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Plenary sitting

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B8-0314/2014

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 123(2) of the Rules of Procedure

on the revision of the Commission's impact assessment guidelines
(2014/2967(RSP))

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on behalf of the Verts/ALE Group

**European Parliament resolution on the revision of the Commission's impact assessment guidelines
(2014/2967(RSP))**

The European Parliament,

- having regard to the recent public consultation on the revision of the Commission's impact assessment (IA) guidelines and the relevant draft revised impact assessment guidelines,
 - having regard to its resolution of 8 June 2011 on guaranteeing independent impact assessments¹,
 - having regard to Rule 123(2) of its Rules of Procedure,
- A. whereas IAs, as an early-stage-tool when legislation is being developed, play a key role in the EU decision-making process with the purpose of providing transparent, comprehensive and balanced information on the nature of the problem to be addressed, the added value of EU action, the possible economic, social, environmental and health-related consequences of the policy options and their impact on citizens' fundamental rights;
- B. whereas the Lisbon Treaty contains horizontal social and environmental clauses (Articles 9 and 11 TFEU) which must be taken into account in defining and implementing the Union's policies and activities and require an in-depth analysis of the social and environmental impact of any proposed legislation;
- C. whereas, following the entry into force of the Lisbon Treaty, the Charter of Fundamental Rights has the same legal value as the European Union Treaties, and whereas impact assessments should always verify the compatibility of legislation with fundamental rights;
- D. whereas the existing IA guidelines provide for a central role to be assigned to the Commission's Secretariat-General and the Impact Assessment Board (IAB) as regards the decision on whether or not an impact assessment is necessary for a specific initiative;
- E. whereas the IAB plays an important role as a central quality control point for impact assessments;
- F. whereas the guidelines call for monetisation of impacts wherever possible; whereas, while short-term costs to business can normally be monetised, long-term benefits of regulatory action are often impossible to quantify in monetary terms (for example, reducing health impairments or maintaining eco-systems); whereas the emphasis on quantification wherever possible therefore introduces a structural bias in favour of more

¹ OJ C 380 E, 11.12.2012, p. 31.

easily quantifiable aspects such as costs to economic operators as compared with social and environmental benefits, thus failing to adequately consider societal costs and benefits as a whole, and in particular social and environmental costs and benefits;

- G. whereas simplification of EU regulations should be pursued in such a way as to comply fully with EU health and safety at work requirements, EU workers' rights and the principles and objectives of EU environmental legislation;
- H. whereas a genuine independent impact assessment is of particular relevance for SMEs, which often encounter greater difficulties than large enterprises in adapting to new legal and administrative requirements and, by reason of their size, are less capable of anticipating regulatory changes at an early stage;
- I. whereas the 'Think Small First' principle is aimed at taking SMEs' interests into account at the very early stages of policy making so as to make legislation more SME-friendly; whereas a range of tools is available to ensure the effective implementation of the principle, including the application of an SME test to forthcoming legislative proposals;

Scope

1. Welcomes the Commission's commitment to regularly reviewing the impact assessment guidelines with a view to improving the IA methodology; calls on the Commission to ensure that economic, social and environmental aspects are assessed in equal depth; urges the Commission to ensure that qualitative assessments are fully taken into consideration in order to avoid a structural bias in favour of more easily quantifiable aspects such as costs to economic operators as compared with equally important social and environmental benefits; welcomes the Commission's commitment to assessing compatibility with fundamental rights;
2. Believes that the Commission should maintain its existing approach of submitting an IA for initiatives meeting at least one of the following criteria:
 - legislative proposals included in the Commission's Legislative and Work Programme (CLWP);
 - non-CLWP legislative proposals with a clearly identifiable economic, social and environmental impact;
 - non-legislative initiatives which define future policies (e.g. white papers, action plans, expenditure programmes and negotiating guidelines for international agreements);
 - delegated or implementing acts with a significant welfare impact;
3. Is convinced that IAs are an important means of supporting decision-making in all EU institutions and an important part of the better regulation process; believes, however, that IAs cannot be substitutes for political evaluation and decisions, and should not be used to defeat public-interest driven policy making;

