



European Parliament work in the fields of

Ex-Ante Impact Assessment and European Added Value

Activity Report for
June 2012 - June 2014

EPRS | European Parliamentary Research Service

Directorate for Impact Assessment and
European Added Value

PE 536.372 - September 2014

European Parliament work in the fields of
Ex-Ante Impact Assessment and
European Added Value

Activity Report for
June 2012 - June 2014

EPRS | European Parliamentary Research Service

Directorate for Impact Assessment and
European Added Value

September 2014

AUTHOR:

Joe DUNNE

joseph.dunne@ep.europa.eu

DOCUMENT COMPILED BY:

Directorate for Impact Assessment and European Added Value
Directorate-General for Parliamentary Research Services (DG EPRS)
European Parliament

To contact the Ex-Ante Impact Assessment Unit, please e-mail:

EPRS-ExAnteImpactAssessment@ep.europa.eu

To contact the European Added Value Unit, please e-mail:

EPRS-EuropeanAddedValue@ep.europa.eu

LINGUISTIC VERSIONS:

Original: EN

DISCLAIMER

The opinions expressed in this document are the sole responsibility of the author(s) and do not represent an official position of the European Parliament. Reproduction and translation of this document for non-commercial purposes are authorised, provided the source is acknowledged.

Brussels © European Union, September 2014.

Manuscript reprinted in April 2015.

PE 536.372

**European Parliament work in the fields of
Ex-Ante Impact Assessment and European Added Value**
Activity Report for the period June 2012 - June 2014

Contents

Introduction by Klaus Welle, Secretary General of the European Parliament	4
Comments from Klaus-Heiner Lehne and Doris Pack, Chairs of the Conference of Committee Chairs (CCC) in the 2009-14 European Parliament.....	6
European Parliament work in the fields of Ex-Ante Impact Assessment and European Added Value	7
1) Background	7
2) Directorate for Impact Assessment and European Added Value.....	8
3) Range of ex-ante products and services provided by the Directorate.....	9
4) Overview of work undertaken.....	10
5) List of work undertaken in the fields of Ex-Ante Impact Assessment and European Added Value: June 2012 to June 2014.....	11
<i>A) Ex-Ante Impact Assessment Unit</i>	<i>11</i>
- Initial Appraisals of European Commission Impact Assessments.....	11
- Detailed Appraisals of European Commission Impact Assessments.....	13
- Substitute or Complementary Impact Assessments	14
- Impact Assessments on Parliamentary Amendments.....	14
<i>B) European Added Value Unit</i>	<i>14</i>
- European Added Value Assessments.....	14
- Cost of Non-Europe Reports	15
- Added value of existing EU policies.....	15
- Other papers on added value issues.....	15
6) Availability of all EP work on the web.....	16
7) Governance, finance and administration.....	16
8) European Parliament positions.....	17
9) Progress to date and future development	19
 Annex 1: EP Handbook on Impact Assessment	 22
Annex 2: Extract from the Inter-Institutional Agreement on Better-Law Making.....	32
Annex 3: Inter-Institutional Common Approach to Impact Assessment.....	33

Introduction by Klaus Welle, Secretary General of the European Parliament

The European Parliament is strongly committed to the Better Law-Making agenda in the European Union. The EU legislative process can be seen as a cycle, starting with identifying long-term agenda items that require action at European level. It then involves stake-holder consultation and impact assessment on draft proposals from the European Commission, followed by the amendment and enactment of law by the twin branches of the legislature, the Parliament and the Council of Ministers. This is followed in turn by transposition, implementation and enforcement of the legislation enacted, and finally a proper evaluation of the outcome and the effectiveness of such law in practice. The Parliament needs to be present throughout this legislative or policy cycle - both upstream and downstream of when EU law is amended and adopted - offering democratic in-put into the challenges to be addressed and on the choices made.

The European Parliament has been interested in the issues of 'joined-up' law-making and policy-making from a very early stage, going right back to the initial work done by the Molitor and Mandelkern Groups fifteen to twenty years ago. The Parliament played an important role in setting the agenda for the 2003 Inter-Institutional Agreement on Better Law-Making - work in which I was privileged to play an important part - and in ensuring that the concept of impact assessment, which featured in that agreement for the first time, subsequently became increasingly an operational reality at the level of the Union's institutions.

From the Doorn Report in 2004 through to the Niebler Report in 2011, the Parliament has maintained pressure on the European Commission to take its responsibilities, especially in the field of *ex-ante* impact assessment, very seriously. In 2012, a new directorate was established within the Parliament's general secretariat to support the activities of our own committees in this field, and in parallel, to strengthen our ability to identify areas where the Union can add value to public policy through common action where none might otherwise be taken. The administrative service is called the Directorate for Impact Assessment and European Added Value to reflect that balance. We see these twin dimensions of impact assessment and added value as going hand in hand.

The Parliament needs to have its disposal a capacity to systematically analyse and critique the Commission's impact assessments - and one which is separate to, and independent of, the analysis of the Commission itself. It needs to provide resources for its committees to be able to undertake any impact assessment work of their own, at any stage in the legislative process, as they choose. Accordingly, we have now put that capacity in place, in the form of the Ex-Ante Impact Assessment Unit of the new directorate - and its quiet, steady output since mid-2012 has begun the process of empowering committees in this way.

In parallel, the Parliament needs to be able to make serious and properly justified requests to the Commission about how the latter institution should use its right of initiative - a role strengthened by the Lisbon Treaty (Article 225 TFEU). So the European Added Value Unit in the directorate now assists the committees in substantiating their requests for legislative or other action from the Commission, through 'European Added Value Assessments' specifically for legislative own-initiative reports, and through 'Cost of Non-Europe Reports' which analyse policy areas where there may be economies of scale or collective 'public goods' that are simply not being realised because of *inaction* at European level.

In fact, the very idea of 'non-Europe' originates in a report by Michel Albert and Professor James Ball, entitled *Towards European Economic Recovery*, which was commissioned by the Parliament back in 1983 - two years before completion of the single market became the Commission's top priority under Jacques Delors. The concept was popularised by the Cecchini Report on the economic potential of completion of the European single market, in 1988. The European Added Value Unit's recent publication, *Mapping the Cost of Non-Europe, 2014-19*, carries forward this approach, twenty years later, by bringing together work in progress to quantify the potential efficiency gains - whether in additional GDP or improved use of scarce resources - in today's European economy from pursuing a series of policy initiatives recently advocated by the Parliament - from a wider and deeper digital single market to better coordinated national and European policies for defence and development.

Together, the two units in the Directorate that are specifically concerned with *ex-ante* impact assessment and European added value have produced about one hundred significant pieces of work of various kinds, over some 4,000 pages, in their first two years of operation. This *Activity Report* gives a detailed account of that work, explaining the background to and nature of the services and products available, and listing every publication between mid-2012 and the end of the 2009-14 Parliament.

Whereas *ex-ante* impact assessment involves assessing, in advance of legislating, the likely economic, social and environmental effects of any initiative - *ex-post* impact assessment seeks to review, in advance of legislating anew, the actual impact and effect, whether intended or unintended, of existing legislation in practice. As the *ex-ante* work of the Directorate has taken root, so it has been possible to develop capacity on the *ex post* side as well. The flagship Niebler Report within the Parliament in 2011 advocated the greater use of impact assessment both upstream and downstream of law being adopted, with a matching emphasis on the importance of European added value too. Consistent with this philosophy, we are now gradually strengthening the administrative support for *ex-post* work, with new units in the Directorates for Ex-Post Impact Assessment and Policy Performance Appraisal.

In short, the valuable body of work now being undertaken by the Directorate for Impact Assessment and European Added Value is helping the parliamentary committees to offer better informed and more systematic oversight and scrutiny of the executive, in the form of the European Commission, and to see the legislative process in the round - and so contribute to making better law in the European Union.

Comments from Klaus-Heiner Lehne and Doris Pack,

Chairs of the Conference of Committee Chairs (CCC) in the 2009-14 European Parliament

‘The effective use of impact assessment and 'European added value' tools can make a very important contribution to the quality of law-making within the European Union. The Parliament's Legal Affairs Committee was in the forefront of seeking to ensure that, as an institution, we took these issues seriously and had a proper administrative capability to support for our committee work in these fields. So I am delighted that the new Directorate for Impact Assessment and European Added Value has achieved so much, so quickly, since its creation in 2012.

From the start, my own committee found itself a regular user of its services - and I believe that its support enhances the Parliament's impact in the legislative process. The Conference of Committee Chairs (CCC), which I also had the privilege to chair, has likewise benefited from the regular reporting on this work by the new Directorate - and we were also able to update the Parliament's Impact Assessment Handbook last year. So, altogether, this represents a very good start, on which I trust that the Parliament will build in the years ahead.’

Klaus-Heiner Lehne

Chair, EP Conference of Committee Chairs and Legal Affairs Committee, 2009-14.

‘The Conference of Committee Chairs supervises the European Parliament's work on, and it coordinates the parliamentary committees' approach to, impact assessment and European added value. With the recent adoption by the CCC of a revised Impact Assessment Handbook, we have moved a long way towards developing a more consistent and integrated approach to this area of our work.

