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

Activity Report for 2016

EPRS | European Parliamentary Research Service
Directorate for Impact Assessment and European Added Value
March 2017
Contents

1) Introduction .................................................................................................................. 7
   Background .................................................................................................................. 7
   Parliamentary structures and support ....................................................................... 9
   Recent developments and outlook ............................................................................ 12

2) Work on ex-ante impact assessment ........................................................................ 15
   Contribution to EP committee work ......................................................................... 15
   Publications .............................................................................................................. 21

3) Work on European added value .................................................................................. 24
   Contribution to EP committee work ......................................................................... 24
   Analysis of existing added value ................................................................................ 28
   Legislative trains ...................................................................................................... 28
   Publications .............................................................................................................. 29

4) Work on ex-post evaluation ....................................................................................... 31
   Contribution to EP committee work ......................................................................... 32
   Publications .............................................................................................................. 34

5) Wider horizontal support .......................................................................................... 37
   Publications .............................................................................................................. 39

6) Selected publications from January 2016 to December 2016 .................................... 42
   1. Ex-ante impact assessment .................................................................................. 42
   2. European added value ......................................................................................... 42
   3. Ex-post evaluation ............................................................................................... 43
   4. European Council oversight .............................................................................. 44

### List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CULT</td>
<td>Committee on Culture and Education</td>
</tr>
<tr>
<td>ENVI</td>
<td>Committee on Environment, Public Health and Food Safety</td>
</tr>
<tr>
<td>FEMM</td>
<td>Committee on Women’s Rights and Gender Equality</td>
</tr>
<tr>
<td>IMCO</td>
<td>Committee on Internal Market and Consumer Protection</td>
</tr>
<tr>
<td>ITRE</td>
<td>Committee on Industry, Research and Energy</td>
</tr>
<tr>
<td>JURI</td>
<td>Committee on Legal Affairs</td>
</tr>
<tr>
<td>LIBE</td>
<td>Committee on Civil Liberties, Justice and Home Affairs</td>
</tr>
<tr>
<td>PANA</td>
<td>Committee of Inquiry on Money Laundering, Tax Avoidance and Tax Evasion</td>
</tr>
</tbody>
</table>
1) Introduction

This is the third Activity Report on work by the European Parliament in the fields of ex-ante impact assessment and European added value. A first Activity Report was published in September 2014, covering the period from June 2012 to June 2014.\(^1\) A second report followed in April 2016, providing an overview of the work carried out by the Directorate during the period from July 2014 to December 2015.\(^2\)

This third report summarises activities of the Directorate for Impact Assessment and European Added Value, within the European Parliament’s secretariat, between January 2016 and December 2016. It focuses on work in support of oversight and scrutiny of the executive by parliamentary committees, specifically in the fields of: (i) ex-ante impact assessment; (ii) European added value; and (iii) ex-post evaluation. During those twelve months, a total of 145 pieces of work were undertaken and published by the Directorate - all of which are available on the Parliament’s internet and EPRS intranet sites - representing some 7778 pages of text.\(^3\)

Background

2016 was an important year for better law-making within the European Union. After several months of negotiation, taking place from June to December 2015, a new Interinstitutional Agreement (IIA) was concluded on the subject. The agreement, reached by the European Parliament, the European Commission and the Council of Ministers, finally entered into force on 13 April 2016.\(^4\) This IIA replaces the previous one on the same subject (see below) and contains provisions concerning the various stages of the policy cycle, including the programming, enactment and implementation of EU law. The new IIA has been widely welcomed, and offers the prospect of significant progress towards better law-making. The signing of the agreement marks the latest culmination of a much longer process, the objective of which was to step up the common efforts of the EU institutions to ensure a higher quality of legislation.

In fact, as long ago as 2002, the European Commission began to accompany many of its various legislative proposals with ex-ante impact assessments,

---


looking notably at the potential economic, social and environmental effects of each measure put forward. Some basic provisions in respect of such assessments were included in the first Interinstitutional Agreement on Better Law-Making, which was signed jointly by the Commission, Parliament and Council in December 2003.\(^5\) Subsequently, in July 2005, the three institutions agreed on a 'Common Approach to Impact Assessments', which built on these commitments in greater detail.\(^6\)

In a series of annual reports on better law-making, drafted by its Legal Affairs Committee, the European Parliament successfully encouraged the Commission to move to the (current) situation whereby every significant legislative proposal is now 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, last updated in November 2013. It is currently subject to further revision, in order to adapt it to the new Interinstitutional Agreement. The current version of the *Handbook* (PE 514.092), is included as an annex to this activity report.\(^7\)

A limited amount of ex-ante impact assessment work was undertaken in the European Parliament between 2004 and 2010. During this period, there were twenty-nine occasions on which parliamentary committees undertook their own analyses of Commission IAs, in various forms, or did some kind of further, complementary work on them. Included in this work were twelve cases where committees commissioned research work on their own amendments, including seven instances of what was normally understood at the time as impact assessments on 'substantive' amendments. (Among the twelve 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 legislator, and argued that the concept of impact assessment should be applied throughout the policy cycle - on both an *ex-ante* and an *ex-post* basis - from the design of legislation through to its implementation, evaluation and possible revision.\(^8\) It also advocated a proper assessment of European added value by

\(^6\) **NT/551/551547 PE 353.887**.
\(^8\) 2010/2016(INI), 8 June 2011.
the EU institutions, 'in terms of what savings will result from a European solution and/or what supplementary costs would arise ... in the absence of a European solution'. It suggested that, within the Parliament, there should be renewed emphasis on an 'integrated impact assessment process', underpinned by the development of a stronger common procedure and methodology for use in parliamentary committees.

**Parliamentary structures and support**

In response to the 2011 Niebler report, and with a view to strengthening the capacity of parliamentary committees to engage in oversight and scrutiny work of various kinds, the Parliament's Bureau decided in 2011 to establish a dedicated Directorate for Impact Assessment and European Added Value, which started work in January 2012. The Directorate was initially located in the Directorate-General for Internal Policies (DG IPOL); since November 2013, it has formed part of the new **Directorate-General for Parliamentary Research Services** (DG EPRS).

