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INTEGRATING SUSTAINABLE DEVELOPMENT INTO EC POLICYMAKING: AN EVALUATION OF RECENT IMPACT ASSESSMENTS¹

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Abstract

Since 2001, the European Commission has been committed to undertaking impact assessments of its major policy proposals, covering the potential economic, social and environmental benefits and costs of the proposal both inside and outside the European Union. The paper provides an evaluation of a sample of the Commission's Impact Assessments prepared using the new impact assessment Guidelines that were introduced in mid-2005, focusing on the extent to which the goal of sustainable development has been integrated into the impact assessments.

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1. Introduction

In June 2001, the Goteborg European Council adopted the EU's first Sustainable Development Strategy, committing Europe to the goal of sustainable development, and the European Commission to the establishment of mechanisms 'to ensure that all major policy proposals include a sustainability impact assessment covering their potential economic, social and environmental consequences' (EC, 2001a). Following the 2001 European Council meeting, the Commission proposed that 'a coherent method for impact assessment' be introduced for all Commission proposals (EC, 2001b), and in 2002 a communication on impact assessment (EC,2002a) was issued, followed by impact assessment guidelines (EC, 2002b), which were intended to assist Commission staff in carrying out impact assessment. This new system consisted of the preliminary assessment of all proposals in the Commission's work programme and extended assessments of major proposals.

In June 2005, the Commission issued new impact assessment Guidelines which began to be implemented in August 2005 (EC, 2005a) (hereafter referred to as the Guidelines). The new Guidelines are to be applied to all items on the Commission's Work Programme, covering regulatory proposals, White Papers, expenditure programmes and negotiating guidelines for international agreements. In addition, the Commission may decide, on a case by case basis, to carry out an impact assessment of a proposal which does not appear on the Work Programme. The Guidelines explain the importance of impact assessment in the following terms:

'It ensures early coordination within the Commission. It demonstrates the Commission's openness to input from a wide range of external stakeholders, and shows its commitment to transparency. Further, by providing a careful and comprehensive analysis of likely social, economic and environmental impacts, both direct and indirect, it also contributes to meeting the specific commitments of the Lisbon and Sustainable Development Strategies. Also, it improves the quality of policy proposals, by keeping EU intervention as simple as possible. Finally, it will help explain why an action is necessary and that the proposed response is an appropriate choice or conversely, demonstrate why no action at EU level should be taken' EC, 2005a:5)

In this paper, we analyse how impact assessments conducted in 2006 using the new impact assessment Guidelines have been carried out in practice. The focus of the analysis is confined to the single issue of whether and how sustainable development considerations have been addressed in a selection of impact assessments produced by the Commission. The paper applies a single issue 'content' or 'input' test of the impact assessments, and does not assess the overall quality of the reports.⁴ There are six sections to the paper. Section 2 describes the procedures for impact assessment adopted by the European Commission, and relates these procedures to the EU's sustainable development and better regulation objectives. Section 3 reviews the findings of previous studies that have evaluated the Commission's impact assessment

⁴ A general evaluation of the 2006 impact assessments is the subject of ongoing research and our findings will be published in a separate paper. For an assessment of sustainable development in the impact assessment prepared by the Commission in 2003, see Wilkinson et al (2004). For an overall evaluation of earlier EC impact assessments, see Lee and Kirkpatrick (2006), Renda (2006), IMV (2006).

work. Section 4 sets out the methodology used in this study to evaluate how the Commission's impact assessments have integrated sustainable development considerations into impact assessment studies completed since the adoption of new Impact Assessment Guidelines in August 2005. Section 5 presents the results and findings of the analysis. The final section provides a summary and conclusions.

2. Impact Assessment and Sustainable Development in the EC

The introduction of new impact assessment procedures in the Commission can be linked back to the 2001 Goteborg European Council meeting which stated that 'sustainable development should become the central objective of all sectors and policies....Careful assessment of the full effects of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU' (EC,2001a). The 2002 Communication on Impact Assessment (EC, 2002a) reproduced the above quotation on the front cover, and explained that the new impact assessment procedures are intended to 'contribute to an effective and efficient regulatory environment, and further, to a more coherent implementation of the European strategy for Sustainable Development'.

