



EUROPEAN COMMISSION

Brussels, 1.2.2012
SEC(2012) 101 final

IMPACT ASSESSMENT BOARD REPORT FOR 2011

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IMPACT ASSESSMENT BOARD REPORT FOR 2011

EXECUTIVE SUMMARY

Established by President Barroso in 2006, the Impact Assessment Board provides independent quality control and quality support for Commission impact assessments. The Board examines all draft impact assessment (IA) reports against the quality standards set out in the IA guidelines, and issues opinions with recommendations on how the impact assessments should be improved. The opinions and final IA reports accompany the corresponding policy proposal throughout the Commission's decision-making process, and are made publicly available once the proposal is adopted.

The year 2011 saw the highest number of IA reports being submitted to the Board for its scrutiny since it started its work in 2007. The Board considered 104 IA reports, and issued 138 opinions, 35 of them on resubmitted reports. In addition, it also examined 43 IA reports that accompanied sectoral spending proposals for the next multiannual financial framework and issued 37 opinions on these reports.

According to the Board, this clearly shows the extent to which the IA process is now well embedded in the Commission's working methods. The Board also believes that, as a result of systematic efforts at all levels, the Commission continues to make progress in its use of evidence-based decision-making. It also welcomes the steps taken by other institutions, notably the European Parliament, to make increasing use of the Commission's impact assessment reports at later stages of the EU decision-making process.

However, the Board observes that the quality of first-submission IA reports remains variable even though the resubmission rate decreased slightly for the first time since 2007. To further enhance the quality of IA reports, the Board will therefore focus on the following priorities in the year ahead.

1. Regarding external consultation, the Board recommends that services pay close attention to the transparent and comprehensive presentation of the different views of stakeholders throughout the IA reports. It also encourages services to carefully plan the whole policy development process, particularly in view of the new requirement for a 12-week minimum period for public consultation.
2. Regarding internal consultation through the IA steering groups, the Board recommends that services make available sufficient resources and plan in advance for their constructive participation in these groups. The Board also suggests that services with cross-cutting responsibilities engage actively in the work of the steering groups, and take a proactive role in sharing their analytical expertise and in applying specific tools developed to help services to assess particular impacts.
3. On the role of IA support units, the Board suggests that services dedicate sufficient staff to these essential support functions. It also recommends that the IA support units have a stronger role in internal procedures and decisions relating to the IA process (such as planning, preparatory work or quality scrutiny before submission of impact assessments to the Board).

4. On the quantification of costs and benefits, the Board believes that better guidance and support would be beneficial. It encourages services to make more active use of the EU database on administrative burden, the administrative burden calculator and the related help-desk function. It reminds services of the need to ensure that modelling and estimations are based on robust data sets, realistic assumptions and sound methodologies, all of which must be transparently explained.
5. On the design and comparison of options, the Board believes that further efforts are still needed, particularly with respect to the consideration of genuinely alternative options, the justification and proportionality of alternative policy packages and the provision of sufficiently detailed information on the likely impact of all approaches and not only the preferred one.
6. On the assessment of social impacts and impacts on competitiveness and on small or medium-sized enterprises, the Board recommends that services ensure that these impacts are thoroughly assessed where relevant, taking full advantage of the operational guidance available and the help-desk functions provided.
7. On the use of evaluation, the Board expects evaluations of existing legislation or programmes to be carried out according to the Commission's smart regulation policy and their results to be systematically used in impact assessments.

Finally, although the Board managed to scrutinise thoroughly all submitted IA reports, the workload situation during 2011 was unprecedented and heavily taxed members' capacity to perform what is for them an additional job. To ensure continued high-quality Board scrutiny and to give the Board more flexibility in carrying out its tasks, President Barroso decided to enlarge the number of its members and to broaden the pool of Commission services from which these can be appointed. The Board welcomes this decision and looks forward to the new arrangement being operational from the beginning of 2012.

1. INTRODUCTION: THE ROLE OF THE IMPACT ASSESSMENT BOARD

Established by President Barroso in 2006, the Impact Assessment Board (IAB) provides independent quality control and quality support for Commission impact assessments (IAs).

The Board's members are senior Commission officials with analytical expertise in economic, environmental and social issues. They are appointed by the Commission President for a 2-year term and are directly responsible to him. Members act in a personal capacity and thus do not represent the views of their home services. They abstain from discussion whenever a conflict of interest arises. Their role is to provide expertise on the quality of the impact assessments independently of the Commission service preparing the IA and the related policy proposal.

In 2011, the members were Anne Bucher, John Farnell (replaced by Didier Herbert in November), Georg Fischer and Timo Mäkelä. The Board was chaired by Marianne Klingbeil, Deputy Secretary-General responsible for smart regulation.

To ensure continued high-quality scrutiny and to give the Board more flexibility in carrying out its tasks, the Commission President decided in November to enlarge the number of Board members from five to nine, and to broaden the pool of services from which Board members can be appointed while continuing to ensure the necessary expertise across the three pillars — economic, social, environmental — of the integrated approach to impact assessments ⁽¹⁾.

The Board is supported in its work by the 'Regulatory Policy and Impact Assessment' unit in the Commission's Secretariat-General. Members also receive support from staff within their own services.

This report has two main aims — to outline the Board's activities in 2011 and their impact, and to present the Board's recommendations for improvement.

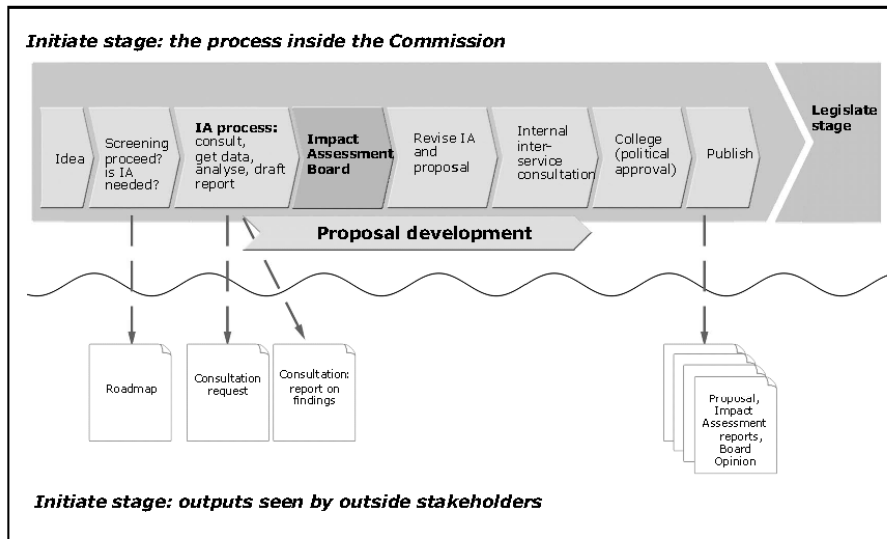
1.1. The Board in the context of the Commission's smart regulation strategy

The IA process and the related quality control and quality support provided by the Board are part of the Commission's overall strategy on smart regulation ⁽²⁾, which aims to deliver regulation that is of the highest quality possible, while fully respecting the principles of subsidiarity and proportionality. Smart regulation is about the whole policy cycle, from the design of a proposal to its evaluation and revision. The Board operates within the 'initiate stage' of this cycle, during the development of new proposals, as outlined in Figure 1.

⁽¹⁾ See the Feature box for further details on the strengthened composition of the Board.

⁽²⁾ The latest European Commission publication on regulatory strategy is 'Smart regulation in the European Union' (COM(2010) 543) (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52010DC0543:EN:NOT>).

Figure 1: Impact Assessment Board's position in the 'initiate' stage



The Commission uses its IA process as a key tool to ensure that its proposals are prepared on the basis of transparent, comprehensive and balanced evidence. It also uses it to improve internal coordination among the associated services with a potential interest in the proposal⁽³⁾. The IA process helps the Commission and other EU institutions to make evidence-based political decisions, to design better and coherent policies, to take account of the expertise of external stakeholders, and to transparently explain the costs, benefits and rationale for actions.

In practice, the lead Commission service responsible for the preparation of a proposal likely to have significant impacts — be it a proposal for legislative or spending activity or a policy-setting initiative⁽⁴⁾ — carries out an impact assessment in accordance with Commission-wide guidelines⁽⁵⁾. The proposal is developed in parallel, and should reflect the analytical findings of the impact assessment.

The Board verifies the correct application of Commission guidelines and agreed standards for IA work. The results of the Board's independent quality control — reflected in its opinions — accompany the corresponding policy proposal together with the final IA report throughout the Commission's decision-making process, and are made publicly available once the proposal is adopted by the Commission.

⁽³⁾ Impact assessment steering groups (IASGs) bring together representatives of all Commission services with a potential interest in an initiative to work on developing the IA. IASGs are compulsory and services have to include the minutes of the last IASG meeting that discussed the draft IA as part of the file they submit to the IAB.

