

Impact Assessment and Added Value in the European Parliament

Presentation to the DEBR Meeting

Rome

18 September 2014

Context

The legislative cycle has come to be viewed as a part of the broader “policy cycle”.

The decade spanning 2004 – 2014 brought the [Lisbon Treaty](#) but also brought:

- Increased focus on [implementation](#)
- New stronger emphasis on [impact assessment](#)

Evolution of the Legislative Cycle

- 1999-2004: **405** codecision procedures, **28%**
First Reading agreements
- 2004-2009: **447** codecision procedures, **72%**
First Reading agreements
- 2009-2014: **456** codecision procedures, **84%**
First Reading agreements

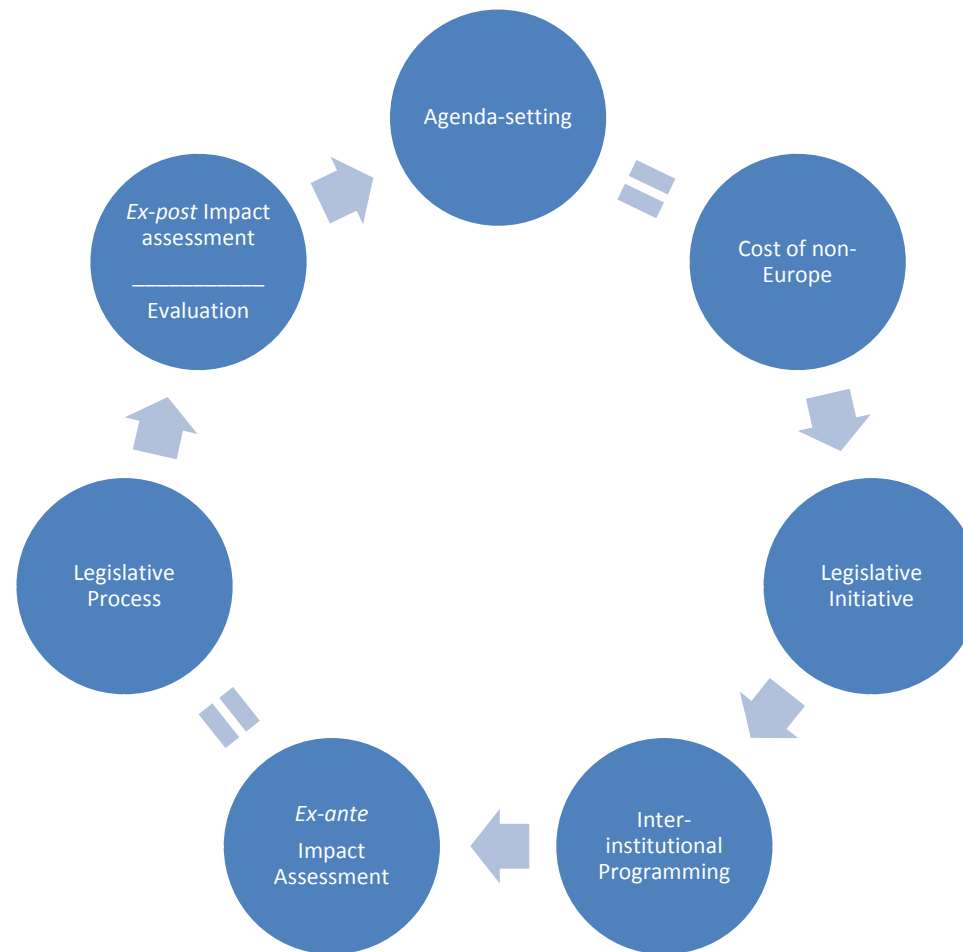
Policy Cycle (1)

- The European Commission has increasingly adopted a ‘Policy cycle’ approach, developed and refined since [Better Law-making Inter-Institutional Agreement in 2003](#), comprising impact assessment, planning, initiation, process, transposition and implementation and evaluation;
- Impact assessment has become a critically important tool, controlled within the Commission by its [Impact Assessment Board](#), developed into a model of best practice;
- Development of the philosophy of the “Refit” Communication on [Regulatory Fitness](#) and performance, with regular evaluation of programmes and simplification.
- New policy leadership role of the European Council

Policy Cycle (2)

- A broader, scrutiny-based approach from European Parliament
- The EP welcomes the emphasis on the importance of a policy cycle: *'with the initiation, impact assessment, consultation, enactment, implementation and evaluation stages of EU legislation being seen as part of a coherent process'*
- The April 2011 Niebler report on “guaranteeing independent impact assessments” called for more consistent use of impact assessment as an aid to the decision-making process within Parliament, notably with regard to substantive amendments”
- This led to the creation of a dedicated Directorate for Impact Assessment and European Added Value.

