

User Template

for the *Economic Evaluation*
of *International Commercial Law Reform:*
Framework and Guide



$$E_2 = \frac{[A + B + C] \times D}{3} - E$$

User Template
for the *Economic Evaluation of*
International Commercial Law Reform:
Framework and Guide

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User Template
for the *Economic Evaluation of International Commercial Law Reform:*
Framework and Guide

This document provides a User Template with a set of considerations and questions to support users in applying the Framework and Guide developed for the Economic Evaluation of International Commercial Law Reform (EE ICLR).

The User Template focuses on the core elements of both the Framework and the accompanying guidance, providing a practical overview of the main issues to consider when carrying out an EE ICLR. Functioning as a checklist, it outlines the recommended workflow and the key steps involved in conducting an ex-ante evaluation and highlights the main questions to be addressed throughout the process.

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PART A

OVERVIEW

A. OVERVIEW

User Template for the *Economic Evaluation of International Commercial Law Reform: Framework and Guide*

Purpose: This User Template is designed to support the practical application of the Framework and Guide for the Economic Evaluation of International Commercial Law Reform (EE ICLR).

It is intended for professionals involved in EE ICLR, including those working in international, regional, or domestic organisations or governments who are (i) responsible for designing or monitoring commercial law instruments, or (ii) tasked with managing or conducting economic evaluations of such instruments.

The Template translates the Framework into an operational tool. It provides a structured set of considerations and guiding questions, reflecting the main analytical steps required to conduct an economic evaluation. In doing so, it supports users in applying the methodology in a consistent and transparent manner.

Designed for direct use, the Template can be completed alongside the evaluation process, although more detailed information may be found in the Guide. It also functions as a checklist, enabling users to verify that key stages of the evaluation have been followed and that relevant considerations — consistent with the Framework methodology — have been taken into account. Given that each evaluation is context-specific, not all questions will be applicable in every case.

The Template further promotes a clear, structured presentation of findings, encouraging concise responses and summaries that are accessible to both technical and non-technical audiences.

The document is structured into six parts, subdivided into sections aligned with the content of an EE report:

- **A. Executive summary** (1–3 pages)
- **B. Background to the economic evaluation**
- **C. Introduction to the law reform**
- **D. Benchmark**
- **E. Data and conceptual links**
- **F. Economic score (based on the Framework)**

An annex should also be included to document the sources consulted during the EE, such as academic literature, data and ex-post studies.

Framework

$$ES = \left[\left[A + B + C \right] \times D \right] / 3 - E$$

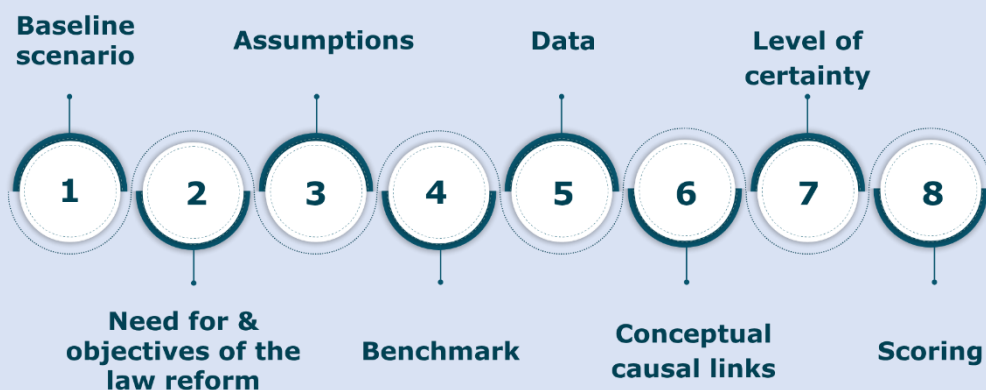
With level of certainty (%)

Where -

- ES** is the Economic Score indicating the expected relative economic variation from a Benchmark [range: - 1 to 10].
- A** is the net, direct gain of the new rules [range: 0 to 10].
- B** is the net gain of the new rules as a network [range: 0 to 10].
- C** is the net systemic (including developmental) impact of the new rules [range: 0 to 10].
- D** is the extent that the new rules will be effectively applied by courts, authorities and private actors [range: 0 to 1].
- E** is the expected total net cost of creating and transitioning to the new rules [range: 0 to 1].
- Level of Certainty** is the qualitative assessment of confidence, or certainty, of the occurrence of the impacts.

