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

Activity Report for July 2014 - December 2015

EPRS | European Parliamentary Research Service
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1) Introduction

This is the second Activity Report on work by the European Parliament in the fields of Ex-Ante Impact Assessment and European Added Value. A first Activity Report, covering the period from June 2012 to June 2014, was published in September 2014.¹

This second report provides an overview of the work carried out by the Directorate for Impact Assessment and European Added Value within the European Parliament’s administration between June 2014 and December 2015, in support of oversight and scrutiny of the executive by parliamentary committees, in the fields specifically of: (i) ex-ante impact assessment; (ii) European added value; and (iii) ex-post evaluation. During the first 18 months of the current 2014-19 parliamentary term, a total of 145 pieces of work were published by the Directorate - all of which are available on the Parliament internet and EPRS intranet sites - encompassing some 6,500 pages of text.²

Background

Starting in 2002, the European Commission began to accompany its various legislative proposals with ex-ante impact assessments, looking notably at the potential economic, social and environmental effects of each measure put forward. Some basic provisions in respect of such assessments were included in the first Inter-Institutional Agreement (IIA) on Better Law-Making, which was signed jointly by the Commission, European Parliament and Council of Ministers in December 2003.³ Subsequently, in July 2005, the three institutions agreed a ‘Common Approach to Impact Assessments’, which built on these commitments in greater detail.⁴

In a series of annual reports on Better Law-Making, drafted by the Legal Affairs Committee, the European Parliament successfully encouraged the Commission to move to the (current) situation whereby every significant legislative proposal is now usually accompanied by an ex-ante impact assessment, sometimes running to several hundred pages. To assist the Parliament’s committees in undertaking impact assessment work, the Conference of Committee Chairs (CCC) adopted an Impact Assessment Handbook in 2008. The most recent edition of the Handbook, updated by the CCC in November 2013, PE 514.092, can be found at Annex II to this Activity Report.⁵

A limited amount of ex-ante impact assessment work was undertaken in the European Parliament between 2004 and 2010. During this period, there were 29 occasions on which parliamentary committees undertook their own analyses of Commission IAs, in

⁴ NT/551/551547 PE 353.887.
various forms, or did some kind of further, complementary work on them. Included in this work were 12 cases where committees commissioned further research work on their own amendments, including seven instances of what one would normally understand as impact assessments on ‘substantive amendments’, to use the language of the IIA. (Among the 12 proposals concerned were the draft directives on maternity leave, hazardous electrical waste, toy safety and air quality).

In June 2011, the Parliament adopted an own-initiative report (Niebler Report) on ‘guaranteeing independent impact assessment’, which welcomed the on-going development of the impact assessment process as an important aid to the legislature, 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 to its implementation, evaluation and eventual 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.

Operations

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 located - aims to provide comprehensive research and analytical support for Members and, where appropriate, parliamentary committees in all EU policy fields, and is organised into three directorates:

- **Directorate A**: the new Members’ Research Service, which provides tailored briefing and research for individual MEPs, as well as a wide range of publications - in the form of At-a-glance notes, Briefings, In-depth Analyses and Studies - on EU policies, issues and legislation;

- **Directorate B**: the Directorate for the Library (previously in DG Presidency), which provides on-site and online library services of various kinds, as well as handling

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6 2010/2016(INI), 8 June 2011.
the Parliament’s Historical Archives, citizens’ enquiries and transparency matters, including freedom-of-information requests; 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 Parliament committees may commission a variety of products and services to support their work in these fields.

Since July 2014, the Directorate has included the following three units providing direct support to 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 assessments 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 IA. At the request of individual committees, the unit can then provide detailed assessments of the quality and independence of Commission IAs, or complementary or full 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 substantive amendments to the Commission proposal. (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 Impact Assessment Unit** (IMPT), which assists committees in ex-post evaluation work - including transposition, implementation and enforcement of EU secondary law, spending programmes and international agreements - 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.
In addition, there are **two units providing horizontal analytical support** to both parliamentary committees and Members as a whole. These are:

- the **Policy Cycle Unit** (CYCL), which acts as an information and analysis centre for work undertaken in the Parliament, the Commission and other bodies at the successive phases of the EU policy cycle - from the evolution and proposition of EU law and policy to its implementation, enforcement and effectiveness in practice. The unit monitors and provides analytical products on policy-cycle issues, including through provision of ‘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 foreseen in the Commission’s Annual Work Programme; and

- the **European Council Oversight Unit** (ECOS), which monitors and analyses 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 database 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 2015, the above five units of the Directorate for Impact Assessment and European Added Value had a staff complement of 34 policy analysts, one information specialist, 12 assistants, and four seconded national experts.

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

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 28/38). 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 which can be found for reference at Annex II of this report (PE 514.092). The Directorate sends a monthly update of all completed, on-going and planned work to the CCC, of which it takes note at its meeting during each part-session.

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The Parliament’s Budget provided for 900,000 euro in 2014 and 1.0 million euro for 2015 (Budget item 4-0-3200-0 and 95-0-3210-01 respectively) 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 eighteen-month period under review, 40 public procurement procedures were launched, for a total committed value of 766,838 euro. Of this figure, 4.9 per cent (37,470 euro) was used for ex-ante impact assessment work, 58.3 per cent (447,065 euro) for European added value work, and 35.9 per cent (275,303 euro) for ex-post evaluation. In all, work was commissioned in support of on-going work by 10 parliamentary committees. These were: LIBE: 188,290 euro; JURI, 164,450 euro; IMCO: 93,525 euro; ITRE: 91,550 euro; INTA: 59,504 euro; FEMM: 53,753 euro; ECON: 41,000 euro; EMPL: 19,946 euro; ENVI: 14,820 euro; and AFCO: 14,000 euro; plus other studies: 26,000 euro.

Since April 2014, a framework contract, divided into eleven lots, has been in operation for the conclusion of contracts in the fields of European added value and ex-ante impact assessment. Negotiated procedures are also used in some cases, as appropriate. In February 2015, the Parliament published a call for tender for a new, tailored framework contract for the provision of external expertise in the field of ex-post impact assessment and evaluation. This second framework contract is now operational. 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.

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 - such as the automatic provision of initial appraisals of European Commission impact assessments or implementation appraisals in regard to new amending proposals from the Commission - and more detailed work undertaken in response to specific requests for research from committees - such as detailed appraisals of Commission impact assessments, or European Added Value Assessments, or Cost of Non-Europe Reports, or European Implementation Assessments.

In addition, there is a tendency of committees to focus more on ex-post evaluation work during the earlier part of a five-year parliamentary term, and on ex-ante impact assessment work during the second half of the term, reflecting the fact that the Commission produces most of its legislative proposals during the middle and latter part of that term. European added value work, in its various forms, appears to be undertaken fairly continuously throughout the term, based on evidence so far.
The European added value work which had been undertaken during the second half of
the 2009-14 parliamentary term, following the start of work by the Directorate in
January 2012, was brought together in an important horizontal exercise, entitled
Mapping the Cost of Non-Europe, 2014-19. This brought together research work on the
potential economic gain of EU-level initiatives requested by the Parliament in 25 policy
areas - ranging from a wider and deeper digital single market to better coordinated
national and European policies for defence and development. The text, first issued in
March 2014, was reissued in new editions in July 2014 and April 2015, showing a
potential GDP gain over time of up to 1.6 trillion euro. It was followed later in 2014 by
an evaluation of the growth potential of the Commission’s specific programme for the
new legislative term - the so-called ‘ten-point Juncker Plan’.

Following the European elections and the installation of the new Commission, the
inevitable pause in the submission of new legislative proposals by the executive also
allowed the parliamentary committees to put renewed focus on ex-post evaluation -
notably on the implementation of existing EU law and policy - immediately drawing
on the new administrative back-up in this field which had been put in place in summer
2014. Starting in the autumn of 2014, running through to the present day, there has
been a very significant increase in the number of implementation reports being
undertaken by parliamentary committees.

In addition to an acceleration of routine business, the year 2015 was characterised by
widespread discussion, both within and outside the institutions, on the themes of
Better Regulation and Better Law-Making. In May 2015, the Commission adopted a
Better Regulation package, accompanied by a proposal for a new Inter-Institutional
Agreement (IIA), to supersede the pre-existing text from 2003, with negotiations taking
place between June and December 2015. After the successful completion of these
negotiations - and following the formal endorsement of the Parliament, Council and
Commission - the new IIA on Better Law-Making recently came into force (in March
2016), replacing the former provisions in this field.