⁽⁴⁾ Case-by-case screening by the Secretariat-General in discussion with services decides which initiatives should undergo IA. Publicly available planning documents called roadmaps summarise the results of the screening and set out the planned IA and consultation work. Since November 2011, a new e-mail alert service informing about newly published roadmaps has been available for stakeholders registered in the joint Commission/Parliament transparency register. Roadmaps are published on the Internet (http://ec.europa.eu/governance/impact/planned_ia/planned_ia_en.htm).

⁽⁵⁾ 'Impact assessment guidelines' SEC(2009) 92. Key documents are on the IA website (http://ec.europa.eu/governance/impact/key_docs/key_docs_en.htm).

The value of the Commission's IA system has been confirmed by a comprehensive audit carried out by the European Court of Auditors (ECA). According to the Court's findings published in September 2010 ⁽⁶⁾, the IA system has been effective in supporting decision-making within the EU institutions and the IAB was found to contribute to the quality of the impact assessments. Also, the Council recently acknowledged the important role of the Commission's IA system in the European Union lawmaking process, stating that it contributes to an evidence-based assessment of costs and benefits and assists the Council and the European Parliament in making thoroughly considered decisions ⁽⁷⁾. In addition, the findings of the study of the Centre for European Policy Studies (CEPS) confirmed that the European Commission has successfully institutionalised its assessment system, and that the quality of EU IAs seems to be positively affected by the creation of the IAB ⁽⁸⁾.

Feature: revised composition of the IAB

Although the Board managed in 2011 to rigorously scrutinise all submitted impact assessments, the high workload heavily taxed members' capacity to perform what is for them an additional job. To ensure continued high-quality scrutiny and to give the Board more flexibility in carrying out its tasks, the Commission President therefore decided to:

- enlarge the number of Board members from five to nine;
- broaden the pool of services from which Board members can be appointed while continuing to ensure the necessary expertise in the three pillars — economic, social, environmental — of the integrated approach to impact assessments.

These changes were introduced by revising the Board's mandate and rules of procedures in November 2011 ⁽⁹⁾. Other minor modifications were also made to reflect the changes in the scope and functioning of the Commission impact assessment system since the establishment of the Board in 2006.

Accordingly, as from the beginning of 2012, the members of the Board are the Deputy Secretary-General responsible for smart regulation, acting as Chair of the Board, and eight permanent officials at director level. Two members will be drawn from each of the following groups of Commission services:

- (i) macroeconomic area of expertise: the Economic and Financial Affairs DG, the Taxation and Customs DG, the Competition DG, Eurostat, the Trade DG [...];
- (ii) microeconomic area of expertise: the Enterprise and Industry DG, the Internal Market and Services DG, the Information Society and Media DG, the Mobility and Transport DG, the Energy DG [...];
- (iii) environmental area of expertise: the Environment DG, the Climate Action DG, the Agriculture and Rural Development DG, the Maritime Affairs and Fisheries DG, the

⁽⁶⁾ European Court of Auditors, Special Report No 3, 2010, 'Impact assessments in the EU institutions: do they support decision-making?' (<http://eca.europa.eu/portal/pls/portal/docs/1/7912856.PDF>).

⁽⁷⁾ Ecofin, 'Council conclusions on economic and financial impact of EU legislation' (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/126452.pdf).

⁽⁸⁾ CEPS Working Document 'Regulatory quality in the European Commission and the UK: Old questions and new findings' (<http://www.ceps.eu/book/regulatory-quality-european-commission-and-uk-old-questions-and-new-findings>).

⁽⁹⁾ The Board's revised mandate, rules of procedures and composition are available on the IAB's website (http://ec.europa.eu/governance/impact/iab/iab_en.htm).

Regional Policy DG [...];

- (iv) social area of expertise: the Employment, Social Affairs and Inclusion DG, the Home Affairs DG, the Justice DG, the Health and Consumers DG, the Education and Culture DG [...].

The Board will continue to meet regularly to review individual impact assessments. Board meetings will be attended by a group comprising the Chair and four rotating members representing all of the above areas of expertise. The Chair will decide which member will attend with a view to ensuring balanced participation in meetings and avoiding any conflict of interest. For each specific impact assessment, the Chair and the four members selected for the case in question will perform all of the Board's tasks and the remaining Board members will have no role in the scrutiny process.

This set-up is designed to reduce the number of cases and meetings for each Board member while preserving the current setting of four Board members plus Chair per case, which has worked well in the past. This arrangement should also provide the necessary flexibility to respond to extraordinary workload situations and ensure a wider talent pool from which to select the best possible Board members.

Feature: comparison of IA systems in the EU

A comparative study commissioned by the Legal Affairs Committee of the European Parliament⁽¹⁰⁾ looked at the IA systems of eight Member States and the European Commission. On the Commission system, the study concluded that it generally compares favourably with EU Member States in having a well-developed systematic approach to conducting and scrutinising impact assessments, and that it is seen by a number of interviewed stakeholders as an example of a well-designed IA system. According to the study, the IA methodology set out in the Commission guidelines includes a number of elements that could be considered good practice. There is also a general consensus that the Board contributes to the improved quality of impact assessments. Combining centralised scrutiny by an IA-specific body like the Board with more decentralised day-to-day scrutiny by the IASG appears to yield a form of quality control more effective than that in the majority of Member States investigated.

⁽¹⁰⁾ Comparative study on the purpose, scope, and procedures of impact assessments carried out in the Member States of the EU, Study PE 453.179 available at: <http://www.europarl.europa.eu/committees/en/JURI/studiesdownload.html?languageDocument=EN&file=36288>.

1.2. The Board's quality control and quality support activities

In its **quality control** role, the Board carefully examines each draft impact assessment before the author service launches the internal interservice consultation⁽¹¹⁾ on the related policy proposal. This examination generally takes place within a time frame of 4 weeks and follows a standardised process.

For impact assessments submitted for the first time, the Board members collaborate to produce a **quality checklist**⁽¹²⁾ giving an initial assessment of the quality of the IA report and its compliance with Commission guidelines, and to formulate a number of lead questions addressing key quality issues. On the basis of the preliminary findings in the checklist, the Board decides whether to continue the examination in oral or written procedure.

In **oral procedure**, the Board discusses its assessment with the author service on the basis of the quality checklist in one of the Board's meetings. These meetings are usually held fortnightly⁽¹³⁾. In **written procedure**, the author service responds in writing to the assessment given in the quality checklist.

Based on the original assessment by the Board, and the reaction of the author service, the Board then issues an **opinion document**, in which it makes recommendations on how the IA should be improved. In some cases, the Board may conclude that substantial improvements are needed, and may request the author service to resubmit a revised version of the impact assessment. Such a resubmission request corresponds to a 'negative opinion', and implies that the Board will issue a second opinion on the resubmitted IA report. A second opinion is normally formulated via written procedure. In certain cases, the second opinion may again be negative, concluding for instance that the evidence base is insufficient to justify the proposed action, but that improvement seems impossible or disproportionate, and consequently not requesting further resubmission⁽¹⁴⁾.

Although the mandate of the Board does not give it any formal role in the Commission's decision-making process beyond the delivery of opinions on the quality of individual impact assessments, the importance attached to Board comments within the Commission was strengthened in 2010, with the President emphasising to services that 'in principle a positive opinion from the IAB is needed before a proposal can be put forward for Commission decision'⁽¹⁵⁾.

In addition to its core task of quality control, the Board also plays a **quality support** role. This mainly involves giving advice to services early in the preparation of particularly challenging impact assessments⁽¹⁶⁾ or providing further support following a resubmission request.

⁽¹¹⁾ Interservice consultation is a phase in the Commission's internal decision-making process when an author service formally consults the other Commission services on the proposal.

⁽¹²⁾ The IA quality checklist template was revised in 2011. See the Feature box for further details.

⁽¹³⁾ In situations of particularly high workload the Board can meet on a weekly basis, as was the case between the end of August and the end of September 2011, when the Board held weekly meetings to examine the multiannual financial framework (MFF) IAs.

⁽¹⁴⁾ Examples of such cases in 2011 included the IA report relating to the initiative on access to a basic payment account, discussed in Section 2.5, and the IA report relating to the proposal on alternative dispute resolution and online dispute resolution, cited later in the text.

⁽¹⁵⁾ 'The working methods of the Commission 2010–2014', C(2010) 1100 (http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/c2010_1100_en.pdf). A positive opinion means that the Board has not asked for the IA report to be resubmitted or otherwise indicated in its opinion that the report fails to satisfy the quality standards.

⁽¹⁶⁾ In 2011, the quality support role involved advice to services on MFF-related IAs.

Feature: revised format of the IA quality checklist

In 2011, the Board revised the structure and content of the IA quality checklist template to better reflect the horizontal issues that the Board had identified as priorities in its previous annual reports and on which it had issued a significant number of recommendations in its opinions in 2010. Other changes were made to meet some of the European Court of Auditors' recommendations⁽¹⁷⁾ and to monitor compliance with new commitments. The revised checklist has a greater focus on evidence base, intervention logic and assessment of specific impacts. It also takes better account of the importance of *ex post* evaluations, includes more specific questions on stakeholder consultation and pays more attention to the quality of the IA executive summary⁽¹⁸⁾.