Evaluation methodology and workflow for determining the ES: The EE should follow a structured and transparent methodology, with each of the following steps clearly documented in the EE report:

Evaluation Methodology and Workflow



PART B

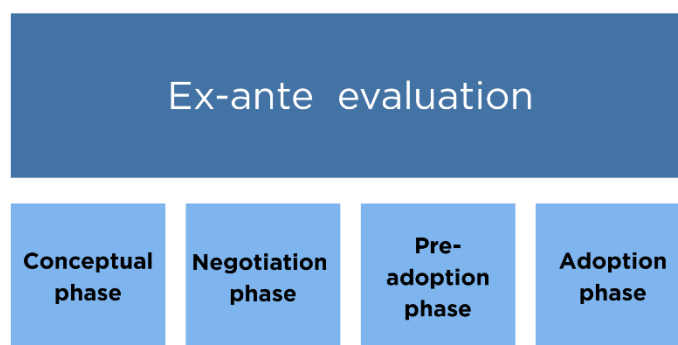
Background to the Economic Evaluation (EE)

B. BACKGROUND TO THE ECONOMIC EVALUATION (EE)

1. Timing aspects¹

1. Economic evaluations of commercial law reform may be conducted at various stages. A general distinction can be made between ex-ante and ex-post evaluations. The Framework is primarily designed to be used at the ex-ante stage of a proposed law reform. However, its application at ex-post phases is possible, provided that sufficient data exists.

2. Within the ex-ante stage, the economic evaluation may be conducted at phases of the reform process, reflecting the progressive development of the law reform, namely the: (1) conceptual phase, (2) negotiation phase, (3) pre-adoption phase, and (4) adoption phase, which are set out in the table below.



3. The following indicative questions may be helpful for determining the timing:

➤ **At what stage and phase is the EE taking place?**

➤ **What is the time horizon, i.e., the length of the evaluation period?**

➤ **What was the duration of the EE?**

¹ Further information can be found in Chapter IV of the Guide.

2. Geographical context

4. While the Framework's primary focus is on international commercial law reforms, it can, in principle, be applied to law reforms at any geographical level, including domestic and regional levels. The EE should clearly set out its geographical scope, which should be aligned to the greatest extent possible with the (expected) geographical reach of the law reform.

5. The following indicative question may be helpful for determining the geographical context:

➤ **What is the geographical context of the evaluation?**

3. Objectives of the EE

6. The general objective will likely be to identify the ways in which the law reform will have/has had an effect on countries' economies and perhaps to assess how the economic impacts might vary between countries and over time.

7. The following indicative question may be helpful for determining the objectives of the evaluation:

➤ **What goals does the evaluation aim to achieve?**

4. Evaluation actors²

8. The actors involved in an EE ICLR should be clearly described. An economic evaluation should typically involve an "Evaluation team" to conduct the evaluation and a "Benchmark team" to design the constructed Benchmark, where required.

9. The following indicative questions may be helpful for identifying the evaluation actors:

➤ **Who is carrying out the evaluation? What is the composition of the team(s)?**

² For further details on the evaluation actors, see Chapter V of the Guide.

PART C

Introduction to the Law Reform

C. INTRODUCTION TO THE LAW REFORM³

1. Baseline Scenario

10. The first step in conducting an ex-ante evaluation of an ICLR is to identify the baseline scenario. The baseline scenario reflects the situation in the absence of the legal reform and represents the status quo, i.e., the “business as usual” case. It reflects what would happen if the law reform were not adopted and, thus, no legal changes were implemented. The law reform should be evaluated as a deviation from the Benchmark. The baseline scenario describes the status quo in the absence of reform, while scoring under the Framework is conducted relative to the Benchmark, which represents a best-in-class economically observed comparator rather than an absolute or ideal outcome.

