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

Activity Report for 2017
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EPRS | European Parliamentary Research Service
Directorate for Impact Assessment and European Added Value
May 2018
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List of Acronyms

AFCO European Parliament Committee on Constitutional Affairs
AFET European Parliament Committee on Foreign Affairs
CCC European Parliament Conference of Committee Chairs
CoNE Cost of Non Europe Report
CULT European Parliament Committee on Culture and Education
DG Directorate-General
DG IPOL Directorate-General for Internal Policies of the Union
EAVA European Added Value Unit
ECA European Court of Auditors
ECOS European Council Oversight Unit
ENVI European Parliament Committee on Environment, Public Health and Food Safety
EP European Parliament
EPRS European Parliamentary Research Service
EU European Union
EVAL Ex-Post Evaluation Unit
FEMM European Parliament Committee on Women's Rights and Gender Equality
IA Initial Appraisal
IIA Inter-institutional Agreement
IMCO European Parliament Committee on Internal Market and Consumer Protection
IMPA Ex-ante Impact Assessment Unit
INI Own-initiative implementation reports
INTA European Parliament Committee on International Trade
ITRE European Parliament Committee on Industry, Research and Energy
JURI European Parliament Committee on Legal Affairs
LIBE European Parliament Committee on Civil Liberties, Justice and Home Affairs
MEP Member of the European Parliament
PANA European Parliament Committee of Inquiry on Money Laundering, Tax Avoidance and Tax Evasion
REFIT Regulatory Fitness and Performance Programme
RSB Regulatory Scrutiny Board
STOA Scientific Foresight Unit
TERR European Parliament Special Committee on Terrorism
TRAN  European Parliament Committee on Transport and Tourism
TREN  Global Trends Unit
1) Introduction

This is the fourth Activity Report on work undertaken by the European Parliament in the fields of ex-ante impact assessment and European added value. A first Activity Report was published in September 2014, covering the period from June 2012 to June 2014.1 A second report followed in April 2016, providing an overview of the work carried out during the period from July 2014 to December 2015.2 A third report, released in March 2017, dealt with activities during the calendar year 2016.

This fourth report summarises work undertaken by the Directorate for Impact Assessment and European Added Value, within the European Parliament’s secretariat, between January and December 2017. It focuses on its activities in support of oversight and scrutiny of the executive by parliamentary committees, specifically in the fields of: (i) ex-ante impact assessment; (ii) European added value; and (iii) ex-post evaluation. During those twelve months, a total of 160 pieces of work were undertaken and published by the Directorate - all of which are available on the Parliament’s Think Tank and EPRS intranet sites - representing some 8388 pages of text.3

Background

2017 was the first year of the second half of the current 2014-2019 legislative term. EU legislative activity was consequently at full speed and resulted in continuously high demand for all the Directorate’s products and services in support of evidence-based policy-making throughout the legislative and policy cycles.

2017 was also the first full year of implementation of the new EU Inter-Institutional Agreement on Better Law-Making (IIA), which entered into force on 13 April 2016,4 after several months of negotiation between the European Parliament, the European Commission and the Council of Ministers.5 The IIA provided a new impetus to the joint efforts of the European institutions to boost evidence-based policy-making at the various stages of the legislative and policy cycles, by emphasising the importance of effective programming, enactment

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4 http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016Q0512(01)&from=EN
5 http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016Q0512(01)&from=EN
and implementation of EU law. The IIA also included a renewed commitment by the institutions to the use of certain Better Law-Making tools, notably ex-ante impact assessment, advance public and stakeholder consultation, and ex-post policy evaluation of existing policies. As advocated by the European Parliament, there is also a commitment to take greater account of the ‘cost of non-Europe’, so that the potential added value of European action features appropriately when new EU legislation and policy is proposed.

Overall, the new IIA constitutes a significant step forward and offers the prospect of further progress towards a culture of better law-making. Common efforts by the EU institutions to generate a higher quality of legislation are not new. As long ago as 2002, the European Commission began to accompany many of 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 first Inter-institutional Agreement on Better Law-Making, which was signed jointly by the Commission, Parliament and Council in December 2003. Subsequently, in July 2005, the three institutions agreed on a 'Common Approach to Impact Assessments', which built on these commitments in greater detail.

In a series of annual reports on better law-making, drafted by its Legal Affairs Committee, the European Parliament successfully encouraged the Commission to move to the (current) situation whereby every significant legislative proposal is now supposed to be 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 (CCC) adopted an Impact Assessment Handbook in 2008, updated in November 2013 and then again in September 2017, in the latter case, to take account of the new Inter-institutional Agreement. The new version of the Handbook is included as an annex to this Activity Report.

A limited amount of ex-ante impact assessment work was undertaken in the European Parliament between 2004 and 2010. During this period, there were twenty-nine occasions on which parliamentary 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 twelve cases where

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7 NT/551/551547 PE 353.887.
committees commissioned research work on their own amendments, including seven instances of impact assessments on amendments. (Among the 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 ongoing development of the impact assessment process as an important aid to the legislator, and argued that the concept of impact assessment should be applied throughout the policy cycle - on both an ex-ante and an ex-post basis - from the design of legislation through to its implementation, evaluation and possible revision. 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 for use in parliamentary committees.

**Parliamentary structures and support**

In response to the 2011 Niebler report, and with a view to strengthening the capacity of parliamentary committees to engage in oversight and scrutiny work of various kinds, the Parliament's Bureau decided in 2011 to establish a dedicated 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 as a whole - within which the Directorate is now located - aims to provide comprehensive research and analytical support for Members and, where appropriate, parliamentary committees, in all EU policy fields. It is organised into three directorates:

- **Directorate A**: the **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 all EU policies, issues and legislation;

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9 2010/2016(INI), 8 June 2011.
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 and responding to citizens’ enquiries; and

Directorate C: the Directorate for Impact Assessment and European Added Value (previously in DG IPOL), which provides inter alia the products and services detailed in this Activity Report.

The third directorate, the Directorate for Impact Assessment and European Added Value, works to strengthen the Parliament’s capacity for scrutiny and oversight of the executive at successive stages of the policy cycle - generating analysis in-house wherever possible and drawing on outside expertise as necessary - as well as contributing to the quality of law-making itself. European Parliamentary committees may commission a variety of products and services from the Directorate to support their work in these fields.

Since July 2014, the Directorate has included the following three units providing direct support to parliamentary committees in various aspects of their oversight and scrutiny roles:

- the Ex-Ante Impact Assessment Unit (IMPA), which undertakes an initial appraisal of the quality of each impact assessment accompanying the legislative proposals produced by the European Commission, checking that certain criteria are met and identifying the basic methodological strengths and weaknesses of the Commission impact assessment. At the request of individual committees, the unit can then provide detailed appraisals of the quality and independence of Commission impact assessments, or complementary or substitute impact assessments on aspects of a legislative proposal not dealt with adequately (or at all) by the Commission. At the request of the committee concerned, the unit can also undertake impact assessments of substantial amendments to the Commission proposal. (In accordance with the procedures laid down in the Conference of Committee Chairs’ Impact Assessment Handbook, the latter are always carried out by external experts);

- the European Added Value Unit (EAVA), 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. The unit also provides European Added Value Assessments to set out the rationale for legislative initiative
reports put forward by parliamentary committees and it analyses the added value of existing EU policies in practice; and

- the **Ex-Post Evaluation Unit** (EVAL), which assists committees in ex-post evaluation work - including on the transposition, implementation and enforcement of EU policy or law at national level - notably by providing *European Implementation Assessments* to support own-initiative (INI) implementation reports being undertaken by parliamentary committees. Other ex-post evaluations, not linked to such reports, are also provided to committees on request. It also generates 'rolling check-lists' and synoptic overviews on relevant issues, and 'implementation appraisals' of the operation of existing legislation in practice, notably whenever a new proposal to update such legislation is announced in the Commission's annual work programme.

In addition, the **European Council Oversight Unit** (ECOS) provides horizontal analytical support to both parliamentary committees and Members as a whole, by monitoring and analysing the delivery of the European Council in respect of the commitments made in the conclusions of its meetings, as well as of its various responsibilities either in law or on the basis of intergovernmental agreements. The unit maintains a rolling checklist of all such commitments and/or responsibilities, provides routine briefing notes on their degree of attainment within the Council system, and undertakes detailed research in this field.

As of December 2017, the above four units of the Directorate for Impact Assessment and European Added Value had a staff complement of 40 persons (comprising four heads of unis, 31 policy analysts and five assistants).

For reference, the Directorate for Impact Assessment and European Added Value also includes a **Scientific Foresight Unit** (STOA), which undertakes work specifically in the field of science and technology assessment for the Parliament's STOA Panel, and a **Global Trends Unit** (TREN), which analyses medium- and long-term trends facing the European Union and the resulting potential policy challenges and choices.

In November 2012, the Parliament's 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, as well as developing a more consistent and integrated approach to the matter' (PE 499.457/CPG...
In November 2013, the CCC adopted an updated version of the Parliament's *Impact Assessment Handbook*, which provides guidance to committees specifically in respect of the conduct of their ex-ante impact assessment work. The text of the latest version of this Handbook, based on a technical update in September 2017, can be found for reference as an annex to this report.\(^\text{10}\)

The Directorate sends a monthly update of all completed, on-going and planned work to the CCC, of which the latter body takes note at its monthly meeting during each part-session in Strasbourg.