The new IIA covers a number of major issues which are of direct relevance to the work
covered by 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 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.

The marked increase in interest in impact assessment at all stages of the legislative
cycle, both within and beyond the EU institutions, serves to underline the extent to
which understanding of it as a support tool for evidence-based policy-making has
grown in recent years in all EU institutions. However, there is also a keenness to
ensure that impact assessment should remain just that - a tool, not a substitute, for
political decision-making, and that it should not unduly delay the legislative process. As reflected in the outcome of the IIA negotiation, the three main EU institutions - the Commission, Parliament and Council - 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 become a reality.

Meanwhile, as the Commission has put in place new structures and procedures on ex-ante impact assessment and ex-post evaluation, and while action is being taken to implement the new IIA by all institutions, the Parliament’s Directorate for Impact Assessment and European Added Value is engaged in actively supplying the institution and its committees with the research and analysis required to help enable it to better evaluate, justify and quantify its legislative 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. They can also be found at the EU Bookshop of the Publications Office of the European Union.

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(from November 2013 to December 2015)

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April 2016.
2) Work on ex-ante impact assessment

The Ex-Ante Impact Assessment Unit of the Directorate for Impact Assessment and European Added Value has developed a series of products and services since 2013 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 automatic provision by the unit of initial appraisals summarising, and analysing the quality of, European Commission impact assessments (IAs) accompanying legislative proposals. These take the form of short briefing papers, usually four 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. Then, at the request of individual parliamentary committees, the unit can provide more detailed appraisals of the quality 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 text. At the request of the committee concerned, the unit can also undertake impact assessments of substantive amendments being considered by the Parliament to the Commission proposal. (Under the provisions of the Parliament’s Impact Assessment Handbook, impact assessments of amendments are always carried out by external experts).

Contribution to committee work

Between July 2012 and December 2015, the Ex-Ante Impact Assessment Unit produced 103 initial appraisals, five detailed appraisals, four complementary or substitute impact assessments, and impact assessments on five sets of EP amendments, covering a total of 25 amendments in all. During the eighteen-month period under review, the unit produced 29 initial appraisals, two complementary impact assessments, and one impact assessment of four substantive amendments.

- Initial Appraisals of Commission impact assessments

As far as initial appraisals of the quality of Commission impact assessments are concerned, experience would suggest that these briefings can make a constructive and practical contribution to consideration of the legislative proposal at committee stage. In particular, they alert committees to the strengths and weaknesses of Commission impact assessments, flagging up particular issues which Members may wish to investigate further, as well as providing an easy introduction to the subject of the proposal itself. They may also prompt committees to request further impact assessment related work, addressing any concerns with weaknesses or omissions in the Commission’s texts. As a result, the Ex-Ante Impact Assessment Unit’s initial appraisals can be said to help empower the Parliament in its role of scrutinising the
work of the executive, and of acting as co-legislator, by providing a focused and timely input geared at ensuring greater consistency and quality of EU legislation. The work has also increased awareness on the part of the Commission services, and others, that scrutiny of the quality of impact assessments continues beyond the confines of its own internal Commission review board internal – the Impact Assessment Board (IAB), now known as the Regulatory Scrutiny Board (RSB).

The work to date of the Parliament’s Ex-Ante Impact Assessment Unit in generating initial appraisals of Commission impact assessments suggests that in recent years there has been a continuing improvement in the overall quality of Commission impact assessments, although this has not been in a uniform manner across all Commission directorates-general (DGs), or indeed throughout the period in question.

In general, there were proportionately fewer negative first opinions from the Commission’s Impact Assessment Board in 2014 compared to the previous year, and no cases of any impact assessments being submitted to the board more than twice. Despite the consequently comparatively high number of positive first opinions issued in 2014, there was in fact a drop in the quality of some Commission impact assessments accompanying proposals published towards the end of the last parliamentary term. Even if the IAB had given a positive opinion in a number of such cases, this was often subject to reservations and accompanied by recommendations for significant improvements, not all of which were followed up in the final versions of the impact assessment, perhaps under pressure of time. Cases of proposals being accompanied by an impact assessment which had not received a positive opinion of the IAB, though very rare, continued to occur, suggesting that the requirement in principle for a positive opinion on the impact assessment prior to the adoption of any significant proposal, was not always respected.

Typical weaknesses identified in the quality of Commission impact assessments include: poor problem definition; limited choice of viable options and bias towards the preferred option; insufficient information about the situation/experiences at Member-State level and inadequate assessment of the likely impacts of the initiative on individual Member States; lack of cost-benefit analysis; lack of quantification; insufficient data; tendency for economic analysis to dominate the consideration of social and environmental impacts; and weak presentation of stakeholders’ views on the various options.

On the positive side, however, generally speaking, there seem to be increasing, though uneven, efforts made with regard to stakeholder consultations and to considering impacts on small- and medium-sized SMEs, but there is room for improvement as far as the systematisation and depth of the analysis is concerned. Ex-post monitoring and evaluation requirements are also tending to be considered in a more systematic way than before. Another positive development is that, since 2013, the IAB has been required to indicate whether its overall opinion is positive or negative, which was not
the case before. This move shows a genuine effort to improve the transparency of the procedure, particularly with regard to clarity as to whether the final impact assessment had indeed been approved prior to adoption of the accompanying proposal.

A more detailed analysis of the experience of conducting the first 100 initial appraisals of Commission Impact Assessments - carried out by the European Parliament’s Ex-Ante Impact Assessment Unit from June 2012 to June 2015 - can be found at Annex I to this Activity Report (p. 35).

A list of the initial appraisals produced during the period covered by this Activity Report can be found below.

• Substitute or Complementary Impact Assessments

At the request of parliamentary committees, the Ex-Ante Impact Assessment Unit can also provide substitute or complementary impact assessments on specific dimensions of a legislative proposal that may not have been dealt with adequately (or indeed at all) in the Commission’s original impact assessment. Such work can assist the committee in obtaining a more complete picture of the potential implications of a proposal, in answering concerns or identifying omissions in the Commission impact assessment, in providing an evidence-base for potential EP amendments, and in generally reassuring Members that they are taking decisions in full knowledge of the facts.

Two such impact assessments were prepared during the period in question, both at the request of the Parliament’s Committee on Environment, Public Health and Food Safety (ENVI) - the first on novel foods (in July 2014), the second on air quality (in October 2014).

In the case of novel foods, the Commission had relied on an impact assessment produced to accompany its previous proposal on the subject (which was submitted in 2008, but fell in conciliation in 2011). The Parliament’s complementary impact assessment was thus designed to establish whether and to what extent new developments might have occurred in the intervening period which needed to be taken into account. It also carried out additional stakeholder consultations and related research to assess the likely impacts on the various parties concerned.

On the basis of its findings, the study made a series of recommendations addressing the specific areas of interest highlighted by the committee. In particular, it recommended that the definition of novel foods should be amended to clarify its scope, and that further dialogue might be needed between the European institutions and stakeholders to understand more fully some of the concerns expressed. Other recommendations addressed the efficiency of the authorisation procedure provided for in the proposal, the effectiveness of the centralised system and the role of national agencies and authorities within it, the need for guidance for applicants and the impact of the data protection regime on innovation.
The study was well received in committee, where it was presented in July 2014, allowing Members to undertake immediate discussion of the substance of the new proposal, in full knowledge of the most recent facts. Nearly all the recommendations made were taken up and reflected in the committee’s first-reading report. The time taken from request to delivery of the draft final version of complementary impact assessment was four months.

With regard to **air quality** (the National Emissions Ceilings proposal), the ENVI Committee asked in June 2014 for a complementary impact assessment which would present an additional scenario to those set out in the Commission impact assessment, identifying the interactions between EU air quality policy and EU climate and energy policy. The study concluded that reduced consumption of polluting fuels resulting from the climate and energy targets, put forward by the Commission in early 2014, would reduce premature mortality from fine particulate matter in the EU while making further air quality improvements less costly.

This work was well received in committee and was used during the preparation of amendments submitted by Members of many political groups and can reasonably be assumed to have helped to minimise the need for further impact-assessment work later in the legislative process. The Commission was cooperative in supporting work by the Parliament on this complementary impact assessment, and positive in its reaction to the study itself, which built on the findings and methodology of the original impact assessment in creating the additional scenario. The time taken from request to delivery of the draft final version of the complementary impact assessment was once again four months.