11. The following indicative questions may be helpful for identifying the baseline scenario:

➤ **What is the current market context and legal framework?**

➤ **What problem is the law reform seeking to solve? How could the existing situation develop in the absence of the proposed law reform?**

➤ **What is the size and scale of the problem and what actors are affected (stakeholder mapping)?**

2. Objectives of the law reform

12. It is recommended to specify the rationale behind the ICLR and to outline its objectives. This may involve assessing whether the problem to be addressed has transnational aspects which require an international legal response to produce higher gains or achieve better outcomes compared to purely domestic actions. Clearly setting out the objective(s) of the law reform helps to identify the relevant questions and assumptions to be analysed during the EE process.

13. The following indicative questions may be helpful for specifying the objectives of the law reform:

³ This Part corresponds to Chapter VI, Sections 1-3 of the Guide.

- **What is the expected outcome, including the nature and geographical scope of the instrument?**

- **What is the expected implementation (e.g., number of ratifications, degree of adoption, etc.)?**

- **What are the possible alternative legislative options considered, and what is the foreseen nature of the instrument (soft law or hard law)?**

3. Assumptions

14. For transparency's sake, any EE of commercial law reform should clearly present the key assumptions on which the evaluation is based. Assumptions should cover both the current legal framework (i.e., current state of the law) and the impact of the law reform (i.e., anticipated changes in the law). Reasonable assumptions should be made for all Factors in relation to the Benchmark.

15. The following indicative questions may be helpful for outlining the key assumptions:

- **What are the main assumptions for this evaluation?**

- **What are the law-related assumptions?**

16. The following indicative question may be helpful for outlining the key assumptions:

- **What are the main assumptions for this evaluation?**

PART D

Benchmark

D. BENCHMARK⁴

1. Benchmark

17. The next step involves determining the appropriate Benchmark law reform against which the economic impact of the law reform is being evaluated. The Benchmark is a similar law reform introduced or adopted at the domestic, regional or international level and represents the scenario against which to compare the law reform under scrutiny. The Benchmark refers to the law that is most economically beneficial based on ex-post studies rather than the ideal law in legal terms. The quality of the Benchmark is therefore assessed based on economic terms.

18. The Benchmark serves as a reference point for measuring the impact of legal changes or economic effects. This process requires comparing potential changes or impacts resulting from other law reforms with the expected effects of the law reform under scrutiny. Comparisons can demonstrate the expected gains of an ICLR. As such, the Benchmark acts as a tool to identify “best-in-class” performers. Multiple and diverse Benchmarks might exist.

19. The Evaluation team should identify and decide which legal content is similar and relevant for accurate comparison based on:

- a) Similar sectoral law reforms in other countries or regions;
- b) Similar law reforms in other sectors in the same country or similar ones;
- c) Similar policy goals;
- d) Recommendations from international organisations or standard-setting bodies;
- e) Best practices and model laws developed by organisations;
- f) Comparative analysis of legal frameworks in comparable jurisdictions;
- g) Feedback from stakeholders, including industry experts, legal practitioners, and economic experts.

20. Because of its importance in the evaluation process, the Benchmark should be selected carefully by reviewing relevant studies on the ex-post evaluation of that law reform. The selection of studies and literature should prioritise the following hierarchy: (a) quantitative empirical studies using causal inference; (b) case-based quantitative studies; (c) qualitative studies.

21. A key aspect when considering Benchmarks is whether a Benchmark exists or needs to be constructed.

22. The following indicative questions may be helpful for identifying the Benchmark and determining its suitability:

➤ **Does a Benchmark exist, or does it need to be constructed?**

⁴ Additional guidance on how to determine or construct a Benchmark is provided in Chapter VI, Section 4 of the Guide.

➤ **What is/are the relevant Benchmark(s)?**

➤ **Is this the appropriate context? Does it reflect the ideally economically beneficial law in the reform's area of law?**

➤ **Does the Benchmark align with the reform's objectives and policy goals? Does the Benchmark correspond to one or more aspects of the law reform?**

➤ **Does the Benchmark correspond to one or more aspects of the law reform?**

➤ **Does the Benchmark have a similar binding nature and enforceability to the proposed law reform?**

2. The constructed Benchmark (where necessary)

23. In certain cases, the Benchmark team may need to design a Benchmark ("**constructed Benchmark**"), specifically tailored for evaluation purposes. This approach is particularly necessary in the following scenarios:

- a) When no Benchmark exists, and a legal reform is needed; *or*
- b) When multiple Benchmarks are available, but:
 - i) a law reform is necessary to simplify and harmonise them with a global solution; *or*
 - ii) the existing Benchmarks are inadequate, either due to their quality or because none fully aligns with the reform objectives. For example, it may not be possible to identify a sufficiently comparable case to serve as a Benchmark. This may include cases where analogies to existing Benchmarks are too distant or uncertain to be effective, or cases where the existing Benchmarks cover only certain aspects of the reform.