The *Parliament's 2017 budget* provided for €1.0 million (Budget item 95-0-3210-01) for the purpose of acquiring, as necessary, external expertise in the fields of impact assessment and European added value, in order to support the institution's activities in these fields. During the twelve-month period under review, 36 public procurement procedures were launched, for a total committed value of €880 170. Of this figure, 18.5 % (€163 050) was used for ex-ante impact assessment work, 41.9 % (€369 495) for European added value work, 39.1 % (€344 625) for ex-post evaluation, and 0.3 % for European Council oversight work (€3 000). In all, work was commissioned in support of on-going work by twelve parliamentary committees. These were: LIBE: €315 395; ENVI: €244 585; FEMM/LIBE: €61 100; IMCO: €60 900; JURI: €60 650; IMCO/JURI: €39 500; TRAN: €19 600; PANA: €18 940; AFET: €15 000; INTA: €14 500; AFCO: €14 000; and TERR: €5 000; together with other studies totalling €11 000.

Since April 2014, a framework contract, divided into eleven lots, has been in operation for the conclusion of contracts in the fields of ex-ante impact assessment and European added value. Since March 2016, a second framework contract, divided into twelve lots, has been in operation for the conclusion of contracts in the field of ex-post impact assessment and evaluation. In addition, in April 2015, the Parliament published a multiannual call for expressions of interest (CEI), with a view to compiling a list of experts for the provision of external expertise in the fields of ex-ante impact assessment, ex-post evaluation and foresight, for use as necessary. Negotiated procedures are also used in some cases, if appropriate.

As the validity of the framework contract in the fields of ex ante impact assessment and European added value is coming to the end, the renewal of such arrangements is currently being undertaken. In the meantime, arrangements have been made to allow the Directorate to use the framework

contracts of other administrative services, notably of the Directorate-General for Internal Policies (IPOL), if this is required.

**Recent developments and outlook**

The precise rhythm of the work of the various units within the Directorate for Impact Assessment and European Added Value varies depending on the balance between *pro-actively generated background analysis* for parliamentary committees and *more detailed work undertaken in response to specific requests* for detailed research from committees.

In general, the workload and output of the Directorate has increased fairly steadily over the years since its creation. This trend continued in 2017, because of both enhanced (cyclical) parliamentary activity and a greater interest by parliamentary committees in the Directorate’s products and services in the better law-making fields. The European Commission tends to produce most of its legislative proposals during the middle and latter part of its five-year term of office, and this pattern is clearly evident during the current 2014-19 term. But, perhaps because the total number of such proposals has been falling over successive cycles, the overall volume of ex-ante impact assessment work in the Parliament is not significantly higher in this term than it was in the last. In parallel, there has been a growing tendency for committees to pay increased attention to the evaluation of existing policies, and to focus on their implementation and effectiveness on the ground, resulting in a significant increase in implementation-related work, particularly in this parliamentary term. European added value work, in its various forms, is undertaken fairly continuously throughout the legislative term.

The new IIA on Better Law-Making provides guidance on a number of important issues of direct relevance to the work described in this Activity Report. As well as reinforcing existing mechanisms related to ex-ante impact assessment – and making reference for the first time to the importance of European added value and the ‘cost of non-Europe’ in identifying the potential for European-level initiatives - it also includes a specific chapter on ex-post evaluation of existing legislation, which now forms an important part of the text.

While the implementation of the IIA at political and administrative level is ongoing, an own-initiative report on the interpretation of the IIA is currently being drawn up jointly by the Parliament’s Legal Affairs Committee and
Constitutional Affairs Committee (Rapporteurs: Pavel Svoboda (EPP, CZ) and Richard Corbett (S&D, UK)), and this should provide additional stimulus and insight on how best to exploit the potential of the new agreement within the Parliament.

Whilst the understanding and use of Better Law-Making tools has been rising over time within the EU institutions, suggesting a stronger commitment to the pursuit of evidence-based policy-making, there is also a justified keenness to ensure that such tools should remain a support, not a substitute, for political decision-making - and should not unduly delay the legislative process. As reflected in the IIA, the three main EU institutions - the Parliament, Council and Commission - seem to share the same aspirations as far as the achievement of genuinely 'better' EU law-making is concerned. The challenge for all concerned is to ensure that those aspirations are put into practice on a routine basis.

To this end, the Parliament's Directorate for Impact Assessment and European Added Value is actively engaged in inter-institutional dialogue and cooperation to find appropriate ways and means to best enhance the quality of the process. The Directorate's main objective, however, remains to supply the institution and its committees with the research and analysis required to help enable it to better evaluate, justify and quantify its legislative priorities and options, and to exercise effective oversight and scrutiny of the executive, at all stages of the EU policy cycle.

For reference, all of the Directorate's publications are available for consultation and download on the European Parliament's Think Tank internet page, as well as on the EPRS intranet webpage and blog. Studies and in-depth analysis can also be found at the EU Bookshop of the Publications Office of the European Union.

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May 2018
2) Work on ex-ante impact assessment

The Ex-Ante Impact Assessment Unit of the Directorate for Impact Assessment and European Added Value has since 2012 developed a series of products and services which seek to provide targeted, timely and specialised support to parliamentary committees in their work on ex-ante impact assessment, covering all policy areas and available at any stage in the law-making process.

The support begins with the proactive provision by the unit of **initial appraisals which provide a critical overview of, and analyse the quality of, European Commission impact assessments (IAs)** accompanying the latter’s legislative proposals. These appraisals take the form of short briefing papers, usually of up to eight pages in length, which check that certain quality criteria have been met and identify the basic methodological strengths and weaknesses of the Commission's text, in the light of the latter’s own Better Regulation Guidelines and relevant European Parliament resolutions. At the request of individual parliamentary committees, the unit can provide more **detailed appraisals** of the quality, completeness and independence of Commission IAs, and/or **complementary or substitute impact assessments** on aspects of a legislative proposal not dealt with adequately (or at all) by the Commission in its IA. At the request of the committee responsible, the unit can also undertake **impact assessments of substantial amendments** being considered by the Parliament to a Commission proposal. (Under the provisions of the Parliament's Impact Assessment Handbook, such impact assessments of amendments are always carried out by external experts).

**Contribution to EP committee work**

Between July 2012 and December 2017, the Ex-Ante Impact Assessment Unit produced 180 initial appraisals, five detailed appraisals, five complementary or substitute impact assessments, and impact assessments on eight sets of EP amendments, covering a total of 42 amendments. During the twelve-month period under review (January-December 2017), the unit produced 42 initial appraisals, one substitute impact assessment and two impact assessments of amendments.

- **Initial appraisals of Commission impact assessments**

In light of the Parliament’s commitment in the Inter-institutional Agreement (IIA) on Better Law-Making to take full account of the Commission’s impact assessments when considering the latter’s legislative proposals, the initial
appraisals of the Commission’s IAs seek to make a constructive and practical contribution to the informed and effective consideration of legislative proposals at committee stage. Initial appraisals aim to provide an overview and critical assessment of the content of Commission impact assessments, offering an easy and accessible introduction to the substance of the proposal itself, alerting parliamentary committees to the strengths and weaknesses of the impact assessment, and flagging up particular issues which Members may wish to be aware of and/or investigate further. As has been the case on several occasions, initial appraisals may also prompt committees to invite the Commission to explain its analysis and methodology in greater detail, to respond to any criticisms or shortcomings identified, and/or to request from the Ex-Ante Impact Assessment Unit further work, addressing any concerns about weaknesses or omissions in the Commission’s texts.

As a result, the Ex-Ante Impact Assessment Unit’s initial appraisals contribute to strengthening the Parliament’s roles of scrutinising the executive and acting as co-legislator, by providing a focused and timely input, geared at promoting evidence-based policy making. They also raise awareness in the Commission’s services that scrutiny of the quality of impact assessments continues beyond the confines of the Commission's own internal review board, the Regulatory Scrutiny Board (RSB), so helping to ensure a more consistent, coherent and professional approach by the Commission to the justification of its proposals and its assessment of their likely effects.

With the Commission half-way through its five-year mandate in 2017, the year saw a large number of proposals submitted, accompanied by impact assessments requiring appraisal by the Ex-Ante Impact Assessment Unit. Accordingly, the unit intensified its work during the year, with a total of 42 initial appraisals of Commission impact assessments produced in 2017, compared to 36 in 2016.

2017 also saw an update of the Commission’s guidelines and toolbox on Better Regulation, which had originally been adopted by the Commission in May 2015 in the framework of its new Better Regulation package. The Better Regulation guidelines cover the successive stages of the policy cycle, from the planning and preparation of legislative proposals to their implementation, transposition, monitoring and evaluation, as well as the processes of undertaking ‘fitness checks’ and stakeholder consultation.

The guidelines contain ‘mandatory requirements and obligations for each step in the policy cycle’ (Guidelines 2017, p. 4). The basic premise is that impact
assessment is a tool to support political decision-making, not a substitute for it, and that it should involve the assessment of the potentially significant economic, environmental and social impacts of proposed Union legislation.

The revised guidelines and toolbox have been in force since July 2017. Several new tools were added and existing ones were updated. Among the most significant changes are those made to the tools relating to stakeholder consultation. They concern the scope and objectives of any consultation, the identification of stakeholders, the envisaged consultation activities, their timing and language regime, and the stakeholder feedback mechanism. In addition, the provisions on monitoring and evaluation were revised, in order to better clarify how evaluation provisions in legislation should be drafted.

