

18 February 2020



Fiscal Impact Assessment

Government of Iceland

Ministry of Finance and Economic Affairs



Fiscal Impact Assessment / Regulatory Impact Assessment

- A new Organic Budget Law was introduced in Iceland in 2016
- A major step forward was taken 2017 by implementing a new procedure of Impact Assessment
- The line ministries are now in charge
- The Department of Fiscal affairs is now reviewing Impact Assessments



Two-Phase Procedure?

- First phase: Intention to draft a law two documents are submitted to Ministry of Finance
 - Legislative Intent
 - Preliminary Impact Analysis
- Second Phase: Final bill and the final Impact Assessment are submitted to the Ministry of Finance
 - Final bill
 - Impact Assessment



Reviewing Legislative Intent document

- We look particularly to the objectives
- Consistency to the strategies of
 - Expenditure areas
 - Functions



Reviewing Preliminary Impact Assessment

- Preliminary Impact Analysis form contain four categories of impacts
- Impacts on state's finance
 - Revenues
 - Expenditures
 - Assets
 - Assets management
 - Employee rights
 - etc.



Reviewing Preliminary Impact Assessment (2)

- Impact on fiscal framework
 - Is it consistent with the budget of expenditure areas and functions in current and forthcoming annual budget?
 - Is it consistent with actual five years strategy plan?



Reviewing Preliminary Impact Assessment (3)

- Economic Impacts
 - Is the impact consistent with actual economic policy?
 - Labor market policy?
 - Function of the internal market and competition?
 - Financial market?
 - Property rights?
 - etc.



Reviewing Preliminary Impact Assessment (4)

- Other Impacts
 - Financial Impact on local governments?
 - Impact on specific regions?
 - Impact on environment and sustainability?
 - etc.



Reviewing final bill and Impact Assessment

- By the second phase ministries submit 4 documents. Thereof the draft bill in final version and final Impact Analysis
- The Impact Assessment form must answer completely all questions regarding scope, number, amounts, strategies etc.
- For issues that matter regarding to the state budget ministries should submit all relevant documents
- AS A GENERAL RULE „MORE IS BETTER“



How can we improve the process to keep two weeks
schedule?

Legislative Intent and the final bill could be distributed
evenly throughout the year

Takk fyrir