The Strategy on Sustainable Development has four main components (EC, 2005b):

- Sets out a broad vision of what is sustainable: 'The strategy's basic message is that, ultimately, the economic, social and environmental dimensions of sustainability must go hand-in-hand and mutually reinforce one another'
- Seeks to improve the way in which policies are made: 'by focussing on improving policy coherence and making people aware of possible trade-offs between contradictory objectives so that informed policy-decisions can be taken'
- Addressing trends that are clearly not sustainable: 'such as issues of climate change and energy use, threats to public health, poverty and social exclusion, ageing societies, management of natural resources, and land use and transport'.
- International goals and the priority goals identified in the EU contribution to the World Summit on Sustainable Development: 'these are harnessing globalisation, trade for sustainable development, fighting poverty, social development, sustainable management of natural and environmental resources,

improving the coherence of European Union policies, better governance at all levels and financing sustainable development’

A closely related Communication, issued at a similar time to the announcement of the new impact assessment system, was the Action Plan for Simplifying and Improving the Regulatory Environment (EC, 2002c) which identified the new impact assessment system as one action within the Better Regulation Action Plan. Starting with the White Paper on European Governance of July 2001 and the Better Lawmaking Action Plan of June 2002, the EU has pursued a broad strategy to provide a more effective, efficient and transparent regulatory system. The impact assessment system is seen as supporting the design and implementation of ‘better regulation’, by ensuring that ‘new legislation is well prepared, proportionate, respecting the subsidiarity principle, and is not overly complex or burdensome in its implementation provisions’ (EC, 2006).

There are two main political drivers, therefore, behind the Commission’s impact assessment procedures: the EU’s Sustainable Development Strategy and its call for measures to increase policy coherence between the economic, social and environmental dimensions; and the Better Regulation agenda, which calls for initiatives to promote effective and efficient regulation as part of the efforts to fulfil the Lisbon objectives of a competitive European economy.

The relationship between the sustainable development strategy and the economic objectives of the Lisbon strategy raises a number of fundamental issues for the impact assessment system, and the ongoing process of recalibrating this relationship has resulted in revisions to the EC’s IA procedures. This relates particularly to the choice of impact indicators and the relative importance that is attached to the chosen indicators.

One way of viewing the relationship is in terms of a hierarchy of objectives, where sustainable development is the ultimate goal or ‘end’ for all policy initiatives, and a more competitive economy is a means of accelerating progress towards that goal.⁵

⁵ The 2005 IA Guidelines identify a three level hierarchy of objectives (i) general objectives which are the overall goal of the policy and are expressed in terms of its ultimate outcome or impact (ii) specific objectives which are the immediate objectives of the policy- the targets that first need to be reached in

The Lisbon objectives complement and contribute to the goal of sustainable development. This perspective is reflected in the Communication on the 2005 Review of the EU Sustainable Development Strategy (EC, 2005b):

‘The Commission in proposing the Strategic Objectives for the Union over the next five years has reaffirmed its commitment to sustainable development. It has just proposed in the mid-term review of the Lisbon Strategy to make a renewed Lisbon agenda our strategy for growth and jobs: allowing us to use the motor of a more dynamic economy to fuel our wider social and environmental ambition. In this way, Lisbon remains an essential component of the overarching objective of sustainable development set out in the Treaty: improving welfare and living conditions in a sustainable way for present and future generations. As the Commission affirmed in the mid-term review: Both Lisbon and the Sustainable Development Strategy continue to ensuring this goal. Being mutually reinforcing, they target complementary actions, use a range of instruments and produce their results in different time frames’