In the latter context, the Commission introduced a new tool that describes the specific processes to be followed when evaluations of existing legislation are carried out in parallel with the ex-ante impact assessment of future legislation (‘back-to-back’), thus formalising an increasingly frequently practice. The 2017 edition of the toolbox also sets out the composition and work modalities of the Commission’s Regulatory Scrutiny Board (RSB).

It is notable that, in accordance with the 2017 guidelines, all initiatives to revise existing legislation should now be considered ‘REFIT’ initiatives by default. This means that Commission services should always seek to identify opportunities to reduce regulatory costs and to simplify existing legislation (including by digitisation), and where they find no such opportunities, they should explain why. In addition, the revised guidelines explicitly mention that, where possible, the ‘cost of non-Europe’ should be identified, in line with the commitment made by the Commission in the Inter-institutional Agreement on Better Law-making (Toolbox 2017, p.69). This, according to the guidelines, ‘will complement the assessment of EU added value undertaken in the context of any preceding evaluation or fitness check’ (Guidelines 2017, p.24).

In this context, the impact assessments appraised by the Ex-Ante Impact Assessment Unit in 2017 were, to a great extent, found to comply with the formal requirements of the Commission’s guidelines, notably in terms of structure of the IA report, but this compliance did not always follow through in terms of substance.\footnote{For a detailed explanation of the features of the Better Regulation Guidelines with regard to ex-ante impact assessment, please see C. Collovà, Ex-ante impact assessment in the European Commission’s new Better Regulation Guidelines, Better Law-Making in Action, EPRS, December 2015, available at http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2015)528825} Indeed, despite the evident efforts undertaken by the
Commission, the quality of the impact assessments analysed remained variable, with some shortcomings already previously identified\(^\text{12}\) still remaining.

The Commission clearly endeavoured to better substantiate the argumentation in its impact assessments with relevant and reliable data and wide-ranging research, as was positively noted in several initial appraisals. A number of impact assessments were, however, found to present a weak evidence-base relating to core issues in the assessment (notably with data being too scarce, or impossible to verify - at times because the link to the supporting study was missing - or outdated). In some instances, there seemed to be a tendency to compensate for missing evidence or research by selective and very general references to stakeholder consultations that had generated feedback that was often neither representative nor precise enough to meaningfully qualify as ‘evidence’.

The quantification of impacts, albeit improved, remained a challenge in several impact assessments, although the Commission was usually transparent about the limitations of its analysis (frequently related to data availability) in this regard. Other issues concerned the unbalanced assessment of different types of impacts, often to the detriment of environmental or social impacts, and the rather limited choice of realistic alternative options, sometimes with a bias towards the preferred option - even though the Commission did try to extend the range of options, notably by including more frequently non-regulatory options. The lack of depth or quality of the analysis of impacts on SMEs and competitiveness was also among the issues identified, although the vast majority of impact assessments did take these impacts into account.

Finally, some Commission impact assessments appear to have been prepared under substantial time and/or political pressure. This is evident from the short time-span, in certain instances, between the publication of the inception impact assessment and the RSB opinion on the draft IA (in one case only three months), or the very short time-span (in one case only a week) between the RSB’s first negative opinion and its second positive opinion, raising questions as to how significant the changes incorporated in that time could be.

The increasing time-pressure under which Commission impact assessments are being prepared is also evidenced by the growing tendency to run impact

assessment and evaluation work in parallel, or back-to-back, instead of keeping with the more desirable, normal sequence of running the evaluation first, in order to feed into the subsequent impact assessment. Overall, it was found that this practice does not contribute to the quality of either the evaluation or the impact assessment.

On a more positive note, it is very clear that considerable efforts were made to improve the quality of the problem description and to better establish the links between the problems, their drivers and the corresponding objectives and policy options. The three categories of objectives - general, specific and operational - were found in the vast majority of the impact assessments analysed, even though their compliance with the so-called ‘SMART’ (specific, measurable, achievable, realistic and time-bound) criteria in the Better Regulation Guidelines was not always immediately apparent, especially in regard to the operational objectives, which are often too broadly formulated and rarely time-bound.

In line with the greater attention afforded to stakeholder consultation in the Commission’s Better Regulation Guidelines, the mandatory twelve-week open public consultation was respected and its outcome, albeit sometimes limited in terms of replies or representativeness, was in general clearly presented, along with the views of the different stakeholders. Ex-post monitoring and evaluation requirements were also included in a more systematic way and generally accompanied by relevant indicators, even though the monitoring mechanisms were at times too broad and not always carried over into the legislative proposal. The legislative proposals themselves were, however, usually aligned with the analyses carried out in the impact assessment.

Furthermore, the Commission’s impact assessments were generally transparent about the recommendations for improvements made by the RSB and indicated how they had addressed them in a specific annex, as required by the Better Regulation Guidelines. Compliance with those recommendations was, however, not always apparent.

Finally, where Commission legislative proposals were accompanied by an impact assessment, the requirement in principle for a positive opinion from the RSB on the impact assessment prior to the adoption of the proposal appears to have been respected overall, with the exception of one proposal which was adopted despite the fact that its accompanying impact assessment had received two negative opinions from the RSB (Proposal for a Regulation on a framework for the free flow of non-personal data in the European Union (COM (2017) 495).
A full list of the 42 initial appraisals of Commission impact assessment produced in 2017, with hyperlinks, can be found on pages 25-27 below.

- Impact assessments of EP amendments

The Ex-Ante Impact Assessment Unit can also prepare, at the request of parliamentary committees, impact assessments of one or more specific amendments being considered by the Parliament during any of the successive stages of the legislative process. Paragraph 16 of the Parliament's Impact Assessment Handbook states that ‘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 ‘substantial’ and, if appropriate, whether it or they should be the subject of an impact assessment. The terms of reference for impact assessments on such amendments are defined, in each case, by the committee itself’. All such studies are outsourced, in accordance with the Handbook, but the work is coordinated and supervised by the Ex-Ante Impact Assessment Unit.

Experience since 2012 shows that impact assessments of parliamentary amendments can help to strengthen and confirm the evidence-base for such amendments, providing analysis to defend their adoption in committee or plenary, and/or to support the Parliament's position in negotiations with the other EU institutions in trilogues. More generally, impact assessment of amendments can also help to focus and progress discussions, both in Parliament and, on occasion, in Council. In certain cases, the outcome of such assessments may lead to reconsideration as to whether to maintain or support the amendments in question, or to the production of compromise amendments.

In 2017, the Ex-Ante Impact Assessment Unit carried out two impact assessments of substantial amendments both related to the proposal on the online and other distance sales of goods.

In December 2016, the Committee on the Internal Market and Consumer Protection (IMCO) requested an impact assessment of two amendments which would respectively extend the scope of the proposal on online sales of goods to offline sales and repeal Directive 1999/44/EC (on consumer sales and guarantees) (Pascal Arimont, EPP, Belgium). The findings of the impact assessment commissioned by the Ex-Ante Impact Assessment Unit clearly indicated the need to ensure a common set of rules between online and offline sales, supporting the Rapporteur’s position in favour of an extension of the
The IA found that the harmonisation of rules across Member States and sales channels would reduce the fragmentation of the legal framework and enhance the clarity and transparency of applicable rules to the benefit of both consumers and businesses.

This impact assessment, which was presented in the IMCO Committee on 22 June 2017 and published in July 2017, provided a clear example of how the legislative process can be affected by the conclusions reached in the impact assessment work commissioned by the Parliament. In this case, the Commission published an amended proposal (COM (2017) 0637 final) on the sales of goods, extending its scope to face-to-face sales. The explanatory memorandum of the proposal explicitly mentions the Parliament’s impact assessment and states unequivocally that the Commission took its findings into account. The explanatory memorandum states:

By presenting this amended proposal which extends the scope of its original proposal to face-to-face sales, the Commission responds to the above-mentioned developments in the inter-institutional negotiations, taking into account the findings of the Fitness Check and the impact assessment conducted by the European Parliament Research Service, as presented in detail in the Staff Working Document accompanying the amended proposal.’ (pages 2-3)

In May 2017, the IMCO Committee requested a further impact assessment of eight substantial amendments from the IMCO and JURI (Legal Affairs) Committees to the Commission proposals on contracts for the supply of digital content (Rapporteur for IMCO, Axel Voss, EPP, Germany, and Rapporteur for JURI, Evelyne Gebhardt, S&D, Germany) and on contracts for the online and other distance sales of goods (Rapporteur for IMCO, Pascal Arimont, EPP, Belgium). The amendments in question would introduce a commercial guarantee for lifespan.

The commissioned impact assessment analysed several options, which would integrate specific aspects of the proposed amendments to varying degrees. It concluded in favour of two distinct options, namely a subjective duration of lifespan, and binding technical standards for the determination of the lifespan. The former option was less ambitious than the latter and would result in less benefit overall, but it would also involve less cost and could be implemented within a relatively short period of time. On the other hand, in order to achieve the objectives of enhancing sustainable consumption and cross-border
exchanges of durable products, the option based on binding technical standards would be the preferred option.