Schematic representation of the Policy Cycle



Commitment to Better Regulation

- the Bureau of Parliament decided in July 2011 to create a Directorate for Impact Assessment and EU Added Value, which was set up in January 2012
- The Directorate has six units: Ex-Ante and Ex-post Impact Assessment, European Added Value, Policy Performance Appraisal, European Council Oversight and Scientific and Technological Foresight (STOA).
- Since November 2013, the Directorate is part of the newly-created Directorate General for **European Parliamentary Research Services (EPRS)**

Mission of the new Services

- To provide Members with independent, objective and authoritative analysis of impact assessment and European Added Value issues;
- To strengthen the ability of Parliament to identify where common European action, or better coordination of existing national and European policies, can be more cost-effective or help realise a collective 'public good'. This can be seen as a valuable contribution to Better Regulation and evidence-based policy making.
- To reinforce the European Parliament's capacity for scrutiny and oversight, to strengthen its influence on policy formulation and development, to improve the quality of legislation itself

Development of parliamentary agenda-setting and scrutiny

- **Complementary Impact assessment** and **Impact assessment of amendments** to improve the evidence-base of decisions during the legislative phase
- Indirect right of initiative under Article 225 TFEU and **legislative own-initiative reports** to provide input at the phase of initiation
- **Implementation reports** as an evaluation mechanism for parliamentary committees
- **Monitoring of commitments** by the European Council

Impact Assessment Services in the European Parliament

- **Initial appraisals** of Commission Impact Assessments
- **Detailed appraisal** of a Commission Impact Assessment
- **Impact Assessment on substantive amendments** being considered by the Parliament (carried out by external experts);
- **Complementary** or **substitute** Impact Assessments
- **Ex post Impact Assessment** analysing implementation;

Reporting to the Conference of Committee Chairmen

Directorate C, DG EPRS
Ex-Ante Impact Assessment Unit

Ex-Ante Impact Assessment

| Work in progress | | | | |
|--|--|---|------------|---------------------|
| Committee | Date of referral by plenary to committee | Subject of Commission proposal | Rapporteur | Expected completion |
| 1. Initial Appraisals of Commission IAs | | | | |
| ENVI | 6 February 2014 | Proposal for a Decision of the European Parliament and Council concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC | | October 2014 |
| ECON | 25 February 2014 | Package: Proposal for a Regulation of the European Parliament and Council on reporting and transparency of securities financing transactions Proposal for a Regulation of the European Parliament and Council on structural measures improving the resilience of EU credit institutions | | October 2014 |
| AGRI | 6 February 2014 | Proposal for a Regulation of the European Parliament and Council amending Regulation (EU) No 1308/2013 and Regulation (EU) No 1306/2013 as regards the aid scheme for the supply of fruit and vegetables, bananas and milk in the educational establishments | | October 2014 |
| ENVI | 6 February 2014 | Proposal for a Regulation of the European Parliament and Council amending Regulations (EC) No 715/2007 and (EC) No 595/2009 as regards the reduction of pollutant emissions from road vehicles | Dess | October 2014 |
| INTA | 13 March 2014 | Proposal for a Regulation of the European Parliament and Council setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas | | October 2014 |
| MCO | 2 April 2014 | Proposal for a Regulation on cableway installations | | September 2014 |
| MCO | 2 April 2014 | Proposal for a regulation on personal protective equipment | | October 2014 |
| ECON | 14 April 2014 | Proposal for a Directive of the European Parliament and Council on the activities and supervision of institutions for occupational retirement provision (IORI) | | September 2014 |
| EMPL | 16 April 2014 | Proposal for a Decision on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work | | September 2014 |
| JURI | 16 April 2014 | Proposal for a Directive of the European Parliament and Council on single member private limited liability companies | | October 2014 |
| JURI | 16 April 2014 | Proposal for a Directive on amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement | | October 2014 |
| JBE | 3 July 2014 | Proposal for a Regulation on the Union Code on Visas (Visa Code) | | October 2014 |
| MCO | 3 July 2014 | Proposal for a regulation of the European Parliament and Council on appliances burning gaseous fuels | | November 2014 |
| FECH | 3 July 2014 | Proposal for a regulation of the European Parliament and Council laying down a prohibition on driftnet fisheries, amending Council Regulations (EC) No 850/98, (EC) No 812/2004, (EC) No 2187/2005 and (EC) No 1967/2006 and repealing Council Regulation (EC) No 354/87 | Briano | November 2014 |
| ENVI | 14 July 2014 | Proposal for a Directive of the European Parliament and Council amending Directives 2008/98/EC on waste, 94/62/EC on packaging and packaging waste, 1999/31/EC on the landfill of waste, 2000/53/EC on end-of-life vehicles, 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and 2012/19/EU on waste electrical and electronic equipment | | September 2014 |
| MCO | 17 July 2014 | Proposal for a Directive of the European Parliament and Council on the dissemination of Earth observation satellite data for commercial purposes | | November 2014 |
| 2. Complementary IAs | | | | |
| ENVI | 16/01/2014 | Proposal for a Regulation of the European Parliament and Council on novel foods | Nicholson | September 2014 |
| ENVI | 13/01/2014 | Proposal for a Directive of the European Parliament and Council on the reduction of national emissions of certain atmospheric pollutants | Girling | September 2014 |