24. The constructed Benchmark does not reflect the ideal law, but rather one that is economically optimal based on ex-post studies. It should not be designed from scratch but rather developed as a combination of existing Benchmarks, which should be selected according to the general criteria for Benchmarks.

25. A constructed Benchmark should integrate the most relevant elements from existing Benchmarks, combining their strengths into a cohesive, practical reference point, while reflecting the components of different Benchmarks.

26. The following indicative questions may be helpful for constructing a Benchmark:

- **What are the relevant Benchmarks to form part of the constructed Benchmark?**

--

- **What aspects do the existing Benchmarks cover?**

--

- **What are the main features of the constructed Benchmark?**

--

3. Ex-post economic studies

27. A clear distinction should be made between ex-post or quantified studies and theoretical assessments, as well as between observed and demonstrated impacts versus hypothetical or predicted effects. The selection of studies and literature should follow this ranking:

- a) Quantitative empirical studies;
- b) Case-based quantitative studies;
- c) Qualitative studies.

28. Economic studies related to the Benchmark should be examined and documented by summarising their focus and arguments in the EE report.

29. A summary of ex-post studies may be presented in a table, as illustrated below:

Source	Focus	Summary of Arguments

PART E

Data and Conceptual Causal Links

E. DATA AND CONCEPTUAL CAUSAL LINKS⁵

1. Data

30. For any EE, data is key to understanding causality, evaluating impact, and justifying law reforms. The Evaluation team should seek to ensure that it is based on the most complete, up-to-date and reliable data set.

31. All Factors should be assessed quantitatively and qualitatively. The reasons for not undertaking detailed quantitative evaluations should always be explained, along with the implications this may have for the EE.

32. The following indicative questions may be helpful for constructing a Benchmark:

➤ **What data sources are used for the EE?**

➤ **What data should be collected (data mapping)?**

➤ **What data is collected (data collection)?**

➤ **Which qualitative and quantitative methods are used for data collection?**

➤ **Is there any data limitation? If yes, please explain how this limitation may affect the overall analysis.**

⁵ Further information on data mapping and collection, as well as guidance on understanding and relying on causal linkages, is provided in Chapter VI, Sections 5 and 6 of the Guide.

- **How reliable are the data sources?**

- **Is the collected data complete, current and reliable?**

2. Conceptual Causal Links

33. Conceptual causal links are theoretical or logical cause-and-effect connections. They represent the Evaluation team's hypothesis or understanding of how different Factors within an EE are interrelated and how a law reform might create ripple effects across these Factors. Conceptual causal links support a coherent evaluation narrative but are not sufficient to establish causation, as observed correlations between a law reform and economic outcomes may reflect confounding factors.

34. The following indicative questions may be helpful for determining the causal links:

- **Are there conceptual causal links between Factors?**

- **Which types of conceptual causal links exist (direct or indirect)?**

- **What is the level of intensity of conceptual causal links (weak or strong)?**

PART F

Economic Score

F. ECONOMIC SCORE

1. Scoring Methodology

Framework

$$ES = \left[\left[A + B + C \right] \times D \right] / 3 - E$$

With level of certainty (%)

Where -

- ES** is the Economic Score indicating the expected relative economic variation from a Benchmark [range: - 1 to 10].
- A** is the net, direct gain of the new rules [range: 0 to 10].
- B** is the net gain of the new rules as a network [range: 0 to 10].
- C** is the net systemic (including developmental) impact of the new rules [range: 0 to 10].
- D** is the extent that the new rules will be effectively applied by courts, authorities and private actors [range: 0 to 1].
- E** is the expected total net cost of creating and transitioning to the new rules [range: 0 to 1].
- Level of Certainty** is the qualitative assessment of confidence, or certainty, of the occurrence of the impacts.