2. IMPACT ASSESSMENT BOARD ACTIVITIES AND RESULTS

This chapter explains the Board's activities during 2011, the recommendations made, and the observable effects of these recommendations on IA reports.

For 2011, a distinction is made between impact assessments following the normal procedures, and those produced by the Commission services to support the preparation of the post-2013 multiannual financial framework (MFF) legislative proposals which followed a specific procedural regime (referred to as 'MFF IA' reports in this report).

In line with the reporting in previous IAB reports, certain trends are compared with observations for previous years⁽¹⁹⁾. The statistics have limitations, however, as the nature and number of IA reports vary from year to year. Therefore, when relatively small numbers are involved, percentage changes may be inconclusive.

To complement the statistics, a number of individual cases are also discussed.

2.1. New developments and notable events

The Board's first full year of operation was 2007. The years 2009 and 2010 were characterised by a lower volume of IA reports submitted to the IAB, as the number of Commission proposals dropped during the political transition from one Commission to another. In 2011, the volume of IA reports submitted was the highest since the Board started its work. This was due to an increase in the number of legislative proposals made by the Commission, partly, but not entirely, due to the need to present a large number of MFF proposals.

Three services submitted an IA report to the Board for the first time, the European Anti-Fraud Office, Eurostat and the Directorate-General for Enlargement.

To continue raising awareness and take stock of how Commission services perceive the IAB's role and added value, the Board's Chair visited the management teams of 16 directorates-general. These meetings were a useful opportunity to take stock of the ongoing culture change

⁽¹⁷⁾ See footnote 6.

⁽¹⁸⁾ The revised IA quality checklist template is reproduced in Annex 2.

⁽¹⁹⁾ Comparison of trends for the years 2009–11. For trends in 2007 and 2008, see previous annual reports of the Board (http://ec.europa.eu/governance/impact/iab/iab_en.htm).

towards evidence-based policy-making, to discuss the impact of the IA process on the quality of proposals, and to stress the need for impact assessments with a clear intervention logic, strong justification of EU added value and transparency on costs and benefits.

As in previous years, the Chair also attended a number of meetings of the High Level Group of Independent Stakeholders on Administrative Burdens, which provides for a regular and structured exchange of views and experiences.

The Board also followed closely new interinstitutional developments concerning impact assessments, in particular the creation of a new directorate on impact assessment in the European Parliament and the debate within the Council on making greater use of impact assessments in its decision-making processes.

Feature: impact assessments supporting the preparation of MFF proposals

In June, the Commission adopted a proposal for the next multiannual financial framework for EU spending (2014–20) ⁽²⁰⁾, fixing overall budget allocations across high-level headings and key implementation choices. A series of follow-up proposals providing the legal basis for the sectoral spending programmes and establishing their specific budgetary arrangements were adopted during the course of 2011. For the first time in the preparation of the MFF, these sectoral spending proposals were systematically supported by impact assessments which were subject to scrutiny by the Board.

The preparation of MFF IA reports was particularly challenging for the Commission services, as the decisions on concrete budget allocations were known only relatively late in the preparation of analysis supporting the sectoral programmes. These decisions also limited the scope of available policy options (i.e. options did not reflect different levels of budget allocations but rather the programmes' different priorities and focus of activities within a pre-defined overall budget envelope). In addition, services had to respect strict time constraints, given that all sectoral proposals had to be adopted by the Commission by the end of the year.

In its quality support role, the Board provided expertise for the preparation of MFF IAs at an early stage. For the particularly challenging and complex cases concerning the common agricultural policy and Structural Funds ⁽²¹⁾, the Board discussed the overall approach to impact analysis and issued upstream support recommendations prior to the submission of the draft IA reports to the Board.

In its quality control capacity, the Board examined 43 MFF IA reports produced by services, and issued opinions with recommendations for improvement. In its assessment, the Board focused on the policy choices not yet fixed in the June MFF package. It paid particular attention to the use of evaluation results and stakeholder feedback, how the options addressed the problems identified and led to improved results, and the impacts on simplification. Further details of the Board's assessment of the quality of MFF IA reports and the procedures followed are provided in Section 2.3.2.

⁽²⁰⁾ COM(2011) 500 and related documents (http://ec.europa.eu/budget/biblio/documents/fin_fw1420/fin_fw1420_en.cfm)

⁽²¹⁾ The European Social Fund, the Cohesion Fund, the European Regional Development Fund and the related general regulation.

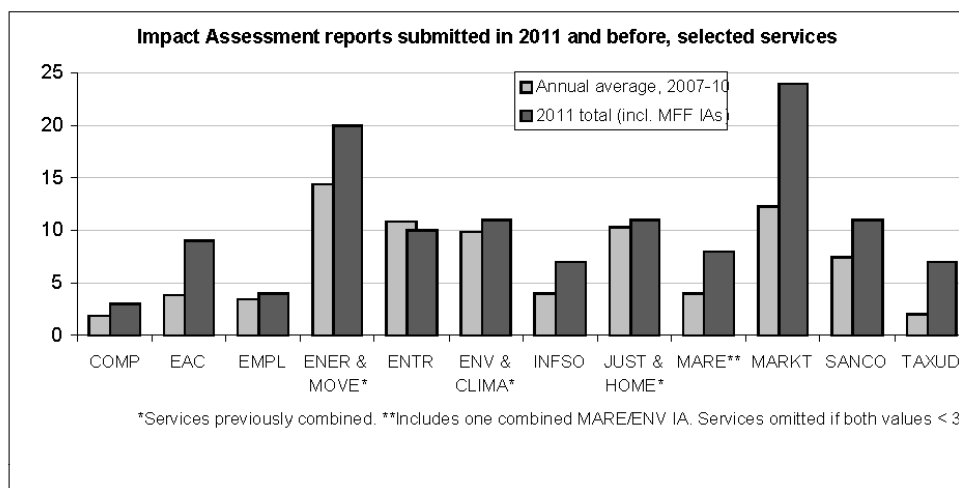
2.2. Trends in the Board's quality control activities

The Board considered 104 IA reports and issued 138 opinions, 35 of them on resubmitted reports. It also examined 43 MFF-related IA reports and issued 37 opinions⁽²²⁾ on their quality, with 27 MFF IA reports being considered as substandard upon first scrutiny. The Board held 25 meetings in 2011, and altogether discussed 108 cases with the author services in oral procedure⁽²³⁾.

As regards the type of initiative, the proportion of IA reports concerning legislative proposals, as opposed to non-legislative proposals, was higher than previously, confirming the trend observed since 2007 for the Commission's impact assessment work to focus on initiatives likely to have significant impacts. The Board also reviewed some IA reports accompanying proposals for delegated and implementing acts likely to have significant impacts.

As in the previous year, a considerable number of IA reports concerned financial regulation. The service responsible (the Internal Market and Services DG) therefore produced the largest number of IA reports in 2011.

Figure 2: Impact assessment reports submitted in 2011 compared to previous years, first submissions (including MFF IA reports)



In its conclusions, the Board requests resubmission when it has serious concerns about the quality of an IA report. In 2011, there was a slight decrease in the number of Board requests for resubmission of a revised IA report⁽²⁴⁾. While this can be considered a positive development (first decrease since 2007), the resubmission rate remains significant at 36 % of all impact assessments. Further efforts appear necessary to ensure greater consistency in the quality of IA reports submitted for the first-time.

⁽²²⁾ See footnote 26 for an explanation of the discrepancy between the number of IAs and the number of opinions.

⁽²³⁾ Key activity statistics appear in Figure 4.

⁽²⁴⁾ As explained in Section 2.3.2, there were no resubmission requests for the MFF-related IAs. These IAs are therefore **not included** in the resubmission rate calculation or in Figure 3.

As indicated in previous annual reports, the resubmission rate should not be considered an indicator of the quality of final IA reports available to decision-makers, as IAs are generally significantly amended in line with the Board's recommendations before being published. Also, the trend over time for the resubmission rate should be interpreted cautiously, as tighter quality standards were adopted in the IA guidelines in 2009 and have been enforced since 2010. In this context, the slight decrease in the resubmission rate in 2011 as compared to 2010 may be an indication that services have adjusted to the tighter standards introduced in 2009. However, observations of trends for more than 2 years since the tightening of the guidelines would be needed to provide meaningful conclusions.