**Impact Assessments of EP amendments**

At the request of parliamentary committees, the Ex-Ante Impact Assessment Unit can also prepare impact assessments of one or more specific substantive amendments being considered by the Parliament during the successive stages of the legislative process. Paragraph 17 of the Parliament’s Impact Assessment Handbook says 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 ‘substantive’ and, if appropriate, whether it or they should be the subject of an impact assessment. The terms of reference for impact assessments on substantive amendments are defined, in each case, by the committee itself.’ All such studies are outsourced, in accordance with the *Handbook*, but the work is coordinated and supervised by the Ex-Ante Impact Assessment Unit.

Based on experience since 2012, Parliament’s impact assessments of substantive amendments can often help to strengthen and confirm the evidence-base for an amendment, providing analysis to defend adoption of the amendments in committee or plenary, and/or to support the Parliament’s position in negotiations in trialogues. More generally, impact assessment of amendments can also help to focus and progress
discussions both in Parliament and, on occasion, in Council. In other cases, the outcome of such assessments may lead to reconsideration of whether to maintain or support the amendments in question, or to the production of compromise amendments, taking account of the findings.

One such impact assessment was produced during the period in question. The Parliament's Economic and Monetary Affairs Committee (ECON) requested an assessment of the feasibility and impacts of potential changes contained in four substantive amendments suggested by the rapporteur, in the context of the proposed regulation on Money Market Funds (MMFs). If adopted, the amendments would have required any ‘constant net asset value’ (CNAV) MMF to be either a Retail CNAV - only available for selected investors, such as natural persons, charities and public bodies - or an EU Public Debt CNAV - investing at least 80 per cent of assets in public debt instruments, with a capital buffer required to cover the remaining 20 per cent.

The request was received by the Ex-Ante Impact Assessment Unit in mid-December 2014. The final draft version of the impact assessment was delivered two months later, in February 2015. The exercise and findings of the impact assessment, an interim draft version of which was presented to members of the committee in February, appear to have helped to encourage and facilitate the adoption of compromise and alternative amendments on the issues addressed by the amendments under consideration. The ECON Committee moved, in a period of five weeks, from a basically divided position on the issue to one of broad consensus. It would seem reasonable to suggest that, in part at least, the impact assessment influenced this development, and contributed to the shape of the adopted committee report as far as the issues in question were concerned. On this basis, first reading negotiations could begin.

During the eighteen-month period in question, the Ex-Ante Impact Assessment Unit made presentations in three parliamentary committee meetings (of the IMCO and ENVI Committees) and participated in three meetings of shadow rapporteurs or technical meetings (of the ENVI, IMCO and ECON Committees) in direct connection with pieces of work which it was producing for them.

While not reflected in the number of formal requests for work received from committees, the unit also received increasingly numerous enquiries from committee secretariats, political group staff and Members’ offices, concerning advice on the possibilities offered with regard to ex-ante impact assessment work generally.
Publications

The following publications in the field of ex-ante impact assessment were produced between July 2014 and December 2015:

Initial appraisals of European Commission Impact Assessments (29)

- Cloning of Animals, June 2014, PE 528.789.
- Customs infringements and sanctions, July 2014, PE 528.788.
- Protection of trade secrets, July 2014, PE 528.787.
- Reform of the European Network of Employment Services (EURES), August 2014, PE 528.792.
- Activities and supervision of institutions for occupational retirement provision, October 2014, PE 528.800
- European Platform to enhance cooperation in the prevention and deterrence of undeclared work, October 2014, PE 528.805.
- Review of EU waste management targets, October 2014, PE 528.804.
- Cableway installations, October 2014, PE 528.803.
- Personal Protective Equipment, November 2014, PE 528.806.
- Appliances burning gaseous fuels, November 2014, PE 528.810.
- Measures to address food waste in the context of the review of EU waste management targets, November 2014, PE 528.808.
- Revision of the EU visa policy, November 2014, PE 528.807.
- Responsible sourcing of minerals from conflict-affected areas, November 2014, PE 528.797.
- Structural reforms of EU Credit Institutions and transparency of securities financing transactions, November 2014, PE 528.794.
- Review of the school distribution programmes in the area of agriculture, December 2014, PE 528.795.
- Multiannual plan for the Baltic Sea stocks of cod, herring and sprat, January 2015, PE 528.811.
- Prohibition on driftnet fisheries, January 2015, PE 528.812.
- Earth observation satellite data for commercial purposes, February 2015, PE 528.813.
- Single-member private limited liability companies, February 2015, PE 528.814.
- Earth observation satellite data for commercial purposes: supplementary briefing, March 2015, PE 528.816.
• **Medicated feed**, March 2015, PE 528.815.

• **Corporate governance: Long-term shareholder engagement**, March 2015, PE 528.817.

• **Reduction of pollutant emissions from road vehicles**, March 2015, PE 528.818.

• **Veterinary medicinal products**, April 2015, PE 528.819.

• **Emissions from engines in non-road mobile machinery**, April 2015, PE 528.820.


• **Energy Efficiency Labelling**, September 2015, PE 528.821.


**Compendia of Initial Appraisals (2)**


**Complementary or substitute Impact Assessments (2)**


• **Interactions between EU air quality policy and climate and energy policy: Complementary Impact Assessment**, October 2014, PE 528.802.

**Impact Assessments of Substantive EP Amendments (1)**


**Better Law-Making in Action (2)**

• **How does Ex-Ante Impact Assessment work in the EU?**, February 2015, PE 528.809.


Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or on the EPRS catalogue of research publications.⁸

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3) Work on European added value

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

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

- **Cost of Non-Europe Reports** on policy areas where there 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;

- Analysis of the existing added value of current EU policies in practice.

Contribution to committee work

During the eighteen-month period under review, the European Added Value Unit supported parliamentary committees by producing eight Cost of Non-Europe Reports, and two European Added Value Assessments. The Cost of Non-Europe Reports were in the fields of the single market, European Monetary Union, Banking Union, employment, transport, passenger rights, volunteering and the environment, with a view to preparing the ground for future initiatives in these policy areas. The unit produced a European Added Value Assessment on corporate tax policies in the EU, as well as an assessment on the reform of the EU electoral law, which accompanied the legislative initiative report drawn-up by the Committee on Constitutional Affairs under the special legislative procedure foreseen in Article 223(1) TFEU.

The work undertaken for the Committee on Internal Market and Consumer Protection (IMCO) on the continuing cost of non-Europe in the traditional single market suggested that, overall, there were still potential GDP gains of 615 billion euro per annum to be realised by common action in this field. A series of Cost of Non-Europe Reports were undertaken in relation to the free movement of goods, free movement of services, public procurement and the consumer acquis. A parallel Cost of Non-Europe Report for the same committee suggested that the specific potential gains in the digital single market - through actions inter alia on contract law, data protection and privacy, intellectual property and horizontal enablers, such as payments systems, e-identification, and postal and parcel delivery services - were between 36 and 75 billion per annum. (These figures form part of a broader potential gain of some 415 billion euro for the digital single market identified by studies mainly by the Commission).

A Cost of Non-Europe Report undertaken for the Parliament’s Committee on Transport and Tourism (TRAN) suggested that the removal of inefficiencies in the transport and tourism sectors has the potential to yield annual gains of 5.7 billion euro in transport
and to boost tourism by an equal amount. Better functioning of the transport market would result in improved mobility for consumers, enhanced environmental sustainability, better intra-EU connectivity, and greater international competitiveness. In parallel, the minimum costs for citizens and businesses from the absence of a consolidated framework for passenger rights were calculated as being around 355 million euro per year.

A Cost of Non-Europe Report undertaken for the Employment and Social Affairs Committee (EMPL) found that, during the recent economic and financial crisis, the existence of a common unemployment insurance scheme for the euro area would have attenuated the GDP loss in the most affected Member States by 71 billion euro over four years, or circa 17 billion euro in any one year. Similar research suggested that the cost of an incomplete Banking Union at European level would result in an annualised cost of 21 billion, in the event of another major financial or sovereign-debt crisis. Comparable costs were estimated, in such circumstances, of 7.0 billion from not having reinforced fiscal coordination and 5.0 billion from the absence of a common deposit guarantee scheme.

A Cost of Non-Europe Report undertaken for the Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) identified and quantified the costs of lack of action at European level on water legislation - particularly shortcomings in programming, re-use of waste water, eco-design and water metering, economic instruments and pharmaceutical residues - at some 25 billion euro per year. A similar report for the Committee on Culture and Education (CULT) estimates the cost of barriers to cross-border volunteering in the EU at 65 million euro per year.