2. Factors⁶

35. The Framework consists of five Factors (A, B, C, D, and E), each capturing different aspects of the economic impact of legal reforms. These Factors provide an overall score that facilitates comparisons between reforms with similar scores, but different underlying impacts.

36. Factors A, B, and C represent distinct sources of economic gains and reflect **“net” values** that produce economic gains. Assessing the net impact requires calculating both positive and negative components of a reform. The concept of “net” takes into account the negative externalities.

37. The **net score** of each Factor is determined through relative comparison with an ICLR Benchmark. Factors are mutually exclusive and exhaustive, and therefore each Factor should be evaluated separately to avoid double-counting.

⁶ Detailed guidance on measuring each Factor is provided in Chapter III of the Guide.

38. The analysis of each Factor is supported by “indicative questions”. For Factors A, B, C and E, these should be answered in relation to the Benchmark in order to measure the expected change or relative improvement resulting from the legal reform compared with the Benchmark. This helps identify deviations from the Benchmark and assess whether a reform would have a similar or distinct effect on various sectors. By contrast, Factor D should be assessed in absolute terms as it reflects the likelihood of effective application, rather than the degree of improvement in relation to the Benchmark.

39. To avoid double-counting, each economic effect should be allocated to a single Factor based on its primary transmission channel: direct effects on affected parties (Factor A), coordination and harmonisation effects across jurisdictions (Factor B), or broader spillovers and systemic impacts (Factor C). Where effects evolve dynamically, first-order effects should be captured under the relevant Factor, with second-order or diffuse effects reflected through the level of certainty. Transition costs borne by private stakeholders in adapting to new rules fall under Factor A. Factor E instead covers the costs of designing, negotiating, adopting, and implementing the reform, including legislative and institutional changes and required infrastructure. Enforcement costs (Factor D) may also be transferred to private actors through fees and are then reflected under Factor A.

2.1. Factor A (Direct impact)

The net, direct impact of the new rules
[range: 0 to 10]

40. Factor A measures the direct impact of the ICLR, rather than the rules applicable in the absence of reform. In other words, this Factor reflects the primary effects of the reform and concerns the economic gains that parties who are directly affected by the rules will likely experience from the reform initiative. Under this Factor, the initiative is scored in and of itself – its intrinsic quality – rather than as an element of a legal order or a broader regulatory environment (which are separately evaluated under Factor B).

41. Scoring Factor A requires examining market size and functioning, transaction volume, costs, and risk reduction in the affected market or sector.

42. The following indicative list of questions may be helpful for measuring Factor A (relative to the Benchmark):

- **Under the baseline scenario, who is suffering from market failures or other inefficiencies?**

- **Which actors would be directly affected by the introduction of the reform?**

- **Who is targeted to gain from the law reform? Are the stakeholders for whom the envisaged rules are intended easily identified?**

- **What is the size of the market(s) affected by the law reform (e.g., in terms of investment, trade flows, expenditure), relative to the Benchmark?**

- **What is the expected change in the affected markets brought about by the legal reform?**

- **What is the expected improvement of transactions at individual level?**

- **Is the law reform expected to lead to compliance costs (e.g., costs to comply with reporting requirements, etc.)?**

- **Is the law reform expected to lead to increased legal predictability relative to the Benchmark? If so, is this expected to affect the number of disputes and related costs?**

- **What type of statistical information, indicators and information should be generated in order to facilitate an evaluation of the direct impacts of the law reform?**

2.2. Factor B (Network impact)

The net impact of the new rules as a network [range: 0 to 10]

43. Factor B reflects the net impact of the new rules as a network, that is, the existence of international rules. Factor B focuses on the international applicability of the law reform and its potential for creating network effects. It should be understood as determining whether the law reform would create synergies, blocks, or substitution effects with existing laws and the gains of legal harmonisation across countries.

44. This requires identifying the relevant international and/or domestic legal frameworks that the new law or instrument will interact with, and then an analysis of the interactions between the ICLR and the previously identified legal frameworks should be conducted.

