

# Commission Legislative and Work Programme 2007

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## ROADMAP

Title of the proposal: **Convergence Report 2007; proposal for Council Decision on euro area entry of one or more Member States (poss.); proposal for Council Regulation on conversion rates of the currencies of the Member States concerned to the euro (poss.)**

Expected date of adoption of the proposal: **2<sup>nd</sup> Quarter 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

Since EU accession, the new Member States participate in Economic and Monetary Union as “Member States with a derogation”, i.e. they do not participate in the euro area. The Treaty foresees that, at least every two years, the Commission and the ECB examine which non-euro area Member States have achieved a “high degree of sustainable convergence” (as measured by low inflation and interest rates, high exchange rate stability and the absence of excessive fiscal deficits and public debt), which is required for euro area entry. The compatibility of legislation is also examined. If the Commission finds that one or more Member States fulfil the conditions for euro area entry, it submits a proposal to the Council, which takes the final decision. Based on a proposal from the Commission, the Council also has to decide on the irrevocably fixed conversion rates of the currencies concerned to the euro.

2. What are the main policy objectives?

Enlargement of the euro area, based on sustainable convergence, will be a major milestone of economic integration within the Union. However, Member States only join when the necessary conditions are met, which is in the interest of both existing and new euro area members. Participation in the single currency area underpins long-term growth prospects notably by allowing countries to fully benefit from the single market (lower transaction costs, higher price and cost transparency, enhanced trade integration) and by strengthening macroeconomic stability (elimination of intra-area exchange rate risk, higher resilience against external shocks, lower country risk premia on financial markets).

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The procedure is foreseen in the Treaty.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Not applicable, as the Treaty does not give a choice between different policy options.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

ECFIN undertakes extensive monitoring and analysis of developments in the new Member States, including in the context to the policy co-ordination and surveillance procedures foreseen by the Treaty. The specific information underlying the (possible) proposal for a Council Decision to enlarge the euro area by one or more countries will be contained in the Convergence Reports 2007 prepared by the Commission and the ECB.

6. Which stakeholders & experts will be consulted, how and at what stage?

The formal procedure following the Commission proposal for a Council Decision involves consultation of the ECB and the EP. Discussions with Member States on economic policy challenges in Member States are held under various headings on a regular basis in the Economic and Financial Committee and ECOFIN/Eurogroup. These include informal discussions on issues specifically relevant to the preparation of eventual euro area entry (incl. exchange rate policies). Dialogue with academics and other interested groups takes place in the context of conferences/seminars and on an ad-hoc basis.

7. Will an inter-service steering group be set up for the IA?

No.

## ROADMAP

Title of the proposal: **Review of the support scheme in the cotton sector**

Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

On 7 September 2006, the European Court of Justice annulled the cotton reform of 2004 which was established by Chapter 10a of Title IV of Council Regulation (EC) No 1782/2003, inserted by Article 1(20) of Council Regulation No 864/2004, which had amended the support scheme for cotton.

The Court annulled the reform because the Council failed to take into account all relevant factors and circumstances when deciding. In particular, the Council did not pay attention to all labour costs linked to cotton growing and the viability of the ginning undertakings. In the view of the Court, this would have been necessary to assess the profitability of the crop.

The Court has ordered that the current regime (after the 2004 reform) may continue to be applied until the adoption of a new regulation, "within a reasonable time".

2. What are the main policy objectives?

With the accession of Greece to the EU, a support scheme for cotton was established by a Protocol annexed to the Act of Accession. It was extended when Spain and Portugal joined. The scheme supporting cotton production in those regions where it is important for the agricultural economy has to be adapted to the CAP reform objectives, while respecting the Protocol which explicitly states that the scheme "shall include the grant of an aid to production".

When assessing the needs for reform in the cotton sector in 2003, the Commission based its proposal on the clear request from the Council for reform of this sector (and the other sectors concerned) "based on the objectives and the approach of the 2003 CAP reform". These objectives are met by enhancing competitiveness, stronger market-orientation, improved respect for the environment and stabilised incomes. These objectives still apply to a new proposal for the cotton sector.

3. What are the policy options?

There are two major options which will be assessed by an impact analysis:

- Previous regime (deficiency payment)
- Reformed regime with a mix of coupling/decoupling aid

What regulatory or non-regulatory instruments could be considered?

A Council Regulation that amends the support scheme for cotton, and derivative legislation.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The previous regime (deficiency payment) was established with the objective of supporting cotton production in the relevant regions but it diverges from the new CAP because it is based on targeted support directly linked to the quantity of cotton produced. It neither improves competitiveness and market orientation, nor is conditioned on compliance with environmental standards. Management of the system is highly complex and it caused high and variable levels of expenditure. In the international context (WTO), this aid scheme for cotton falls into the amber box and was heavily contested by developing countries (mainly western and central Africa countries).

Under option 2 concerning a mix of coupling/decoupling aid, cotton growers would receive a decoupled aid and a

production aid per hectare of cotton. The decoupled aid should place cotton on a similar "base level" to the other alternative arable crops and it would thus contribute to market-orientation of the sector. This aid would form part of the single payment system and it would take into account the 2003 CAP reform guidelines. In addition, cotton farmers would receive a production aid (limited to a maximum surface area per Member State) per hectare of cotton, so the objectives laid down in the Protocol would be attained. The granting of aid would be subject to respect of environmental restrictions.

## **B. Planning of further impact assessment work**

5. What information and data is already available?

- Administrative information (by Member States e.g. on areas, yields and production quantities)
- Statistical information (by Eurostat and by FADN)
- Studies prepared by stakeholders and by Member State authorities
- Other scientific publications

What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

An impact assessment and stakeholder consultation will be required. The analytical work will have to include information about the labour costs linked to cotton growing. It will focus on the key issues raised by the Court's ruling, namely the method to assess the impact of decoupling in respect of the Cotton Protocol requirements and the impact on the ginning undertakings. Three methods will be used:

- External expertise will be sought, in particular on the issues explicitly mentioned in the Court's ruling. This could be, for example, external studies on specific questions or meetings with experts.
- Analysis of literature and official documents.
- Organization of stakeholder meetings, workshops and public consultation.

6. Which stakeholders & experts will be consulted?

- Advisory Committee (stakeholders)
- Management Committee (Member State experts)
- Academics and Researchers
- International experts

How and at what stage?

To be determined in detail

7. Will an inter-service steering group be set up for the IA?

An inter-service group will be set up for the Impact Assessment

**ROADMAP**

Title of the proposal: **White Paper on Damage Actions for breach of the EC Competition Rules**

Expected date of adoption of the proposal: **December 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Various procedural and technical barriers in the Member States, which prevent undertakings and individuals injured by breaches of EC competition law from taking successful private legal action in order to recover compensation from the infringer for the loss suffered. The lack of clear, effective and workable rules governing claims for damages in competition-law cases constitutes a possibly insurmountable barrier to undertakings and citizens wishing to enforce the rights guaranteed to them by the competition rules of the Treaty. This situation is also inimical to the functioning of the competition rules in general, since it affects their efficacy, and undermines general incentives to pro-competitive behaviour. Inefficient avenues of redress for injured parties lead to economic and welfare losses to society, a situation which is incompatible with the Lisbon strategy objectives of a competitive EU economy. The principles of subsidiarity, proportionality and necessity will be addressed in regard to the options in the White Paper

2. What are the main policy objectives?

To ensure the effective implementation of the Judgments of the Court of Justice of the European Communities in Case C-453/99 *Courage Ltd. vs. Bernhard Crehan* and in Joined Cases C 295/04 to C 298/04, *Manfredi et al.* In those cases, the Court recognised that the full effectiveness of the Treaty would be put at risk if it were not open to any individual to claim damages for loss caused to him by conduct liable to restrict or distort competition, and held that there is an obligation to provide for effective means to exercise the right to damages.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The options include:

1. Taking no further action
2. Development of optional practical tools/best practices which would be recommended to the Member States
3. Some approximation of national procedural rules via Community legislation (directive)
4. Full harmonisation of national procedural rules via Community legislation (directive or regulation)

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Likely impacts-

... of taking no action: no change to the status quo, however, no improvement in the position of claimants for damages for infringements of the competition rules in respect of the possibilities for effective exercise of their right to damages.

... of a White Paper: no formal legal change in the status quo, but a clear indication and reminder to the Member States of the legal requirement that provision be made for effective exercise of the right to damages. The possibility for each Member State to facilitate claims as it sees fit is retained.

... of Community Legislation: a change in the legal regime, requiring compulsory changes to Member State legislation.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

DG Competition commissioned a preliminary analysis by external experts of the technical barriers in the Member States to private actions for damages. This study on the conditions for claims for damages in cases of infringement of the EC competition rules was published on the DG Competition website on 2 September 2004. Thereafter, intensive public stakeholder consultation took place, culminating in the publication of a Green Paper and a DG competition Staff Working Paper on 19 December 2005. By mid-June 2006 Member State governments, National Competition Authorities, the legal profession, academic commentators and private citizens had submitted almost 150 responses to the Green Paper.

Furthermore, debates are also being held within the framework of the OECD.

In addition, DG Competition is considering commissioning a study to provide further assistance in drafting the impact assessment.

6. Which stakeholders & experts will be consulted, how and at what stage?

In addition to the Stakeholders' comments indicated under point 5 above, the European Parliament and the European Economic and Social Committee are in the process of drafting Opinions on the question of facilitating actions for damages. Commissioner Kroes, Director-General Lowe, Director Paulis and the staff of Unit A-1 have already participated in, and spoken at, numerous conferences, seminars and symposiums dealing with the question of facilitating access to the right to compensation in antitrust cases and will continue to do so.

The White Paper will be followed by a period of consultation similar to that which followed the December 2005 Green Paper

7. Will an inter-service steering group be set up for the IA?

Yes



**ROADMAP**

Title of the proposal: **EU targets for Green public procurement - Commission Communication on the implementation of National strategies for Green public procurement based on EU wide target setting and regular monitoring and benchmarking**

Expected date of adoption of the proposal: **Autumn 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)?

It is for Member States to interfere with their regional and local authorities' budget allocation. However, recent studies have shown the huge economic and environmental benefits which Green public procurement could generate. Studies have also shown that the lack of political support is one of the main barriers for a further uptake of Green public procurement. Member State representatives have indicated that the high level political support coming from the EU leaders and EC services is much welcomed and may contribute to the endorsement by the respective governments of national public procurement policies.

Public authorities across Europe lack to take into account environmental elements when buying goods/services/works in the public interest, although they spend between 14 to 16 % of EU Gross domestic product and could therefore importantly contribute to the reduction of the environmental impact of production and consumption.

The results of a recent study have shown that there is scope for improvement in all 25 Member States, also in those States where Green public procurement has been practised for some time already.

By proposing a Communication containing (voluntary) targets based on the results of a EU wide study and on further research by the Commission services and the Member States who are leading in the field, by providing evidence of the advantages for both the economy and the environment, and by presenting useful examples and tools for achieving more and better green public procurement, the Commission can facilitate the uptake of green public procurement and improve its application in all 25 Member States. The objective of such Communication is twofold: stimulate "green" demand by public authorities (who will 'lead by example' and influence corporate and private behaviour) and trigger the development of sustainable production methods and boost (EU) environmental technologies, hence contributing to the Lisbon and renewed Sustainable Development strategy (the latter having established a proper target for Green public procurement, stating that, by the year 2010, the average level of Green public procurement should be at the level of the current best performing Member States.

Green public procurement has been mentioned in several other initiatives in a rather scattered way (directive on energy efficiency and energy services, proposal for a directive on the promotion of clean and energy efficient vehicles or transport services, directive on energy efficiency in buildings, technology procurement..); it would be useful to demonstrate in one reference document how green public procurement can contribute to these different policies.

2. What are the main policy objectives?

To convince Member States of the need to address National strategies or action plans for green public procurement (in case they wouldn't have adopted them yet), the Commission playing the role of coordinator, facilitator of exchange of good practice and evidence and verifier;

To indicate ways of achieving the EU wide target for Green public procurement which has been set forth by the EU leaders in the renewed Sustainable Development Strategy.

To link Green public procurement to other policies and demonstrate its usefulness for reaching key environmental and economic objectives (climate change through energy efficiency in public buildings and transport for instance, or demand driven development of eco-technologies).

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

In the first instance, the approach is a non-regulatory one, because it is difficult for the Commission to interfere with the way in which money is spent by the Member States, as it is for Member States to interfere with their regional and local authorities' budget allocation

The options include the continued exchange of information and regular networking with Member State experts in the field of green public procurement, as well as a possible enhanced cooperation under leadership of front-running Member States in the framework of the so-called Open Method of Coordination.

The preferred option would include these options, in combination with clear guidance on possible ways for achieving Green public procurement target as set forth in the renewed Sustainable Development Strategy: this performance based option would include a demonstration of methodologies for setting national targets where appropriate, and the demonstration of good practices for setting action plans and strategies as well as of concrete examples of green public procurement. After revision of the situation in three years time, a regulatory approach may be envisaged based on detailed assessment of the market situation and experience gathered through the non-regulatory performance oriented approach.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The policy option is non-regulatory: likely impacts on the environment and the development and diffusion of environmental technologies are therefore more difficult to assess. Considering the huge spending power of public authorities, greening their purchases will have immediate benefits for the environment. Also indirect effects can be expected, by influencing the supply market and setting the example for corporate and private consumers. A study conducted for the Commission in 2003 (RELIEF) has already measured some of the environmental advantages that may result from Green public procurement. More information will be gathered through an on-going service contract aimed at identifying good practices for the products and services considered most suitable for "greening" in public procurement (for reasons of their environmental impact and in terms of money spent). Some Member states, such as the UK, are in the process of gathering evidence of the downstream impacts of sustainable procurement which may also be useful for assessing the impact of the proposed Communication. Additional evidence will be collected through various contacts with the Member States. The impact on the development and diffusion of environmental technologies may warrant further analysis. DG ENTR is preparing a Handbook on the issue of technology procurement which may be useful in this regard.

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

A service contractor has gathered information on the actual situation on green public procurement in the 25 MS (results October 2005) – no reliable statistics but rather broad indications.

The same service contractor has gathered good practice examples on green public procurement (by early April 2006) which can further support the objectives and targets set forth.

The Commission may ask for active cooperation of some Member States who are "leading" in this field and in the process of gathering evidence of the environmental and economic impacts of green public procurement.

The Commission services are – through regular contacts with national representatives- seeking to convince the Member States to adopt national action plans for Green public procurement by the end of 2006 (as Member States were asked to do in the Communication on Integrated Product Policy of June 2003 (COM(2003)302 final). The Communication is meant to give an additional push to the Member States, either to adopt national strategies on green public procurement if not already done so, either to continuously improve the level of green public procurement by proposing targets and presenting further examples and useful tools (websites – training programmes..).

6. Which stakeholders & experts will be consulted, how and at what stage?

The proposal will be submitted to the advice of the green public procurement expert group and, upon their advice, to other potential stakeholders. It could also be submitted for advice to the Advisory Committee on Public procurement (which assists the Commission, DG MARKT, in the application and control of EU legislation on public procurement), as well as to the ETAP High level working group (green public procurement being one of the priority actions under ETAP) and the IPP working group.

7. Will an inter-service steering group be set up for the IA?

YES, DG ENV will work closely together with the services of DG MARKT who are responsible for public procurement legislation in general. Advice will also be sought from DG ENTR, in particular as regards the question of the impact of (green) public procurement on the development and diffusion of (eco) technologies. SG will be be involved, considering the link to the target set forth in the SDS strategy.

**ROADMAP**

Title of the proposal: **White Paper on the Integration of EU Mortgage Credit market**

Expected date of adoption of the proposal: **end May 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

There is no Internal Market for mortgages. Obstacles of all kinds exist, in the areas of consumer protection, legal and other rules relating to issues such as valuation standards and credit register data, the creation and transfer of the collateral relating to the mortgage credit loan and in the funding of mortgage credit. These obstacles severely restrict the level of cross-border mortgage credit activity on the supply and demand sides, reducing competition and choice in the market. As a result, credit providers may be less efficient than they could be and borrowers face less competitive offers, a more limited choice and some categories of borrowers may be marginalised or even excluded from this market.

All this is of concern, as the purchase of a home is the single largest lifetime purchase for most EU consumers, and a significant aspect of the EU economy, with outstanding residential mortgage credit balances constituting almost 45% of EU GDP.

The economic cost of the lack of an Internal Market for residential mortgage credit has been the subject of an independent study carried out on behalf of the Commission by UK based consultant London Economic (awarded the contract after an open call for tender). The study predicts that while partial and gradual integration may occur without intervention at EU level, such intervention would have the potential to promote integration, leading to greater competition and product completeness. It estimates the current (2005) value to the EU economy of increased integration over the next ten years at EUR 94.6bn, which amounts to 0.89% of current EU GDP.

2. What are the main policy objectives?

To propose a strategy that will promote the integration of the EU mortgage credit market in order to make it more efficient and competitive for the benefit of all, provided always that the benefits of such a strategy can outweigh the costs. This could be achieved by ensuring that mortgage credit can be demanded and offered with little hindrance throughout the EU and that product diversity and price convergence are enhanced.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The variety of obstacles will merit a variety of options (regulatory and non-regulatory), should proposals be made. Options proposed for consultation in the different policy areas described above include legislation, self-regulation, market-led information sharing and cooperation initiatives, and the creation of scoreboards by the Commission to encourage best practice.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Thus far no choices have been made between the various policies options described above. What is clear is that any action that may be proposed is likely to have an economic impact, focussed on competitiveness, competition, costs (with associated benefits) to business and savings to consumers. There is, to a lesser degree, the potential for a social impact.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Information is available already in the form of a study on costs and benefits of integration which is available on the Commission internet site. Further input was obtained during the consultation on the Green Paper on Mortgage Credit in the EU.

A proportionate impact assessment will be prepared to accompany the White Paper. This will be finalised early 2007. Thereafter, depending on the proposals made (if any), further impact assessments will be carried out on individual measures as appropriate and proportionate.

6. Which stakeholders & experts will be consulted? How and at what stage?

The consultation process began in 2003 with the establishment of the Forum Group on Mortgage Credit in the EU, which published a report in December 2004. In mid-2005, the Commission published a Green Paper on Mortgage Credit in the EU, which launched a broad public consultation, which was concluded at the end of 2005 with a public hearing. In 2006, to examine certain aspects further, the Commission established the Mortgage Funding Expert Group and the Mortgage Industry and Consumer Expert Group. In addition, the Commission has established a Government Expert Group on Mortgage Credit to accompany the process. Further information on the process to date is available on the Commission internet site at: [http://ec.europa.eu/internal\\_market/finservices-retail/home-loans/integration\\_en.htm](http://ec.europa.eu/internal_market/finservices-retail/home-loans/integration_en.htm).

The Commission will continue to consult all relevant stakeholders and experts at every stage in the process.

7. Will an inter-service steering group be set up for the IA?

A Steering Group is currently being established specifically for the IA (COMP, ECFIN, TAXUD, SANCO, JLS, ENTR, SG) which will be used for the IA.

**ROADMAP**

Title of the proposal: **Initiative on Concessions**

Expected date of adoption of the proposal: **29 October 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

EU Member States are increasingly interested in Public-Private Partnerships (PPP) in order to ensure the delivery of infrastructure projects and to perform public services. PPPs often take the form of concessions, i.e. public contracts allowing the concessionaire to exploit the construction or service granted as a consideration for having erected the construction or delivered the service. In spite of the economic importance of concessions, only few provisions of secondary Community legislation coordinate the award procedures for works concessions. Apart from these provisions, the contracting bodies are free to decide how to select the private partner, although in so doing they must nonetheless guarantee full compliance with the principles and rules resulting from the Treaty. For their part, the award of service concessions is only governed by the EC Treaty principles.

The public consultation on the Green Paper on PPPs and Community law on public procurement and concessions, adopted on 30 April 2004 (COM [2004]327 – PPP Green Paper), showed the demand for a stable, consistent legal environment for the award of concessions at EU level (cf. Commission Communication of 15 November 2005, COM (2005) 569 final). EU level coordination appears to be best suited to provide the necessary legal certainty, reconciling it with the alleged need for flexibility of public authorities and creating a level playing field for economic operators.

2. What are the main policy objectives?

The main policy objective of an initiative on concessions is to enhance fair competition for concessions. To this end, an EU initiative should provide for a stable, consistent legal environment for the award of concessions at EU level.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Apart from the "doing nothing" option, which clearly would not meet the policy objectives at stake, there are basically two ways to respond to the demand for a stable, consistent legal environment for the award of concessions at EU level: (1) legislation and (2) non-binding guidance, in particular in the form of an Interpretative Communication.

As regards the content of any policy option, the general principles derived from the EC Treaty applicable to the award of concessions may need to be clearly spelt out by means of a Community instrument. A possible initiative on this issue should cover both works and services concessions and provide a clear delineation between concessions and public procurement contracts.

Legislation would require adequate advertising of the intention to award a concession and it would fix the rules governing the selection of concessionaires on the basis of objective, non-discriminatory criteria. More generally, the rules should aim at applying the principle of equality of treatment of all participants to the award of concessions. Also, problems relating to the long duration of concessions, such as the need for their adaptation over time, as well as questions on PPPs established to build and operate cross-border infrastructures might be dealt with by such initiative.

Non binding guidance would basically consist in updating the Commission Interpretative Communication on concessions under community law of April 2000. Such guidance would specify the rules and the principles of the Treaty governing all forms of concession and the specific rules that Directive 2004/18/EC on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts lays down for public works concessions.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

#### Non-Binding Guidance

An Interpretative Communication of the Commission clarifying the EC Treaty obligations applicable to the award of concessions has existed since 2000. In spite of this guidance, misunderstandings regarding the scope and content of Community law obligations with regard to the award of concessions persist. It appears that the EC Treaty principles – even if clarified by the Commission in its Interpretative Communication – are not sufficient to guarantee equal treatment of European companies throughout the EU. It therefore seems likely that – while providing some added value – an update of the April 2000 Interpretative Communication on concessions would fall short of meeting the request for more legal certainty.

Clearly, this situation could discourage firms from bidding for concessions and might diminish competition for PPPs and ultimately jeopardise their success.

#### Legislation

The key impacts expected from a legislative initiative on the award of concessions include (1) impacts on the public sector, (2) impacts on the private sector and (3) other market impacts.

As regards (1) impacts on the public sector one consequence of setting out a detailed procedure for the award of concessions might be a change of administrative procedures to be followed by the competent authorities, in particular where the award procedures applied so far have not respected the basic EC Treaty principles, such as transparency, equal treatment and proportionality. Further analysis needs to describe the administrative consequences of complying with such requirements for the award of concessions. In this context, it will be important to adequately take into consideration the specificities of concessions, such as the complexity of the project, and the fact that it is awarded for a determined period of time.

In addition, a clear legal framework for the award of concessions is expected to contribute to increased recourse to this instrument by public authorities. However, it appears useful to further elaborate on this issue, in order to obtain information on the expected operational costs of complying with requirements for the award of concessions.

As regards (2) impacts on the private sector further analysis should consider whether examples from current practice, views of economic operators and/or any other circumstances suggest that a Community legislative initiative, designed to regulate the procedure for the award of concessions would encourage companies to participate in award procedures for concessions in other EU Member States. For instance, could such an initiative reduce transaction costs and/or create more confidence in the fairness of the selection process?

Further analysis must also consider (3) other market impacts, for example whether any persons or entities other than public authorities and bidders are affected by the opening up of the concessions market.

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Studies on the structure of the markets of services of general economic interest including public works, as well as on the structure of impacts of public procurement rules exist. The impact assessment on an initiative on concessions will draw on experiences in the area of PPPs from the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and/or the World Bank.

On various issues the Report on the Public Consultation on the Green Paper on Public-Private Partnerships and Community Law on Public Contracts and Concessions of 3 May 2005 (SEC[2005] 629) as well as individual contributions from stakeholders to the consultation (see

[http://europa.eu.int/comm/internal\\_market/publicprocurement/ppp\\_en.htm](http://europa.eu.int/comm/internal_market/publicprocurement/ppp_en.htm)) form a sound basis for further research.

An external study will contribute to the Impact Assessment by meeting the following objectives:

- providing information on today's practice of managing services of general economic interest in selected key sectors in all 25 EU and 3 EEA EFTA Member States (Iceland, Liechtenstein and Norway);
- providing information on current practice of involving third parties (non "in-house" entities and – as regards the provision of drinking water and public transport services – non affiliated undertakings in the sense of Article 23 of Directive 2004/17/EC) in the performance of services of general economic interest including

- public works;
- analysing the impacts (for example economic, legal, administrative, social and environmental) of a Community legislative initiative designed to regulate the procedure for the award of concessions.

A quantification of all impacts of the sort outlined in the answer to question 4 is desirable. Where such quantification turns out to be impossible to obtain, the services of the Commission are interested in obtaining illustrative practical examples suitable for extrapolation.

The external study shall be concluded before end of 2006. The full impact assessment should be completed in the first half of 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

A major consultation of stakeholders has just been undertaken, on the basis of the PPP Green Paper. In this context the Commission received 195 replies to the list of questions set out in the PPP Green Paper. Governments or individual ministries from Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Lithuania, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom, 15 other public authorities from these Member States, 111 associations of private and/or public entities as their members, 38 enterprises and 13 individuals contributed in writing to this consultation.

Discussions between Commission departments and stakeholders will continue at all levels, especially in existing Committees at Commission level, where public procurement experts (Advisory Committee on the Opening-up of Public Procurement set up under Commission Decision 87/305/EEC) and Member States' representatives (Advisory Committee for Public Works Contracts set up under Council Decision 71/306/EEC) meet, and through participation in conferences on PPPs and public procurement and by means of direct contacts between Commission officials and PPP experts.

7. Will an inter-service steering group be set up for the IA?

Yes, it has been set up in February 2006.



## ROADMAP

Title of the proposal: **14<sup>th</sup> Company Law Directive on the transfer of a company's registered office**

Expected date of adoption of the proposal: **April 2007**

**A. Initial impact assessment screening****1. What are the main problems identified?**

In order to fully reap the benefits of the internal market, companies should be able to move their office from one Member State to another. The possibility for European companies to freely transfer their real seat has been officially recognised by the ECJ as a right deriving from the freedom of establishment.

However, the situation of European companies wishing to transfer their registered office is widely diverging. Some Member States expressly forbid such transfer unless it is accompanied by the transfer of the real seat of the company. In other Member States (e.g. Belgium), the company law legislation allows the transfer of the registered office but the taxation legislation makes such transfer impossible in practice. The transfer of seat then requires (1) the winding up of the company in the Home Member State and (2) the incorporation of this company in the Host Member State.

The ECJ, in its Daily Mail jurisprudence of 1988<sup>1</sup> called for legislative action in this regard.

Two public consultations launched by the Commission in 1997 and 2002 highlighted a pressing need on the part of market operators for EU legislation allowing companies to transfer their registered office from one Member State to another without previous winding-up and subsequent re-incorporation.

The High-Level Group of Company Law Experts appointed by the Commission in September 2001 in order to draft recommendations for the modernisation of European company law, stated, in its final report of 4 November 2002, that the Commission should urgently consider adopting a proposal for a Directive on the transfer of companies' registered office.

The Commission, in its Action Plan on modernising company law and enhancing corporate governance of 21 May 2003<sup>2</sup>, undertook to present such a proposal for a Directive in the near future. The Action Plan was submitted to public consultation and this measure gained broad support from a significant number of the consultation participants. The opportunity to present a proposal for a 14<sup>th</sup> Company Law Directive on the transfer of registered office was, again, submitted to public consultation in December 2005. 80% of the respondents considered that there is still a need for a directive on the transfer of registered office<sup>3</sup>. Such directive would facilitate the mobility of European companies, in particular SMEs, and allow them to locate their business in the Member State that best suits their needs. Several of them stated that it should be a high priority to come forward with a long-awaited proposal.

The 14<sup>th</sup> Company Law Directive has also been listed amongst the key regulatory actions needed to achieve the objectives of the Lisbon agenda (see SEC (2005) 981).

Are they unlikely to be solved satisfactorily by the sole action of Member States?

The sole action of Member States would not make it possible to grant the continuity of the company's legal personality. This issue needs that a common mechanism be put in place between Member States.

Article 293 EC Treaty provides a legal basis for the adoption of a convention in order to "secure for the benefit of their nationals the retention of legal personality in the event of transfer of their seat from one country to another". However, no initiative has been launched in this regard.

**2. What are the main policy objectives?**

The objective is to facilitate the cross-border transfer of a company's registered office within the EU, whilst ensuring the continuity of the company's legal personality. This immediate objective appears as a key measure in order to enhance companies' mobility in the EU.

<sup>1</sup> Case C-81/87, Daily Mail, ECR p. 5483.

<sup>2</sup> COM (2003) 284 final.

<sup>3</sup> The contributions to the consultation as well as the summary report are available at [http://ec.europa.eu/internal\\_market/company/consultation/index\\_en.htm](http://ec.europa.eu/internal_market/company/consultation/index_en.htm)

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

- The policy options that can be envisaged are the following:
- The status quo, i.e. do nothing;
- A Convention between Member States with a view to securing the retention of legal personality in the event of transfer of seat from one Member State to another (Article 293 EC Treaty);
- A Regulation creating a common procedure for the transfer of registered office;
- A Directive providing for minimum harmonisation in order to ensure the continuity of a company's legal personality in case of transfer of registered office;

A Recommendation inviting Member States to allow and facilitate the transfer of registered office

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

- The status quo, i.e. do nothing: this would contradict the ECJ's invitation addressed to the European legislator to legislate. EU companies would not be able to fully reap the benefits of the internal market through enhanced mobility.
- A Convention between Member States would imply long and difficult negotiations and contradict the invitation addressed by the Court to the European legislator. The European Parliament would not be involved in the adoption of such Convention. The implementation of such Convention would be dependant on the ratification by all the Member States which may last considerable period of time. In addition, a Convention would provide for a rigid framework and would not allow flexibility.
- A Regulation would be too rigid, given the specificities of national legislations.
- A Directive on the transfer of registered office would offer flexibility for companies, notably SMEs, to choose the company law environment in which they want to operate, independently of the actual localisation of their economic activity. The impact assessment will provide econometric evaluations of the impact of this added flexibility on European SMEs efficiency. A fiscal and social impact is also going to be identified.
- A Recommendation would provide flexibility, but given its voluntary nature there is a risk that the harmonised essential requirements facilitating the mobility of companies would not be adopted in some Member States which could put the companies operating in those countries at a disadvantage.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The World Bank database provides appropriate economic indications on the creation and winding up of companies in the world, and in particular the EU. World Bank experts will be contacted in this regard. The members of the European Corporate Governance Forum, the Advisory Group on Company Law and Corporate Governance as well as the Company Law Expert Group will also be invited to communicate relevant information and data, notably on the Member States' rules on the law applicable to company and related (e.g. tax, labour) matters, the number of companies established in another Member States than the Member State of incorporation, an estimation of the number of companies which could potentially wish to transfer their registered office as well as the existing costs and administrative burdens that companies wishing to transfer their registered office face nowadays. The reasons for such transfer will also be studied.

6. Which stakeholders & experts will be consulted, how and at what stage?

Stakeholders have already been consulted on the opportunity to present a proposal for a 14<sup>th</sup> Company Law Directive (see Section 1), in particular within the general consultation on future priorities for the Action Plan conducted in winter 2005 – spring 2006. The Advisory Group on Corporate Governance will be requested to provide some assistance. A working group will be established within the Advisory Group in this regard. The opportunity to send a questionnaire to the members of the Company Law Expert Group will also be considered.

7. Will an inter-service steering group be set up for the IA?

Yes.