A somewhat different emphasis is expressed in the Communication on Better Regulation for Growth and Jobs in the European Union (EC, 2005c). The Communication reaffirms the Commission’s commitment to integrated impact assessment based on the principle of sustainable development and designed to allow policymakers to make choices on the basis of careful analysis of the potential economic, social and environmental impacts of the new legislation. ‘This integrated approach is based upon the principle of a thorough and balanced appraisal of all impacts and allows the presentation of a comprehensive analysis and the identification of trade-offs, where relevant’ (EC, 2005c:5). However, the Communication goes on to state that:

‘While the existing impact assessment tool provided a solid basis, the Commission believes that the assessment of economic impacts must be strengthened so as to contribute to the objectives of the renewed Lisbon strategy. Deepening the economic pillar of impact assessment does not compromise the importance of ‘sustainable development’ and the integrated

order for the general objectives to be reached (iii) operational objective which are normally expressed in terms of outputs – goods or services that the intervention should produce

approach, which remains the basis of the Commission's approach. Deepening the economic analysis, which also includes competitiveness aspects, should improve the quality of the assessment of the true impact of all proposals. This will therefore, make a significant contribution to strengthening competitiveness including effective competition while continuing to properly assess social and environmental consequences of proposed measures. This approach will be confirmed and translated in the context of the general update of the Impact Assessment Guidelines to be applied from April 2005' (EC, 2005c:5)

3. Previous Evaluations of EC Impact Assessment and Sustainable Development

The Commission's earlier impact assessment studies have been evaluated in a number of recent publications. Lee and Kirkpatrick (2006), Vibert (2004), Wilkinson et al (2004), Renda (2006), Opoku and Jordan (2005) all provide general evaluations of the impact assessment reports produced between 2003 and 2005 using the original Guidelines. In general, the results of these studies identify a process of 'learning by doing' with gradual improvement in the quality of the reports occurring over time. The studies point to a range of areas for improvement. Lee and Kirkpatrick (2006), for example, highlight weaknesses in terms of problem identification, narrowness in the range of policy options covered, and unbalanced coverage of different types of impacts.

A number of these studies have given explicit consideration to the treatment of sustainable development in the impact assessments. Wilkinson et al (2004) focus on the (extended) impact assessments undertaken in 2003 and consider the extent to which sustainable development considerations were incorporated in this first wave of impact assessments.⁶ Wilkinson et al (2004) note that 'issues and impacts relevant to sustainable development is brief and unclear in the Commission's guidelines' and 'the treatment of sustainable development issues in the Guidelines is brief and not easy to understand'. Detailed examination of the content of the IAs revealed that fewer than

⁶ It should be noted that the IA procedures were phased in gradually from 2003 and only became fully operational in 2004. The Commission acknowledged that the impact assessments undertaken in the first year would be 'less complete' and that a 'full level of detail' was only expected in 2004.

half made explicit reference to the EU's SD strategy. The assessment of impacts across the three pillars of sustainable development was uneven, and of the 15 IAs with relevance to all three elements of sustainable development, only about one third actually addressed all three, and even then with marked differing degrees of detail. Social impacts were generally afforded least attention. International impacts were rarely referred to. Analysis of environmental impacts was limited compared to economic factors. None of the assessments explored in any detail the trade-offs between different SD considerations.

The study by the Environmental Assessment Institute (IMV, 2006) analyses IAs carried out the period from 2004 to September 2005. A number of SD issues are examined in the report. First, the extent to which there is a 'balanced' coverage of economic, social and environmental impacts, is considered. Detailed examination of the distribution and number of impacts showed that in 29 of the 58 IAs, environmental impacts are not covered at all. Similarly, six do not cover economic impacts and six do not include social impacts. Second, almost half (24 out of 58) IAs only covered positive impacts, thereby ignoring the direct and indirect opportunity costs of the proposal. Third, the time frame for impacts is not explicitly discussed in approximately half of all IAs.

Opoku and Jordan (2005) evaluate a sample of 41 IAs undertaken during 2003 and 2004, in terms of the treatment of the international ('external') dimension of the EU's sustainable development strategy. They find that eighteen of the 41 IAs did not make any reference at all to the external dimension. Another 13 only made minimal references to the external dimension. The three IAs that did give detailed consideration to external impacts related to policies focused entirely on countries outside the EU (human rights, Mediterranean, importing timber). The authors conclude 'the EU has made a pledge to consider the 'external' dimension of sustainability during the process of determining its internal policies....however, evidence that this is being consistently and comprehensively translated into day to day policy making is still proving difficult to find' (Opoku and Jordan, 2005: 19).