Rules on Impact Assessment

- Decision



ΕΠΙΤΡΟΠΗ ΠΑΡΛΑΜΕΝΤΟΣ PARLAMENTO EUROPEO EVROPSKÝ PARLAMENT EUROPA-PARLAMENT
EUROPÄISCHES PARLAMENT EUROOPA PARLAMENT ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ EUROPEAN PARLIAMENT
PARLAMENT EUROPEEN PARLAMENT NA HOORRA PARLAMENTU SINDROLO EUROPA PARLAMENTS
ΕΥΡΩΠΕΙΟ ΠΑΡΛΑΜΕΝΤΟ EUROPAI PARLAMENT S-PARLAMENT EUROPEW EUROPEES PARLEMENT
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CONFERENCE OF COMMITTEE CHAIRS

Impact Assessment Handbook¹

Guidelines for Committees

I. Preliminary considerations

1. The European Parliament shares with the Council and Commission the determination to and responsibility for improving the quality of legislation applicable throughout the Union. The Inter-Institutional Agreement on Better Law-Making,² 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 2006³, 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 resolutions⁴:

- to take full account of the Commission's impact assessments⁵,

¹ 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-Ann) 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.

² Official Journal, 31.12.03 (2003/C 321/01).

³ NT:551:551547 PE 353 887.

⁴ Resolution on assessment of the impact of Community legislation and the consultation procedures (2003/2079(DNI)) – Rapporteur: Bert DOORNI, 20 April 2004; Resolution on Better Lawmaking 2004: application of the principle of subsidiarity (2005/2045(DNI)) – Rapporteur: Bert DOORNI, 14 May 2006; Resolution on the implementation, consequences and impact of the internal market legislation in force (2004/2224(DNI)) – Rapporteur: Ariana McCARTHY, 16 May 2006; Resolution on Better Lawmaking 2005: application of the principles of subsidiarity and proportionality – Rapporteur: Bert DOORNI, 4 September 2007; Resolution on a strategic review of the Better Lawmaking programme – Rapporteur: Kálmán LEVAI, 4 September 2007; Resolution on the Single Market Review (2007/2024(DNI)) – Rapporteur: Jacques TOUBON, 4 September 2007; Resolution on Better Lawmaking 2006: application of the principles of subsidiarity and proportionality (2008/2045(DNI)) – Rapporteur: Manuel MEDINA ORTEGA, 21 October 2008; Resolution on Better Lawmaking: application of the principles of subsidiarity and proportionality (2009/2142(DNI)) – Rapporteur: Lidia Joanna GERINGER DE OEDENBERG, 9 September 2010; Resolution on guaranteeing independent impact assessments (2010/2016(DNI)) – Rapporteur: Angelika NIEBLER, 8 June 2011.

⁵ In that connection, Parliament insists that impact assessments should be the subject of quality control carried out by a body independent of the Commission.

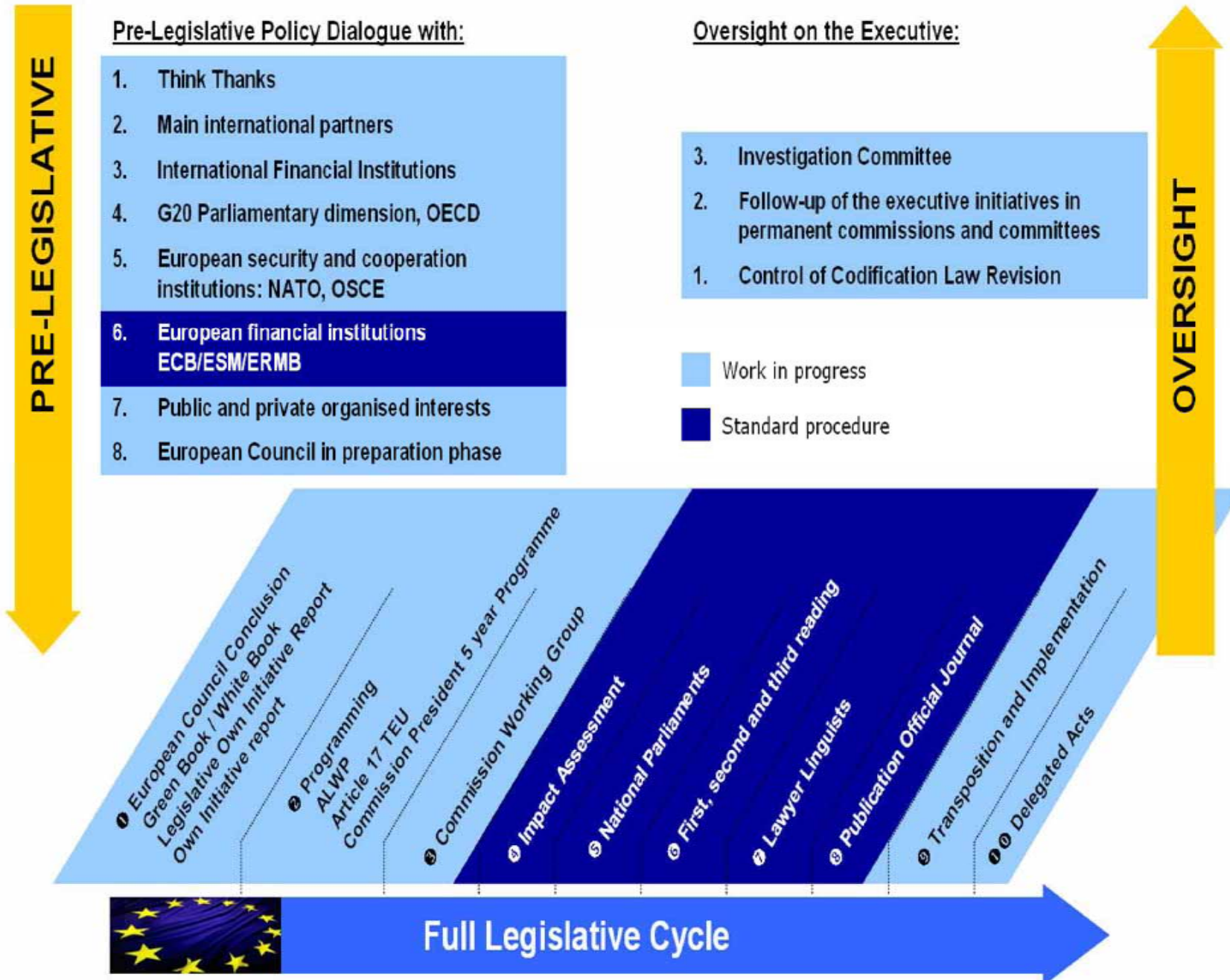
EP policy priorities for Impact Assessment (1)