## ROADMAP

Title of the proposal: **Solvency II**

Expected date of adoption of the proposal: **July 2007**

**A. Initial impact assessment screening**

## 1. What are the main problems identified?

The basis for the current solvency framework in the EU was established in 1970's, with the adoption of the First Directives in non-life<sup>4</sup> and life<sup>5</sup> insurance. In the recent years its application has resulted in challenges that have been increasingly recognized by the insurance supervisors and the industry, highlighting the necessity to overhaul it and make it more risk-based and up-to-date with the developments in financial markets, insurance product and risk management areas.

The current EU solvency regime captures only some of the instances that require supervisory attention and, as a result, leads to situations where problems are flagged and interventions are carried out too late. Furthermore, as it is not risk-sensitive enough to yield an accurate assessment of the enterprise-wide insurer risk profile it brings about capital allocation that is sub-optimal. This undermines policyholder protection and the competitiveness of EU (re)insurers internationally.

Are they unlikely to be solved satisfactorily by the sole action of Member States?

Recent attempts by some member states to make their solvency supervision more risk-oriented underscore the fact that the current EU rules are not entirely effective with respect to the objectives underlying the solvency regulation. Although such individual actions could be reasonably expected to address the problem at the national level, they do not provide for an optimal solution at the internal EU market level, as they create distortion in the level playing field conditions for insurance companies, hence, impeding innovation and depriving the European consumer of more competitively priced and higher quality insurance services.

## 2. What are the main policy objectives?

General objectives are the overall long-term goals of a project. The general objectives of the new Solvency system are:

- Deepen integration of the EU insurance market;
- Improve protection of policyholders and beneficiaries;
- Improve international competitiveness of EU insurers;
- Promote better regulation.

A set of more specific intermediate- and short-term objectives has also been defined to facilitate the realization of the above general goals.

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The following list of preliminary policy options that need to be considered as part of the impact assessment has been set by the Commission Services<sup>6</sup>:

## 1. Overall approach:

- (1) Status quo – no changes needed to the current situation
- (2) Update the existing Solvency I Directives
- (3) Develop a new EU solvency framework
- (4) Wait for an international solvency solution

<sup>4</sup> Directive 73/239/EEC

<sup>5</sup> Directive 79/267/EEC

<sup>6</sup> The European Commission working document "The Impact Assessment of the Solvency II Level 1 Directive - Considerations on function and possible structure - Timing and organisation of work"; MARKT/2519/05-rev1-EN.

2. Legislative approach for the new EU solvency framework:
- (1) Update the current (non-Lamfalussy) Directives through (non-Lamfalussy) amendments.
  - (2) Create one new Lamfalussy Directive, which recasts and codifies existing Directives (life, non-life, reinsurance and groups) and introduces simultaneously the Solvency II changes.
  - (3) Create three separate recasting Directives for life, non-life and reinsurance/groups, introducing simultaneously the Solvency II changes separately in each of the Directives (Lamfalussy type).
3. Should the system contain several solvency capital requirements?
- (1) No. One solvency requirement level is enough.
  - (2) Yes, a solvency capital level based on the economic capital that an insurance company needs, and a minimum capital level below which a company cannot continue in operation.
4. What confidence level for policyholder protection should be used in the development of the solvency capital requirement?
- (1) 99,5%
  - (2) Lower than 99,5%
  - (3) Higher than 99,5%

On specific issues:

5. What overall approach should be used for the valuation of technical provisions?
- (1) Prudent approach not specifying a benchmark confidence level
  - (2) Prudent approach specifying a benchmark confidence level
6. What benchmark confidence level should be used for the valuation of technical provisions?
- (1) 75%
  - (2) 90%
  - (3) Another level
7. How should the solvency capital requirement be calculated?
8. How should the minimum capital requirement be calculated?
9. Should internal models be allowed for the calculation of the solvency capital requirement?

Commission Services recently also decided to examine whether a cost-of-capital approach could be used in the calculation of technical provisions.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Key stakeholders in the Solvency II project are insurance undertakings, consumers, SMEs and supervisory authorities. Consideration also needs to be given to the potential macro-economic impact of Solvency II including the impact on financial stability.

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

On the basis of the work already done and in particular the extensive consultation already carried out with Member States, insurance supervisors, the insurance industry and other stakeholders, a number of working assumptions have been made. These will be tested further and may be modified in the event that further testing indicates that the choices made are sub-optimal.

The Commission Services consider that, in order to help finalise policy decisions and to ensure that co-legislators will have a complete and balanced picture of the impact of the proposed directive, five specific additional pieces of work need to be conducted. While the first of these pieces of work will be conducted by the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), the four others will be directly organized by the Commission Services, in close contact with Member States, CEIOPS, the insurance industry and other stakeholders.

The first and most important of these is the Quantitative Impact Studies being conducted by CEIOPS, which will provide valuable information regarding the various policy options related to the calculation of technical provisions and solvency requirements.

The second piece of work required relates to assessing the likely macro-economic effects of the introduction of Solvency II including the impact on financial stability.

The third useful piece of work would be to look at the wider impact of the various options on insurance-specific aspects, such as insurance markets and products and supervisory authorities. In addition, work looking at administrative burden and the impact on SMEs will need to be done.

The fourth piece of work needed relates to how the impacts of the proposal will be monitored and evaluated after implementation.

Finally, the Commission Services believe it would also be valuable to conduct a market failure analysis as part of the problem definition work.

#### 6. Which stakeholders & experts will be consulted, how and at what stage?

In order to develop the Solvency II regime, the Commission Services has worked with many stakeholders: the supervisors (through CEIOPS), the regulators (through EIOPC or the European Insurance and Occupational Pensions Committee and Solvency Working Group) and other stakeholders, namely consultants, industry and the general public.

Work with supervisors. The Commission has asked CEIOPS to give its advice on specific areas of work through 23 Calls for Advice, structured in 3 waves (sent on July 2004, December 2004 and April 2005). The Commission has set out the policy guidelines and principles within which CEIOPS should develop its advice in a document called "Framework for consultation". This document has been revised a first time in July 2005 in order to clarify in particular, the scope of the three pillars (quantitative rules, supervisory activities, disclosure and reporting issues) and the relation between Solvency II and Basle II, the use of internal models and the relation between the MCR (Minimum Capital Requirement) and SCR (Solvency Capital Requirement) and a second time in April 2006. The framework and its revised versions are available on the Commission's website. CEIOPS sent its answer to the three waves of Calls for Advice to the Commission on respectively 30 June 2005, 1 November 2005 and 3 May 2006. In addition, CEIOPS is working on other issues related to Solvency II, the main one being the Quantitative Impact Studies.

To prepare its statements and documents and carry out the technical work of the Association, CEIOPS set up Working Groups consisting of experts from the national supervisory authorities, and to which other stakeholders contribute from their expertise and insight. The organisation of the working groups depends on the CEIOPS' Work Programme. CEIOPS has created four Expert Groups to work on Solvency II issues: pillar 1 (initially split between life and non-life), pillar 2 supervisory activities, pillar 3 disclosure / accounting, and group / cross-sectoral issues. In addition, a permanent committee, the Financial Stability Committee also deals with Solvency II as it organises the Quantitative Impact Studies.

CEIOPS, at an early stage, consults interested parties in preparing advice to the Commission and also in drafting its own recommendations, guidelines and standards. In general, it adopts an extensive degree of disclosure in fulfilling its duties, using appropriate means of communication, within the limits of secrecy and confidentiality constraints inherent in supervisory activity and which are established by EU legislation. With this in mind, CEIOPS drafted its Public Statement of Consultation Practices (CEIOPS-DOC-01/05), adopted in February 2005. In practical terms, CEIOPS is committed to consult (before and after the drafting of each consultation paper) market participants, consumers and end users, in three different ways:

- At Working Group level through informal discussions at an early stage with those most likely to be directly affected. In this phase the operational organisation of CEIOPS aims to inform interested parties about the work under way and find practical ways to facilitate external inputs while a draft document or statement is under preparation;

- On the basis of wide, formal consultations, also via its website and by holding public hearings, once a draft document or statement (Consultation Papers) has been finalised; CEIOPS has published 4 Consultation Papers and has held 2 Public Hearings related to Solvency II.

- By using inputs from the Consultative Panel, whose tasks are mainly to oversee CEIOPS' policy, Work Program

and consultations practice. The Consultative Panel composed of some 15 high level experts working in the industry or end users of insurance products are appointed on a personal basis. They provide suggestions for the work program, present comments on the interim results of the work being undertaken and make proposals to amend existing practices. The Panel also acts as a "sounding board" to support CEIOPS' policy-making process.

Work with regulators. The Solvency Working group is a Commission Working group that was set up originally as a sub-committee of the Insurance Committee (now EIOPC). Representatives of EIOPC members meet to work on detailed solvency issues. It was transformed into a Commission Working group when the Insurance Committee became EIOPC. However, members of the working group remained the same as before, i.e. mainly representatives of the Ministries of Finance and/or Insurance Supervisory Authorities. This Group has met 3 to 5 times a year since the beginning of the Solvency II project.

The Commission Services organised a public hearing on 21 June 2006. It provided Member States, insurance supervisors, the industry and other stakeholders with an opportunity to discuss the overall Solvency II project.

The Commission Services also plans to undertake a number of interviews with concerned parties including consumers (through FIN-USE<sup>7</sup>), industry representatives, academics and think tanks as part of the preparation of the Impact Assessment report.

7. Will an inter-service steering group be set up for the IA?

An inter-service steering group has been set up. The first meeting took place on 8 December 2005. The second meeting took place on 4 July 2006. A final meeting will be held in 2007.

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<sup>7</sup> FIN-USE is a forum of financial services users that was set up to secure expert input on the user side into internal market financial services initiatives.

## ROADMAP

Title of the proposal: **Modification of Directive 85/611 (follow-up to White Paper on investment funds)**

Expected date of adoption of the proposal: **mid October 2007**

**A. Initial impact assessment screening**

The White Paper's impact assessment work and the drafting of the White Paper itself are still on-going.

Therefore, this document can only provide a preliminary idea of the amendments to be made to the Directive.

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The Directive on Undertakings for Collective Investments in Transferable Securities (UCITS) has two objectives: a) to set the ground for the successful pan-European development of the fund industry, while b) ensuring a high level of protection for investors. The first objective responded to the willingness to foster gains for all participants in an integrated market for investment funds. To this aim, the Directive introduced the concept of UCITS passport, allowing a fund, subject to a simple notification, to be offered to retail investors in any EU jurisdiction once authorised in its home country. The Directive's provisions defining investment limits, information requirements and other UCITS features were drafted with a view to protect investors.

While the UCITS passport has encountered some problems in its practical implementation, it has paved the way for cross-border sale of investment funds. However, it has not been enough to facilitate industry consolidation and greater efficiency.

At the manufacturing level, the notification procedure is too long and burdensome. Inability for some players such as the management company or the depositary to offer their services across borders leads to a duplication of resources. Finally, the European fund market is populated by a high number of relatively small and inefficient funds. This translates into unexploited economies of scale. As a result, the European investor bears the consequences: higher costs and lower returns. The problem is compounded by the fact that UCITS compete on the selves with other products with similar characteristics but subject to less strict requirements. If UCITS are not able to respond to investors' expectations these will move to more attractive products. This may be an undesirable outcome from an investor protection point of view.

At the distribution level, the simplified prospectus does not fulfil its role: a tool to allow investors to compare across funds and to make informed decisions. It is too long and complex. Also new distribution models, such as open architecture, may lead to less transparency and higher costs. This risks undermining investor protection and reducing net returns.

In view of these shortcomings, the Commission has launched an extensive programme of consultation and an impact assessment. The process is described below.

**Step 1: The Green Paper on investment funds**

Should we do more to enable the fund industry to better serve the European investor? This question was at the heart of the Commission's Green Paper on investment funds published in July 2005. The Commission invited reactions on a range of new single market freedoms for the fund industry. This included the right of fund managers to manage a fund in another jurisdiction (management company passport); measures to allow funds to merge and to pool their assets; and the possibility for depositaries to offer their services to funds across borders.

Contributions received showed a high level of interest in expanding the single market framework to include some of these possibilities. Also in response to the Commission Green Paper, the European Parliament approved in March 2006 an 'own initiative' report on asset management. The report supports targeted changes to the Directive in order to make it evolve in line with changes in the market.

**Step 2: Extensive analysis**

However, feedback from industry, investors and national authorities pinpoints a number of commercial and supervisory issues that warranted further exploration. To help identify viable responses that meet these concerns in a cost-effective way, the Commission established at the beginning of 2006 two expert groups. Their reports were published early in July. An open hearing was organised July 19<sup>th</sup> the get a first reaction from investors and regulators to the experts' recommendations. An open consultation on the reports will conclude on September 20<sup>th</sup>.

The Commission has also launched two studies aiming to analyse the main challenges emerging in the asset management area. Their draft final version has been submitted in August. Feedback, reports and studies are feeding

into the on-going impact assessment conducted by Commission services. This impact assessment work started in September 2005.

Next step: The White Paper

Consultations and the impact assessment will crystallise in a White Paper on the further steps to be taken in order to enhance the single market for investment funds. In it, the Commission will formalise its assessment of the concrete actions to be taken. This White Paper is expected to be adopted in November 2006. It could then be quickly followed by the drafting of the proposed actions.

At this stage (White Paper impact assessment still on-going), it is difficult to give a firm indication on the detailed amendments to be made to the Directive. However, these may entail: simplification of the notification procedure; promoting transparency and competition in fund distribution; helping investors to make suitable investments faced with a greater range of more sophisticated investment possibilities – in a first instance by transforming the simplified prospectus into an investor-friendly document; introduction of additional single market freedoms for the fund industry such as management company passport, master-feeder pooling structures and fund mergers. The White paper will also have to take a view on whether steps are needed to extend the UCITS Directive to encompass other types of investment funds which are currently outside the scope of the Directive

## 2. What are the main policy objectives?

Overall objective: to increase the efficiency of the European market for investment funds while assuring a high level of protection to investors

Intermediate objective: to modernise the existing regulatory framework so that it will achieve its objectives (market efficiency and investor protection) in a context where structural changes are transforming the environment in which the investment fund sector evolves.

Operational objectives: 1) to eliminate barriers to the integration of the European fund market 2) to encourage cost savings at different levels of the fund industry value-chain and that those savings are pass on to investors 3) to provide the appropriate framework for investors to make informed investment decisions

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

In the short-term, a better implementation of existing rules. This has been the objective of Level 2 clarifications on the assets a UCITS can invest in and CESR guidelines on the ways to streamline the notification procedure. These have secured some progress. However, they are not capable to overcome many of the identified problems. Also improvements to the product passport do not appear ambitious enough.

In the medium-term, more far-reaching actions will be needed. A more supportive framework for cross-border pooling and mergers, the possibility for the management company and the depositary to offer services across borders, a quicker notification process, enhancing the simplified prospectus... are some of the options on the table. Most of them will require legislative change as the existing Directive does not contain the enabling mechanisms

## 4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Impacts likely to result from each policy option will be basically of an economic nature. In the case of the “do nothing” option, impacts will be assessed in terms of the cost of opportunity of not having a fully integrated market for investment funds and the increasing risks that the current trends in the market may pose for investors and for the well functioning of the industry. In the case of the other options, it will depend of the policy mix chosen.

Expected economic impacts of the different options include impact on the degree of competition in the internal market (between firms, between products), on operating costs and conduct of business, on administrative costs on businesses, on consumers and households (investors’ protection, their ability to make informed investment decisions, the price they pay for the service/product, their access to a wider or narrower range of services/products ...), on competitiveness and investment flows, on the macroeconomic environment (better resources allocation, GDP growth...) Social impacts such as financing of retirement will be considered. No environmental impact is anticipated



## **.B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Intensive impact assessment will have been completed to support the Commission commitment to actions needed as set out in the White Paper. Further impact assessment work will accompany the preparation of legislative proposals. It will have a bottom-up/operational perspective – rather than focus primarily on quantification of macro-impacts. The main focus will be on explaining the changes needed in terms of the operational adjustments that they will bring for market participants or supervisors. It will seek to clarify the scale and content of legislative/supervisory changes. It will seek to present cost-effectiveness considerations which lead us to conclude in favour of the options retained.

Impact assessment information is already gathered in the form of industry reports, academic studies and publicly disclosed statistics. In addition to this, the below information, analysis and data will be used to carry out our impact assessment:

- a summary of stakeholders' perceived pros and cons of the different Green Paper's proposals;
- the analysis of the 120+ responses to the consultation on the Green Paper on the enhancement of the EU framework for investment funds.
- the reports of the expert groups on Market Efficiency and on Alternative Investments.
- two externally tendered studies: "potential costs savings in a fully integrated European market for investment funds" and "Current and risks in the European asset management industry".
- an analysis of the articulation of UCITS and MiFID provisions re. distribution
- an in-dept analysis of the different options that should enhance the efficiency of the investment fund industry
- a complete and coherent set of data providing a reliable description of the asset management industry (including competition, distribution, integration and efficiency related indicators)
- industry surveys, analysis

The following additional steps are underway or in the pipeline to complete the above sources:

- further internal research (including screening and examination of other relevant EU directives and case law, further analysis based on published studies, articles and relevant literature, close monitoring of market, products or actors' related changes)
- responses to the consultation on the expert groups' reports.
- regular or ad hoc meetings with the ESC, CESR and market participants.
- industry surveys

We will draw all of this together in the form of an extensive impact assessment which will explain the mechanisms through which a more efficient fund industry can generate welfare improvements and examine these from a subsidiarity/proportionality/cost-effectiveness angle.

A first draft of the proposed adjustments to the UCITS Directive would be brought forward in spring 2007. They would be exposed for public comment (as was done with the first drafts of the MiFID proposal). Where legislative provisions imposing obligations on market participants or competent authorities are envisaged, particular attention would be paid to soliciting and analysing comment on these. We would also seek to use DG MARKT framework contract for assessing compliance costs and administrative burden. In the light of this analysis and feedback, we would seek to finalise Commission's proposals in the autumn of 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

Open consultations: Stakeholders (including industry, regulators and consumer associations) have already been consulted on the report prepared in May 2004 for the expert group on asset management and on the Green Paper on investment funds. Another consultation on the expert groups' recommendations is currently on-going (finishing on 20<sup>th</sup> September 2006).

Expert Groups: The experts of the Market Efficiency group were mandated to identify cost-efficient ways to improve the working of the European fund market. The group on Alternative Investments to identify barriers to the cross-border development of private equity and hedge funds. They started their work in February 2006 and published their recommendations in July.

Simplified Prospectus workshops (5<sup>th</sup> May and 11<sup>th</sup> July 2006): Representatives of investors' associations, regulators and industry were invited to participate to the debate. The aim was to reflect on the objectives that the simplified prospectus should pursue and how these should be best achieved. The first workshop concentrated on why the simplified prospectus has failed. The second workshop on what can be improved and in which manner.

Other meetings: Several meetings have been held with industry experts, Member States and consumer representatives in order to gather information test the acceptance and feasibility of the different options and keep stakeholders informed during the whole process. These also include two open hearings (October 2005 and July 2006).

7. Will an inter-service steering group be set up for the IA?

Yes – a steering committee is established for the White Paper impact assessment – this could be retained for the purposes of testing any subsequent legislative changes

## ROADMAP

Title of the proposal: **Commission Recommendation on the proportionality between capital and control in EU companies**

Expected date of adoption of the proposal: **September 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

According to the Report of the High Level Group of Company Law Experts of 2002<sup>8</sup>, proportionality between ultimate economic risk and control means that share capital which has an unlimited right to participate in the profits of the company or in the residue on liquidation, and only such share capital, should normally carry control rights, in proportion to the risk carried. The holders of these rights to the residual profits and assets of the company are best equipped to decide on the affairs of the company as the ultimate effects of their decisions will be borne by them.

In its Action Plan on Corporate Governance and Company Law of 21 May 2003<sup>9</sup>, the Commission considered that, although there was a strong medium to long term case for aiming to establish a real shareholder democracy in the EU, nevertheless any initiative in this direction required prior study, and proposed that this study be carried out in the Medium Term (i.e. 2006-2008) in order to serve as a basis for possible further legislative action thereafter. This was confirmed by a recent consultation on the future priorities of the Action Plan ([http://ec.europa.eu/internal\\_market/company/consultation/index\\_en.htm](http://ec.europa.eu/internal_market/company/consultation/index_en.htm)), where stakeholders invited the Commission to carry out a study on the deviations from the principle of proportionality between capital and control existing in the Member States, such as multiple voting rights, voting caps, and mechanisms having similar effects. This study will be launched by the Commission in September 2006.

In addition to the necessity of launching a broad study on pros and cons of the strict observance of the one share-one vote principle, the Commission in its 2003 Company Law and Corporate Governance Action Plan identified the issue of abusive pyramids as deserving particular attention in the context of existing deviations from the principle of proportionality between capital and control. Already in its first report on issues related to takeover bids of January 2002, the High Level Group of Company Experts had underlined the risks inherent in pyramidal structures whereby controlling shareholders, through chains of holding companies based on the extensive recourse to the financial contribution from minority shareholders, manage to control companies, including listed companies, with a minimum financial contribution.

In both cases, the problem is to understand whether deviations from the one share-one vote principle are compatible with the Treaty Articles (56-60) on the free movement of capital as they might hinder cross-border direct and portfolio investment and thereby the proper functioning of the Internal Market.

The Commission already addressed this subject in a specific case concerning “Special rights” - also known as “golden shares” - which are used by governments to maintain control in privatized companies by granting themselves rights that go beyond those associated with normal shareholding. They enable governments to block takeovers, limit voting rights, and veto management decisions. The Commission has taken several steps to make sure that Member States comply with the Treaty rules in this area. The report published by the Commission at <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/998&format=HTML&aged=0&language=EN&guiLanguage=fr> provides a comprehensive overview of the situation in the 25 Member States based on a survey carried out in the course of 2004.

Are they unlikely to be solved satisfactorily by the sole action of Member States?

The result of the study will allow to establish to what extent measures at Community level are needed.

<sup>8</sup> Report of the High Level Group of Company Law Experts on Issues related to Takeover Bids, p. 3, Brussels, 10 January 2002. [http://europa.eu.int/comm/internal\\_market/company/docs/takeoverbids/2002-01-hlg-report\\_en.pdf](http://europa.eu.int/comm/internal_market/company/docs/takeoverbids/2002-01-hlg-report_en.pdf)

<sup>9</sup> Communication from the Commission to the Council and the European Parliament, Modernising Company Law and Enhancing Corporate Governance in the European Union – A plan to Move Forward, Brussels, 21 May 2003, COM (2003) 284 final, [http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2003/com2003\\_0284en01.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2003/com2003_0284en01.pdf)

2. What are the main policy objectives?

The main objective is to identify existing deviations from the proportionate allocation of ownership and control across EU listed companies; to evaluate their economic significance and whether such deviations have an impact on EU financial markets.

This will allow the Commission to evaluate whether the present regime concerning shareholder voting rights across the EU is an obstacle for financial market integration in the EU, which is an essential condition for maximising the benefits of enlargement for all EU 25 Member States.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The Commission organized in the first semester 2006 an open consultation and a public hearing on the future priorities for the action plan on corporate law and corporate governance originally issued in May 2003. There was clear support for addressing the "*one share, one vote*" issue at EU-level, at least for a fact-finding study.

As to the form of a potential EU intervention, a small majority of respondents preferred a Recommendation to a Directive. Replies to this question were polarised into two camps, with investors being favourable and issuers rather opposed to an intervention at EU level. Somewhere in the middle, academics and research institutes stressed the specific cases in which deviations might be a vehicle for abuse at the expense of minority shareholders. It is important to specify that differences ran also within countries, for instance with German investors speaking in favour of an EU intervention on the subject.

Finally, an existing study (though not as complete as the one the Commission is currently organizing) completed in 2005 by Deminor Rating shows that there are very important regulatory and structural differences across the EU concerning shareholder voting rights.

The result is that for the moment, unless the results of the study which should start in September 2006 provide contrary elements, the Commission is planning to address the issue identified in section 1 above with a Recommendation, rather than a Regulation or a Directive, so as to respect national structural and legislative differences. The recommendation would invite Member States to take the necessary measures to address any potential problems that would have been identified in the study.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The affected parties would be in the first place listed issuers, their shareholders and investors in general. According to the information available at the moment, and waiting for the results of the study, the impacts would concern two main fields: (i) company disclosure of shareholder voting rights and of listed companies' controlling entities; (ii) measures at EU and national level to prevent conflicts of interest.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The most recent study is the one done by Deminor in March 2005: Application of the one share – one vote principle. However, this is not a systematic study covering all EU 25 Member States. Therefore, the preparation of an outside study on the proportionality between ownership and control to be commissioned by the Commission has started in January 2006. The results of the study are expected for May 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

DG Markt will have recourse to the advice of the European Corporate Governance Forum to evaluate the quality of the study.

7. Will an inter-service steering group be set up for the IA?

The inter-service steering group was established in February 2006. Representatives from other DGs (DG Comp, DG ECFIN, SG, DG ENTR, DG EMPL) have been invited to join in.

**ROADMAP**

Title of the communication: **Communication on other VAT rates than the standard rate, possibly accompanied by appropriate proposals**

Expected date of adoption of the communication: **4<sup>th</sup> quarter 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

In January 2006, the Council could not reach a unanimous agreement on the Commission proposal of 2003, but confirmed legally a political agreement on VAT rates, imposing on the Commission an obligation to present an overall assessment of the impact of reduced rates by June 2007 – based on a study by an independent economic think tank. Having in mind this compromise and a necessity to achieve a more uniform application of VAT reduced rates in now the enlarged EU-25 in order to improve the functioning of the internal market, the Commission considers this quality study as the first stage for its preparation of a global evaluation, subsequently accompanied possibly by a proposal for the new revision of the scope of reduced rates. An account will be taken in particular of the new situation after the last and before possible other enlargements.

2. What are the main policy objectives?

The Commission intends to use the results of an independent quality think tank study for its evaluation of the current situation in the enlarged EU-25 notably in terms of job creation, economic growth and the proper functioning of the internal market and the discussion on the necessity and/or possibility of new proposals in the field of VAT reduced rates.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Modification of Directive 77/388/ECC might be proposed.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Any future proposals should be directed towards an enhanced consistency in the application of VAT rates in the EU and their contribution to the proper functioning of the internal market, as well as the coherence with established policy objectives. The clarification of the scope of VAT reduced rates will eliminate an uncertainty for businesses and citizens.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

This work is ongoing. The basis for the Commission's work is the study on VAT reduced rates which has been launched and its results should be available by late Spring 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

The basis for the Commission's work is the study on VAT reduced rates. In this context, it is important to underline that the study is monitored by the Commission, but the full responsibility for the independence and outcome of the study rests with the contractor – Copenhagen Economics. At the contractor's request and in order to conduct the study at a sufficiently detailed level, the Commission contacted all the Member States with a request for sector specific information which might be available at the Member States' disposal. Additionally, further to an arrangement with the contractor, all parties interested to participate with their information to the outcome of the study will be/are invited to contact the Commission which will inform the contractor of their expressed interest.

The Commission might also launch an open consultation after the study's results are published with a view to receive a proper feedback before the preparation of its communication.

7. Will an inter-service steering group be set up for the IA?

Not envisaged at this stage (only if the communication is accompanied by a proposal).

**ROADMAP**

Title of the proposal: **Modernisation of VAT provisions relating to financial services and insurances**

Expected date of adoption of the proposal: **1st quarter 2007.**

**A. Initial impact assessment screening**

1. What are the main problems identified?

The current provisions are out of date and at the very least need to be modernised. The evolution of the industries concerned, as well as changes in the overall legal and regulatory environment in which it operates, conflicts with the bias towards vertical integration inherent in the current provisions. Change should be directed towards modernising the rules, ensuring their consistency with established policy objectives and reducing the need to seek clarification through litigation.

2. What are the main policy objectives?

The VAT system should not have the unintended effect of creating tension with other policy objectives. The Commission and Member States are committed to facilitating and encouraging increased efficiency in the European financial services industry, particularly through the creation of a pan-European market as set out in the Financial Services Action Plan. The existing VAT rules frequently constitute a barrier to realising these objectives for individual banks and financial groups. These barriers are generally an unintended consequence of out-dated legislation and the Commission is consistently pressed by the industry to remove these anomalies. Moreover, the state of the legislation necessitates frequent recourse to the ECJ. Although this resolves some of the inherent uncertainties, the outcome is not always predictable and both Member States and the industry face uncertainty.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Modification of Directive 77/388/CEE cannot be avoided; in addition it may be necessary to consider the use of implementing regulations under Article 29a of the same Directive in order to achieve the objectives completely.

4. What are the impacts likely to result from each policy option and who is affected?

Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)? The existing provisions have a significant negative effect on developing efficiency within the sector. Moreover, complexity in application and need to have frequent recourse to the ECJ, make the provisions expensive and cumbersome for business. Modernising Directive 77/388/CEE will have a significant positive impact.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered?

How will this be done (e.g. internally or by an external contractor) and by when? This work is ongoing. DG TAXUD has elaborated two technical working documents which have been discussed with Member States on 15 February and 12 July 2006 in Working Party no 1. The first working document (TAXUD 1802/06) listed the problem areas as well as the available technical options for addressing them. Discussion of this document with MS allowed DG TAXUD services to prioritise their work and concentrate on the redrafting of the definitions of exempt services, the development of VAT neutral cross-border vehicles and the simplification of pro-rata calculations. The second document (TAXUD 1802/06 Add. 1) contained a first structural approach on how to re-draft the definition of exempt services and found strong support by MS. The next meeting with MS on 28 September 2006 will be dedicated to a first draft legal text on definitions (TAXUD 1802/06 Rev.1).

6. Which stakeholders & experts will be consulted, how and at what stage?

Consultation of all interested or effected parties – this consultation has been done; the evaluation of the contributions is currently ongoing.

7. Will an inter-service steering group be set up for the IA? Not envisaged at this stage. However, there is a close co-operation with DG MARKT to insure consistency between the VAT and the internal market approach

**ROADMAP**

Title of the proposal: Communication on "Delivering the Lisbon Agenda on the ground"

Expected date of adoption of the proposal: October 2007

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The communication will assess the extent to which the new Cohesion Policy programmes covering the period 2007-2013 cover the renewed Lisbon Agenda. The two main focuses will be on: a) how innovation is taken into account (both from a qualitative and quantitative point of view) and on b) the commitment of Member States and regions towards the broader "earmarking" exercise, which aims to ensure that the bulk of Cohesion Policy resources are targeted at the most relevant investments for advancing the Lisbon Agenda.

In effect, this communication will constitute a major preparatory work in view of the preparation of the Third Annual Progress Report on Lisbon

2. What are the main policy objectives?

The main objective is to make all actors aware of the degree of ownership of the renewed Lisbon Agenda, particularly by the regional and national actors in the framework of the European Cohesion Policy

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

None

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

None

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The analysis will be undertaken on the basis of the Operational Programmes which will be adopted by the Commission following preparation and submission by the Member States

6. Which stakeholders & experts will be consulted, how and at what stage?

No external expert will be consulted

7. Will an inter-service steering group be set up for the IA?

No interservice steering group is planned



## ROADMAP

Title of the proposal: **Package on the fight against Illegal, Unreported and Unregulated (IUU) fishing including a proposal for a Communication and a proposal for a Council Regulation on stepping up the fight against Illegal, Unreported and Unregulated (IUU) fishing**

Expected date of adoption of the proposal: **July 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Illegal, Unreported and Unregulated (IUU) fishing is a major threat worldwide to sustainability of fish stocks and marine biodiversity; it also causes considerable losses to coastal communities, in particular in developing countries, and to fishermen operating legally.