4. Method of Evaluation

There are three basic approaches to ex post evaluation, each of which contributes to the understanding of the performance of the activity being evaluated (OECD, 2004):

- *Compliance tests* are inputs based, and evaluate formal compliance with the individual elements of the RIA procedures and process. Compliance testing typically involves a ‘scorecard’ assessment against the benchmark of the guidelines for good practice.
- *Performance tests* go beyond the question of formal compliance with procedural requirements, and measure the quality of the analysis undertaken.⁷
- *Function tests* are outcome focused, and evaluate the actual effect of the intervention.

This preliminary evaluation study is undertaken at the compliance level only, focusing on the content of the IAs.⁸ The content test is applied to the single benchmark of sustainable development, by applying a series of questions relating to the inclusion, or otherwise, of sustainable development issues in the impact assessments. The checklist used for the evaluation is given in Annex 1.

Table 1 Selection of Impact Assessments Reviewed

Reference	Title	Responsible DG
SEC(2006)770	Towards a sustainable European wine sector	AGRI
SEC(2006)896	Interconnecting Africa: the EU-Africa partnership on infrastructure	DEV
SEC(2006)598/2	Monitoring report on the state of preparedness for EU membership for Bulgaria and Romania	ELARG
SEC(2006)75/2	Roadmap for equality between women and men 2006-2010	EMPL
SEC(2006)841	Financing SME growth-adding European value	ENTR
SEC(2006)16	Thematic strategy on the urban environment	ENV
SEC(2006)925	Roaming on public mobile networks in the community	INFSO

⁷ Lee and Kirkpatrick (2006) for example, use six criteria of compliance, ranging from A for ‘well performed, no important tasks left incomplete’, to F for ‘very unsatisfactory, important tasks poorly done or not attempted’.

⁸ Harrington and Morgenstern (2004) refer to this as a ‘content test’.

SEC(2006)888/2	Towards an EU strategy on the rights of the child	JLS
SEC(2006)181	Exercise of voting rights by shareholders having their registered office in a Member State	MARKT
SEC(2006)929	Community strategic guidelines for cohesion 2008-2013	REGIO
SEC(2006)65	Community action plan on the protection and welfare of animals 2006-1010	SANCO
SEC(2006)570	Establishing an action programme for customs in the Community: new programme customs 2013	TAX
SEC(2006)768/2	Keep Europe moving: sustainable mobility for our continent	TREN

5. Study Findings

The evaluation was carried out using 13 Impact Assessments produced since the introduction of the new IA Guidelines in August 2005. The IAs evaluated for this paper are listed in Table 1. A full summary of results can be found in Annex 2. The IAs were obtained directly from the European Commission’s website for Impact Assessment.⁹ One IA was selected from each DG with an available IA listed on the site. Where more than one IA was available for a single DG, the IA was randomly selected. The authors then applied the checklist (Annex 1) to each IA. Of the 13 IAs assessed, nine are Communications, two Decisions, one Action Plan and one Directive. The length of the reports varied significantly from 6 pages to 257, with the average length around 55 pages; length of the IA did not necessarily mean a more or less compressive coverage of sustainable development. In line with the revised Guidelines, an IA must consider policy options available to achieve the stated objectives. In each of the IAs, one of the options is a status quo or do nothing option. Of the 13 IAs, on average 3 options are reviewed; two IAs did not include any policy options.¹⁰

As with previous evaluations of this nature, it was found the coverage across the three pillars of sustainable development was uneven. The incorporation of SD was judged on the IAs’ attention to economic, environmental and/or social impacts generally at the “Policy Options” stage of the IA. Economic impacts received the greatest

⁹ http://ec.europa.eu/governance/impact/practice_en.htm

¹⁰ These IAs are policy communication documents and not necessarily policy proposals .