Figure 3: Board decisions by service, 2011 first submissions (excluding MFF IAs)

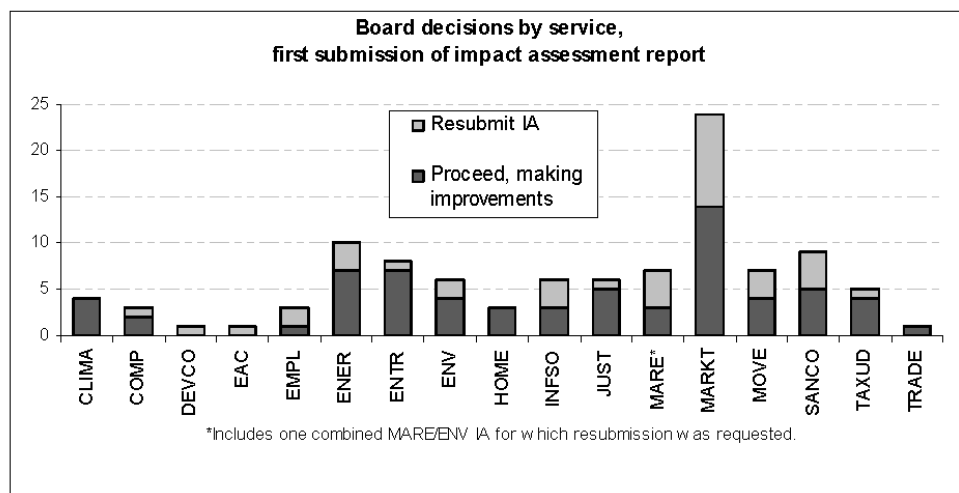


Figure 4: Board key activity statistics, 2007–11

	2007	2008	2009	2010	2011	2011-MFF
Impact assessments						
Total impact assessments examined ⁽²⁵⁾	102	135	79	66	104	43
Legislative proposals	57	86	53	49	80	43
Non-legislative proposals	45	49	26	17	24	n/a
<i>Share of legislative proposals</i>	56 %	64 %	68 %	74 %	77 %	100 %
Opinions						
Number of opinions issued	112	182	106	83	138	37 ⁽²⁶⁾
On the first submissions	102	135	76	64	103 ⁽²⁷⁾	37
On the second submissions	10	43	30	18	34	n/a
On the third submissions	0	4	0	0	1	n/a
On special case submission	0	0	0	1	0	n/a
Number of opinions requesting resubmission, after first submission	9	44	28	27	37	n/a
<i>Resubmission rate</i>	9 %	33 %	37 %	42 %	36 %	n/a
Procedures applied						
Number of meetings	22	26	21	23	25	
Cases in oral procedure	57	101	67	57	78	30
Cases in written procedure	45	34	12	7	26	13
<i>Share of oral procedures</i>	56 %	75 %	85 %	89 %	75 %	70 %

⁽²⁵⁾ This includes a few cases that were not IA reports but Commission staff working documents on which the Board issued an opinion. There were three such cases in 2011 (Energy Roadmap 2050, Roadmap towards a 2050 low-carbon economy and one case prepared by the Employment, Social Affairs and Inclusion DG). The Board's opinions on these cases are included under 'first submissions' in this table, and in the 'trend graphs' for Board recommendations in Figure 5).

⁽²⁶⁾ The number of opinions is lower than the number of IAs examined because the Board occasionally issues 'combined' opinions covering more than one IA. There were three cases in 2011: one opinion for four IAs on the programme 'Erasmus for all', one opinion for three IAs on the 'Creative Europe' programme, and one opinion for two IAs on the 'Hercule' and 'Pericles' programmes.

⁽²⁷⁾ This includes one combined opinion for two IAs produced by the Energy DG.

2.3. Trends in what the Board recommends in its opinions

2.3.1. Impact assessments examined under the normal procedural regime

This section deals with IA reports examined under the normal procedural regime. MFF IA reports are discussed in Section 2.3.2 below.

The Board issues opinions in which it recommends improvements to IA reports, based on the standards set in the Commission IA guidelines. Figure 5 ‘Structural issues’ shows that in 2011, the pattern in Board recommendations remained broadly unchanged. As in previous years, the Board most frequently recommended improvements to the parts of IA reports dealing with the problem definition, options and impacts (in around 85–95 % of opinions).

On options, the Board frequently asked for a more detailed presentation of their content, a strengthened proportionality analysis or an improved comparison of options:

- ‘explain whether a wider range of options can be defined. [...] define possible sub-options for each of the key measures reflecting different ambition levels and/or staggered introduction of the obligation’⁽²⁸⁾;
- ‘the report should not only analyse the proportionality of each individual option in isolation but also in relation to all other measures in the proposed policy package’⁽²⁹⁾;
- ‘describe the content of the various options, justify the selection of the measures under consideration and clarify with concrete examples how they would target the key problem drivers. [...] provide a more extensive and better substantiated comparison of the options in order to effectively support decision-making’⁽³⁰⁾.

For the third year in a row, the number of recommendations relating to stakeholder consultation increased, encompassing 68 % of opinions in 2011. In most cases, the Board suggested improvements to the way in which stakeholder views are reflected in the IA reports, rather than to the consultation process itself. This continuous increase shows the importance attached to stakeholder contributions to the decision-making process, and to the need to transparently report on their views, in particular on those unlikely to be acted upon.

In 2011, the Board continued to focus on EU added value. Even though recommendations on subsidiarity and proportionality slightly decreased as compared to 2010, they were still included in a significant number of opinions (43 %). The Board frequently asked for stronger justification of the need for action at EU level:

- ‘better demonstrate the existence of the problems that require action at EU level, for instance by more clearly identifying the issues leading to a distortion of the functioning of the internal market’;
- ‘the evidence base to demonstrate the need for and proportionality of an EU legislative initiative remains weak as there is not sufficient clarity on the costs and benefits of a full

⁽²⁸⁾ SEC(2011) 1021, opinion on the IA report on e-call service. All opinions referenced in this report are available via: http://ec.europa.eu/governance/impact/ia_carried_out/cia_2011_en.htm.

⁽²⁹⁾ SEC(2011) 1386, opinion on the IA report on specific requirements regarding statutory audit of public-interest entities.

⁽³⁰⁾ SEC(2011) 1587, first opinion on the IA report on the review of the EU public procurement directives.

EU coverage ADR [alternative dispute resolution] at both European and Member State level' ⁽³¹⁾.

The Board also recommended improvements in the analysis of transposition and implementation issues and in monitoring and evaluation arrangements (in 17 % and 25 % of opinions, respectively), emphasising the need for thorough reflection on experiences to date as input for the IA process and for robust monitoring.

The Board issued broadly the same number of recommendations on procedural issues and executive summaries as in the previous year, which seems to indicate that the tighter procedural standards introduced in the 2009 guidelines are now well integrated in the working methods of services.

As in previous years, the Board's most frequent analytical recommendations (Figure 5 'Analytical issues') concerned economic impacts (83 %). Improving the assessment of social impacts was the second most frequently issued recommendation (44 %), followed by impacts on administrative costs.

When scrutinising the quality of the assessments of impacts on administrative costs, the Board verifies whether they provide sufficient detail on those information obligations for businesses ⁽³²⁾, citizens and public administrations that are likely to be added or eliminated under different policy options. In 2011, the Board recommended improvements in this area in around 30 % of cases. It often requested a clearer presentation of the assessment of administrative costs and the methodology used and, in some cases suggested the use of the EU standard cost model to assess the likely change in administrative burdens:

- 'a full analysis of the administrative costs should be provided in particular of the additional burdens arising from these measures compared to burdens already arising from the Emission Trading Scheme. The EU standard cost model should be used for measuring any significant administrative costs' ⁽³³⁾;
- 'assess administrative costs in a systematic fashion and quantify them using the Standard Cost Model if significant, e.g. by considering the information to be gathered and sent, time taken and how far this would generate additional work' ⁽³⁴⁾.

The Board also paid particular attention to the assessment of impacts on SMEs, and suggested improvements in around 25 % cases, representing an increase as compared to previous years.

In several cases, the Board recommended improving the analysis of whether SMEs are disproportionately affected or disadvantaged compared to large companies, and called for better assessment of how SMEs would be affected by the costs of regulation:

- 'better distinguish between the situation of SMEs and larger companies when discussing compliance problems' ⁽³⁵⁾;
- 'address the impact on industry and particularly SMEs by better explaining why the imposition of new reporting requirements on Member States does not give rise to

⁽³¹⁾ SEC(2011) 1410, two opinions on the IA report on alternative dispute resolution and online dispute resolution.

⁽³²⁾ Examples concerning small or medium-sized enterprises (SMEs) are provided further below.

⁽³³⁾ SEC(2011) 781, first opinion on the IA report on energy efficiency.

⁽³⁴⁾ SEC(2011) 1560, opinion on the IA report on the professional qualifications directive.

⁽³⁵⁾ SEC(2011) 752, second opinion on the IA report on electromagnetic fields.

additional costs and burdens of data collection and reporting to national authorities by industry, in particular for sectors where a new reporting requirement may arise such as in the aviation and maritime sectors' ⁽³⁶⁾.

In 2011, the Board made broadly the same number of comments on the assessment of impacts on fundamental rights as compared to previous years. In this context, it welcomed the new operational guidance on assessing fundamental rights in Commission impact assessments, prepared by the Justice DG ⁽³⁷⁾.