For reference, DG EPRS as a whole - within which the Directorate is now located - aims to provide comprehensive research and analytical support for Members and, where appropriate, parliamentary committees, in all EU policy fields. It is organised into three directorates:

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

- **Directorate B**: the Directorate for the **Library** (previously in DG Presidency), which provides on-site and online library services of various kinds, as well as handling the Parliament's historical archives and responding to citizens' enquiries; and

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

The third directorate, the Directorate for Impact Assessment and European Added Value, works to strengthen the Parliament's capacity for scrutiny and oversight of the executive at successive stages of the policy cycle - generating analysis in-house wherever possible and drawing on outside expertise as necessary - as well as contributing to the quality of law-making itself. European
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 assessment (IA) 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 appraisals 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 substantial amendments to the Commission proposal. (In accordance with the procedures laid down in the Conference of Committee Chair’s IA Handbook, the latter are always carried out by external experts);

- the European Added Value Unit (EAVA), which analyses the potential benefit of future action by the Union through Cost of Non-Europe Reports in policy areas where greater efficiency or a collective good could be realised through common action at European level. The unit also provides European Added Value Assessments to set out the rationale for legislative initiative reports put forward by parliamentary committees and it analyses the added value of existing EU policies in practice; and

- the Ex-Post Impact Assessment Unit (IMPT), which assists committees in ex-post evaluation work - including on the national transposition of an EU policy or law and its implementation into national law and enforcement in Member States - 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 development, drafting and adoption 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 announced 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 2016, the above five units of the Directorate for Impact Assessment and European Added Value had a staff complement of 38 policy analysts, 1 information specialist, 13 assistants, and 3 seconded national experts.

With effect from April 2017, the Ex-Post Impact Assessment and Policy Cycle Unit will be merged into a single Ex-Post Evaluation Unit, to maximise synergies between the teams involved.

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

In November 2012, the Parliament's Conference of Presidents tasked the Conference of Committee Chairs (CCC) with 'coordinating the parliamentary committees' approach towards impact assessment and European added value, and supervising the Parliament's work in this area, as well as developing a more consistent and integrated approach to the matter' (PE 499.457/CPG 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 as an annex to this report (PE 514.092). The Directorate sends a monthly update of all completed, on-going and planned work to the CCC, of which the CCC takes note at its meeting during each part-session.

The Parliament’s 2016 budget provided for €1.0 million (Budget item 95-0-3210-01) for the purpose of acquiring, as necessary, external expertise in the fields of impact assessment and European added value, in order to support the institution’s activities in these fields. During the twelve-month period under review, 38 public procurement procedures were launched, for a total committed value of €487 909. Of this figure, 9.3 % (€45 380) was used for ex-ante impact assessment work, 35.8 % (€174 541) for European added value work, and 53.7 % (€261 988) for ex-post evaluation. In all, work was commissioned in support of on-going work by eight parliamentary committees. These were: ITRE: €142 110; LIBE: €108 730; JURI: €101 196; FEMM: €44 250; PANA: €33 000; CULT: €29 628; IMCO: €14 995; and ENVI: €8 000; plus other studies: €6 000.

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

Recent developments and outlook

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

In general, the workload and output of Directorate C increased continuously throughout 2016, in some areas significantly, due to enhanced parliamentary activity in these fields. This is largely the result of a growing number of legislative proposals being submitted to Parliament for consideration and decision, reflecting the fact that the Commission produces most of its proposals during the middle and latter part of its term. At the same time, the growing tendency of committees to pay increased attention to evaluation of existing policies, and to focus on implementation and ex-post evaluation, resulted in a significant increase in implementation-related requests. European added value
work, in its various forms, is undertaken fairly continuously throughout the legislative term.

The scale of the workload in 2016 suggests that both Members and committees appreciate the input and analyses provided by the Directorate for Impact Assessment and European Added Value, and take them into consideration in their legislative work.

In addition, the Directorate has also benefited from the widespread discussion, both within and outside the institutions, on the themes of better regulation and better law-making, which followed the adoption by the Commission, in May 2015, of the better regulation package and the negotiation for the new interinstitutional agreement, to replace the original 2003 text.

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

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

There has already been a marked increase in interest in impact assessment at all stages of the legislative cycle, both within and beyond the EU institutions, underlines 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. There is also a keenness to ensure that impact assessment should remain 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 negotiations, 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 are put into practice on a daily basis.
To this end, the Parliament's Directorate for Impact Assessment and European Added Value is actively engaged in interinstitutional dialogue and cooperation to find appropriate ways and means to best enhance the quality of the process. The Directorate's main objective, however, remains to supply the institution and its committees with the research and analysis required to help enable it to better evaluate, justify and quantify its legislative priorities options, and to exercise effective oversight and scrutiny of the executive at all stages of the EU policy cycle.

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

Wolfgang Hiller  
Director for Impact Assessment and European Added Value  
European Parliamentary Research Service (EPRS)

March 2017
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 2012 which seek to provide targeted, timely and specialised support to parliamentary committees in their work on ex-ante impact assessment, covering all policy areas and available at any stage in the law-making process.

The support begins with the proactive provision by the unit of initial appraisals which provide an overview, and analyse the quality, of European Commission impact assessments (IAs) accompanying legislative proposals. These appraisals 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 in the light of the Commission's own Better Regulation Guidelines and relevant Parliament resolutions. 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 IA. At the request of the committee responsible, the unit can also undertake impact assessments of substantial amendments being considered by the Parliament to a Commission proposal. (Under the provisions of the Parliament's Impact Assessment Handbook, impact assessments of amendments are always carried out by external experts).

Contribution to EP committee work

Between July 2012 and December 2016, the Ex-Ante Impact Assessment Unit produced 139 initial appraisals, five detailed appraisals, four complementary or substitute impact assessments, and impact assessments on six sets of EP amendments, covering a total of 32 amendments in all. During the twelve-month period under review (January-December 2016), the unit produced 36 initial appraisals and one impact assessment of seven substantial amendments.