As the out-going Chair of the CCC, I am happy to underline the importance of the work of the Directorate for Impact Assessment and European Added Value - and how useful it is for parliamentary committees to take advantage of its support capacity in helping exercise scrutiny and oversight of the executive. The new services and products described in this *Activity Report* represent an important step forward for the Parliament.’

Doris Pack

Chair, EP Conference of Committee Chairs, 2014.

European Parliament work in the fields of Ex-Ante Impact Assessment and European Added Value

Activity Report for the period June 2012 - June 2014

1) Background

Starting in 2002, the European Commission began to accompany its various legislative proposals with *ex-ante* impact assessments, looking notably at the potential economic, social and environmental effects of each measure put forward. Some basic provisions in respect of such assessments were included in the Inter-Institutional Agreement (IIA) on Better Law-Making, signed jointly by the Commission, European Parliament and Council of Ministers in December 2003.¹ Subsequently, in July 2006, the three institutions agreed a ‘Common Approach to Impact Assessments’, which built on these commitments in greater detail.²

In a series of annual reports drafted by the Legal Affairs Committee on Better Law-Making, the Parliament successfully encouraged the Commission to move to the (current) situation whereby every significant legislative proposal is now usually accompanied by an *ex-ante* impact assessment, sometimes running to several hundred pages. To assist the Parliament’s committees in undertaking impact assessment work, the Conference of Committee Chairs adopted an *Impact Assessment Handbook* in 2008. (The most recent edition of the *Handbook* can be found at Annex 1 to this Activity Report, alongside the relevant sections of the IIA and the Common Approach at Annexes 2 and 3).

A limited amount of impact assessment work was undertaken in the Parliament between 2004 and 2010. During this period, there were 29 occasions on which EP committees undertook their own analyses of Commission IAs, in various forms, or did some kind of further, complementary work on them. Included in this work were 12 cases where committees commissioned further research work on their own amendments, including six instances of what one would normally understand as impact assessments on ‘substantive amendments’, to use the language of the IIA. (Among the 12 proposals concerned were the draft directives on maternity leave, hazardous electrical waste, toy safety and air quality).

In June 2011, the Parliament adopted an own-initiative report (Niebler Report) on ‘guaranteeing independent impact assessment’, which welcomed the on-going development of the impact assessment process as an important aid to the legislature, argued that the concept of impact assessment should be applied throughout the policy cycle - on both an both *ex-ante* and *ex-post* basis - from the design of legislation to its implementation, evaluation

¹ *Official Journal*, 31:12:03 (2003/C 321/01).

² NT/551/551547 PE 353.887.

and eventual revision.³ It also advocated a proper assessment of European added value by the EU institutions, 'in terms of what savings will result from a European solution and/or what supplementary costs would arise ... in the absence of a European solution'. It suggested that, within the Parliament, there should be renewed emphasis on an 'integrated impact assessment process', underpinned by the development of a stronger common procedure and methodology in committees.

In response to the Niebler report, and with a view to strengthening the capacity of parliamentary committees to engage in *ex-ante* work of various kinds, the Parliament's Bureau established a Directorate for Impact Assessment and European Added Value, which started work in January 2012. The directorate was initially located in the Directorate-General for Internal Policies (DG IPOL); since November 2013, it has formed part of the new **Directorate-General for Parliamentary Research Services** (DG EPRS).

For reference, DG EPRS aims to provide comprehensive research and analytical support for Members and, where appropriate, parliamentary committees, and is organised into three directorates:

- *Directorate A*: the new **Members' Research Service**, which provides tailored briefing and research for individual MEPs, as well as a wide range of publications - in the form of *At-a-glance* notes, *Briefings*, *In-depth Analyses* and *Studies* - on EU policies, issues and legislation;
- *Directorate B*: the Directorate for the **Library** (previously in DG Presidency), which provides on-site and online library services of various kinds, as well as handling the Parliament's Historical Archives, citizens' enquiries and transparency matters, including freedom-of-information requests;
- *Directorate C*: the Directorate for **Impact Assessment and European Added Value** (previously in DG IPOL), which provides *inter alia* the services detailed in this *Activity Report*.

2) Directorate for Impact Assessment and European Added Value

The work of Directorate C, the Directorate for Impact Assessment and European Added Value, within DG EPRS, is designed to strengthen the Parliament's practical capacity for scrutiny and oversight of the executive at successive stages of the policy cycle, as well as contributing to the overall quality of law-making itself. Two of the directorate's units focus specifically on *ex-ante* issues in the legislative process (the others deal with *ex-post* issues, as well as scientific foresight (STOA).) These units are:

³ 2010/2016(INI), 8 June 2011.

- the **Ex-Ante Impact Assessment Unit**, which undertakes initial appraisals of the quality of impact assessments produced by the European Commission - to look in detail at their solidity, consistency and completeness - and offers parliamentary committees a range of follow-up services, notably by undertaking, at their request: i) more detailed appraisals of those Commission impact assessments; ii) substitute or complementary impact assessments on draft legislation; and iii) impact assessments on substantive parliamentary amendments (the latter are always undertaken by outside experts).
- the **European Added Value Unit**, which analyses the potential benefit of future action by the Union through ‘Cost of Non-Europe Reports’ in policy areas where greater efficiency or a collective good could be realised through common action at European level; it provides ‘European Added Value Assessments’ to set out the rationale for legislative initiative reports put forward by parliamentary committees; and it also analyses the added value of existing EU policies in practice.

3) Range of *ex-ante* products and services provided by the Directorate

The European Parliament's committees can draw upon a variety of types of research to support any *ex-ante* work.

The **Ex-Ante Impact Assessment Unit** automatically checks the European Commission’s road-maps on future legislation and undertakes an **initial appraisal** of all significant Commission impact assessments, when they arrive in the Parliament, to check that certain criteria are met and to identify the basic methodological strengths and weaknesses of the texts. At the request of individual parliamentary committees, the unit may then provide *inter alia* the following services, drawing if necessary on outside expertise:

- **detailed appraisals** of the quality and independence of Commission impact assessments;
- **substitute or complementary impact assessments** on aspects of a proposal not dealt with adequately (or at all) in the original Commission impact assessment;
- **impact assessments on one or more specific substantive amendments** being considered by the Parliament. This last service is always carried out by external experts, but the provision of the work is coordinated by the Ex-Ante Impact Assessment Unit.

The **European Added Value Unit** analyses the potential benefit of future action by the Union, providing any or all of the following services to EP committees, again drawing on outside expertise if necessary:

- **European Added Value Assessments (EAVAs)** to evaluate the potential impacts of, and identify the advantages of, proposals made in **legislative initiative reports** by the Parliament, presented under Article 225 TFEU. (Specific research may also be undertaken on other major requests already tabled to the Commission);

- **Cost of Non-Europe Reports** on policy areas where there are significant potential possibilities for greater efficiency and/or the realisation of a 'public good' through common action at EU level, and where such action is currently absent;
- **analysis of the existing added value** of current EU policies in practice.

4) Overview of work undertaken

Between June 2012 and June 2014, the **Ex-Ante Impact Assessment Unit** prepared 74 initial appraisals of Commission IAs for parliamentary committees, five detailed appraisals, two substitute or complementary impact assessments, and four impact assessments (on one or more) EP amendments, encompassing a total of 21 amendments. Work specifically commissioned by committees covered *inter alia* legislative or other proposals on statutory audits, a Common European Sales Law, public procurement, consumer product safety, the Transatlantic Trade and Investment Partnership (TTIP), ship recycling, registration of motor cars, equal treatment and honey.

During the same period, the **European Added Value Unit** produced eight European Added Value Assessments (all accompanying legislative initiative reports), six Cost of Non-Europe Reports, two briefings on the added value of existing EU policies, and three other papers on added value issues in various policy areas. Work specifically commissioned by parliamentary committees covered *inter alia* administrative procedure, information and consultation of workers, European mutual societies, governance of the European single market, transfer of company seats, equal pay, violence against women, the European Arrest Warrant, private international law, the single market in energy, donor coordination in development policy, a European Institute of Peace, and acceptance of public documents.

A **full listing** of the work undertaken in these fields by the two units during the period in question - all of which was published, and whose length totalled just over 4,000 pages – can be found later in this *Activity Report* - in Section 6, on pages 12 to 16 - together with examples of the **front covers** of many of the texts produced (on pages 18 and 19). In the PDF version of this *Activity Report*, the front covers contain **hyper-links** offering access to the original texts themselves.

The on-going work of the two units was presented orally in 15 full **committee meetings** and in ten meetings of **coordinators and/or shadow rapporteurs** during the period in question. For reference, the meetings of full committees were those of the Parliament's DEVE, EMPL, ENVI, FEMM, IMCO, INTA, JURI and LIBE Committees, whilst the meetings of coordinators and/or shadow rapporteurs were those within the DEVE, EMPL, ENVI, IMCO, ITRE, PECH, JURI and TRAN Committees.

