

TABLE OF CONTENTS

Acknowledgements	xiii
Preface, by Edmund Stoiber	xiv
Preface, by Jan Mulder	xvi
From the author	xviii
1. Impact Assessment and its place in the EU policy process	1
1.1 Who is affected by Impact Assessments?	2
1.2 The different uses of the term 'Impact Assessment'	3
1.3 The nature of the Impact Assessment process	5
1.4 Impact Assessment in the EU policy framework	7
1.4.1 The characteristics of the Commission's Impact Assessment process	7
1.4.2 Impact Assessments as part of the Commission's preparation process for proposals	9
1.4.3 Impact Assessment timeline: too long to be ignored	12
1.4.4 Impact Assessment placed in the Commission's policy cycle	13
1.5 Summary	18
2. The development of Impact Assessment policy in the European Union	19
2.1 Introduction	19
2.2 Predecessors of the European Impact Assessment system	20
2.2.1 US and UK models	20
2.3 The early drivers behind the European Commission's Impact Assessment system	22
2.3.1 Better Regulation policies in the EU	22
2.3.1.1 <i>The 1992 Edinburgh European Council</i>	24
2.3.1.2 <i>The 2000 Lisbon Strategy</i>	25
2.3.1.3 <i>The 2001 Gothenburg European Council</i>	25
2.3.1.4 <i>The 2001 Mandelkern Group</i>	26
2.4 The formation of the Impact Assessment system by the European Commission	27
2.4.1 Preliminary Impact Assessments and Extended Impact Assessment	28
2.4.2 The 2003 and 2005 Inter-Institutional Agreements on Better Lawmaking	30
2.4.2.1 <i>The Commission in the inter-institutional context</i>	32
2.4.2.2 <i>The Council and the European Parliament in the inter-institutional context</i>	32
2.4.3 The 2005 revision of the Impact Assessment system	34

2.4.4	The 2006 external evaluation of the Commission's Impact Assessment system	35
2.4.5	Establishing the Impact Assessment Board	38
2.4.6	The 2009 revision of the Impact Assessment guidelines	40
2.4.7	Analysis by the European Court of Auditors	42
2.5	Summary	44
3.	Understanding Impact Assessments: what do they look like?	47
3.1	Introduction	47
3.2	The Impact Assessment documents	48
3.2.1	The Impact Assessment report	49
3.2.2	The executive summary	50
3.2.3	Language requirements	51
3.2.4	The disclaimer	53
3.3	Impact Assessment: key analytical steps	53
3.3.1	Working out the problem definition, or 'how does the European Commission justify a proposal?'	54
3.3.1.1	<i>Describing the problem</i>	55
3.3.1.2	<i>Developing a clear baseline scenario</i>	59
3.3.2	Defining the objectives, or 'what are the European Commission's goals?'	61
3.3.2.1	<i>Establishing objectives: from general to specific/operational</i>	61
3.3.2.2	<i>SMART objectives</i>	63
3.3.3	Developing the main policy options, or 'how can we achieve our goals?'	64
3.3.4	Analysing impacts, or 'what does the Commission think will happen?'	67
3.3.4.1	<i>Checklists for economic, environmental and social impacts</i>	68
3.3.4.2	<i>Comparing impacts based on monetisation</i>	69
3.3.4.3	<i>Focus on specific impacts</i>	71
3.3.4.4	<i>Obligatory special focus areas for Commission Impact Assessments</i>	73
3.3.4.5	<i>Comparing options</i>	83
3.3.5	The Commission's arrangements for monitoring and evaluation of expected impacts	88
3.4	General principles and their application in Impact Assessments	89
3.4.1	Necessity and value added test	90
3.4.1.1	<i>The subsidiarity principle</i>	91
3.4.1.2	<i>The proportionality principle</i>	93
3.4.2	Proportionate analysis	94
3.4.3	Sensitivity analysis	95
3.4.4	Risk assessment	96

3.5	Summary	99
4.	Understanding Impact Assessments: effective involvement based on the type of initiative	101
4.1	Analytical focus for Impact Assessments for non-legislative initiatives, Communications, Recommendations and White Papers	103
4.2	Analytical focus for Impact Assessments for 'narrow' legislative action	104
4.3	Analytical focus for Impact Assessments for 'cross-cutting' legislation	105
4.4	Analytical focus for Impact Assessments for expenditure programmes	107
4.5	Analytical focus for Impact Assessments for Delegated and Implementing Acts.	108
4.6	Summary	110
5.	Understanding Impact Assessments: how are they prepared?	111
5.1	Introduction	111
5.2	Commission units involved in the IA preparation	112
5.2.1	Units within a Directorate General responsible for Impact Assessment	113
5.2.1.1	<i>The lead Impact Assessment unit</i>	<i>113</i>
5.2.1.2	<i>The Impact Assessment Unit</i>	<i>114</i>
5.2.2	Commission-wide support units	117
5.3	How does the Commission decide that an Impact Assessment is necessary?	119
5.4	Impact Assessment: important procedural steps	121
5.4.1	Planning of an Impact Assessment	123
5.4.1.1	<i>Roadmap and integration in the SPP cycle</i>	<i>125</i>
5.4.2	Setting up the Impact Assessment Steering Group	127
5.4.3	Data collection	130
5.4.4	Stakeholder consultation	132
5.4.4.1	<i>Distinctions between stakeholders</i>	<i>133</i>
5.4.4.2	<i>Minimum consultation standards</i>	<i>134</i>
5.4.4.3	<i>Minimum consultation standards and the quality of consultation documents</i>	<i>134</i>
5.4.4.4	<i>Minimum consultation standards and the time given to reply to consultations</i>	<i>136</i>
5.4.4.5	<i>Minimum consultation standards and feedback</i>	<i>137</i>
5.4.4.6	<i>Languages used for consultations</i>	<i>138</i>
5.4.4.7	<i>Consultation considerations</i>	<i>140</i>
5.4.4.8	<i>What makes a consultation successful?</i>	<i>141</i>
5.4.5	Impact Assessment Board quality check	145