- Initial appraisals of Commission impact assessments

As far as initial appraisals of the quality of Commission impact assessments are concerned, experience so far suggests that these briefings can make a constructive and practical contribution to the consideration of the legislative proposal at committee stage. This is to be seen especially in light of the
Parliament’s commitment in the new Interinstitutional Agreement (IIA) on Better Law-Making to take full account of the Commission's impact assessments when considering Commission legislative proposals. In particular, initial appraisals aim to 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. Initial appraisals may also prompt committees to invite the Commission to explain its analysis and methodology and respond to any criticisms or shortcomings identified, or to request from the unit 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 help to empower the Parliament in its role of scrutinising the work of the executive, and as co-legislator, by providing a focused and timely input geared at ensuring greater consistency and quality of EU legislation, in line with the general objective of better law-making. This work has also increased awareness on the part of the Commission's services, and others, that scrutiny of the quality of impact assessments continues beyond the confines of the Commission's own internal review board, the Regulatory Scrutiny Board (RSB).

With regard to the volume of initial appraisal work, with the Commission's legislative output reaching cruising speed, 2016 witnessed a significant increase in the number of legislative proposals submitted to the Parliament and, consequently, in the number of impact assessments requiring appraisal by the Ex-Ante Impact Assessment Unit. The Unit produced 36 initial appraisals of impact assessments in 2016, which is almost three times as many as in 2015.

2016 was also the first full year of implementation of the Commission’s new Better Regulation Guidelines, giving the Ex-Ante Impact Assessment Unit the opportunity to assess in its initial appraisals to what extent, and how, these are followed in relation to the Commission’s impact assessment work. The Better Regulation Guidelines were adopted by the Commission in May 2015 in the framework of its better regulation package and replaced the previous Commission Impact Assessment Guidelines of 2009. Since the overall focus of the new guidelines is on 'better regulation' in a general sense, rather than the specific tool of impact assessment, the guidelines now also cover several other topics related to the successive stages of the policy cycle. These include the planning and preparation of legislative proposals, their implementation, transposition, monitoring and evaluation, and the processes of undertaking 'fitness checks' and stakeholder consultation.
While the new guidelines appear to be more prescriptive in nature than their predecessors, containing ‘mandatory requirements and obligations for each step in the policy cycle’ (p. 4), they present considerable continuity with the 2009 guidelines as far as the specific approach to ex-ante IA is concerned.

As before, the basic premise is that impact assessment is a tool to support political decision-making, not a substitute for it, and that it should involve the assessment of the potentially significant economic, environmental and social impacts of proposed Union legislation.

The work undertaken in 2016 in generating initial appraisals of Commission impact assessments indicates that, overall, the Commission made genuine efforts to comply with the various requirements of the Better Regulation Guidelines and to implement the new features contained therein.\(^{10}\)

However, while considerable attention was clearly given to seeking to ensure formal compliance with the letter of the guidelines, notably in terms of structure, this did not always follow through with regard to respect for the spirit of the guidelines, notably in terms of substance. There were a number of cases - often where the impact assessment was prepared under clear time and/or political pressure - where the impact assessment was found not entirely to meet the quality standards defined in the guidelines. With regard to the initial appraisals produced in 2016, the typical shortcomings identified in the quality of Commission impact assessments appear to be quite similar to those previously identified in an analysis of the first 100 initial appraisals of Commission impact assessments produced by the Ex-Ante Impact Assessment Unit between June 2012 and June 2015.\(^{11}\)

The shortcomings included: a weak problem definition; a limited choice of realistic alternative options, sometimes with bias towards the preferred option; a limited and/or unbalanced assessment of the different types of impacts; data limitations (mostly quantitative, but also qualitative); and weaknesses in the definition of specific and operational objectives.

In addition, there was a marked tendency for impact assessments to significantly exceed the 30 to 40 page-length recommended in the guidelines -

---


even going beyond 400 pages of core text in one case. The excessive length of some impact assessments reflected the content of the proposals they accompanied with several concerning the revision of multiple legislative acts. In such instances, the accompanying impact assessment was constituted of several 'mini' impact assessments, which were bundled together into a lengthy report, affecting the readability and usability of the document and, sometimes, its overall coherence.

However, it is fair also to note that this increase in length may also reflect a laudable effort by the Commission to better substantiate the argumentation in its IA with relevant data and wide-ranging research, as several initial appraisals highlighted.

Efforts also appear to have been made with regard to stakeholder consultation, in line with the greater attention afforded to this issue in the Better Regulation Guidelines. The mandatory twelve-week open public consultation was generally respected and its outcome, albeit sometimes limited, was, as a rule, clearly presented along with the views of the different stakeholders. Increased focus was also placed on the impacts on SMEs and on competitiveness, as required by the guidelines, although the depth of the analysis was variable. Non-regulatory solutions featured more frequently within the range of options considered. Ex-post monitoring and evaluation requirements were also considered in a more systematic way than before, although monitoring mechanisms described were often vague and not always carried over into the legislative proposal.

Finally, it is important to note that there were no cases of proposals being accompanied by an impact assessment which had not received a positive opinion of the Regulatory Scrutiny Board. This would suggest that the requirement in principle for a positive opinion on the impact assessment prior to the adoption of any significant proposal was respected.

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

- **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 amendments being considered by Parliament during the successive stages of the legislative process. Paragraph 17 of the Parliament's *Impact Assessment Handbook* states that
it is up to the parliamentary committee(s) responsible to determine whether one or more of the amendments tabled during its consideration of a Commission proposal is '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, the Parliament's impact assessments of amendments can often help to strengthen and confirm the evidence-base for such amendments, providing analysis to defend their adoption in committee or plenary, and/or to support the Parliament's position in negotiations with the other institutions in trilogues. More generally, impact assessment of amendments can also help to focus and progress discussions, both in Parliament and, on occasion, in Council. In other cases, the outcome of such assessments may lead to reconsideration as to whether to maintain or support the amendments in question, or to the production of compromise amendments, taking account of the findings of the research on them.

