



ITF OECD Roundtable
"Assessing regulatory changes in the transport sector"

Impact Assessments in the EU policy making

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Impact assessment (IA):

An impact assessment is required for Commission initiatives that are likely to have significant economic, environmental or social impacts.

Impact assessments should be carried out for both legislative and non-legislative initiatives as well as delegated and implementing acts, taking into account the principle of proportionate analysis.

The European Commission IA system

Decentralized structure

Methodological advice coming from SG

Independent Regulatory Scrutiny Board



Purpose of the Better Regulation Agenda of 19 May 2015

Reform of the policy cycle:

Enhanced openness and transparency

Improved quality of legislation

Systematic review of existing legislation



Objective: restore confidence in the EU's ability to deliver efficiently on the ambitious policy goals

Key procedural requirements for impact assessment

Political validation of initiatives

Publication of the Inception impact assessment (for comments)

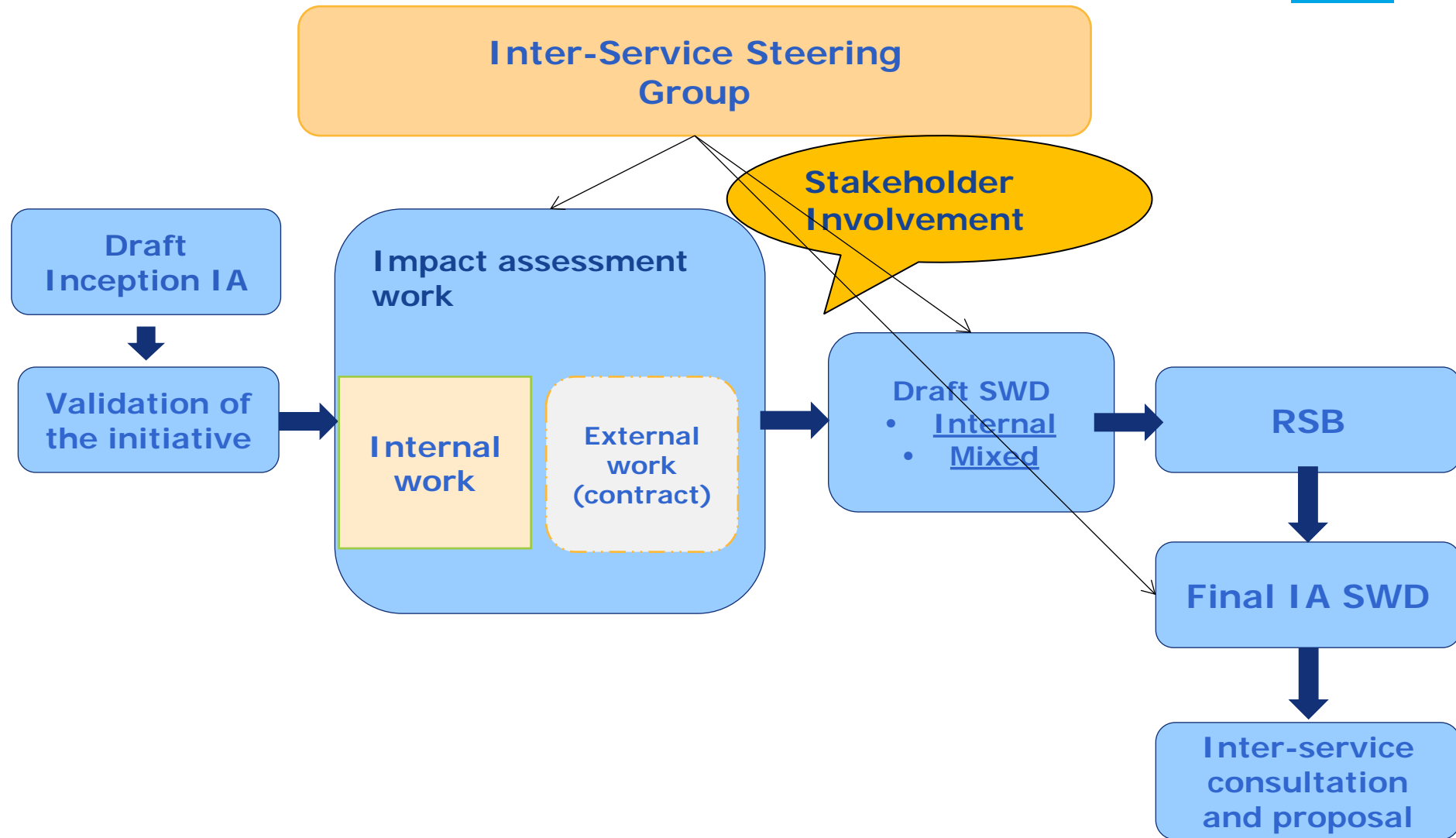
Involvement of the stakeholders at the early stage