45. The following list of indicative questions may be helpful for scoring Factor B (relative to the Benchmark):

- **With which existing laws and regulations would the law reform interact with?**

- **How are the new rules expected to fit into the existing legal framework?**

- **How do the objectives of the law reform compare to the objectives of the existing legal framework (e.g., do they support or oppose each other) and to those of the Benchmark?**

- **What are the expected synergies or conflicts with existing regulations?**

- **How many states are expected to join the initiative (e.g., expected number of ratifications or adoptions)?**

- **What gains would arise as more states adopt the law reform (e.g., implement a model law or become party to a treaty)?**

- **How does the law reform affect states that are not direct addressees of the reform?**

- **What type of statistical information, indicators and information should be generated in order to facilitate an evaluation of the network impacts of the law reform?**

2.3. Factor C (Systemic impact)

The net, systemic (including developmental) impact of the new rules

[range: 0 to 10]

46. Factor C is a measure of the systemic, indirect impact of the envisaged law reform in relation to the relevant sectors. Factor C reflects the secondary effects (“knock-on” or “spillover effects”) related to the law reform, as opposed to the primary (direct) effects under Factor A. These secondary impacts may include contributions to broader development goals, for example gains through employment or increased tourism activity.

47. Factor C focuses on broader market dynamics and price shifts outside the area directly affected by the law reform. The Benchmark used for comparison would help gauge whether a reform would have a similar or different broader effect.

48. The following indicative list of questions may be helpful for scoring Factor C (relative to the Benchmark):

- **Which actors would be indirectly affected by the law reform?**

- **Which sectors are expected to be indirectly affected?**

- **How many different regions or countries are expected to be affected?**

- **How is the law reform expected to affect the labour market?**

- **How is the law reform expected to impact the financial markets?**

- **What is the expected impact of the law reform on prices?**

- **What are the effects on economic growth or development?**

- **What types of statistical information, indicators and data should be generated in order to facilitate an evaluation of the systemic impact?**

2.4. Factor D (Effective application)

The extent that the new rules will be effectively applied
[range: 0 to 1]

49. Factor D seeks to determine whether and to what extent the law reform will be effectively applied and become operative or not. “Effective” application under this Factor refers to implementation of the law by states and compliance with, and use of, the law by private actors. It therefore captures not only formal adoption and enforcement, but also the extent to which the rules are actually followed and relied upon in practice.

50. The applicability and operativeness of the law reform are crucial factors and could nullify the gains of the law reform through multiplication from 0 to 1.

51. Where unusually high transition or capacity constraints undermine effective application, these effects may be reflected through a downward adjustment of Factor D rather than treated solely as transition costs under Factor E.

52. The following list of indicative questions may be helpful for scoring Factor D (relative to the Benchmark):

- **How complex are the new rules?**

- **Do the new rules provide for specific dispute resolution or other enforcement mechanisms?**

- **Do the new rules have a direct effect at the national level, or are implementing actions needed?**

- **How will stakeholders be involved in the law reform?**

- **What advocacy and assistance activities are anticipated?**

- **To what extent are direct stakeholders expected to effectively apply the new rules?**

- **To what extent are courts in the relevant jurisdictions expected to effectively apply the new rules?**

- **Is any data available on compliance with comparable legal instruments?**

2.5. Factor E (Transition costs)

The expected net cost of creating and transitioning to the new rule
[range: 0 to 1]

53. Factor E covers the transition costs of a law reform, which includes the costs of negotiating and adopting the new rules, their implementation, and any required institution-building or training. Factor E may also include costs for aspects that need to be in place according to the new rule. For simplicity, Factor E is static, meaning that it does not increase or decrease over time, and transition costs should be assessed as a one-off or fixed component.

54. In addition to initial transition costs, Factor E should also account for the ongoing maintenance costs required to ensure the continued functioning and effective application of the law reform after implementation. These costs should be incorporated under Factor E in an aggregated and simplified manner.

55. The following indicative list of questions may be helpful for scoring Factor E (relative to the Benchmark):

- **What are the expected costs for negotiating and adopting the law reform?**

- **What are the expected educational costs for the instrument?**

- **What are the expected costs for implementing and complying with the instrument?**

- **What are the expected future costs of inaction?**

3. Level of Certainty⁷

56. The level of certainty should reflect the degree of confidence in the EE findings, based on the type, quantity, and quality of evidence or input data, and the degree of agreement and consistency across sources. The level of certainty should also reflect the presence of externalities, including social and environmental effects, as well as indirect network effects and other third-party effects.