5) List of work undertaken in the fields of Ex-Ante Impact Assessment and European Added Value: June 2012 to June 2014

During the period from June 2012 to June 2014, the Directorate for Impact Assessment and European Added Value undertook the following major pieces of work, listed by originating unit and product type:

A) Ex-Ante Impact Assessment Unit

• Initial Appraisals of European Commission Impact Assessments

The Ex-Ante Impact Assessment Unit automatically drafts brief, two- to eight-page analyses of the strengths and weaknesses of the Impact Assessments accompanying European Commission proposals. The following 74 such Initial Appraisals were prepared for the use of parliamentary committees during the period in question:

- Removal of shark fins on board vessels (PE 494.447) - June 2012;
- Association of Overseas Countries and Territories with the European Union (PE 494.451) - October 2012;
- Reaching the 2020 target to reduce CO2 emissions (PE 494.450) - October 2012;
- Fight against fraud to the Union's financial interests (PE 494.453) - October 2012;
- Deep-sea fisheries (PE 494.452) - October 2012;
- Collective rights management (PE 496.734) - November 2012;
- Access to and preservation of scientific information (PE 494.449) - November 2012;
- Free Trade Agreement between the European Union and Japan (PE 494.454) - November 2012;
- 'Roadworthiness package' (PE 494.455) - November 2012;
- European Voluntary Humanitarian Aid Corps (PE 494.456) - December 2012;
- Medical devices and in-vitro diagnostic medical devices (PE 496.737) - January 2013;
- Fund for European Aid for the Most Deprived (PE 494.735) - January 2013;
- General Union Environment Action Programme to 2020 (PE 496.738) - February 2013;
- Accessibility of public sector bodies' websites (PE 496.740) - February 2013;
- Clinical trials (PE 496.743) - February 2013;
- Improving the gender balance among non-executive directors of publicly listed companies (PE 496.742) - February 2013;
- Maritime equipment (PE 496.744) - March 2013;
- Making radio equipment available on the market (PE 496.745) - March 2013;
- Monitoring trade between the Community and third countries in drug precursors (PE 496.746) - March 2013;
- Indirect land-use change related to biofuels and bioliquids (PE 496.749) - March 2013;
- Community System for Registration of Carriers of Radioactive Materials (PE 496.750) - March 2013;
- Occurrence reporting in civil aviation (PE 496.748) - March 2013;

- Access to genetic resources and the fair and equitable sharing of benefits arising from their utilisation in the Union (PE 496.751) - March 2013;
- Drug precursors (PE 496.747) - March 2013;
- Fluorinated Greenhouse Gases (PE 496.753) - March 2013;
- Network and information security across the Union (PE 507.507) - April 2013;
- Assessing the effects of certain public and private projects on the environment (PE 496.752) - April 2013;
- Transatlantic Trade and Investment Partnership between the European Union and the United States (PE 507.504) - April 2013;
- Product safety and market surveillance package (PE 507.503) - May 2013;
- Manufacture, presentation and sale of tobacco and related products (PE 507.501) - May 2013;
- Insolvency proceedings (PE 507.499) - May 2013;
- Protection of the euro and other currencies against counterfeiting by criminal law (PE 508.970) - May 2013;
- Fourth railway package: EU Agency for Railways, interoperability of the rail system and railway safety (PE 507.506) - May 2013;
- Fourth railway package: Market-opening for domestic passenger transport services by rail (PE 508.962) - May 2013;
- Fourth railway package: Market-opening for domestic passenger transport services by rail and governance of the railway infrastructure (PE 507.508) - May 2013;
- Money laundering and terrorist financing (PE 508.970) - May 2013;
- Deployment of alternative fuels infrastructure (PE 507.502) - June 2013;
- Space surveillance and tracking support programme (PE 514.061) - July 2013;
- Conditions of admission of third-country students, researchers, volunteers, trainees and au-pairs (PE 514.065) - July 2013;
- EU trademark regime (PE 508.971) - July 2013;
- Registered traveller programme (PE 514.063) - September 2013;
- Entry/exit data of third-country nationals crossing the external borders of the EU (PE 514.062) - September 2013;
- Maritime spatial planning and integrated coastal management (PE 514.064) - September 2013;
- Air passenger rights (PE 514.072) - September 2013;
- Modernisation of trade defence instruments (PE 514.069) - October 2013;
- Electronic invoicing in public procurement (PE 514.073) - October 2013;
- Payment accounts (PE 514.070) - October 2013;
- Freedom of movement of EU workers within the EU (PE 514.076) - October 2013;
- European single market for Electronic Communications (PE 514.071) - October 2013;
- Package travel and assisted travel arrangements (PE 514.074) - October 2013;
- Access to port services (PE 514.080) - November 2013;
- European Investment Bank's external mandate 2014-2020 (PE 514.081) - November 2013;
- Actions for anti-trust damages (PE 514.075) - November 2013;

- EU-China investment relations (PE 514.077) - December 2013;
- Return of cultural objects unlawfully removed from the territory of a Member State (PE 514.078) - December 2013;
- Establishment of the European Public Prosecutor's Office (PE 514.087) - December 2013;
- Regulation on shipments of waste (PE 514.091) - January 2014;
- Single European Sky (PE 514.095) - January 2014;
- Information and promotion measures for agricultural products on the internal market and in third countries (PE 214.093) - January 2014;
- Simplifying the acceptance of certain public documents in the EU (PE 514.079) - January 2014;
- New psychoactive substances (PE 514.105) - January 2014;
- Lightweight plastic carrier bags (PE 514.090) - January 2014;
- Maximum authorised dimensions and weights of certain road vehicles (PE 514.085) - January 2014;
- Seafarers (PE 514.107) - February 2014;
- Invasive alien species (PE 514.104) - February 2014;
- Indices used as benchmarks in financial instruments (PE 514.094) - February 2014;
- Procedural safeguards for children in criminal proceedings (PE 528.785) - February 2014
- Money market funds (PE 514.103) - February 2014;
- European long-term investment funds (PE 514.098) - February 2014;
- Legal aid for suspects or accused persons in criminal proceedings (PE 528.784) - February 2014;
- Strengthening aspects of the presumption of innocence and the right to be present at trial in criminal proceedings (PE 528.786) - March 2014;
- European small claims procedure (PE 514.109) - March 2014;
- Review of the Air Quality Policy Framework (PE 528.790) - April 2014;
- Cloning of animals (PE 528.789) - June 2014.

- **Detailed Appraisals of European Commission Impact Assessments**

At the request of parliamentary committees, the Ex-Ante Impact Assessment Unit prepares longer and more detailed - twenty- to thirty-page - analyses of the strengths and weaknesses of the Impact Assessments accompanying European Commission proposals. The following five such Detailed Appraisals were prepared during the period in question:

- Statutory audits of public accounts and of public-interest entities (PE 494.448) - July 2012;
- Common European Sales Law (PE 496.741) - January 2013;
- Access of third-country goods and services to the Union's internal market in public procurement (PE 508.963);
- Consumer Product Safety Regulation (PE 514.089) - April 2014;
- EU-US Transatlantic Trade and Investment Partnership (PE 528.798) - April 2014.

- **Substitute or Complementary Impact Assessments**

At the request of parliamentary committees, the Ex-Ante Impact Assessment Unit provides substitute or complementary impact assessments on specific dimensions of a legislative proposal that were not dealt with adequately (or at all) in the Commission's Impact Assessment. The following two such impact assessments were prepared for the use of parliamentary committees during the period in question:

- Clarifying the status of pollen in honey - Substitute impact assessment (PE 514.066) - September 2013;
- Implementing the principle of equal treatment between persons - Complementary impact assessment (PE 514.088) - January 2014.

- **Impact Assessments on Parliamentary Amendments**

At the request of parliamentary committees, the Ex-Ante Impact Assessment Unit prepares impact assessments on one or more specific substantive amendments being considered by the Parliament during the legislative process. (Such impact assessments are always carried out by external experts, as provided for in paragraph 22 of the Parliament's *Impact Assessment Guidelines*). The following four such impact assessments, covering 21 amendments in total, were prepared during the period in question:

- Financing the environmentally sound recycling and treatment of ships (PE 496.739) - February 2013;
- Potential impact on SMEs of 18 EP amendments to two proposed Public Procurement Directives (PE 507.505) - June 2013;
- Registration of motor vehicles: choice of number plates in Union colours (PE 514.068) - November 2013;
- EU safety tested' marking in the context of a proposal on consumer product safety (PE 528.791) - April 2014.

B) European Added Value Unit

- **European Added Value Assessments**

The European Added Value Unit produces European Added Value Assessments, which analyse the potential impact of legislative initiatives put forward by the Parliament on the basis of Article 225 TFEU and Rule 42 of the Rules of Procedure. The following eight European Added Value Assessments were prepared during the period in question:

- Law of Administrative Procedure of the European Union (PE 494.457) - October 2012;
- EU Measure on Information and Consultation of Workers, Anticipation and Management of Restructuring Processes (PE 494.459) - November 2012;
- A Statute for European Mutual Societies (PE 494.461) - January 2013;
- Better Governance of the Single Market (PE 494.463) - January 2013;

- Directive on the Cross-Border Transfer of a Company's Registered Office (14th Company Law Directive) (PE 494.460) - January 2013;
- Application of the principle of equal pay for men and women for equal work of equal value (PE 504.469) - June 2013;
- Combatting violence against women (PE 504.467) - November 2013;
- Revising the EU Arrest Warrant (PE 510.979) - December 2013.