More generally, many of the Board's recommendations concern broad issues such as the evidence base or intervention logic. Figure 5 'Horizontal issues' indicates that the Board made recommendations on the evidence base in 63 % of cases ⁽³⁸⁾, showing the importance of providing a robust justification for policy-making. It made a similar number of comments on intervention logic as in the previous year (IAs should have well-defined problems, options that tackle them, objectives showing the desired end-result, and a credible chain of events from options to impacts). Its recommendations often focused on the need to have a clear link between all the elements of the analysis:

'a problem tree should succinctly illustrate the interactions among problems and their underlying drivers. [...] more clearly establish the links between these problems and the initiative's objectives and present well identified operational objectives. [...] the exact content of the policy options, the differences among them and the ways through which individual measures would contribute to the objectives should be much more clearly presented' ⁽³⁹⁾.

Statistics also show that in opinions requesting resubmission, the Board was considerably more likely to criticise the evidence base and intervention logic. For instance, it asked for improvements in the intervention logic in around 55 % of opinions requesting resubmission, as compared to 20 % in the other cases.

As in the previous year, the Board asked for more quantification of costs and benefits in around one third of reports, to strengthen the arguments presented in the comparison of options:

'strengthen the assessment of economic costs and benefits. [...] provide a clear explanation of the way in which economic costs and benefits have been estimated. [...] explain in more detail how the net economic benefits for the different threshold values (85 % and 90 %) are calculated. [...] clearly indicate which categories of costs and benefits are not included in the calculation, and explain why this is the case' ⁽⁴⁰⁾.

In some cases, its recommendations led to an improved presentation and comparison of costs and benefits to allow decision-makers to make a more informed choice:

⁽³⁶⁾ SEC(2011) 1405, opinion on the IA report on the monitoring mechanism decision.

⁽³⁷⁾ SEC(2011) 567 (http://ec.europa.eu/governance/impact/key_docs/key_docs_en.htm).

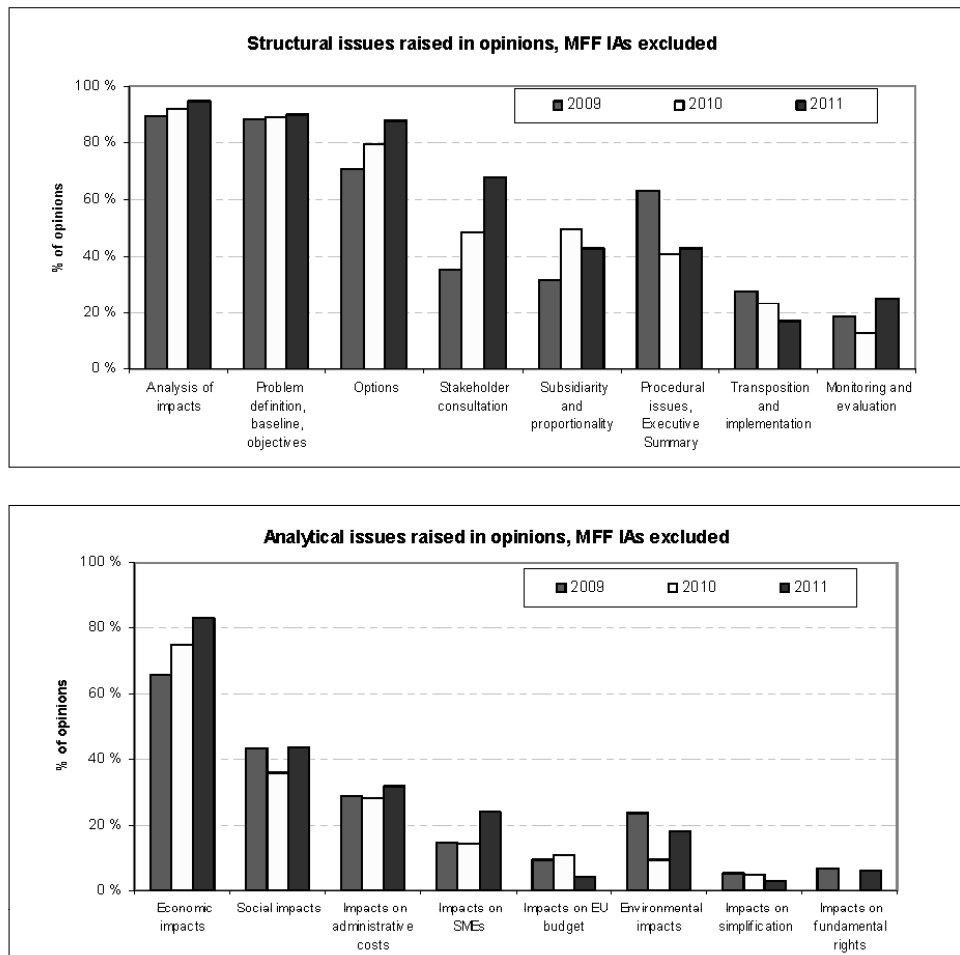
⁽³⁸⁾ See for instance the quote from the opinion on the IA report on the alternative dispute resolution and online dispute resolution cited above.

⁽³⁹⁾ SEC(2011) 885, first opinion on the IA report on market policy for fisheries and aquaculture products.

⁽⁴⁰⁾ SEC(2011) 1445, opinion on the IA report on the slot regulation.

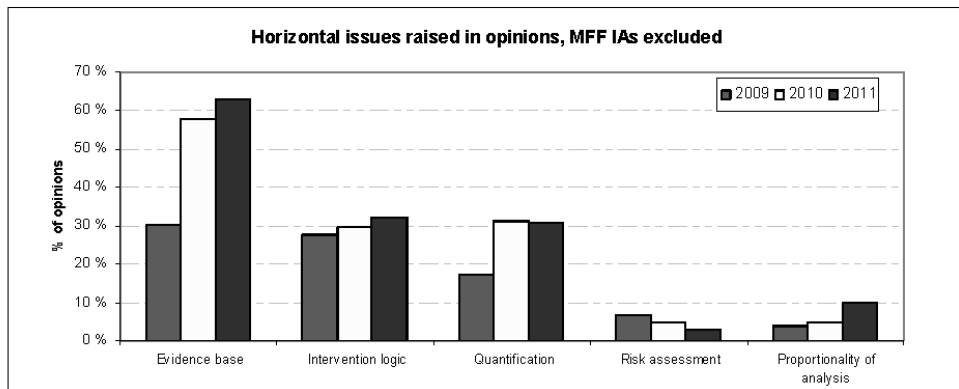
‘the report has been significantly improved [...], and provides evidence to justify action in this area. It now includes a monetised assessment of the possible net benefits that reflects key environmental impacts and compliance costs for affected firms’ ⁽⁴¹⁾.

Figure 5: Trend graphs for Board recommendations ⁽⁴²⁾



⁽⁴¹⁾ SEC(2011) 960, second opinion on the IA report on recreational craft and personal watercraft.

⁽⁴²⁾ 2011 data are based on information from 103 LAB opinions; graphs take into account first submission IAs. MFF IAs are not included.



Feature: implementation of the SME test in the Commission

A study commissioned by the Industry, Research and Energy Committee of the European Parliament on barriers and best practices in SME test implementation⁽⁴³⁾ looked at the implementation of the ‘SME test’ in Member States and in the European Commission. The study found that the Commission services use the SME test consistently, and that strong measures have been taken to incorporate the test into impact assessments. However, it also noted that methods for performing the test are decided on a case-by-case basis, results are presented differently, and the existing guidelines allow room for variation in content and quality.

2.3.2. MFF-related impact assessments

In 2011, the IAB also examined 43 MFF-related IA reports, mostly through oral procedure (13 cases were dealt in written procedure). When the Board had serious concerns about the quality of some of these IA reports, it issued a negative opinion indicating in the overall assessment that considerable improvements would be needed to address the recommendations made. The Board did not ask services to resubmit a revised version of the IA report, because of the time constraints imposed by the MFF calendar. However, services were expected to significantly improve the impact assessments before moving to the next stage in the Commission decision-making process. The Board then examined the revised MFF IA reports once they were made available as part of the interservice consultation on the related proposal, and verified the extent to which its recommendations had been followed. In most cases, the Board came to the conclusion that its recommendations had been sufficiently taken on board. It therefore removed the negative overall assessment from its opinion which otherwise remained identical⁽⁴⁴⁾.

As for specific recommendations, these touched upon a variety of issues, as illustrated in Figure 6.

⁽⁴³⁾ ‘Barriers and best practices in SME test implementation’, Study PE 464.437 (<http://www.europarl.europa.eu/committees/en/JURI/studiesdownload.html?languageDocument=EN&file=42436>).

⁽⁴⁴⁾ The negative overall assessment remained in 7 opinions out of 21 issued for 27 MFF IAs considered as sub-standard when scrutinised by the Board for the first time.

The Board's recommendations on structural issues for the MFF-related IAs (Figure 6 'Structural issues') were similar to those for other IA reports, most often concerning the problem definition, the options and the assessment of impacts. For the MFF IA reports, the Board made more comments about the monitoring and evaluation arrangements (in around 60 % of cases), requesting services to define indicators and evaluation arrangements that would be better aligned with the decision-making process:

- 'define robust progress indicators which are clearly linked to the objectives of the programme' ⁽⁴⁵⁾;
- 'improve the presentation of future monitoring and evaluation arrangements of the instrument and its timing in accordance with the decision-making needs of the next programming cycle' ⁽⁴⁶⁾.