57. Overall, the level of certainty represents the extent to which the estimated economic impact of a proposed law reform is reliable and precise. It should not be interpreted as a statistical probability or as an additional weighting of the ES. It rather reflects a qualitative assessment of confidence that may be revised over time as new evidence emerges, particularly in ex-post evaluations.

58. The level of certainty is expressed as a percentage, where 100% indicates that the Evaluation team is fully certain of the score obtained.

59. The following list of indicative questions may be helpful for determining the level of certainty:

⁷ More details are provided in Chapter VI, Section 7 of the Guide.

- **How reliable are the findings, based on the type, quantity, quality of evidence or input data, the timing of data collection, and the degree of agreement?**

- **Are there deviations between the evaluated reform and the Benchmark in terms of legal areas, geography, or sector?**

- **How confidently can the effects documented in the Benchmark be expected to apply to the reform under evaluation?**

- **Are there any externalities (e.g., environmental or social effects) that should be considered in the evaluation?**

- **Do indirect network effects, such as impacts on complementary markets, influence the law reform?**

- **How reliable are the data sources used?**

- **How do changes in input data and assumptions affect the certainty and uncertainty of the law reform?**

- **Is there any existing previous economic research that has tackled similar reforms specifically?**

60. The level of certainty should be interpreted as per below:

Table 3. Interpretation of the level of certainty

Level of Certainty	Interpretation
Highest 90-100%	The Benchmark is nearly identical to the proposed law reform, with extensive empirical evidence and a proven track record of success.
Very High 80-90%	The Benchmark closely aligns with the proposed law reform, and there is strong empirical evidence from multiple sources.
High 70-80%	The Benchmark is a relevant comparison, but some adjustments are needed. Empirical evidence is reliable, though minor uncertainties exist.
Conjectural 60-70%	The Benchmark partially aligns with the reform, but significant adjustments are required. Limited empirical data exists, while assumptions play a key role.
Low 50-60%	There is minimal empirical evidence, and the Benchmark has limited applicability, requiring substantial modifications and estimations.
Very Low 40-50%	The Benchmark is weakly related to the proposed reform, with substantial reliance on assumptions, leading to high uncertainty.
Lowest 0-40%	No suitable Benchmark exists. The evaluation is entirely based on theoretical modelling and expert judgment, with extreme uncertainty.

4. Calculation of the Economic Score (ES)⁸

61. After individually evaluating Factors A to E, individual scores assigned to each Factor should be placed in the Framework. The combined effect of Factors A, B, C and D is divided by three to obtain a score between 0 and 10. In the cases where one or two of the Factors A, B or C is missing, the divider might be determined as the number of existing Factors A, B and C.

⁸ The calculation of the ES is based on the methodology provided in Chapter II, Section 1 and Chapter VI, Section 8 of the Guide.

62. The following template may be helpful for calculating the ES based on the Framework:

$$\frac{[(A [0, 10]) + (B [0, 10]) + (C [0, 10])] \times (D [0, 1])}{(3)} - E [0, 1]$$

63. The ES should be interpreted as per below:

Table 1: Interpretation and rating of Economic Score band

ES Bands	Rating	Interpretation
10-9	AAA	Highest economic impact
9-8	AA	Very high economic impact
8-7	A	High economic impact
7-6	BBB	Good economic impact
6-5	BB	Conjectural economic impact
5-4	B	Highly conjectural economic impact
4-3	CCC	Low economic impact
3-2	CC	Very low economic impact
2-1	C	Lowest economic impact
1-0	D	No economic impact
<0	F	Negative impact

Table 2: Interpretation of the ES rating

ES	Interpretation
As	High economic impact, which suggests that, from an economic perspective, there is substantial merit in pursuing the law reform. This means that the law reform is in line with the Benchmark and could have positive economic gains.
Bs	Good economic impact evaluation, which suggests that, from an economic perspective, there is merit in pursuing the law reform.
Cs	Low economic impact, which suggests that, from an economic perspective, the law reform is inadequate and there is little justification to pursue it.
Ds-F	Low or negative impact evaluation, which suggest that, from an economic perspective, the law reform should not be pursued. This may mean that the reform deviates largely from the Benchmark or may have unintended consequences

64. Ex-post quantification is a crucial component of EE, as it provides empirical evidence of the potential economic impact of law reform. By analysing past implementations of similar law reforms and adjusting their outcomes based on the ES of the law reform under evaluation, ex-post quantification enables more precise, context-specific estimations supported by robust data gathered from empirical studies.