- **Cost of Non-Europe Reports**

The European Added Value Unit analyses policy areas where there is significant potential for greater efficiency and/or the realisation of a 'public good' through common action at EU level, and where such action is currently absent. The following six Cost of Non-Europe Reports were prepared during the period in question:

- European Code on Private International Law (PE 504.468) - June 2013;
- Single Market for Energy (PE 504.466) - June 2013;
- Development policy: increasing coordination between EU donors (PE 494.464) - July 2013;
- Common Security and Defence Policy (PE 494.466) - November 2013;
- Promoting free movement in the EU by simplifying the acceptance of public documents (PE 510.980) - December 2013;
- Mapping the Cost of Non-Europe: 2014-2019 (PE 510.983) - March 2014 (since updated in July 2014).

- **Added value of existing EU policies**

The European Added Value Unit undertakes analysis of the European added value already achieved in existing EU policies. The following two 'European Added Value in Action' notes, providing a succinct summary of such achievements, were prepared during the period in question:

- The Added Value of the European Single Market (PE 494.462) - June 2013;
- The Added Value of EU Policy for Airline Services and Air Passenger Rights (PE 504.461) - November 2013.

- **Other papers on added value issues**

The European Added Value Unit produces papers on other relevant issues. The following three such papers were produced during the period in question:

- Towards a Genuine Economic and Monetary Union: Issues Paper on European Added Value Dimensions (PE 494.458);
- European Institute of Peace: Costs, benefits and options (PE 504.465) - March 2013;
- Hotel Fire Safety: The case for legislation (PE 504.470) - June 2013.

6) Availability of all EP work on the web

In 2012-2014, the publications of the Impact Assessment and European Added Value Directorate were available on the European Parliament's Think Tank⁴ and e-Studies⁵ webpages, which offer the possibility to download documents and are accessible to all users of the internet. The Directorate's publications could also be found in the EU Bookshop⁶ of the Office for Official Publications of the Union. In addition, the Directorate presented updates on its work in progress and publications, as well as details of its services and interesting links and information, on the relevant intranet webpage⁷ of its directorate-general, accessible to all Members and staff of the European Parliament.

7) Governance, finance and administration

On 15 November 2012, the Conference of Presidents tasked the **Conference of Committee Chairs** (CCC) with coordinating the parliamentary committees' approach towards impact assessment and European added value, and supervising the Parliament's work in this area (PE 499.457/CPG 28/38). The Directorate sends a monthly update of all completed, on-going and planned work to the CCC, which aims to hold a discussion of work in the fields of impact assessment and European added value at least twice a year. In November 2013, the CCC adopted an updated version of the Parliament's **Impact Assessment Handbook**, which provides guidance to committees in the conduct of their impact assessment work, the text of which can be found at Annex 2 of this report, for reference (PE 514.092).

The Parliament's **Budget for 2013** provided for 1.0 million euro for the acquisition of external expertise in the fields of impact assessment and European added value, in support of the activities of parliamentary committees (Budget item 2-0-3200-09). In the course of 2014, 31 public procurement procedures were launched, for a total committed value of 615,486 euro (61.5 per cent of the budget provision). Of this figure, 26 per cent (157,825 euro) was used for *ex-ante* impact assessment work and 74 per cent (457,661 euro) for European added value work. Such work was commissioned in support of 11 parliamentary committees: IMCO, 148,926 euro; INTA, 95,550 euro; ITRE, 89,850 euro; TRAN, 86,842 euro; FEMM, 72,238 euro; ENVI, 35,100 euro; EMPL, 30,00 euro; LIBE, 19,500 euro; AFET, 14,080 euro; DEVE, 13,500 euro; JURI, 9,900 euro.

On the same basis, the Parliament's **Budget for 2014** provides for 900,000 euro for the acquisition of external expertise in the fields of impact assessment and European added value, in support of the activities of parliamentary committees. In the first six months (January to June) of 2014, nine public procurement procedures were launched, with a total committed value of 334,185 euro (37 per cent of the budget provision). Of this figure, 20 per cent (65,275 euro) was

⁴ <http://www.europarl.europa.eu/aboutparliament/en/0083c7a4db/Think-Tank.html>

⁵ <http://www.europarl.europa.eu/committees/en/studies.html>

⁶ <http://bookshop.europa.eu/>

⁷ www.eprs.ep.parl.union.eu

used for *ex-ante* impact assessment work and 65 per cent (219,060 euro) for European added value work. (In addition, 15 per cent (49,850 euro) was used for the first time for *ex-post* impact assessment work). Such work was commissioned in support of four parliamentary committees: IMCO, 100,000 euro; CULT, 44,230 euro; TRAN, 92,895 euro; and ENVI, 88,060 euro. (Spending on work in these fields, financed by the 2014 EP Budget, resumes in the new Parliament, which took office on 1 July 2014).

In 2013, the Directorate for Impact Assessment and European Added Value drew, for public purchasing purposes, on the existing **framework contracts** managed by the Policy Departments of DGs IPOL and EXPO, as well as on negotiated procedures, as appropriate. However, in March 2013, as envisaged at the time that the Directorate was established, the Parliament published a call for tender for a specifically adapted framework contract in the fields of impact assessment and European added value. The award of the new framework contract, divided into eleven lots, was concluded in April 2014 and is now in operation.

The Directorate for Impact Assessment and European Added Value started work in January 2012, with a view to providing a range of products and services to parliamentary committees from the middle of that year. As of June 2014, it had a **staff complement** of nine ADs, three ASTs, one contractual agent and one seconded national expert, dedicated specifically to *ex-ante* impact assessment and European added value, in the two respective units for that purpose. Until 1 November 2013, the Director for Impact Assessment and European Added Value was Anthony Teasdale, since when the Acting Director has been Joseph Dunne, author of this *Activity Report*.

8) European Parliament positions

The European Parliament's **Conference of Committee Chairs (CCC) updated its *Impact Assessment Guidelines***, which offer guidance to parliamentary committees on how to undertake *ex-ante* impact assessment work, in November 2013. The revised text can be found at Annex 1 to this *Activity Report* (pages 21-30). The principal changes adjusted references in the text to the EP administration so as to take account of the existence of the Ex-Ante Impact Assessment Unit within the Directorate for Impact Assessment and European Added Value, set out the detailed range of products and services now available to committees, clarified the need for 'broad political support' within committees when requesting such support, further elaborated the quality criteria which should apply to impact assessment work, and made a series of technical adjustments to refer to other developments within and between the EU institutions since 2008.

In addition to updating its *Impact Assessment Guidelines*, the Parliament passed **two resolutions** during the period in question - from June 2012 to June 2014 - that bore upon work by the institution(s) in the fields of *ex-ante* impact assessment and European added value.

The Parliament's **resolution on the 18th annual report by the European Commission on Better Law-Making in the European Union** (Karim Report), adopted in plenary on 13 September 2012,⁸ noted the 'crucial importance of impact assessments as tools for aiding decision-making in the legislative process' and encouraged 'use of Parliament's Impact Assessment Directorate by committees engaging in legislative work as a matter of routine', including in carrying out impact assessments prior to the adoption of substantive amendments. It favoured the preparation by the Directorate of 'a short summary of each impact assessment for consideration when an initial exchange of views is held', including 'a brief conclusion as to the quality of the impact assessment, together with a short note on the key findings and any areas of analysis omitted by the Commission', commenting that 'this would greatly enhance the scrutiny of draft legislation by Parliament'. (The production of a brief, initial appraisal of this kind became standard practice immediately thereafter).

The resolution also encouraged the Commission to 'continue improving its own approach to impact assessments', to 'strengthen the role' of its Impact Assessment Board (IAB), and 'in particular, only to finalise and present legislative proposals where they have been approved with a favourable opinion from the Board'. In parallel, it invited the Council of the European Union to establish 'its own mechanism for undertaking impact assessments without undue delay' (Paragraphs 22-28).

The comparable Parliament **resolution on the Commission's 19th annual report on Better Law-Making**, adopted on 4 February 2014,⁹ reiterated several of the comments made by the Parliament the previous year. In addition, whilst welcoming the attempt by the Commission to 'cover a wide and comprehensive range of potential impacts' in its impact assessments, the resolution also argued that the system 'could still be strengthened in a number of ways'. These included improvements in the prior consultation of stakeholders and in the use of indicators, the inclusion of a stronger analysis of the territorial dimension of proposals, and the need for 'complete consistency between the impact assessment published by the Commission and the contents of the legislative proposal as adopted by the College of Commissioners'. In the latter context, it requested specifically that 'any impact assessment for a proposal that is amended by the College be automatically updated to reflect the changes made by the Commissioners'.