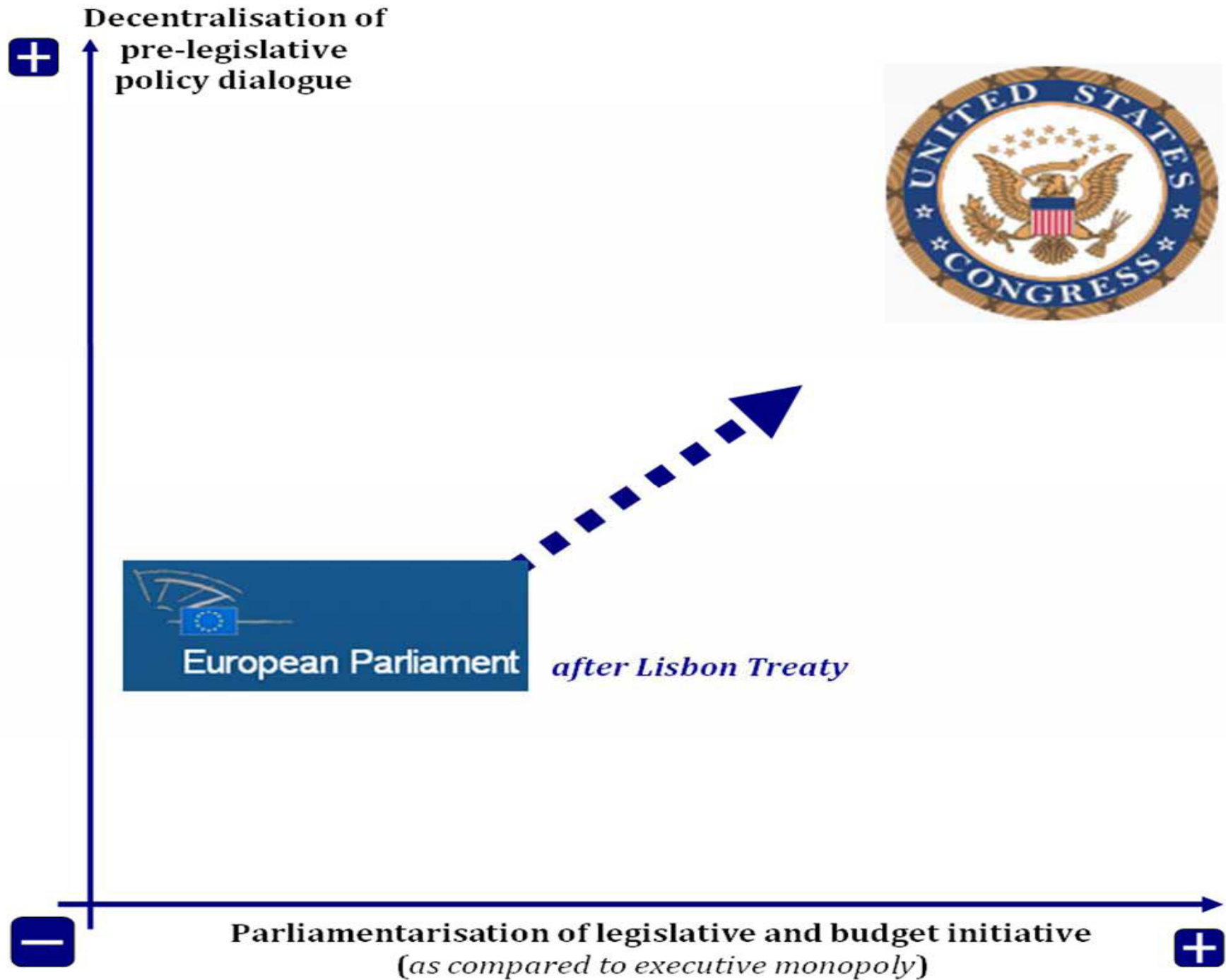
- Since the 2011 Niebler report, Parliament's views on Better Regulation have been expressed in yearly resolutions, most recently the Karim report on EU Regulatory Fitness and Subsidiarity and Proportionality (P7_TA(2014)0061). The resolution of 4 February 2014:
- calls for re-negotiating and updating the [2003 Inter-institutional Agreement on Better Law-making](#) to take account of the Treaty of Lisbon and to consolidate current best practices, while recommending that any new agreement should be of a binding nature;
- Encourages the three main European institutions to work together on better regulation, with the essential contribution of the Committee of the Regions and the Economic and Social Committee on territorial aspects