In 2016, the Ex-Ante Impact Assessment Unit produced one impact assessment of EP amendments. In order to facilitate trilogue negotiations in view of a first-reading agreement, the Committee on Civil Liberties, Justice and Home Affairs (LIBE) requested an assessment of seven amendments it adopted in its report on the Commission proposal on provisional legal aid (COM (2013) 824), which aimed to broaden the scope of the proposal. The Council had expressed reservations concerning several of the Parliament's amendments, notably the extension of the scope of the directive to persons not deprived of liberty and to ordinary legal aid. The aim of the study was to assess the amendments' socio-economic impact and impact on fundamental rights, taking into account the positions of the Parliament and the Commission, as well as to analyse alternative scenarios for two amendments in particular, reflecting the different positions of the Parliament, the Commission and the Council.

The request was received by the Ex-Ante Impact Assessment Unit in mid-December 2015 and the draft final version of the impact assessment itself was delivered in May 2016.

The exercise and findings of the impact assessment, a draft version of which was shared with rapporteur, shadow rapporteurs, Commission and Council, and used in the trilogue negotiations, appear to have helped to encourage and
facilitate the discussions around compromise and alternative amendments. At the presentation of the draft final impact assessment in the LIBE Committee meeting of 15 June 2016, the rapporteur, Dennis De Jong (GUE/NGL, NL), indicated that the analysis and quantification of the economic impacts provided in the study had been particularly useful in the negotiations. It therefore seems reasonable to suggest that, in part at least, the impact assessment contributed to the shape of the report that was adopted at first reading on 4 October 2016, as far as the issues in question were concerned.

Other developments

In 2016, the Ex-Ante Impact Assessment Unit continued developing procedures for the early identification and tracking of legislative files, including those not accompanied by an impact assessment, but for which one might be considered necessary. Several such cases occurred in 2016, with some Commission proposals not containing any adequate explanation for the absence of an impact assessment.

The unit remained committed to raising awareness within the Parliament of interinstitutional undertakings and best practice in the area of ex-ante impact assessment. In this respect, it contributed to the ongoing updating of the Conference of Committee Chairs' Impact Assessment Handbook following the adoption of the new Interinstitutional Agreement (IIA) on Better Law-Making.

The unit also continued to enhance the visibility of its work, both within the Parliament and among external stakeholders, and maintained close contacts with other institutions by exchanging information on best practice and methodologies relating to impact assessment. In this respect, in November 2016, it had a very constructive first meeting with the members of the Regulatory Scrutiny Board (RSB), the Commission's internal quality-control body, which replaced the former Impact Assessment Board as a result of the better regulation package. This meeting not only gave the opportunity to present to the Board the unit's activities in the area of ex-ante impact assessment, but also to exchange views on a very wide array of issues that concerned the content, planning methodology and organisation of the Board's work, including possibilities for future cooperation.

In addition, parliamentary committees increasingly invite the Ex-Ante Impact Assessment Unit to present its impact assessment work. During 2016, the Ex-Ante Impact Assessment Unit made presentations in four parliamentary committee meetings (namely, to the LIBE, IMCO and JURI Committees).
Finally, at the request of the Committee for Legal Affairs (JURI), the unit embarked on a pilot project for the production of the first fully-fledged European Parliament impact assessment, to be elaborated in the context of the adoption of a legislative own-initiative report. The request, made in November 2016, is for a study on the potential impact of the Parliament's initiative for EU legislative action on an 'open, efficient and independent European Union administration', made in the context of the adoption, in June 2016, of Parliament's legislative initiative report on this issue. This impact assessment is expected to be delivered towards the end of 2017.

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

**Publications**

The following publications in the field of ex-ante impact assessment were produced between January 2016 and December 2016:

**Initial appraisals of European Commission impact assessments (36)**

- **Contracts for the supply of digital content and for the online and other distance sales of goods,** February 2016, PE 528.827.
- **Aviation strategy - European Union Aviation Safety Agency,** February 2016, PE 528.829.
- **Exchange of information on Third Country Nationals - European Criminal Records Information System (ECRIS),** March 2016, PE 528.831.
- **Cross-border portability of online content services in the internal market,** March 2016, PE 528.832.
- **Accessibility requirements for products and services - The European Accessibility Act,** April 2016, PE 528.833.
• Regulation on Mercury - Aligning EU legislation with the Minimata Convention, April 2016, PE 579.329.
• Motor vehicles: New approval and market surveillance rules, April 2016, PE 581.375.
• Sustainable management of external fishing fleets, April 2016, PE 579.331.
• Security of gas supply, April 2016, PE 581.377.
• Intergovernmental agreements in the field of energy, April 2016, PE 581.378.
• Use of radio frequencies in the Union, April 2016, PE 581.376.
• The Establishment of an EU Entry/Exit System, May 2016, PE 581.379.
• Revision of the Posting of Workers Directive, June 2016, PE 581.381.
• Fisheries technical measures, June 2016, PE 581.390.
• Publishing corporate tax information - Country-by-country reporting for multinational enterprise groups, July 2016, PE 581.420.
• Digital Single Market: Cross-border parcel delivery services, July 2016, PE 581.423.
• Protection of workers from exposure to carcinogens or mutagens, July 2016, PE 581.419.
• New rules on CE marked fertilising products, July 2016, PE 581.417.
• Cooperation on the enforcement of consumer protection laws, July 2016, PE 581.422.
• Audiovisual Media Services, September 2016, PE 587.337.
• Prevention of the use of the financial system for the purposes of money laundering or terrorist financing, November 2016, PE 587.354.
• Judicial rules and cooperation in family matters (recast of Brussels IIa Regulation), November 2016, PE 593.774.
Establishing a multiannual plan for demersal fisheries in the North Sea, November 2016, PE 593.775.