On the added value side, the resolution insisted that the Commission 'give serious consideration to the European added value assessments accompanying legislative own-initiative reports' and that it set out 'in detail the reasons why it does not accept or consider relevant any of the arguments put forward by Parliament' (Paragraphs 42-50).

⁸ P7_TA (2012) 0340.

⁹ P7_TA (2014) 0061.

9) Progress to date and future development

The creation of the Directorate for Impact Assessment and European Added Value, which produced its first work in June 2012, has greatly strengthened the practical capacity of the European Parliament's committees to engage in serious work in these fields.

Over the last two years, the Directorate has generated a range of new products which have supported the committees in the *ex-ante* scrutiny of how the European Commission uses its right of initiative - notably through the automatic production of initial appraisals of Commission impact assessments; by undertaking detailed appraisals, and substitute or complementary impact assessments, as well as impact assessments on substantive amendments, at the request of the committees; by supporting committees in their preparation of 'legislative initiative reports', by providing European Added Value Assessments; and by preparing Cost of Non-Europe Reports for committees wishing to identify areas where the absence of action at EU level in a policy area - or sometimes the better coordination of existing policy between EU and national levels - may be preventing GDP growth, misallocating resources and/or making it more difficult to realise a valuable public good of some kind.

During the period described in this *Activity Report* - from June 2012 to June 2014 - the Ex-Ante Impact Assessment Unit and the European Added Value Unit within the Directorate have produced about 100 pieces of published work - all available on the Parliament internet and the EPRS intranet sites - encompassing some 4,000 pages of text. They have sought to empower the Parliament's committees so that they can contribute in a more systematic and better substantiated way in the early stages of the EU legislative process.

Now, building on this work, the Directorate is also strengthening its capabilities and product range in respect of *ex-post* evaluation work too, so enabling Parliament in a further important part of the EU 'policy cycle'. The new units that the Secretary General has recently established for Ex-Post Impact Assessment and for Policy Performance Appraisal will provide a central information and analysis centre for all work in the *ex-post* evaluation field, whether undertaken in the Parliament or more widely. Drawing on the experience of *ex-ante* work, they will automatically provide committees with succinct appraisals of the operation of existing legislation in practice, whenever a new proposal to update such legislation is foreseen in the Commission's Annual Work Programme; they will assist parliamentary committees when they undertake 'implementation reports', by routinely providing detailed 'European Implementation Assessments'; and they will undertake research on related issues, so that the Parliament can deepen its scrutiny and oversight of the executive in these fields.

Joseph Dunne
Acting Director

Anthony Teasdale
Director-General

Statutory audits of public accounts and of public-interest entities

Detailed appraisal by the EP Impact Assessment Unit of the European Commission's Impact Assessment

Commission proposals for a Directive amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts and for a Regulation on specific requirements regarding statutory audit of public-interest entities.

July 2012

EN PE 494.448

IMPA Impact Assessment

Common European Sales Law

Directive Appraisal by the EP Impact Assessment Unit of the European Commission's Impact Assessment

Commission proposal for a Regulation of the European Parliament and of the Council on a Common European Sales Law

January 2013

PE 494.726

IMPA Impact Assessment

Clarifying the status of pollen in honey

Substitute Impact Assessment of EC Directive Amending Council Honey Directive 2001/110/EC

PE 514.066

IMPA Ex-Ante Impact Assessment

Financing the environmentally sound recycling and treatment of ships

Impact assessment of a substantive amendment to the Proposal for a Regulation on ship recycling

February 2013

PE 494.729 (AAAM 2013 2)

IMPA Impact Assessment

Potential impact on SMEs of certain EP amendments to two proposed Public Procurement Directives

Proposal for a Directive on public procurement (COM(2011)876) and Proposal for a Directive on procurement by entities operating in the water, energy, transport and postal services sectors (COM(2011)875)

PE 507.053 (April 2013)

EN

IMPA Impact Assessment

Ex-Ante Impact Assessment work in the European Parliament

A compendium of Initial Appraisals of European Commission Impact Assessments

June 2012 - June 2013

EPRS | European Parliamentary Research Service

Ex-Ante Impact Assessment work in the European Parliament

A compendium of Initial Appraisals of European Commission Impact Assessments

July 2013 - June 2014

EPRS | European Parliamentary Research Service

Implementing the principle of equal treatment between persons

Complementary Impact Assessment of the proposed horizontal Directive on Equal Treatment

Ex-Ante Impact Assessment Unit (EAIU) EPRS in collaboration with Policy Department C (ODI) European Parliament PE 524.686

Consumer Product Safety Regulation

Detailed Appraisal of the European Commission's Impact Assessment

IN-DEPTH ANALYSIS

Author: Claudio Colina
Ex-Ante Impact Assessment Unit
European Parliamentary Research Service
European Parliament

EU-US Transatlantic Trade and Investment Partnership

Detailed Appraisal of the European Commission's Impact Assessment

STUDY

Ex-Ante Impact Assessment Unit
European Parliamentary Research Service
European Parliament

Registration of motor vehicles: Choice of number plates in Union colours

Impact Assessment of a substantive EP amendment

Ex-Ante Impact Assessment Unit
European Parliamentary Research Service
European Parliament

'EU Safety Tested' marking

Impact Assessment of a substantive EP amendment

STUDY

Ex-Ante Impact Assessment Unit
European Parliamentary Research Service
European Parliament

European Added Value Assessment

Law of Administrative Procedure of the European Union

November 2012

EN PE 494.627 (SAM 12/12)

EAVA European Added Value

European Added Value Assessment

European added value of an EU measure on information and consultation of workers, anticipation and management of restructuring processes

November 2012

EN PE 494.423 (SAM 12/12)

EAVA European Added Value

Issues paper on European Added Value dimensions

Towards a genuine Economic and Monetary Union

October 2012

EN PE 494.426

EAVA European Added Value

European Added Value Assessment

A Statute for European mutual societies

An assessment accompanying the European Parliament's Legislative own-Initiative Report (Rapporteur Luigi Berlinguer MEP)

PE 484.463 (EAVA 12/2013)

EAVA European Added Value

European Added Value Assessment

Better Governance of the Single Market

An assessment accompanying the European Parliament's Legislative own-Initiative Report (Rapporteur: Andreas Schwab MEP)

EN PE 534 601
ENR 2/2013

EAVA
European Added Value

European Added Value Assessment

Directive on the cross-border transfer of a company's registered office

14th Company Law Directive

An assessment accompanying the European Parliament's Legislative own-Initiative Report (Rapporteurs: Lohar and Regier, MEP)

EN PE 534 600
ENR 2/2013

EAVA
European Added Value

European Added Value - Financial appraisal

European Institute of Peace: Costs, Benefits and Options

EN PE 534 605

EAVA
European Added Value

European Added Value Assessment

Application of the principle of equal pay for men and women for equal work of equal value

An assessment accompanying the European Parliament's Legislative own-Initiative Report (Rapporteur: Bill Bauer, MEP)

EN PE 534 609
ENR 2/2013

EAVA
European Added Value

Briefing Paper

Hotel Fire Safety

The case for legislation

EN PE 534 604
ENR 2/2013

EAVA
European Added Value

European Added Value Assessment

Combating violence against women

An assessment accompanying the European Parliament's Legislative own-Initiative Report (Rapporteur: Antonia Parra-Olivera, MEP)

EN PE 534 603
ENR 2/2013

EAVA
European Added Value

Cost of Non-Europe Report

The Cost of Non-Europe in the Single Market for Energy

EN PE 534 608
ENR 2/2013

EAVA
European Added Value

Cost of Non-Europe Report

European Code on Private International Law

EN PE 534 608
ENR 2/2013

EAVA
European Added Value

Cost of Non-Europe Report

The Cost of Non-Europe in Development Policy: Increasing coordination between EU donors

EN PE 534 604
ENR 2/2013

EAVA
European Added Value

EPRS
European Parliamentary Research Service

Revising the European Arrest Warrant

European Added Value Assessment accompanying the European Parliament's Legislative own-Initiative Report (Rapporteur: Baroness Ludford MEP)

EN PE 534 619

EAVA
European Added Value

EPRS
European Parliamentary Research Service

The Cost of Non-Europe in Common Security and Defence Policy

EN PE 534 606

EAVA
European Added Value

EPRS
European Parliamentary Research Service

Promoting free movement in the EU by simplifying the acceptance of public documents

Cost of Non-Europe Report

EN PE 534 590

EAVA
European Added Value

Mapping the Cost of Non-Europe, 2014-19

EN PE 534 610
ENR 2/2014

EAVA
European Added Value

Briefing European Added Value in Action

The Added Value of the European Single Market

EN PE 534 611
ENR 2/2014

EAVA
European Added Value

At a Glance: European Added Value in Action

The Added Value of EU policy for Airline services and air passenger rights

EN PE 534 612
ENR 2/2014

EAVA
European Added Value

At a Glance: European Added Value in Action

The Added Value of EU policy on Mobile telephone roaming charges

EN PE 534 613
ENR 2/2014

EAVA
European Added Value

Annex 1:

• *EP Handbook on Impact Assessment*

CONFERENCE OF COMMITTEE CHAIRS

Impact Assessment Handbook¹⁰

Guidelines for Committees

Adopted in November 2013

I. Preliminary considerations

1. The European Parliament shares with the Council and Commission the determination to and responsibility for improving the quality of legislation applicable throughout the Union. The Inter-Institutional Agreement on Better Law-Making,¹¹ which enshrines that joint commitment, identifies impact assessments as one of the tools which can help the institutions achieve the goal of clear, simple and effective legislation.