In specific support for committees' work on legislative initiative reports, the European Added Value Unit prepared a European Added Value Assessment on corporate tax policies for the Committee on Economic and Monetary Affairs (ECON), which identified a loss of tax revenue across the EU through aggressive corporate tax planning of around 50 to 70 billion euro per annum. A European Added Value Assessment was also prepared for the Committee on Constitutional Affairs (AFCO) to accompany the legislative initiative report drawn-up by the under the special legislative procedure foreseen in this field under Article 223(1) TFEU.

Much of the work referred to above - together with relevant work from the previous parliamentary term - was brought together in a synoptic analysis, entitled Mapping the Cost of Non-Europe, 2014-19, 9 which sought to quantify the potential efficiency gains in the European economy - through additional GDP generated or a more rational use of public resources - from pursuing a series of 25 policy initiatives advocated by Parliament. The analysis suggested that the EU economy could potentially be boosted by almost 1.6 trillion euro per year - or 12 per cent of EU-28 GDP (2014) - by such measures over time. (The first edition of Mapping the Cost of Non-Europe, 2014-19 was published in March 2014, with updated second and third editions in July 2014 and

April 2015). In November 2014, the unit undertook a specific analysis of the economic growth potential of the ten-point Juncker Plan for growth without debt: this identified a potential gain, if the programme could be fully implemented along lines advocated by the Parliament, of around 1.7 trillion euro.¹⁰

During the period in question, the European Added Value Unit made presentations to four parliamentary committees: the Committees on Employment and Social Affairs (EMPL), on Internal Market and Consumer Protection (IMCO), on Legal Affairs (JURI), and on Transport and Tourism (TRAN).

Publications

The following publications in the field of European added value were produced between July 2014 and December 2015:

Cost of Non-Europe Reports (8)

- **Common unemployment insurance scheme for the euro area**, September 2014, PE 510.984. Plus Annex I: Simulation exercise; Annex II: Different alternatives for how an unemployment insurance system at euro-area level could be designed.

- ‘Cecchini revisited’: The Cost of Non-Europe of the Single Market, September 2014, PE 510.981. Plus five annexes:
  - Annex I - Free Movement of Goods, September 2014, PE 510.981;
  - Annex II - Single Market for Services, September 2014, PE 510.981;
  - Annex III - Digital Single Market, September 2014, PE 510.981;
  - Annex IV - Public Procurement and Concessions, September 2014, PE 510.981;
  - Annex V - Consumer Acquis, September 2014, PE 510.981

- **Single Market in Transport**, November 2014, PE 510.985. Plus three annexes:
  - Annex I - Road and Rail Package, November 2014, PE 510.985;

- Incomplete Economic and Monetary Union, December 2014, PE 536.365.


- **Cross-border volunteering in the EU**, July 2015, PE 536.370.


¹⁰ *The economic potential of the ten-point Juncker Plan for growth without debt*, European Added Value Unit, November 2014.
• **Making the European Banking Union macro-economically resilient**, November 2015, PE 558.771.

**European Added Value Assessments (2)**

• **Bringing transparency, coordination and convergence to corporate tax policies in the European Union**, September 2015, PE 558.775

• **Reform of the EU Electoral Law**, November 2015, PE 558.773.

**Synoptic publications (3)**

• Mapping of the Cost of Non-Europe, 2014-19, **second** and **third** editions, July 2014 and April 2015, PE 563.350 and PE 536.364.

• **The economic potential of the ten-point Juncker Plan for growth without debt**, November 2014, PE 543.844.

**European added value in action (2)**


Each of these publications can be accessed by clicking on the **hyperlinks** above (in the electronic version of this Activity Report) or on the [EPRS catalogue](https://www.europarl.europa.eu/EPRS/EPRS_catalogue_2014-2015.pdf) of research publications.11

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4) Work on ex-post impact assessment

The **Ex-Post Impact Assessment Unit** of the Directorate for Impact Assessment and European Added Value Work assists parliamentary committees in their ex-post evaluation work, notably by providing detailed *European Implementation Assessments* on how specific existing EU laws or policies operate in practice, in advance of the adoption of own-initiative Implementation Reports in parliamentary committees, and by producing other analyses and studies on implementation issues as necessary.

In parallel, the **Policy Cycle Unit** complements the work of the Ex-Ante Impact Assessment Unit by providing short (four- to twelve-page) *Implementation Appraisals* of the operation of existing legislation in practice, whenever a new proposal to update such legislation is foreseen in the Commission's Annual Work Programme. These appraisals are delivered to the relevant parliamentary committee in advance of the latter's consideration of the new legislative proposal in question.

The material compiled by both units 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 committee work**

During the 18 months in question, the **Ex-Post Impact Assessment Unit** produced five *European Implementation Assessments* for four parliamentary committees:

- European Year for Active Ageing (for EMPL Committee), March 2015, PE 563.344.
- European Citizens’ Initiative (for AFCO Committee), April 2015, PE 563.343.
- European Progress Microfinance Facility (for EMPL Committee), May 2015, PE 547.555.
- Gender equality in employment and occupation - Directive 2006/54/EC (for FEMM Committee), May 2015, PE 547.546 (external study).
- Review of the EU copyright framework (for JURI Committee) October 2015, PE 558.762 (external study).

The Ex-Post Impact Assessment Unit also undertook two **other ex-post evaluations**:

- Implementation of the Third Maritime Safety Package (for Committee on Transport and Tourism (for TRAN Committee), November 2015, PE 536.331 (external study).
The Ex-Post Impact Assessment Unit made presentations to three committees: to the FEMM Committee on the principle of equal opportunities; to the JURI Committee on copyright; and to the TRAN Committee on the Third Maritime Safety Package - as well as in two coordinators’ meetings (the EMPL and AGRI Committees) and in one working group (on copyright) during this period.

During the 18 months in question, the **Policy Cycle Unit** produced 21 *Implementation Appraisals* for 11 parliamentary committees - 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 - on the following subjects:

- Adapting the EU copyright rules to the digital transformation, July 2014, PE 536.333.
- Investigations conducted by the European Anti-Fraud Office (OLAF), August 2014, PE 536.337.
- Resource efficiency and waste, September 2014, PE 536.334.
- EU legislation on organic production and labelling, October 2014, PE 536.328.
- Review of regime for agriculture in the outermost regions (POSEI), January 2015, PE 536.338.
- Coordination of social security systems, January 2015, PE 536.375.
- Information and consultation of workers, June 2015, PE 547.552.
- EURES (European Employment Service), June 2015, PE 547.553.
- Energy security and integration, June 2015, PE 547.551.
- Review of the aviation package, July 2015, PE 547.554.
- Posting of workers, September 2015, PE 558.784.
- Tax transparency - automatic exchange of information between EU Member States on their tax rulings, September 2015, PE 558.780.
- Renewable energy, September 2015, PE 558.781.
- Regulation 850/98 on the protection of juveniles of marine organisms, October 2015, PE 558.788.
- Integrated European social statistics (Regulation 577/1998 on LFS), November 2015, PE 558.768.
The Implementation Appraisal on Adapting the EU copyright rules to the digital transformation, published in July 2014, triggered considerable interest in the Legal Affairs Committee (JURI). As a result, in October 2014, JURI tasked IMPT with producing a European Implementation Assessment on the matter.

Publications

The following publications in the field of ex-post impact assessment were produced between July 2014 and December 2015:

**European Implementation Assessments (5)**
- [The European Citizens’ Initiative: The experience of the first three years](https://pe.europa.eu/536.343), April 2015, PE 536.343.
- [Review of the EU copyright framework](https://pe.europa.eu/558.762), October 2015, PE 558.762.

**Other ex-post evaluations (1)**

**Implementation Appraisals (22)**
- [Adapting the EU copyright rules to the digital transformation](https://pe.europa.eu/536.333), July 2014, PE 536.333.
- [Investigations conducted by the European Anti-Fraud Office (OLAF)](https://pe.europa.eu/536.337), August 2014, PE 536.337.
- [Coordination of social security systems](https://pe.europa.eu/536.375), January 2015, PE 536.375.
- [Information and consultation of workers](https://pe.europa.eu/547.552), June 2015, PE 547.552.
• **Energy security and integration**, June 2015, PE 547.551.
• **Review of the aviation package**, July 2015, PE 547.554.
• **Posting of workers**, September 2015, PE 558.784.
• **Tax transparency - automatic exchange of information between EU Member States on their tax rulings**, September 2015, PE 558.780.
• **Renewable energy**, September 2015, PE 558.781.
• **Regulation 850/98 on the protection of juveniles of marine organisms**, October 2015, PE 558.788.
• **Integrated European social statistics (Regulation 577/1998 on LFS)**, November 2015, PE 558.768.

