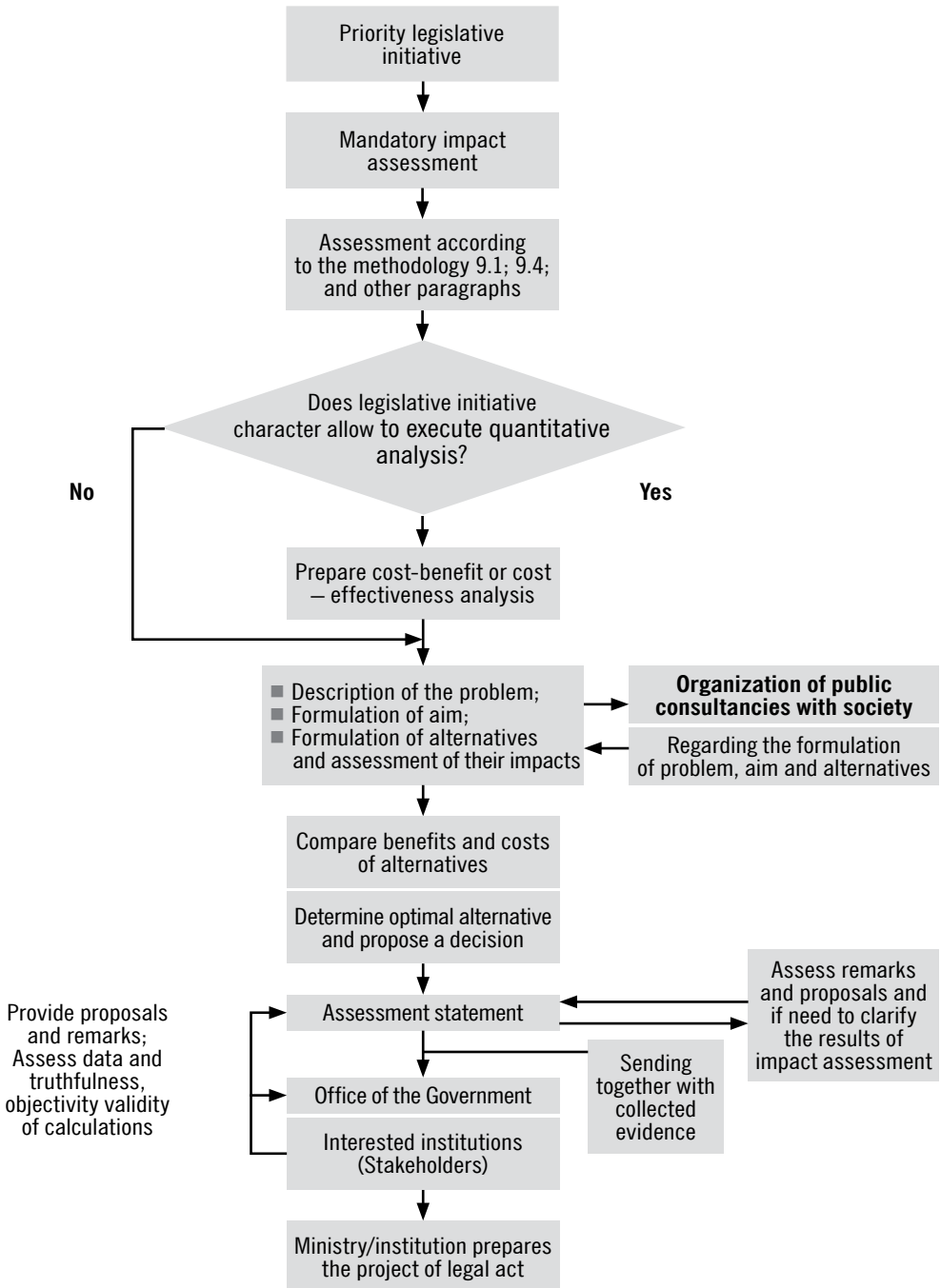
According to this resolution on the approval and implementation of the project impact assessment methodology, ten areas of impact assessment were identified: on the area

concerned; on the economy; on state finance; on the social environment; on public administration; on the extent of corruption; on the environment; on the legal system; on citizens and other individuals, except business owners; and on regional development. In Paragraph 9 of the basic assessment statement, the preparer of the statement had to provide a motivated suggestion on the purpose of extended assessment. However, as mentioned in the first chapter, since 2013, the ministries and institutions under ministries have planned the most important legislation initiatives. In the renewed methodology, impact assessment is also carried out on the basis of the principles mentioned above: proportionality, professionalism, and cooperation. The ten areas of impact assessment also remained; nevertheless, it is suggested not to confine oneself to these areas because impact can also be assessed on other areas. The process of priority legislative initiative impact assessment can be seen in Figure 2.

