Implementation of Impact Assessment at the European Commission

RPC/AMSDE Informal Workshop on “The Role of Impact Assessments in Policy Making”

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“Better regulation and Impact Assessment”
Some History

• **2002 - System established.**
  It integrates and replaces previously used single-sector type assessments.

• **2006: Impact Assessment Board established.**
  It provides *central quality control* and support function independently of policy-making departments.

• **By 2011: nearly 700 IAs produced** o/w nearly 500 scrutinized by the IAB (incl. all drafted since 2008).

• **2010: European Court of Auditors Special Report**
  “The Commission has put in place a comprehensive impact assessment system which for several aspects can be considered as good practice within the EU”
What does an IA do?

1. Identify the problem
2. Assess need for EU-level intervention
3. Define the objectives
4. Develop policy options
5. Analyse the impacts of the options
6. Compare the options
7. Outline policy monitoring and evaluation
Key System characteristics: Coverage

- AI is required for all initiatives expected to have significant impacts:
  - All major legislative and policy-defining proposals
  - Comitology items (implementing measures)

- Centralised identification (SG), after consulting services

- Transparency provided by Roadmaps: planning documents published at early stages of policy-making
Key system characteristics: Scope Analysis

- **Integrated**: all benefits and costs; economic, social and environmental impacts.

- **Proportionate**
  - Level needed for different steps of the IA analysis
  - Avoid efforts that would not lead to further insights / alter conclusions or their robustness
  - Determined during process and examined by the IAB
  - Depends on:
    - Significance of impacts
    - Political importance
    - Stage of policy development
    - Type of proposal
How deep should the analysis be?
An example

<table>
<thead>
<tr>
<th>Amending Directive on narrow-track tractors</th>
<th>White Paper on Transport (EU long term transport strategy)</th>
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<tbody>
<tr>
<td>• micro analysis, industry specific</td>
<td>• macro analysis, sector specific (spill-overs)</td>
</tr>
<tr>
<td>• ex post evaluation of existing legislation</td>
<td>• socio-economic background analysis</td>
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<tr>
<td>• operational objectives</td>
<td>• general objectives</td>
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<tr>
<td>• detailed options</td>
<td>• wide policy options</td>
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<tr>
<td>• economic costs and benefits</td>
<td>• complex mix of economic, social and environmental impacts</td>
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The IA process: who is involved internally?

Service responsible for the initiative is responsible for the IA

• Additional *internal* input:
  
  - DG’s IA unit/support function
  
  - Impact Assessment Steering Group (IASG)
    
    • Include all potentially relevant services
    • Give a broader perspective to IA
    • Can help to assess specific impacts (e.g. social, SMEs etc.)
Who can be involved externally?

Additional *external* input:

- **Stakeholders**
  - Consultation is an obligation
  - Findings are reported in IA

- **Expert groups and external consultants**
  - The Commission always remains accountable for the presented results
The IA report

• **A communication tool:**
  - Summarizes the results of the process
  - Simple, easy to read and non-technical
  - Short: around 30 pages

• **The executive summary of the IA report:**
  - < 10 pages, following IA report structure
  - Translated to all languages
  - Aims to give a fair and complete overview of the analysis
What is the IA Board (IAB)?

- **Quality control independent from policy-making departments**
  - Five high level officials acting in personal capacity
  - Supported by central secretariat & member-specific staff
  - Chaired by Deputy Secretary General in charge of Better Regulation
  - Gives opinions including recommendations for improvement

- **Positive IAB opinion required to table a proposal to the Commission**
How does the IAB work?

The author DG sends draft IA report to the IAB (8 weeks before launch inter-service consultation)

DG answers to the comments either in writing or orally during an IAB meeting

The IAB sends detailed comments to the DG (Impact Assessment Quality Checklist)

• The IAB issues the opinion
• Critical opinion may lead to resubmission

The IA report is revised, the opinion is published (internally for DGs), it accompanies proposal in interservice consultation and to the Commission

Opinion is published externally (on Europa website) once the policy initiative is adopted by the Commission
How often IAB commented on the different elements of the IAs?

- Analysis of impacts: 100%
- Problem definition, baseline, objectives: 90%
- Options: 80%
- Stakeholder consultation: 60%
- Subsidiarity and proportionality: 40%
- Procedural issues, Executive Summary: 30%
- Transposition and implementation: 20%
- Monitoring and evaluation: 5%
How often IAB commented on the different aspects of analysis?

- Economic impacts: 80%
- Social impacts: 40%
- Impacts on administrative costs: 30%
- Impacts on SMEs: 20%
- Impacts on EU budget: 10%
- Environmental impacts: 5%
- Impacts on simplification: 2%

2010
Number of IAs and resubmission requests

2007-2010

- Resubmit
- Proceed, making improvements
The IA process: sequence

**Initiate stage: the process inside the Commission**

- **Idea**
  - Screening: proceed? is IA needed?
- **IA process:**
  - consult, get data, analyse, draft report
- **Impact Assessment Board**
- **Revise IA and proposal**
- **Internal inter-service consultation**
- **College (political approval)**
- **Publish**

**Proposal development**

**Legislate stage**

**Initiate stage: outputs seen by outside stakeholders**

- Roadmap
- Consultation request
- Consultation: report on findings
- Proposal, Impact Assessment reports, Board Opinion
How to ensure quality

• Comprehensiveness.
  All relevant services involved + extensive stakeholder consultations.

• Accountability and transparency.
  All IAs and IAB opinions are published once COM has adopted the relevant proposal.
  Roadmap are published as early as possible.

• Strong central quality control

• Methodological support
  Extensive training and guidance (including on specific impacts)
Information sources

- Communication on Smart Regulation

- Court of Auditors report
  [http://eca.europa.eu/portal/pls/portal/docs/1/5372733.PDF](http://eca.europa.eu/portal/pls/portal/docs/1/5372733.PDF)

- Commission work programme

- Detailed information about forthcoming initiatives - roadmaps
  [http://ec.europa.eu/governance/impact/planned_ia/planned_ia_en.htm](http://ec.europa.eu/governance/impact/planned_ia/planned_ia_en.htm)

- IA reports and IAB opinions

- Impact Assessment guidelines

- EC Better Regulation website