The draft final impact assessment was presented in the IMCO Committee on 28 September 2017 and published the following month. The joint IMCO/JURI vote on the proposal on contracts for the supply of digital content took place on 21 November 2017, while the vote in IMCO on the proposal on contracts for online and other distance sales of goods was scheduled to take place on 22 February 2018. A number of amendments were tabled proposing the introduction of a lifespan guarantee in the two proposals, but in both cases the introduction of such a guarantee was eventually dropped in a compromise agreed between political groups. During the discussions, however, an understanding emerged that the issue of lifespan guarantee would be considered by the Commission in the context of the review of the Ecodesign Directive.

- **Substitute impact assessment**

The Parliament’s *Impact Assessment Handbook* also provides (Paragraph 10) that ‘If a proposal likely to have a substantial impact is not accompanied by an impact assessment, the committee responsible, on the basis of a decision by the coordinators, may, with or without suspending consideration of the proposal in question:

- ask the Commission to provide an impact assessment, or,

- ask the Ex-Ante Impact Assessment Unit to carry out or commission the Parliament’s own impact assessment of the proposal in question.’

In the absence of a dedicated impact assessment accompanying the proposal on the protection of individuals with regard to the processing of personal data by the Union institutions, the Committee on Civil Liberties, Justice and Home Affairs (LIBE) requested, in April 2017, in the course of its consideration of the proposal, an impact assessment on some specific aspects of that proposal. The study undertaken by the Ex-Ante Impact Assessment Unit concluded, inter alia, that the new proposed model of governance would lead in the short term (during an ‘initial period of application’) to an increase in workload and to the need for additional resources, in terms of budget and human resources. However, it was found that the final impacts of this new model of governance and the question of whether the proposed removal of some administrative
obligations would offset this increase in workload could be reasonably assessed only after this initial period of application.

The draft impact assessment, which was prepared within a very short timeframe, was made available to the LIBE Committee in July 2017, in advance of the deadline for amendments. The final study was presented in the LIBE Committee on 28 September 2017 and published the following month. The rapporteur, Mrs. Cornelia Ernst (GUE/NGL, Germany), welcomed the study, stressing its key contribution to her legislative work on this file.

Other developments

In 2017, the Ex-Ante Impact Assessment Unit actively contributed to the revision of the Parliament’s Impact Assessment Handbook following the adoption of the new Inter-Institutional Agreement (IIA) on Better Law-Making. The new version of the handbook was adopted by the Parliament’s Conference of Committee Chairs on 12 September 2017.

The unit consolidated procedures for the early identification and tracking of legislative files, including those not accompanied by a Commission impact assessment, but for which one might be considered justified, and continued informing parliamentary committees accordingly. There were several such instances in 2017, with some Commission proposals containing no or limited explanation for the absence of an impact assessment. It is noteworthy that about a third of the proposals included in the joint declaration on the EU’s legislative priorities for 2017 (20 out of 59) were not accompanied by an impact assessment, often on the grounds of urgency in the context of political priorities established by the European Council.

The increasing time-pressure under which Commission impact assessments are being produced also appears to have had an effect on the publication of the corresponding, up-stream, ‘inception’ impact assessments, with several instances where no inception impact assessment was published, therefore denying stakeholders the opportunity to provide an early input in the process.

The Ex-Ante Impact Assessment Unit remained committed to raising awareness within the Parliament of inter-institutional undertakings and best practice in the area of ex-ante impact assessment. The unit also continued to enhance the visibility of its work, both within the Parliament and among external stakeholders. In this context, it had the opportunity to present its activities in a number of academic fora (notably the College of Europe, and Oxford, Exeter,
Maastricht and Leuven Universities) and to a regular flow of national parliamentary visitors to Brussels and Strasbourg.

The Ex-Ante Impact Assessment Unit maintained close contacts with other institutions by exchanging information on best practice and methodologies relating to ex-ante impact assessment. In this respect, it organised a technical meeting with the Commission in September 2017 for an exchange of views on the revision of the latter’s Better Regulation Guidelines. This meeting offered the opportunity to colleagues from different Parliament services, and notably parliamentary committees, to get a deeper understanding of the Better Regulation process within the Commission. In return, the unit was invited in October 2017 to present its activities to the Commission’s internal impact assessment working group. The unit also had several exchanges with the Council secretariat, to discuss the Parliament’s experience in this field, in the context of the launch of a pilot project by the Council on impact assessment.

Finally, at the request of the Parliament’s Committee for Legal Affairs (JURI), the unit embarked on a pilot project for the production of the first fully-fledged European Parliament impact assessment, to be elaborated in the context of the Parliament’s 2016 legislative own-initiative resolution for an ‘open, efficient and independent European Union administration' and the specific proposal for a draft Regulation included therein. The study, which will examine the potential impacts of the Parliament’s initiative, is expected to be delivered in May 2018.

The JURI Committee’s request confirms a rising curve of interest over time within the Parliament in ex-ante impact assessment work generally. Increased awareness of the value of ex-ante impact assessment as an aid to decision-making can also be gauged through the increased enquiries received from committee secretariats, political group staff and Members' offices requesting advice on the existing possibilities and modalities for the performance of such work.

Publications

The following publications in the field of ex-ante impact assessment were produced between January and December 2017:

**Initial appraisals of European Commission Impact Assessments** (42)

- The European Electronic Communications Code and the Body of European Regulators for Electronic Communication (BEREC), January 2017, PE 593.802.
• Control of exports, transfer, brokering, technical assistance and transit of
dual-use items, January 2017, PE 593.801.
• Revision of the calculation methodology of dumping, February 2017,
PE 598.589.
• Energy performance of buildings, February 2017, PE 598.588.
• Governance of the Energy Union, February 2017, PE 598.590.
• Energy Efficiency, March 2017, PE 598.592.
• Recovery and resolution of central counterparties, March 2017, PE 598.591.
• Restriction of the use of certain hazardous substances in electrical and
electronic equipment, April 2017, PE 598.610.
• (Re-)Designing the internal market for electricity, April 2017, PE 598.615.
• Respect for private life and protection of personal data in electronic
communications, April 2017, PE 598.616.
• The European services e-card, May 2017, PE 603.225.
• Initial qualification, periodic training and minimum age of professional
• Proportionality test before adoption of new regulation of professions, May
2017, PE 603.230.
• Establishing a multi-annual plan for small pelagic stocks in the Adriatic
Sea and the fisheries exploiting those stocks, May 2017, PE 603.233.
• Preventive restructuring, second chance and efficient restructuring,
insolvency and discharge procedures, May 2017, PE 603.236.
• Limitations of scope for aviation activities in the EU ETS, May 2017,
PE 603.234.
• Coordination of social security systems, June 2017, PE 603.235.
• Mutual recognition of freezing and confiscation orders, June 2017,
PE 603.243.
• Controls of cash entering or leaving the European Union, June 2017,
PE 603.242.
• Use of energy from renewable sources, June 2017, PE 603.246.
• Empowerment of national competition authorities, July 2017, PE 603.260.
• Protection of workers from exposure to carcinogens or mutagens: second
proposal (CMD 2), July 2017, PE 603.254.
- Banking reform package, August 2017, PE 603.251.
- Services in the internal market: Notification procedure for authorisation schemes and requirements related to services, August 2017, PE 603.262.
- Work-life balance for parents and carers, September 2017, PE 603.266.
- Single Market Information Tool, October 2017, PE 610.985.
- Single digital gateway, October 2017, PE 610.989.
- Revision of the European Electronic Road Toll Service, October 2017, PE 610.990.
- Adapting the road haulage market to developments in the sector: road transport operators and access to the market, October 2017, PE 610.991.
- Use of vehicles hired without drivers for carriage of goods by road, October 2017, PE 610.995.
- Pan-European Personal Pension Product (PEPP), October 2017, PE 611.003.
- Safeguarding competition in air transport, November 2017, PE 611.004.
- Road transport: driving times, breaks, rest periods, tachographs and posting of drivers, November 2017, PE 611.007.
- Combating fraud and counterfeiting of non-cash means of payment, December 2017, PE 611.031.
- European Market Infrastructure Regulation / Regulatory Fitness and Performance (REFIT) proposal, December 2017, PE 611.001.
- EU Cybersecurity Agency and cybersecurity certification, December 2017, PE 615.633.
- Import of cultural goods, December 2017, PE 611.032.
- Review of the European supervisory authorities (ESAs) (micro-prudential supervision), December 2017, PE 615.634.
Impact Assessments of EP amendments (2)

- Online and other distance sales of goods, July 2017, PE 603.258.
- Introduction of a lifespan guarantee in the proposed online sales and digital content directives, October 2017, PE 610.999.

Substitute Impact Assessments (1)

- New model of governance and accountability of data protection by Union institutions and bodies, October 2017, PE 610.997.
3) Work on European added value

The European Added Value Unit analyses the potential benefit of future action by the Union. It mainly provides three types of services to EP committees, drawing on external expertise if necessary:

- **European Added Value Assessments** (EAVAs) to evaluate the potential impacts of, and identify the advantages of, proposals made in legislative own-initiative reports by the Parliament, based on Article 225 TFEU. These assessments are undertake on an automatic basis once a legislative initiative report has been authorised by the Conference of Presidents. They also assess the basis for EU policy actions and consider subsidiarity and proportionality;

- **Cost of Non-Europe Reports** (CoNEs) on 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. These reports are generally carried out at the request of committees;

- **European Added Value in Action** briefings to analyse the added value of current EU policies in practice.