5.4.5.1	<i>Impact Assessment Board: composition</i>	146
5.4.5.2	<i>Impact Assessment Board: opinions</i>	148
5.4.5.3	<i>Impact Assessment Board meetings</i>	151
5.4.6	From Inter-Service Consultation to publication	152
5.5	Summary	153
6.	Where to find information about Impact Assessments?	155
6.1	The Commission's Impact Assessment website	155
6.2	Your Voice in Europe Consultation website	160
6.2.1	Your Voice in Europe access website	160
6.2.2	Your Voice homepage	162
6.2.3	Your Voice open consultations	162
6.2.3.1	<i>More information on open consultations</i>	163
6.2.3.2	<i>Follow-up information on closed consultations</i>	164
6.3	Commission Work Programme, DG Management Programmes and political guidance documents	165
6.4	Summary	165
7.	How to work with the Impact Assessment process: basic principles	167
7.1	Basic principles for getting involved in an Impact Assessment process	168
7.1.1	Involvement in an Impact Assessment should start as early as Possible	169
7.1.2	Resources should be planned continuously, but flexibly	172
7.1.3	Involvement in an Impact Assessment should be based on policy-relevant expert knowledge	173
7.1.4	Involvement in an Impact Assessment should be based on a broad policy view	174
7.1.5	Information provided for an Impact Assessment should be fit for publication and peer review	175
7.1.6	Interest representation should be linked to the development process of a legislative or policy proposal	176
7.1.6.1	<i>The salesman stakeholder</i>	177
7.1.6.2	<i>The mediator stakeholder</i>	178
7.1.6.3	<i>Which to choose – the salesman or mediator stakeholder approach?</i>	179
7.2	The fundamentals of stakeholder involvement in an Impact Assessment	180
7.2.1	Show the positive effects of the changes you advocate but stay realistic	181
7.2.2	Be aware of the negative effects of your suggestions	182
7.2.3	Link back to the Commission's own political guidelines and policy priorities	184
7.2.4	Use the analysis of expected impacts for building coalitions	185

7.2.5	Do not be afraid of involving your opponents	186
7.2.6	Be clear about the limitations of your analysis	186
7.2.7	Communicate well with your direct target audience	187
7.2.8	Stay professional and don't be a bad loser	188
7.2.9	Keep your word	190
7.2.10	Keep expectations clear	191
7.3	Summary	192
8.	Working with Impact Assessments: three scenarios	193
8.1	Scenario 1: Setting the agenda based on Impact Assessment logic	194
8.1.1	Option 1: producing a clear overview of existing problems and expected impacts	195
8.1.2	Option 2: partial Impact Assessment	196
8.1.3	Option 3: full Impact Assessment study	197
8.2	Scenario 2: the Commission prepares a proposal but no Impact Assessment has been announced	198
8.2.1	Option 1: no Impact Assessment has been announced and it should stay that way	199
8.2.2	Option 2: no Impact Assessment has been announced and that should change	200
8.3	Scenario 3: the Commission has announced that an Impact Assessment will be made	203
8.3.1	Each Impact Assessment is unique	206
8.3.2	How to get involved at the very start of the IA process: before the publication of the Roadmap	207
8.3.2.1	<i>Get on the same information level as the Commission is on</i>	208
8.3.2.2	<i>Working with the Commission's quality demands set for Impact Assessments</i>	209
8.3.2.3	<i>Involvement in the upcoming arrangements for the Impact Assessment</i>	210
8.3.3	How to work with a published Roadmap?	211
8.3.4	How to work with Impact Assessment studies done by consultancies?	212
8.3.4.1	<i>The role of a consultancy contracted by the Commission in the Impact Assessment process</i>	214
8.3.4.2	<i>How to proceed when stakeholders get contacted by a consultancy conducting an Impact Assessment study</i>	215
8.3.5	How to work with a stakeholder consultation?	216
8.3.5.1	<i>How stakeholders relate to each other in a consultation process</i>	217
8.3.5.2	<i>Participating in consultations through Your Voice</i>	218