For the purpose of this Handbook, impact assessments are deemed to be ex-ante analyses of the likely or foreseeable effects of draft EU legislation or policies proposed for adoption at European Union level, as defined in the Inter-Institutional Common Approach to Impact Assessments of July 2006¹², and which may be undertaken at successive stages in the legislative process.

2. In that connection, Parliament has given two undertakings, reiterated in a number of resolutions¹³:

- to take full account of the Commission's impact assessments¹⁴,

¹⁰ The arrangements for the oversight and coordination of impact assessment work within the Parliament were defined by the Conference of Presidents on 15 November 2012 (PV CPG 15.11.2012 PE 499.457/CPG). Administrative support is provided by the (Ex-Ante) Impact Assessment Unit of the Directorate for Impact Assessment and European Added Value, which works in close cooperation with the Parliament's committee secretariats, policy departments and other horizontal services.

¹¹ *Official Journal*, 31:12:03 (2003/C 321/01).

¹² NT/551/551547 PE 353.887.

¹³ Resolution on assessment of the impact of Community legislation and the consultation procedures (2003/2079(INI)) – Rapporteur: Bert DOORN, 20 April 2004; Resolution on Better Lawmaking 2004: application of the principle of subsidiarity (2005/2055(INI)) – Rapporteur: Bert DOORN, 16 May 2006; Resolution on the implementation, consequences and impact of the internal market legislation in force (2004/2224(INI)) – Rapporteur: Arlene McCARTHY, 16 May 2006; Resolution on Better Lawmaking 2005: application of the principles of subsidiarity and proportionality – Rapporteur: Bert DOORN, 4 September 2007; Resolution on a strategic review of the Better Lawmaking programme – Rapporteur: Katalin LEVAI, 4 September 2007; Resolution on the Single Market Review (2007/2024(INI)) – Rapporteur: Jacques TOUBON, 4 September 2007; Resolution on Better Lawmaking 2006: application of the principles of subsidiarity and proportionality (2008/2045(INI)) – Rapporteur: Manuel MEDINA ORTEGA, 21 October 2008; Resolution on Better Lawmaking: application of the principles of subsidiarity and proportionality (2009/2142(INI)) – Rapporteur: Lidia Joanna GERINGER DE OEDENBERG, 9 September 2010; Resolution on guaranteeing independent impact assessments (2010/2016(INI)) – Rapporteur: Angelika NIEBLER, 8 June 2011.

- to carry out impact assessments on its own substantive amendments when it regards it as appropriate and necessary for the legislative process.

3. In practical terms, the three institutions have agreed on a Common Approach¹⁵, which clarifies their respective roles and lays down a number of basic rules to govern the conduct of their impact assessments.

What is an *ex-ante* impact assessment?

Under the terms of the Common Approach, the impact assessments of Commission proposals and substantive Parliament and Council amendments 'map out their potential impacts in an integrated and balanced way across their social, economic and environmental dimensions, and, where possible, their potential short- and long-term costs and benefits, including regulatory and budgetary implications'.

The objective is to identify systematically the evidence which can be used to assess the potential impact of a series of political options with a view to comparing their respective advantages and drawbacks.

4. An impact assessment is a tool to aid decision and policy-making in the three institutions. It is in no sense a substitute for a democratic, political decision-making process.

5. Impact assessments form an integral part of the process of shaping Union policies, without prejudice to the role conferred on each institution in the decision-making process and in keeping with their respective institutional roles and responsibilities.

6. Impact assessments must not cause excessive delays in the legislative process or be misused as a means of opposing an item of legislation with which an institution does not agree or undermining the legislator's ability to propose amendments.

Why is a practical guide to impact assessments needed?

The purpose of this guide is to help the parliamentary committees deal with impact assessments, in keeping with the undertakings given by Parliament. In that connection:

- it sets out the main principles governing impact assessments which are spread across several assessments¹⁶, and the Council Guide to dealing with impact assessments¹⁷;
- it brings together in one document details of the best practices tested in the committees and sets out some practical criteria so that the committees can enjoy the benefits of impact assessments in the context of negotiations under the co-decision procedure;
- it seeks to improve the degree of consistency in the way that the parliamentary committees deal with impact assessments.

This handbook is intended to be used flexibly by the committees.

¹⁴ In that connection, Parliament insists that impact assessments should be the subject of quality control carried out by a body independent of the Commission.

¹⁵ *Inter-Institutional Common Approach to Impact Assessment*, approved by the Conference of Presidents in July 2006.

¹⁶ SEC(2009) 092.

¹⁷ Document 9382/06 of 15 May 2006.

II. Criteria for assessing and using Commission impact assessments

7. In keeping with its inter-institutional undertakings, Parliament ‘will take the impact assessment of the Commission into full account when examining the Commission’s legislative and non-legislative proposals’¹⁸.

EP-Commission Framework Agreement

The EP-Commission Framework Agreement commits the Commission to ensure that its impact assessments are conducted under its responsibility by means of a transparent procedure which guarantees an independent assessment. Impact assessments shall be published in due time, taking into consideration a number of different scenarios, including a 'do nothing' option, and shall in principle be presented to the relevant parliamentary committee during the phase of the provision of information to national parliaments under TFEU Protocols 1 and 2.

8. The parliamentary committees may draw on the assistance of the Parliament’s (Ex-Ante) Impact Assessment Unit, with a view to assessing the quality, methodology and the independence of the impact assessments provided by the Commission and their relevance for Parliament’s work.

9. The road-maps accompanying the Commission’s Work Programme are screened by the Impact Assessment Unit to check which legislative proposals will be accompanied by impact assessments. When a Commission proposal is referred to a parliamentary committee, the Unit checks whether it is duly accompanied by an impact assessment and provides a short summary and initial appraisal of the impact assessment in question.

Is the proposal accompanied by an impact assessment?

The Commission’s undertakings in the Common Approach: as a rule, proposals submitted as part of its annual Work Programme (CWP) are accompanied by an impact assessment.

The Commission’s Guidelines state that:

Each year the Secretariat General/Impact Assessment Board and the departments concerned decide which Commission initiatives need to be accompanied by an IA. In general, IAs are necessary for the most important Commission initiatives and those which will have the most far-reaching impacts. This will be the case for:

- all legislative proposals contained in the CWP;
- all non-CWP legislative proposals which have clearly identifiable economic, social and environmental impacts (with the exception of routine implementing legislation);
- non-legislative initiatives which define future policies (such as white papers, action plans, expenditure programmes, negotiating guidelines for major international agreements);
- certain regulatory or implementing measures which are likely to have significant impacts.

10. If a proposal likely to have a substantial impact¹⁹ is not accompanied by an impact assessment, the committee responsible, acting on a proposal from its rapporteur or the chairman, and in agreement with the coordinators may:

¹⁸ Paragraph 13 of the Common Approach.

- suspend consideration of the proposal in question and ask the Commission to provide an impact assessment,
- ask the Impact Assessment Unit to carry out (or commission) the Parliament's own impact assessment of the proposal in question.

There must be broad political support for these decisions.

11. The impact assessment, drawn up in one of the Commission's working languages, is in principle preceded by a summary translated into all the official languages.

What are the language arrangements for impact assessments?

Commission Guidelines: the impact assessment may be drafted in English, French or German. It has the status of an internal Commission working document and is in principle not translated, therefore.
Practice: since 2006, the summary has normally been made available in all the official languages.

12. In keeping with Parliament's calls that all Commission proposals should be accompanied by an impact assessment, the impact assessment is considered with a view to assessing its relevance for the on-going work in committee. With that aim in view, and on the basis of a decision by the coordinators, a committee may ask the Impact Assessment Unit to:

- provide a detailed appraisal of the quality and independence of the Commission's impact assessment;
- draw up a briefing note or a study analysing all or part of the impact assessment submitted by the Commission;
- organise a specific meeting, with the participation, where appropriate, of outside experts, to ask the Commission to present its analysis and submit to it any requests for clarification.

There must be broad political support for these decisions. The documents mentioned above will be drawn up by the Impact Assessment Unit or, where necessary, commissioned from outside experts.

13. The assessment above must enable the committee to determine whether the impact assessment will facilitate consideration of the substance of the proposal in full knowledge of the facts and whether the impact assessment meets, firstly, the standards which the Commission has laid down in its internal guidelines (cf. Annex I), and, secondly, the quality criteria which Parliament has defined in its resolutions.