The Board's analytical recommendations (Figure 6 'Analytical issues') for MFF IA reports as compared to other IA reports were also more frequently about simplification and assessment of administrative impacts, reflecting the Commission's commitment to design new spending programmes in a way that would simplify existing procedures and minimise administrative costs:

- 'give an overview of the achievements and future challenges of simplifying CAP [common agricultural policy] implementation. The trade-off between the goal of lighter administration, on the one hand, and the inherent complexity resulting from the new greening measures, on the other hand, should be presented upfront. [...] describe in more detail the administrative cost implications of various options and refer to the results of the relevant quantitative analysis while comparing the options' ⁽⁴⁷⁾;
- 'the changes that will facilitate a simplification of processes should be better identified and their expected impacts should be more fully explained. [...] The reasoning that underpins the predictions about administrative cost impacts should be supplied. [...] explain how it will be ensured that home affairs funds complement but do not duplicate funding directed through other EU funding instruments such as the European Social Fund and development instruments' ⁽⁴⁸⁾.

The Board also asked more often for improvements in the intervention logic for the MFF IA reports (in some 40 % of cases):

- 'the need for certain specific measures (e.g. targeting young and small farmers or streamlining market measures) should be better justified in the problem definition and reflected in operational objectives to establish a clear intervention logic' ⁽⁴⁹⁾;
- 'also analyse "how" the programme should be 'revamped', i.e. discuss alternatives in terms of policy prioritisation, content, design and delivery instruments. Coupled with a

⁽⁴⁵⁾ SEC(2011) 1324, opinion on the IA report on the 'Health for growth' programme.

⁽⁴⁶⁾ SEC(2011) 1483, opinion on the IA report on the instrument for stability.

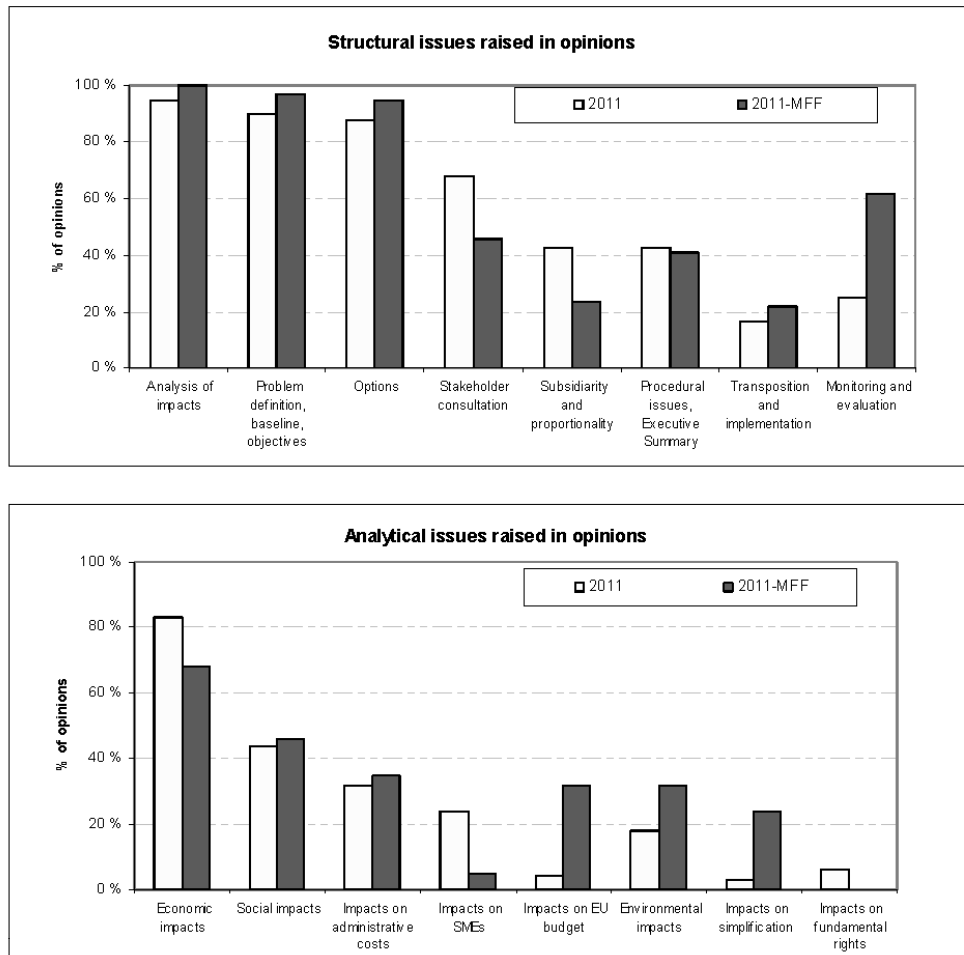
⁽⁴⁷⁾ SEC(2011) 1155, opinion on the IA report on the common agricultural policy.

⁽⁴⁸⁾ SEC(2011) 1360, opinion on the IA report on the home affairs financial instrument.

⁽⁴⁹⁾ SEC(2011) 1155, opinion on the IA report on the common agricultural policy.

strengthened problem definition and more focused objectives, this should help to establish a clear intervention logic' ⁽⁵⁰⁾.

Figure 6: Trend graphs for Board recommendations (MFF IAs, compared to IAs) ⁽⁵¹⁾



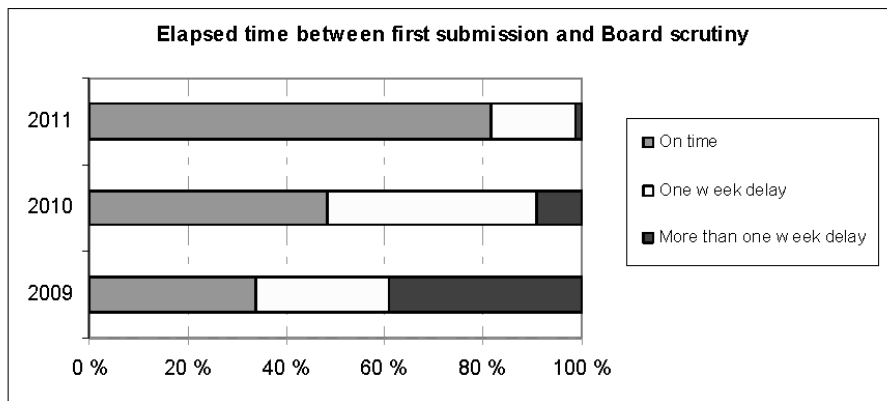
⁽⁵⁰⁾ SEC(2011) 1564, opinion on the IA report on the 'Citizens' programme.
⁽⁵¹⁾ 2011-MFF data are based on 37 IAB opinions issued on MFF IAs.

2.4. Trends in the timing of procedures and post-Board revisions

The Board's secretariat monitors IA procedures and the follow-up of the Board's recommendations in the revised IA reports, which are circulated during internal interservice consultation prior to publication.

As indicated in Figure 7, compliance with procedural requirements further improved in 2011. Some 80 % of IA reports were submitted on time⁽²⁾, as compared to approximately 50 % in 2010. The Board welcomed this encouraging change.

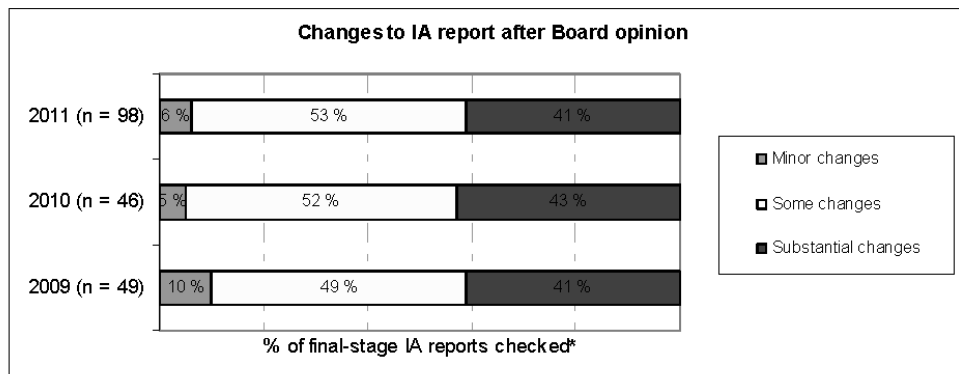
Figure 7: Elapsed time between first submission of IA report and Board scrutiny (including MFF IAs)



The time elapsed between the first submission of an IA report to the Board and the interservice consultation stage was more than 6 weeks in around 80 % of cases in 2011. As regards the extent to which the Board's recommendations were followed in the revised version of the IA, Figure 8 indicates that in 94 % of cases, substantial changes, or some changes going beyond merely presentational adjustments, were made to the IA report originally submitted to the Board. The extent and quality of these changes vary, often depending on the time available between Board scrutiny and the start of interservice consultation.