4. Looks forward to a clarification by the new Commission of how it intends to proceed with the revision of its impact assessment guidelines, in order to take this approach better into account when preparing its position regarding the Commission's recent REFIT communication and without prejudice to Parliament's position in this context;
5. Stresses that regulatory simplification (REFIT) work cannot be used as a pretext for lowering the level of ambition on issues of vital importance to the safety and wellbeing of employees, or on the protection of the environment; warns against the promotion of a deregulation agenda using the pretext of better regulation or of reducing the burdens on SMEs; calls on the Commission not to lower its level of ambition and calls for public policy objectives including environmental, social, and health and safety standards not to be jeopardised;
6. Recalls that four members of the High Level Group on Administrative Burdens representing trade unions and consumer rights, health and environmental organisations have dissociated themselves from the findings of this group presented on 14 October 2014 and have published a dissenting opinion; notes that SME representative organisations have also been critical of several conclusions of the High Level Group; calls on the Commission duly to take this into account and to integrate the concerns of all stakeholders involved in the process;
7. Is firmly against the proposal of the High Level Group on Administrative Burdens to establish an external high level advisory body on better regulation outside the EU institutions, which would be responsible for assessing the administrative burden of proposals, the cost of compliance, respect for subsidiarity and proportionality, the choice of legal base, and suggesting better regulation initiatives and monitoring the implementation of EU legislation at national level; believes that this option raises serious issues of legitimacy and governance and would strongly undermine the role and legitimacy of the Commission; strongly insists that this responsibility for conducting comprehensive and balanced impact assessments should be retained by the Commission under the systematic control of the European Parliament;

Impact Assessment Board (IAB)

8. Expresses serious concern at the fact that the role of the IAB in the impact assessment process is not more clearly defined in the draft revised guidelines; strongly insists that the Commission reconsider this omission and set out procedures relating to the IAB more clearly in a new set of draft revised guidelines when responding to Parliament and that any initiative which requires an IA should be subject to a positive opinion from the IAB;
9. Insists that the Commission should clearly set out procedures relating to the Impact Assessment Board; is convinced that the IAB should continue to work as an independent quality control body within the Commission and requests that the independence of the IAB be strengthened; demands that its composition reflect the equal relevance of economic, social and environmental issues; believes that the final outcome and control over the quality of IAs should always remain with the EU institutions; proposes that the IAB report directly to the Commission Vice-President responsible for Better Regulation;

10. Stresses that the members of the IAB should be independent, subject to the scrutiny of the European Parliament, in order to avoid the same players acting as both judge and jury;

SME test

11. Recalls that in its 2011 review of the Small Business Act the Commission considered it regrettable that only eight Member States had integrated the SME test into their national decision-making processes; welcomes the clear commitment by the Commission in that review to further strengthening the SME test; deplors, however, that contrary to these announcements, the SME test is not even mentioned in the draft revised IA guidelines; calls on the Commission to further urge the Member States to add SME policy to their agendas;
12. Believes that the SME test, fitness checks and competitiveness tests should not be stand-alone processes, but should be part of a comprehensive impact assessment, which considers in a balanced way all aspects (including economic, social and environmental aspects), and which seeks to evaluate not just the costs, but also the benefits to society and the potential for new market creation; believes that these processes should not undermine the effectiveness of legislation or add additional layers of bureaucracy;
13. Calls for the SME test to be maintained in order to assess how SMEs are affected throughout the regulatory cycle, in particular compared with large companies; believes, however, that exempting micro-enterprises by default is not the right approach; supports the consideration of adapted arrangements and lighter regimes for SMEs in IAs where it can be demonstrated that these do not undermine the effectiveness of legislation and that exemptions or lighter regimes do not foster fragmentation or hinder their access to the internal market; believes, additionally, that more attention should be paid to ensuring that the proposed policies and regulations safeguard SMEs from the anti-competitive practices of larger market players;
14. Encourages Member States to pursue administrative simplification for SMEs at national level by adequately transposing EU directives into national legislation; stresses the right of Member States to adopt national regulations if the EU has only adopted minimum provisions; recalls that ex-post IAs should never replace the Commission's duty as 'guardian of the Treaties' to monitor the application of Union law by the Member States in an effective and timely manner;
15. Believes that the voice of SMEs should be better heard in legislative processes such as on standardisation, intellectual property, research and innovation funding, and public procurement; considers it regrettable that the Council has been reluctant to take greater account of the needs of SMEs in the adoption of legislation;
16. Calls on the Commission to give particular consideration to impacts on investment, innovation and job creation;

Impact Assessments in Parliament

17. Calls for Commission IAs to be examined systematically and as early as possible by Parliament, and in particular at committee level;
18. Recalls its resolution of 8 June 2011 on guaranteeing independent impact assessments, in which it called for more consistent use to be made of parliamentary impact assessments; recalls that the Impact Assessment Unit is an instrument which is already available to carry out impact assessments; considers that the recourse to parliamentary IAs might be useful prior to the adoption of any substantive changes/amendments to initial Commission proposals;
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19. Instructs its President to forward this resolution to the Commission and the Council.