The Plan of Action adopted on this issue in 2001 by the FAO reflected consensus among the international community that all appropriate means should be devoted to tackle IUU fishing. The European Community adopted its own Action Plan against IUU fishing in 2002 as part of the Common Fisheries Policy.

IUU fishing is a complex and evolutionary phenomenon. Four years after the adoption of the European Community Plan of Action, a new strategy has to be defined, taking stock of what has already been achieved and identifying what new actions are required.

IUU fishing is an international phenomenon which is of concern to all EU Member States; tackling those practices requires close cooperation, both at Community and international levels. Isolated actions by Member States would not produce efficient results, and the policy in that regard should be defined by the Community.

2. What are the main policy objectives?

The overall objective of the proposal is to curb IUU fishing activities.

This implies:

- deterring Community vessels and nationals from being involved in such practices;
- preventing IUU fishing products from entering the Community market;
- developing the appropriate means and measures at international level to halt IUU fishing outside EU waters, be it in international waters or in the waters of third countries.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The policy options are:

- (1) - the continuation of the Community policy against IUU fishing under the current framework, implying the progressive adoption of a limited number of new initiatives aiming to adapt the action of the Community to the changing character of IUU practices;
- (2) - the establishment of an updated overall strategy dedicated to the fight against IUU fishing, entailing the adoption of a whole range of actions at EU, international and bilateral levels.

For both options, the Community would act through the adoption of regulatory instruments at EU level and via negotiations of binding and non binding international instruments within international and regional bodies. For the second option, the strategy will be set out in a Communication announcing all measures which need to be adopted, and the regulatory instruments which are required to this end will have to be worked out accordingly.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Impact of option 1:

Option 1 would make it possible to address loopholes in the EU legal system which currently allow for the development of IUU practices (for ex. landing of 3<sup>rd</sup> countries in EU fishing ports). However, as this option would

only entail progressive action, its economic, social and environmental impact would be reduced. It is likely that the measures under option 1 would not reduce enough the profitability of IUU operations to make this practice end; therefore, the negative economic consequences of IUU fishing would persist, to the detriment of Community operators (notably via the importations of IUU fish products competing with Community products on the Community market), and of coastal developing States (loss of incomes which should derive from legal fishery in their waters). Given the scale of the problem, the environmental degradation caused by IUU fishing will not be seriously impacted by option 1, and it is likely that the state of fish species particularly targeted by IUU operators will become more precarious (tuna, cod, toothfish, redfish for example), and that vulnerable ecosystems where IUU fishing occur may endure irreversible damages.

#### Impact of option 2:

Option 2 would encompass all actions necessary to cover in a comprehensive manner the various aspects of IUU fishing. The expected economic impact would be to render IUU activities non profitable via an increase in the costs of IUU operations (via the closure of the EU market to IUU products, the prohibition of transshipments at sea...), better control and dissuasive sanctions. This would benefit fishing firms which abide by the rules as well as developing countries which would be able to benefit from the legal exploitation of their waters (in terms of fish caught by local fishermen or landed in ports, but also of licence fees paid to the administration). The environmental impact of option 2 would be to release fishing effort on stocks which are often over fished and avoid a continuation of their degradation, and halt illegal practices with harmful impact on marine environment (violation of closed areas, use of destructive gears, fishing for juveniles, high level of discards...).

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

IUU fishing is a well-documented phenomenon; numerous studies and works have been carried out in international fora (FAO, UN, OECD...), by regional bodies (Regional Fisheries Organisations), ad hoc experts groups (High Seas Task Force) and non governmental actors (NGOs). Those documents aim at the identification of the roots of IUU fishing, its manifestation, importance, impact and on the possible means to address it.

Being a clandestine activity, it is difficult to provide for an exact assessment of the scale of IUU fishing. Data on the estimated impact of those practices on the Community fishing industry may have to be gathered in order to better figure out how importantly the EU is affected.

6. Which stakeholders & experts will be consulted, how and at what stage?

Stakeholders will be associated within the consultative bodies in place under the Common Fisheries Policy, which gather representatives of the whole fishing industry and of other non- governmental actors (Regional Advisory Council, Advisory Committee for Fishery and Aquaculture).

Experts may also be contacted on issues which deserve specific knowledge or experience.

Those consultations should normally take place via meetings, before the tabling by the Commission of its proposals.

7. Will an inter-service steering group be set up for the IA?

Yes

## ROADMAP

Title of the proposal: **Communication on a policy for the elimination of discards in European fisheries**

Expected date of adoption of the proposal: **February 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

European fisheries discard significant amounts of marine organisms, including both commercial species and other organisms which are caught incidentally. This represents both wastage and a threat to the long-term biological, economic and social sustainability of fisheries.

2. What are the main policy objectives?

The objective is to reduce wastage in fisheries operations and increase the sustainability of fishing by elimination of discards and reduction of by-catches.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Discards are mainly caused by economic considerations as the landing of non-marketable fish or fish of low value represents a cost to fisheries. But discards are also caused by regulations requiring fisheries to discard when fish above quota or below minimum landing sizes are caught.

The options considered are:

- (a) Non EU action: To continue with the current CFP instruments to indirectly reduce discards (effort reduction, technical regulations regarding fishing gears, effort management in mixed fisheries, and multi-annual management and recovery plans).
- (b) To adopt a tool box of complementary direct measures and adapt current CFP instruments, where necessary (e.g. real-time area closures, obligation to switch fishing grounds, prohibition of gears, promotion of selective gears, quota flexibility, discarding taxes, landing subsidies, expropriation of illegal fish, adjustments to existing TAC and/or effort management measures)
- (c) To introduce progressively a discard ban<sup>10</sup> on top or in place of existing CFP instruments, and
- (d) To introduce progressively a discard ban together with a tool box of complementary measures (e.g. real-time area closures, obligation to switch fishing grounds, prohibition of gears, promotion of selective gears, quota flexibility, discarding taxes, landing subsidies, expropriation of illegal fish, adjustments to existing TAC and/or effort management measures).

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Continued detailed regulation of fishing technology (option a) is likely to lead to an ever increasing detail in regulations and increasing problems with implementation. This is contrary to simplification and will be costly both to the industry and to governments and the perspectives for reduction of discards are questionable. Experience in the EU shows that present policy has not impeded that the levels of discarding, even if they differ significantly across fisheries, are in very high, in absolute and relative terms.

Option b) will signal to the industry that discards and by catch have to be reduced. The tool approach will provide a significant degree of flexibility, as the concrete instruments will be selected in accordance with the specific characteristics of each fishery. The proposed instruments have successfully reduced discards and by catch in countries that have applied them. On the other hand, discarding will still be legally possible as the prohibition to have on board will be maintained, which could send contradictory signals to the industry and jeopardise or limit the positive effects of the tool box.

<sup>10</sup> The discard ban is to be understood as a combination of a prohibition to catch undersized or no-quota fish together with an obligation to land all fish on board whether legal or illegal and the deduction of the illegal by catch from the total quota

Option c) will send a very strong signal to the industry. It will also require a radical change in the policy approach, from a prohibition to have on board to a prohibition to catch. A pure discard ban will be very costly to put in place and enforce. Given the weak economic performance of many fisheries it could imply that a significant number of fishers could face serious short-term financial problems to ensure compliance. In addition, it will require a very significant increase in enforcing activities.

Option d) will combine the advantages of options b) and c). Furthermore, it will reduce the possible negative effects of each of these options.

For each of options b), c) and d), the Community will adopt regulatory instruments at EU level which will be adopted following extensive consultations with stakeholders. Experience from other parts of the globe shows that fishermen are not necessarily against actions intended to reduce discards and by-catch. However, the consultation will be crucial to fine tune the policy instruments, make implementation as flexible and possible and optimise the incentives.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The Commission issued a Communication on discards in 2002 which presented the problem and pointed to possible initiatives to solve the problem. Since then there has been little development for various reasons and a new initiative which will define standards for fishing will be launched through this Communication.

Data on discards in European fisheries have been collected through the Data Collection regulations since 2002. A STECF (Social, Technical and Economic Committee on Fisheries) working group has been established in preparation of the Communication. This working group has compiled these data and produced an overview of the situation. Unfortunately, the data available do not enable a detailed picture which is consistent across regions and fisheries. The analysis will be extended to a more detailed picture, also including economic information, for those fisheries which will be selected for the first specific regulations to be proposed early 2008.

The Communication will raise the issues and discuss the options regarding a discard ban but will not point to specific conclusions. Specific regulations for selected fisheries will then be proposed. Therefore, the detailed analysis will only be possible and relevant when the specific regulations are developed.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Communication will be the basis for stakeholder consultation through the Regional Advisory Councils and with Member states

7. Will an inter-service steering group be set up for the IA?

An inter-service group will be established. DG ENV has asked to be involved.

## ROADMAP

Title of the proposal: **Commission Communication on water scarcity and drought**

Expected date of adoption of the proposal: **July 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Drought episodes are more and more frequent in Europe in particular in the Southern countries. It is most likely that the climate change will contribute to increase the frequency and the severity of these episodes.

This action has been initiated at the request of Member States

2. What are the main policy objectives?

- Identify possible means for reducing the impact of these episodes through prevention measures
- Identify the appropriateness of a Common Policy
- Identify possible "curative" measures

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Not yet defined: this will result from preparatory work; the possible options will be defined in the Communication

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Droughts are affecting both water end users and drought affected areas. This will be better defined according to the identified options

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Very little information is currently available. This will result from the Communication preparation

6. Which stakeholders & experts will be consulted, how and at what stage?

Water Directors

Strategic Coordination Group (which includes among others, CEE NBO, COPA-COGECA, ECPA, EEB, EIC-FENACORE, EUREAU, EWA, INBO, WMO, WWF,..)

7. Will an inter-service steering group be set up for the IA?

Exploration phase – No IA at this stage

**ROADMAP**

Title of the proposal: **SCP Action Plan**

Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

European and global consumption and production patterns exceed the carrying capacity of ecosystems, with as consequence environmental degradation. Actions have to be taken at all level, including the European level, according to their specific competencies.

2. What are the main policy objectives?

Promoting sustainable consumption and production by addressing social and economic development within the carrying capacity of ecosystems and decoupling economic growth from environmental degradation. More specifically, to develop an action plan with a series of specific actions and initiatives and deliverables in contribution to the overall SDS objective. Possible options include:

- development of a complementary eco-design framework to the existing Eco-design directive on Energy Using Product (EuP) and by the developing of Green Private Procurement, complementing Green Private Procurement (GPP);
- to reinforce the impact of existing instruments, f.i. the ecolabel, EMAS, ETAP...;
- to improve the coherence between existing instruments, f.i. by strengthening synergies in the gathering of scientific information for policy support, in the process of criteria definition, in the consultation process, etc.;
- to ensure Europe's contribution to global initiatives and
- to raise awareness among the different stakeholders.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Preliminary remark: The decision to draw-up a SCP-Action Plan has already been taken by the Commission in its revised Sustainable Development Strategy (rev SDS) in Dec 2005. Furthermore, in June 2006, the General Affairs Council has upgraded SCP to one of the five environmental priorities (with climate, sustainable transport, natural resources and health) in the reviewed SDS, defining more specific objectives, targets and actions for SCP. Finally, the Environmental

Council in its conclusions on the Thematic Strategy on the Sustainable Use of Natural Resources in October 2006 has clearly giving great attention to the SCP-Action Plan.

- Policy options: Nothing, a strategic document (with vision but no concrete actions), an action plan
- Instrument options: Communication, white paper, green paper, opinion

Complementary remark: Various more concrete regulatory on non-regulatory actions are preliminary considered to be included in the SCP-Action Plan. For instance, tools on eco-design of products (complementing the EuP-directive), reinforcement existing instruments as Ecolabel, EMAS, ETAP, GPP, and improvement of the coherence between existing policy instruments. Note that for each legislative action of the plan, a specific IA will be done later.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

- No proposal: Impact is that there is no coordinated EU-policy answer to tackle the unsustainable consumption and production patterns that affected the environmental of the European and world citizen.
- Strategic document: Is already given by the SDS. Impact of another strategic document would be that there is no operational EU-policy answer to tackle the unsustainable consumption and production patterns that affected the environmental of the European and world citizen.
- Action plan: Impact is that there is a coordinated and operational EU-policy answer to tackle some specific

(focused) aspects of unsustainable consumption and production patterns that affect the environment.  
Remark: Further analysis of the impacts would be needed when the content of the SCP-Action plan has been fixed.

Complementary remark: Impact of specific actions of the SCP-Action Plan should be further analysed. A complementing eco-design framework should be an impetus for environmental protection and future competitiveness through innovation and anticipating trends. Green Private Procurement, as well as the reinforcement of Ecolabel, EMAS, ETAP ... should combine better environmental protection with enhanced marked development of greener products, processes and services. Better coherence in the existing policy tools should improve policy efficiency and effectiveness, and work towards simplification and reduction of administrative burdens.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

- Available information is the 2004-inventory of existing EU and national SCP policy.
- Needed information is an update of the 2004-inventory, a gap-analysis of existing policies, feasibility analysis (and possible impact assessments) of the most relevant actions of the actions plan in development. This will probably be gathered with a framework contract (external contractor) in 2007, and later for the specific actions of the action plan in development.

6. Which stakeholders & experts will be consulted, how and at what stage?

Member States and stakeholders representatives will be consulted by workshops and meetings in 2007 during the elaboration stage. In 2008, formal consultation on the SCP-action plan proposal from the Commission will be carried out in the Council and Parliament, the EESC and the Committee of the Regions.

7. Will an inter-service steering group be set up for the IA?

Yes.

## ROADMAP

Title of the proposal: **Regulating Carbon Capture and Geological Sequestration Storage (CCS)**

Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Increased greenhouse gas emissions from burning of fossil fuels are a major environmental challenge. To reduce such emissions one new technology exists: to capture and store the CO<sub>2</sub> produced ("carbon capture and storage", CCS). The problem is that the current legislative framework is not adapted to this technology, and is likely to require modification both to remove unjustified barriers to application of CCS, and to manage additional environmental risks resulting from it further. In certain cases European laws need to be adapted. In other cases, if Member States acted alone, the costs are likely to be unnecessarily high

This requires an in-depth assessment and possible modification of existing EU legislation. The impact assessment process will identify which aspects of the legislative framework should be elaborated at EU level and in what level of detail, in accordance with the principle of subsidiarity.

2. What are the main policy objectives?

To develop an enabling regulatory framework for carbon capture and sequestration so as to

- Remove unwarranted barriers in current EU legislation to the application of the technology
- Ensure the appropriate management of the environmental risks associated with CCS and reduce the environmental impacts to an acceptable level over the short and long term
- Provide clarity coherence and stability, enabling market operators to invest in CCS facilities across the EU under comparable regulatory conditions
- Provide appropriate incentives for the use of the technology that are in relation to its greenhouse gas reduction benefits and do not unduly disadvantage the development and deployment of other options.
- Address liability issues, in particular responsibility for remediation in relation to leakage from the storage site in the short and long term.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Essentially, there are two options in addition to "do nothing": either to change existing laws individually or in one directive or regulation. The impact assessment will need to address pros and cons of this.

The following EU legislation need to be considered the EU Emissions Trading Scheme, the IPPC Directive, the Water framework Directive, the waste directives, and the Environmental Impact Assessment Directive.

According to a Service Contract for Technical Support for an enabling policy framework for carbon capture and geological storage, the contractor is required to

- provide an overview of the different options ('scoping exercise') for an enabling policy and regulatory framework for CCS inside the EU, addressing, inter alia,
  - o the management of potential risks of CCS as well as
  - o possible incentives for the use of CCS; and
- pre-screen the feasibility of the different options and narrow them down on the basis of a common set of criteria to 2-3 major options to be further analysed.

To ensure legal certainty for long term investment (over 40 years in the case of CCS), it is unlikely that voluntary approaches are appropriate.



4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Detailed environmental and economic impacts. Impacts of different legislative approaches to EU legislation and administrative burden. It is likely that further analysis is required to quantify the environmental, technological and economic impacts for on specific issues, including where trade-offs between various impacts are identified.

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Working Group 3 of the European Climate Change Programme (ECCP) II brought together regulators, industry and NGOs, and produced a report on Carbon Capture and Geological Storage which recommended unanimously the development of this legislative framework and which is the basis for the call for tender for the impact assessment mentioned in part A. The contract has a budget of €200.000 and will run for 8 months from date of signature. If warranted, further analysis will be carried out.

6. Which stakeholders & experts will be consulted, how and at what stage?

For previous consultation : see above

The Commission will maintain dialogue with key stakeholders from industry and NGOs throughout the process.

7. Will an inter-service steering group be set up for the IA?

Yes.

**ROADMAP**

Title of the proposal: **White Paper: "Towards a European Climate Change Adaptation Programme"**

Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test) .

Climate change impacts are becoming increasingly more severe, and represent a critical challenge in Europe, not just as an environmental issue, but one likely to affect the economy and competitiveness of regions. Although actual planning measures are implemented at a local or regional level, in a number of areas there is a clear value added and there are economies of scale and scope for a European adaptation policy framework to be developed.

2. What are the main policy objectives?

Assist member states reducing their vulnerability and increasing their resilience against the negative impacts of climate change.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The White Paper will take up the policy options coming out of the consultation process of the Green Paper (3rd quarter 2006).

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)? Benefits cost analysis:

Impacts on vulnerability/resilience to the negative effects of climate change of various economic sectors; Risk analysis: impacts on climate risks for different economic sectors in the EU; Cost effectiveness of policy options

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The PESETA projects currently underway, seeks to provide climate impact and adaptation cost estimates on a policy-relevant time horizon (2020, 2030) using consistent methods (climate scenarios) for six economic sectors across Europe. First preliminary results indicate a net benefit for the adoption of adaptation measures (e.g. agriculture, flooding, human health). The ADAM project funded by the Commission is also carrying out a study of adaptation and mitigation measures; and their results are expected to be published in 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

European stakeholders (governmental and non-governmental) as well as businesses will be consulted following the release of the Green Paper on Adaptation (December 2006.)

7. Will an inter-service steering group be set up for the IA?

Yes, there is already an existing inter-service group set up as part of the European Climate Change Programme.

## ROADMAP

Title of the proposal: **proposal for a Regulation of the European Parliament and of the Council relating to the type-approval of hydrogen powered motor vehicles**

Expected date of adoption of the proposal: **September 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Air quality in the cities of the European Union is of major concern. The contribution of road transport to environmental problems and in particular, to air pollution in cities is considerable. Therefore, efforts should be made to facilitate the introduction and placing on the market of environmentally friendly vehicles.

At the same time, the proper functioning of the single market of vehicles in the European Union should be ensured.

With the use of hydrogen as fuel to power road vehicles, whether for internal combustion engines or fuel cells, there are no carbon emissions and greenhouse gases produced from the vehicle. However, hydrogen is a highly flammable substance, therefore, it is important to ensure the safe operation of hydrogen powered vehicles.

Action at Community level prevents varying product standards emerging across Member States which results in fragmentation of the internal market and imposition of unnecessary barriers to intra-Community trade. Through harmonised standards on hydrogen powered vehicles it is possible to reap the economies of scale as production series can be made for the whole European market. Further, with common standards, a high level of public safety would be ensured.

2. What are the main policy objectives?

The main policy objective is to provide for a high level of public safety and a high level of environmental protection in the EU while ensuring the proper functioning of the internal market.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The identified policy options are the following:

- 1) No policy change: This would involve no further changes to the current situation. Currently, there is no European type-approval legislation in place for hydrogen powered vehicles.
- 2) Legislation at Member State level: This policy option would involve adoption of legislation at Member State level to accommodate the introduction of hydrogen vehicles.
- 3) Legislation at European Union level: This policy option would involve the adoption of new type approval legislation at EU level, which would set out harmonised provisions to ensure the safety of hydrogen vehicles.
- 4) Non-regulatory approach: Self-regulation through a negotiated commitment with the representatives of the automotive industry to ensure adequate level of safety of hydrogen powered vehicles.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The various policy options are likely to have effects on the public safety, on the internal market of vehicles, on research and development activities concerning hydrogen technology and on the competitiveness of the European automotive industry. The share of hydrogen powered vehicles in the entire vehicle fleet will have an effect on air quality in cities.

The likely impacts of the policy options:

- 1) No policy change: This option is likely to form a barrier for the development of hydrogen technology in the EU and could entail increased public safety risks. It could result in higher costs of the approval of hydrogen vehicles.
- 2) Legislation at Member State level: In theory, the objectives could be achieved by (co-ordinated) legislation at Member state level. However, there is a substantial risk that this policy option might result in a fragmented situation concerning the requirements for the approval of hydrogen powered vehicles. Therefore, it could have adverse effects on the internal market and on research and development activities in the European Union. It could result in higher costs of the approval of hydrogen vehicles.
- 3) Legislation at European Union level: Developing common standards for the type-approval of hydrogen powered vehicles is likely to facilitate the placing on the market of such vehicles and could safeguard public safety. With common standards, the research and development activities could be boosted. With the increasing share of hydrogen vehicles, air quality could be improved.
4. Non-regulatory approach: This approach would be less interventionist than the previous two options. However, a voluntary commitment could be perceived as not having a sufficiently binding legal basis concerning safety requirements.

The affected parties are the automotive industry and the society as a whole (environmental and safety impacts of the policy options).

The policy options will be assessed on the basis of a cost-benefit analysis, taking into account economic, environmental and social impacts.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

An external contractor has been asked to provide input for the cost-benefit analysis of the various policy options. The final report will be available in December 2006. Some data are already available from previous studies on the safety of hydrogen powered vehicles. Additional information will be necessary on the cost of hydrogen systems, the required level of safety and on environmental performance of hydrogen powered vehicles. To gather the required data, a questionnaire was sent to the members of the Hydrogen Working Group. The results of the questionnaire will be assessed by the contractor and will serve as an input for the cost-benefit analysis.

6. Which stakeholders & experts will be consulted, how and at what stage?

Continuous consultation takes place in the Hydrogen Working Group, an expert working group with representation from Member States and private stakeholders in this area. Furthermore, a questionnaire has been sent in July 2006 to the stakeholders, to provide additional data in relation to the cost and benefit of hydrogen powered vehicles. In addition, an Internet consultation has been launched in July 2006.

7. Will an inter-service steering group be set up for the IA?

Yes. It will be composed of DGs ENTR, ENV, RTD, SG, TREN, JRC and ECFIN.

## ROADMAP

Title of the proposal: **Proposal for a Regulation of the European Parliament and of the Council on the type approval of heavy-duty vehicles and engines with respect to their emissions (Euro VI proposal)**

Expected date of adoption of the proposal: **October 2007**

### A. Initial impact assessment screening

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Air quality in the European Union is of major concern. The contribution of road transport to environmental problems and in particular, to air pollution is considerable. Measures have to be considered in order to limit the impact of pollutant emissions from heavy duty vehicles in air quality while ensuring the proper functioning of the single market of vehicles in the European Union. Although harmonised requirements are currently in place, at EU level, to limit the pollutant emissions from heavy duty vehicles (the so-called Euro IV and V stages), the air quality, mainly relating to the levels of NO<sub>x</sub> and Particulate Matter, has to be further improved.

Harmonized vehicle emission standards have long been a feature of EU policy. Given developments in automotive technology, increased demand for road transport and continuing air quality problems, there has been a need to keep emission standards under review. The proper functioning of the single market in the European Union requires common standards limiting the emission of atmospheric pollutants from motor vehicles. Action at Community level prevents varying product standards emerging across Member States which results in fragmentation of the internal market and imposition of unnecessary barriers to intra-Community trade. Through harmonised standards it is possible to reap the economies of scale as production series can be made for the whole European market.

2. What are the main policy objectives?

The proposal will contribute to a high level of environmental protection in the EU whilst not unduly damaging industry by devising an efficient set of limit values (the Euro VI stage) for pollutant emissions from heavy duty vehicles. This is primarily an internal market objective, closely linked to the aim of environmental protection.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

1- No policy change: This would involve making no further changes to the current pollutant emissions legislation.

2- Introduction of legislative measures in the framework of the type-approval system. The area of motor vehicle type-approval with regard to pollutant emissions is subject to total harmonization. Therefore the instrument being considered would be a binding legal act. In view of the comprehensive character of the provisions, the foreseen instrument for this act would be a regulation. In this context, several levels of stringency would be taken into consideration.

3- Non-regulatory approach: Self-regulation through negotiated commitments with the automotive industry to ensure an adequate level of protection of the environment against the pollutant emissions from heavy duty vehicles

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The various policy options are likely to have effects on the air quality targets, on the internal market of vehicles, on research and development activities concerning heavy duty vehicles technology and on the competitiveness of the European automotive industry in general. The European society as a whole will also be affected since low air quality could lead to a deterioration in the health of specific groups in the population.

1- No policy change: This option would in all likelihood imply a deterioration of the environment by increasing the level of harmful substances in the air due to the increase of vehicles on the European roads.

2- Introduction of legislative measures in the framework of the type-approval system. The proposal would be based on the assessment of the Thematic Strategy on Air Pollution (COM(2005) 446 final, 21.9.2005). The assessment will consist of various policy scenarios that will be run to test the environment/health/cost implications of targets of varying ambition levels across the EU. The directly affected parties would be motor vehicle manufacturers.

3- Non-regulatory approach: This would be a less interventionist approach than the previous option. However, there is a risk that self-regulation could result in a fragmented situation concerning requirements for heavy duty vehicles. Moreover, monitoring and enforceability would have to be dealt with as otherwise there could be a risk of manufacturers placing on the market vehicles not fulfilling the conditions established in the commitment.

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Some data have already been gathered by the Commission under the Thematic Strategy on Air Pollution (COM(2005)446 final, 21.9.2005) Furthermore, industry and other interested stakeholders have provided some information and data on different technologies and costs through replies to a questionnaire sent by the Commission in 2004. The collected information and data have been validated by an external panel of expert people in the field of emissions from heavy duty vehicles. In addition, an Internet consultation will be launched in the first quarter of 2007 to get comments and additional data relating to the Commission proposal.

6. Which stakeholders & experts will be consulted, how and at what stage?

Continuous consultation with stakeholders will take place through the Motor Vehicles Emissions Group (MVEG), a formal expert working group with representation from Member States, vehicle and components manufacturers, consumers associations, environmental groups and other private stakeholders in this area. Furthermore, a questionnaire has been sent in 2004 to the stakeholders, to assess the technical feasibility of further motor vehicle emission reductions. The collected information and data have been validated by an external panel of expert people in the field of emissions from heavy duty vehicles and the report provided by the panel will be put in the automotive unit web-site for public information. In addition, an Internet consultation will be launched in the first quarter of 2007.

7. Will an inter-service steering group be set up for the IA?

Yes

## ROADMAP

Title of the proposal: **Commission proposal for a legislative instrument to reduce CO<sub>2</sub> from light duty vehicles**

Expected date of adoption of the proposal : **September 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Road transport is a major contributor to the environmental impacts of transport. It dominates the CO<sub>2</sub> emissions from transport (with 84%), thus contributing 24% to the overall CO<sub>2</sub> emissions. Passenger cars emit circa 10% of the EU's greenhouse gas emissions, and current projections show that these emissions will keep increasing as growth in traffic outstrips fuel efficiency progress on the vehicle side. If nothing is done to improve further the fuel efficiency of cars sold in the EU beyond the measures already in place, it is likely that the current trend towards more traffic and heavier cars will lead to a further increase of the greenhouse gas emissions of passenger road transport, jeopardising the EU's efforts at mitigating climate change impacts, in particular under the Kyoto protocol. It will also maintain our dependence on fossil fuels.

In view of the Community objective of 120 g CO<sub>2</sub>/km (reconfirmed by the renewed Sustainable Development Strategy adopted by the EU Council in June 2006), the Commission is currently reviewing the options available to further reduce CO<sub>2</sub> emissions from cars subject to an impact assessment and taking into account the recommendations of the CARS21 high-level group. This review will be presented in a Communication to the EP and Council planned for December 2006 outlining possible future measures to be taken to reach the objective of 120 g CO<sub>2</sub>/km.

Inline with the CARS21 recommendations, the future strategy will be a comprehensive approach involving car manufacturers but also other stakeholders such as the tire industry, Member States, consumers etc. Further fuel efficiency progress on the vehicle side will be required as part of this revised strategy, taking into account the limited progress made by car manufacturers under their current voluntary agreements and the potential for improvement on both passenger cars ("M1" vehicles) and light-commercial vehicles ("N1" vehicles). The transboundary dimension of the road vehicle market and industry explains that coordinated action taken at the EU level is the most likely to be successful in delivering the required CO<sub>2</sub> reductions

2. What are the main policy objectives?

Overall policy objectives:

- Providing for a high level of environmental protection in the European Union
- Improving the EU energy security of supply

Specific objective:

- Reducing the climate change impacts of the light-duty vehicles (passenger cars and light-commercial vehicles) road transport sector in view of the Community objective of an average new car fleet emission of 120 g CO<sub>2</sub>/km

Operational objectives include:

- Setting 2012 specific CO<sub>2</sub> emission requirements for passenger cars and light-commercial vehicles

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

A preliminary review of the policy options available will be presented in the upcoming Communication to the EP and Council on the review of the CO<sub>2</sub> and cars strategy, planned for December 2006. The costs and benefits of further technological improvements in passenger cars and light-commercial vehicles are being reviewed in order to assess how best car manufacturers could contribute to the EU objective of 120 g CO<sub>2</sub>/km. So far a voluntary approach has been adopted, and account will be taken of the progress delivered by the car industry under their voluntary commitments. A review of the possible instruments will be carried out in order to assess which could best meet the above mentioned policy objectives. A number of regulatory instruments have been put in place in other regions of the world, including average fleet fuel economy requirements (US) and greenhouse gas emission requirements using weight-based vehicle classes, and will be reviewed as part of the possible

options envisaged. This review will also reflect the extent to which Member States can facilitate compliance with mandatory targets by car manufacturers through the adoption of measures to address demand, notably in the field of taxation.

(What about actions at different levels, e.g. recommendation for action at MS/local level if relevant?) Indeed MS can help influencing demand - see addition above.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The economic, social and environmental impacts are being examined, with addition specific attention being paid to the likely impacts on the automotive sector:

- Effects on transport costs and demand
- Effect on vehicle stock and new car sales
- Effect on fuel consumption, GHG and pollutant emissions
- Macro-economic effects (GDP, employment, external trade, impact on public finance)
- Impact on the automotive sector in the EU (changes in location, in supply chain, business structure)

Moreover, the options selected may have additional distributional and price and demand impacts, as well as impacts on technological developments regarding fuel efficient powertrains. The net climate change effects, as well as potential synergies with other policies (security of energy supply) will be explored

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

A number of studies on the implementation of the current strategy and on some of the options available to move towards the Community objective of 120 g CO<sub>2</sub>/km are already available (see [http://europa.eu.int/comm/environment/co2/co2\\_studies.htm](http://europa.eu.int/comm/environment/co2/co2_studies.htm)). Besides, the European, Japanese and Korean Car Manufacturers Associations have provided the European Commission with position papers on the potential to reach 120 g CO<sub>2</sub>/km by 2012. The Communication's work programme foresees the adoption in December 2006 of a Communication reviewing the options available to move further towards the Community objective of 120 g CO<sub>2</sub>/km. Building on this preparatory work, a review will be carried out concerning specifically the instruments that could be put in place to further improve CO<sub>2</sub> emissions from cars and light-commercial vehicles.