attention, with 10/13 IAs giving some consideration to economic impacts and 9/10 giving medium to high coverage. Social impacts received slightly less attention, with 9/13 IAs addressing social issues. Environmental impacts received the least attention with only 5/13 giving any consideration to an environmental component and only 3 of the 5 in significant detail. Of the 3 IAs that do consider environmental impacts in the form of quantification and/or monetisation, DG ENV (SEC(2006)16) had the most thorough coverage of environmental impacts of the proposed policies, followed by DG AGRI (SEC(2006)770) and DG TREN (SEC(2006)768/2)—these IAs were the only ones to include some attempt at quantification and/or monetisation of all three pillars. Of all the IAs where policy options were specifically addressed, only DG SANCO (SEC(2006)65) omitted any assessment of the economic, social and environmental impacts, stating explicitly “the purpose of an action plan *per se* is unlikely to result in major economic, social or environmental impacts..”(p.9)

A detailed examination of the IAs revealed that only 3 of the 13 IAs made explicit reference to the EU’s Sustainable Development strategy. On the contrary, 6 of the IAs refer explicitly to the Lisbon Strategy with regards to jobs and growth. Out of the 13 IAs evaluated, not one of the IAs explicitly referred to sustainable development indicators (SDIs). Nine of the 13 did refer to the use of indicators of some kind in the analysis, but not necessarily as an indicator of sustainable development, and not necessarily at the stage of assessing various policy options.¹¹

The external or international dimension of the proposed impacts is addressed implicitly or explicitly in 9 of the 13 (70%) IAs. Five of the 13 make explicit reference to the impact of their policies externally. The others mention a global, third-party or impact outside the EU. The IA from DG JLS (SEC(2006)888/2) and DG EMPL (SEC(2006)75/2) explicitly outline the impact of EU policy on improving policies in countries outside the EU. This shows a significant improvement from the selection evaluated by Opoku and Jordan (2005) where 44% of their IAs make no reference at all to the external dimension and only 32% made a minimal reference. Like previous IAs, indirect impacts were poorly considered with only 23% making explicit reference to indirect effects of the proposals. Our findings demonstrate no

¹¹ In conducting a search for indicators, key words used were sustainable development indicators (SDIs), best-needed and indicator (see SEC(2005)161).

significant improvement over the sample evaluated by (IMV,2006) where 44% made no reference at all, 32% made minimal reference and only three gave detailed consideration of indirect impacts.

The new Guidelines call specifically and extensively for the inclusion of both positive and negative impacts to be considered. Of the 13 IAs evaluated, only three considered the positive and negative impacts across all three pillars. A further 3 addressed the positive and negative impacts in terms of economic and social impacts and 3 of the 13 looked at only positive impacts, either economic or social, of the policies under consideration. This shows a slight improvement over the 58 IAs evaluated by IMV, 2006 where only 16% or 9/58 addressed the +/- impacts across all three pillars. Another area of improvement over previous IAs is the inclusion of a time dimension. Approximately 9/13 make some reference to the short, medium or long-term impacts of a proposal. The IAs vary significantly with their treatment of time however, for example, one IA refers only to the fact that “impacts will vary over-time” (SEC(2006)896).

The Guidelines explicitly state the need to incorporate trade-offs and indirect effects of policies in the IAs in terms of economic, social and environmental considerations. Showing improvement over the selection of IAs evaluated by Wilkinson et al (2004), 5 of the 13 IAs made explicit reference to trade-offs between economic, social and/or environmental impacts in some detail. Of the 13 IAs, only 3 made explicit reference to the indirect effects of impacts and all three in terms of economic and social costs. The Guidelines likewise call for subsidiarity and proportionality in terms of IAs, in order to determine whether EU intervention is justified and that the IA policy options do not go beyond what is necessary to achieve its objectives. Nine of the 13 IAs refer explicitly to subsidiarity and/or proportionality in the IA, with only a single IA referring explicitly to the need for good governance.