**Implementation in Action** (5)

• **Short overview on state of play of European Commission's REFIT programme**, June 2014, PE 536.332.
• **Evaluating EU economic governance elements for the debate on the 'Six-Pack' and 'Two-Pack'**, January 2015, PE 536.374.
• **State of play on the transposition of Directive 2011/7/EU on late payments in commercial transactions**, June 2015, PE 558.760.

**Better Law-Making in Action** (1)

• **Stoiber Group on administrative burdens in EU law**, November 2014, PE 536.339.

Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or on the EPRS catalogue of research publications.12

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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.

In this context, the **Policy Cycle Unit** - which also acts as a central information and analysis centre for work at all points in the policy cycle, including ex-post evaluation - currently produces a series of **four rolling check-lists**, currently running to about 1,000 pages in length, which bring together in a simple and accessible form a large amount of otherwise disparate or complex material.

These rolling check-lists currently provide a simple reference tool for all existing EU legislation and international agreements which contain provision of any kind for 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, these are:

- **A rolling check-list of review clauses in EU legislation**, first published in August 2014, which provides parliamentary committees, for the first time, 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. The first edition covered almost all legislative acts adopted during the Parliament's seventh term (2009-14). The second and third editions (June and December 2015) now encompass, in addition, legislative acts adopted both during the current five-year term (2014-19) and during the sixth term (2004-09).

- **A rolling check-list of review and monitoring clauses in international agreements**, first produced in December 2015, which provides an overview of review and monitoring clauses, sunset clauses and management and implementation clauses, which are included in international agreements that have been concluded between the EU and third countries. The check-list is to be updated and expanded on a regular basis.

- **A rolling check-list on evaluation in the European Commission**, which provides a comprehensive overview of on-going and planned ex-post evaluations of EU legislation and spending programmes conducted by the Commission, as well as the mechanisms underpinning them, bringing this information together in one place for the first time. This includes the monitoring of the implementation of the new internal guidelines on evaluation, which the Commission implemented in July 2015. This check-list will be updated at least annually.
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.

In addition to these check-lists, the European Council Oversight Unit - which monitors and analyses the delivery of the European Council on the commitments made in the conclusions of its meetings, as well as its various responsibilities either in law or on the basis of intergovernmental agreements - also produces two check-lists of potential use to parliamentary committees in their scrutiny role:

- A Rolling Check-List of European Council conclusions, which lists all the European Council’s commitments or policy pronouncements, by subject area, since 2010 - showing the evolution of wording of each issue over time - and details the degree of their implementation of such commitments to date. The check-list was launched in June 2014, is updated four times a year, and is now in its seventh edition.

- A Scorecard of Country-Specific Recommendations (CSRs), which evaluates how far the EU Member States are meeting their European Council commitments in this field. This evaluates the implementation of the annual CSRs adopted by the EU Council of Finance Ministers (EcoFin Council), following endorsement by the European Council, within the framework of the European Semester. It has been published annually since October 2014. (This latter scorecard will shortly be supplemented by a new regular scorecard on the implementation of the provisions of the Fiscal Compact Treaty).

In addition to these materials, the European Council Oversight Unit also produces briefings 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. Other publications on various aspects of work of the European Council are produced as necessary.

Publications

Rolling Check-lists (6)

The following are some of the topics and studies mentioned in the document:

- **Special Reports of the European Court of Auditors - A Rolling Check-List of recent findings**, March 2015, PE 536.342.
- **International Agreements: Review and Monitoring Clauses - A Rolling Check-List**, December 2015, PE 558.769.

**European Council Conclusions: A Rolling Check-List of Commitments to Date (5):**

- **Rolling Check-List of Commitments to Date of European Council Conclusions**. First edition, June 2014, PE 536.351.
- **European Council Conclusions: A Rolling Check-List of Commitments to Date**. Third edition, March 2015, PE 547.542.
- **European Council Conclusions: A Rolling Check-List of Commitments to Date**. Fourth edition, June 2015, PE 558.754.
- **European Council Conclusions: A Rolling Check-List of Commitments to Date**. Fifth edition, October 2015, PE 558.791.

**Country-Specific Recommendations - Scorecard (2):**

- **Country-Specific Recommendations: Scorecard for 2013 - How far are EU Member States meeting their European Council commitments?** First edition, October 2014, PE 536.360.
- **Country-Specific Recommendations - Scorecard for 2013: How far are EU Member States meeting their European Council commitments?** Second edition, June 2015, PE 547.558.

**European Council in Action (and other studies) (8):**

• **Activation of Article 42(7) TEU: France’s request for assistance and Member States’ responses**, December 2015, PE 573.883.


**European Council Outlook briefings** (9) and

**European Council Outcome briefings** (9)

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

6) Selected publications from July 2014 to December 2015

1. Ex-Ante Impact Assessment publications

2. European Added Value publications
3. Ex-Post Impact Assessment publications
4. European Council Oversight
Annex one:

The first 100 initial appraisals of European Commission Impact Assessments, by the European Parliament’s Ex-Ante Impact Assessment Unit between June 2012 and June 2015

1. Background

Among the first products and services to be launched by the Directorate for Impact Assessment and European Added Value, starting in June 2012, was the automatic provision to parliamentary committees of initial appraisals of the impact assessments (IAs) which now usually accompany legislative proposals submitted by the European Commission. These initial appraisals are short briefing papers, usually four to eight pages in length, which not only summarise the impact assessment (which may be several hundred pages long) but analyse its strengths, weaknesses and overall quality.

In the European Parliament’s resolution of September 2012 on the 18th Annual Report by the Commission on Better Law-Making in the EU, it was confirmed that, as part of a more systematic approach to the consideration of impact assessments within Parliament, the provision to committees of a summary of each Commission impact assessment, together with a short note on the key findings and any areas of analysis omitted by the Commission, would greatly enhance parliamentary scrutiny of draft legislation. Between June 2012 and June 2015, the Ex-Ante Impact Assessment Unit produced around 100 such initial appraisals, the value of which has been acknowledged on a number of occasions. For example, in its resolution of 4 February 2014 on the Commission’s 19th Annual Report on Better Law-Making, the Parliament welcomed ‘the preparation by the Impact Assessment Directorate of short summaries of the impact assessments accompanying Commission proposals, [considering] that these should form an essential element of committees’ consideration of legislative proposals under debate’.

The role of the Ex-Ante Impact Assessment Unit in assisting committees in their work in this field, and the type of support available, is set down in the Parliament’s Impact Assessment Handbook, as most recently updated by the Conference of Committee Chairs in 2013. The Handbook contains a list of the key quality criteria which should apply to impact assessments in general, as well as particular priorities which have been established by Parliament with regard, for example, to stakeholder consultation, the balance and scope of the analysis, and additional assessment criteria, such as the SME test, administrative burdens, and international, regional and local impacts.

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The Ex-Ante Impact Assessment Unit starts its initial appraisal work as soon as a legislative proposal accompanied by an impact assessment has been referred to Parliament by the Commission and announced in plenary. The aim is to provide a short briefing note summarising the main points of the IA and highlighting any perceived strengths and weaknesses which may be relevant to committees in relation to their consideration of the legislative proposal. The briefings are sent to the lead and opinion-giving committee(s) for further distribution to their Members. They are also published on Parliament’s intranet and internet sites.

Experience would suggest that these briefings can make a constructive and practical contribution to consideration of the legislative proposal at committee stage. In particular, they alert committees to the strengths and weaknesses of Commission impact assessments, flagging up particular issues which Members may wish to investigate further, as well as providing an easy introduction to the subject of the proposal itself. They may also prompt committees to request further impact assessment related work, addressing any concerns with weaknesses or omissions in the Commission’s texts. This may involve asking the Commission itself to provide further information. Alternatively, or in addition, it may be felt appropriate to refer to Parliament’s own Ex-Ante Impact Assessment Unit. In that case, such work can include more detailed appraisals of the IA in question, complementary impact assessments or impact assessments of substantial amendments.