6. Which stakeholders & experts will be consulted, how and at what stage?

Relevant stakeholders, in particular the automotive industry and environmental NGOs, will be consulted during the preparation of the impact assessment, inline with the Commission's impact assessment guidelines

7. Will an inter-service steering group be set up for the IA?

Yes



## ROADMAP

Title of the proposal: **Revision of Directive 2001/81/EC of the European Parliament and of the Council of 23 October 2001 on national emission ceilings (NEC) for certain atmospheric pollutants**

Expected date of adoption of the proposal: **July 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

According to the Thematic Strategy on Air Pollution, by 2020, air pollution is projected to reduce life expectancy of European citizens on the average by 5 months due to fine particulate matter (PM2.5), some 20.000 people are projected to die prematurely due to ozone, and still hundreds of thousands of square kilometres of forests, soils and waters will be endangered due to acid rain and eutrophication and ground level ozone. Consequently, crops, forests, lakes and soils are damaged and biodiversity threatened.

As air pollution is transboundary, action or inaction of one Member State affects all other Member States. Thus, joint action at EU level is called for. Furthermore, many policies to reduce air pollution need to be identified and analysed at the EU level so as to identify an optimal policy mix of EU-wide and national policies and measures.

2. What are the main policy objectives?

Compared to 2000, the objective is to reduce by 2020,

- by about 50% the number of life years lost due to fine particulates (PM2.5),
- by 10% acute mortalities due to ground level ozone,
- by 75% the area of forests and 42% the area of freshwaters at risk from acid rain,
- by 46% ecosystems at risk from atmospheric input of nutrient nitrogen and biodiversity loss; and
- by 15% forests that are damaged by ground level ozone.

This will be achieved by an overall reduction of 80% of emissions of sulphur dioxide, of 60% of emissions of nitrogen oxides, of 50% of emissions of volatile organic compounds, of 30% of emissions of ammonia, and of 60% of emissions of fine particles (measured as PM2.5) between 2000 and 2020.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The options examined relate to changes possible to the NEC Directive. The NEC Directive may be complemented by other regulatory instruments, including market based instruments, both at Community and Member State level. Under consideration is a complete integration of the emission reporting obligations of the NEC-directive and the Decision on reporting Greenhouse Gasses (same sectors, same methodology, same reporting dates) by comitology procedure. Under study is the possibility to introduce a system of emission trading for emissions of large point sources and ships, taking into account 'optimal control areas'. The new NEC-Directive could have a legal opening for introducing such a market based instrument later.

Due to the links with the Convention on Long Range Transboundary Air Pollution, and in particular the Gothenburg Protocol, during the review process, the options of streamlining the Protocol and/or the NEC Directive will be under consideration.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

By placing the emission ceilings on each Member State, the Community and the Member States will take an obligation to reduce emissions. This will reduce air pollution and thus, increase human health and make natural environment cleaner. The health benefits alone were estimated to be between €45 and €150 billion in 2020 if the interim objectives are attained. In addition the ecosystem benefits are considerable.

Air pollution affects the health of all EU citizens. In addition, reducing air pollution is beneficial to all EU citizens as all are benefiting from improved environment. As some specific groups (like elderly people) are more vulnerable to air pollution, the directive is likely to have a specifically positive impact on them. All these impacts will be subject to further analysis, similar to the one that was already carried out as part of the Thematic Strategy on Air Pollution.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The data and the analytical tools that were developed under the Thematic Strategy on Air Pollution will be updated as part of the impact assessment of the NEC Directive. The most important information to be updated include air emission and activity data, use of energy, update of emission factors, costs of abating air pollution, possible co-benefits or tradeoffs of different technologies on identified key areas, such as emissions of greenhouse gases, damage of air pollution on human health and the environment. Key computer models will also be updated with regard to most appropriate projections of trends (GDP, energy prices, changes in age structure, etc.) the impact of different meteorological years on air quality, affect of different policies etc. All this information will be updated up to year 2020. This work is carried out by long-term contracts that have already been awarded based on open calls for tender.

6. Which stakeholders & experts will be consulted, how and at what stage?

Industry, NGOs, Member States are consulted through the Clean Air for Europe Steering Group, and the working groups, in particular the Working Group on National Emissions Ceilings and Policy Instruments.

7. Will an inter-service steering group be set up for the IA?

Yes, the inter-service co-ordination group "National Emission Ceilings Directive Revision" has started its work in July 2006.

**ROADMAP**

Title of the proposal: **Review of the IPPC Directive and existing legislation on industrial emissions**

Expected date of adoption of the proposal: **December 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)?

1. The current Community legal framework on the regulation of industrial emissions is complex and comprises the following main pieces of legislation: the Integrated Pollution Prevention and Control (IPPC) Directive (96/61/EC) and several sectoral Directives, namely the Large Combustion Plants (LCP) Directive (2001/80/EC), the Waste Incineration (WI) Directive (2000/76/EC) and the Solvents Emissions (SE) Directive (1999/13/EC). The interaction between these instruments raises a number of issues, for instance as regards the alignment of scope, the consistency of definitions, the interaction of operative requirements and monitoring and reporting by Member States.

One of the key issues addressed in the review process is the assessment of difficulties in the way these various instruments interact. The assessment needs to go beyond general statements and comments on inconsistency and duplication.

The experiences gained under the current legal framework (in particular through the Member States' first reports on the implementation of the IPPC Directive) have also highlighted the need to improve some legal and technical issues to further improve its implementation, for instance by clarifying its scope and some of its key provisions (eg the obligation to review permit conditions, to carry out regular inspection and to exchange information on BAT).

In addition, several stakeholders have called in the context of a consultation carried out in 2003 [COM(2003)354 final] for some additional scope for emission trading for certain pollutants (NO<sub>x</sub> and SO<sub>2</sub>). This issue is part of the assessment to be carried out during the review process.

The need to streamline this legal framework is part of the Better Regulation initiative (see the rolling programme in the Communication on Simplification [COM(2005)535]). The sole action of Member States could not solve these issues.

2. The adoption and the preparation of several Thematic Strategies (in particular on air protection, soil and waste) have identified, as part of their implementation strategy, the need to review the IPPC Directive with a view to strengthen some of its implementation measures and possibly extend its scope to installations with important impacts on the environment and human health. A detailed assessment of the environmental, economic and social impacts of any possible changes in this direction will be carried out to determine whether action at Community level, rather than at Member States level, is justified.
3. The IPPC Directive is based on a dynamic concept in order to ensure the improvement of environmental performance of installations. However, in practice, once an IPPC permit is issued, operators may take a minimal and static approach to ensure that the conditions of the permits are complied with in a strict sense, losing some opportunity for cost-effective environmental improvement. Certain tools might be available to encourage or support performance beyond regulatory compliance. An assessment is therefore needed to develop or encourage the use of such instruments or to change the current legal framework.

## 2. What are the main policy objectives?

The Commission underlined in a recent report on the implementation of the IPPC Directive [COM(2005)540 final] that stakeholders recognise the IPPC Directive as a most useful instrument. However, many stakeholders have indicated that there is scope for improvement as presented above.

The general objective of the review is to evaluate the scope to improve the functioning of the current legal framework related to industrial emissions and the interaction between the various legislation, while not altering the underlying principles and the level of ambition of the present legal framework.

More specifically, the review aims at:

1. clarifying and, if appropriate, improving certain legal and technical issues, taking into account the outcome of the Thematic Strategies
2. assessing ways to streamline existing legislation on industrial emissions to improve its environmental performance
3. assessing the use of market-based instruments or other instruments to strengthen the implementation of the current legislation and to promote innovation.

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

A number of options are being examined:

- making the current legislation work better (improving implementation of existing legislation, simplifying, consolidating and revising the *acquis* on industrial emissions)
- extending the scope of the current legal framework to installations with important environmental impacts
- assessing different streamlining scenarios (including the continued use of sectoral Directives, the integration of current legislation into a single Framework Directive on industrial emissions and the introduction of provisions to facilitate or develop emission trading of NO<sub>x</sub> and SO<sub>2</sub> at EU, regional or national level)
- encouraging the use of instruments to improve environmental performance of installations beyond regulatory compliance. This includes apart from emissions trading, incentives for innovation, economic instruments such as tax relief, graduated charging schemes, environmental management systems, voluntary schemes, administrative relief. Such measures could be developed at EU, national or sub-national level.

## 4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Data are currently being collected to allow the environmental, economic and social impacts of the various policy options to be assessed. A detailed methodology is being developed to address the following issues:

- For the streamlining scenarios, the main impacts likely to be further assessed relate to the reduction of administrative cost on business and public administration (eg for issuing permits, reporting emissions data or information) and the impacts on emissions. The possible introduction of emission trading will also be assessed in terms of impacts, including assessment of the cost-effectiveness of emission reduction measures.
- For the possible inclusion of new types of installations in the scope of Community legislation, the measures should lead to reduction of polluting emissions (to air, soil and water), therefore reducing their effects on human health and the environment. The assessment of the economic and social impacts, including compliance costs and competitiveness issues, are also likely to be critical to determine the best policy options.
- As regards the review of technical and legal issues to improve the legal framework, particular attention will be drawn up on potential costs savings and benefits for business and public administration.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The reporting of Member States on the implementation of Community legislation has already generated technical and legal information on the approaches used by Member States to regulate industrial installations.

In addition, the information exchange organised by the Commission since 1996 on the Best Available Techniques (BAT) has generated very detailed technical and economic information on the techniques applied and the related emissions of installations in 32 sectors covered by the Directive. The resulting BAT Reference Documents (BREFs) reflect this information exchange and determine what is generally considered as BAT in the EU.

Furthermore, the Commission has carried out several studies on the impacts on the competitiveness of industry, on the environmental impacts on specific sectors or more generally on implementation in new Member States. A number of IMPEL reports relates to the practical implementation and enforcement issues raised by the current legal framework.

Further information needs to be gathered on the following main issues:

- the assessment of the implementation of the IPPC Directive, the environmental impacts/benefits of the legislation and its impacts on competitiveness
- the assessment of options to streamline existing legislation in the context of Better Regulation
- the assessment of the use of incentives to promote environmental performance beyond regulatory compliance
- data gathering for the assessment of the impacts of some technical and legal changes (e.g. scope, definitions).

External contracts have been awarded to assist the Commission in the collection and assessment of this information. In total, 5 projects will be carried out in this context (for more information on the terms of reference of these projects, see [http://europa.eu.int/comm/environment/ippc/ippc\\_review\\_process.htm](http://europa.eu.int/comm/environment/ippc/ippc_review_process.htm)). In addition, the European Environment Agency is supporting the Commission in particular on the assessment of the environmental benefits of the IPPC Directive.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Commission has created an Advisory Group (50 members) for the review to ensure consultation and close dialogue with Member States and other stakeholders including industry and environmental NGOs. The main objective of this group is to ensure a coordinated input of stakeholders in the projects carried out to collect information and support the review process. Consultation of the Advisory Group has been taking place from the start of the review at the beginning of 2006 and will continue throughout the whole review process.

The main policy orientations will also be discussed in the IPPC Experts Group comprised of representatives of Member States.

For specific issues, for instance of interest for particular industrial sectors, the Commission will also consult directly with the appropriate industry associations.

A Public Hearing will be organised in 2007 in order to collect the views and expectations of a broader range of stakeholders. A public web-based consultation will be launched in 2007 to ensure public participation in the decision making process.

7. Will an inter-service steering group be set up for the IA?

A steering group as part of the evaluation procedure has been created in May 2005 to support DG ENV during the evaluation procedure in particular for the preparation and the management of the 5 projects mentioned above.

This steering group has been extended to include other DGs to establish an inter-service group (ISG) in view of the preparation of the Impact Assessment. The first meeting of the ISG will take place on 12 September 2006.

**ROADMAP**

Title of the proposal: **Communication on implementation and enforcement of EC environmental law**

Expected date of adoption of the proposal : December 2007

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The problems identified consist of the challenges faced by the Commission in monitoring compliance with an extensive environmental *acquis* in an enlarged Community. As it relates to existing legislation and the Commission's core functions, the proposed communication does not raise a subsidiarity issue. However, it will emphasise the primary role of Member States in implementing EC legislation

2. What are the main policy objectives?

- To review the situation since a 1996 Commission communication on the same subject.
- To present the current challenges and set out the current and proposed future policy on the subject.
- 

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The nature of the exercise makes a communication the most appropriate instrument.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The communication will itself explain and analyse different options for effectively monitoring and controlling EC environmental law.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

It is not proposed to have a formal impact assessment. The communication will in itself be an analytical exercise.

6. Which stakeholders & experts will be consulted, how and at what stage?

There is an ongoing process of dialogue with NGOs on implementation and enforcement of EC law which will allow us to gather their views on the proposed communication. Other stakeholders may be informally consulted. No expert group is foreseen.

7. Will an inter-service steering group be set up for the IA?

A formal impact assessment and inter-service steering group is not considered necessary.

**ROADMAP**

Title of the proposal: **White Paper on a European Union Strategy on Diet, Physical Activity and Health**

Expected date of adoption of the proposal: **April 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Health problems related to dietary patterns and physical inactivity form a major part of the disease burden in the EU: most of the risk factors for premature death (blood pressure, cholesterol, Body Mass Index, inadequate fruit and vegetable intake, physical inactivity, smoking, excessive alcohol consumption) relate to diet and physical activity, and are responsible for the high morbidity and mortality from chronic non-communicable diseases and conditions such as obesity, heart disease, type 2 diabetes, hypertension, cancer and osteoporosis.

These health problems cause high health care costs and have a negative impact on the competitiveness of EU economies. It is estimated that up to 80% of cases of coronary heart disease, 90% of type 2 diabetes cases, and one-third of cancers can theoretically be avoided if the whole population adopted current guidelines on diet, alcohol, physical activity and smoking.

Obesity is a risk factor for many serious illnesses including heart disease, hypertension, stroke, diabetes, respiratory disease, arthritis and certain types of cancer. Obesity levels in the EU have risen by between 10-40% over the past decade, and the range of obesity prevalence in EU countries is currently from 10% to 27% in men and up to 38% in women. It is estimated that the number of EU children affected by overweight and obesity is rising by more than 400,000 a year; across the entire EU25, overweight affects almost 1 in 4 children. There is convincing evidence that a high intake of energy-dense foods, physical inactivity and a sedentary lifestyle increase obesity risk, and that a high intake of fruits & vegetables and regular physical activity decrease the risk.

There are a number of competences at EU level that could impact on population nutrition and physical activity, and consequently on obesity prevalence. For example, Community competence in the areas of food labelling, food production and agriculture, consumer policy, internal market, transport policy, transfrontier TV advertising, taxation. In addition a number of other interventions that could have an impact in this field are in settings where there is shared competence exists, such as in schools and workplaces or at the local level such as in the implementation of a national transport policy etc. Therefore, as well as stating what could concretely be done at the Community level, the White Paper should set out a framework for government action at all levels which would facilitate the sharing of approaches, and exchange of information, between Member States. This would be in line with article 152, which states that the Commission should encourage cooperation between Member States and to lend support to their actions, if necessary.

There is no existing nutrition and physical activity policy document in the EU. In addition, to the EU level competences that could influence population lifestyles, there have been many calls at Council level for Community, and Member State, action in this area inter alia: Council conclusions of June 2006 on promotion of healthy lifestyles and prevention of type II diabetes; Council conclusions in June 2005 on obesity, nutrition and physical activity; Council conclusions of 2 June 2004 on promoting heart health; Council Conclusions of 2 December 2003 on healthy lifestyles; Council conclusions of 2 December 2002 on obesity; Council Resolution of 14 December 2000 on health and nutrition; Council Conclusions of 15 May 1992 on nutrition and health, and Council Resolution of 3 December 1990.

2. What are the main policy objectives?

Given the wide scope and complexity of the issue, there is a need for the EU initiative that will present a whole range of coordinated actions and suggestions with the intention to achieve a coherent nutrition and physical activity policy on the community level.

The main policy objective is to reduce lifestyle related diseases and especially the rising trend of obesity and to contribute to higher productivity and a sustainable economic development in EU in line with the objectives set out in the Lisbon Strategy.

The White Paper is important at this stage given the political and public health significance of the issue, the need to set out the EU approach and strategy and to contribute to the process of bringing together commitments from different actors to work together on nutrition and physical activity, notably through the European Platform.

The White Paper will define measures at Community level aimed at promoting healthier diets and physical activity, and at reversing current obesity trends, with the overall objective of curbing diseases related to unhealthy diets and physical inactivity (in particular heart disease, type 2 diabetes, hypertension, certain forms of cancer and osteoporosis). The specific objectives will be drawn on the analysis of the response to the public consultation exercise in the Commission's Green Paper "Promoting healthy diets and physical activity: Towards a European strategy for the prevention of obesity and chronic diseases" (the analysis was published 11 September 2006).

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Option A: Maintenance of status quo

Leave policy decisions to Member States and all other initiatives to stakeholders.

No coherent nutrition/physical activity policy at Community level and no coordination of decisions in different policy areas with an impact on diseases and conditions related to unhealthy diets and physical inactivity.

Option B: A strategy at Community level along traditional lines, i.e. which seeks to further develop, and set within a clear framework, Community level actions in the field of nutrition and physical activity. Measures could include, inter alia:

- Bringing coherence as far as possible to existing Community policies from an obesity perspective (Here there already encouraging initiatives: AGRI interest to reform of Fruit and Vegetables CMO, and developing policy coherence between public health and the policies of EAC and TREN)
- Revising relevant SANCO legislation, e.g. on nutrition labelling.

Option C (= Option B): A comprehensive nutrition and physical strategy that not only seeks to develop actions at Community level but which also aims to galvanise action at local and regional level within Member States, and through new channels that are not normally responsive or reachable using innovative approaches. This option comprises Option B + actions and develops new mechanisms to influence activity at national and local level, for example:

- Encourage the development and expansion of the EU Platform into national and sub-national levels
- Seek the development new forms of partnership with grassroots organisations
- Seek new approaches to private actors willing to commit to supporting the Nutrition/PA agenda

Option D: Purely regulatory – i.e. nutrition labelling, restrictions on advertising to children etc

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Option A: Do nothing/no change: The most likely impacts of this option would be 1) Obligations under treaty will not be met (i.e. to ensure high level etc in all policies), 2) Current upward trend in obesity prevalence will depend on new actions in Member States. Some countries are further ahead than others in the range and ambition of their policy response, leading to patchy progress. And none can yet point to a curbing of the epidemic 3) The European Commission will lose credibility amongst its stakeholders for failing to provide its planned Nutrition and Physical Activity Strategy.

Option B: Seek to maximise Community level response and put in place a Community Strategy for Nutrition and Physical Activity: The most likely positive impact of this option would be 1) There should be some benefit to populations from improving the coherence of Community policies from a nutrition and physical activity perspective for example in terms of encouraging similar coherence at national level, 2) Take advantage of a tide of interest from across other DGs such as DG AGRI 3) Success would enable the Community to provide credible leadership in the field for the future. The most likely negative impacts of this option would be 1) even with success, unlikely to have a major impact on obesity prevalence in Europe unless stakeholders are really engaged at Member States level and at local or regional level.



Option C: Seek to maximise Community level response and to also galvanise actions through new channels at local and regional levels in Member States: The most likely positive impact of this option would be 1) Given the shared competency between the Community and the national level in terms of policies that could have an impact on overweight and obesity, this approach addresses the need for joined up action at these levels, 2) In developing new ways of linking Community, Member State and sub-Member State action (such as by taking up the ECOSOC charter) it would be innovative and could trail blaze for other Community initiatives, 3) Would signal to citizens that Europe is working for them by bringing an initiative to the local level, 4) Would take advantage of upcoming interest from future presidencies (e.g. German and Slovenian). The most likely negative impacts of this option would be 1) a lot of effort for nothing, if insufficient political momentum is generated, 2) wasted political capital for future pressing public health issues.

Option D: Purely regulatory action: The most likely positive impact of this option would be 1) Forced compliance, 2) Easier ways to transform provisions into national legislations.

The most likely negative impacts of this option would be 1) The continued absence of a EU-wide nutrition and physical activity policy to bring all Community actions in this area into a clear, coherent framework. 2) Involvement of stakeholders not maximised

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? The evidence of the rise in obesity and overweight prevalence in children and adults is overwhelming across Europe. The data shows accelerating rates of increase in obesity in European children in some countries in recent years. The links between overweight/obesity and higher rates of disease is also very well established, and in Europe there is clear evidence of rising disease rates to accompany the rise in overweight and obesity. Basic data on lifestyles, morbidity and mortality from chronic diseases as well as on obesity are available from various sources (Eurostat, Public Health Action Programme, WHO, OECD, Member States and relevant NGOs).

There is a lack of centralised data on the effectiveness of interventions at Community level. However there are important exceptions that indicate the value of sustained, comprehensive, population wide approaches, such as the North Karelia project from Finland where declines in cardiovascular mortality have been observed following the long term implementation of a community based preventive programme. Another, important area where data of effectiveness does exist is for interventions amongst school children. Elsewhere, efforts are underway in a number of Member States and internationally to build the body of cost-effectiveness data in this area but this is made difficult by the speed with which obesity prevalence is increasing, and the limited monitoring of interventions at the local level within Member States.

Public health experience in other areas, such as tobacco, yields data on the effectiveness and cost-effectiveness of measures such as public health information campaigns in changing behaviour. Experience in tobacco, also suggests the effectiveness of implementing comprehensive strategies as opposed to considering one or two policy measures in isolation

6. Which stakeholders & experts will be consulted, how and at what stage?

The Communication will in itself reflect the outcomes of the major public consultation exercise launched with the Commission's Green Paper "Promoting healthy diets and physical activity: Towards a European strategy for the prevention of obesity and chronic diseases" in late 2005. Moreover, consultation specifically for the Communication will involve the European Network on Nutrition and Physical Activity (comprising experts nominated by Member States, NGOs and observers), the European Platform for Action on Diet, Physical Activity and Health. The WHO Ministerial conference planned for Istanbul in November 2006 will also provide an opportunity for stakeholder consultation

7. Will an inter-service steering group be set up for the IA?

The existing ad-hoc group on nutrition within the Commission's Interservice Group on Health will be closely involved in the impact assessment exercise.

## ROADMAP

Title of the proposal: **Working together to improve security: Public Private Partnership in the field of European Security**

Expected date of adoption of the proposal: **June 2007**

**A. Initial impact assessment screening****1. What are the main problems identified?**

Governments cannot combat the growing problems of EU security by themselves – they need to be supported by actions from the general public, and the private sector in particular. The main problem in this context is the lack of policy framework in place to provide a European approach to support the efforts of government and private industry to increase the effectiveness of enhancing security in the EU.

**2. What are the main policy objectives?**

The main policy objective is to provide for a common framework and understanding at the European level of how governments and private sector organisations can best work together to increase the effectiveness of their joint efforts to increase security in the EU. The action should provide for an appropriately structured dialogue on this topic.

Even though currently efforts are made in the Public Private Partnership (PPP) aiming at enhancing the European security, further initiatives need to be taken to improve the security of EU citizens. As shown in the consultation on PPP, security research, fight against terrorism and crime, improved border controls, management of visa requests, and protection of personal data need to be further developed in the consultation of PPP [??which consultation? Could you give some background information & indicate link to website with consultation and responses, if available] in order to avoid disasters such as inter alia the terrorist attacks that occurred in Madrid and London.

**3. What are the policy options? What regulatory or non-regulatory instruments could be considered?**

The Hague Action Plan has invited the Commission to present a proposals on this issue.

Option 1, the no-policy change option would consist in not setting up a European framework for PPP.

Option 2 could be to propose a European framework for public/private partnerships to improve the prevention and the fight against terrorism. This is the scope mentioned in the Hague Action Plan.

Option 3 could be to present a European Framework covering the whole security field, in particular border controls, management of visa requests, and protection of personal data . '.

All options considered are non-legislative.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Option 1: In case of no framework for PPP being set up, it can be expected that the present situation with unsatisfactory dialogue between the public and the private sectors on security issues continues.

Option 2: The setting up of a European framework for PPP for the fight against terrorism could lead to improved dialogue on this issue between governments and industry in the EU. Cooperation between the two partners will be promoted. It is expected that research for the fight against terrorism will be more targeted and deliver more tangible results used by both private and public sectors. Enhanced dialogue between governments and industry to increase security in the EU might also lead to reduced vulnerability to crime for the private sector, therefore contributing to enhanced economic growth. [??? Why focus on reduced vulnerability for the private sector only? Will the public sector not be affected?].

Option 3: Similar to option 2, but it would ensure that the benefits of improved PPP extend to other key areas falling under security, like improved border controls, management of visa requests, and protection of personal data. [this is the scope of the option, not the impacts!]

Key impacts that will be considered include those on cooperation and trust between the two sectors, the adequate protection of data exchanged within the framework. [??? Will impacts on SECURITY not be considered?]

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered?

How will this be done (e.g. internally or by an external contractor) and by when?

A study providing a compendium of existing research in the area of PPP to combat crime, which will assist in identifying best practice, has been delivered in September 2006

6. Which stakeholders & experts will be consulted, how and at what stage?

At the end of 2005, a major European wide conference was organised around the theme of public-private partnership for Justice, Freedom and Security. To assist in the preparation of this conference, as well as to support policy development, a Steering Group was set up consisting of representatives of general business organisations such as UNICE, the ICC, the EFMA and others, as well as representatives of the Member States, their law enforcement organisations [? "organisations" or bodies/authorities?], and Europol. This Steering Committee has met regularly during 2005 and 2006. Also, separate workshops and meetings took place, one of which within the Forum for the Prevention of Organised Crime.

Moreover, following the Dublin Conference in 2003 [could you explain what this Conference was about? Who organised it?] and as in previous years DG JLS will participate in the European Public Private Partnership Security Forum [could you give some details about this Forum? Who participates? Is it a Forum created by the Commission?]. It will take place in January 2007 [what will take place in January? The next meeting of the Forum?] which will create an excellent opportunity for the public and private sectors to enter into a dialogue on balancing Europe's security needs. It builds upon previous work done in this field and existing partnerships, notably regarding the establishment of Public-Private partnership to address organised crime.

Apart from meetings with MSs and private sector that took place in September 2005 and March 2006, another meeting with the EU Associations [could you give some details about these associations? (names)] is planned in January 2007.

7. Will an inter-service steering group be set up for the IA?

An interservice group for the impact assessment is foreseen to meet twice in early 2007.

## ROADMAP

Title of the proposal: **Communication "EU Action Plan for the enhancement of the security of explosives and firearms"**

Expected date of adoption of the proposal: **third semester 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The use of explosives to harm innocent citizens has been the most common method used by terrorists to instil fear in populations accustomed to living in democratic, free and open societies. In October 2003 the JHA Council had concluded there was no need to introduce new measures on storage and transport of explosives. However, in the aftermath of the terrorist bombings in Madrid on 11 March 2004 a consensus started to emerge within EU Member States for the need to explore a more harmonised system that would prevent explosives, detonators, bomb-making equipment and fire-arms from falling into the hands of terrorists. In its 25<sup>th</sup> March 2004 Declaration, the European Council recognised the “need to ensure terrorist organisations and groups are starved of the components of their trade”. In particular it recognised “the need to ensure greater security of firearms, explosives, bomb-making equipment and the technologies that contribute to the perpetration of terrorist outrages”. Furthermore, the revised Plan of Action on Combating Terrorism of June 2004 called upon the Council and the Commission to examine the scope for measures to ensure greater security of explosives (Action 3.6.1).

The Commission, in its October 2004 Communication *on Prevention, preparedness and response to terrorist attacks*<sup>11</sup> signalled its intention to present proposals if necessary to ensure the highest possible security level in Europe. Indeed, the “Hague Program - Strengthening freedom, security and justice in the EU”, endorsed by the European Council in November 2004, explicitly *invites the Commission to make proposals aimed at improving the storage and transport of explosives as well as at ensuring traceability of industrial and chemical precursors*. The Commission strongly welcomes this invitation and hereby presents its proposals in the present Communication. The Commission in its November 2005 Communication on explosives signalled intention to bring together all the major stakeholders: the manufacturers of, and traders in, explosives, experts from Europol and SitCen, national experts from the Member States, Commission and the Council Terrorism Working Party. Subsequently, the Commission will consider setting up an expert group (an Explosives-Security Expert Group) and task it with elaborating and submitting to the Commission an EU Plan for the enhancement of the security of explosives and firearms. The Plan would have to ensure complementarity between public and private measures in the field and set defined targets.

2. What are the main policy objectives?

Stimulate debate and dialogue with all actors involved in the security of explosives (experts from Europol and SitCen, national experts from the Member States, Commission and the Council Terrorism Working Party) which will be taken into account in the preparation of an EU Action Plan for the enhancement of the security of explosives and firearms.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Status quo: would entail the continuation of ongoing initiatives in the area of explosives and firearms. These include legislative and non-legislative initiatives (listed below).

Presenting an Action Plan for the enhancement of the security of explosives and firearms, outlining implementation measures necessary to enhance the security of explosives and firearms. It will in particular provide an update on the whether the amendment of current instruments is sufficient or whether new legislative initiatives should be considered. The policy options that will be included in the Communication are not yet defined. Its content could be based on the following initiatives:

The creation of European Network of Explosive Ordnance Disposal (EOD) units, as announced in the Commission's Communication of July 2005, is foreseen. The Network could be a channel for an open and fluid exchange of information on techniques and operational tactics. Furthermore, the improvement of detection capabilities should be a

<sup>11</sup> COM (2004) 698 final; 20.10.2004

priority for the Network.

As part of the Public-Private Dialogue, an EU conference on "Enhancing the Security of Explosives" will be held 9-10 October 2006 on enhancing the security of explosives. It will tackle areas such as: components of explosives including liquids, detection, traceability and transport & storage. In the follow-up to this conference the Commission plans to create a public-private taskforce that would draw up a plan for enhancing the security of explosives. The task force will then submit the plan to the Commission in 2007.

The Commission is presently considering whether there is any scope for making the transmission of bomb-making expertise a crime under the Framework Decision on Combating Terrorism of 2002.

The Commission has presented a working document containing a first draft for a Directive on the labelling of explosives, (discussed in a meeting of the Explosives Working Group October last year). The Commission concluded that there was general support for the proposal and announced that it has continued to work on it.

The Commission is also exploring options for enhancing the traceability of explosives via tagging measures as well as for their secure storage.

The Commission will fund a study on policy options for limiting the misuse of precursors to explosives (e.g. chemicals found in ready-available products) for terrorism or other criminal purposes. Such policy options should be effective in terms of both results and costs and in accordance with the aim of not affecting concerned industries negatively.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

No action: would deprive the EU of the possibility to reinforce the current ongoing initiatives in the field within a coherent framework if considered necessary to respond to increasing threats.

Action Plan for the enhancement of the security of explosives and firearms: Overall, proposed measures should strengthen security across the EU. By entrusting the development input to a plan to increase the security of explosives to a public-private forum following a stakeholder conference, the content will benefit from wide-ranging stakeholder expertise. The assessment of the concrete content of the Action Plan will only be possible after the conclusion of the public debate and the Explosives-Security Expert Group's draft for an EU Plan for the enhancement of the security of explosives and firearms.

Affected groups/impacts to be considered will include relevant economic actors, the security of citizens, law enforcement and judicial authorities, and impacts on fundamental rights.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

### **Explosives Conference 2006**

The explosives to be held in October 2006 will kick-start a Public-Private Dialogue on enhancing the security of explosives. It will tackle four main areas: pre-cursors to explosives, detection, traceability and transport and storage. The Commission views this conference as a major step in developing its policy in the field. In the follow-up to the conference the Commission plans to create a public-private taskforce that would draw up a plan for enhancing the security of explosives. The task force will then submit the plan to the Commission in 2007.

In the build-up to the conference, the Commission sent a questionnaire to the Member States last April (some MS have not yet replied). The questionnaire should help the Commission gather information about Member States' systems and practices in the field of explosives. It will help the Commission prepare the conference better.