As one can see in Figure 2, priority legislative initiative impact assessment comprises several steps. Impact assessment itself takes four points into consideration: impact on a particular public policy area, impact on state finances, impact on the administrative burden of citizens and other individuals, state and municipality institutions, and impact on the economy. The possibility of carrying out a quantitative analysis is then weighed. If it is found to be possible, the institution then has to conduct a cost-benefit or a cost-effectiveness analysis. In carrying out impact assessment, the steps typical of a scientific research project are followed: the problem is defined, the aim is formulated, the alternatives are described, and their impact is assessed. During this stage, consultations with society may be held. The ways and forms of consultation are not described in the methodology; therefore, the institutions can choose the form of consultation on their own. After this stage, the costs and benefit of the alternatives are compared, and an optimum alternative is determined.

After these steps have been completed, the assessment statement with supporting evidence is prepared and forwarded to the Office of the Government and interested institutions. Previous research (Dvorak, 2011) has shown that the institutions did not attempt to collect or ground their basic impact assessments by providing evidence. After submitting the statement, intensive contact starts among the institution which had submitted the impact assessment, the Office of the Government, and the interested institutions. Suggestions and remarks are provided, and the truthfulness, objectivity, and validity of the data are evaluated. The institution which prepared the statement evaluates the feedback and submits a revised statement to the Office of the Government, which, upon approval of the statement, authorises the institution to prepare a legal act project. A new impact assessment procedure has to change the practice of

Figure 2. Implementation procedure of priority legislative initiative impact assessment



Source: prepared by author.

institutions to prepare legal acts and relegate the assessment statement to an appendix. This should be changed into an evidence-based legislation process, where impact assessment has an important purpose.

In 2012, *“The Law of the Legislation Basics of Lithuania”* was approved, changing the resolution of 2009–2013 *“On the Legislation Rules of the Government of the Republic of Lithuania and Approval of Sample Form of Regulatory Monitoring Statement.”* The revised resolution explained some details that had not been included into the resolution *“Approval and Implementation of Project Impact Assessment Methodology”* (i.e. consultations with the interested institutions and society). Article 15 of the new law explains when regulatory impact assessment has to be carried out and by whom. Interestingly, the law stipulated that impact assessment preparers would determine not only a positive, but also a negative assessment. This way, civil servants are insulated from political pressure; they can disregard politicians and suggest not only positive regulatory impacts but also the negative ones. Article 11 of the present law also indicates that the institutions can purchase scientific research when needed. This is another step towards evidence-based management practice.

In summary, regulatory impact assessment is overseen by the Law of Legislation Basics and the resolution *“Approval of the Prospective Regulatory Impact Assessment Methodology.”* The Law confers strategic importance upon impact assessment. The methodology discusses the process of regulatory impact assessment, formulated the questions on a certain area of assessment, describes the cost-benefit or cost-effectiveness analysis and describes the ways of carrying out this analysis, in addition to serving as a reference to methodological guidelines of cost-benefit analysis.

Discourses on Cost-Benefit analysis

The lack of evidence-based administration is proven by the fact that even two political parties enumerated the usage of cost-benefit analysis in public administration in the programmes to the Seimas election in 2008. The political party *Tėvynės Sąjunga – Lietuvos krikščionys demokratai* (The Homeland Union-Lithuanian Christian Democrats) plans to do this in the boundaries of public management reform:

Public management principles will gradually be implemented in state administration: strategic management principles will be realized instead of contemporary bureaucratic state administration. For this, the areas of politics and administration will be separated. The main direction of the political area is

strategic solutions: emphasizing alternatives, their evaluation (cost-benefit analysis), deciding about the alternatives, i.e. creation of strategies, measurement of their implementation indicators, control of following these indicators, monitoring and implementation of performance accountability. (The Homeland Union-Lithuanian Christian Democrats, 2008).

In addition, the programme identifies the area in which evaluation will be used and even predicts the expected impact of evaluation adaptation:

We will legitimise the cost-benefit analysis of expensive and having systemic consequences public initiatives and confirm its main parameters publicly. The application of this method, which is obligatory in the developed countries, would allow denying a lot of corrupt and useful for certain interest groups or just ignorant initiatives or projects for legal acts. (The Homeland Union-Lithuanian Christian Democrats, 2008).

LR Liberalų Sąjūdis (The Liberals Movement of the Republic of Lithuania) lists the areas in which cost-benefit analysis should be used in its programme, and notes that while preparing legal acts, civil servants emphasise that those acts do not have a negative impact. and suggest applying responsibility of civil servants.