**Contribution to EP committee work**

During 2017, the European Added Value Unit supported parliamentary committees by producing two European Added Value Assessments, two Cost of Non-Europe Reports, eight European Added Value in Action briefings, and two other publications, as well as undertaking three stakeholder consultations.

In specific support for parliamentary committees' work on legislative initiative reports, drawn-up in accordance with Article 225 TFEU, the European Added Value Unit completed two European Added Value Assessments (EAVAs) in 2017, both at the request of the Committee on Legal Affairs (JURI). EAVAs provide an evaluation of the potential added value of taking targeted legislative action at EU level. The first one supported a legislative initiative report on the *cross-border restitution claims of works of art and cultural goods looted in armed conflicts and wars*, and the second assessed the potential impacts of introducing a *statute for social- and solidarity-based enterprises*. 
The first EAVA identified weaknesses in the existing EU legal system for restitution claims for works of art and cultural goods looted in armed conflicts and wars, arguing that there is no effective default regime to tackle the legal difficulties arising from the cross-border nature of such restitution claims. It provided estimates about the global illegal market for works of art and cultural goods, and offered evidence supporting legislative action at EU level.

The second EAVA identified the challenges in the existing national legal frameworks regarding social enterprises, arguing that action at EU level would generate economic and social added value. Moreover, it outlined potential legislative measures that could be taken at Union level to generate such European added value through simplification and a coordinated approach in this area.

These European Added Value Assessments resulted in two presentations by the unit to the JURI Committee, in November and December 2017.

In addition, the unit worked on and published the fourth and last edition of the present version of Mapping the Cost of Non-Europe, 2014-2019, which brings together on-going work to identify and analyse the 'cost of non-Europe' in a broad range of policy fields. This has been designed to contribute to the continuing discussion about EU policy priorities over the current five-year institutional cycle, from 2014 to 2019. The project has been under way since 2014 and the results of research have been updated regularly. In the first edition of this paper, published in March 2014, an initial figure for the cumulative potential GDP gain from a series of policy initiatives at European level, when fully realised, was estimated at over €800 billion. In the second edition, published in July 2014, this figure rose to just under €1 trillion. The third edition, which contained new, in-depth studies on the single market and the digital single market, saw this figure rise to nearly €1.6 trillion. This latest analysis suggests that the European economy could be boosted by around €1.75 trillion per year – or 12% of EU-28 GDP (2016) – by such measures over time.

More specifically, the two Cost of Non-Europe Reports undertaken in 2017 looked at the cost of increased trade barriers and at the cost of an inefficient EU criminal justice system in the specific area of procedural rights and detention conditions. Both reports aimed at contributing at the work of parliamentary committees, with a view to preparing the ground for future legislative or other initiatives in these policy areas.
The CoNE on the **cost of increased trade barriers** was requested by the Committee on International Trade (INTA). In addition to providing an overall explanation of the potential benefits of international trade and the significance of global value chains, it showed that restricting such trade can generate large costs that exceed any gains in employment, reducing GDP.

The CoNE on **procedural rights and detention conditions** forms part of a broader project carried out by the European Added Value Unit for the Committee on Civil Liberties, Justice and Home Affairs (LIBE), to assess the cost of non-Europe in the EU’s Area of Freedom, Security and Justice (AFSJ). It focuses specifically on EU action and cooperation concerning the rights of individuals in criminal procedure, with an emphasis on suspects’ rights and the rights of detainees, both pre- and post-trial, and in the context of judicial cooperation in criminal matters. It argues that, in this specific field, identified gaps and barriers lead to a de facto denial or erosion of rights, and estimates the potential economic costs of poor detention conditions and pre-trial detention for both individuals and Member States.

**Analysis of existing added value and other publications**

A third type of product, *European Added Value in Action* briefings, highlights the added value of existing EU policies in practice. Eight such briefings were published in 2017, covering policies such as **consumer rights**, the **EU research area**, the **fight against air pollution**, the **single market**, **education and international trade**. All these briefings sought to identify the contribution to the economy and society, and benefits for citizens, of EU action in given policy areas, compared to what would otherwise be the case if Member States simply acted alone.

The unit also produced two **issues papers** - on **sovereign debt restructuring** and on the **untapped potential of the Area of Freedom, Security and Justice**.

The first paper provided an overview of the main issues relating to the restructuring of sovereign debt, and outlined the factors that impact the decision as to whether or not to proceed with debt restructuring. It concluded that the current situation in the euro area raises the issue of debt sustainability and argued that the lack of an EU-level transparent framework for sovereign debt restructuring could potentially entail higher additional costs than a common approach.

The second paper presented the intermediate results of an on-going project being undertaken by the unit on the overall gaps and barriers that exist in the
main policy areas covered by the AFSJ, to assess their impacts, and to chart options for action at EU level that could address such gaps and barriers, together with an estimate of their potential cost and benefits.

**Other activities**

In 2017, the European Added Value Unit also designed and conducted three *stakeholder consultations* to support the work of parliamentary committees. A public consultation on *robotics* was conducted for the Committee on Legal Affairs (JURI). It was open worldwide, to anyone who wished to respond, in all EU official languages, between 8 February and 1 June 2017. The consultation included two separate questionnaires, adapted to their audiences: one for the general public (15 questions); and one for specialists, which included 17 general and 47 optional questions on specific policy issues. There were almost 300 responses, and the preliminary results were presented to the JURI Committee in July 2017. The final results will feed into a 'Cost of Non-Europe Report on Robotics and Artificial Intelligence' that will be published in early 2019.

A second consultation was carried out to support the work on *social- and solidarity-based enterprise* for the JURI Committee. This consultation was more targeted, with only a limited number of stakeholders asked to provide input during summer 2017.

A third consultation on *EU administrative law*, again for the JURI Committee, was launched in December 2017 and remained open until March 2018. This was an open consultation, for anyone who wish to respond, and was conducted in all EU official languages. The results are feeding into the Parliament’s innovative impact assessment on administrative law.

Throughout the year, the European Added Value Unit undertook a broad reflection about the *concept and practical application of added value* at European level. This will result in an analysis of the topic, to be published in 2018.

**Publications**

The following publications in the field of European added value were produced from January to December 2017:

*Cost of Non-Europe Reports (2), plus Mapping the Cost of Non-Europe 2014-2019, fourth edition*
• **The added value of international trade and impact of trade barriers**, October 2017, PE 603.240.

• **Procedural rights and detention conditions**, December 2017, PE 611.008.


**European Added Value Assessments (2)**

• **Cross-border restitution claims of looted works of art and cultural goods**, November 2017, PE 610.988.

• **Statute for social and solidarity based enterprises**, December 2017, PE 611.030.

**European Added Value in Action (8)**

• **Protecting and empowering EU consumers**, February 2017, PE 593.792.

• **EU Research Policy: Tackling the major challenges facing European society**, March 2017, PE 598.597.

• **EU support for education: Improving young people's chances on the job market**, April 2017, PE 598.609

• **EU abolishes mobile roaming charges**, June 2016, PE 603.238.

• **Cleaner air for Europe: EU efforts to fight air pollution**, June 2016, PE 603.237.

• **Benefits of EU international trade agreements**, October 2017, PE 603.269.

• **EU single market: Boosting growth and jobs in the EU**, December 2017, PE 611.009.

• **A Europe for mobile and international families**, December 2017, PE 611.011.

**Other publications (2)**

• **Sovereign debt restructuring: Main drivers and mechanism**, February 2017, PE 593.800.

• **Area of Freedom, Security and Justice: Untapped potential**, November 2017, PE 611.000.
Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or through the EPRS catalogue of research publications.
4) Work on ex-post evaluation

The Directorate for Impact Assessment and European Added Value provides a wide range of products and services to support parliamentary committees in the growing field of ex-post evaluation of EU law and policy in practice. During the first half of the 2014-19 parliamentary term, this work was undertaken by two parallel units within the Directorate - the Ex-Post Impact Assessment Unit and the Policy Cycle Unit - and since April 2017, it has been performed by a single merged unit called the Ex-Post Evaluation Unit.

The Ex-Post Evaluation Unit provides *inter alia* the following products and services:

- a *central information and support service* on work being done by the European Parliament, European Commission and other bodies on the implementation and effectiveness of EU law and policies in practice, and on all those phases of the EU policy cycle downstream of the adoption of EU law;

- horizontal ‘rolling check-lists’ to provide key reference material, in easily accessible form, to assist parliamentary committees in deciding what type of scrutiny of the Commission to engage in, and when and how best to undertake it;

- short (four- to twelve-page) *Implementation Appraisals* of the operation of existing EU legislation in practice, whenever a new proposal to update such legislation is foreseen in the Commission's Annual Work Programme. These appraisals are delivered to the relevant parliamentary committee in advance of the latter's consideration of the new proposal in question;

- much longer and more detailed *European Implementation Assessments* on how specific existing EU laws or policies operate in practice, drafted each time a parliamentary committee decides to undertake an own-initiative Implementation Report on an existing EU policy or law, providing a detailed analysis of the experience to date; and

- any *other analyses or studies* on implementation issues as required.

The material generated on ex-post evaluation draws on available in-puts *inter alia* from the EU institutions, including the two Advisory Committees, from national governments and parliaments, and from any other external consultation and outreach exercises.
**Contribution to EP committee work**

During the 12 months in question, 11 *European Implementation Assessments* were produced for seven parliamentary committees. These resulted in 12 presentations to the committees, as well as in presentations to the European Economic and Social Committee and to the representatives of the EU national parliaments to the EP. During 2017, work also started on a further seven *European Implementation Assessments* for five parliamentary committees, and in one other ex-post evaluation.