Review/approval of all key documents by Inter-Service Steering Group

Broad range of impacts to be considered

Positive opinion on IA report from the Regulatory Scrutiny Board

Impact assessment process



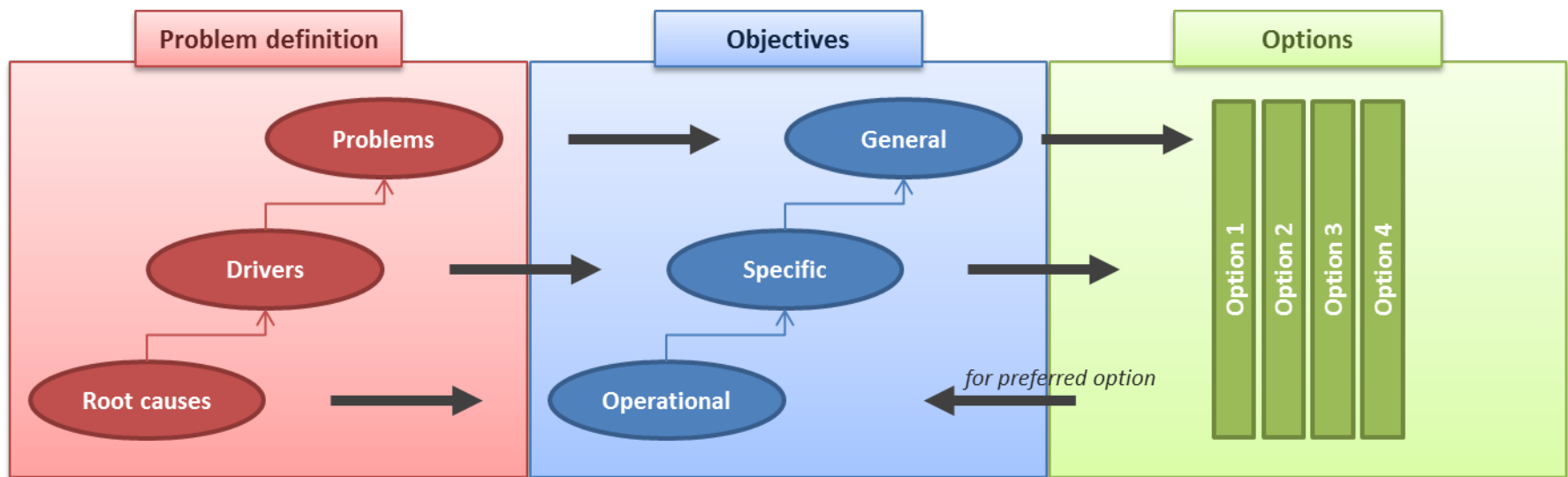


Impact assessment methodology

The questions an IA should answer:

1. What is the problem and why is it the problem?
2. Why should the EU act?
3. What should be achieved (objectives)?
4. What are the various options to achieve the objectives?
5. What are their economic, social and environmental impacts and who will be affected?
6. How do the different options compare in terms of their effectiveness and efficiency?
7. How will monitoring and subsequent retrospective evaluation be organised?

Link between problems, objectives and options



Impact assessment methodology

Different types of costs:

- 1) Direct costs: regulatory charges, compliance costs, administrative burdens (the Standard Cost Model), hassle costs;
- 2) Enforcement costs: monitoring, enforcement, adjudication;
- 3) Indirect regulatory costs: cost related to substitution, transaction costs, costs related to reduced competition, innovation, investment.