⁽²⁾ Normal time under the Board's procedures is 4 weeks before the Board scrutiny.

Figure 8: Changes to IA reports following Board opinion (including MFF IAs)



2.5. The impact of the Board in particular cases

This section discusses some cases where, following Board comments on the robustness of the evidence base of the IA report, services reconsidered their approach to the proposal⁽³⁴⁾, or left the choices open for political decision-makers in instances where the evidence did not lead to clear-cut conclusions as to the preferred option.

Security scanners

In November 2011, the Commission adopted supplementing and implementing measures on the use of security scanners at EU airports. These measures allow airports and Member States that wish to use security scanners for screening passengers to do so under strict operational and technical conditions. Passengers must be informed about the conditions under which the security scanner screening takes place, and are given the right to opt out of this form of screening.

In the draft IA report first submitted to the Board, the Directorate-General for Mobility and Transport concluded that option 5⁽³⁵⁾ assessed in the IA was the preferred policy option because it offered the ‘best balance between meeting the objectives and achieving the best other policy impacts’. The Board, in its first opinion⁽³⁶⁾ questioned the evidence base for this option:

‘[the report] should either provide more convincing — preferably quantitative — evidence to support the preference in the report’s conclusions for option 5 over option 6⁽³⁷⁾, or

⁽³³⁾ Different ‘n’ values for year 2010 in this graph as compared to 2010 IAB report are due to additional information available for some cases that went through interservice consultation in 2010.

⁽³⁴⁾ The Board only judges the quality of IA reports. It does not see or judge the related proposals.

⁽³⁵⁾ Option 5: Adding security scanners to the list of allowed screening methods and technologies for passengers and fixing the detection performance standards and the operational conditions under the implementing legislation **without** the general possibility for passengers to opt out.

⁽³⁶⁾ SEC(2011) 1328.

⁽³⁷⁾ Option 6: Adding security scanners to the list of allowed screening methods and technologies for passengers and fixing the detection performance standards and the operational conditions under the implementing legislation **with** the general

should state that the evidence is inconclusive to support a preference for either one of these?.

The resubmitted IA report ⁽³⁸⁾ no longer identified a preferred option among the two, leaving the choice to political decision-makers but highlighting the trade-offs:

‘while option 5 would appear to be the best option from the perspective of efficiency and security, option 6 would offer the best protection of fundamental rights. The present impact assessment considers that both options are valid and that the trade-offs between them have to be addressed by the political decision-makers’.

As explained above, the adopted proposal corresponds to option 6, and allows passengers a choice.

Access to a basic payment account

In 2011, the Commission developed an initiative on access to basic banking services which had been announced in the 2010 Single Market Act. The draft impact assessment first submitted to the IAB by the Directorate-General for the Internal Market and Services identified a legislative proposal as the preferred option. After asking for resubmission, the Board confirmed in its second opinion ⁽³⁹⁾ that:

‘the evidence base to demonstrate the need and value added of an EU legislative initiative remains very weak. In particular, the assessment of the magnitude of the problems and of their relevance for the functioning of the single market needs to be better substantiated. The need for intervention, at the EU level and through a binding instrument, should also be further strengthened’.

In July 2011, the Commission issued a recommendation on access to a basic payment account with which it invited Member States to ensure that such accounts are available at a reasonable charge to consumers, regardless of their country of residence in the EU or their financial situation. The Commission also announced its intention to review the situation in 1 year’s time and propose any further measures considered necessary, including legislative measures.

Health security

The Commission published in December 2011 a proposal aiming to streamline and strengthen the European Union’s capacity to respond effectively to serious cross-border threats to health. In 2010, the Directorate-General for Health and Consumers had previously prepared a proposal limited to pandemic influenza preparedness and response planning. Following impact assessment work and an initial negative assessment by the Board, the service reconsidered its approach and addressed those problems alongside wider health security threats.

possibility for passengers to opt-out.

⁽³⁸⁾ SEC(2011) 1327.

⁽³⁹⁾ SEC(2011) 908.

3. REFLECTIONS AND RECOMMENDATIONS ON IMPROVING IMPACT ASSESSMENT IN THE COMMISSION

This chapter examines progress against the issues which the Board identified as priorities in its 2010 report, and describes its updated priorities and reflections on recent developments.

3.1. Progress towards the Board's 2010 priorities and reflections on 2011

In its 2010 report ⁽⁶⁰⁾, the Board identified certain priority issues to which it planned to pay close attention. Some progress has been made in these areas.

- On **accessible presentation of assessment findings**, services continue to make efforts but the Board considers that further attention needs to be paid to producing sufficiently clear and concise IA reports that can support decision-making. During the year, the Board still saw a number of draft reports with a sub-standard presentation or an excessive length, and in several cases returned excessively long IA reports to services for shortening prior to starting scrutiny. It also observed that in a limited number of cases, not all relevant impacts were assessed.
- On **internal consultation through impact assessment steering groups**, the Board is convinced that these groups can provide valuable input throughout the IA process. When examining IA reports, the Board verifies whether internal consultation has been appropriate and has included all relevant services. In 2011, it asked for an explanation on several occasions when it felt that consulted services had insufficient time to provide their input or were left out of the process or when the number of IASG meetings seemed insufficient. The Board believes that there is further scope for progress in this area, particularly through better engagement of services with a cross-cutting policy responsibility.
- On **forward planning**, the Board commends the improved compliance with procedural standards and the further reduction in the number of IA reports submitted at short-notice. It encourages services to continue careful planning of the impact assessment and policy development process. It considers that there is still a need to better plan evaluations, so that they are available in time to be used as input for the IA process.
- On **EU added value and subsidiarity**, the Board continues to pay close attention to these issues as it considers that there is a need to ensure that the correct choices as to whether and how to propose European action are made at an early stage of policy development. In 2011, it continued to recommend improvements in how respect for the subsidiarity principle and the existence of EU added value are demonstrated in a considerable number of cases (over 40 % of opinions).
- On **consultation of external stakeholders**, while services seem to broadly respect the requirement to undertake consultation, the Board still feels that the views of stakeholders could be better reflected in IA reports, and frequently asks for improved reporting of stakeholder positions. It welcomes the creation of a new system to alert stakeholders to the publication of new roadmaps, and believes this will further improve transparency and strengthen the involvement of stakeholders from a very early stage of policy development.

⁽⁶⁰⁾ SEC(2011) 126.

- On **checking and explaining the basis of quantitative estimates**, while the Board finds it encouraging that services have continued to try to base their assessments on quantified costs and benefits, it considers that there is scope for improvement in this area, and retains this as a priority.

Feature: impact assessment in the Commission's working culture

IA steering groups — These bring together representatives of the Commission services with an interest in the development of the proposal. They are fully involved in all phases of IA work, and provide important expertise to the development of the impact assessments. In some cases, however, even more close cooperation between services is necessary. In 2011, for example, the Climate Action DG, the Mobility and Transport DG and the Energy DG cooperated extensively on the preparation of three key proposals — ‘Roadmap towards a 2050 low-carbon economy’, ‘White Paper on transport’ and ‘Energy roadmap 2050’. They made significant efforts to ensure the coherence of the underlying modelling work, including by using coordinated assumptions, a common baseline scenario, and aligned policy scenarios.

IA training — Several impact assessment training courses were organised in 2011 for all Commission staff. 16 basic training sessions with 240 participants were provided by external trainers, with a presentation by a Secretariat-General official. Secretariat-General staff also delivered a further seven advanced sessions on analytical steps in impact assessment with some 100 participants, and 22 courses on specific issues such as measuring administrative costs, monitoring and evaluation, stakeholder consultation, use of modelling, and sensitivity analysis (250 participants). In addition, some services organised their own internal training courses.

IA working group — This is a network of officials who contribute to the Commission's impact assessment work and its coordination. It met four times in 2011 and discussed topics such as guidance documents on assessing fundamental rights and impacts on competitiveness and initiatives to improve interservice cooperation in collecting and managing data and in enhancing the reliability and credibility of estimates and modelling results used in impact assessments.

3.2. Priorities for 2012

The Board considers that the IA process is now well embedded in the Commission's working methods. Impact assessment is recognised as a key smart-regulation working tool and is consistently used to structure and support the preparation of new initiatives. The Board believes this should be recognised as an important improvement on the situation in 2003, when the Commission's comprehensive IA system was launched.

The Board believes that, as a result of systematic efforts at all levels, the Commission continues to make progress in its use of evidence-based decision-making. It also welcomes the intentions and steps taken by other institutions, notably the European Parliament, to make increasing use of Commission IA reports at later stages in the EU decision-making process.

However, the Board observes that the quality of first-submission IA reports still remains variable, even though the resubmission rate decreased slightly for the first time since 2007. To further enhance the quality of IA reports, the Board will therefore focus on the priorities described below in the year ahead.