During 2017, 27 *Implementation Appraisals* were also produced - to assist nine parliamentary committees in their work - on the implementation, application and effectiveness of existing EU legislation which the Commission has announced will be subject to an amending proposal to update the current text.

**Publications**

The following publications in the field of ex-post impact evaluation were produced during 2017:

**European Implementation Assessments (11)**

- **Mining Waste Directive 2006/21/EC**, January 2017; PE 593.788
- **Horizon 2020 - EU framework programme for research and innovation**, February 2017; PE 589.599
- **Implementation report on the Youth Employment Initiative**, June 2017; PE 603.247
- **Working with National Parliaments on EU affairs**, October 2017; PE 603.271
• **Gender Equality in EU External Action**, October 2017; PE 603.256

• **7th Environment Action Program**, November 2017; PE 610.998

• **Ecodesign Directive 2009/115/EC**, November 2017; PE 611.015

• **Implementation of Directive 2012/29/EU establishing minimum standards on the rights, support and protection of victims of crime**, December 2017; PE 611.022

**Implementation Appraisals (26)**

• **Overview of the internal energy market design legislation**, January 2017; PE 593.782.

• **Coordination of social security systems**, February 2017; PE 593.783.


• **The Eurovignette Directive and framework to promote European electronic tolling service**, March 2017; PE 598.600.

• **Access to the occupation of road transport operator and to the international road haulage market**, March 2017; PE 598.605.

• **Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories**, March 2017; PE 598.608.

• **Written Statement Directive**, April 2017; PE 598.611.

• **The use of hired vehicles without drivers for the carriage of goods by road**, April 2017; PE 598.617.


• **Parental leave directive (Work-life balance directive)**, May 2017; PE 603.228.

• **Enhancement of the social legislation in road transport (Driving time)**, May 2017; PE 603.227.

• **Enhancement of the social legislation in road transport II (Working time and enforcement)**, May 2017; PE 603.229.
• **European Union Agency for Network and Information Security (ENISA),** May 2017; PE 603.231.

• **Clean vehicles Directive,** May 2017; PE 603.232.

• **Mutual Recognition Regulation (Regulation 764/2008),** June 2017; PE 603.241.

• **Multimodal and Combined Transport (Directive 92/106/EEC),** July 2017; PE 603.244.

• **Drinking water directive,** July 2017; PE 603.261.

• **Illicit trade in cultural goods,** July 2017; PE 603.259.

• **Setting the VAT rates,** September 2017; PE 603.265.

• **The .eu Top Level Domain,** September 2017; PE 603.267.

• **Definitive VAT system and fighting VAT fraud,** October 2017; PE 610.987.

• **Cross-border payments in the European Union,** October 2017; PE 610.986.

• **Better functioning of the market for bus and coach transport,** November 2017; PE 611.010.

• **Excise duty on alcohol,** November 2017; PE 611.018.

• **Combatting Fraud and Counterfeiting of Non-Cash means of payment,** November 2017; PE 611.013.

• **A revised framework for investment firms,** December 2017; PE 611.027.

**Other ex-post evaluations (6)**

• **The effects of human rights related clauses in the EU-Mexico Global Agreement and the EU-Chile Association Agreement: Ex-Post Impact Assessment,** February 2017; PE 558.764

• **EU-US trade and investment relations: effects on tax evasion, money laundering and tax transparency,** March 2017; PE 589.602
- **Fighting tax crimes - Cooperation between FIUs**, March 2017; PE 598.603
- **Tax evasion, money laundering and tax transparency in Overseas Countries and Territories of the EU Member States**, April 2017; PE 593.803
- **Member States' capacity to fight tax crimes**, July 2017; PE 603.257
- **EU Summer-time arrangements under Directive 2000/84/EC**, October 2017; PE 611.006

**Implementation in Action (5)**

- **The European Disability Strategy 2010-2020**, July 2017; PE 603.252
- **Professional Qualifications Directive (selected matters)**, August 2017; PE 603.255
- **Working with national parliaments on EU affairs - Survey of permanent representatives of national parliaments in the European Parliament**, October 2017; PE 610.992
- **Implementation appraisals following the Commission Work Programme 2018**, November 2017; PE 611.012
- **The development of the European Stability Mechanism**, December 2017; PE 611.024

Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or through the EPRS catalogue of research publications.\(^{13}\)

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\(^{13}\) The 2017 version of this catalogue is in the process of being published.
5) Wider horizontal support

In addition to the various specific products and services referred to above - which are provided by the Directorate for Impact Assessment and European Added Value to support parliamentary committees in their role in providing scrutiny and oversight of the executive - the committees can also draw upon a series of horizontal analytical publications prepared for use in the Parliament as a whole.

Scrutiny throughout the policy cycle

In this context, the Ex-Post Evaluation Unit also acts as a central information and analysis centre for work at all points in the policy cycle, and during 2017, it produced a series of five rolling check-lists, which bring together in a simple and accessible form a large amount of otherwise disparate or complex material.

These rolling check-lists, which collectively run to almost 3,000 pages, provide a simple reference tool for all existing EU legislation and international agreements which contain provision for any kind of ex-post evaluation or review, for all ex-post evaluation or review work which is being undertaken by the Commission, and for relevant recent analysis by the Court of Auditors in its special reports. More specifically, during 2017 these were:

- A rolling check-list of review clauses in EU legislation, which provides parliamentary committees with a structured overview, by subject area and individual legislative act, of such clauses and the timelines for up-coming reviews and other reporting provisions in EU law. This check-list, launched in 2014, is updated yearly, and is now in its fifth edition.

- A rolling check-list of review and monitoring clauses in international agreements, which provides an overview of review and monitoring clauses, sunset clauses and management and implementation clauses included in international agreements concluded between the EU and third countries. The check-list features an analysis of both multilateral and bilateral agreements. The part on bilateral agreements includes international agreements concluded between the EU and 125 countries throughout the world, including the US, China, Australia and the Russian Federation and describing the monitoring and management mechanisms in each of these agreements. This check-list, launched in 2015, is updated yearly, and is now in its third edition.
A rolling check-list on evaluation in the European Commission, which provides an analytical overview of, and the state of play on, the public availability of evaluations, complemented by a list comprising the on-going and planned evaluations on the basis of information disclosed by the Commission in various sources (such as annual management plans, annual activity reports, single evaluation plans and roadmaps). This also includes the monitoring of the implementation of the new internal guidelines on evaluation which the Commission introduced in July 2015. This check-list, launched in 2015, is updated yearly, and is now in its third edition.

A rolling check-list of the findings of European Court of Auditors' special reports, which presents a comprehensive overview of these reports, concentrating on those bearing on the annual EU discharge procedure. It summarises the main findings of each ECA special report and seeks to link them to the relevant debates and positions of the European Parliament, including, notably, the working documents of the Budgetary Control Committee, as well as to the work of the specialised parliamentary committees, and to individual Members' questions. This check-list, launched in 2015, is updated yearly, and is now in its fourth edition.

A rolling check-list of European Commission follow-up to European Parliament requests, which looks at recent resolutions adopted by the European Parliament, on the basis of own-initiative reports and legislative own-initiative reports, and the response of the European Commission to these resolutions. The first edition of this check-list was published in 2017.

Scrubtny of the European Council

In order to support Members of the European Parliament in their scrutiny role of the executive more widely, the European Council Oversight Unit monitors and analyses the delivery of the European Council on the commitments made in the conclusions of its meetings, as well as in respect to various responsibilities either in law or on the basis of intergovernmental agreements.

A Rolling Check-List of European Council Conclusions is the core product of the unit. It lists the European Council's commitments or policy pronouncements, by subject area, since 2010, showing their evolution over time and degree of implementation. Each policy chapter contains an analytical section in which the main issues taken up at European Council level are analysed and developments assessed. The check-list, launched in 2014, is updated four times a year, and is now at its fourteenth edition.
• **Outlook and Outcome of European Council meetings:** The unit also produces timely briefing notes in advance of, and following, each European Council meeting, providing respectively an analysis of the outlook for, and the outcome of, these regular discussions. Since 2017, the Outlook briefings are now accompanied by an At a Glance paper on the Current membership of the European Council, including the Heads of State or Governments’ political affiliation at European level. Moreover, ahead of the first Euro Summit in two years, in December 2017, the unit drafted a paper on the Euro Summit’s composition, functioning and achievements.

• **In-house thematic analyses:** In addition to routine briefings, the unit also analyses European Council activities in specific areas. In 2017, such publications included an In-depth Analysis on *From Bratislava to Rome: The European Council’s role in shaping a common future for the EU-27*, which assesses the progress achieved in the implementation of the Bratislava commitments for its three policy priorities of migration, security, and the economy. It also analyses how the concerns of EU citizens and their attitude towards the EU had shaped the Bratislava process, which eventually led to a consensual Rome Declaration.

The European Council Oversight Unit also produced an annual report on *The European Council in 2016: Overview of Decisions and Discussions*, and a briefing on *The European Council and the 2017 State of the Union proposals*, which compared the proposals of European Commission President Jean-Claude Juncker relating to the European Council with previous positions of the European Parliament.