Different types of benefits:

- A) Direct regulatory benefits (improved well-being, efficiency improvements...);
- B) Indirect regulatory benefits (spill-over effects, wider macro-economic benefits, non-monetisable benefits..)

Impact assessment methodology

What are the impacts and who will be affected?

- identify all potential impacts of the options;
- select and assess the most significant impacts (quantitatively, qualitatively, impact monetarised whenever possible);

How the options compare?

- the extent to which different options would achieve objectives (effectiveness);
- the benefits versus costs (efficiency), alternatively cost efficiency;
- coherence (of each option with objectives of EU policies);
- proportionality principle



Impact assessment – example of the method used

Reduction on railway noise

Impact assessment

<http://ec.europa.eu/transport/modes/rail/doc/rail-noise-impact-assessment.zip>

Support study:

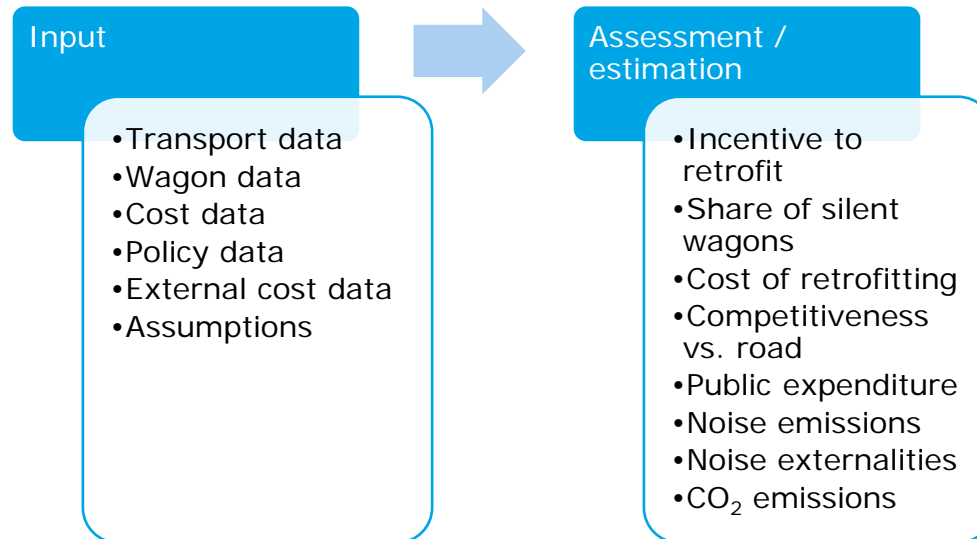
Effective Reduction of Noise generated by Rail Freight Wagons in the European Union

<http://ec.europa.eu/transport/modes/rail/studies/doc/2014-05-rail-noise-ia-study.pdf>

<http://ec.europa.eu/transport/modes/rail/studies/doc/2014-05-rail-noise-ia-study-appendices.pdf>



Impact assessment – example of the method used (cont)



Source: IA support study

- **direct economic, social and environmental impacts** analysed in detail applying mostly quantitative methods;
- a qualitative **assessment of indirect impacts** (incl. public opposition to rail, GDP and employment, overall regulatory costs, impacts on the operators from 3rd countries).

COM Better Regulation Guidelines and Toolbox

Key Guidance chapters:

- # III: Guidelines on Impact Assessment
- # V: Guidelines on Monitoring
- # VII Guidelines on Stakeholder Consultation

Key Toolbox chapters:

- #4-15: How to carry out an impact assessment
- #16-31: How to identify impacts
- #35: Monitoring the application of an intervention
- #50: Stakeholder consultation tools
- #51-59: Methods, models and costs and benefits





Useful information sources

Better Regulation Strategy

http://ec.europa.eu/info/strategy/better-regulation-why-and-how_en

Better Regulation Guidelines:

http://ec.europa.eu/smart-regulation/guidelines/toc_guide_en.htm

Impact assessment reports:

http://ec.europa.eu/smart-regulation/impact/ia_carried_out/cia_2016_en.htm