### **Criminalisation of the transmission of bomb-making or other terrorist-related expertise**

The Commission is presently considering whether there is any scope for making the transmission of bomb-making expertise a crime under the Framework Decision on Combating Terrorism of 2002. Its thinking on the issue is still in the early stages but it is an issue that the Commission is seriously evaluating. Questions in relation to this were also included in the questionnaire sent to the MS in preparation of the conference in June.

**Study on Policy options for limiting the misuse of precursors to explosives (e.g. chemicals found in ready-available products) for terrorism or other criminal purposes**

The overall objective of the study is to explore possible policy initiatives at EU level for limiting the misuse of precursors to explosives. Such policy options should be effective in terms of both results and costs and in accordance with the aim of not affecting concerned industries negatively. The Commission last May prepared the terms of reference for the study (JLS in consultation with ENTR). Funds that had been earmarked for this study were not available anymore. However, it is planned to conduct this study with money from the 2006 Pilot Project 'Fight against Terrorism' as soon as the Financial Decision is adopted by the Commission.

**Possible amendment of the Fertiliser Regulation**

The Commission (DG ENTR) is also analysing whether the Fertiliser Regulation needs to be modified in order to prevent the misuse on ammonium nitrate fertilisers. Work in this field is being done via a discussion paper that the Commission issued on a website with restricted access presenting some possible options for the way forward. Meetings with industry in relation to this have also been held and the November conference should provide a platform for discussing these issues further.

**Research into improving the detectability of detonators**

Last October a meeting was hosted by the Joint Research Centre where Commission officials and members of the European Federation for the Manufacturers of Explosives (FEEM) discussed ways of possibly improving the detectability of detonators. The object of the meeting was to bring together the industry and the Commission's Joint Research Centre (JRC) to analyse the technological possibilities of increasing the detectability of detonators and to brainstorm on some technically possible solutions. Given that it is comparatively far simpler to make a home-made explosive than to make a detonator, it is thought that increasing the detectability of commercial detonators would be a major step in enhancing the security of explosives. Following this meeting it was agreed that JRC will be given the opportunity to visit one or two detonator production sites in order to gain more experience on production process related aspects. The JRC will also receive dummy detonators from the manufacturers as samples for testing under realistic circumstances.

**Improving traceability of explosives**

The Commission (DG ENTR) presented a working document containing a first draft for a Directive on the labelling of explosives, which was discussed in a meeting of the Explosives Working Group last October. The Commission concluded that there was general support for the proposal and announced that it will continue to work on it. Commission is also exploring options for the enhancing the traceability of explosives via tagging measures as is done in Switzerland. A Swiss representative was in fact invited to the Explosives working group last October where he presented the system which is being used for all commercial explosives on the Swiss market. The manufacturer and the manufacturing date can be clearly identified by analysing taggants containing a colour code the size of a grain of salt. In Switzerland explosives manufacturers have to add these taggants to the explosives and to supply the Swiss police with samples of taggants and the tagged explosives. The cost of the system is around 10 cents per kilo of explosives, and there would be enough codes available for all EU manufacturers

**Storage of Explosives**

The Commission (DG ENV) has come to provisional conclusion that a modification for the Seveso Directive, which is an instrument concerned with safety rather than security of installations containing dangerous substances, would not be the best solution forward. Thus a future directive specifically addressing installations containing explosives could be a possible path to follow and would fit well within the critical infrastructure protection policy currently being developed by the Commission.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Explosives-Security Expert Group, experts from Europol and SitCen, national experts from the Member States, Commission and the Council Terrorism Working Party and relevant industry representatives.

7. Will an inter-service steering group be set up for the IA?

An ISG has already been set-up in the cause of last year's Explosives communication and will re-convene meetings with all services concerned when relevant.

## ROADMAP

Title of the proposal: **Communication on the fight against cyber crime**

Expected date of adoption of the proposal: **March 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Cyber crime and cyber security constitute phenomena which are more and more important in Europe. The damages of criminality linked to Internet and similar electronic means of communication are very important for society, business and citizens and are certainly increasing.

Cyber crime can include issues such as: spread of malicious viruses, fraud involving electronic data, incitement to terrorism, racism or xenophobia, infringements of intellectual property protection, exchange of information between involved actors.

Various legislative and non-legislative initiatives contributing to the prevention and fight against cyber crime have been adopted at EU-level, but especially at national level. Since then, the existing cross-border threats have been developing and changing fast, and there is the risk of incoherence between the priorities set at national and European levels. Furthermore, the increasing use of electronic means for criminal purposes raises the question of appropriate treatment of offences committed on-line. It is not obvious that cyber crime is adequately addressed by existing legal instruments conceived against off-line (without the use of internet and similar means of communication) crimes.

As these criminal activities are of a border-crossing nature, separate approaches to tackle them at national level are unlikely to be fully effective. Improved counter-measures thus need to be developed at the European level.

2. What are the main policy objectives?

In the Hague programme, the European Council considers that the common project of strengthening the area of freedom, security and justice is vital to securing safe communities, mutual trust and the rule of law throughout the Union. Freedom, justice, control at the external borders, internal security and the prevention of terrorism should henceforth be considered indivisible within the Union as a whole. An optimal level of protection of the area of freedom, security and justice requires multi-disciplinary and concerted action both at EU level and at national level between the competent law enforcement authorities, especially police, customs and border guards.

Cyber crime is obviously an area where such concerted action at EU level is urgently needed. In the Council and Commission Action Plan implementing the Hague Programme on strengthening freedom, security and justice in the European Union, it is announced that a Communication on Cyber crime will be adopted. It should set out the future approach of the EU-wide combat against cyber crime.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

In order to achieve the policy goals, the following options are at hand:

- No action at EU level (status quo)
- Coordination action: this would aim at presenting a strategic horizontal concept for coordinate actions on the fight against cyber crime.
- Legislation on minimum penal law requirements in Member States

In addition to the choice of instrument, policy development will consider the choice between a general policy approach and a specific policy approach towards cyber crime

In short: should the same measures tackle off-line and on-line crime? A general policy approach would imply that cyber crime is tackled through initiatives aimed at combating criminal offences both in the on-line and off-line world. This could be justified by the fact that most crimes committed on the Internet or other similar electronic means are not inherent to these means; the means are only used as a vehicle to commit crimes.

On the other hand a specific policy approach would mean that criminal offences committed on-line are different from the ones of the off-line world and require separate initiatives to tackle them.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

- No action: implement thematic activities at EU level without a comprehensive strategy and coordination on the problematic related to cyber crime;  
- Coordination action: financial and facilitation actions to improve contacts between European cyber crime experts; this would in turn facilitate exchange of information and best practices, which could result in a reduced level of crime and crime risk. Targeted actions where a specific need is proven can provide effective measures to fight crime.  
- Legislation: the sought impact is to reduce crime and crime risks, by providing law enforcement and judicial authorities with effective instruments and by creating a deterrent effect. This assessment will also consider possibly increased costs for private sector operators and will ensure their minimisation.  
Impacts that will be considered for all options include the impacts on users of the internet, service and content providers, covering economic impacts, impacts on crime and fundamental rights (the latter are to be examined in accordance with the Communication of the Commission of 27 April 2005).

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

An external study is under way, with the main objective to define the European needs in this area. Supplementary information, especially regarding difficulties and possibilities with the enforcement of future regulations, will be requested from Member States and private sector. In addition, an internal analysis to examine the extent of the scope that such a proposal would cover will be done. It would seem likely that the Communication as such will be a part of that analysis, in view of further actions in the future.

6. Which stakeholders & experts will be consulted, how and at what stage?

Member States, in particular experts from high-tech crime police services, the members of the G 8 high-tech crime group and representatives of the private sector will be consulted. Especially relevant private sector stakeholders are the Internet Service Providers, but business and industry in general will also be consulted.

The Consultations will mainly be made through the external study mentioned under point 5 above. In November 2006, informal consultations will also be organised through the G 8 high-tech crime group and the Europol High-tech crime experts group.

7. Will an inter-service steering group be set up for the IA?

Yes. The first meeting is scheduled for Thursday 26 October 2006.



## ROADMAP

Title of the proposal: **Proposal for a Commission Communication on the Community Animal Health Policy CAHP - Strategy (2007-2013) to the European parliament, the Council, the Economic and Social Committee and the Committee of the Regions**

Expected date of adoption of the proposal: **June 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Animal disease outbreaks are costly. There are ethical issues related to the mass slaughter of animals to control an outbreak. Added to this, there is growing concern about the potential impact on human health and the possibility of a new pandemic.

Ten years after the establishment of the single market, Directorate General for Health and Consumer Protection requested an **external evaluation** of the Community Animal Health Policy (CAHP).

The following **conclusions** have emerged from this evaluation:

- Over the time period reviewed by this evaluation (1995-2004), the Community Animal Health Policy (CAHP) has become increasingly successful in terms of achieving the outcomes it is seeking to pursue. Although policy improvements were mainly stimulated by the need to respond to some major crises that occurred in the Community during this period, the results can be considered to have been positive. Thus, for example, there has been a considerable reduction over time in the prevalence of a significant number of animal diseases and a considerably better structured response to crises. Following the Classical Swine Fever (CSF), Foot and Mouth Disease (FMD), Avian Influenza (AI) crises all relevant "vertical" legislation on the control of these diseases was revised and updated, taking into account the lessons learnt, including those on vaccination and contingency planning. It is also an achievement that over time the Commission's role in respect of the policy has come to be increasingly widely accepted both within the EU and internationally.
- This having been said, until now the policy has consisted of a series of interrelated policy actions/actors at institutional and civil society level operating under a large umbrella of legislation and formal/informal networks but without a definition of strategy for the whole and limited assessment of the success of actions taken in terms of review and feedback on performance.

Subsidiarity aspects have been a key theme underlying the various policy areas covered by this evaluation.

With principles and rules laid down at EU level but implemented by Member States, enforcement issues have often been identified as a key parameter in allowing flexibility at MS/regional/local level while the Commission's role is crucial in guaranteeing that a common approach and standards apply across the Community

2. What are the main policy objectives?

The **final report** (published in July 2006) had a strong focus on recommendations for the design of the future policy. The evaluation has demonstrated the need to develop a clear and transparent strategy accompanied by a communication strategy which improves stakeholder engagement and involvement in decision-making: Stakeholders made very interesting and challenging proposals for the design of the future policy, regarding:

- (e) Prevention of animal diseases and development of biosecurity concept,
- (f) Sharing of costs and responsibilities.

This could be structured so as to allow implementation in line with subsidiarity at Member State and regional level. A key component of such a cost and responsibility sharing framework as well as the idea of better overall prioritisation of actions would be the introduction of a disease classification system. This would allow greater focus on those diseases which can be considered to have high 'EU relevance' in terms of the need for coordinated action at EU level due to their potential impact on human health and potential supra-national/supra-regional economic impact.

- (g) Simplification of the legislation and "better regulation",

In future better consistency between actions to improve animal health and welfare in the EU and international competitiveness could be achieved by pursuing simplified rules and better regulation and carrying out impact assessments before introducing new legislation.

More specific actions which could be considered for the future would include:

- Further alignment of EU rules more closely with OIE guidelines and standards;
- A gradual move towards integrated electronic identification and certification procedures for intra-Community trade;
- The streamlining of texts going through the Standing Committee procedures;
- Providing specific support for bio-security measures at farm level via existing funds;
- Providing specific support to third countries to assist them in upgrading their animal health status to meet EU and international (OIE) requirements;
- Negotiating export conditions at Community level;
- Targeting illegal (commercial) imports/fraud.

**Austrian-Finnish Presidency conference** – 7 November 2006

The Austrian-Finnish Presidency organises a CAHP Conference on 7 November in Brussels, in close collaboration with Health and Consumer Protection Directorate General, to present the evaluation results, including options for the future.

In the meanwhile, main **stakeholders opinion** will still be published on Health and Consumer Protection Directorate General website.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

1/ The future Community animal Health Policy: “overarching” strategy

Option 1: No action

Considering the results of the evaluation and the support of most stakeholders, it is in the interest of the EU that the Commission presents a coordinated and coherent approach aimed at providing the Community with an “overarching” guidance in the animal health area to complete “the farm to table” approach.

Option 2: Regulation/Directive

A Regulation and/or a Directive cannot be considered as practical options to present an overarching policy strategy.

Option 3: **A Commission Communication on EU animal health Policy – (Strategy 2007-2013) – mid 2007**

A Communication of the Commission to the European parliament, the Council, the Economic and Social Committee and the Committee of the Regions is considered as the most appropriate option.

By mid 2007, the Commission will present a **Commission Communication on the Community Animal Health Policy** and its **strategy over the period 2007-2013 based on the evaluation results and the Finnish conference conclusions:**

- It will present **clear objectives** reflecting stakeholders’ priorities and aiming at minimising the regulatory burden.
- It will ensure the coherence with our **international commitments** (such as the SPS agreement).
- But also the close **articulation** of the Community Animal health Policy **with EU policies** such as the Common Agriculture policy, Animal welfare, Sustainable development, External Aid, and of course Research.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Impact of “do nothing option”:

The policy will remain of a series of interrelated policy actions/actors at institutional and civil society level operating under a large umbrella of legislation and formal/informal networks but without a definition of strategy for the whole and limited assessment of the success of actions taken in terms of review and feedback on performance.

Impact of “Regulation/Directive” option:

For the majority of stakeholders, the legal option would not be beneficial in terms of flexibility and subsidiarity to define a general strategy in such area as Animal Health Policy.

Impact of “The Communication option”:

With such an option, the Commission will invite the European Parliament, the Council, the Economic and

Social Committee, the Committee of the Regions and all interested parties to support the overall strategy, to foster the adoption of key measures proposed and to support their implementation.

Action plan over the period 2007-2013:

The Communication will also include a concrete **action plan** presenting the **outputs** expected over the period 2007-2013. A preliminary assessment of the advantages/disadvantages, feasibility, stakeholder acceptance and needs had also been undertaken for each of these actions (see evaluation final report). However, further in depth assessments will be needed for most of these actions. Every Regulation/Directive proposals considered in this plan will be presented with a further impact assessment to be conducted over 2007-2013

**. B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

The evaluation final report has been approved. It has been published on the internet at the end of July.

[http://europa.sanco.cec.eu.int:8081/food/animal/diseases/strategy/cahpeval\\_en.htm](http://europa.sanco.cec.eu.int:8081/food/animal/diseases/strategy/cahpeval_en.htm)

Based on a comprehensive stakeholders' consultation (interviews and surveys), the evaluation team has recommended some key options to design the future Animal Health Strategy. It is important to stress the efficient stakeholder collaboration developed during this evaluation.

At that stage, all options are still open. The Commission will not take any position (on a specific option) before the evaluation is officially presented and discussed with the stakeholders at the Austrian-Finnish Presidency conference -7 Nov 2006

6. Which stakeholders & experts will be consulted, how and at what stage?

Health and Consumer protection Directorate General thanks all partners who have contributed to the evaluation report. Stakeholders have been extensively consulted during the evaluation process (from the preparation phase starting in Oct 2004 to the dissemination phase ending in the 4<sup>th</sup> quarter of 2006):

- A wide EU **survey** (600+ recipients; 100+ respondents)
- Separate **survey** of 34 third countries
- Specific survey of insurers and 3 MS case-studies on cost-sharing schemes
- Appr. 100 interviews with relevant authorities and stakeholders at EU and MS level (6 + 1 MS)

They will still have the opportunity to give their opinions on the option presented during the Conference organised by the Finnish presidency- 7 November.

A website related to the CAHP strategy (2007-2013) has been created and it is constantly updated:

[http://ec.europa.eu/food/animal/diseases/strategy/index\\_en.htm](http://ec.europa.eu/food/animal/diseases/strategy/index_en.htm)

7. Will an inter-service steering group be set up for the IA?

A **Steering Group** advised the Health and Consumer Protection Deputy Director General and conducted the project. It was composed of Members of the Commission services, European Food Safety Authority and representatives of the Member States

## ROADMAP

Title of the proposal: **Draft Regulation of the EP and of the Council amending the animal by-product Regulation (EC) No 1774/2002**

Expected date of adoption of the proposal: **End December 2006**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The aim of Regulation (EC) No 1774/2002, which applied on 1 May 2003, is to ensure that animal by-products (ABPs) are handled, processed, used and disposed of in a way that avoids risk to animal and public health. It simplified and replaced 19 Community acts by a single legal framework covering trade, placing on market and export, and this – tightened controls, brought some new ABPs within its scope. Although made specifically for animal and public health reasons, the Regulation fits within the broader policies of the Commission, particularly those that seek to protect the environment.

The Regulation is wide-ranging and impacts on a large range of operators as well as some small-scale hobby and craft operations. It has been challenging for all Member States and economic operators to ensure compliance. Although good progress has been made and the majority of operators are now complying, there have been difficulties in certain areas where experience has suggested that changes are needed. The main issues have arisen in relation to:

- (a) Areas where the requirements of the Regulation are disproportionate, in particular as regards very low risk products, which should be excluded from the scope; and
- (b) Areas where there is uncertainty about the scope or requirements of the Regulation or possible duplication with other legislation, where clarification is needed.

Modifying the body of the legal text is the only way of solving the issues, leaving certain areas to Member States to apply the principle of subsidiarity where the low risk involved does not justify measures at Community level.

2. What are the main policy objectives?

The key objective is to review the health rules on ABPs taking into account the experience gained in applying the Regulation since 1 May 2003.

Removing disproportionate provisions and clarifying the scope of the Regulation would lead to a clear text, making the measures more effective and efficient. The review will reduce unnecessary burden and negative impacts, increasing benefits by simplifying and avoiding duplication of administrative procedures for national authorities and operators.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

- (a) Do-nothing despite experience showing that a review is necessary in order to remove disproportionate provisions.
- (b) Legislation (draft Regulation) reviewing the health rules, taking into account experience gained in applying the Regulation since 1 May 2003.
- (c) Self-regulation, guidance, co-regulation would not work as long as excessive provisions have not been removed from the legally binding text.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Option (a) is likely to lead to trade disruption and severe negative socio-economic costs on operators. Maintaining disproportionate provisions would be faced with mounting criticisms, and possible non-compliance leading to serious direct or indirect risk to animal and public health.

Option (b) will provide more legal certainty, allowing long term planning, and enhancing the competitiveness of the industry. This will reduce unnecessary burden for Member States administrative systems and economic operators, limiting the scope of the Regulation to areas where there is risk.

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

All 25 Member States have already supplied data on the measures taken to ensure compliance with the Regulation. In so doing each has indicated the areas where changes are needed, reflecting the concerns raised by economic operators.

Also the Commission's Food and Veterinary Office has carried out facts finding inspections in Member States in 2004 - 2005 to ascertain compliance. The FVO data are also available.

On the basis of Member States and FVO data, the Commission has prepared a Report to be submitted to the European Parliament and the Council in the 4<sup>th</sup> quarter of 2005 describing *inter alia* areas of the Regulation where changes are needed (see paragraph 1 above). An internal IA is needed in early 2006 to assess the proportionality of the proposed changes and likely impact on operators.

Overall, Member States and operators welcome the review. This is viewed as a further step towards simplifying and reducing the burden on national and operators' administrative systems, beneficial to intra-Community trade as well as import from third countries.

6. Which stakeholders & experts will be consulted, how and at what stage?

It is intended to hold 2-3 discussions with Member States in the framework of expert working groups of SCoFCAH, 1 seminar/workshop with the Advisory Group on the Food Chain and Animal and Plant Health, and 1 targeted seminar/workshop with third countries major trading partners in the 2<sup>nd</sup> half of 2006. An SPS notification is also foreseen before the Commission adopts the draft proposal.

7. Will an inter-service steering group be set up for the IA?

YES

## ROADMAP

Title of the proposal: **Communication on Organ Donation and transplantation**

Expected date of adoption of the proposal: **December 2006**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Organ transplantation is the therapeutic use of human organs that involves the substitution of a non-functional organ for another one coming from a donor. The use of Human organs for transplantation has steadily increased during the past decades. The use of organs in therapy poses a risk of transmission of diseases to the recipient. Infectious or cancer diseases could be transmitted. Transmission of HIV, Hepatitis B and C, bacteria, fungi and parasites through transplantation have been described in the scientific literature, as well as new emergent diseases.

From 1999 onwards, Article 152 of the Treaty has enabled the European Parliament and Council to adopt health measures setting high standards of quality and safety of substances of human origin. The Community has already adopted Directives of the Parliament and the Council on Blood, and on Tissues and Cells.

However, it was already recognized during the discussions of the Tissues and cells Directive that Organs needs a different approach. In this particular area the main priority is to reduce the organ shortage.

An Organ Transplant is lifesaving and in most cases the only available treatment. In terms of quality and safety the benefit and risk ratio is a fundamental approach for organ transplantation. Due to the organ shortage and the life threatening indications of organ transplants, the benefit of an organ transplantation is high and more risks can be accepted than with blood or most tissues and cells treatments. In this context the clinical doctor has an important role in the decision on the acceptance of organs for transplantation.

In 2003, the Commission carried out a survey on legal requirements related to organ transplantation in the EU. The survey showed discrepancies within Member States. Results could be found at: [http://europa.eu.int/comm/health/ph\\_threats/human\\_substance/documents/organ\\_survey.pdf](http://europa.eu.int/comm/health/ph_threats/human_substance/documents/organ_survey.pdf)

Every year, a number of organs are exchanged between European Member States. To give an example, the offers received from other countries to Italy in 2004 were 219, resulting in 35 organs transplanted. Cross border exchanges implies that the transplantation process is executed by hospitals or professionals falling under different jurisdictions. However the number of organs interchanged between Member states constitutes a low percentage, one of the reasons could be the lack of a unified European framework ensuring high standards of quality and safety.

One of the potential consequences of the scarcity of organs is the trafficking with human organs carried out by organised criminal groups, tracking down and removing organs in countries of Central Europe or the Third World and handing them on to recipients within the European Union.

Finally, there are many complex and sensitive ethical issues in this area: consent, brain death diagnosis, the non-profit and non-trading character of these activities, the need to ensure transparency, equity and accessibility. Violations of ethical principles may affect the availability of organs, their quality and the effectiveness of transplant services, and public health as a whole.

The Causes (of lack of organs for transplantation):

The majority (more than 90%) of the organ donors are patients who died in hospitals after an irreversible cessation of all brain functions known as brain death. These patients are in Intensive Care Units where their cardio-respiratory functions are artificially preserved. Less than 3% of the deaths in hospitals are brain deaths, and therefore the number of potential organ donors is low.

In addition organ transplants are subject to time pressure. The process from the procurement to the transplantation should be done in a few hours (in order to preserve the organ viability). There are no intermediate steps like in the case of blood or tissues and cells which can be processed, preserved and stored for long time before their use.

The Organisational structure is key in the organ donation/transplantation systems. It has an important role in the quality and safety of organs and also in the availability of organs. The Donation / Transplantation process is a complex one involving different steps and more than 100 professionals and requiring more than 20 hours of continuous work for each transplant.

The new Member States face greater health problems than the rest of the Union but have less economic means to address them. Their health systems are therefore under particular pressure. The complex process leads to enormous differences within new Member States in terms of accessibility to transplants and length of waiting list. Moreover, in those countries where the accessibility to transplantation is limited due to economic or technical reasons there is also a disinterest for establishing donation systems.

On the other hand, organ donation and transplantation are the only therapeutic activities that require the participation of

society for their full development. There are many complex and sensitive ethical issues in this area: consent, brain death diagnosis, the non profit and non trading character of these activities, the need to ensure transparency, equity and accessibility. These ethical principles have an influence on the availability of organs. Hence, violations of these ethical principles may affect public health and the effectiveness of transplant services

2. What are the main policy objectives?

The main objective is to ensure high standards of quality and safety for human organs used in therapy at Community level as reflected in Article 152 of the Treaty.

This overall objective should be linked to specific objectives related to the main problem identified by the experts in this area, the shortage of organ donors. It will be equally important to analyse actions at EU level to increase the availability of organs use in therapy, in order to achieve two objectives: To increase the donation rate in all Member States by 2012, and; to promote the accessibility to these therapies in the Community

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

There are three possible policy options.

Option 1: "No intervention" would mean continuing the current level of activity

Option 2: would consist of implementing an active system of coordination between Member States and stake holders in order to achieve common objectives.

Option 3: would imply building on the previous one that would add European legal instruments.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Option 1: Use of existing programmes only

Obligations under Article 152 not fully met. Not complete profit from the Community added value in addressing the main problems, e.g. organ shortage (see detailed impacts in Option 3).

Option 2: Coordination between Member States on organ quality, safety and availability.

This option will address the other main problem identified by the experts: the organ shortage (see detailed impacts in Option 3). However national legislations differ between Member States and this approach would not solve the quality and safety problems as there are a number of European factors that have to be taken into account, such as organ interchange within the community. Coordination between MS has often proved to be ineffective. Thus, this option would most likely not lead to that the objectives under Article 152 are not fully met.

Option 3: Legislation on quality and safety and coordination of availability of organs + an initiative on organ trafficking

An appropriate and flexible European legal framework is a better response to the requirements under Article 152 of the Treaty.

While respecting the clinical role of the doctor in the decision on the acceptance of organs for transplantation, community binding legislation would have an added value in terms of ensuring the basic quality. Establishing a regulatory Committee under a Community Directive will facilitate the coordination activities within Member States.

The initiatives under Article 152 should be complemented with initiatives under Articles 29, 31(e), and 34(2)(b) of the EU Treaty (JLS), oriented to combat Organ trafficking in order that the EU could be seen to be acting proactively rather than reactively.

#### Social/Health impacts

1) Quality and safety requirements will have an impact on risk reduction and consequently in reduction of co-mortality and co-morbidity. On the other hand a very stringent set of binding safety and quality criteria could have as a consequence a reduction in the actual number of donors.

2) Organ availability will have an impact on the increase of organ transplants and thus increase healthy life years. For given some figures average prevalence rate of end stage renal failure in Europe is around 1,000 patients per million population (pmp). Among those between 20 and 30% are waiting for a kidney. Annual incidence is around 140-150 new patients pmp.

3) Both quality/safety and availability will have an impact on the improvement of quality of life and reduced suffering for many patients and their families

4) The proposal will have a complex number of ethical aspects of organ donation and transplantation that are dealt with differently in Member States. It will be difficult to isolate these principles from the legal basis on quality and safety.

#### Environmental impacts

No environmental impacts are foreseen.

#### Economic aspects

1) Treatment Costs: Organ transplantation provides the possibility of saving lives and also has the best cost / benefit ratio in terms of economic gains as well as quality of life. It has been calculated that each 10,000 renal patients living with a functioning kidney graft saves over 200 million € annually.

2) Productivity: The most important benefit for the grafted patients is measured in terms of survival and improvement of perceived quality of life, and consequently integration to the working and family life and productivity. Quality analysis and cost / benefit studies programmed for large samples and in different countries will definitely establish the need for a minimal investment in the organ donor promotion activities

3) Upgrading of organisational structures: This proposal will have an impact on the activities carried out within the Organ transplantation process. The establishments directly concerned by the provisions of this proposal vary from hospitals or health centres where procurement is carried out, to third parties which can be responsible for some step of the process. The need for standards of quality and safety could increase the cost of the process. On the other hand they may help to reduce costs associated with adverse events and effects related to transplantation and facilitate the exchange of organs across the borders.

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Safety and quality data: A review of the scientific data on the potential risks of transplantation is available, as well as scientific standards on safety and quality and guides from international organizations such as the Council of Europe and scientific associations. Reporting of cases of transmission of diseases is available in the literature; however no register on adverse events or reactions is available.

Organ trafficking data: Europol will issue a report on Organ trafficking in the EU during 2005.

Activity data: There are data available on the number of transplants carried out during the last years from the Council of Europe. The Commission has access to information on number of donors, donations, and waiting lists in Member States in order to estimate the patients in need.

Health Impact data: There are data available showing the impacts in terms of survival and improvement of quality of life of these therapies in comparison with other treatments. There are also studies estimating the prevalence of diseases that could be subject to transplants. Further information will be needed on the incidence of the related diseases, the associated co-morbidity, the age of onset, and their associated disability weights. Calculation of the investment needed will also be needed

6. Which stakeholders & experts will be consulted, how and at what stage?

.Existing legislation: The Survey that the Commission carried out in 2003 on national legislation enables the comparison of the different national legislation and the identification of the gaps. Legislation in third countries (USA, Australia, Canada) is available

Professional associations, Donors associations, patients associations, National and European agencies of transplantation, Council of Europe

7. Will an inter-service steering group be set up for the IA?

YES DG INFSO, JLS, RTD, DEV, ENTR, SG (BEPA) have expressed interest in participate



## ROADMAP

Title of the proposal: **Communication sur la "flexicurité" Des parcours vers davantage de flexicurité: Mieux combiner la flexibilité et la sécurité**

Expected date of adoption of the proposal: **June 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The main problem is the recognised lack of flexicurity in many Member States.

Flexicurity is a situation whereby workers and enterprises have sufficient flexibility to respond to and indeed trigger change, but with sufficient security so that such change is accepted as necessary and indeed beneficial. Elements of flexibility and security are linked to labour/contract legislation, education and training, social partnership, active labour market measures and social security provisions. Greater flexicurity has been identified as a key factor in promoting more and better jobs. Concomitantly, Member States have now recognised the importance of addressing the issue in a more comprehensive manner.

By its comparative position, the Community can help Member States identify good practices and define common principles with a view to enhancing flexicurity.

2. What are the main policy objectives?

The overall objectives of the Lisbon strategy are more growth and jobs. Within the employment area, the objective is more and better jobs, i.e. higher employment rates and better paid more productive workplaces. The Commission Annual Progress Report 2006 and Spring Council conclusions noted that flexicurity is not adequately addressed. To this end, the Commission has proposed that MS adopt a set of common principles on flexicurity for the end of 2007.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The issue falls beyond the scope of EU legislation per se, , although it is likely that the need to achieve more flexicurity may also touch upon matters falling under existing EU legislation – e.g. in the field of mobility. As a key aspect of the Lisbon Strategy for Growth and Jobs, flexicurity needs to be better and more adequately addressed in the context of the Employment Strategy and the Open Method of Coordination in the field of social protection and social inclusion. A Communication is the most adequate instrument to foster a debate with the MS so as to reach a consensus on the best ways to enhance flexicurity. .

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The Communication will encourage MS to improve flexicurity and thereby increase the quantity and quality of jobs. The set of common principles will lead to:

- Increased competitiveness of EU economies resulting from more adaptable workers and enterprises
- Increased employment and labour market access for those at risk of exclusion due to skills gaps or otherwise
- Improved job quality and social inclusion because it aims to address labour market segmentation and helps workers make progress in work
- More equality of treatment and opportunities for those who are currently stuck in low quality or informal jobs without much opportunity to move into better employment

For example, Denmark, which many would hold to have the highest degree of flexicurity, has high rates of employment for men and women, low unemployment for all ages, high levels of wealth and labour productivity, high levels of spending on active labour market measures and education and training, and high tax rates. An increase in flexicurity in any MS is likely to result into some -if not all -of these positive socio-economic impacts.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Data on the flexicurity situation in the 25 MS is already available but it will require more in-depth analysis. This will be done internally by the Commission and with the assistance of the Employment Committee. The analysis should be completed early 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

Member States will be actively involved in the elaboration of the Communication, i.a. through EMCO as well as the social partners. Social partners already discussed flexicurity at the Social Summit of 22<sup>nd</sup> March. A subsequent ad hoc Social Summit on flexicurity scheduled for the autumn 2006 will offer them an additional opportunity to contribute to the debate on flexicurity. .