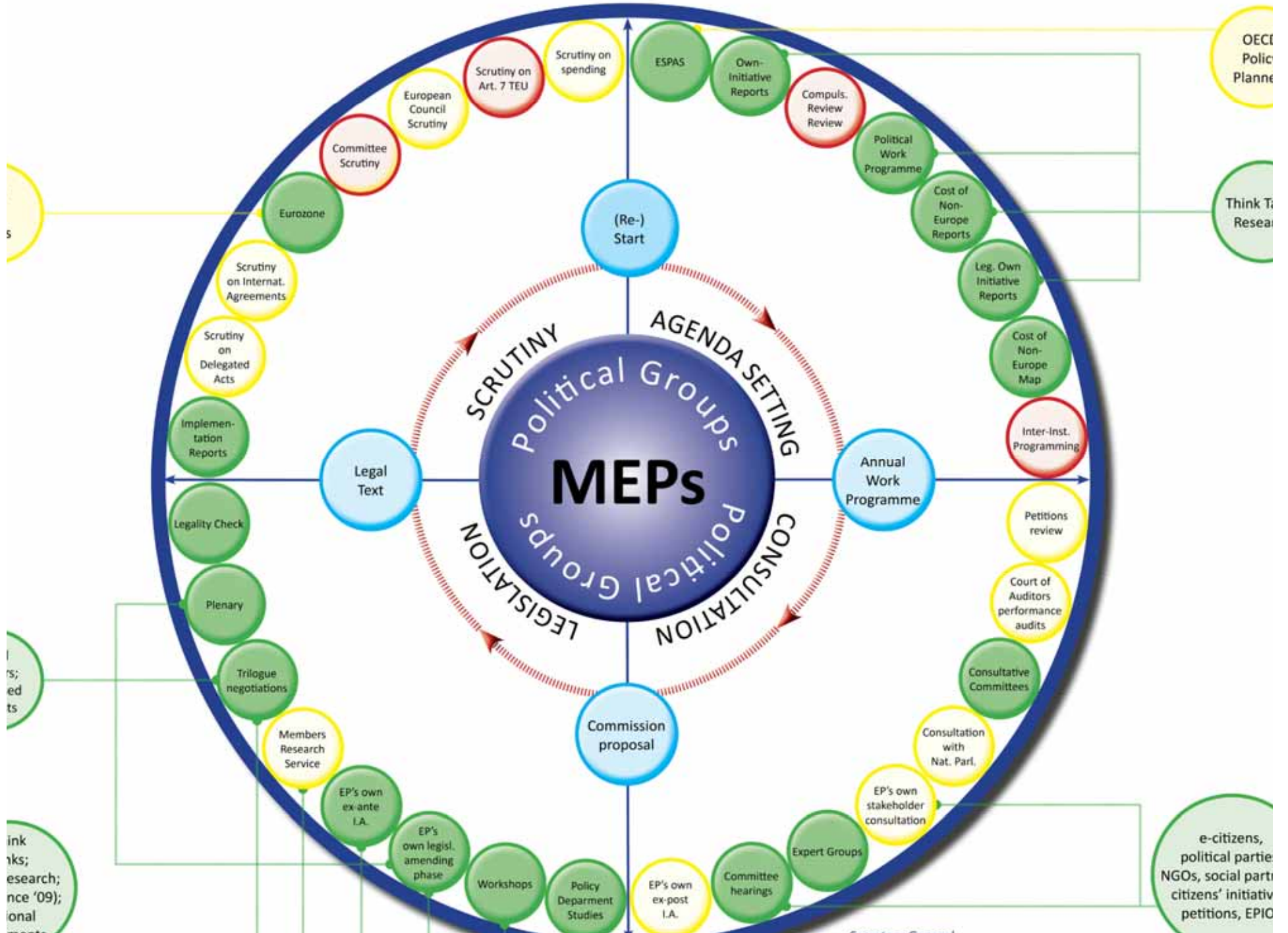
EP policy priorities for Impact Assessment (2)

- A 'white paper' stage in the legislative process;
- Affording stakeholders the ability to comment on draft proposals and accompanying provisional impact assessments would improve the quality of the draft legislation presented by the Commission
- Complete consistency between the impact assessment published by the Commission and the contents of the legislative proposal as adopted by the College of Commissioners;
- Automatically updating the Impact Assessments to reflect the changes made by the College of Commissioners;
- In principle, only finalise and present legislative proposals where they have been approved with a favourable opinion by the Impact Assessment Board.