Cost-benefit analysis will be obligatory for the projects of new laws. We will solidify and apply accountability of state officials for hiding the foreseen negative consequences of a legal act (The Liberals Movement of the Republic of Lithuania, 2008).

According to the respondents of the qualitative research, the cost-benefit analysis is applied in Lithuania to assess investment projects. Officials at the European Commission noted that this analysis method is used in Lithuania to evaluate transport projects (Mairate and Angelini, 2006). The research defines the geography of institutional cost-benefit analysis application. The cost-benefit analysis is applied by the Office of the Prime Minister, the Ministry of Finance and the Central Project Management Agency. However, there is no information about the analyses conducted in the public sphere because society or experts would be involved in discussing those projects. Kuodis (2009) emphasises that cost-benefit analysis is not noticeable while significant decisions are being made. A specialist (2009) in qualitative research provides the following example:

Nowadays there is the discussion about the factory of milk remaking. (...) this would be a very appropriate example to perform cost-benefit analysis. However, this does not happen or nothing is provided for the society.

Until 2011 there were no publicly accessible documents that regulated the cost-benefit analysis. By finishing the VORT project, the guide for social cost-benefit analysis was approved and published on the Government and Ministry of Finance web sites. According to the respondents, there are internal documents that regulate cost-benefit analysis in the Central Agency of Project Management; there is also an approved methodology. According to the methodology, an investment project of the project manager is evaluated and there is some economic and financial analysis in this project. The methodology of budget programmes evaluation that is being prepared is expected to include a methodology for cost-benefit and cost-effectiveness. Finally, starting from the 2013 the cost-benefit and cost-effectiveness analyses became mandatory for all new legislation initiatives approved by the government.

Institutional structure

In the previous methodology, the coordinator of decision impact assessment process was not clear. There was a possibility to consult with the Council of the Prime Minister about the purpose of the basic impact assessment or the elements of the assessment. The institutional regulatory impact assessment structure was fragmented and poorly defined. The process was decentralised and did not seem to have a coordinator. This might have accounted for the drawbacks of the system. However, when the new methodology has been approved, the Office of the Government leads the development and coordination of the regulatory impact assessment process. The Office of the Government coordinates the activities in the following areas:

- *Coordination.* According to the methodology, the Office of the Government coordinates and plans the main legislation initiatives. It analyses the initiatives planned by the institutions and makes recommendations to the Prime Minister about the compilation of the initiative list. Finally, the Office of the Government prepares a resolution project on priority legislative initiatives and, when needed, coordinates the process of list renewal after obtaining changes from the institutions.
- *Consultation.* The Office of the Government consults about the impact assessment process of priority legislative initiatives. The Ministries (e.g. Finance,

the Interior, Economy) assist in consulting. The Ministry of Finance consults on social cost-benefit analysis.

- *Guide of regulatory impact assessment preparation.* During the VORT project, methodological guidelines of social cost-benefit analysis and impact final assessment guidelines were prepared. They are accessible on the websites of the Government and the Ministry of Finance.
- *Quality control.* The Office of the Government performs impact assessment quality monitoring.
- *Training.* During the VORT project, impact assessment trainings were organised, and training material was published. The trainings were organised by the Office of the Government (at that time, the Office of the Prime Minister).

After a decade of experiments, a modern regulatory impact assessment institutional structure has been created in Lithuania, based on a hierarchical centralised model. The Office of the Government is at the centre of the model, which performs the function of the main assessment process coordinator, monitors impact assessment quality, consults institutions with other ministries, and organises trainings on impact assessment.

Conclusions

The present research has revealed that regulatory impact assessment model in Lithuania is still being constructed and reconstructed towards an evidence-based management. A model which changes the old impact stereotype has been created; it is based on contemporary methodological approaches (cost-benefit and cost-effectiveness analyses), consultations with the interested parties, a small but exhaustive legal initiatives impact assessment, and a centralised and institutional coordination of impact assessment. The new model is still being formed: even though it has been incorporated into legal documents, there are no exhaustive data about its benefits and value. Therefore, the future research might focus on how priority legislative initiatives are determined and/or initiated; it might also attempt to answer questions about the evidence that is used in preparing impact assessments of priority legislative initiatives and quality monitoring research. In order to improve the new impact assessment model, a regulatory impact assessment network (non-hierarchical coordination model) can be created under the Office of the Government, involving civil servants, scientists, experts; it would encourage discussions about impact assessment methodologies and assessment quality; it could also publish impact assessment statements with the collected evidence and calculations. The inclusion of a risk assessment element of the methodology and training of the accountable civil servants is also recommended.

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