With respect to the use of indicators and specifically SD indicators, the Guidelines are not as clear as they could be. The updated Guidelines discuss the use of indicators in both the “options” stage and the monitoring and evaluation stage of the IA process. Under Section 4.2 of the Guidelines, the question of “how” to assess impacts is addressed and specifically in terms of indicators that should be utilised in the IA

procedure to “monitor the implementation of the EU sustainable development strategy.”(p. 26). The Guidelines explicitly call for the impacts to be assessed in “qualitative, quantitative and monetary terms where possible and appropriate” (p. 48). However, the Guidelines do not list a set of “core” indicators, but instead refer to an alternative document by the EC where 12 headline, 45 core and 98 analytical sustainable development indicators are outlined.¹²

Once the impacts of various policy options have been analysed (step 4 in the steps to IA development), it is at the stage of monitoring and evaluation (M&E) the use of indicators is encouraged by the Guidelines:

“An attempt should be made to define some core indicators for the main policy objectives and to outline the monitoring and evaluation arrangements envisaged.” (p. 45).

In section 6.2, the Guidelines state “it makes sense to define some core indicators for the key policy objectives,” however, one would have to refer to SEC(2005)171 for a list of the 45 core indicators compiled by the EC. In Annex 14 of the Guidelines, five core areas indicators that should address are outlined and examples given of different types of indicators. However, there is no mention of the core indicators that should be used across all IAs to ease comparison of different IAs and/or how these tie into the indicators outlined in the EC’s document on sustainable development indicators (SEC(2005)171).

This ambiguity in the Guidelines on firstly, when indicators should be incorporated in the analyses to satisfy sustainable development criteria and, secondly, which indicators should be used, could partially explain why not a single IA reviewed makes explicit reference to SDIs. Five of the 13 IAs make no mention of indicators at all, while DG MARKT states “a few indicators and mechanisms could be introduced” at the stage of M&E. Only the IA from DG ENV (SEC(2006)16) makes explicit reference to the use of social, economic and environmental indicators, therefore recognising sustainable development criteria of incorporating all three pillars in an

¹² Sec(2005)161 final

analysis. They do not, however, incorporate these indicators in a comparison of the different policy options proposed and, only half of the IAs making any mention of indicators, have done so at the M&E stage of the IA. Only four of the 8 IAs making any mention of indicators proposed their use at the policy option stage, and none of those did so for all three pillars. The IA from DG EMPL, for example, states explicitly that, following the Guidelines, the IA is a “Broad policy-defining document” and therefore analysis will only be “preliminary and will not provide detailed quantitative data”(p.16) and therefore they have proposed the use of economic and social indicators at the M&E stage only.

The Guidelines state “there is no point in laying down detailed indicators and monitoring and evaluation arrangements” for the options identified as part of the IA, until after the “political choice of the most appropriate policy option has been made.”(p.45). This presents a problem for SD goals, where depending on the specific DG interests under consideration, the absence of indicators at the policy proposal and monitoring and evaluation stage render objectivity of the most appropriate and sustainable choice difficult. In fact, if indicators are to be used after a policy option has been selected, upon which criteria are politicians judging different policy options, especially when quantification and monetisation exercises are absent from so many IAs? It is not surprising, therefore, that the IAs evaluated do not refer to SDIs, *per se*, and that they are not widely used to assess impacts at the policy proposal stage, but rather are reserved instead for monitoring and evaluation once policies have been chosen—if they are used at all.

6. Summary and Conclusions

A content analysis was conducted for 13 of the 34 available IAs for 2006. The IAs for this period were completed under new Guidelines established by the Commission in 2005.¹³ The IAs were evaluated based on their inclusion of sustainable development considerations in policy analyses. A key area of improvement from previous IAs evaluated under a similar framework, was the inclusion of trade-offs