7. Will an inter-service steering group be set up for the IA?

No. Lisbon DGs, among them ECFIN and ENTR will be actively and regularly consulted and involved.

## ROADMAP

Title of the proposal: **Revision of Directive 88/378/EC on the safety of toys**

Expected date of adoption of the proposal: **4th quarter 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Originally, Directive 88/378/EEC on the safety of toys, which harmonises the safety provisions on toys between Member States, was adopted in the context of the achievement of the internal market. Different safety provisions in the Member States created unnecessary costs in the transactions between Member States thus hampering the free movement of toys in the Community. Furthermore, equal high level safety of toys in the whole Community was not guaranteed without this harmonisation measure.

Directive 88/378/EEC which is a so called New Approach Directive has, in general, worked well during its almost 20 years of existence. However, certain weaknesses in its functioning have been identified and should be remedied. In addition to this, the technologies and materials used in toys as well as the scientific knowledge on the substances used in toys and on the risks raised by toys have developed since the adoption of the Directive, and the Directive needs to be adapted to these developments.

An impact assessment study for the revision of the Toys Directive carried out by an outside consultant (see [http://europa.eu.int/comm/enterprise/toys/index\\_en.htm](http://europa.eu.int/comm/enterprise/toys/index_en.htm)) as well as the discussions in the framework of the Expert Group on Toys Safety have permitted to identify certain specific problems related to the functioning of the Directive which relate to the following three areas:

1) Safety requirements; 2) Scope and concepts and 3) Enforcement.

1) Safety requirements

Certain essential safety requirements included in Annex II of Directive 88/378/EEC are not up to date any more. This is the case, in particular with the electrical properties and some requirements in the physical and mechanical field, such as the requirements on suffocation which do not cover satisfactorily the risk presented by a specific category of toys, that is, toys with suction caps.

Some essential requirements for recently identified hazards are also lacking, in particular, requirements on noise, laser and chemicals.

Furthermore, rules on the warnings to be given with toys are not satisfying to guarantee a high level of safety of toys.

2) Scope and concepts

The material scope of the Directive is not as clear as possible, in particular with regard to certain new products, such as videogames and peripherals. Also the relationship between the Directive and the General Product Safety Directive needs clarification (RAPEX, safeguard, administrative co-operation).

As regard the personal scope of the Directive, the responsibilities of the different economic operators under the Directive are not clear enough, in particular, the importer's responsibilities.

Furthermore, there is a lack of certain definitions essential for the understanding of the provisions of the Directive. There are also ambiguities in the text which, in general, does not correspond to the principles of simplicity and clarity of Community legislation as regards its structure and language.

3) Enforcement

There is a need to improve the coherence and effectiveness of enforcement, in particular in the area of market surveillance. There is also a lack of appropriate organisation enabling the European Union authorities to deal efficiently with issues concerning the implementation of the Directive.

Furthermore, the rules on the information to be given with the toys (CE-marking, traceability information) are not completely satisfying to allow an effective enforcement of the Directive.

In considering the issue of subsidiarity, it should be taken into account that Directive 88 /378/EEC is a total harmonisation directive adopted on the basis of Article 95 of the Treaty with the objective of the establishment and functioning of the internal market for toys. National legislation cannot impose such additional provisions on the safety of toys which would require the modification of the product or affect the conditions for its placing on the market. Therefore, the revision of the Directive is, as far as the safety requirements for toys or the conditions of their placing on the market are concerned, within the exclusive competence of the Community and the issue of the application of the principle of subsidiarity within the meaning of Article 5, second paragraph, of the Treaty does not arise.

The issue of subsidiarity and necessity, therefore, only arises with regard to the other areas of the revision, namely with regard to improvement of effective enforcement of the Directive. However, past experience has shown that coherent and effective enforcement and market surveillance has not been sufficiently achieved by Member States acting alone and therefore, some common minimum requirements are clearly needed.

## 2. What are the main policy objectives?

As with the current Toys Safety Directive, the main objective of the revision is to improve the safety of toys, in particular in order to avoid possible harmful medium and long term effects of toys on children, on the one hand, and to improve the functioning of the internal market for toys, on the other hand. In view of the general objectives of Better Regulation, the overall goal is to improve the quality and efficiency of the toys safety regulations and to simplify the current legislation.

Following the specific problems identified, the principal specific objectives of the proposal relate to the following areas:

1) Modernising safety requirements, 2) Clarifying of the scope and concepts and 3) Improving the efficiency and coherence of enforcement.

### 1) Modernising safety requirements

The revision aims, first, at improving the safety of toys by updating certain essential safety requirements and secondly, by laying down new safety requirements for certain recently identified hazards. Also new provisions on the safety information (warnings) to be given with the toys are envisaged.

### 2) Clarifying of the scope and concepts

In order to facilitate the application of the Directive by manufacturers and surveillance authorities, it is foreseen to clarify the material scope of the Directive, in particular with regard to certain new products. The proposal also aims at clarifying the relationship between the Toys Directive and the General Product Safety Directive.

Furthermore, the objective is to clarify the responsibilities of the different operators, in particular, the responsibilities of importers in order to improve the safety of toys.

Some definitions essential to the understanding and uniform application of the Directive are envisaged. The modifications aim, in general, at removing the ambiguities in the text of the Directive, at simplifying and improving the wording in order to enhance better understanding of the provisions of the Directive and promote their uniform application by authorities of the Member States.

### 3) Improving the efficiency and coherence of enforcement and implementation

The revision aims to develop conditions for a better common approach by national market surveillance authorities in the implementation of the legislation in force. A committee procedure is also foreseen to deal efficiently with issues concerning the implementation of the Directive.

In order to facilitate better enforcement of the Directive, the revision aims at clarifying and specifying rules on the CE-marking as well as rules on the traceability information to be given with the toys.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Option 1: No changes in the current policy and in the current Directive.

Option 2: Non-regulatory approach: promoting joint initiatives by the market surveillance and customs authorities of different Member States to improve the implementation of the current Directive combined with non regulatory instruments, such as adopting and revising guidance documents, to clarify certain provisions of the Directive.

Option 3: Regulatory approach at European level: Revision of Directive 88/378/EC on the safety of toys by replacing completely the current Directive by a new Directive on the safety of toys. Within this approach, different scenarios can be identified depending on how stringent requirements are foreseen

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Option 1: the problems identified under 1 will persist. In particular, grey zone areas involving essential safety requirements, namely related to chemicals and noise, will remain, legislative simplification will not take place, better organisation will not be available.

Option 2: Only a few problems (different interpretations) could be addressed by joint initiatives and by adopting and revising guidance documents. Effective enforcement could also be promoted through co-operation. However, the problems identified have not been effectively addressed in this way in the past, so that it is unlikely that it could happen now. The other identified problems require changes in the current legislation.

Option 3:

- economic impact – many of the envisaged modifications are considered to improve the efficiency of the directive thus contributing to benefit all involved parties. However, the impact of possible modifications on chemicals essential safety requirements will need to be examined. Furthermore, the impact assessment study concluded also that a positive impact on reducing the level of counterfeiting was to be expected.

- social impact – consumers are likely to benefit most from legislative greater efficiency, clarification of safety provisions and transparency.

No environmental impacts are expected from this proposal pending the possible modifications in the area of chemicals.

The impact assessment study carried out by an outside consultant states that “the complexity of the structure of the toy market makes it impossible to develop meaningful aggregate estimates of the likely costs of the existing Toys Safety Directive, and proposed modifications to it, on the sector as a whole;...” The cost-benefit analysis was approached through case studies, available in the above mentioned web-address. This analysis helped identifying the least-burdensome approach (e.g. by avoiding provisions likely to impose an unnecessary burden such as imposing the CE marking both on the toy and on the packaging).

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

An impact assessment study of the main changes to the Directive has been completed in 2004 by an outside consultant (see [http://europa.eu.int/comm/enterprise/toys/index\\_en.htm](http://europa.eu.int/comm/enterprise/toys/index_en.htm)).

A study on certain chemicals used in toys has been carried out by an outside consultant in order to obtain elements for the revision of the chemicals part of the directive. Further work in the area of impact assessment is needed in order to assess different possible options for the chemical requirements. The study will be launched early in 2007.

6. Which stakeholders & experts will be consulted, how and at what stage?

The revision is discussed with the Member States experts and stakeholders (industry/consumers) as well as with representatives of standardisation organisations and Notified bodies within the Expert Group on Toys Safety. A public consultation on the revision will be organised once the changes that result from the proposal for a review of the New Approach (2006/ENTR/001) and from the chemicals impact assessment are incorporated into the draft proposal.

7. Will an inter-service steering group be set up for the IA?

The impact assessment study was followed by a steering group with the participation of DG ENTR and DG SANCO. The chemicals study was followed by a inter-service group with the participation of DG ENTR chemicals Unit and of DG SANCO.

## ROADMAP

Title of the proposal: **Framework Decision (or Decision) on the protection of witnesses and individuals who cooperate with the judicial process**

Expected date of adoption of the proposal: **2nd quarter 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The importance of a common approach when dealing with the protection of witnesses (WP) and collaborators of justice is an issue that is raised several times, in particular within Europol network of experts in witness protection. In addition:

- Recommendation 16 of the Action programme on the prevention and fight against organised crime, adopted by the Council on 28 April 1997, encourages examining the needs as regards protection of witnesses and persons who collaborate in the action of justice.
- Recommendation 25 of the Millennium Strategy calls upon Council, MS and the Commission for the preparation of a proposal “for an instrument on the position and protection of witnesses and of persons who participate or who have participated in criminal organisations, and who are prepared to cooperate with the judicial process by supplying information useful for investigative and evidentiary purposes or by providing information that may contribute to depriving criminal organisations of their resources or of the proceeds of crime. The proposal should consider the possibility, in appropriate cases, inter alia, of mitigating punishment of an accused person who provides substantial cooperation in such cases. An EU model agreement should be developed, taking into account the experiences of Europol, and used on a bilateral basis”.
- The Declaration on combating terrorism adopted by the European Council of 25<sup>th</sup> March 2004 invites the Commission “to bring forward a proposal aimed at the creation of a European Programme for the protection of witnesses in terrorist cases”. The Hague Programme itself does not make explicit reference to witness protection but in the Action Plan of the Hague Programme direct reference is made under point 4.2. Judicial cooperation in criminal matters to a Proposal on the protection of witnesses and collaborators of justice to be presented during the year 2007.

2. What are the main policy objectives?

The role of witnesses in criminal proceedings is important and their evidence is often crucial to securing the conviction of offenders, especially in respect of serious crime; In some areas of criminality, such as organised crime and terrorism, there is an increasing risk that witnesses will be subjected to intimidation. All persons have a civic duty to give sincere testimony as witnesses, if so required by the criminal justice system, there should also be greater recognition given to their rights and needs, including the right not to be subject to any undue interference or be placed at personal risk. Member States have a duty to protect witnesses against such interference by providing them with specific measures of protection aimed at effectively ensure their safety. It is unacceptable that the criminal justice system might fail to bring defendants to trial and obtain a judgment because witnesses are effectively discouraged from testifying freely and truthfully.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

1. no action is taken at EU level
2. financial EU support
3. soft law (i.e. Council Resolution, Declaration)
  - a, on WP covering types of crime/principles,
  - b, on areas that are not covered yet by EU documents.
4. EU third pillar legislation (i.e. Council Decision, Framework Decision)
  - a, with limited scope/issues covered,
  - b, with unlimited scope/issues covered.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

*Consequences of the policy options mentioned under point 3.:*

1. Member States will carry on with their own national policy on WP taking on board existing and future results of work carried out in any international organisation only when they agree with such policy. In the sphere of international co-operation they will act on an ad hoc, voluntary, bilateral basis.

2. no approximation of EU Member States laws, but use of other means at the disposal at EU level for influencing national policies/priorities (e.g. financial grants, support to joint projects etc.) Developments to strengthen witness protection could thus be encouraged.

3. in general: when adopting further soft law measures, it has to be ensured that they do not represent a duplication/multiplication of existing documents laid down by the Council of Europe which every EU state is a member of. Without doubt, the work done at CoE and Europol level has to be taken into consideration when enacting any kind of future legislation or introducing soft law measures at EU level on WP.

3.a, at present the principles of the two Council Resolutions on WP field are only applicable with reference to the fight against organised crime. Enlarging their scope by adopting new Resolutions to cover other types of crime and at the same time include further principles would not lead to real change as the national WP legislations in MSs already have such wider scope and cover a variety of questions.

3.b, adopting a Resolution on international co-operation between MSs on WP programmes or laying down so-called minimum standards/common guidelines could strengthen witness protection across and between Member States. It could not be considered as duplication of international efforts as at present such document has not been adopted by any European body, like the CoE.

4. in general: it would be the first time ever that a binding legislative WP instrument would be adopted at international level. At EU level it would most importantly lead to : the approximation of national laws but still keeping the national particularities of the police, legal etc. systems of the Member States; provide a role for EU bodies, such as Europol/Eurojust at an operational level in WP; facilitate cross-border co-operation.

4.a, EU law could cover any aspect of WP, protection of collaborators with justice, international co-operation, taking into consideration what exist in other European instruments (CoE Recommendations etc). Taking such approach has legal limitations (no sufficient legal basis in the Treaties for all fields) and also policy/political barriers (most likely not to be welcomed by MSs).

4.b, areas of WP where EU action should be taken has to be identified e.g. by focusing on existing legal lacuna, on difficulties in the operation of the existing systems at national level where EU action would have added value. Further "research work" has to be done along this line.

Based on the options assessed above, further analyses will have to be carried out, but it seems at this stage that a non-binding or binding instrument covering only certain areas of significance in the form of minimum standards could be possible options for the future EU policy in this area which need to be further explored.

Based on more developed policy options and further to the preliminary assessment provided above, a more detailed impact assessment will at least have to consider the impact on the security of witnesses, on the effectiveness of criminal proceedings and on the cooperation between Member States and third countries, as well as on fundamental rights (the latter are to be examined in accordance with the Communication of the Commission of 27 April 2005).

Impacts on existing rules at Member States level and ongoing work at international level, e.g. within the Council of Europe, will also have to be systematically analysed. In order to avoid duplication and unnecessary costs, the best use of the existing networks of national experts, such as the Europol network of experts on witness protection, has to be considered.



## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Most of the necessary information on legal sources has already been gathered by the Commission. The Commission participated in the joint Europol-ISIS-OPCO working group with the aim of exploring all the possibilities for the Harmonisation of the national legislation in the area of Witness Protection. The 1st meeting has been held on March 2005 and the second one in October 2005. In addition, an AGIS project 077 (2004) has been launched on Witness Protection by the Institute for international Research of criminal Policy-IRCP (University of Ghent) and has produced some proposals.

Finally the Commission organized a workshop with experts from Members States on 21<sup>st</sup> February 2006 under the auspices of the Forum of the prevention of organized crime. The discussion during this meeting constitutes an important input for the Commission in considering the need for future legislative or non-legislative action at European Union level. At the occasion of the meeting; experts confirmed the need for action in the field of international co-operation in WP. In other, general areas of WP also the further development of Europol minimum standards was considered as an interesting element of a future initiative. It has to be kept in mind that both CoE and Europol have been taking initiatives in these areas. On the basis of the experience gained in the framework of the CoE, some states are critical towards binding legislation on WP.

6. Which stakeholders & experts will be consulted, how and at what stage?

Europol-ISIS-OPCO working group composed of practitioners in this area. Experts from Member States

7. Will an inter-service steering group be set up for the IA?

No.

## ROADMAP

Title of the proposal: **Erasmus Mundus II**

Expected date of adoption of the proposal by Commission: **July 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Higher education is subject to a phenomenon of growing internationalisation. Europe is competing with other continents for attracting its fair share of students looking for a high-quality international education. Europe's status as a centre of excellence in learning is still not always fully appreciated or understood by third country universities, nor by students looking for a high quality international education. The vast majority of international students studying in Europe concentrate in few European countries. This situation goes against the concept of European diversity and the creation of a European identity. A distinct identity for European higher education needs thus to be created.

Under the present Erasmus Mundus programme, European higher education institutions have only just started to combine their individual strengths and educational diversity to try to attract a fair share of the internationally mobile students to unique and world-class European courses.

Article 149 of the Treaty stipulates, in its third paragraph, that "The Community and the Member States shall foster cooperation with third countries...". The purpose of Erasmus Mundus II is to complement efforts at national and intergovernmental level. The results of the Impact Assessment will be carefully checked against the principle of subsidiarity.

2. What are the main policy objectives?

The overall aim is to contribute to increase the attractiveness of the European higher education world-wide and to promote its specific and distinct identity in the higher education international scene, in particular by fostering cooperation with third countries. It also contributes to improve the quality of higher education by supporting world-class European masters. The long-term impact sought by the programme is to ensure Europe's position as an increasingly attractive pole of excellence in higher education worldwide; and to improve mutual understanding between peoples and cultures. These general objectives are of equal importance. As for the specific and operational objectives, they will be explored and defined through the Impact Assessment and the stakeholder consultation.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The policy options are the following:

- Option 1: Addressing issues of internationalisation of European higher education through the Erasmus Mundus II programme: combining the individual strengths of European higher education institutions to attract the best third-country students to world-class European courses, creating a European higher education identity. The stakeholder consultation will allow drawing lessons from the present Erasmus Mundus programme and improving for the future. The programme's specific and operational objectives will be explored and defined through the Impact Assessment and the stakeholder consultation.
- Option 2: Increasing efforts of internationalisation of European higher education at national level: stimulating pro-active internationalisation amongst individual universities including development of student services, promotional activities, internationally oriented curricula, etc.
- Option 3: Addressing issues of internationalisation of European higher education through other existing Community programmes (such as Erasmus/Socrates or Asia Link) or through other existing Community actions (such as Council Directive 2004/114/EC on the conditions of admission of third-country nationals for the purposes of studies, pupil exchange, unremunerated training or voluntary service).
- Option 4: Discontinuing the Erasmus Mundus programme after its first phase: this would mean that the Community would try to reach its policy objectives through policy actions at national or intergovernmental level.

Erasmus Mundus contains objectives which are not tackled by policy options 2 and 3 above. The purpose of Erasmus Mundus II is to complement other Community programmes and actions as well as efforts at national and intergovernmental level. The Impact Assessment and the stakeholder consultation will provide further indications and guidance on these policy options.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The impacts likely to result from each policy option are the following:

- Option 1: Aims which are specific to Erasmus Mundus and not covered by other Community programmes and actions will be attained (e.g. increasing the attractiveness of European higher education by developing a European flagship programme).
- Option 2: Each Member State and each higher education institution develops its own internationalisation strategy, while systematic and structured cooperation and learning potentials between European countries remain unused.
- Option 3: The other Community programmes and actions continue achieving their specific aims which are not the same as the ones pursued by Erasmus Mundus.
- Option 4: Policy actions at national and intergovernmental level as well as through existing Community programmes and actions will continue. Aims which are specific to Erasmus Mundus will most likely not be attained.

The various impacts of each policy option will have to be further analysed in the light of the results of the impact assessment and ex-ante evaluation which will take account of the results of the current interim evaluation of the present Erasmus Mundus programme.

#### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The results of the running (and some finished) projects under the present Erasmus Mundus programme as well as the experience and feedback from participants in the programme are partially available through reports, meetings and surveys.

The interim evaluation of the current phase of the Erasmus Mundus programme is presently under way and analyses the relevance, the effectiveness, the efficiency, the sustainability and the impact of the programme's objectives, its actions, its funding mechanisms and its results. The results of this external evaluation will be available in early May 2007 and will feed into the impact assessment of Erasmus Mundus II.

Furthermore, between November 2006 and May 2007, surveys and meetings with the main participants in the current programme as well as the Erasmus Mundus National Structures will be organised in order to collect both their detailed feedback on their experience with the current programme and their ideas for future Community action in the field.

6. Which stakeholders & experts will be consulted, how and at what stage?

A consultation of other stakeholders as well as experts is envisaged through meetings or surveys in the first half of 2007 taking account of the Commission's general principles and minimum standards.

7. Will an inter-service steering group be set up for the IA?

Yes.

## ROADMAP

Title of the proposal: **Communication on the mid-term review of the implementation of the Social Agenda (2005-2010)**

Expected date of adoption of the proposal: **November**

A. Initial impact assessment screening

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The European Union has a fundamental role to play in the development of a modern, innovative and sustainable Social Europe with more and better jobs in an inclusive society based on respect of fundamental rights and equal opportunities. Article 2 of the Treaty states that the Community shall have as part of its tasks that of promoting a high level of employment and of social protection and the raising of the standard of living and quality of life throughout the Community and economic and social cohesion.

The Lisbon European Council has agreed on a strategic goal for the Union to build a competitive and dynamic knowledge-based economy capable of sustaining economic growth with more and better jobs and greater social cohesion. In its Social Agenda (2005-2010), EU roadmap in the employment and social sphere as part of the overall Lisbon Strategy, the Union has fixed as its overall strategic goal to promote more and better jobs and to offer equal opportunities for all.

To sustain publicly funded healthcare, social protection and pensions, against a backdrop of demographic change, and to enable EU citizens to successfully adjust to change, policies must adapt to a new world of work: Europeans are living longer lives, facing unprecedented changes in traditional family patterns, improving gender equality, adjusting to new patterns of migration and diversity, and yet still experience persistent poverty among disadvantaged groups. The European Union needs to analyse the radical changes under way in our societies and to support sustainable responses at all levels to match the work on the reform challenges facing the European economy.

The future of employment and social development policies, programs and services in Europe will be influenced by many forces, such as globalisation, technological change in a knowledge-based society, demographic change, standard of living and quality of life and there will be many individuals, organisations and governments engaged in helping shape this future. European society ability to tap into everyone talents and potential and to help them realise their full potential will continue to be challenged by variables such as education, income level, employability and community capacity. Capitalising on the opportunities offered by globalisation, the knowledge-based economy and changing demographics will require innovative policy-making, collaboration with various partners and a commitment to achieving real results for the European citizens. By way of its comparative position and advantage and as guarantor of the European general interest, the Commission can contribute to focus the EU policy agenda on the most pressing needs and concerns that will shape 21<sup>st</sup> century policy agenda in the employment and social field.

Significant progress has been made in increasing a shared understanding between the Community and our partners regarding the objectives and implications of employment and social policies, in creating an enabling environment that is supportive of the development and implementation of those policies both at EU and national levels, in favouring the conditions for compliance or convergence of national policies or rules towards EU policies or EU legal requirements and in fostering a cultural change among stakeholders leading to widespread acceptance and recognition of employment and social policies as an important and legitimate tool in realising the goals of the renewed Lisbon Strategy. Yet, there is still room for improvement as testified by the economic and employment situation in most EU countries. Efforts are still required to guarantee that EU objectives in terms of raising employment, promoting open and efficient labour markets, combating poverty, promoting social and economic cohesion, facilitating the active inclusion and equal participation to all in society and in fostering gender equality will be delivered.

## 2. What are the main policy objectives?

In its Citizen's Agenda, the Commission has committed itself to take comprehensive stock of the reality of European society, and "to launch an agenda for access and solidarity, a social dimension" in parallel and close coordination with the single market review, next year. This commitment reflects the great expectations and aspirations expressed by European citizens with regard to the EU role in raising their standard of living and better quality of life.

The Communication will aim at taking stock of the implementation of the Social Agenda, in particular to what extent it has contributed to the realisation of the EU social goals in delivering more and better jobs and offering equal opportunities for all. In light of this assessment, it will propose a new agenda for access and solidarity, and if necessary signal a refocus of priorities in the employment and social fields and details ways to improve the governance and implementation of the Agenda for the years to come. It will contribute to reconnect European citizens with the European project by demonstrating how the EU addresses their daily concerns and what courses of action the EU proposes to pursue in order to deliver more and better jobs and offer equal opportunities for all.

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The Communication will mainly be a report on EU achievements to date. It will highlight the key EU challenges facing Europe for the coming years in the social field, where European countries stand in terms of the effectiveness of their policy responses and their capacity to tackle them. It will then define an agenda for access and solidarity. As such, it is not linked to a particular legislative or policy initiative that the Commission intends to put forward. Rather it will provide for the EU policy frame that will shape our agenda in the years to come.

This said, it is expected that the Communication will look at:

- (a) "doing nothing" relative to the current status quo;
- (b) identifying measures to strengthen co-operation among and with the Member States to step up our efforts and impact in realising our common social goals;
- (c) identifying possible measures at EU level that could sustain and complement Member states' efforts in the fields.

The policy options and the related delivery instruments which may be identified will very much depend on our dialogue with stakeholders stimulated during the public consultation that will precede its adoption. Should the Communication announce any particular legislative or policy initiative, a substantiated IA will be carried out and accompany any proposed initiative.

## 4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Investments in the labour market and in social field can drive long-term economic growth. Such investments expand the capabilities and the range of opportunities for everyone, from early childhood through the entire life-course. They are thus a key to overcoming the entrenchment of disadvantage and exclusion.

Historical concerns about unemployment and inadequate wages and benefits have been the focus of labour market policies. On the learning side, emphasis has been on increasing post-secondary education attainment rates to support economic and social prosperity. However, over the medium term, labour markets will tighten. The challenge will be to find ways to increase the pool of skilled labour and to match it more effectively with unmet demand in key sectors and regions. Tightening labour markets offer new possibilities for facilitating business and employer interest in tapping into new labour sources such as under-represented groups and investing in the re-skilling of workers. The tight labour market also increases the importance of investing in adult learning and literacy and promoting access to and encouraging saving for post-secondary education.

Social policy also provides economic returns. It assists people in acquiring the tools to successfully manage transitions and challenges in their lives. Its focus on prevention and integrated solutions creates efficiencies and reduces costly remedial interventions. Beyond the rewards of economic prosperity for Europe as a whole, these investments provide a pathway to social development and cohesion through the increase of individual capital.

The increasing diversity of European populations, in terms of age, social, religious, racial backgrounds, poses new challenges to the EU. From pressure affecting the long-term viability of our social protection systems to the fears as to our capacity and ability to adequately and collectively address EU increasing social and societal fragmentation. Individuals, families and communities are affected in several respects from the changing family structures, an ageing population, the challenge of securing adequate income, and safe and affordable housing. Ensuring greater social and community cohesions will become an increasing concern to the EU. This implies building inclusive societies where all European citizens can have access or participate at the level of their merits,

talents and resources, which value ideals of equality and give the means to European citizens to anticipate and adapt to changes.

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Implementation of the Social Agenda, and most notably the effectiveness and the impact of EU employment and social policies legislation in meeting their fixed goals are investigated on an on-going basis through policy evaluation studies. In addition, a number of information collected at the national level in respect to the social situation in Europe and to more dedicated policy areas is also available, including in respect to the application of EU law.

There will be no need to collect further information as it is more a matter of pooling, consolidating and examining in a comprehensive manner the information and data collected. This exercise will be done collectively by DG EMPL services as all interested services will contribute to this first-step in-depth analysis.

6. Which stakeholders & experts will be consulted, how and at what stage?

A series of events to be organised in 2007 will provide the forum to have an extensive dialogue and debate whose outcomes will shape the content of the Communication. To note just the most marking ones, the German presidency Conference on the European social model but also the Annual Social Forum scheduled in September will allow to engage into a public dialogue with our main stakeholders in respect to realisations so far, gaps, areas for improvement and policy options to be exploited.

7. Will an inter-service steering group be set up for the IA? It will involve at least the SG, EAC, MARKT, JLS, ECFIN, ENTR.

## ROADMAP

Title of the proposal: **Strategic European energy technology plan (SETP)**

Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

As stated in the Green Paper “A European Strategy for a Sustainable, Competitive, and Secure Energy”<sup>12</sup>, Europe has entered in a new Energy era. There is an urgent need for investment. Our import dependency is rising. Reserves are concentrated in a few countries, non-European. Global demand for energy is increasing. Oil and gas prices are rising. Our climate is getting warmer. Europe has not yet developed fully competitive internal energy markets.

Because energy is a technology dependant sector, a fundamental part of the answer to these energy challenges should come from technology. Technology enables a more efficient production and use of energy. Technology permits us harnessing the power of the solar radiation, the wind, the biomass, etc... Technology could make the use of fossil, clean. Technology makes possible the production of fuels alternative to petrol and diesel.

And, energy technology represents jobs and growth, as well as well being and freedom of movement of citizens.

For all these reasons the Strategic European Energy Review that the European Commission is conducting following the adoption of the Green Paper includes energy technology as one of its strategic building block.

Europe must act urgently: in the energy sector it takes many years to bring technological innovation on stream. And as suggested by the “Aho report”<sup>13</sup>, not enough has been done until now to achieve the general uptake of innovation that is required for Europe to become again the world’s cradle of innovation.

Europe, and most of its Member States, are lagging behind our global competitors regarding research investment, innovation, and market uptake. Today these global competitors are no longer US and Japan, but also powerful emerging economies like China and India.

The tremendous challenges of the energy sector as well as the need for much greater dynamism in the innovation chain are common problems for all Member States. A common European effort to bring technology on stream will benefit all Member States.

The development and deployment of new energy technologies is essential to deliver security of supply, sustainability and industrial competitiveness. Even more, new energy technologies have become a strategic European priority to survive in a global economy, in which the main players are competing for energy resources and are (or will become) much larger than Member States.

2. What are the main policy objectives?

The EU needs a **strategic energy technology plan (SETP)**.

The objective of SETP is to show how existing, new and future technologies would contribute to achieve the energy policy objectives. SETP should accelerate the development of promising energy technologies, but should also help to create the conditions to bring such technologies efficiently and effectively to the EU and the world markets.

SETP should serve the energy policy objectives, namely: overall competitiveness of European industries and the energy internal market; energy saving and energy efficiency; energy mix diversification aiming at sustainable developments, balancing climate change, security of supply and enhancing competitiveness; as well as enhancing energy policy external dimension.

<sup>12</sup> COM (2006) 105, March 2006

<sup>13</sup> “Creating a Innovative Europe”, January 2006, [http://ec.europa.eu/invest-in-research/action/2006\\_ahogroup\\_en.htm](http://ec.europa.eu/invest-in-research/action/2006_ahogroup_en.htm)

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Option 1: The alternative to SETP is to continue business as usual (no additional EU action), with legislative measures poorly implemented by Member States – all too often with delays -, with research programmes unable to properly support European scale initiatives and with a business and financial environment hostile to innovation.

Option 2: To develop the proposed “strategic European energy technology plan” (SETP). SETP could optionally integrate all or some of the following actions:

- i) review the financial framework for energy technology development and deployment; identify and propose new streams of financial investment;
- ii) establish development and deployment priorities based in a thorough analysis of the potential of different technologies to address energy policy targets;
- iii) propose and define market mechanisms and incentives that would lead to technology take-up;
- iv) stimulate joint public and private investment through dedicated partnership for the development of new and advanced technologies, in particular by building on the momentum created by the Technology Platforms;
- v) align and better coordinate the energy parts of the Seventh Framework Programme (FP7) and the Programme for Competitiveness and Innovation (CIP), with the European energy policy;
- vi) coordination of Member States and regional technology programmes and technology investment;
- vii) propose technology based partnerships between the European Commission and Member States;
- viii) make best use of the new possibilities that the European Institute of Technology and the European Research Advisory Council will offer;
- ix) benchmark the European energy innovation system with competing economies;
- x) review the international cooperation framework on technology; propose technology transfer and cooperation with developing countries.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Option 1: Actions taken in the last years have been unable to change the unsustainable energy trends described in the Energy Green Paper, more external dependence, more pollutant emissions, more CO<sub>2</sub> emission, etc... The budget for Energy research in the Seventh Framework programme is 2264 M€ for the period 2007-2013, which represent approximately 13 M€ per member state per year. Without a substantial increase in terms of resources and an improvement regarding the efficient and focussed execution of programmes, trends will not change.