As a result, the Ex-Ante Impact Assessment Unit’s initial appraisals can be said to help empower the Parliament in its role of scrutinising the work of the executive, and of acting as co-legislator, by providing a focused and timely input geared at ensuring greater consistency and quality of EU legislation. The work has also increased awareness on the part of the Commission services, and others, that scrutiny of the quality of impact assessments continues beyond the confines of its own (still) internal Commission review board internal – the Impact Assessment Board (IAB), now known as the Regulatory Scrutiny Board (RSB).

2. Initial appraisals

The immediate purpose of an initial appraisal is two-fold. Firstly, it seeks to provide an easily accessible summary of the background to the issue and the main points of the Commission’s impact assessment. Although the Commission’s internal rules suggest that impact assessment reports should not normally exceed 30 to 40 pages of text (excluding technical annexes), in reality they can often extend to several hundred pages, whose analysis is often far from accessible to the non-expert reader. Secondly, it seeks to analyse the strengths and weaknesses of the IA by considering whether the principal criteria laid down in the Commission’s own Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met. An initial appraisal does not attempt to deal with the substance or inherent merits of the proposal, but concentrates rather on the quality of the accompanying impact
assessment. It is drafted for informational and background purposes to assist the relevant parliamentary committee(s) and Members more widely in their scrutiny and legislative work.

Apart from assessing the quality of the analysis and its conformity with existing criteria, the appraisal also considers the opinions issued by the Commission’s own Impact Assessment Board, now Regulatory Scrutiny Board, and attempts to assess the extent to which the IA has responded to the comments expressed by that body. This exercise is complicated by the fact that the Commission only publishes the final impact assessment, and not the draft version on which the Board has been consulted. Nevertheless, the fact that many of the weaknesses identified by the Board are often also identified in the initial appraisal by the Ex-Ante Impact Assessment Unit would suggest that the comments received from the Board are not always fully or satisfactorily integrated by the Commission services when finalising the impact assessment and deserve to be highlighted again.

Since work started in this area in Parliament in 2012, the Commission has itself been examining ways in which to improve its ex-ante assessment of new initiatives. The latest review of the Commission’s internal guidelines dates from May 2015, when the new Better Regulation Guidelines were published. The overall scope of the new Guidelines is wider than just the specific tool of impact assessment: they now cover several other topics related to the successive stages of the policy cycle, such as the planning and preparation of proposals, their implementation, transposition, monitoring, and evaluation, as well as the processes of undertaking ‘fitness checks’ and stakeholder consultation. Although they provide more standardised guidance on how impacts should be assessed and presented throughout the entire policy cycle, as far as ex-ante impact assessment specifically is concerned, there is in fact considerable continuity with the previous guidelines.

3. Patterns and trends identified

The Parliament’s Ex-Ante Impact Assessment Unit has undertaken a detailed review of the first 100 initial appraisals (of Commission impact assessments) which it undertook between June 2012 and June 2015, analysing them in respect of approximately 40 criteria covering all steps in the IA process. Generally speaking, it would appear that in recent years there has been a continuing improvement in the overall quality of Commission impact assessments, although this has not been in a uniform manner across all Commission directorates-general (DGs), or indeed throughout the period in question. Typical issues which are frequently raised with regard to the quality of Commission impact assessments, and which are systematically analysed, amongst others, in initial appraisals, include the following:

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5 See also EPRS Briefing ‘Ex-ante impact assessment in the European Commission’s new Better Regulation Guidelines’, PE 528.825.
• **Problem definition**

According to the Commission’s Better Regulation Guidelines, any impact assessment should start off ‘by verifying the existence of a problem, identifying who is affected, estimating the problem’s scale, analysing its causes and consequences, and assessing its likelihood to persist in the absence of (further) EU policy intervention. The answer to this question should give policy-makers the information needed to decide whether there is a problem for which a policy response may be warranted.’

The problem description in the impact assessment should be clear and specific. It should focus on the issues to be addressed by the initiative under consideration, avoiding lengthy presentations of general issues and/or Commission objectives in the relevant policy area.

While this may sound rather obvious, the poor quality of the problem definition, be it the extent to which the nature and scale of the problem is properly explained, or the quality of the evidence which is presented, is often something which has been highlighted in the initial appraisals carried out by Parliament’s services. Only 40 per cent of the impact assessments appraised between June 2012 and June 2015 were considered to present an entirely satisfactory problem definition. However, this does appear to be an area where there have been signs of improvement during the period under review. In 2013, the evidence in support of the problem definition was judged to be unsatisfactory in 12 per cent of cases, whereas in 2014 the figure fell to six per cent.

As far as the performance of individual Commission directorates-general (DGs) is concerned, it is interesting to note that some - namely DGs AGRI, CONNECT, ENV and SANTE/SANCO - have been consistently appraised as providing satisfactory, or at least sufficient, evidence in support of the problem definitions provided in the impact assessments for which they were the lead DG.

• **Choice of viable options**

According to the Commission’s new Guidelines, ‘it is important to consult widely about alternatives, think outside the box and give due consideration to all different options. This is one of the key functions of an impact assessment process. When well done, this is perhaps the impact assessment component most appreciated by external stakeholders. When badly done, it tends to be the most criticised and significantly undermines the credibility of the whole exercise and its usefulness for political decision making.’

In the vast majority of cases (approximately 70 per cent), the impact assessments examined during the period under review did present at least three alternatives to the 'zero option', with only three cases where just one alternative was presented. However,

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6 BR Guidelines, page 19.
7 idem, p20.
8 idem, p22.
in many instances it was felt that the options presented were closer to variants of the preferred option than genuine, viable alternatives. This impression is further reinforced by the fact that, in around 40 per cent of the cases examined, options were deemed to be presented in a less than balanced way, suggesting a certain bias towards the preferred option. This is one aspect which actually tended to deteriorate slightly during the period under review, with a larger proportion of IA reports examined in 2014 being considered to present a clear bias towards the preferred option than was the case in 2013 or 2012. This may perhaps be due in part to the pressure to complete and put forward proposals before the European Parliament elections and the end of the Commission’s five-year term in office in 2014. It seems reasonable to assume that the approach of the new Commission, together with the new Better Regulation Guidelines, will ensure that this slightly negative trend will be redressed in the current legislative term.

• **Availability of data**

Another weakness often identified in Commission impact assessments has been the lack of detailed information provided, in particular with regard to the situation and experiences at Member State level, especially when a proposal is seeking to modify existing legislation. This is frequently, and often understandably, explained by the lack of comprehensive and reliable data that is available to the Commission (and or Member-State governments) or by the fact that obtaining it could be very costly and time-consuming. However, on the basis of the impact assessments appraised to date, there does not yet appear to be any consistent evidence of attempt to ensure that such data gaps will adequately filled for the future, although increased attention to the monitoring and evaluation of ex-post outcomes for existing legislation may over time improve the situation generally.

• **Cost-benefit analysis/quantification**

According to the Commission’s guidelines, all relevant impacts should be assessed quantitatively, if possible, as well as qualitatively. Similarly, impacts should be ‘monetised’ whenever this is possible. The fact that it may not be possible to quantify or monetise some impacts does not mean, however, that they should not be taken into due account. When a quantified cost-benefit analysis is performed, it is important that the assumptions upon which the assessment is made, and the methodology which has been used, are clearly set out and justified. If appropriate, ‘sensitivity analysis’ should also be used to check whether changing a particular assumption could lead to significantly different results. Experience to date would suggest that this approach is not always applied. Formal cost-benefit analysis is not always necessarily the most suitable method to establish the viability of options, and multi-criteria analysis and cost-effectiveness analysis may represent valid alternatives in some cases. However, even focusing on the method which appears to be most widely used and favoured by the Commission, only one third of the impact assessments appraised during the period under review were felt to feature a fully-fledged, methodologically sound, cost-benefit
analysis in support of the calculation of impacts. In around 40 per cent of the cases, no formal cost-benefit calculation was made.

- **Scope of the impact assessment**

The analysis of the completeness of the scope of the impact assessments examined reveals that there is still a certain tendency for the evaluation of potential economic impacts to dominate over that of social and environmental ones, and to be carried out to a higher standard. For example, economic impacts were assessed in 95 per cent of the relevant cases appraised during the period in question, such analysis being considered insufficient in only 14 per cent of cases. Social impacts, on the other hand, were considered in 88 per cent of relevant cases, but the assessment was felt to be lacking in 25 per cent of those. Similarly, environmental impacts were assessed in 79 per cent of relevant cases, with the analysis judged to be insufficient in 31 per cent of cases.

