

**PUBLIC CONSULTATION ON THE REVISION
OF THE COMMISSION'S IMPACT ASSESSMENT GUIDELINES**

- COMMENTS OF INDEPENDENT RETAIL EUROPE -

29 SEPTEMBER 2014



- 1. In line with international best practice, the Commission's Impact Assessment system is an integrated one, covering costs and benefits; using qualitative and quantitative analysis; and examining impacts across the economic, environmental and social areas. Do you agree that this is the right approach?**

In principle this is the correct approach. In practice, certain refinements are required.

An integrated approach is the correct approach to take, however each aspect of the Impact Assessment analysis should have a specific weighting. For example, objective quantitative analysis should have more weight than a subjective qualitative analysis. *The economic, social and environmental effect of each proposal need to be assessed and weighed carefully in order to get to proportionate measures and an overall balanced proposal.*

This methodology should be consistently and rigorously used. Currently there is no consistency in Impact Assessment methodologies. Sometimes quantitative analysis is used, other times a qualitative approach is used, often according to the results sought by the services preparing a proposal. For a consistent and credible approach to Impact Assessment, the integrated approach, outlined above must be respected and enforced.

- 2. Do you agree with the scope of coverage of proposals requiring an Impact Assessment? If not, why not?**

Self-regulatory initiatives should benefit from detailed Commission Impact Assessments.

Often self-regulation is used in place of formal EU legislation at the request of (amongst others) the European Commission. As self-regulation often goes further than legislation, within a shorter timeframe, it can have an even deeper economic/social/environmental impact than legislation. The impact of such initiatives should therefore be assessed.

In addition, when evaluating the credibility of a self-regulation mechanism, the respect of the principles of better self and co-regulation, developed by DG Connect, in collaboration with stakeholders, should be taken into account.

- 3. Are the appropriate questions being asked in the Impact Assessment guidelines? Are there other issues that the Impact Assessment should examine? How would this help to improve the quality of Commission policy proposals?**

The Impact Assessment guidelines contain the relevant questions on paper. In practice, it is often the case that these questions are dealt with superficially and credible/justified responses to those questions are not provided.

To ensure that responses to the questions are fully elaborated, and sufficient expertise is used, it should be made compulsory to consult stakeholders on each question. This should be done separately from a public consultation as the Impact Assessment stage often has more developed policy options than is the case during a broad public consultation. Indeed, it is almost impossible for a Commission official to answer the questions listed in the Impact Assessment guidelines without private sector expertise.

As an additional question, an Impact Assessment should formally ask whether or not the situation has changed (the original problem doesn't exist anymore) since the launch of the Impact Assessment. Concretely this may be the case if a piece of related self-regulation, or legislation, has come into

force in the interim period or behaviour within a certain sector has changed since the launch of the original Impact Assessment.

4. Do you have any other suggestion on how to improve the guidance provided to Commission services carrying out an Impact Assessment and drafting an Impact Assessment report?

Overall, the guidance is comprehensive however *it must be applied*. From recent experience, we believe that many aspects of the guidance, including the key questions of Impact Assessment and how to answer them are simply ignored.

One of the key principles of Impact Assessment is that *Impact Assessments should be used as an 'independent' tool to inform decision making*. Unfortunately we see Impact Assessments being designed to support a particular policy line from the outset; rather than being used as a neutral informational tool.

Moreover, Impact Assessments are not adjusted as a result of changes to a proposal made in the college of Commissioners. This means that Impact Assessments are usually insufficient in important, politically sensitive areas. As a result of this, Impact Assessments have been reduced to simple Commission staff working documents that relate to an original proposal from the services; rather than a proper evaluation of a proposal agreed by the college of Commissioners.

A way to rectify this situation, apart from *auditing Impact Assessments to ensure they have followed the guidelines*, is to *have two stage Impact Assessments*. Stage 1 could be a preliminary Impact Assessment of a proposal that is put to public consultation and stage 2 could be an assessment of the final proposal as adopted by the college of Commissioners whereby the stakeholder society provides private expertise.

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*Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for the main groups of independent retailers in the food and non-food sectors.*

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer.

Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents over 361,000 independent retailers, who manage more than 541.000 sales outlets, with a combined retail turnover of more than 725 billion euros and generating a combined wholesale turnover of more than 307 billion euros. This represents a total employment of more than 5.500.000 persons.

More information about Independent Retail Europe under www.independentretailleurope.eu