Option 2: If the SETP successfully accelerates the development and deployment of clean energy technologies through the implementation of the proposed actions, it would open a unique window of opportunity for the European Union and its industry. Through an ambitious SETP the European energy industry can gain global leadership, reduce the European energy dependence and support growth and employment in Europe. Moreover, it would put Europe in a leadership position regarding climate change.

The purpose of this impact assessment is to assess and define the set action that would form a realistic and ambitious strategic plan for European energy technologies. Therefore all the proposed actions would need to be carefully analysed to determine their likely impacts.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The European Commission, Member States and other recognized bodies (e.g. International Energy Agency) have conducted studies on technology analysis and prospective which will be useful for preparing SETP. However, it will be necessary to conduct further analysis on technology characterization and potential in the context of energy policy objectives. Different time horizons will be considered.

It is anticipated as well that information regarding current technology investment as well as technology development capacities would be necessary.



6. Which stakeholders & experts will be consulted, how and at what stage?

An early draft of the SETP should be open to public consultation in Internet. Expert's workshop could also be organised in different sectors, covering both the supply and the demand sides. Existing advisory structures would also be activated (e.g. Advisory Group on Energy in FP7, Energy and Transport Forum, etc..).

The work of the High Level Group on Energy, Environment and Competitiveness will be closely monitored.

7. Will an inter-service steering group be set up for the IA?

An interservice group will be established.

## ROADMAP

**Proposal for a directive to the European Parliament and the Council on road safety enforcement and cross border enforcement**

Expected date of adoption of the proposal: **March 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Every year, approximately 40 000 people are killed on the roads of the European Union. The main causes of fatal accidents are speeding, driving under the influence of alcohol and non-use of a seat belt. Evidence shows that respecting the road traffic rules results in a significant decrease of road accidents and deaths. The estimated annual benefit is 18 000 saved lives and 850 000 prevented injuries. Experiments and follow-up measures which have been applied in several countries, such as Sweden, the United States, Finland and Denmark confirm that a decrease of the average speed results in less frequent and even less serious accidents. Scientific studies show that a given speed reduction results in a decrease of non casual accidents by a factor of one, a decrease of casual accidents by a factor of two, and a decrease of fatal accidents by a factor of four. Every time speed has been reduced, a positive impact on road safety has been monitored. Enforcement is a powerful means to encourage drivers to reduce speed. Moreover, evidence shows that it has short-term results and a large impact when it applies to all categories of road users.

However, without action at EU level, enforcement measures rarely apply to non-resident traffic offenders. Police cooperation for cross-border enforcement of traffic offences is in danger of either not being implemented properly or has to be performed through complex and inefficient bilateral agreements. Not only does this impunity jeopardise road safety, but it is also discriminatory with respect to resident offenders who are subject to sanctions. In Luxemburg, non-resident drivers account for 30% of road traffic offences and 23% of fatal accidents. In France, 25% of the traffic offences are committed by non-resident drivers in border areas and 15% throughout the road network. In the Netherlands, which is not a transit country, over 10% of the traffic offences are committed by non-resident drivers. Measures and mechanisms which allow for systematic controls and enforcement have proved to act as a deterrent and to result in a significant decrease of road fatalities in countries where they have been implemented such as France, the UK, and the Netherlands.

2. What are the main policy objectives?

In its White Paper on European transport policy, the Commission proposes that the European Union sets itself the target of halving the number of road deaths by 2010. In the Commission recommendation of 21 October 2003 on enforcement in the field of road safety, the Commission commits itself to submit a proposal for a directive aiming at achieving the objective of 50% reduction of the annual number of road deaths in the EU in the year 2010, in case the necessary improvements would not be achieved.

The mid-term review on road safety policy shows that the progress achieved until 2005 will not allow reaching the objective of 50% reduction, if the current trend is continuing. The reduction would only be 35%.

A way to reach the objective of reducing the number of road fatalities consists in encouraging road users to improve their behaviour, by complying with basic road safety rules, especially relating to speeding, drinking-driving, and wearing a seat belt. In order to assure compliance with the law, it will be necessary to improve quality of enforcement in the Member States and follow-up of offences throughout the EU.

Thus, the legislative proposal could focus on:

- Setting up an efficient cross-border enforcement system assuring that all speeding violations committed in a Member State by drivers from another Member State can be followed up. The objective is to end the currently existing impunity of non-resident traffic offenders and the resulting discrimination against resident drivers. With a view to establishing a cross border enforcement system which works efficiently and enables all speeding violations to be followed up, it is necessary that national enforcement methods applied in Member States have a certain format. For this purpose, national enforcement practices need to comply with certain requirements.

- Requirements of Member States enforcement systems to improve quality of enforcement and enable cross border

enforcement. Apart from speeding, which is the cause of the highest number of fatalities throughout the EU, the legislative proposal will also deal with the other two main causes of fatalities: drink-driving and non-use of seat belts. Member States enforcement systems have to be suited to (1) carrying out a significant number of highly efficient controls and (2) assuring that all registered offences can be followed up.

### 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The 1st option is to leave everything as it is. Each Member State applies enforcement measures and implements enforcement actions according to its own legislation. Foreign offenders are to be prosecuted by the competent authorities of the countries where the offences have been committed, under national legislation. In most countries, procedures do not provide for possibilities of efficient cross-border enforcement.

Option 2 is based on a more structured exchange of best practices between Member States and more systematic cross-border enforcement by all Member States on their territory.

In option 3, the owners of the vehicles registered in another Member State are identified through an information exchange system established at the EU level, to which all national authorities in charge of national registration databases are connected.

In option 4, sanctions are being executed by the competent authorities in the country where the offender is normally resident. This measure would be based on the principle of mutual recognition of the evidence established by enforcement officers in the Member States.

In option 5, enforcement methods and measures implemented by Member States, including information actions, are required to meet common standards and targets established by a regulatory framework. As in option 4, sanctions are being executed by the competent authorities in the country where the offender is normally resident, based on the principle of mutual recognition of the evidence.

### 4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Under option 1, non-resident offenders are rarely sanctioned, as in most countries procedures do not provide for possibilities of efficient cross-border enforcement.

Under option 2, the danger of non-resident impunity is lowered. However, without Europe-wide information exchange system and mutual recognition of evidence, only non-resident drivers who have committed an offence on a transit drive and who return to this country, are sanctioned. There is still discrimination as, with the increase of mobility, an increasing part of non-resident drivers are not sanctioned.

Option 3 has a strong impact on reducing impunity and encouraging compliance with the rules since all offences committed by non resident drivers are followed-up, through an EU wide information exchange system. However, in absence of mutual recognition of evidence, the impact is lesser since sanctions against non-resident offenders are rarely executed.

Under option 4, the mutual recognition of evidence provides efficient mechanisms for enforcement of offences and execution of sanctions. It has an optimal deterrent impact on encouraging drivers to respect the rules, and especially to reduce speed.

Option 5 provides, over and above an efficient cross-border enforcement system, a reference framework for convergence of targets and standards and facilitates acceptance and compliance with the rules throughout the EU road network.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Information from several projects is available: VERA 2 and VERA 3 (Video Enforcement for Road Authorities), CAPTIVE (Common Application of Traffic Violations Enforcement), REMOVE (enforcement for professional transport), FAIR (enforcement technologies), PEPPER (police enforcement approaches on speeding, drink driving and seat-belt use), TDS (check of documents involved in commercial transport), RESPER (system for exchanging information between driving licences authorities). Also information from projects carried out by existing informal cooperation networks such as TISPOL (European traffic police network), ECR (Euro Control Route, a network of road transport inspections from 10 EU countries), and CORTE (Confederation of Organisations in Road Transport Enforcement).

It needs to be examined whether the directive to be proposed should not only aim at establishing a EU wide system for carrying out cross-border enforcement with a view to giving follow-up to traffic offences, in particular speeding, committed by non-resident drivers, but should also be used to provide a reference framework for convergence towards high quality and fair enforcement practices for road safety, especially on the TEN, in conjunction with actions to inform the public.

This is being done by an external contractor who is conducting an impact assessment.

6. Which stakeholders & experts will be consulted, how and at what stage?

Experts from Member States institutions (especially police, transports, justice), road user associations, industry (automobile, transport, intelligent systems)

They are being consulted through a public consultation, in meetings and on interviews, from the beginning of the impact study to the end of the drafting process.

7. Will an inter-service steering group be set up for the IA?

Yes

## ROADMAP

Title of the proposal: **Commission Communication: 'The European Research Area – New horizons and further steps'**

Expected date of adoption of the proposal: **March 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test).

Seven years after the launch of ERA, it is time to assess what has been achieved, what remains to be realized, as well as the possible perspectives for the future. The Com will 'inform' the preparation of the revision of financial perspectives in 2009 regarding the role of research therein.

2. What are the main policy objectives?

- To take stock of the results achieved so far in all fields mentioned in the January 2000 COM "Towards a European Research Area", the March 2000 conclusions of the Lisbon European Council, the October 2002 COM "The European Research area: providing new momentum", plus a number of other areas where important initiatives have been launched subsequently (e.g. 3% Action Plan,...);
- To assess these results, the scale of successes and failures, and the reasons behind them;
- To explore further the idea of European Research Area, its content, the role it plays and its impact, on the basis of fresh thinking and taking into account policy evolution, as well as new developments which cast a new light on the project such as the creation of the ERC;
- To identify new topics and dimensions to consider as components of the European Research Area project, or which could and should be addressed in this context;
- To define new possible actions aimed at strengthening, reorienting or recalibrating the current efforts, or adding new initiatives;
- To present all this to the Council and the Parliament and submit it to a large public debate, with a view to presenting proposals for concrete initiatives in the context of: the revision of financial perspectives; the next three-year Lisbon Strategy governance cycle (2008-11); the revision of the Lisbon integrated guidelines; as well as paving the way to the 8<sup>th</sup> Framework Programme.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Not applicable

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The work in relation to the first COM to launch this initiative in March 2007 will consist of a substantial amount of internal work - data gathering and processing, intellectual exploration, in-depth analysis, extensive study, detailed research, etc.. (The subsequent stages will involve the launching of a large institutional, political and public debate, eventually leading to the presentation of a second Communication, in 2008 formulating concrete proposals for actions to undertake.)

6. Which stakeholders & experts will be consulted, how and at what stage?

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7. Will an inter-service steering group be set up for the IA?

Yes

## ROADMAP

Title of the proposal: **New legislative proposals amending the regulatory framework for electronic communications networks and services**

Expected date of adoption of the proposals: **January 2007**

**A. Initial impact assessment screening**

## 1. What are the main problems identified?

The current EU regulatory framework for electronic communications (e-Communications) services and networks came into force in the EU-15 in July 2003, and in the EU-10 in May 2004. It principally comprises five Directives, one Regulation and one Decision, all adopted under Art 95 TEC, as well as implementing Commission measures. The framework lays down a set of rules that are designed to be technologically neutral and sufficiently flexible to deal with fast changing markets in the electronic communications sector, which are applied by the national regulatory authorities in each Member State under the supervision of the Commission.

The rules also cover privacy, data protection aspects and data security, in relation to e-Communication services, based on existing principles. As required by the terms of the directives, the Commission reported on the functioning of the framework in June 2006, with a Communication to the European Parliament and the Council, along with three other policy documents (a Commission Services Working Document, a proposed revised Recommendation on Relevant Markets and an Impact Assessment) which opened a broad, public, forward-looking examination of the 2003 framework in order to identify appropriate adaptations that would apply in the 2010-2015 timeframe. In addition, in February 2006, the Commission adopted an 11th Report on the Implementation of the Telecoms Regulatory Package as part of its annual reporting exercise, based on data supplied by the Member States, which complements the review of the framework. This report can be found at: [http://europa.eu.int/information\\_society/policy/ecomm/implementation\\_enforcement/annualreports/11threport/index\\_en.htm](http://europa.eu.int/information_society/policy/ecomm/implementation_enforcement/annualreports/11threport/index_en.htm)

The electronic communications sector has always been defined by rapid technological and market change. The lines between content, services and applications are now becoming increasingly blurred. At the same time, traditional markets are maturing and competition is driving players to invest in new technologies to deliver innovative services based on convergence between broadband networks, audiovisual media and electronic devices, with consumers benefiting from higher data speeds and improved quality. In this environment, the potential for wireless services to be developed and rolled out in the EU is considerable. A major problem identified during the review of the framework was the inefficiency of the current system of radio spectrum management which is ill-equipped to respond to the needs of the sector.

Radio spectrum is a key resource for many important services in society: mobile, wireless and satellite communications, TV and radio broadcasting, transport, location services (e.g., GPS/Galileo), as well as for many other applications (remote controls, hearing aids, medical equipment, etc.). Radio technology also supports public services such as defence, safety, security, and scientific activities (e.g. meteorology, Earth observation, radio astronomy and space research). An effective and coherent use of spectrum would contribute to the Lisbon goals by stimulating innovation and investment that leads to growth and job creation. Current inefficiencies in the distribution and use of spectrum create costs, lead to wasted opportunities for business and reduce the development and roll-out of innovative wireless services, to the detriment of consumers and the single market.

Spectrum management has a strong cross-border dimension, given the European and global markets dependent on radio-based services, as well as the need to avoid harmful interference between countries. The creation of a coordinated spectrum policy for wireless communications services is a key policy objective for the EU to underpin the development of a genuine single market for wireless communications services and equipment. The legislative proposals in relation to spectrum will be designed to lower barriers to access to spectrum, improve efficiency in spectrum use, promote innovation in wireless services and equipment, provide greater flexibility for spectrum users and more choice of services and devices for consumers. The proposals will also allow convergence to become a reality, by removing artificial restrictions, notably between broadcasting and mobile communications services. The proposals will draw upon the Commission conclusions on spectrum management that were set out in two Communications which can be found at:

[http://eur-lex.europa.eu/LexUriServ/site/en/com/2005/com2005\\_0411en01.doc](http://eur-lex.europa.eu/LexUriServ/site/en/com/2005/com2005_0411en01.doc)

[http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005\\_0400en01.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0400en01.pdf)

The legislative proposals in 2007 will also draw upon the conclusions of the Commission in a 2006 report on experience with the functioning of the market review procedure (the so-called 'Article 7 procedure') which is part of the current regulatory framework. There the Commission identified some problems with consistency of remedies imposed by national regulatory authorities. This report can be found at:  
[http://europa.eu.int/information\\_society/policy/ecom/doc/article\\_7/comm\\_pdf\\_com\\_2006\\_0028\\_f\\_en\\_acte.pdf](http://europa.eu.int/information_society/policy/ecom/doc/article_7/comm_pdf_com_2006_0028_f_en_acte.pdf)

In light of the comments received during the public consultation on the above documents, and in light of the evaluations and analyses provided in the expert studies conducted on behalf of the Commission, the Commission services will prepare proposals to amend the current legislation in force in order to take account of market changes and technological developments that have already happened and those that are expected in the sector, as well as to take account of experience to date with the framework.

The Commission's four consultation documents can be found at:

[http://europa.eu.int/information\\_society/policy/ecom/tomorrow/roadmap/index\\_en.htm#communication1](http://europa.eu.int/information_society/policy/ecom/tomorrow/roadmap/index_en.htm#communication1)

An overview of the EU regulatory framework for e-communications, can be found at:

[http://europa.eu.int/information\\_society/policy/ecom/todays\\_framework/index\\_en.htm](http://europa.eu.int/information_society/policy/ecom/todays_framework/index_en.htm)

The main legal instruments can be found at:

[http://europa.eu.int/information\\_society/policy/ecom/info\\_centre/documentation/legislation/index\\_en.htm](http://europa.eu.int/information_society/policy/ecom/info_centre/documentation/legislation/index_en.htm)

The three studies and one household survey can be found at:

[http://ec.europa.eu/information\\_society/policy/ecom/info\\_centre/documentation/studies\\_ext\\_consult/index\\_en.htm#2006](http://ec.europa.eu/information_society/policy/ecom/info_centre/documentation/studies_ext_consult/index_en.htm#2006)

## 2. What are the main policy objectives?

The Commission's i2010 initiative (COM (2005) 229) stresses the crucial role of information and communication technologies (ICTs) in achieving the growth and jobs objectives of the Lisbon strategy. These objectives are underpinned by the EU's electronic communications regulatory framework which is designed to drive competition in the market, bringing investment and innovation, with choice, quality and lower prices for the consumer.

The main objective of the legislative proposals will be to enhance the ability of the current framework to deliver on its initial objectives by proposing adaptations that take account of experience to date and expected market and technological changes in the future. A major aspect of the assessment of the current framework was the extent to which the three objectives had been met, i.e., (1) to encourage innovation and stimulate new investment in communications networks and services, by both new entrants and existing operators; (2) to create a competitive single market for electronic communications services and networks in Europe with corresponding benefits for citizens; and (3) to keep regulation to the minimum necessary.

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The options are to maintain the Directives in their current form, to make adjustments as necessary to ensure the framework meets evolving policy needs, or to change fundamentally the way in which the framework is constructed. The Commission considers that only legislative proposals can accomplish the desired policy objectives and that these proposals should be evolutionary in nature rather than revolutionary in approach.

The proposed changes will take the form of Commission legislative proposals to the EP and the Council (Art 95 TEC) in order to adapt the current framework appropriately for the period beyond 2010 where market and technological developments will be different from today.

The current framework already makes provision for supplementary measures to be adopted by the Commission in the form of Recommendations. The most important of these is a Commission Recommendation on relevant markets, which defines those markets where ex-ante regulation may be justified. This Recommendation is being reviewed during 2006, in parallel with the review of the framework, and a revised draft is part of the public consultation that takes place between June and October 2006.

Other Recommendations have been adopted by the Commission as a means of providing detailed guidance on specific regulatory issues. Also, the European Regulators Group, a group established under the EU framework comprising the national regulatory authority from each Member State, has developed the concept of a 'Common Position' which all NRAs undertake to follow. While these instruments can be used to complement 'hard' legislation, and present advantages in terms of flexibility and speed of adoption, they cannot substitute for the changes that are needed in terms of the relevant legislative provisions. However, 'soft' regulation will continue to be used as and when appropriate.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

The impacts of any proposed revisions will be assessed and an Impact Assessment will be adopted simultaneously with the legislative proposals.

The proposed changes will affect the following stakeholders in the following ways:

#### Economic Assessment

- Market players (network and service providers). This is a heterogeneous group including fixed and mobile operators, incumbent operators and new entrants, infrastructure providers and service providers. Given the value of their activities to the economy as a whole, it is important not to impose a disproportionate financial burden on the sector e.g. as part of Universal Service. However, members of this group differ significantly in their assessment of the minimum necessary level of regulation. The impact assessment will contribute to an independent empirical evidence base to support the assessment of options and their economic impacts

- Economy as a whole. Today almost every economic activity uses electronic communications; e- communication services reduce the transaction costs of economic activities and contribute to enhance productivity and competitiveness. In addition, they have the capacity to contribute to the development of the local and regional economic fabric. The efficient application of ICT is a core element of the Commission's i2010 initiative.

#### Social Assessment

- Citizens and households. The current framework addresses user's rights for electronic communications services, including rights for privacy and protection of personal data, and any changes could affect these rights and the cost of communications for the user.

- Society as a whole. The capacity of electronic communications services to convey social benefits to all consumers must be assessed against the underlying costs which would result from any public intervention to mandate delivery these services.

#### Environmental Assessment

- Environment. Evidence to date suggests that Electronic communications services have positive effects on the environment, for instance by providing an alternative to the physical transportation of goods and persons (e.g. teleworking), but also some negative effects caused by laying cables, installing radio masts etc

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

The Commission regularly reports on Implementation of the EU Electronic Communications Regulatory Package. Annual reports covering the period 1997-2004 available at:

[http://europa.eu.int/information\\_society/topics/ecommm/all\\_about/implementation\\_enforcement/annualreports/previousyears/index\\_en.htm](http://europa.eu.int/information_society/topics/ecommm/all_about/implementation_enforcement/annualreports/previousyears/index_en.htm)

The 11<sup>th</sup> implementation report, covering the year 2005, was adopted in February 2006. The 12<sup>th</sup> report will be adopted in early 2007.

The evaluation of the framework drew upon these implementation reports, and upon studies by external consultants which have been published (see URL above).

The public consultation phase of the review provided feedback from stakeholders on the impact of possible changes, which allowed the Commission to assess the impact of the legislative measures that it intends to propose to the EP and Council.

6. Which stakeholders & experts will be consulted, how and at what stage?

The public consultation on the Review of the regulatory framework running to the end of October 2006 is designed to launch a broad, public, forward-looking evaluation of the rules in force, where all stakeholders were invited to participate (Member States, regulators, network operators and service providers, broadcasters, users, consumers, etc).



A workshop with the ERG was held in February 2006. The Commissioner responsible for the Information Society and Media presented the Commission's ideas at meetings with Ministries, and at the Telecoms Council in December 2005. After the launch of the public consultation and the publication of the four policy documents referred to above, a public workshop was held on 13 July in which the Commission services presented its ideas for the review and responded to questions. A public workshop will be held on 10 October for all interested stakeholders to provide their comments to the Commission and they will be able to submit their written comments online.

DG Information Society and Media will publish the comments received during the public consultation, as well as a report on the public consultation itself, and the conclusions that it draws from the consultation, before finalising any legislative proposals for adoption by the Commission.

7. Will an inter-service steering group be set up for the IA?

An interservice steering group was set up in early 2006.

## ROADMAP

Title of the key initiative: **European e-Inclusion strategy**

Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Information society products and services create opportunities but also barriers for social inclusion and participation in society. Significant progress on penetration of information and communication technologies (ICT) across all EU regions and socio-demographic groups does not automatically imply lower disparities; on the contrary, evidence shows that certain gaps continue to persist and even widen, for reasons of income, access, educational, geographical and motivational disparities as well as lack of accessible technologies and services.

E-inclusion aims to prevent the risks of 'digital exclusion', that is to ensure that disadvantaged people are not left behind and to avoid new forms of social exclusion due to lack of digital literacy, service access, lack of user accessibility to ICT tools. At the same time e-inclusion also means unchaining new 'digital opportunities' for the inclusion of socially disadvantaged people and less-favoured areas so as to provide untapped opportunities of the information society in terms of more equally distributed knowledge, new job opportunities, social, cultural and territorial cohesion.

Many Europeans still reap few or no benefits from ICT and there are resilient gaps in ICT use. For instance, 57% of individuals living in the EU did not regularly use the Internet in 2005; only 10% of persons over 65 used Internet, against 68% of those aged 16-24; only 24% of persons with low education used the Internet, against 73% of those with high education; only 32% of unemployed persons used the Internet against 54% of employed persons. Only 3% of public web sites surveyed comply with the minimum web accessibility standards and guidelines, hindering access to web content and services for people with disabilities who comprise some 15% of the EU population. People with disabilities and older persons sometimes experience difficulties in accessing information society technologies and services, as some barriers can be inadvertently created by ICT tools themselves. Accessibility problems can also be created by specific environment or social conditions.

Given this evidence, the pace of development and the different technological waves, digital divides could become permanent if no action is taken. The key to an inclusive and barrier-free information society (e-Inclusion) is ensuring that all citizens from all demographic and sociographic groups have the opportunity to be economically active and participate fully in society. Exclusion from the information society therefore needs to be addressed for both economic and societal reasons.

Civil society and markets alone do not address all the risks and opportunities related to e-Inclusion. There are persistent market failures along with inadequacy of the non-market sector to fill the gap left by the market. Mainstreaming e-Inclusion is seen as one way forward, i.e. ensuring that inclusion of all is part and parcel of mainstream product and service design. However, this will not happen by itself. Moreover, this approach will not completely address the needs of all groups (the most vulnerable groups are likely to be still left behind), nor does it address the potential of ICT to fully enable all people to actively participate in the information society.

All the issues cannot be addressed by Member States alone either. While Member States will have to take a large responsibility for e-Inclusion they also seek economies of scale in terms of sharing strategies and solutions at European level. Barriers due to different national rules and regulations, lack of interoperability and common approaches across Europe lead to both persistent market fragmentation and an inadequate supply of solutions for users in terms of functionality (and often with high costs for authorities and reimbursement schemes). Lack of awareness of the market potential results in insufficient choice for users and limited scale or profitability of the companies providing assistive technologies and inclusive services. The potential of e-Inclusion as a lead-market for Europe's companies is largely underdeveloped due to both lack of awareness and lack of scale

Public intervention will have a positive impact in many of the above areas and is therefore justified, including at European level. This is in line with the third pillar<sup>14</sup> of the i2010 initiative which proposed the initiative covered by this roadmap, and by the Riga Ministerial Declaration on "ICT for an Inclusive Society"<sup>15</sup>

<sup>14</sup> "An Information Society that is inclusive, provides high quality public services, and promotes quality of life"

## 2. What are the main policy objectives?

eInclusion relies on established policy principles of "social progress and social cohesion" which are established in the Treaty of the European Union (art. 2) and in recent policy initiatives such as the review of the Sustainable Development Strategy, the 2006 Spring European Council stressing the need to adjust the European economy to the current demographic change and the implied challenges in terms of social inclusion, the Report on the Lisbon Strategy and the contribution of the Commission for the Hampton Court Meeting stressing the need for European people to work longer, and encourage Member States to adopt strategies for active ageing and social inclusion, the 2006 Spring European Council stating that "focused, effective and integrated ICT policies at both European and national levels are essential to achieving the Lisbon goals of economic growth and productivity, and calling on the Commission and the Member States to implement the new i2010 Strategy vigorously.

The 2005 Communication from the Commission "i2010, a European Information Society for growth and employment" defines as one of its three objectives "an Information Society that is inclusive, provides high quality public services and promotes quality of life". In this framework, The eInclusion Communication in 2007 will pave the way for the launch of a European Initiative on e-Inclusion in 2008, addressing issues such as equal opportunities, ICT skills and regional divides.

The Communication will rely on the principles of:

- Comprehensiveness: it will cover all dimension of exclusion in the information society as highlighted in the Riga Ministerial Declaration<sup>16</sup>;
- Coherence: it will activate in a coherent way all instruments (research, market facilitation measures, legislation, awareness raising) to obtain maximum leverage and impact;
- Wide policy ownership: by activating all relevant stakeholders through an active consultation process;
- Technology neutrality: for proposed technological solutions for eInclusion thus contributing to the establishment of the internal market of ICT services and technologies contributing to social inclusion (e.g. health & social care application, assistive technologies, accessible services etc.)

The proposed Communication will provide a coherent framework within which initiatives in e-Inclusion should take place and progress assessed. The overall policy objective is to transform the challenges of exclusion in the information society into economic and societal opportunities while stimulating new markets (e.g. ICT for ageing) and enhanced economic and societal dynamism through participation (e.g. ICT for social capital and communities), by facilitating change towards a more inclusive and barrier-free information society.

The Communication will set out general policy principles for e-Inclusion and specifically identify the areas for EU-level action that have high added value, including the 2008 e-Inclusion initiative identified within i2010.

The proposed Communication will also and in particular address the situation on e-Accessibility, as set out in the 2005 e-Accessibility Communication, COM(2005)425, of 13 September 2005. eAccessibility is aimed at overcoming technical barriers and difficulties that people with disabilities and others experience when trying to participate on equal terms in the Information Society (IS). The main objective of the 2005 Communication was to promote a consistent approach to eAccessibility initiatives in the Member States on a voluntary basis, as well as to foster industry self-regulation so as to tackle a number of areas such as lack of harmonised and interoperable solutions for accessible ICT tools, software, websites, content and assistive devices.

The proposed Communication will also contribute with an ICT perspective towards the wider EU policy goals as agreed in the 2006 Spring Council regarding concerning solidarity and competitiveness within the Union.

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Option 1 - No action: EU and national initiatives on Information Society would continue on an individual basis without any coordination or enhanced collaboration and with no specific focus on e-Inclusion or the ageing population.

<sup>15</sup> [http://europa.eu.int/information\\_society/events/ict\\_riga\\_2006/index\\_en.htm](http://europa.eu.int/information_society/events/ict_riga_2006/index_en.htm)

<sup>16</sup> [http://europa.eu.int/information\\_society/events/ict\\_riga\\_2006/index\\_en.htm](http://europa.eu.int/information_society/events/ict_riga_2006/index_en.htm)

Option 2 - Fragmented initiatives on e-Inclusion: This option considers e-Inclusion as being part of national or EU specific policies in Information Society without a coherent package of activities or a systemic approach to it.

Option 3 - A coherent framework: The main opportunities are found in the establishment of a comprehensive and coherent framework for stimulating and monitoring ICT-enabled inclusion and social and economic participation in a broad sense, while linking EU initiatives of relevance in this area, and mobilising the available policy and instrument means in order to derive synergies and thus maximise positive impact.

This framework would stimulate and reinforce targeted initiatives in specific areas, such as e-accessibility, ICT and ageing, digital literacy, trust and confidence, wide participation (through affordable and friendly access to services and content of public or commercial nature), new working environments adapted to the needs of the ageing society, geographical digital divide and multi-cultural settings.

The instruments considered in this option will be referring to analysis and monitoring, co-ordination and awareness (e.g. studies, events, benchmarking activities, exchange of best practices), development of technical standards, conformity assessment mechanisms, codes of practice, targeted funding for research or deployment projects, and legislative reinforcement. The need for a specific legislative initiative will be considered in the IA

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Option 1 - No Action: This option would be contrary to what is suggested by recent evidence of digital divides not closing without active policy intervention. Besides it would not be in line with the i2010 initiative where actions on e-Inclusion, elderly, well being and health are justified on the grounds of the i2010 impact assessment. A "no-action" scenario would translate into further social and territorial stratification determined by cumulative digital divides in access, understanding and best use of technologies.

Option 2 - Fragmented initiatives: Expected positive impacts in this case appear to be limited by the scale of relevance of specific policies for Information Society mostly at local or national level and by the limited scope of other EU initiatives not explicitly and organically incorporating e-Inclusion as a key objective. Impact is expected to be limited due to lack of replicability, scalability and isolation of successful actions. In this option, existing initiatives from Member States or technological innovations from the private sector and public service providers remain fragmented and do not provide the necessary lever for widespread and self-sustaining uptake. Moreover interoperability issues that become insurmountable are likely to result.

Option 3 - Coherent framework: This option appears to offer the highest expected positive impact due to the leveraging capabilities of actions at the EU level, the wider opportunities to establish necessary economies of scale, and to validate and replicate successful experiences on a broader scale. Impact of potential EU legislation and standardisation will also be considered in compliance with subsidiarity and proportionality.

Impacts that need to be assessed as regards the policy options are directly related to the e-Inclusion policy objectives as formulated in the Riga Ministerial Declaration (and to related eHealth and eGovernment objectives):

- Reduction of exclusion in the information society (internet access and usage disparities, increasing broadband coverage, accessibility, digital divide indices, digital literacy and competences, uptake of design for all, technology mainstreaming of accessibility needs).
- Improvement in quality of life (e.g. in participation at work, public services usage, forms of independent living, flexible ICT delivery of home healthcare and social care) for target groups.

Contribution to economy (labour contribution of excluded groups, increased efficiency in sustainable delivery of integrated care, market value of new e-Inclusion products and services).

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Much evidence is already available and further evidence will be gathered in the coming months. This evidence all points in the same direction: between one third and half of the European population is not fully benefiting from the Information Society, which has a huge negative social and economic impact.