The Commission’s new Better Regulation Guidelines underline that, ‘while the more technical aspects of an assessment are important, the final concrete impacts for individuals, enterprises or public administrations, and where possible the societal or geographical distribution of such impacts, should be kept at the forefront of the analysis and the Impact Assessment Report’. Experience to date would suggest that there is certainly some room for improvement in this area.

- **Impacts on SMEs**

When relevant to the subject matter of the legislative proposal, in the majority of cases the impact assessment was found to have taken account of the possible impact on SMEs, albeit to varying degrees. Nevertheless, this part of the analysis was found to be missing in 30 per cent of relevant cases examined since June 2012. While some improvements were identified during the course of the period under review, it is clear that there is room for improvement as far as the systematisation and depth of the analysis is concerned. The Commission’s new Better Regulation Guidelines, and in particular ‘Tool 19’ in the accompanying Toolbox, should certainly help to ensure that the efforts made to date are reinforced. In particular, they underline the importance of taking full consideration of SMEs, both with regard to the assessment of potential impacts and the performing of an SME test, as well as potential costs of any mitigating measures which may be required. The new Guidelines also explicitly state that all impact assessments must contain a dedicated section on this aspect.

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9 BR Guidelines, p28.
• **Stakeholder consultation**

Generally speaking, there seem to be increasing, though uneven, efforts made with regard to stakeholder consultation and the presentation of stakeholders’ views on the various options in the Commission’s impact assessments. The Commission has well-established strict minimum standards governing public consultations and these appear to be consistently respected and genuine efforts now seem to being made to encourage and facilitate stakeholder feedback at various stages throughout the policy cycle. The vast majority of the impact assessments appraised featured a section on stakeholder consultation, although in some cases, the position expressed by those responding to the public consultation was not clearly presented. In the majority of cases examined, the stakeholders potentially affected by the policy problem under analysis were clearly identified, with only 11 per cent of cases where the consideration of the affected parties seemed to be incomplete. In 13 per cent of cases examined, options clearly supported by stakeholders were ruled out in favour of alternative policy solutions. In these cases, this was explicitly highlighted in the Parliament’s corresponding initial appraisal.

• **Monitoring and evaluation provisions**

Over the period in question, it would appear that the issue of monitoring and evaluation tended to be considered in a more systematic way, which is to be welcomed. Nearly all of the Commission impact assessments appraised featured a section on monitoring and evaluation, with a large majority of these clearly setting out indicators to be used. It should be noted, however, that the monitoring and evaluation requirements and indicators presented in the impact assessment are not always fully reflected in the text of the accompanying legislative proposal. Again, this is an aspect to which the initial appraisals systematically draw attention. Given the emphasis placed in the Commission’s new Better Regulation Guidelines on ex-post evaluation, as an important precursor to ex-ante impact assessment, as part of the policy cycle, this dimension will presumably continue to be developed in the future. It is also clearly of relevance to the issue of the generation, collection and availability of adequate data, referred to above.

• **Internal Commission procedures**

In some ways, the initial appraisal work undertaken by the Ex-Ante Impact Assessment Unit of the Parliament’s administration can be seen as carrying on the quality assessment process which the Commission’s own internal Board has already begun. All impact assessments must be submitted to the Commission’s Impact Assessment Board, now (since July 2015) Regulatory Scrutiny Board, and should receive a positive opinion concerning their quality before inter-service consultation can begin and the legislative proposal can be submitted to the College of Commissioners for adoption. The Board therefore pronounces on a draft version of the impact assessment. Its opinion always includes recommendations for improvements. In the case of a negative opinion, the draft must be revised and re-submitted for approval. In the case of a positive opinion, the comments should be taken into account when
finalising the impact assessment which accompanies the legislative proposal through the adoption process. It is this final version which accompanies the proposal referred to Parliament and Council and which is the subject of the Parliament’s initial appraisal. It may therefore differ from the version on which the Board was consulted and which remains confidential. It is not always easy, therefore, to judge the extent to which the Commission services have taken on board the comments made by the Board. What is clear, however, is that issues flagged up in the Parliament’s initial appraisals frequently echo concerns already voiced in the corresponding Board opinion. This would suggest that draft impact assessments are not always fully revised in line with the recommendations of the Board, although in many cases it is clear that efforts have been made to introduce some, if not all, of the suggested improvements.

A recent positive development is that, since March 2013, the Board has been required to indicate whether its overall opinion on the draft impact assessment submitted it to it by the Commission services is either positive or negative, which was not the case before. This move shows a genuine effort to improve the transparency of the procedure, particularly with regard to seeing whether the final impact assessment had indeed been approved prior to adoption of the accompanying proposal, as is required in principle according to the Commission’s guidelines.

Despite the relatively high percentage of positive first opinions of Commission impact assessments issued by the Board in 2014, it is interesting to note that the initial appraisals undertaken by the Ex-Ante Impact Assessment Unit (in the Parliament’s administration) suggest that there was in fact a drop in quality in some Commission IAs accompanying proposals published towards the end of the last parliamentary term. Even if the Board had given a positive opinion in a number of such cases, this was often subject to considerable reservations and accompanied by recommendations for significant improvements, not all of which were followed up in the final versions of the impact assessment, perhaps because of pressure of time at this point in the five-year cycle. Instances of legislative proposals being accompanied by an impact assessment which has not received a positive opinion of the Board, although very rare, continued to occur, suggesting that the requirement in principle for a positive opinion on the impact assessment prior to the adoption of any significant proposal, was not always respected.

4. Conclusion

The Commission’s new Better Regulation Guidelines recall that ‘all impact assessments must answer a set of key questions and respect a number of principles. An impact assessment should be comprehensive, proportionate, evidence-based, open to stakeholders’ views, unbiased, prepared collectively with relevant Commission services, embedded in the policy cycle, transparent and of a high quality’. These are

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10 BR Guidelines, p20.
certainly some of the fundamental aspects which the Ex-Ante Impact Assessment Unit’s work seeks to evaluate in its initial appraisal work.

Apart from the specific patterns and trends identified above, an analysis of the initial appraisals produced between June 2012 and June 2015 also shows that, while this basic remit remains unchanged, the nature of the briefings themselves has evolved in response to committee expectations, to the developments in the field of impact assessment more generally, and to the growing specialisation of the staff involved in such assessment work. Early initial appraisals tended to concentrate on a presentation of the main points of the impact assessment in question, and the extent to which certain basic criteria had been respected. While these aspects remain crucial, increasingly the initial appraisals have sought to develop a constructive, critical analysis of the quality of the impact assessment itself, taking account not only of the Commission’s guidelines, but also of Parliament’s priorities, notably with regard to issues such as potential impacts on SMEs, consumer protection, third countries and human rights, to name just some examples, and more actively flagging up points of potential concern. The interests of parliamentary committees are always foremost in the mind of the author when drafting the appraisal, together with a consciousness of the need to ensure that the evidence being presented to the legislature is indeed of the quality, reliability and objectivity expected. Particular effort is made to ensure that the briefings provide genuine added value for the committees in this respect.

The Commission’s Better Regulation Guidelines state that impact assessment ‘is a tool to help structure reflection and conduct analyses informing policy design. It is not a list of tasks to tick off. There is no recipe for the perfect IA. Given the widely differing nature of Commission initiatives, the best way to carry out an IA and present its results will vary from case to case’. 11 This is a useful reminder of the difficulty of the task, not only of the exercise of impact assessment itself, but also of assessing the quality of such an assessment, while at the same time recognising and respecting the complexity of the work involved in its preparation.

One of the guiding principles of impact assessment at EU level is that it should be a tool to aid policy-making and decision-making, and not a substitute for it. The work of Parliament’s Ex-Ante Impact Assessment Unit aims to promote the value of that tool and to help to ensure that it is of the highest quality. In so doing, it seeks to support committees in their scrutiny and legislative roles and to contribute to their efforts in bringing about genuine improvements in the quality of law-making within the European Union.

11 Ibid.
Annex two:


CONFERENCE OF COMMITTEE CHAIRS

Impact Assessment Handbook

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 Inter-Institutional Agreement on Better Law-Making, which enshrines that joint commitment, identifies impact assessments as one of the tools which can help the institutions achieve the goal of clear, simple and effective legislation.

