

Conclusions of the Workshop on Benefits

on 19 March 2019 in Berlin

The workshop dealt with several questions in the context of the quantification of benefits in impact assessments. Both opportunities and challenges have been discussed by RegWatchEurope members, representatives of the OECD, the Regulatory Scrutiny Board and of German Federal Ministries.

(1) The presentation of benefits completes the assessment of impacts

Costs and benefits are two sides of the same coin. A fully-fledged impact assessment therefore requires looking at these two sides including a broad spectrum of impacts.

(2) A clear definition of legislative objective is required

In order to identify benefits, it is crucial to define the objective of the legislative initiative in a clear and straightforward way.

(3) Quantification of benefits is possible in most cases, but more challenging than quantification of costs

The quantification of benefits is generally possible. However, in most cases, the quantification of benefits will be more difficult than the quantification of costs. One reason for this is, that there is no uniform methodology for quantifying benefits. It is rather necessary to be flexible and to respond to individual cases.

(4) Quantification of benefits can reach limits

Experience shows that in some cases the requirement to quantify benefits also reaches its limits. This is due to limitations in

- the availability of data,
- resources such as personal, financial or time-related
- complexity of the subject and
- in cases where ethical considerations may apply (e.g. quantification of life time, health).

But these limitations should not be treated as principal obstacles to consider benefits at all.

(5) A comparable presentation of costs and benefits is desirable, but even more challenging

It has been acknowledged that it is especially challenging to present cost and benefit quantifications in such a way that they can be compared to one another because of the different timing of costs and benefits.

(6) A viable approach is to keep the methodology practical and simple

Given the challenges of quantifying benefits, it is important to keep the balance between finding the perfect approach, and keeping things practical and simple.