The European Commission Impact Assessment Board

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Deputy Head IAB Secretariat - European Commission

OECD-Czech Workshop on Regulatory Impact Assessment
Prague, Czech Republic 1 June 2012
Context: Smart Regulation

SMART

Achieves goals

No unnecessary cost

Subsidiarity and proportionality
Evidence-based policy-making

Political decision

Problem
Subsidiarity
Objectives
Options
Impacts
Proportionality

<table>
<thead>
<tr>
<th>Why?</th>
<th>How?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence Base</td>
<td></td>
</tr>
<tr>
<td>Consultations</td>
<td>Evaluations</td>
</tr>
</tbody>
</table>
The Commission IA system

Established in 2002 – Its key features are:

**Wide scope**
All initiatives with significant impacts, from policy defining proposals to implementing measures

**Integrated approach**
All benefits and costs
Economic, social and environmental impacts
Collaborative efforts of all relevant Commission services

**Transparency**
Roadmaps, stakeholders input and publication of IAs and IAB opinions
The Impact Assessment Board

Established at end-2007, the IAB:

- Examines all the Commission's IA.
- Issues opinions asking for improvements or resubmission
- In principle a positive opinion is required for a proposal to be tabled to the Commission
The Impact Assessment Board

The IAB is independent of policy-making departments:

Members are high-level officials appointed in a personal capacity

On the basis of their expert knowledge in the three pillars of the integrated approach (economic, social and environmental impacts).

Chair: Deputy Secretary General for Smart Regulation.

Nine members share the work on a rotating basis to ensure a sustainable work burden and avoid conflict of interests while preserving the required expertise in all three areas.
How does IAB scrutiny 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 proposal is tabled for interservice consultation and then Commission approval together with the revised IA report and the Board opinion

Opinion (and final IA) is published externally (on Europa website) once the policy initiative is adopted by the Commission
## IAB quality control activities

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2011- MFF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IAs</strong></td>
<td>102</td>
<td>135</td>
<td>79</td>
<td>66</td>
<td>104</td>
<td>43</td>
</tr>
<tr>
<td><strong>Opinions</strong></td>
<td>112</td>
<td>182</td>
<td>106</td>
<td>83</td>
<td>138</td>
<td>37</td>
</tr>
<tr>
<td><strong>Resubm. rate</strong></td>
<td>9 %</td>
<td>33 %</td>
<td>37 %</td>
<td>42 %</td>
<td>36 %</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Quality of first-submission IA reports remains variable even though the resubmission rate decreased slightly for the first time since 2007.
Trends in Board recommendations (1)

Structural issues raised in opinions, MFF IAs excluded

<table>
<thead>
<tr>
<th>% of opinions</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of impacts</td>
<td>80%</td>
<td>90%</td>
<td>95%</td>
</tr>
<tr>
<td>Problem definition, baseline, objectives</td>
<td>70%</td>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td>Options</td>
<td>60%</td>
<td>70%</td>
<td>75%</td>
</tr>
<tr>
<td>Stakeholder consultation</td>
<td>50%</td>
<td>60%</td>
<td>65%</td>
</tr>
<tr>
<td>Subsidiarity and proportionality</td>
<td>40%</td>
<td>50%</td>
<td>55%</td>
</tr>
<tr>
<td>Procedural issues, Executive Summary</td>
<td>30%</td>
<td>40%</td>
<td>45%</td>
</tr>
<tr>
<td>Transposition and implementation</td>
<td>20%</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td>10%</td>
<td>20%</td>
<td>25%</td>
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</tbody>
</table>
Trends in Board recommendations (2)
Trends in Board recommendations (3)

Horizontal issues raised in opinions, MFF IAs excluded

- Evidence base
- Intervention logic
- Quantification
- Risk assessment
- Proportionality of analysis

% of opinions

2009
2010
2011
Follow up to Board recommendations

<table>
<thead>
<tr>
<th>Year</th>
<th>Minor changes</th>
<th>Some changes</th>
<th>Substantial changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>10%</td>
<td>49%</td>
<td>41%</td>
</tr>
<tr>
<td>2010</td>
<td>5%</td>
<td>52%</td>
<td>43%</td>
</tr>
<tr>
<td>2011</td>
<td>6%</td>
<td>53%</td>
<td>41%</td>
</tr>
</tbody>
</table>

% of final-stage IA reports checked

- Minor changes
- Some changes
- Substantial changes
IAB impact: security scanners

- first draft IA identified as preferred option the use of scanners at airports without the possibility for passengers to opt out
- **IAB opinion questioned the evidence base** supporting the choice of this option over the alternative option allowing passengers to opt out
- **revised IA** no longer identified a preferred option among the two, **leaving the choice to political decision-makers** but highlighting the trade-offs
- adopted proposal allows passengers a choice
IAB impact: access to basic payment accounts

- first draft IA identified a **legislative proposal** as the preferred option
- the Board found that the **evidence base** to demonstrate the need and value added of an EU legislative initiative was **weak**
- the Commission issued a **recommendation**, and announced its intention to review the situation in 1 year’s time and propose any further measures considered necessary, including legislative measures
External Assessments (1)

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.

IAB contributes to IA quality.

2012: Centre for European Policy Study

The Commission has successfully institutionalized its impact assessment system.

Quality IA seems to be positively affected by the creation of the IAB.
External Assessments (2)

2011: European Parliament Comparative Study

The Commission system generally compares favourably in having a well-developed systemic approach.

“Despite the fact that the IAB is internal to the European Commission and thus not truly independent, it is generally agreed that it had a positive effect on quality.”

Combining centralised scrutiny by the IAB with more decentralised day-to-day scrutiny by IA Steering Group yields a relatively effective form of quality control.
External Assessments (3)


The IA process "has continued to gain importance. It has become a central process in the preparation of policy proposals and plays a significant role in their justification. The various aspects of sustainable development are fully integrated in the IA guidelines.”
IAB Recommendations on Commission IA System

- Better integrate public consultations results
- Better exploit potential inter-service IA Groups
- Give stronger role to IA support units
- Improve quantification of costs and benefits
- Fully assess genuinely alternative options
- Thoroughly assess specific impacts when relevant
- Systematically carry out and use evaluation
Information sources

Communication on Smart Regulation

Court of Auditors report
http://eca.europa.eu/portal/pls/portal/docs/1/5372733.PDF

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

IA reports and IAB opinions

Impact Assessment guidelines
http://ec.europa.eu/governance/impact/docs_en.htm

EC Better Regulation website
http://ec.europa.eu/governance/better_regulation/index_en.htm