European Parliament







DG EPRS contribution

Parliamentary scrutiny requires input at trigger-points in the policy cycle in the form of

- European Added value Assessments
- Scientific and Technological Foresight reports
- Initial Appraisals and Impact Assessment of Amendments
- Complementary Impact Assessment
- European Implementation Assessments
- Initial Implementation Appraisals
- Policy Performance Appraisal

Agenda setting phase

The creation of an in-house capability is designed to enhance Parliament's institutional independence and to help the European Parliament “*to identify, quantify and justify its overall policy priorities*”

Agenda-setting approaches for the new legislative period include:

- the *Political Work Programme*, collating input from Committees on reports requiring follow-up or where EP requests have not been fully met;
- Mapping the Cost of non-Europe
- *Cost of Non Europe* reports as requested by Committees
- *European Added Value Assessments* requested by Committees

**Legislative Initiative reports
accompanied by a European Added-Value Assessment
2009-2014**

| Ref | Committee | Title | Rapporteur |
|----------------|-----------|---|--------------------|
| 2011/2046(INI) | JURI | 14th company law directive on the cross-border transfer of company seats | Regner Evelyn |
| 2012/2061(INI) | EMPL | Information and consultation of workers, anticipation and management of restructuring | Cercas Alejandro |
| 2011/2285(INI) | FEMM | Application of the principle of equal pay for male and female workers for equal work or work of equal value | Bauer Edit |
| 2012/2024(INI) | JURI | Law of Administrative procedure of the European Union | Luigi Berlinguer |
| 2012/2039(INI) | JURI | Statute for a European mutual society | Luigi Berlinguer |
| 2012/2055(INI) | ECON | Access to Basic Banking Services | Jürgen Klute |
| 2012/2151(INI) | ECON | Towards a genuine Economic and Monetary Union | Thyssen Marianne |
| 2012/2260(INI) | IMCO | Better governance for the single market | Schwab Andreas |
| 2012/2317(INI) | JURI | The European Code of Private International Law | Luigi Berlinguer |
| 2013/2057(INI) | DEVE | Donor Coordination | Gay Mitchell |
| 2013/2004(INI) | FEMM | Combating violence against women | Antonyia Parvanova |
| 2013/2109(INI) | LIBE | European Arrest Warrant | Sarah Ludford |
| 2013/2166(INI) | ECON | Review of the European System of Financial Supervision (ESFS) | |

Cost of non-Europe

- The idea of there being a '*cost of non-Europe*' was first pioneered in the European Parliament in the early 1980s - through the Albert-Ball Report that paved the way for the relaunch of the single market by Commission President Jacques Delors.
- The Cecchini report, written in 1988, estimated a cost of non-Europe for the Single market at 200 billion ECU in “the potential for gains”.