European venture capital and social entrepreneurship funds, December 2016, PE 593.577.

Effort sharing: greenhouse gas emission reductions by Member States (2021-2030), December 2016, PE 593.778.

Modernisation of EU copyright rules, December 2016, PE 593.799.

A European Union certification system for aviation security screening equipment, December 2016, PE 593.798.

Inclusion of greenhouse gas emissions and removals from land use, land use change, and forestry (LULUCF) into the 2030 climate and energy framework, December 2016, PE 593.797.

Impact assessments of substantial EP amendments (1)


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

3) Work on European added value

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

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

- **Cost of Non-Europe Reports** on policy areas where there is significant potential for greater efficiency and/or the realisation of a 'public good' through common action at EU level, and where such action is currently absent. These reports are generally carried out at the request of committees;

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

**Contribution to EP committee work**

During 2016, the European Added Value Unit supported parliamentary committees by producing seven Cost of Non-Europe Reports, and five European Added Value Assessments.

The Cost of Non-Europe Reports covered fields ranging from research on Banking Union and the single market, to the Schengen area and crime and corruption, all with a view to preparing the ground for future initiatives of various kinds in these policy areas.

Considering the still incomplete character of the EU’s Banking Union, a specific study tested the 'Resilience of the Banking Union' framework under various stress scenarios, identifying the potential costs linked to the lack of further European action in this field. The costs at the euro-area level of a medium-sized financial shock were estimated to amount to a cumulated loss of one trillion euro in GDP (about -9.4% of EU GDP), whilst job losses amounted to 1.91 million and there was a prospective increase of €51.4 billion in government debt.
A *Cost of Non-Europe Report* undertaken for the Parliament's Committee on Industry, Research and Energy (ITRE) estimated the potential gains of a complete **European Research Area** (ERA) - which aims to put to best use scientific capacities and material resources in EU Member States by coordinating national research systems - to reach €16 billion annually.

Work undertaken for the Committee on Internal Market and Consumer Protection (IMCO) outlined a strategy for completing the **single market**, in a report entitled 'The trillion euro bonus - Summary Report of the High-Level Panel of Experts to the IMCO Committee'. It suggested that the economic potential of the single market could amount to as much as one trillion euro per annum in additional GDP growth. The strategy implies new policies towards the single market, in particular the full commitment of Member States to compliance and implementation of EU law, as well as the removal of remaining obstacles to free movement.

Another *Cost of Non-Europe Report* for the same committee highlighted significant potential economic gains in the **sharing economy** linked with a better use of (otherwise under-used) capacities. These gains could amount to €572 billion in annual consumption across the EU 28. However, the study also suggested that substantial barriers and implementation gaps remain, hindering the potential benefits from being fully realised. Moreover, some legal issues, such as the status of workers employed by sharing-economy service-providers, are insufficiently addressed. Consequently, more European action would be necessary to achieve the full economic potential of the sharing economy.

Also linked to the single market, a series of *Cost of Non-Schengen Reports* were undertaken to identify the potential costs resulting from a re-introduction of border controls in the Schengen area in the wake of the refugee crisis. Two scenarios were examined: a two-year suspension and an indefinite one. The first report, on **impact of border controls on the single market**, estimated the costs (resulting notably from barriers to cross-border trade expansion, as well as efficiency loss), in case of an indefinite suspension in the entire Schengen area (highest-cost scenario), at between €100 billion and €230 billion over ten years (0.06-0.14 % of EU GDP).

The second *Cost of Non-Schengen Report*, produced for the Committee on Civil Liberties, Justice and Home Affairs (LIBE), focused on the **budgetary costs of the re-introduction of border controls**, as well as on their **impact on crime and security and on public trust**. It estimated that - depending on the scope and length of the controls - the costs could range from between €0.05 billion to €20
billion in one-off costs, and to between €2 billion and €4 billion in annual operating costs (0.02%-0.03% of Schengen area GDP). Interestingly, the report also suggested that the abolition of border controls in the light of Schengen has not led to higher crime rates, nor has the 2007 Schengen enlargement increased the perception of insecurity among EU citizens. Public trust in the EU seems to have been undermined, not by the existence of the Schengen area, but rather by the failure of the EU to effectively address the deficiencies exposed by the refugee crises.

In another report for the LIBE Committee, the EAVA Unit measured the cost of insufficient action and cooperation at EU level to fight organised crime and corruption, which is estimated to amount to around €71 billion annually. Considering the economic loss due to corruption throughout the EU (estimated at between €218 and €282 billion annually) and the size of illicit markets (representing a value of around €110 billion), the report demonstrates the substantial potential gains to be made through better transposition and enforcement of international and EU norms, the filling of the outstanding legislative gaps, as well as the improvement of the policy-making process and operational cooperation between national authorities.

In specific support for parliamentary committees' work on legislative initiative reports drawn-up in accordance with Article 225 TFEU, the European Added Value Unit completed five 'European Added Value Assessments' (EAVAs) in 2016 to accompany such reports. The issues covered by EAVAs ranged from the coordination of corporate tax policies in the EU, and the cross-border recognition of adoptions, to an EU mechanism for the rule of law and fundamental rights, and rules on limitation periods for traffic accidents.

The second part of the European Added Value Assessment on corporate tax policies, prepared for the Committee on Economic and Monetary Affairs (ECON), was published in January 2016. The study estimates the loss of tax revenue across the EU through aggressive corporate tax planning at around €50 to €70 billion per annum (lowest estimate; higher estimates reach €160-€190 billion). The study suggests that the most effective contribution to mitigating aggressive tax planning strategies - and the resulting lost revenues to Member States - would be to enact a common consolidated corporate tax base (CCCTB), across the entire Union. Based on the methodology of the Organisation for Economic Co-operation and Development (OECD), the implementation of the measures included in the report would potentially improve corporation tax receipts by between €13.4 billion and €33.5 billion per annum.
A series of *European Added Value Assessments* were produced to accompany the legislative initiative reports drafted by the Committee on Legal Affairs (JURI).