For the purpose of this Handbook, impact assessments are deemed to be ex-ante analyses of the likely or foreseeable effects of draft EU legislation or policies proposed for adoption at European Union level, as defined in the Inter-Institutional Common Approach to Impact Assessments of July 2006, and which may be undertaken at successive stages in the legislative process.

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

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25 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.


27 NT/551/551547 PE 353.887.

- to take full account of the Commission's impact assessments,\(^{29}\)
- to carry out impact assessments on its own substantive amendments when it regards it as appropriate and necessary for the legislative process.

3. In practical terms, the three institutions have agreed on a Common Approach\(^ {30}\), which clarifies their respective roles and lays down a number of basic rules to govern the conduct of their impact assessments.

<table>
<thead>
<tr>
<th>What is an ex-ante impact assessment?</th>
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<tbody>
<tr>
<td>Under the terms of the Common Approach, the impact assessments of Commission proposals and substantive Parliament and Council amendments 'map out their potential impacts in an integrated and balanced way across their social, economic and environmental dimensions, and, where possible, their potential short- and long-term costs and benefits, including regulatory and budgetary implications'.</td>
</tr>
<tr>
<td>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.</td>
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4. An impact assessment is a tool to aid decision and policy-making in the three institutions. It is in no sense a substitute for a democratic, political decision-making process.

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

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

GERINGER DE OEDENBERG, 9 September 2010; Resolution on guaranteeing independent impact assessments (2010/2016(INI)) – Rapporteur: Angelika NIEBLER, 8 June 2011.

\(^{29}\) In that connection, Parliament insists that impact assessments should be the subject of quality control carried out by a body independent of the Commission.

\(^{30}\) Inter-Institutional Common Approach to Impact Assessment, approved by the Conference of Presidents in July 2006.
II. Criteria for assessing and using Commission impact assessments

Why is a practical guide to impact assessments needed?

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

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

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

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

EP-Commission Framework Agreement

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

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

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

33 Paragraph 13 of the Common Approach.
**Is the proposal accompanied by an impact assessment?**

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

The Commission’s Guidelines state that:

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

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

10. If a proposal likely to have a substantial impact[^34] is not accompanied by an impact assessment, the committee responsible, acting on a proposal from its rapporteur or the chairman, and in agreement with the coordinators may:

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

There must be broad political support for these decisions.

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

**What are the language arrangements for impact assessments?**

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

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

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

[^34]: For example, a proposal not included in the CWP or a regulatory or implementing act.
There must be broad political support for these decisions. The documents mentioned above will be drawn up by the Impact Assessment Unit or, where necessary, commissioned from outside experts.

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

Parliamentary committees may invite the Commission to present its impact assessment in a full committee meeting (as foreseen in Paragraph 42 of the Framework Agreement between the European Parliament and the Commission)\textsuperscript{35} 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.

### What quality criteria apply to impact assessments?

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

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

Further requirements laid down by Parliament include:

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

- impact in terms of administrative burdens,
- the objective of effective application in the Member States,
- as far as possible, qualitative criteria, such as the impact on vulnerable social groups (social benchmarking), gender equality;

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

14. If the methodology and the reasoning fail to meet these criteria or reveal shortcomings, the committee responsible, acting on a proposal from its rapporteur or from the chairman, and with the consent of the coordinators, may ask the Commission to revise its original impact assessment with a view to analysing certain aspects or policy options in greater detail or complementing or updating the analysis of certain aspects\(^{36}\).

15. The committee(s) responsible may, under the same procedure, ask the Impact Assessment Unit to undertake or commission the Parliament’s own complementary or substitute impact assessment of the aspects dealt with inadequately or not at all in the Commission’s original impact assessment. There must be broad political support for this decision. The terms of reference for such impact assessment work are defined, in each case, by the committee itself.

### III. Criteria for analysing the impact of substantive Parliament amendments

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

<table>
<thead>
<tr>
<th>What is the definition of a substantive amendment?</th>
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<tr>
<td>Under the terms of the Common Approach, it is up to each institution to define the concept of a ‘substantive’ amendment. In its guidelines for dealing with impact assessments, the Council gives no standard definition of its ‘substantive modifications’. It is difficult to provide a definition of ‘substantive’ which is valid across the board - it is an assessment which must be made on a case-by-case basis.</td>
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17. It is up to the parliamentary committee(s) responsible to determine whether one or more of the amendments tabled during its consideration of a Commission proposal is ‘substantive’ and, if appropriate, whether it or they should be the subject of an impact assessment. The terms of reference for impact assessments on substantive amendments are defined, in each case, by the committee itself.

18. On a proposal from the rapporteur, the chairman or a member of the committee acting on behalf of his or her political group, the coordinators decide, in consultation with the rapporteur, to request an impact assessment of one or more specific substantive amendments.\(^{37}\) There must be broad political support for that decision.

\(^{36}\) Paragraph 12 of the Common Approach: ‘in duly justified cases, the Commission, on its own initiative or at the invitation of the European Parliament and/or the Council, may decide to complement its original impact assessment’.

\(^{37}\) Taking account of the deadlines and the procedures required to meet such requests.
19. The associated committees involved, pursuant to the procedure under Rule 50, may, on the same basis, carry out impact assessments of the substantive amendments which fall within their spheres of responsibility, provided that this is compatible with the procedural timetable agreed with the committee responsible.

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

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

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

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

There must be broad political support for this decision.

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<tr>
<th>At what stage of the legislative procedure should an impact assessment of a substantive amendment be carried out?</th>
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<tr>
<td>The Inter-Institutional Agreement on Better Law-Making stipulates that ‘where the co-decision procedure applies, the European Parliament and the Council may [...] have impact assessments carried out prior to the adoption of any substantive amendment, either at first reading or at the conciliation stage’. In practice, hitherto the parliamentary committees have had impact assessments of substantive amendments carried out at first reading, second reading and conciliation stage, and they may do so at any stage of an inter-institutional negotiation on a legislative proposal.</td>
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22. The task of carrying out impact assessments of substantive Parliament amendments is conferred on outside experts.

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

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

25. In keeping with the undertakings it has given, the Commission assists Parliament in its work by making available to it details of any specific methodology used in preparing an impact assessment (economic modelling, cost-benefit and/or cost-effectiveness analysis) and forwarding the data employed.
26. Impact assessments of substantive Parliament amendments are drafted in the working language most frequently used in the committee which submitted the original request, on the basis of its language profile. At the request of the coordinators for the political groups, a summary may be translated into the language of the rapporteur and/or into the three working languages most frequently used in the committee.

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

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

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

30. Taking its cue from them, Parliament endeavours to keep the Council and Commission informed, regularly and in good time, about on-going impact assessment work.
The Commission\textsuperscript{38} has developed a standard format for its impact assessments (hereinafter IA) which identifies the key stages in the procedure and the questions to which the IA must provide a clear, precise answer:

1 - Consultation of interested parties
   - Have the Commission's relevant minimum standards\textsuperscript{39} been observed?
   - What stakeholders have been consulted? Were they sufficiently accurately targeted?
   - How and at what stage were they consulted (transparency, minimum deadline, minimum time-limit for reply)?
   - Did the Commission have recourse to outside experts?
   - What are the main results of the consultations and how have they been taken into account?

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

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

4. Strategic options
The IA must identify all the options which can be envisaged with a view to achieving the objectives set.
   - Have all possible options been reviewed: regulatory and non-regulatory options, including the 'no EU action' option?
   - What options were ruled out at an early stage and why?
   - Why were options which enjoyed broad support amongst stakeholders ruled out?

\textsuperscript{38} SEC (2005)\textsuperscript{791}.
5. Analysis of the impact per se

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

6. Comparison of the options

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

7 - Follow-up and assessment

- What are the main indicators that the objectives have been achieved?
- What monitoring and assessment procedures are there?
This is the second Activity Report on the work of the European Parliament in the fields of Ex-Ante Impact Assessment and European Added Value. (A first Activity Report, covering the period from June 2012 to June 2014, was published in September 2014). It provides an overview of the work carried out by the Directorate for Impact Assessment and European Added Value within the Parliament’s administration between June 2014 and December 2015, in support of oversight and scrutiny of the executive by parliamentary committees, in the fields specifically of: (i) ex-ante impact assessment; (ii) European added value; and (iii) ex-post evaluation.

During the first 18 months of the current 2014-19 parliamentary term, a total of 145 pieces of work were published by the Directorate, encompassing some 6,500 pages of text.