¹³ Guidelines were updated in March, 2006 are available at http://ec.europa.eu/governance/impact/key_en.htm

between different pillars of sustainable development. Although there is room for improvement, compared to the 2003 IAs evaluated by Wilkinson et al (2004) where not a single IA explored trade-offs in any detail, we found that five of the 13 IAs did include some discussion of trade-offs, although the quality and breadth varies between IAs. For a thorough analysis of trade-offs between various policy options in terms of economic, social and environmental factors, some qualitative and/or quantitative assessment of impacts is necessary. In our selection of IAs, there was no significant improvement seen in efforts to monetise and/or quantifying impacts, compared to earlier IAs. Different DGs addressed the three pillars to varying degrees based on their primary area of expertise and this is reflected in an unbalanced treatment of the three pillars of sustainability in the majority of available IAs. For example, where DG ENV concentrates most prominently on environmental impacts, others, like DG INFO, give greatest consideration to economic factors. Out of the 13 IAs evaluated, DG AGRI, DG TREN, along with DG ENV did provide fairly balanced coverage of the three pillars and addressed, albeit in varying degrees, the impacts of all three in their respective IA.

Where an IA may not have referred specifically to the EU's SD strategy, this did not necessarily indicate a lack of consideration for sustainable development goals in the final IA, such as with the IA from DG ENV. Likewise, where mention of the EC's SD strategy was found, actual consideration of economic, social and environmental dimensions was not necessarily reflected in the content of the IA (see DG REGIO for example).

Although the updated Guidelines refer broadly to the need for sustainable development to be considered in the IA process, the reality of identifying the most "sustainable" policy option in terms of all three pillars, remains poorly considered in the IAs reviewed in this paper. This may be due in part to the ambiguity in the Guidelines with the "how" of incorporating sustainability considerations into IAs. The process of "learning by doing" continues to dominate the IA procedure, therefore, as the emphasis on quantification, monetisation and otherwise measuring the various impacts of policies proposed remains a process which is done after policies have been selected and chosen. The IA process needs to move still further towards the use of indicators and other methods of qualitative and quantitative analysis at the earliest

stage possible in the IA process and thus the most sustainable path can be systematically, consistently and reliably chosen early on.

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Annex 1

EVALUATION OF 2006 IMPACT ASSESSMENTS

1. Basic Information

Title	Date	Reference Number	Responsible DG

Category of Proposal (please circle)							
Regulation	Directive	Decision	Communication	Action Plan	Mandate	Framework paper	Other (state)

Report Length	Options mentioned/ assessed	Problem Description	Definition of Objectives

2. Evaluation

	Yes	No	Page No.
Does the IA make explicit reference to the EU's Sustainable Development Strategy?			
If yes, is the reference made in the definition of objectives			
Does the IA refer to or make use of the EC's Sustainable Development Indicators?			
If yes, is there a balanced use of the SD indicators (economic, social, environmental)?			
Is there any mention of indicators?			
If yes, at what stage of the IA are they mentioned? (M&E) or Policy proposal or both?			
If yes, do the indicators address the following areas?			
Economic			
Social			
Environmental			
Does the report assess the following impacts?			
Economic			

Social			
Environmental			

What is the level of attention given to each type of impact?				
	High		Medium	Low
Economic				
Social				
Environmental				
Does the IA assess both the positive and negative impacts (Y/N)				
	Positive		Negative	Both
Economic				
Social				
Environmental				
Does the IA give consideration to any of the following considerations?				
	Yes	No	Details	Page No.
External dimension				
Indirect impacts				
Time dimension of impact (short/med/long)				
Trade offs between environmental/economic, social and impacts				

Does the IA refer to any of the following cross-cutting sustainable development principles:				
	Yes	No	Details	Page No.
Precautionary principle				

Trade-offs				
Non “win-win” outcomes				
Irreversibility				
Regeneration				
Substitutability				
Critical Loads				
Holistic Approach				
Polluter pays				
Future generations				
Good governance (Subsidiarity, Proportionality, Public participation)				
Other (please name)				
Is there an effort made to quantify different impacts?				
If yes, what type of impacts are quantified: economic, social or environmental				
Outline methods mentioned/used?				
Additional comments on the treatment of SD in the IA				

Annex 2 can be can be obtained upon request from the authors