65. Reported outcomes in different economic parameters – such as increase in international trade flows, FDI in related jurisdictions, changes in GDP, etc. – from the existing ex-post economic studies should be documented. These quantifications serve as objective reference points, reduce reliance on assumptions, and strengthen the credibility of impact assessments.

66. For the ex-post quantification of the law reform, the reported impact from the existing ex-post economic studies should be adjusted by multiplying it with the ES of the law reform, to calculate the expected changes in these economic parameters.

67. Ex-post quantification not only enhances the predictive accuracy of EEs but also facilitates comparability between different implementations by grounding estimations in real-world data. The incorporation of empirically validated results also improves the reliability of decision-making for legislators, policymakers, and stakeholders.

68. The following template may be helpful for calculating ex-post quantification:

For Economic Parameter 1:			
	Economic Parameter 1	ES	Ex-post quantification
Ex-post study 1	<p style="text-align: center;"><i>Please indicate the outcome of economic parameter 1 from ex-post study 1:</i></p> <p style="text-align: center;"><i>Outcome_{1,1}</i></p>	<i>Please indicate ES</i>	<i>Outcome_{1,1} × $\frac{ES}{10}$</i>
Ex-post study 2	<p style="text-align: center;"><i>Please indicate the outcome of economic parameter 1 from ex-post study 2:</i></p> <p style="text-align: center;"><i>Outcome_{1,2}</i></p>	<i>Please indicate ES</i>	<i>Outcome_{1,2} × ES</i>
Ex-post study 3	<p style="text-align: center;"><i>Please indicate the outcome of economic parameter 1 from ex-post study 3:</i></p> <p style="text-align: center;"><i>Outcome_{1,3}</i></p>	<i>Please indicate ES</i>	<i>Outcome_{1,3} × $\frac{ES}{10}$</i>
For Economic Parameter 2:			
	Economic Parameter 2	ES	Ex-post quantification
Ex-post study 1	<p style="text-align: center;"><i>Please indicate the outcome of economic parameter 2 from ex-post study 1:</i></p> <p style="text-align: center;"><i>Outcome_{2,1}</i></p>	<i>Please indicate ES</i>	<i>Outcome_{2,1} × $\frac{ES}{10}$</i>
Ex-post study 2	<p style="text-align: center;"><i>Please indicate the outcome of economic parameter 2 from ex-post study 2:</i></p> <p style="text-align: center;"><i>Outcome_{2,2}</i></p>	<i>Please indicate ES</i>	<i>Outcome_{2,2} × $\frac{ES}{10}$</i>
Ex-post study 3	<p style="text-align: center;"><i>Please indicate the outcome of economic parameter 2 from ex-post study 3:</i></p> <p style="text-align: center;"><i>Outcome_{2,3}</i></p>	<i>Please indicate ES</i>	<i>Outcome_{2,3} × $\frac{ES}{10}$</i>

For Economic Parameter 3:

	Economic Parameter 3	ES	Ex-post quantification
Ex-post study 1	<p>Please indicate the outcome of economic parameter 3 from ex-post study 1:</p> <p><i>Outcome_{3,1}</i></p>	<p>Please indicate ES</p>	<p><i>Outcome_{3,1}</i> × $\frac{ES}{10}$</p>
Ex-post study 2	<p>Please indicate the outcome of economic parameter 3 from ex-post study 2:</p> <p><i>Outcome_{3,2}</i></p>	<p>Please indicate ES</p>	<p><i>Outcome_{3,2}</i> × $\frac{ES}{10}$</p>
Ex-post study 3	<p>Please indicate the outcome of economic parameter 3 from ex-post study 3:</p> <p><i>Outcome_{3,3}</i></p>	<p>Please indicate ES</p>	<p><i>Outcome_{3,3}</i> × $\frac{ES}{10}$</p>

ANNEX

Consulted Sources

ANNEX. CONSULTED SOURCES

Please list the sources consulted in conducting the Economic Evaluation, including, where relevant, academic literature, legislation, policy documents, empirical data, and ex-post studies related to the Benchmark.