The EAVA on 'cross-border recognition of adoptions' highlights the fact that, in the absence of an EU framework, the differences between Member States regarding rules applying to the recognition of adoptions have a significant impact on the ability and willingness of adopters to exercise their rights of free movement. This generates substantial costs, notably in terms of litigation, but also emotional costs, estimated at approximately €1.65 million per annum. The report recommends the adoption at EU level of a legally binding instrument, based on Article 81 TFEU, providing automatic mutual recognition of domestic adoptions made in any EU Member State.

As regards traffic accidents, the EAVA shows that widely differing rules on limitation periods across EU Member States can lead to situations where victims of cross-border road traffic accidents lose their right to compensation. The resulting costs, in the form of lawyer's fees and foreign expert advice, amount to a total of €300 million per year. To address the legal uncertainty faced by victims, the Added Value Assessment on 'Limitation periods for road traffic accidents' recommends the adoption at EU level of a legal act establishing measures to harmonise minimum standards of rules on limitation periods.

Another EAVA prepared for the JURI Committee recommends the adoption of a uniform legal framework allowing for a proper protection of vulnerable adults in cross-border situations. The adoption of rules at EU level would enhance legal certainty and contribute to reducing legal and emotional costs for the adults concerned.

Finally, a *European Added Value Assessment* was prepared for the LIBE Committee to accompany the legislative initiative report calling for an 'EU Pact on Democracy, the Rule of Law and Fundamental Rights'. The main conclusion of the EAVA is that there is a gap between the proclamation of the rights and values listed in Article 2 TEU and actual compliance by EU institutions and Member States, resulting in significant economic, social and political costs. Consequently, the report suggests that the conclusion of an EU pact, providing notably for a monitoring and enforcement mechanism as a means to improve compliance, could bring substantial benefit - for example, by fostering mutual trust and attracting more investments.
In general, the reports prepared by the European Added Value Unit are presented to Members in committee. In the course of 2016, the Cost of Non-Europe Reports (CoNE) resulted in five presentations in three parliamentary committees and in one policy hub organised by the ITRE Committee. In addition, the CoNE on the Sharing Economy was presented at a European Economic and Social Committee conference and in a DG JUST workshop, whilst the CoNE on the Integrated EU Research Area was presented at the Commission on the occasion of an ERAC (European Research Area Stakeholder Platform) meeting. The European Added Value Assessments, which accompany the draft legislative initiative report prepared in committee, resulted in four presentations in the JURI and LIBE committees, as well as one in a JURI policy hub.

**Analysis of existing added value**

A third type of product, the 'European Added Value in Action' briefings, has recently been re-launched, with a view of highlighting. These briefings are designed to highlight the added value of existing EU policies in practice. Two such briefings were published in December 2016.

The first briefing, on 'EU Defence Policy: The sleeping giant', develops current ideas for a closer defence cooperation at the European level, notably the establishment of common European capabilities and the creation of a European defence market. It highlights the substantial potential added value of a more integrated EU defence policy, which could generate efficiency gains of at least €26 billion annually\(^\text{13}\).

The second briefing on 'How European development aid makes a difference', highlights the EU contribution - as the world's largest donor - to development aid, notably in reducing poverty and promoting human rights, democracy and good governance. The briefing suggests that a more coordinated EU-wide approach to development aid could reduce costs by about €800 million, making it possible to achieve more with the existing budget\(^\text{14}\).

**Legislative trains**


---


The Schedule, launched in October 2016 and coordinated by DG EPRS, is an online tool, aimed at monitoring the progress – or lack of it – on the ten political priorities put forward by Jean-Claude Juncker in 2014 at the time his election by the European Parliament as President of the European Commission.

The Juncker Commission’s ten priorities are visualised on the website as trains. The user can see on the main 'departures board' how many 'carriages' (legislative initiatives) for each 'train' have departed or arrived, are on-hold, or have been cancelled, and each case when this happened. It also lists the issues on which the Parliament has requested the Commission to take legislative action. Moreover, the application shows, using data from the European Added Value Unit’s on-going study, 'Mapping the Cost of non-Europe 2014-2019', how much potential gain could be expected, if further action at EU level were to be implemented.

Publications

The following publications in the field of European added value were produced in the course of 2016:

Cost of Non-Europe Reports (7)

- CoNE - Testing the resilience of Banking Union, April 2016, PE 558.778.
- CoNE - European Research Area, May 2016, PE 581.382.
- The Cost of Non-Schengen: Civil Liberties, Justice and Home Affairs aspects, September 2016, PE 581.387.
European Added Value Assessments (5)

- Bringing transparency, coordination and convergence to corporate tax policies in the European Union, January 2016, PE 558.776.
- Limitation periods for road traffic accidents, July 2016, PE 581.386.
- Protection of Vulnerable Adults, September 2016, PE 581.388.
- An EU mechanism on democracy, the rule of law and fundamental rights, October 2016, PE 579.328.

European Added Value in Action (2)

- How European development aid makes a difference, December 2016, PE 593.790.

Other publications (3)

- Perspectives on transatlantic cooperation - Digital Economy, July 2016, PE 586.613.

Legislative trains


Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or through the EPRS catalogue of research publications.¹⁵

---

4) Work on ex-post evaluation

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

The unit(s) in question provide inter alia the following products and services:

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

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

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

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

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

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

During the 12 months in question, 13 *European Implementation Assessments* were produced for six parliamentary committees:

- **EU Implementation of the UN Convention on the Rights of Persons with Disabilities (CRPD)** (EMPL) February 2016; PE 536.347.
- **The obligations of the EU public administration under the UN Convention on the Rights of Persons with Disabilities** (EMPL) March 2016; PE 579.325.
- **The Creative Europe programme** (CULT) June 2016; PE 581.413.
- **The European order for payment procedure** (JURI) July 2016; PE 587.344.
- **The Erasmus+ Programme (Regulation EU No. 1288/2013)** (CULT) July 2016; PE 581.414.
- **Ex-post analysis of the EU framework in the area of cross-border mergers and divisions** (JURI) December 2016; PE 593.796.