Parliamentary committees may invite the Commission to present its impact assessment in a full committee meeting (as foreseen in Paragraph 42 of the Framework Agreement between the European Parliament and the Commission)²⁰ or, where appropriate, in a separate meeting agreed by coordinators, in order to explain its analysis and methodology, and respond to any criticisms or apparent shortcomings so far identified.

¹⁹ For example, a proposal not included in the CWP or a regulatory or implementing act.

²⁰ *Official Journal*, 20:11:10 (2010/L 304).

What quality criteria apply to impact assessments?

The Commission's proposals - and by definition the impact assessments accompanying them - must respect Treaty obligations in respect of (inter alia):

- fundamental rights, including the Charter of Fundamental Rights, non-discrimination and European citizenship (Article 6 TEU and Articles 10 and 18 TFEU);
- requirements of the MFF and budgetary procedures (Article 310(4) TFEU);
- the precautionary principle (Article 191(1) TFEU);
- the potential costs owing to the lack of action in the field of environmental policy (Article 191(3) TFEU);
- requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health (Article 9 TFEU);
- consumer protection requirements (Article 12 TFEU);
- the conditions necessary for the competitiveness of the Union's industry (Article 173 TFEU);
- impact on developing countries (Article 208 TFEU).

Further requirements laid down by Parliament include:

- transparent and targeted public consultations, involving regional and local authorities;
- a rigorous, objective and exhaustive approach;
- an adequate choice of strategic scenarios and options (including the option of taking no action);
- proper justification of the options selected in the light of the principles of subsidiarity and proportionality;
- a balanced analysis of the impact on the economic, social and environmental pillars and on public health;
- more detailed consultations with stakeholders before impact assessments are prepared to offset any lack of methodology or data.
- consideration of other assessment criteria, such as:
 - impacts outside the Union, including on international trade;
 - impact on the four freedoms of the internal market ('Single market test');
 - impact on SMEs and micro-enterprises (SME test);
 - regional and local impacts;
 - impact in terms of administrative burdens,
 - the objective of effective application in the Member States,
 - as far as possible, qualitative criteria, such as the impact on vulnerable social groups (social benchmarking), gender equality;

The Commission's impact assessment process must be the subject of independent quality control.

14. If the methodology and the reasoning fail to meet these criteria or reveal shortcomings, the committee responsible, acting on a proposal from its rapporteur or from the chairman, and with the consent of the coordinators, may ask the Commission to revise its original impact assessment with a view to analysing certain aspects or policy options in greater detail or complementing or updating the analysis of certain aspects²¹.

15. The committee(s) responsible may, under the same procedure, ask the Impact Assessment Unit to undertake or commission the Parliament's own complementary or substitute impact

²¹ Paragraph 12 of the Common Approach: 'in duly justified cases, the Commission, on its own initiative or at the invitation of the European Parliament and/or the Council, may decide to complement its original impact assessment'.

assessment of the aspects dealt with inadequately or not at all in the Commission's original impact assessment. There must be broad political support for this decision. The terms of reference for such impact assessment work are defined, in each case, by the committee itself.

III. Criteria for analysing the impact of substantive Parliament amendments

16. When it regards it as appropriate and essential to the legislative process, Parliament carries out impact assessments of its substantive amendments, without in any way undermining its ability to adopt such amendments. There must be broad political support for this decision.

What is the definition of a substantive amendment?

Under the terms of the Common Approach, it is up to each institution to define the concept of a 'substantive' amendment. In its guidelines for dealing with impact assessments, the Council gives no standard definition of its 'substantive modifications'. It is difficult to provide a definition of 'substantive' which is valid across the board - it is an assessment which must be made on a case-by-case basis.

17. It is up to the parliamentary committee(s) responsible to determine whether one or more of the amendments tabled during its consideration of a Commission proposal is 'substantive' and, if appropriate, whether it or they should be the subject of an impact assessment. The terms of reference for impact assessments on substantive amendments are defined, in each case, by the committee itself.

18. On a proposal from the rapporteur, the chairman or a member of the committee acting on behalf of his or her political group, the coordinators decide, in consultation with the rapporteur, to request an impact assessment of one or more specific substantive amendments.²² There must be broad political support for that decision.

19. The associated committees involved, pursuant to the procedure under Rule 50, may, on the same basis, carry out impact assessments of the substantive amendments which fall within their spheres of responsibility, provided that this is compatible with the procedural timetable agreed with the committee responsible.

In the case of a procedure with Joint Committee Meetings, under Rule 51, decisions concerning the carrying out of impact assessments on substantive amendments are taken jointly by the committees concerned.

20. Impact assessments can be carried out at each stage of the legislative procedure, taking account of the time constraints specific to each reading, and provided that they do not unduly delay the legislative process.

²² Taking account of the deadlines and the procedures required to meet such requests.

21. As a rule, the committee responsible tries to identify substantive amendments likely to be the subject of an impact assessment before they are adopted in committee. However, it may regard it as more appropriate to carry out the impact assessment at a later date:

- prior to the vote in plenary, if that is possible, in particular in connection with a procedure with associated committees,
- after the vote in plenary.

There must be broad political support for this decision.

At what stage of the legislative procedure should an impact assessment of a substantive amendment be carried out?

The Inter-Institutional Agreement on Better Law-Making stipulates that ‘where the co-decision procedure applies, the European Parliament and the Council may [...] have impact assessments carried out prior to the adoption of any substantive amendment, either at first reading or at the conciliation stage’. In practice, hitherto the parliamentary committees have had impact assessments of substantive amendments carried out at first reading, second reading and conciliation stage, and they may do so at any stage of an inter-institutional negotiation on a legislative proposal.

22. The task of carrying out impact assessments of substantive Parliament amendments is conferred on outside experts.

23. The decision by the committee responsible to request an impact assessment on amendments is forwarded to the Impact Assessment Unit, which selects outside experts, in keeping with the provisions of the Financial Regulation, EU law on public contracts and the Parliament’s own internal procurement rules, in a way that ensures that the experts are as independent and objective as possible and the procedure for selecting them is as transparent as possible.

24. In methodological terms, if appropriate, the experts take as their starting-point the information contained in the impact assessment provided by the Commission and, as far as possible, structure their assessment in such a way as to facilitate comparisons with the Commission text, although without duplicating the Commission's work.

25. In keeping with the undertakings it has given, the Commission assists Parliament in its work by making available to it details of any specific methodology used in preparing an impact assessment (economic modelling, cost-benefit and/or cost-effectiveness analysis) and forwarding the data employed.

26. Impact assessments of substantive Parliament amendments are drafted in the working language most frequently used in the committee which submitted the original request, on the basis of its language profile. At the request of the coordinators for the political groups, a summary may be translated into the language of the rapporteur and/or into the three working languages most frequently used in the committee.

27. Parliamentary committees which ask for impact assessments to be drawn up inform any other committees which might be interested of the performance and results of the analyses requested.

28. The Impact Assessment Unit is responsible for monitoring and ensuring that the impact assessments performed by outside experts are consistent with Parliament's quality criteria.

29. Unless a duly justified decision to the contrary is taken by the committee responsible, impact assessments of substantive Parliament amendments are published on Parliament's Internet site.

30. Taking its cue from them, Parliament endeavours to keep the Council and Commission informed, regularly and in good time, about on-going impact assessment work.

ANNEX to the EP Impact Assessment Handbook

Assessment sheet concerning the key components of an Impact Assessment

The Commission²³ has developed a standard format for its impact assessments (hereinafter IA) which identifies the key stages in the procedure and the questions to which the IA must provide a clear, precise answer:

1. *Consultation of interested parties*

- Have the Commission's relevant minimum standards²⁴ been observed?
- What stakeholders have been consulted? Were they sufficiently accurately targeted?
- How and at what stage were they consulted (transparency, minimum deadline, minimum time-limit for reply)?
- Did the Commission have recourse to outside experts?
- What are the main results of the consultations and how have they been taken into account?

2. *Definition of the problem*

- What is the issue or problem which is likely to give rise to action?
- What are the reasons underlying the issue or problem?
- Who is concerned by the problem, how and to what extent?
- How may the problem develop in the light of the action taken or planned by the Union, the Member States or other parties involved?
- Is Union action justifiable in the light of the principles of specificity (legal basis in the Treaties), subsidiarity and proportionality?

3. *Definition of the objectives*

- What are the general objectives and the more specific and operational objectives being pursued?
- Are these objectives consistent with the Union's policies and strategies, such as the Lisbon Strategy and the Strategy for Sustainable Development, and with the promotion of fundamental rights?

²³ SEC (2005)791.

²⁴ General principles and minimum standards for consultation of interested parties (COM(2002)704).

4. *Strategic options*

The IA must identify all the options which can be envisaged with a view to achieving the objectives set.

- Have all possible options been reviewed: regulatory and non-regulatory options, including the 'no EU action' option?
- What options were ruled out at an early stage and why?
- Why were options which enjoyed broad support amongst stakeholders ruled out?