3.2.1. External consultation — continued need for improvements

The Board is convinced that stakeholder consultation is an essential tool for producing high-quality and credible policy proposals. The Commission should always provide feedback to stakeholders and report on how their contributions to the decision-making process have been used. The Board therefore recommends that **services pay close attention to the transparent and comprehensive presentation of different views of stakeholders** throughout the IA reports. It will return submitted reports that do not provide the final results of stakeholder consultation.

The Board notes that all public consultations launched from the beginning of 2012 should now last at least 12 weeks, and it encourages services to plan carefully to ensure that this **new 12-week minimum period for consultation is fully complied with**. The Board will monitor compliance with this new requirement.

3.2.2. Internal consultation — further scope to strengthen the role of the impact assessment steering groups

The Board believes that cooperation between services on IA work through the impact assessment steering groups is crucial and recommends that services **make available sufficient resources and plan in advance for their constructive participation in these groups**.

It considers that services with a horizontal policy role ⁽⁶¹⁾ have a key role to play in the IASGs, and their analytical expertise is a prerequisite for the effective assessment of specific aspects of economic, social and environmental impacts. The Board recommends that **services with cross-cutting responsibilities engage actively in the IASGs' work** and take a lead role in ensuring use of the specific tools developed to help services assess particular impacts where appropriate.

It also recommends **better use of existing expertise** available in the Commission services. In this context, it welcomes the strengthened operational relationship with Eurostat, which should improve the availability and quality of the data used in impact assessments.

3.2.3. Role of IA support units

The Board is pleased that, as a result of overall organisational changes, most of the Commission services now have IA support units or staff who give advice throughout the IA process, help authoring teams to prepare for discussions with the Board, review IA reports or provide internal training on impact assessment.

⁽⁶¹⁾ Such as the Enterprise and Industry DG for the assessment of SME impacts or impacts on competitiveness, the Justice DG for fundamental rights' assessment or the Employment, Social Affairs and Inclusion DG and the Health and Consumers DG for social and employment impacts.

It believes that their role can be further strengthened, and suggests that services dedicate **sufficient staff** to these essential support functions. It also recommends that the IA support units have a **stronger role in internal procedures and decisions affecting the IA process** (such as planning, preparatory work or quality scrutiny before submission of impact assessments to the Board).

3.2.4. Quantification of cost and benefits

The Board believes that further improvements are needed to fully respect the IA guidelines' requirement that quantitative estimates of costs and benefits should be provided wherever possible, in line with the principle of proportionate analysis. It finds it encouraging that four sessions of the revised training module on the use of modelling in impact assessments were organised in 2011. However, it believes that **further improvements to guidance and support** would be beneficial.

To quantify the impacts on administrative burdens that result from different policy options, the Board encourages services to **use the EU database on administrative burden, the administrative burden calculator** ⁽⁶²⁾ and the related help-desk function. It considers this an important element of cost/benefit assessment, particularly because the Commission is mainstreaming administrative burden reduction and simplification in its standard policy processes.

As previously, the Board also reminds services of the need to ensure that modelling and estimations are based on robust data sets, realistic assumptions and sound methodologies, all of which must be transparently explained.

3.2.5. Assessment of options

The Board is convinced that in order to be an effective aid to decision-making, the IA reports need to present a credible set of alternative policy options, and their comparison must clearly outline the advantages and disadvantages of each option.

It believes that further efforts are still needed, particularly with respect to consideration of **genuinely alternative options, the justification and proportionality of alternative policy packages, and the provision of sufficiently detailed information on the likely impact of all approaches** and not only the preferred one.

3.2.6. Assessment of impacts

The Board welcomes the Commission's continued efforts to examine the impact of EU regulation on competitiveness and small enterprises, particularly its intention to further strengthen the practical application of the micro-entities dimension in the 'SME test'.

It also observes that the number of recommendations relating to social impacts slightly increased again in 2011, and that its hopes expressed in the 2010 report for improved assessment of social impacts based on guidance and training have not yet been met.

⁽⁶²⁾ http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/database-calculator/index_en.htm

The Board therefore recommends that services ensure that these impacts are thoroughly assessed where relevant, **taking full advantage of the available operational guidance and helpdesk functions provided** ⁽⁶³⁾.

3.2.7. Use of evaluations

The Board notes that, in particular among the MFF IA reports, a significant number of impact assessments did not include the results from *ex post* evaluations of existing EU legislation or programmes.

The Board expects **evaluations of existing legislation or programmes to be carried out according to the Commission smart regulation policy, and their results to be systematically used in impact assessments.**

⁽⁶³⁾ Operational guidance documents (on social impacts, fundamental rights and competitiveness) are complementary to the existing IA guidelines. Their use is left to the discretion of services preparing the IAs.

Annex 1: Abbreviations and glossary

Codes used in Figures for Commission services

Code	service name
AGRI	Directorate-General for Agriculture and Rural Development
CLIMA	Directorate-General for Climate Action
COMM	Directorate-General for Communication
COMP	Directorate-General for Competition
DEVCO	Directorate-General for Development and Cooperation — EuropeAid
EAC	Directorate-General for Education and Culture
ECFIN	Directorate-General for Economic and Financial Affairs
ECHO	Directorate-General for Humanitarian Aid and Civil Protection
ELARG	Directorate-General for Enlargement
EMPL	Directorate-General for Employment, Social Affairs and Inclusion
ENER	Directorate-General for Energy
ENTR	Directorate-General for Enterprise and Industry
ENV	Directorate-General for the Environment
ESTAT	Eurostat
HOME	Directorate-General for Home Affairs
INFSO	Directorate-General for the Information Society and Media
JUST	Directorate-General for Justice
MARE	Directorate-General for Maritime Affairs and Fisheries
MARKT	Directorate-General for the Internal Market and Services
MOVE	Directorate-General for Mobility and Transport
OLAF	European Anti-Fraud Office
REGIO	Directorate-General for Regional Policy
RTD	Directorate-General for Research and Innovation
SANCO	Directorate-General for Health and Consumers

SG Secretariat-General
TAXUD Directorate-General for Taxation and Customs Union
TRADE Directorate-General for Trade

Other terms

Commission European Commission
DG directorate-general (internal Commission department)
IA impact assessment
IAB Impact Assessment Board
IASG Impact Assessment Steering Group
MFF multiannual financial framework
service shorthand for a Commission directorate-general or service, one of its internal departments
SME small or medium-sized enterprise

Annex 2: Impact assessment quality checklist template

Impact Assessment Quality Checklist for Impact Assessment Board Opinion		
Title:		
Lead DG/AP number:		
IA submitted to the IAB on:	IAB meeting:	Date of IAQC:

Policy context

Main issues to be discussed during IAB meeting
1.
2.
[...]

I. Problems, objectives and policy choices — intervention logic
--

1. Are the problems and the underlying drivers clearly demonstrated and underpinned by evidence? Have lessons from evaluation and implementation of existing policies been used? Is any lack of desirable evidence openly acknowledged and justified?

.

2. Is the baseline scenario sufficiently robust?

.

3. Subsidiarity: Is the EU's right to act clearly presented, including the legal basis? Is the necessity and added value of EU action clearly demonstrated?

.

4. Is the intervention logic coherent: do the objectives correspond to problems, do options correspond to objectives and are objectives linked to monitoring indicators?

.

5. Are objectives consistent with broad policy strategies and other relevant policy initiatives?

.

6. Is the range of policy options appropriate? Are they clearly explained, realistic and proportionate to the identified problems, and logically structured? If options favoured by stakeholders are discarded, is a thorough explanation provided?

.

II. Analysis of impacts and comparison of options

7. Are all relevant impacts assessed in adequate depth on the basis of robust evidence? Is the analysis proportionate and balanced across the three pillars?

.

8. Where relevant, is sufficient attention paid to specific impacts outlined in the IA guidelines: e.g. on consumers, competitiveness, regional, simplification/administrative burden, SMEs, international aspects, competition, fundamental rights?

.

9. Is an appropriate methodology applied? Are the methodological choices, limitations and uncertainties made clear?

.

10. Is this IA to serve also as an *ex ante* evaluation? If so, are the requirements of the Financial Regulation fulfilled?

.

11. Are the impacts for each option clearly summarised in a comparable manner? Are the options compared against a baseline scenario and/or a clear set of criteria? Is it clear how far they contribute to reaching the policy objectives? Are the options assessed for efficiency and coherence?

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III. Monitoring, transposition and compliance

12. Are plausible and operational monitoring and evaluation arrangements proposed? Can the proposed indicators measure the intended effects?

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13. Are transposition and compliance issues examined?

IV. Impact Assessment process and presentation of results

14. Has external consultation been carried out properly? Were stakeholders consulted on a clear problem definition, subsidiarity analysis, description of options and their impacts? Is it clear from the report what different stakeholders' views on major issues are?

15. Has internal consultation been carried out properly?

16. Does the report present comprehensive and sufficiently clear and concise analysis that can support decision-makers? Does the main report respect the presentation standards set out in the IA guidelines (page limit, structure, plain language)?

17. Does the executive summary respect the presentation standards set out in the IA guidelines (page limit, structure, plain language)?