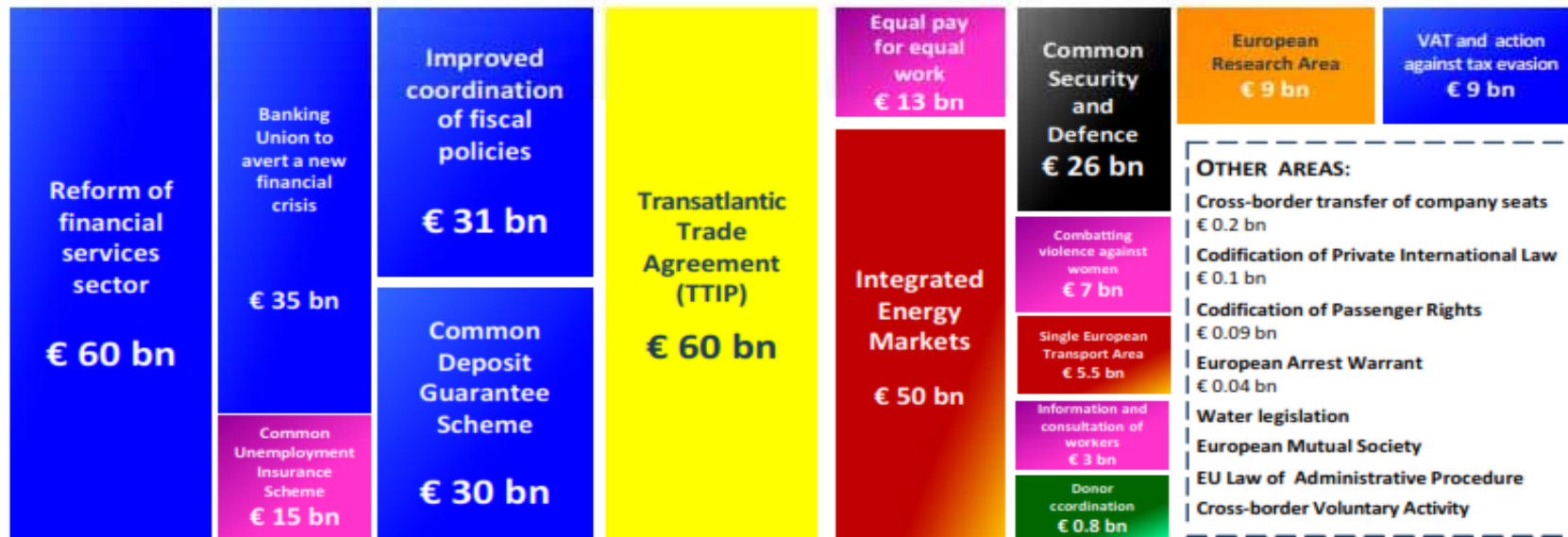
Examples

| Security and Defence: Efficiency gains through cooperation | Amount in EUR/year (millions) |
|---|-------------------------------------|
| Efficiency gains in Industry | 10,000 |
| Certification of ammunition | 500 |
| Standardisation of ammunition | 1,500 |
| Offsets | 6,610 |
| Efficiency gains in land forces | 6,500 |
| Efficiency gains in infantry vehicles* | 600 |
| Efficiency gains in air-to-air refuelling* | 240 |
| Efficiency gains in Basic Logistic support* | 30 |
| Efficiency gains in Frigates* | 390 |
| Total CoNE | 26,370 |

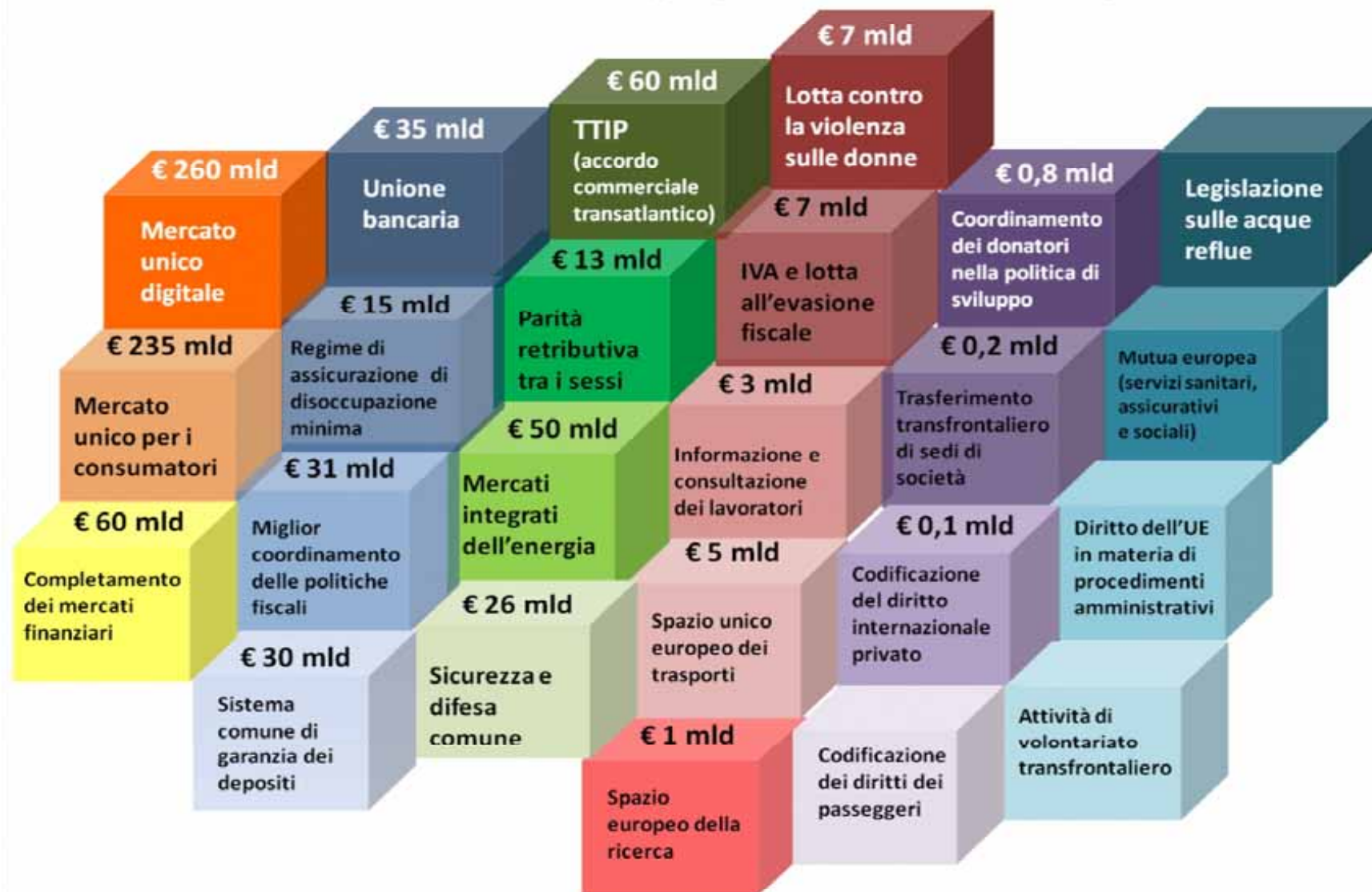
| Legal costs to business in establishing corporation in another Member State | |
|---|---|
| Number of active enterprises in the EU | 21 million |
| Percentage of businesses with a branch in another Member State | 0.4% |
| Percentage of cross-border businesses establishing a corporation per annum | 10% |
| Average cost of incorporation | EUR2,000 |
| Average number of other Member States where business is trading | 2 |
| Sub-total | EUR33.6 million |
| Dissuasive impact on business wishing to trade cross-border in the internal market | |
| Increase in EU GDP from Single Market 1992-2008 | 2.13% |
| Value increase in GDP | EUR194.7 bn |
| Potential increase in GDP 2008-2020 | EUR46bn |
| Percentage of additional GDP discouraged by complex corporation procedures, preventing cross-border trade | 1% |
| Sub-total | EUR38.3 million per annum (EUR460 million total) |