These *European Implementation Assessments* resulted in nine presentations in committee, one presentation to a network (UN Convention on the Rights of Persons with Disabilities) and one to a hearing of the European Economic and Social Committee (EESC). During 2016, work also started on a further eight *European Implementation Assessments* for six parliamentary committees, and on five other ex-post evaluations for three parliamentary committees.

During 2016, 27 *implementation appraisals* were also produced - to assist 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. The appraisals in question dealt with the following subjects:

- Prospectus Directive
- Recognition and modernisation of professional qualifications in inland navigation
- Changing times for EU social statistics
- Directive 91/477 on control of the acquisition and possession of weapons
- Circular economy: Revision of waste legislation
- Regulation 604/2013 (Dublin Regulation) and asylum procedures in Europe
- Tax transparency – automatic exchange of information on base erosion and profit shifting
- Contract rules for online purchase of digital content and tangible goods (part of digital single market)
- Migration package III (Schengen and the management of the EU’s external borders)
- Migration package II (smuggling of migrants)
- Energy Security and Integration - updated version
- Fertilisers Regulation 2003/2003
- Directive on terrorism
- The Satellite and Cable Directive
- The review of national wholesale roaming markets and the Roaming Regulation
- Exposure to carcinogens and mutagens at work
- Audiovisual media services Directive
- Publishing corporate tax information
- Reforming the regulatory framework for electronic communications networks and services
- Notifications of new restrictions on services: Reforming the existing procedure under the Services Directive
- Revision of the Regulation on the European Fund for Strategic Investments – towards an EFSI 2.0?
- Control of trade in dual-use items
- European venture capital and social enterprise funds
- Rail passenger rights and obligations
- Training of professional drivers
- Controls of cash movements
The Implementation Appraisal on Directive 91/477, on control of the acquisition and possession of weapons, aroused considerable interest in the Committee on the Internal Market and Consumer Protection (IMCO), as it included a section comparing the results of the European Commission's evaluation with the relevant provisions of the current directive and with the amendments contained in the new proposal.

Publications

The following publications in the field of ex-post impact evaluation were produced during 2016:

European Implementation Assessments (13)

- EU Implementation of the UN Convention on the Rights of Persons with Disabilities (CRPD), February 2016; PE 536.347.
- The obligations of the EU public administration under the UN Convention on the Rights of Persons with Disabilities, March 2016; PE 579.325.
- The Creative Europe programme, June 2016; PE 581.413.
- The European order for payment procedure, July 2016; PE 587.344.
- The Erasmus+ Programme (Regulation EU No. 1288/2013), July 2016; PE 581.414.
- Ex-post analysis of the EU framework in the area of cross-border mergers and divisions, December 2016; PE 593.796.
Implementation Appraisals (27)

- Recognition and modernisation of professional qualifications in inland navigation, January 2016, PE 573.288.
- Changing times for EU social statistics, January 2016, PE 558.767.
- Regulation 604/2013 (Dublin Regulation) and asylum procedures in Europe, April 2016, PE 573.304.
- Contract rules for online purchase of digital content and tangible goods (part of digital single market), April 2016, PE 573.293.
- Migration package III (Schengen and the management of the EU’s external borders), May 2016, PE 581.392.
- Migration package II (smuggling of migrants), April 2016, PE 581.391.
- The review of national wholesale roaming markets and the Roaming Regulation, May 2016, PE 581.396.
- Exposure to carcinogens and mutagens at work, June 2016, PE 581.397.
- Publishing corporate tax information, July 2016, PE 581.399.
- Reforming the regulatory framework for electronic communications networks and services, August 2016, PE 581.400.
- Notifications of new restrictions on services Reforming the existing procedure under the Services Directive, September 2016, PE 587.341.
• Control of trade in dual-use items, September 2016, PE 587.340.
• European venture capital and social enterprise funds, October 2016, PE 587.351.
• Rail passenger rights and obligations, November 2016, PE 587.352.
• Training of professional drivers, December 2016, PE 587.346.
• Controls of cash movements, December 2016, PE 593.780.

Other ex-post evaluations (1)

• The inclusion of financial services in EU free trade and association agreements: Effects on money laundering, tax evasion and avoidance (INTA), June 2016; PE 579.326.

Better Law-Making in Action (1)


Each of these publications can be accessed by clicking on the hyperlinks above (in the electronic version of this Activity Report) or through the EPRS catalogue of research publications.16

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, running to more than 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 provide a simple reference tool for all existing EU legislation and international agreements which contain provision for any kind of ex-post evaluation or review, for all ex-post evaluation or review work which is being undertaken by the Commission, and for relevant recent analysis by the Court of Auditors in its special reports. More specifically, 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 (2009-2014). The most recent edition, of July 2016 now covers all legislative acts adopted during successive terms (until May 2016).

- 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 included in international agreements concluded between the EU and third countries. The check-list is being updated and expanded on a regular basis and features in its most recent version of October 2016 an analysis of 836 international agreements, 234 of which are multilateral and 602 are bilateral agreements. The part on bilateral agreements includes international agreements concluded between the EU and 81 other countries, including the USA, China, Australia and the Russian
Federation and describing the monitoring and management mechanisms in each of these agreements.

- **A rolling check-list on evaluation in the European Commission**, which provides an analytical overview, and the state of play on the public availability of evaluations, completed by a list comprising the on-going and planned evaluations on the basis of information disclosed by the Commission in various sources (DGs' annual management plans and annual activity reports, the single evaluation plans, and roadmaps published between July 2015 and October 2016), and the information made available by individual DGs. This also includes the monitoring of the implementation of the new internal guidelines on evaluation, which the Commission introduced in July 2015. This check-list is being 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. The most recent checklist of April 2016 covers 24 special reports relevant for the 2014 discharge procedure.