8.3.5.3	<i>Always react when a topic is important and react with the future in mind</i>	219
8.3.5.4	<i>Using consultation replies in lobby and advocacy work</i>	219
8.4	An Impact Assessment is being prepared: how to work with Commission internal actors	220
8.4.1	Lead IA unit	221
8.4.2	DG Impact Assessment Unit	221
8.4.3	Impact Assessment Steering Group	222
8.4.3.1	<i>Contact the IASG members as early as possible</i>	223
8.4.3.2	<i>Keep the lead IA unit informed of all IASG activities</i>	223
8.4.3.3	<i>Discuss your contribution with the lead DG first</i>	225
8.4.3.4	<i>Contact different IASG members at the same time</i>	225
8.4.3.5	<i>Link your issues to the IASG member's specific interests</i>	226
8.4.3.6	<i>Never skip the details</i>	226
8.4.3.7	<i>Stay realistic</i>	226
8.4.4	Impact Assessment Board	227
8.4.4.1	<i>The Impact Assessment Board actors</i>	228
8.4.4.2	<i>The faux-pas of engaging directly with the Impact Assessment Board</i>	228
8.4.4.3	<i>The side-route via the Impact Assessment Steering Group</i>	230
8.4.5	Inter-Service Consultation	231
8.5	Summary	232
9.	Working with Impact Assessments in EU affairs	233
9.1	Impact Assessment duration vs. Ordinary Legislative Procedure first reading	235
9.2	Working with a published Impact Assessment	236
9.2.1	Scenario 1: surprised by an Impact Assessment	237
9.2.1.1	<i>Document and information overload</i>	237
9.2.1.2	<i>The benefits and limitations of contacting the Commission</i>	239
9.2.2	Scenario 2: well aware of what has happened so far	240
9.2.3	Scenario 3: being closely involved in the development of an Impact Assessment	240
9.3	How to deal with the workload Impact Assessments cause?	241
9.3.1	Teaming up with other stakeholders when analysing IAs	241
9.3.2	Work sharing arrangements to cover the Commission's Impact Assessment programme	242
9.3.3	Investment project approach for EU public/governmental affairs	243
9.4	Published Impact Assessments and the three main EU institutions	244
9.5	Summary	245

10. How will Impact Assessments develop?	247
10.1 Potential improvements to the current Impact Assessment system	248
10.1.1 Improving consultation information	248
10.1.2 Split consultations according to the different parts of the Impact Assessment process	249
10.1.3 Closer involvement of EU Member States	250
10.1.4 IAB scrutiny: Impact Assessment and proposal	251
10.1.5 Impact Assessment 'light'	251
10.2 Suggested structural changes to improve the Impact Assessment system	252
10.2.1 Consultation on draft Impact Assessments	253
10.2.2 Independent Impact Assessment quality control	254
10.2.2.1 <i>Impact Assessment Board vs. independent watchdog</i>	256
10.2.3 Stakeholder driven Impact Assessment oversight	257
10.2.4 Impact Assessments at Member State level	258
10.3 Possible effects of Impact Assessments on the European legislative process	260
10.4 Summary	262
Epilogue	264
Suggested reading	267
Annexes	269
Annex 1: Example of the problem statement in the Impact Assessment for the Directive on consumer ADR and the Regulation on consumer ODR	269
Annex 2: Commission Impact Assessment Best Practices for the problem definition	271
Annex 3: Example of objectives in the 2007 Impact Assessment for the Community Strategy to reduce CO2 emissions from passenger cars and light commercial vehicles	272
Annex 4: Commission Impact Assessment Best Practices for Policy Objectives	274
Annex 5: Key questions for assessing policy options	275
Annex 6: Commission Impact Assessment Best Practices for Policy Options	276
Annex 7: Example of a presentation of policy options in the 2007 Impact Assessment for the Proposal for sanctions against employers of illegally staying third-country nationals	277
Annex 8: Key questions for assessing economic impacts	280
Annex 9: Key questions for assessing environmental impacts	283
Annex 10: Key questions for assessing social impacts	285

Annex 11: Overview of the rights, freedoms and principles contained in the Charter of Fundamental Rights of the European Union	289
Annex 12: Extracts from the judgement of the European Court of Justice regarding tobacco legislation	291
Annex 13: Consumer impacts explained in more detail	293
Annex 14: Commission Impact Assessment Best Practices for impact analysis	295
Annex 15: The three methods for option comparison used by the European Commission	297
Annex 16: Example of a monitoring and evaluation clause in the 2008 Impact Assessment for the Communication 'preparing the next steps in border management in the European Union'	301
Annex 17: The five questions that serve as main guidance for the subsidiarity check in a Commission Impact Assessment	303
Annex 18: Example of the subsidiarity principle being taken into account: the 2011 Impact Assessment regarding the re-use of public sector information	304
Annex 19: Example of a sensitivity analysis in the 2008 Impact Assessment for the Communication on Rail noise abatement measures addressing the existing fleet	306
Annex 20: Standard format for Commission Roadmaps	309