5. *Analysis of the impact per se*

- What is the likely economic, environmental and social impact of each of the options short-listed?
- What will their positive and negative impact be, their direct and indirect impact?
- What will their impact be inside and outside the Union?
- Will certain options have a more immediate impact on certain social groups, economic sectors or specific regions?
- What are the uncertainties surrounding and the potential obstacles to implementation of the various options?
- What will their impact be in qualitative terms and, where this can be assessed, quantitative and/or monetary terms?
- What will their impact be on legal consistency and consistency with the *acquis communautaire* and other relevant proposals under consideration?

6. *Comparison of the options*

- The IA indicates the method of weighting the positive and negative impact of each option
- The IA sets out comprehensive and detailed results
- The IA confirms the added value of action at Community level
- If possible, the IA classifies the option on the basis of various assessment criteria
- If possible and appropriate, the IA indicates which is the preferred option

7. *Follow-up and assessment*

- What are the main indicators that the objectives have been achieved?
- What monitoring and assessment procedures are there?

Annex 2:

- **Extract from the Inter-Institutional Agreement on Better-Law Making (December 2003)**²⁵

Improving the quality of legislation

25. ... The Institutions consider that improvement of the pre-legislative consultation process and more frequent use of impact assessments (both ex ante and ex post) will help towards this objective. ...

(a) Pre-legislative consultation

26. During the period preceding the submission of legislative proposals, the Commission will, having informed the European Parliament and the Council, conduct the widest possible consultations, the results of which will be made public. In certain cases, where the Commission deems it appropriate, the Commission may submit a pre-legislative consultation document on which the European Parliament and the Council may choose to deliver an opinion.

(b) Impact analyses

27. Pursuant to the Protocol on the application of the principles of subsidiarity and proportionality, the Commission will take due account in its legislative proposals of their financial or administrative implications, for the Union and the Member States in particular. Furthermore, each of the three Institutions will take into account the objective of ensuring that application in the Member States is appropriate and effective.

28. The three Institutions agree on the positive contribution of impact assessments in improving the quality of Community legislation, with particular regard to the scope and substance thereof.

29. The Commission will continue to implement the integrated advance impact-assessment process for major items of draft legislation, combining in one single evaluation the impact assessments relating *inter alia* to social, economic and environmental aspects. The results of the assessments will be made fully and freely available to the European Parliament, the Council and the general public. In the explanatory memorandum to its proposals, the Commission will indicate the manner in which the impact assessments have influenced them.

30. Where the codecision procedure applies, the European Parliament and Council may, on the basis of jointly defined criteria and procedures, have impact assessments carried out prior to the adoption of any substantive amendment, either at first reading or at the conciliation stage. As soon as possible after this Agreement is adopted, the three Institutions will carry out an assessment of their respective experiences and will consider the possibility of establishing a common methodology.

²⁵ *Official Journal*, 31:12:03 (2003/C 321/01).

Annex 3:

- **Inter-Institutional Common Approach to Impact Assessment**
(July 2006)²⁶

General principles

1. The European Parliament, the Council and the Commission recall their agreement on Impact Assessment in the Inter-Institutional Agreement on Better Lawmaking (IIA) and the positive contribution that impact assessment can play in improving the quality of EU legislation in the forthcoming years. They underline its important role as a tool to help achieve both the Lisbon objectives and balanced and sustainable development. In line, therefore, with the commitments made in the Interinstitutional Agreement on Better Lawmaking to assess their respective experiences and to consider the possibility of establishing a common methodology, the three Institutions have agreed this Common Approach on how to assess the potential impacts of the legislation that they process and adopt, so that decisions are made after giving careful consideration to the available evidence.
2. This is made without prejudice to the decision-making role and autonomy of each Institution and in line with their respective institutional roles and responsibilities.
3. In this respect, each Institution should be responsible for assessing its own proposals/modifications, and for choosing the means to be used for their impact assessment, including the internal organisational resources. The Commission will, as a general rule, carry out impact assessments on major items of draft legislation, notably those included in its Annual Legislative and Work Programme, and the European Parliament and the Council will examine the Commission's impact assessment alongside the Commission's initiative and be responsible for assessing the impacts of their own substantive amendments. The definition of what constitutes a 'substantive' amendment should be for the respective Institution to determine. This decision, however, should reflect the shared and balanced commitment to impact assessment and to Better Lawmaking in general.
4. The three Institutions consider that impact assessment of initiatives and substantive amendments should map out their potential impacts in an integrated and balanced way across their social, economic and environmental dimensions, and where possible, their potential short and long-term costs and benefits, including regulatory and budgetary implications. The Commission's impact assessment should strive to explore a range of legislative and non-legislative options which could potentially meet the set objectives. Full respect should also be given to principles of subsidiarity and proportionality, and the way in which the policy would be monitored and evaluated in order to assess progress in meeting its objectives.

²⁶ NT/551/551547 PE 353.887.

5. The three Institutions consider it essential that the assessment of the impacts of initiatives and substantive amendments is rigorous and comprehensive, and is based on accurate, objective and complete information. It is also important to ensure that the analysis is proportionate and focuses on the proposal's aims and objectives. It must not lead to undue delays in the legislative process, nor be abused as an instrument for opposing undesired legislation or prejudice the legislator's capacity to propose amendments. The rigour, objectivity and comprehensive nature of the analysis should mean that the impact assessment is not a simple justification of the initiative or the substantive amendment.
6. Careful consideration of the evidence presented in the impact assessment should allow the relevant institution to decide on whether to proceed with the proposal or amendment and/or to shape the proposal or amendment in the light of its potential impacts. Impact assessment is an aid to help the three Institutions to reach a properly considered decision. It is in no sense a substitute for political decision in the democratic decision-making process.
7. The three Institutions agree that the impact assessment process should be transparent. The three Institutions agree with the principle of publishing their impact assessments through single portals for each Institution on the Europa website. The three Institutions also agree that there should be, where reasonably possible and without causing undue delay in the legislative process, appropriate consultation for impact assessments.
8. The three Institutions also recall the common commitment in the Interinstitutional Agreement on Better Lawmaking to take the necessary steps to ensure that their staff have the means and resources required for the proper implementation of that agreement.

Commission

8. For each impact assessment study it produces, the Commission intends to follow the key steps set out in the Impact Assessment Communication of 2002, in the Commission Services Working Document of October 2004 (COM (2002) 276 final and SEC (2004) 1377) in its internal Impact Assessment Guidelines (SEC (2005) 791).²⁷
11. The proposals submitted in its Annual Legislative and Work Programme will, as a general rule, be accompanied by an impact assessment. It will also indicate in the explanatory memorandum to its proposals the manner in which the impact assessments have influenced them.

²⁷ The key steps foreseen are the following:

1. First of all the problem needs to be identified and defined in terms of its extent and those most affected.
2. On the basis of the problem definition, a set of objectives designed to tackle the problem should be established.
3. Once the objectives are set, there should be a systematic screening of options – including non-regulatory approaches – to assess their potential in meeting the set objectives. This results in the selection of a smaller number of options to be examined in greater detail for their potential impact.
4. Each of the selected options is then examined for its potential impacts, in an integrated and balanced manner, across the economic, social and environmental dimensions.

12. In duly justified cases, the Commission, on its own initiative or at the invitation of the European Parliament and/or the Council, may decide to complement its original impact assessment.

European Parliament and Council

13. The European Parliament and the Council will take the impact assessment of the Commission into full account when examining the Commission's legislative and non-legislative proposals.
14. Moreover, in line with the Interinstitutional Agreement on Better Lawmaking, they undertake to carry out impact assessments, when they consider this to be appropriate and necessary for the legislative process, prior to the adoption of any substantive amendment.
15. When the European Parliament and the Council carry out impact assessments, they will, as a general rule, take the Commission's impact assessment as the starting point for further work. Moreover, they undertake to organise and present, to the greatest possible extent, their impact assessments in a way that will ensure comparability with the Commission's impact assessment, without duplicating the Commission's work.

Inter-institutional collaboration

16. To assist the Council and European Parliament in their subsequent impact assessment work, the Commission agrees to share any particular methodology used to prepare an impact assessment (e.g. economic modelling, cost-benefit and/or cost-effectiveness analysis, multi-criteria analysis).
17. It further undertakes to assist the Council and the European Parliament in their impact assessment work by explaining its assessment and sharing the data used. Such assistance will also be determined in the light of available Commission resources.
18. To enhance co-ordination of impact assessment activity across the three Institutions and to avoid unnecessary duplication of work, each Institution will endeavour to inform the other Institutions in a timely and regular manner of ongoing impact assessment work. The High Level Technical Group, established under the IIA on Better Lawmaking, will monitor the implementation of this Common Approach and act as an ongoing forum for the exchange of impact assessment information and good practices. It may also act as a forum to discuss disputes arising from the implementation of this approach.

Review clause

19. The three Institutions agree to carry out a review of their respective experiences in two years time at the latest, in order to take stock of progress and, where necessary, up-date this Common Approach for Impact Assessment, with a view to moving further in developing a common methodology for use across all three Institutions. In this context, the scope of this common approach could be reviewed. This could consider, as appropriate, Council Impact Assessment on specific initiatives presented by one or more Member States concerning their economic, environmental and social aspects.