• **External studies:** The unit commissions occasional external studies from outside experts. In 2017, it commissioned one such text, a study on *Agenda-setting in the European Council from December 2014 to June 2017*, which analysed the most prominent topics discussed by the Heads of State or Government in that period, migration and governance.

• **Events:** In addition to publications, the unit regularly organises policy roundtables in the EP Library Reading Room looking at the role of the European Council in various policy areas and in the institutional architecture of the European Union. An event in April 2017, entitled *From Bratislava to Rome: Has the European Council delivered?*, brought together representatives from the EP, other EU institutions and Member States, as well as academic experts, to reflect on whether and to what extent the European Council has delivered on the Bratislava Declaration and Roadmap. The second event in 2017, entitled *The European Council: What makes the agenda and why?*, focused on agenda patterns in the European Council and sought to explain why certain policy areas have featured
prominently on the institution’s agenda whilst others have attracted scant attention.

Publications

Rolling check-lists (4)

- Special Reports of the European Court of Auditors: A rolling Check-List of recent Findings (reports relevant for 2015 discharge procedure), March 2017; PE 598.604
- ReviewClauses in EU Legislation: A Rolling Checklist (fifth edition), March 2017; PE 598.601

European Council Conclusions: Rolling check-lists of Commitments to date (4)

- European Council Conclusions: A Rolling Check-List of Commitments to Date, Eleventh edition, March 2017; PE 598.595.
- European Council Conclusions: A Rolling Check-List of Commitments to Date, Twelfth edition, June 2017; PE 603.248.
- European Council Conclusions - A Rolling Check-List of Commitments to Date, Thirteenth edition, October 2017; PE 610.944.
- European Council Conclusions: A Rolling Check-List of Commitments to Date, Fourteenth edition, December 2017; PE 611.023.

European Council in Action (4)

- From Bratislava to Rome: The European Council’s role in shaping a common future for EU-27, April 2017, PE 598.613.
• **The European Council and the 2017 State of the Union proposals**, October 2017; PE 610.993.

**Pre-European Council briefings (7)**

• **Outlook for the informal European Council meeting and the informal meeting of 27 Heads of State or Government of 3 February 2017**, February 2017; PE 598.593.
• **Outlook for the European Council meeting of 9-10 March 2017**, March 2017; PE 598.606.
• **Outlook for the European Council meeting of 22-23 June 2017**, June 2017; PE 603.245.
• **Outlook for the European Council meeting of 19-20 October 2017**, October 2017; PE 610.996.
• **Current membership of the European Council**, October 2017; PE 608.781.
• **Outlook for the European Council meeting of 14-15 December 2017**, December 2017; PE 611.025.
• **Euro Summits: Role and expectations ahead of the meeting of 15 December 2017**, December 2017; PE 611.017.

**Post-European Council briefings (5)**

• **Outcome of the informal meeting of 27 Heads of State or Government of 3 February 2017**, February 2017; PE 598.594.
• **Outcome of the European Council of 9-10 March 2017**, March 2017; PE 598.607.
• **Outcome of the informal meeting of 27 Heads of State or Government of 29 April 2017**, May 2017; PE 603.226.
• **Outcome of the European Council of 22-23 June 2017**, June 2017; PE 603.250.
• **Outcome of the European Council of 19-20 October 2017**, October 2017; PE 611.005.
Events

- ‘The European Council: What makes the agenda and why?’, 10 October 2017

Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or through the EPRS catalogue of research publications.¹⁴

¹⁴ The 2017 version of this catalogue is in the process of being published.
6) Selected publications from January to December 2017

1. Ex-ante impact assessment

2. European added value
3. Ex-post evaluation
4. European Council oversight
Annex:


12 September 2017

CONFERENCE OF COMMITTEE CHAIRS

Impact Assessment Handbook\textsuperscript{15}

Guidelines for Committees

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 Interinstitutional Agreement on Better Law-Making\textsuperscript{16}, which enshrines that joint commitment, identifies impact assessment as one of the tools which can help the institutions reach well informed decisions and achieve the goal of high-quality, 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 Interinstitutional Agreement on Better Law-Making\textsuperscript{17}.

2. In that connection, Parliament has given two undertakings, reiterated in a number of resolutions\textsuperscript{18} and enshrined in the Interinstitutional Agreement on Better Law-Making\textsuperscript{19}:

- to take full account of the Commission’s impact assessments;
- to carry out impact assessments on its own substantial amendments when it regards it as appropriate and necessary for the legislative process.

\textsuperscript{15} 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.

\textsuperscript{16} Article 12.

\textsuperscript{17} Article 12.


\textsuperscript{19} Articles 14 and 15.
3. In practical terms, the three institutions have included in the Interinstitutional agreement on Better Law-Making a specific section on impact assessment\(^{20}\), which clarifies their respective roles and lays down a number of basic rules to govern the conduct of their use of this tool.

**What is an ex-ante impact assessment?**

Under the terms of the Interinstitutional Agreement, impact assessments ‘should cover the existence, scale and consequences of a problem and the question whether or not Union action is needed. They should map out alternative solutions and, where possible, potential short and long-term costs and benefits, assessing the economic, environmental and social impacts in an integrated and balanced way and using both qualitative and quantitative analyses. The principles of subsidiarity and proportionality should be fully respected, as should fundamental rights. Impact assessments should also address, whenever possible, the "cost of non-Europe" and the impact on competitiveness and the administrative burdens of the different options, having particular regard to SMEs ("Think Small First"), digital aspects and territorial impact\(^{21}\).

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 political decisions within the democratic 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 lead to undue delays in the law-making process or prejudice the co-legislators’ capacity 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 as also outlined in article 12 of the Interinstitutional Agreement on Better Law-Making\(^{22}\);
- it brings together in one document details of the best practices tested in the

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\(^{20}\) Articles 12 to 18 of the Interinstitutional Agreement on Better Law-Making

\(^{21}\) Article 12.

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 ordinary legislative 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.
II. Criteria for assessing and using Commission impact assessments

7. In keeping with its inter-institutional undertakings, Parliament, ‘upon considering Commission legislative proposals, will take full account of the Commission’s impact assessments’.

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 and inception impact assessments accompanying the Commission’s Work Programme are screened by the Ex-Ante 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 routinely provides an initial appraisal of the strengths and weaknesses of the impact assessment in question. This initial appraisal provides an overview of the Commission’s impact assessment and analyses whether the principal criteria laid down in the Commission’s own better Regulation Guidelines, as well as additional factors identified by the Parliament in this Handbook, appear to be met by the Commission impact assessment.

When should a proposal be accompanied by an impact assessment?

According to the Interinstitutional Agreement on Better Law-Making ‘initiatives included in the Commission Work Programme or in the joint declaration’ will, as a general rule, be

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25 The joint declaration referred to here is the joint declaration on interinstitutional programming mentioned in Article 7 of the Interinstitutional Agreement, which follows the adoption of the Commission Work Programme.
accompanied by an impact assessment’.26

The Commission’s Better Regulation Guidelines27 state that:

An IA is required for Commission initiatives that are likely to have significant economic, environmental or social impacts.

Provided that the above conditions are fulfilled, impact assessments should be carried out for:

- both legislative and non-legislative initiatives, as well as
- delegated acts and implementing measures, taking into account the principle of proportionate analysis.

10. If a proposal likely to have a substantial impact28 is not accompanied by an impact assessment, the committee responsible, on the basis of a decision by the coordinators, may, with or without suspending consideration of the proposal in question;

- ask the Commission to provide an impact assessment, or,
- ask the Ex-Ante 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. 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 ongoing work in committee. With that aim in view, a committee, on the basis of a decision by the coordinators, may ask the Ex-Ante Impact Assessment Unit to:

- provide a detailed appraisal of the quality and independence of the Commission’s impact assessment;
- assist the committee in organising a specific meeting, with the participation, where appropriate, of external experts, to ask the Commission to present its analysis and submit to it any requests for clarification.

If such a request is made by a committee other than a committee responsible, that request is to be made in agreement with the committee(s) responsible.

There must be broad political support for these decisions.

The appraisal mentioned above, in this point, are drawn up by the Ex-Ante Impact Assessment Unit or, where necessary, commissioned from external experts. The scope of the assignment is to be defined by the requesting committee itself.

12. The initial appraisal mentioned in point 9, and the detailed appraisal mentioned in point 11, must enable the committee to determine whether the impact assessment will facilitate

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26 The Commission’s Better Regulation Guidelines require Commission impact assessments to be accompanied by a two-page executive summary translated into all the official languages.
27 Better Regulation Guidelines (SWD (2017) 350 final), p. 15. See also Tool 9 on when an impact assessment is necessary for more detail.
28 For example, a proposal not included in the Commission Work Programme or a regulatory or implementing act.
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\(^{29}\) 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.

Whenever the Commission is invited to present its impact assessment, the Ex-Ante Impact
Assessment Unit may also be invited to present, where possible, its initial appraisal or other
work it produced in relation to that impact assessment.

**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

\(^{29}\) Official Journal, 20:11:10 (2010/ L 304)
13. If the Commission’s methodology and reasoning fail to meet these criteria or reveal shortcomings, the committee responsible, on the basis of a decision by 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 aspects\(^{30}\). There must be broad political support for this decision.