Cost of NON-EUROPE Map

TOTAL: ± € 990 billion

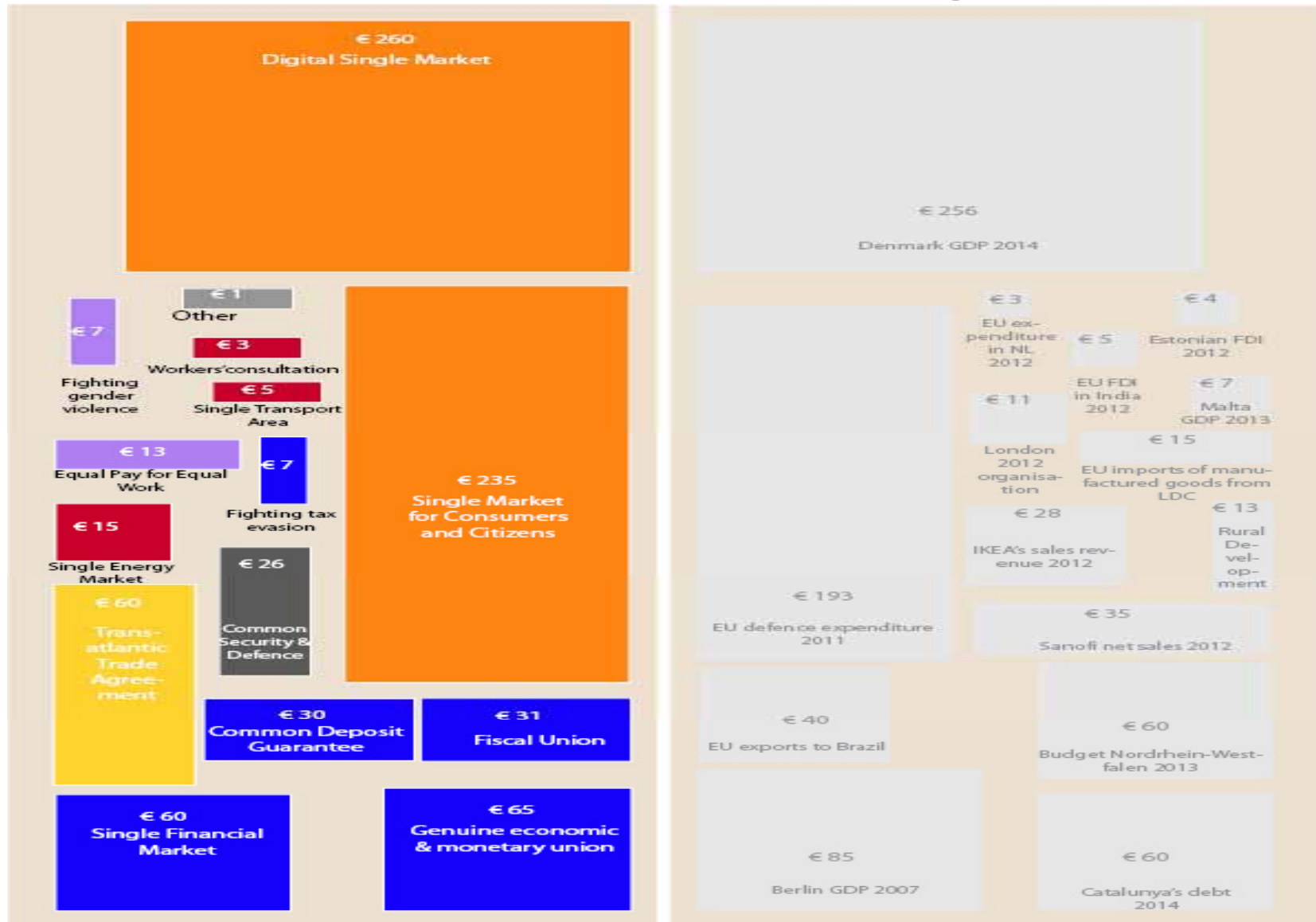


I costi della non-Europa per l'economia europea



elaborazioni Advise Only su dati Unità Valore aggiunto europeo

Contextualisation of figures



Agenda for the next five years?

- More inter-institutional planning and strategic legislative planning for the next period?
- A more coherent approach by Parliament and the other institutions, making evidence and expertise an integral part of the entire process
- Re-negotiating and updating the 2003 Inter-institutional agreement on better law-making to consolidate current best practices.
- The three main European institutions to work together on better regulation

Further information

- EP website / Think tank:

<http://www.europarl.europa.eu/thinktank/en/documents.html>

- EP website/studies:

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

- Blog: <http://epthinktank.eu/>

- <https://www.facebook.com/EPThinkTank>

- https://twitter.com/ep_thinktank

- DG EPRS website:

<http://www.eprsnet.ep.parl.union.eu/comtrack/>