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 - also produces a **Rolling Check-List of European Council conclusions**, which lists the European Council's commitments or policy pronouncements, by subject area, since 2010 - showing their evolution over time and the degree of their implementation. The check-list was launched in 2014, is updated four times a year, and is now in its tenth edition.

The **European Council Oversight Unit** also produces timely briefing notes in advance of, and following, each European Council meeting, providing respectively an analysis of the outlook for, and the outcome of, these regular discussions. Other publications on various aspects of work of the European Council are produced as necessary, including original in-house analyses, such as an in-depth analysis on 'The European Council and crisis management' and a briefing entitled 'Implementation of the Lisbon Treaty provisions on the
Common Security and Defence Policy (CSDP). In addition to publications, the unit regularly organises seminars assessing the activities of the European Council on various policy areas and in the institutional architecture of the European Union.

Publications

Rolling check-lists (4)

- Special Reports of the European Court of Auditors - A Rolling Check-List of recent findings, April 2016, PE 573.305.
- International Agreements: Review and Monitoring Clauses - A Rolling Check-List, October 2016, PE 587.343.

European Council Conclusions: Rolling check-lists of commitments to date (5):

- European Council Conclusions: A Rolling Check-List of Commitments to Date. 
- European Council Conclusions: A Rolling Check-List of Commitments to Date. 
- European Council Conclusions: A Rolling Check-List of Commitments to Date. 
- European Council Conclusions: A Rolling Check-List of Commitments to Date. 
  Ninth edition, October 2016, PE 587.349.
- European Council Conclusions: A Rolling Check-List of Commitments to Date. 
  Tenth edition, December 2016, PE 593.786.
European Council in Action (and other publications) (12)

- The European Council and the Banking Union Project, 4 February 2016, PE 573.282.
- European Council policies in strengthening the partnership with the UN on crisis management, 21 November 2016, PE 587.353.
- Activation of Article 42(7) TEU: France's request for assistance and Member States' responses (1st update), April 2016, PE 581.402.
- Activation of Article 42(7) TEU: France's request for assistance and Member States' responses (2nd update), 4 July 2016, PE 581.408.
- Role of the European Council in delivery of single market strategies, 22 November 2016, PE 593.784.
- The choice of the President of the European Council: frequently asked questions (FAQ), 27 September 2016, PE 581.404.

European Council Outlook briefings (5) and

European Council Outcome briefings (8)

External studies

Events

- The European Council and crisis management, 16 February 2016.

Each of these publications can be accessed by clicking on the **hyperlinks** above (in the electronic version of this Activity Report) or through the [EPRS catalogue](http://www.europarl.europa.eu/EPRS/EPRS_catalogue_2014-2015.pdf) of research publications.17

---

6) Selected publications from January 2016 to December 2016

1. *Ex-ante impact assessment*

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

18 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.
20 NT/551/551547 PE 353.887.
21 Resolution on assessment of the impact of Community legislation and the consultation procedures
of the principle of subsidiarity (2005/2055(INI)) – Rapporteur: Bert DOORN, 16 May 2006; Resolution on the
implementation, consequences and impact of the internal market legislation in force (2004/2224(INI)) –
Rapporteur: Arlene MccARTHuy, 16 May 2006; Resolution on Better Lawmaking 2005: application of the
principles of subsidiarity and proportionality - Rapporteur: Bert DOORN, 4 September 2007; Resolution on a
strategic review of the Better Lawmaking programme - Rapporteur: Katalin LEVALI, 4 September 2007;
Resolution on Better Lawmaking 2006: application of the principles of subsidiarity and proportionality
(2008/2045(INI)) – Rapporteur: Manuel MEDINA ORTEGA, 21 October 2008; Resolution on Better Lawmaking:
application of the principles of subsidiarity and proportionality (2009/2142(INI)) – Rapporteur: Lidia Joanna
- to take full account of the Commission's impact assessments\textsuperscript{22},
- 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\textsuperscript{23}, 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>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>

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.

\textsuperscript{22} In that connection, Parliament insists that impact assessments should be the subject of quality control carried out by a body independent of the Commission.

\textsuperscript{23} Inter-Institutional Common Approach to Impact Assessment, approved by the Conference of Presidents in July 2006.
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\(^\text{24}\), and the Council Guide to dealing with impact assessments\(^\text{25}\);
- 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\(^\text{26}\).

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.

\(^{26}\) 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\(^{27}\) 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.

\(^{27}\) 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) 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. 29

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.

What is the definition of a substantive amendment?

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

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

18. On a proposal from the rapporteur, the chairman or a member of the committee acting on behalf of his or her political group, the coordinators decide, in consultation with the rapporteur, to request an impact assessment of one or more specific substantive amendments. 30 There must be broad political support for that decision.

29 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'.

30 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.

<table>
<thead>
<tr>
<th>At what stage of the legislative procedure should an impact assessment of a substantive amendment be carried out?</th>
</tr>
</thead>
<tbody>
<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>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

Assessment sheet concerning the key components of an impact assessment

The Commission\(^{31}\) 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\(^{32}\) 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?
   - Why were options which enjoyed broad support amongst stakeholders ruled out?

---


5. Analysis of the impact per se

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

6. Comparison of the options

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

7 - Follow-up and assessment

- What are the main indicators that the objectives have been achieved?
- What monitoring and assessment procedures are there?
This is the third 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, with a second report, covering the period from July 2014 to December 2015, produced in April 2016. This latest edition provides an overview of the work carried out, between January and December 2016, by the Directorate for Impact Assessment and European Added Value within the Parliament’s secretariat. It focuses on work in support of oversight and scrutiny of the executive by parliamentary committees, specifically in the fields of: (i) ex-ante impact assessment; (ii) European added value; and (iii) ex-post evaluation.

During 2016, the Directorate published a total of 145 pieces of work, embodying over 7700 pages of text. For the first half of the current 2014-2019 parliamentary term, the total work undertaken in this field amounts to 290 pieces of work and nearly 15,000 pages of text.