14. Alternatively or in parallel to the procedure in point 13, the committee(s) responsible, on the basis of a decision by the coordinators, may ask the Ex-Ante Impact Assessment Unit to undertake or commission the Parliament’s own complementary or substitute impact 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 substantial Parliament amendments

15. When it regards it as appropriate and necessary to the legislative process, Parliament carries out impact assessments of its substantial 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 substantial amendment?**

The Interinstitutional Agreement on Better Law-Making states in Article 15 that ‘the definition of a ‘substantial’ amendment should be for the respective Institution to determine.’ It is difficult to provide a definition of ‘substantial’ which is valid across the board - it is an assessment which must be made on a case-by-case basis.

16. 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 ‘substantial’ and, if appropriate, whether it or they should be the subject of an impact

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\(^{30}\) Article 16 of the IIA on Better Law-Making: ‘The Commission may, on its own initiative or upon invitation of the European Parliament or the Council, complement its own impact assessment or undertake other analytical work it considers necessary’.
assessment. The terms of reference for impact assessments on such amendments are defined, in each case, by the committee itself.

17. The committee responsible, on the basis of a decision by the coordinators, may request an impact assessment of one or more specific substantial amendments. There must be broad political support for that decision.

18. The associated committees involved, pursuant to the procedure under Rule 54, may, on the same basis, carry out impact assessments of the substantial 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 55, decisions concerning the carrying out of impact assessments on substantial amendments are taken jointly by the committees concerned.

19. Impact assessments can be carried out at any 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.

20. As a rule, the committee responsible tries to identify substantial 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.

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

The Inter-Institutional Agreement on Better Law-Making does not stipulate at which stage an impact assessment of a substantial amendment should be carried out. In practice, the parliamentary committees have had impact assessments of substantial 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.

21. The task of carrying out impact assessments of substantial Parliament amendments is conferred on external experts.

22. The decision by the committee responsible to request an impact assessment on substantial amendments is forwarded to the Ex-Ante Impact Assessment Unit, which selects external experts, in keeping with the provisions of the Financial Regulation, EU law on

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

23. In methodological terms, in accordance with Article 15 of the Interinstitutional Agreement on Better Law-Making, impact assessments of substantial amendments take, as a general rule, the Commission's impact assessment as their starting point. As far as possible, the impact assessment is structured in such a way as to facilitate comparisons with the Commission text, although without duplicating the Commission's work.

24. It follows from Article 17 of the Interinstitutional Agreement on Better Law-Making, that, in keeping with a spirit of sincere cooperation, the Commission is expected to assist 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.

25. Impact assessments of substantial Parliament amendments are made available in the language requested by the Committee. At the request of the coordinators, a summary may be translated into the language of the rapporteur and/or into no more than three working languages.

26. Parliamentary committees should take account of the deadlines and procedures required to meet their requests for impact assessment work\(^\text{32}\) and allow in their work timetable sufficient time for the completion of the requested impact assessment work and for its due consideration by the requesting committee.

27. Parliamentary committees which ask for impact assessment work to be drawn up should inform any other committees to which the performance and results of the analyses requested might be of interest.

28. The Ex-Ante Impact Assessment Unit is responsible for monitoring and ensuring that impact assessment-related work performed by external experts is consistent with Parliament's quality criteria.

29. Impact assessment-related work referred to in this Handbook is published on Parliament's Internet site, in line with Article 18 of the Interinstitutional Agreement on Better Law-Making, unless a duly justified decision to the contrary is taken by the committee responsible.

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\(^{32}\) Apart from impact assessment work referred to in this Handbook, parliamentary committees may ask the Ex-Ante Impact Assessment Unit to produce other work related to impact assessment according to specific needs. The modalities for the performance of such work are to be agreed on an ad hoc basis between the committee responsible and the Ex-Ante Impact Assessment Unit.
30. In accordance with Article 17 of the Interinstitutional Agreement on Better Law-Making, the three institutions will, on a regular basis, cooperate by exchanging information on best practice and methodologies relating to impact assessments, enabling each Institution to further improve its own methodology and procedures and the coherence of the overall impact assessment work.

31. Parliament endeavours to keep the Council and Commission informed, regularly and in good time, about on-going impact assessment work.
ANNEX

Assessment sheet concerning the key components of an impact assessment

The Commission\(^\text{33}\) 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. This annex is based on it.

**General requirements for the main IA report**

- Is the main IA report a self-standing document written using non-technical language with non-expert readers in mind? Does the IA meet the benchmark length of 30-40 pages (excluding annexes but including tables and figures)?

- Are underlying data, statistics, information, expert contributions and stakeholder views all referenced, particularly where choices are made or conclusions are made based on them?

- Is consultation of interested parties integrated throughout the text of the IA? A compulsory annex on Stakeholder consultation must be included in the impact assessment report. Questions to be answered include:
  - Have the Commission's relevant minimum standards\(^\text{34}\) been observed? If not, why not?
  - Which stakeholders have been consulted?
  - How, at what stage in the IA process were they consulted (transparency, minimum deadline of 12 weeks for online public consultation, minimum time-limit for reply)?
  - What are the main results of the consultations and how have they been taken into account?

**Detailed structure and content of the main IA report**

1. What is the problem and why is it a problem?

   - What is the issue or problem that may require action? What is the size of the problem?
   - Why is it a problem? What are the main drivers?
   - Who is affected by the problem, in what ways, and to what extent? Whose behaviour would have to change to improve the situation?
   - What is the EU dimension of the problem?
   - How would the problem evolve, all things being equal?
   - Has any fitness check/retrospective evaluation been carried out of the existing policy framework? What was concluded from the evaluation/fitness check?

2. Why should the EU act?


1. Does the EU have the right to act?
2. Why could Member States not achieve the objectives of the proposed action sufficiently by themselves?
3. What would be the added-value of action at EU-level?

3. What should be achieved?

- What are the general policy objectives? What are the more specific objectives?
- How do they link to the problem? How do the objectives relate to each other, i.e. are there any synergies or trade-offs?
- Are these objectives consistent with other EU policies and with the Charter for fundamental rights?

4. What are the various options to achieve the objectives?

- What are the possible options for meeting the objectives and tackling the problem? Have all possible options been considered (including the option of changing nothing and a non-regulatory option, where appropriate)?
- Which options have been discarded at an early stage and why?
- Who would be targeted by the different policy options? Have different digital solutions been considered?
- Has the Think Small Principle been applied? Are micro-SMEs a priori exempted from new regulations unless appropriately justified? Are "lighter" regimes considered for SMEs generally?

5. What are the impacts of the different policy options and who will be affected?

- What are the likely economic, social and environmental impacts of each of the short-listed options?
- Are all impacts (positive and negative, direct and indirect, intended and unintended, including those outside the EU) listed?
- Are impacts on SMEs assessed, as far as possible including quantitative estimates of administrative and compliance costs?
- Are impacts on competitiveness assessed, in particular on the most affected businesses sectors?
- Who would be affected (e.g. businesses, citizens, workers, consumers, public administrations, regions, third country actors) and how? Which actions/measures would those affected by the measure need to take to comply with the requirements (see also Annex 3)? Are uncertainties specified? In particular, how the estimated impact may be affected by changes in parameters?
- Which impacts are likely to change over time and how?
- What are the potential obstacles that might be encountered for an effective implementation of the option and compliance by Member States and targeted entities?

6. How do the options compare?

- How do options compare, with regard to:
  - The extent to which they would achieve the objectives (effectiveness)?
  - Their respective key economic, social and environmental impacts and
benefit/cost ratio, cost-effectiveness (efficiency), other means of ranking options such as multi-criteria analysis? And
  - The coherence of each option with other EU policy objectives, including the Charter for fundamental rights, and with other policy initiatives and instruments (coherence)?
  - What are the trade-offs and synergies associated with each option?
  - What is the likely uncertainty in the key findings and conclusions? How these might affect the choice of preferred option?
  - Which policy option is preferred and why? Alternatively, why no preferred option is presented?
  - How do the options, and in particular the preferred one, conform to the principles of subsidiarity and proportionality, given the size and nature of the identified problem?

7. How would actual impacts be monitored and evaluated?

  - What should be monitored and evaluated and when? In particular:
    - What are the core monitoring indicators for the main policy objectives? What are the corresponding benchmarks against which progress will be evaluated?
    - Are monitoring arrangements in place from the outset? Are evaluations designed and scheduled in a way whereby the results can be used as input for future impact assessments?
    - For the preferred policy option:
      - Are operational objectives and the corresponding monitoring indicators identified?
      - What would be monitored and evaluated, by whom, and how will the results be used?

Annexes that must be included in the impact assessment report

Annex 1: Procedural information
Annex 2: Stakeholder consultation
Annex 3: Who is affected by the initiative and how
Annex 4: Analytical models used in preparing the impact assessment
This is the fourth Activity Report on work by the European Parliament in the fields of ex-ante impact assessment and European added value. It summarises work undertaken by the Directorate for Impact Assessment and European Added Value, within the European Parliament’s secretariat, between January 2017 and December 2017. It focuses on its activities in support of oversight and scrutiny of the executive by parliamentary committees, specifically in the fields of: (i) ex-ante impact assessment; (ii) European added value; and (iii) ex-post evaluation. During those twelve months, a total of 160 pieces of work were undertaken and published by the Directorate.

A first Activity Report was published in September 2014, covering the period from June 2012 to June 2014. A second report followed in April 2016, providing an overview of the work carried out by the Directorate during the period from July 2014 to December 2015. The third report was released in March 2017 and dealt with its activities during 2016.