Data on ICT uptake for various user profiles, are gathered by the Commission (mainly DGs INFSO, ESTAT, EMPL, SANCO and for specific aspects others like EAC or ENTR) as well as other public and private parties (e.g. OECD, UN). Further information is already being gathered by some of the mentioned DGs and from IPTS. Several studies launched in 2005 and under preparation in 2006 will contribute to the data and information collection

6. Which stakeholders & experts will be consulted, how and at what stage?

Stakeholders & experts have already been extensively consulted while preparing i2010 and through ministerial conferences in e-Inclusion (Riga, 11-13 June 2006), as well as in eHealth (Malaga, 10-12 May 2006) and eGovernment (Manchester, 24-25 November 2005). The establishment of i2010 sub-groups for eHealth, e-Inclusion, eGovernment will provide continuous platforms for exchange with Member States. Wide consultation of relevant stakeholders from the public and private sector as well use NGOs and user representatives will take place in preparation of the e-Inclusion Communication in 2007 and the e-Inclusion initiative in 2008. The i2010 e-Inclusion subgroup has been specifically mandated to advise the Commission on the preparation of the 2007 Communication and the 2008 e-Inclusion Initiative.

7. Will an inter-service steering group be set up for the IA?

An inter-service steering group is envisaged to further elaborate specific aspects of the impact assessment already conducted under the general i2010 framework. Close liaison will also continue to be pursued with the disability inter-service group and the inter-service work in the field of demographics and ageing; as well as the inter-service cooperation on eAccessibility in the context of preparing for meetings with stakeholders in the INCOM and TCAM committees.

## ROADMAP

Title of proposal: **Communication on "Strengthening the Internal Market for Mobile TV"**

Expected date of adoption of the proposal: **April 2007**

**A. Initial impact assessment screening**

## 1. What are the main problems identified?

Mobile TV is already in commercial operation in some countries in Europe. It can be part of the services offered by 3G telecom operators. Broadcasts have also been commercially launched using at least two technologies standardised at European level. The Commission is concerned about the potential for market fragmentation arising from different - albeit standardised - technical options for mobile TV. Similar issues have been raised in the past about interactive television and HDTV interoperability. Mobile TV licensing is in most cases a form of broadcasting licence, but currently Member States are following different approaches for the licensing of Mobile TV. Mobile TV covers both linear and non-linear services, in the terminology of the draft Audiovisual Media Services Directive. Whilst it is clear that the licensing decision remains a national prerogative, industry also expects a clarification of the prevailing licensing framework and seeks to obtain a reasonable level of certainty on the matter, especially in view of launching pan European services or services with coverage wider than a single Member State. The competence of EU authorities in broadcasting licensing is limited. However, licensing regimes must make sense in terms of the internal market that will govern the deployment of Mobile TV infrastructures, and the aim should be to strive for a level playing field allowing the various actors to compete on similar conditions.

A further factor influencing the successful launching of mobile TV is the availability of radio spectrum. The main issues at stake are to reconcile the demand by industry for specific spectrum bands which meet their business requirements, the extent of harmonised spectrum which would be needed at EU level for pan-European services and in order to create economies of scale, the lack of technology neutrality of some potential bands which are currently tightly linked to specific standards, the resistance of existing users occupying potential candidate bands (e.g. this is also linked to the issue of the use of the future digital dividend in UHF band).

## 2. What are the main policy objectives?

The main objective of the Communication is to support the introduction and take-up of mobile TV across the EU).

This has to be seen in the context of the regulatory framework for electronic communications. The objectives of such framework are to encourage innovation and stimulate new investment in communications networks and services, by both new entrants and existing operators; to create a competitive single market for electronic communications services and networks in Europe, providing users with choice, quality and value for money; to keep regulation to the minimum necessary to achieve these objectives. These objectives serve in turn to meet the Lisbon goal that Europe should have a 'world class communications infrastructure', in recognition of the critical role played by e-communications networks and services in the economy as a whole, and of the contribution that ICT can make to growth and jobs.

The Commission's aim is to ensure that European citizens benefit from a growing range of convergent electronic communications services, available on an increasing number of transmission platforms. This will safeguard the free flow of information, media pluralism, and cultural diversity, and at the same time increase the potential for mobile TV platforms to support information society services.

From a consumer perspective it would be desirable that devices can still receive mobile TV when crossing national and regional borders, to receive content broadcast in his home country and/or region and to have available trans-border and pan-European channels.

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

There are three main policy aspects that would be addressed by the Communication: - spectrum availability, technical aspects (standards/ interoperability) and regulatory environment (in particular authorisation regimes)

- spectrum availability

Three main policy options can be considered. In the first option, the Commission could proceed to frequency allocation for mobile broadcasting in Europe (e.g., to provide a minimum of spectrum to allow for initial launch of service on a European scale). The second option entails a Commission Recommendation under which Member States should make available spectrum in harmonised bands in for mobile broadcasting. The third option maintains the current situation. A combination of the previous options is also possible.

- technical aspects (standards/ interoperability)

Three main policy options are considered. In the first option, the Commission could make implementation of one open standard mandatory for mobile TV in Europe. The second option entails an industry led process, based on the ongoing work of the European Mobile Broadcasting Council which has a wide participation of all industry strands. The third option maintains the current situation.

- regulatory environment (in particular authorisation regimes)

Three main policy options are considered. In the first option, the Commission could make implementation of an authorisation regime mandatory in Europe. The second option entails a Commission Recommendation under which Member States could make implementation of a common framework for licensing in order to establish a level playing field at European level. The third option maintains the current situation.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

The nature and scope of possible measures are not yet known, and so their impact cannot be assessed before the conclusion of the Commission's analysis. The Communication will be accompanied by the impact assessment of any measures proposed, which will be open for public comment.

Any proposed measures to support the introduction and take-up of mobile TV across the EU will be assessed on the following:

#### Economic Assessment

- Market players (network and service providers). This is a heterogeneous group including manufacturers, broadcasters and platform operators and infrastructure providers, mobile operators and service providers. The uptake of mobile TV could influence positively their financial performance. For services of a nascent technology, it is important not to impose a disproportionate administrative burden on the sector. However, members of this group differ significantly in their assessment of the minimum necessary level of regulation. The impact assessment will contribute an independent empirical evidence base to support the assessment of options and their economic impacts.

- Economy as a whole. The successful introduction of mobile TV services can create new markets and contribute to employment and competitiveness. In addition, it has the capacity to contribute to the development of the local and regional economic fabric. The efficient application of ICT is a core element of the Commission's i2010 initiative.

#### Social Assessment

The positive economic effects are expected to create positive social impact in term of employment and well being. Furthermore, social benefits to potential consumers will have to be assessed.

#### Environmental Assessment

There is no serious impact, but some negative effects could be considered with reference of the possible installation of a greater number of radio masts in densely populated areas.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

The Communication will rely on ongoing work in the relevant fora (e.g., RSPG work on EU spectrum policy strategy for mobile multimedia broadcasting) as well as on industry positions developed by the European Mobile Broadcasting Council. In addition, legislative debates on mobile TV have already taken place in some Member states (e.g., France, Italy). The Authorisation Sub-group of the Communications Committee (COCOM) will also be used to consult the Member states on regulatory aspects.

The Communication will draw upon conclusions of the work carried out in the relevant fora as well as upon already available studies by external consultants.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Communication will rely on ongoing work in the relevant fora (e.g., RSPG work on spectrum policy for mobile multimedia broadcasting) as well as on industry positions developed by the European Mobile Broadcasting Council (EMBC). The Commission services played the role of facilitator in the setting up of this group and participate to its work as an observer. The EMBC is expected to establish an industry roadmap for the introduction of mobile TV in the EU. The Authorisation Sub-Group of the Communication s Committee will also be used to consult the Member States on the regulatory and licensing aspects related to mobile TV.

DG Information Society and Media will consider the outputs of the relevant fora. DG Information Society and Media will consider the position of stakeholders, particularly in view of a self-regulation context, before finalising the Communication.

This will allow the Commission to determine what further follow up actions are needed.

7. Will an inter-service steering group be set up for the IA?

An inter-service steering group will be set up in autumn 2006.



## ROADMAP

Title of the proposal: **Communication de la Commission sur le développement d'un réseau orienté vers le transport de fret ferroviaire**

Expected date of adoption of the proposal: **July 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Alors que le transport de marchandises croît continuellement et malgré les problèmes de congestion sur la route, le transport ferroviaire de marchandises perd des parts de marché.

Le transport de fret ferroviaire souffre trop souvent d'une approche trop nationale : le trafic international souffre de retards importants, d'une interopérabilité technique et administrative insuffisante, d'un partage de l'infrastructure avec le trafic voyageurs, de l'absence d'un suivi européen des wagons. La performance du transport de fret ferroviaire doit être améliorée.

Pour ce faire, il est nécessaire d'apporter des solutions au niveau européen pour favoriser le développement d'un réseau ferroviaire orienté vers le transport de fret réduisant les retards générés par la mixité des trafics, concentrant les investissements sur les goulets d'étranglement, facilitant l'émergence d'une offre de sillons internationaux attractifs, garantissant l'interopérabilité technique et administrative et la mise en œuvre de technologies de communication innovantes.

2. What are the main policy objectives?

Revitaliser le rail est un des objectifs politiques majeurs du Livre Blanc sur la politique européenne à l'horizon 2010. Cette revitalisation passe notamment par l'enrayement du déclin du transport ferroviaire de fret. Or, c'est sur les grandes distances que le marché ferroviaire a le potentiel de croissance le plus prometteur. La réussite de tels services passe alors par une optimisation de l'utilisation des capacités existantes. Le redressement du transport européen de marchandises suppose le fait de dédier des sillons internationaux performants au transport de fret, soit par infrastructures (les corridors fret) soit par période de la journée.

Le trafic ferroviaire en Europe est mixte avec en général une priorité donnée aux voyageurs, ce qui se traduit par un intérêt moindre pour le fret aussi bien de la part des pouvoirs publics que des entreprises ferroviaires. L'exploitation de lignes fret est aussi moins exigeante que celle de lignes voyageurs, en termes de sophistication des équipements et de maintenance. Le fret donc utilise des lignes qu'on peut dire trop luxueuses sur le plan technique ce qui le rend plus cher et moins compétitif vis-à-vis de la route.

Le réseau européen compte près de 260000 km de lignes, ce qui est sans doute trop et coûte trop cher. Ce qui signifie aussi qu'il est possible de définir un réseau de 20000 km qui pourrait être orienté principalement vers le fret et faire l'objet d'une organisation adaptée aux exigences du fret. L'organisation de navettes de fret entre des hubs doit être un des objectifs afin de mécaniser autant que possible les relations, sans oublier cependant le trafic de wagons isolés qui représente encore 50%.

La création d'un tel réseau permettrait aussi de simplifier l'allocation des sillons internationaux, la coordination des gestionnaires d'infrastructure, l'harmonisation technique et en fin de compte permettrait une réduction des coûts importante et une ponctualité quasi assurée, rendant le fret ferroviaire vraiment compétitif.

Il appartient maintenant à la Commission d'avancer clairement et de façon crédible sur la constitution d'un tel réseau.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

La Communication présentera les principaux éléments d'un plan d'actions mêlant principalement des actions de sensibilisation et de suivi et des actions de soutien financiers (TENs) pour des projets coordonnés entre gestionnaires d'infrastructures ou entre entreprises ferroviaires pour le démarrage de nouveaux services innovants sur un ensemble de corridors pouvant constituer à terme un réseau intégré. Il convient d'amener progressivement les États membres et tous les acteurs à partager l'objectif et à agir ensemble pour le réaliser grâce à des mesures coordonnées.

Le *statu quo* n'est plus une alternative raisonnable : il est désormais urgent d'agir en faveur de la réalisation progressive d'un espace ferroviaire intégré et performant en agissant en faveur de la réalisation d'un réseau orienté

vers le fret ferroviaire qui pourrait évoluer à long terme vers un réseau dédié au fret. Cet objectif est inscrit dans la décision 1692/96/CE relative au développement d'un réseau transeuropéen de transport : il convient désormais d'objectiver la réalisation d'une telle orientation.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Les résultats attendus d'un tel plan d'action sont bien évidemment la réalisation d'un réseau orienté vers le transport ferroviaire de fret. Celui-ci devrait permettre d'avancer sur des problèmes concrets de rapprochement des schémas de tarification de l'infrastructure, de coopération des gestionnaires d'infrastructures, de reconnaissance réciproque en matière d'homologation du matériel roulant et de normes de sécurité. L'approche corridors permet d'adopter des mesures générales impactant sur les conditions économiques et sociales du transport ferroviaire dans son ensemble.

Par ailleurs le fait d'encourager la constitution d'un réseau orienté vers le fret aurait un impact sur les mesures en faveur de la protection de l'environnement. En rendant le transport ferroviaire plus attractif, un report modal pourrait avoir lieu favorisant un mode moins dégradant pour l'environnement. En concentrant le transport de fret sur un réseau clairement identifié, il permettrait en outre de prendre des mesures concrètes pour réduire les émissions sonores des wagons de fret à la source ou à l'émission ainsi que des mesures favorisant la réduction des émissions gazeuses des locomotives diesel.

Ainsi, le plan d'action envisagé aurait des impacts environnementaux, sociaux et économiques à la fois pour les entreprises ferroviaires et les gestionnaires d'infrastructure mais aussi plus généralement pour la collectivité elle-même.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

La réalisation progressive d'un réseau ferroviaire à grande vitesse et de grande qualité pour des services voyageurs peut permettre à terme de libérer de la capacité sur le réseau existant. Dans la nouvelle proposition de règlement (COM(2004)475) modifiant le règlement 2236/95, à l'article 5 relatif à la sélection des projets figure explicitement la demande suivante : " toute demande de financement de ligne ferroviaire à grande vitesse devra être accompagnée d'une analyse détaillée des capacités libérées sur le réseau conventionnel en faveur du fret du fait du transfert de trafic sur la ligne voyageurs à grande vitesse". Grâce à cette disposition, la Commission disposera progressivement de données précises lui permettant d'identifier un réseau d'infrastructure dédié ou à priorité fret.

En plus de cette source d'information à venir, la Commission peut compter sur les premiers résultats de recherche du projet New Opera dont l'objectif est de fournir les informations nécessaires à la faisabilité d'un tel réseau dédié fret, sur les études déjà menées par l'UIC (EURAILINFRA) identifiant les goulets d'étranglement d'un certain nombre de corridors fret, ainsi que sur les travaux et l'expérience de RailNetEurope (organisation commune des gestionnaires d'infrastructure européens).

En outre, en vertu des dispositions légales de la Directive 2001/14/CE, les gestionnaires d'infrastructure doivent publier régulièrement un document permettant d'identifier les zones congestionnées de leurs réseaux et produire un plan d'amélioration du réseau. Ces documents devraient également aider à la constitution d'un réseau orienté vers le fret. En conclusion, plusieurs sources d'information ou outils vont permettre de disposer de données fiables pour permettre de travailler sérieusement à l'élaboration d'un réseau orienté vers le fret et à plus long terme dédié au fret.

6. Which stakeholders & experts will be consulted, how and at what stage?

Un document de consultation a été élaboré et transmis le 22 mai 2006 aux associations représentatives du secteur ferroviaire (CER, UIC, EIM, ERFA, UITP, ...). Un workshop de présentation a eu lieu le 1<sup>er</sup> Juin et une quinzaine de réponses ont été transmises fin juin. Une consultation des clients a été lancée mi juillet et leurs réponses sont attendues fin septembre.

7. Will an inter-service steering group be set up for the IA?

YES.

## ROADMAP

Title of the proposal: **Freight Transport Logistics Action Plan**

Expected date of adoption of the proposal: **September/October 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The Commission presented, in June 2006, a Communication on freight transport logistics (COM(2006) 336 final). This Communication and subsequent consultations are planned to lead to an Action Plan for freight transport logistics in 2007.

An optimal use of resources in the European transport system has not been reached. This conclusion is drawn by the mid-term review of the White Paper on European Transport Policy (“Keep Europe Moving”, COM(2006) 314 final). Complementarity of modes and their integration in the transport system and with each other must be improved. The efficiency and optimisation of the system is not as advanced as it should be. Freight transport needs to do more to maintain and increase European competitiveness and prosperity.

Rapid growth of freight transport with consequential congestion, energy consumption, accidents, noise and pollution are amongst the economic, social and environmental problems that need to be addressed. Furthermore, effective planning, management and control of unimodal and multimodal transport chains through logistics solutions are not sufficiently developed for the objectives of co-modality to fully materialise. Without adequate measures, the situation will continue worsening and increasingly undermine Europe’s competitiveness, people’s lives and the environment that we all live in.

Concrete bottlenecks negatively affecting the development of logistics are not sufficiently known and investigated. Interoperability of information and communications technologies (ICT) in the transport sector has not been ensured. The supply of transport and logistics education and training provided by universities and other institutions in Europe varies greatly. Furthermore, it is difficult to have a reliable picture of Europe’s logistics market, because relevant statistical information is currently not sufficient, nor adequate.

- National policies might not always produce interoperable solutions that are needed for Europe to work together on optimising transport solutions in an area without market borders. Substantial results can only be achieved by the European Commission working together with the Member States and industries towards a coherent framework covering the whole of Europe.

2. What are the main policy objectives?

‘Freight Transport Logistics’ covers the planning, organisation, management, control and execution of freight transport operations in the supply chain. The process should minimise the burden on the environment and optimise the long-term economic performance of the undertaking. It should be also be a growing source of employment in the EU.

The overall policy objectives in terms of expected results are to optimise and harmonise the European transport system and increase its efficiency in order to diminish the unsustainable trends indicated above. Logistics is an essential tool for this. Furthermore, logistics enhances cohesion and links to peripheral areas and islands.

Efficiency in logistics might also help avoid certain trends, such as relocation of jobs outside the EU.

In line with the Lisbon agenda, prosperity and European competitiveness needs to be maintained and increased.

Transport is an essential part of this process. Advanced logistics solutions would allow freight transport operations to be carried out optimally in all circumstances thereby giving Europe a competitive edge.

These general objectives will contribute to:

- developing and improving economic and resource efficiency of transport modes and systems;
- ensuring high level services and protection to users and their environment, while integrating the social dimension of the transport industry;
- increasing the deployment of new technologies, and;
- strengthening the role of EU at international level.

Furthermore, national transport authorities are increasingly seeking alternatives to better manage their own transport systems. The integrity of the single market must be ensured so that national solutions are not developed and implemented in different ways throughout the EU. Harmonisation must be planned.

Developing and improving economic and resource efficiency is a key objective for the Lisbon strategy. A higher economic efficiency will enable the reduction of transport costs and resources use. Freed resources, e.g. in work time and energy savings, may thus be put to better use in other sectors of the economy or in improved transport services. More and/or better mobility will foster the productivity of the European economy and the Union's global competitiveness.

- No single action will be able to contribute sufficiently to enhance logistics excellence in Europe. A set of actions will be needed both at soft and legislative levels. These actions could include addressing bottlenecks to freight transport logistics, developing ICT interoperability, enhancing uniformity and mutual recognition of logistics training, developing relevant statistical and other indicators, ensuring that the rules on the dimensions of vehicles and loading units match the needs of advanced logistics and sustainable mobility, etc.

### 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The basic approach to reaching the above objectives is to fine-tune and optimise co-modality and, when appropriate, promote multimodal solutions with advanced logistics, including the organisation of transport and interfaces between modes. This can be done through soft and legislative measures. At this point in time, it is essential to take action towards establishing a European framework for freight transport logistics and carry out a consultation process on the subject. This framework could later lead to a comprehensive strategy that would allow combining different existing and forthcoming measures into a coherent way forward. The definition of this framework will follow, at the earliest in 2007, on the basis of the reactions from the European institutions, stakeholders and other interested parties to the Commission Communication of June 2006 on freight transport logistics. Such a strategy, when in place, might lead to specific soft and/or legislative action. The strategy should create a horizontal policy bringing together different actions taken so far and encompassing all modes.

#### Options to be considered include :

1. To abandon the development of freight transport logistics at EU level, not take any measures to enhance logistics in Europe and tone down the emphasis created by the Communication of June 2006 on freight transport logistics,

2. To 'do nothing new' but continue on the basis of the mid-term review of the White Paper and the Communication of June 2006 on freight transport logistics,

3. To 'take action' which could be subdivided into three further sub-options:

- 'legislative';
- 'pricing' and

'action towards establishing a framework strategy for freight transport logistics' (Action Plan).

### 4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Developing transport logistics is primarily a business-related activity and, thereby, a task for industry. Nevertheless, the authorities have a clear role to play in creating appropriate framework conditions. This framework approach that the Commission intends to develop would concentrate on improving the institutional preconditions that Europe can offer for logistics innovation and leave the internal running of company logistics to the companies themselves.

The impacts that could be looked at include: economic impacts (competitiveness, operating costs, consumer costs, macroeconomic, environment), social impacts (employment, public health), and environmental impacts (air and soil quality, climate change, land use, waste recycling, consumption of energy).

1. The options to 'abandon the development of freight transport logistics at EU level' and 'to do nothing new' could have rather similar impacts. They could lead to stagnation and continuous growth of unsustainable trends in Europe's transport system. They would not raise the international profile of the EU. European competitiveness could suffer. The limited infrastructure resources available would not be used optimally. National policies in the area of logistics might continue diversifying.

2. 'Legislative action' could be an optimal solution in certain areas. It could be very effective in realising modal shift. However, without a coherent framework, commitment to this option might be low and efficiency might be harmed by the expected efforts needed to enforce it. Consistency with other policies, such as liberalisation, trade policy or creating equal conditions of competition, might be questioned. This option, without a coherent framework, might not help increase the overall logistics efficiency of the transport system. However, as part of an overall strategy and combined with relevant soft measures, this option might create added value.

3. 'Pricing' policy can be expected to be very effective in realising an efficient and sustainable transport system. The efficiency depends on the type of implementation. This policy could be consistent with other policies since it regulates transport growth and creates better utilisation of capacity in different modes. Applying the "user pays" principle might generally be acceptable to commercial practices and liberalised markets. Commitment to pricing policy seems to be growing. This option would increase the cost of transport, thereby affecting the economy. At this point in time, it should be examined whether this option might be premature and not constitute an optimal solution alone. Furthermore, studies on the external impacts of transport by different modes are divergent and do not currently allow for the drawing of final conclusions, which might lead to an implementation that could be perceived as unequal. This pricing option could, in any case be examined within the overall strategy.

4. It is possible that a combination of measures might be needed, including, possibly, no action in certain fields (e.g. internal logistics operations of companies), legislative action (e.g. in the field of training) and pricing (e.g. interoperability of ICT systems). This could be an objective in establishing a framework strategy for freight transport logistics. Such an approach should create clear added value and result in improved co-operation between the Member States, industries involved in the process of transporting goods in the supply chain, and the Commission. It would identify specific problems and target actions towards solving these problems and help avoid unnecessary duplication while fostering replication, synergy and sharing of know-how. This approach would create an indispensable instrument for enhancing the co-operation between all the parties for future steps and actions. Flourishing business will also create new employment.

### **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The Commission presented, in June 2006, a Communication on freight transport logistics and carried out an impact assessment for it. An external consultant (ECORYS) was used to collect information for the impact assessment. The Commission has carried out a study on 'Integrated Services in the Intermodal Chain' (ISIC). This study provides factual information on several relevant areas. A further study on logistics training and certification is planned to be finalised in July 2006 in the framework of the Maritime Transport Co-ordination Platform (MTCP). Also under the MTCP, a study was carried out on the comparative benchmarking of performance for freight transport across modes from the perspective of transport users. A pre-feasibility study on extending the scope of existing Shortsea Promotion Centres towards inland logistics solutions is under way (deadline: September 2006). A follow-up of this study is planned to start before the end of 2006.

A special consultation group) on logistics (EULOC), under the auspices of Finland finalised its work in February 2006. Furthermore, a background note on freight logistics was submitted to the Finnish Ministry of Transport and Communications in January 2006 and made available to the Commission services.

Data from Research and Technological Development (RTD) on a number of aspects of logistics is already available and will be utilised.

Logistics is a priority for the Council Presidency (second half 2006). The Presidency has announced that they plan to establish Council Conclusions on freight transport logistics in December 2006.

Further information will be gathered by the responsible Commission service in co-operation with the Member States, industry, existing promotion centres, etc.

External aid will be used in preparing the impact assessment for the Action Plan.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Commission intends to consult the Member States and logistics industry as well as associations in the relevant fields. The first consultation is planned to take place in October 2006 in connection with a meeting with stakeholders on logistics. A further consultation is planned to take place in spring 2007.

7. Will an inter-service steering group be set up for the IA?

Yes

## ROADMAP

Title of the Proposal: **Communication on Ports Policy**  
 Expected date of adoption of the proposal: **November 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The 1997 Green Paper on Ports and Maritime Infrastructure (COM (97) 678) had identified a series of issues to be tackled in order to help European ports to develop in view of the increasing globalisation: the issue of financing and tariffication of port and maritime infrastructure and the issue of access to the market of port services. DG TREN is currently in the process of a one-year consultation with stakeholders and Member States in order to identify what, if any, the main problems in the ports sector are today. Whether action at Community level or at Member States' level is appropriate has to be decided at the outcome of the consultation process.

2. What are the main policy objectives?

The main general policy objective is a well functioning ports sector in view of increasing globalisation and increasing transport demand, ports handling 90% of EU's external trade and more than 40% of intra-EU trade. As stated in the mid-term review of the Transport White Paper, the following policy objectives are pursued: increased investment within ports and towards the hinterland; sound competition both within and between ports; clear rules for public contributions to investment and transparent access to port services; environmental constraints and development needs; the availability of competitive services and an increase in quality employment. The consultation process and, as a consequence, the Communication on ports policy will outline by what means these policy objectives can be reached.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The concrete policy options can only be identified once the consultation process has been closed. The Communication will identify whether measures at Community or Member States' level would be adopted and what nature the instruments would have legislative or other.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

Depending on the policy measures which the Commission will decide to table after the consultation, different port stakeholders will be directly affected. It can nevertheless be already stated that any measure taken will to some extent affect the interests of port administrations, port service providers, port workers and port users, namely ship owners.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

Apart from the 1997 Green Paper on Ports and Maritime Infrastructure, several studies have been made on behalf of the Commission in recent years: a Complementary Economic Evaluation study on the Commission proposal for a Directive on market access to port services, a study on Public Financing and Charging Practices of Seaports in the EU, an impact assessment on the Levying of Charges for the Use of Port Infrastructure and a Commission Staff Working Document on Public Financing and Charging Practices in the Community Sea Port sector, COM(2001)234.

Continuous information gathering will be done through the one-year consultation process officially launched by VP President Barrot at the annual conference of the European Seaports Organisation (ESPO) in June 2006.

6. Which stakeholders & experts will be consulted, how and at what stage?

The consultation process will consist of six regional workshops with all relevant stakeholders of the ports sector (port authorities, terminal operators, providers of technical-nautical services, ship owners, shippers, trade unions). A parallel exercise with the Members States will be hold. The European Parliament will be kept informed. The first regional workshop is planned for November 2006.

7. Will an inter-service steering group be set up for the IA?

Yes.

**ROADMAP**

Title of the Proposal: **Communication on the implementation of the NAIADES Action Programme on inland waterway transport**

Expected date of adoption of the proposal: **December 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The Commission presented on 17 January 2006 a Communication on the promotion of Inland Waterway Transport including the Action Programme “NAIADES” (COM(2006)6 final).

Freight transport in Europe will increase by 50 % by 2020. Rapid growth of freight transport with consequential congestion, energy consumption, accidents, noise and pollution affect mobility and economic competitiveness and are detrimental to the environment and quality of life. They are amongst the economic, social and environmental problems that need to be addressed. An optimal use of resources in the European transport system has not been reached. This conclusion is also drawn by the mid-term review of the White Paper on European Transport Policy (“Keep Europe Moving”, COM(2006) 314 final), which integrates the “NAIADES” Action Programme.

Within the transport system, inland waterway transport faces a number of obstacles that can deprive it of certain opportunities. Even if inland navigation has experienced a certain success as outlined in the above Communication, a number of hurdles have to be overcome if it is to tap its full potential.

The fragmented market structure and strong competition have resulted in limited re-investment ability. Combined with the longevity of vessels, this forms a high threshold for the modernisation of vessels. Because working conditions on board and career perspectives may not seem as attractive as in other areas, the sector faces a lack of skilled labour. Public authorities and even the transport and logistics industry are often unaware of the advantages of inland waterway transport. It is often not reflected in local and regional planning processes. The inland waterway and transshipment infrastructure still faces a limited number of strategic bottlenecks and suffers from a backlog of maintenance. Construction measures meet growing environmental concerns. Information and Communication technologies such as used in River Information Services still require further development.

Concrete actions are needed to fully exploit the market potential of inland navigation and to make its use more attractive. Given that inland navigation is often a cross-border transport mode, action at both national and Community level is required.

2. What are the main policy objectives?

The main objective of the Programme “NAIADES” in general is to encourage the inland waterway transport sector to optimise its potential, to foster its competitiveness and to make the use of transport by inland waterways more attractive.

The Commission’s initiative has received great appreciation from the inland waterway transport sector. At the political level, the Council (TTE Council conclusions of 9 June 2006) and the European Parliament (Report Wortmann-Kool, voted on 26 October 2006) have given full backing to the Action Programme and invited the Commission to present a report on its progress.

The programme consists of five interdependent areas of action which are essential for the development of inland waterway transport: (1) create favourable conditions for transport services on inland waterways; (2) stimulate the modernisation and innovation of the fleet (vessels); (3) promote employment and professional qualifications; (4) improve the image and perception of inland waterway transport; (5) provide an adequate infrastructure. These measures are rounded off by reflections on an appropriate organisational framework at Community level. The time span for implementing the programme is from 2006 to 2013.

Several measures are already in the course of being adopted (Directive establishing technical requirements for inland waterway vessels; proposal for a directive for the transport of dangerous goods; RIS standards according to Directive 2005/44/EC) or are in preparation (Funding Handbook for the inland waterway transport industry; Screening for regulatory and administrative barriers). Further measures shall be prepared in 2007 and subsequent years.



3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The basic approach to reaching the above objectives is to proceed in a comprehensive and coordinated way, as outlined in the Commission's Communication. This can involve legislative, coordination, and support measures, e. g. for research and technological development, funding through TEN-T, Marco Polo, or other Community as well as national programmes. At this point in time, it is essential to consider the state of progress of the NAIADES Action Programme since January 2006.

The Communication will essentially consist in a progress report on achievements at European, national and regional level, or on proposals which have already been put forward in 2006 or 2007. In parallel, the Communication would assess the state of preparation of initiatives regarding those actions from the "NAIADES" Programme which are foreseen for the years to come, including possible feedback from stakeholders.

In a second step, the Communication could also address the issue of legal and financial framework conditions which are necessary to support the development of inland waterway transport, and possible further hurdles which have been detected during the first phase of implementation of the programme. On the basis of exploratory work of the Commission services as well as of the exercises undertaken in 2006 and 2007 (depending on their degree of completion, e.g. Funding handbook, Screening for administrative and regulatory barriers), it could be foreseen to fine-tune future measures under the Action Programme and to ask for feedback from stakeholders.

For example, the "NAIADES" Communication foresees the reassessment of "the financial potential of the Inland Waterways Reserve Fund, created under Council regulation 718/1999/EC and financed by the profession, in order to improve its use". To this aim, a "funding map" could be presented examining the possibility of additional sources of financing and outlining the concrete objectives, funding measures, rules and criteria of a potential Inland Waterway Innovation Fund. Another example could be the mapping of a "bottleneck" exercise following the "Screening of barriers" study mentioned above.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

A progress report on the implementation of the NAIADES Action Programme would essentially constitute a stocktaking exercise. Its impact could be to raise awareness of ongoing and planned action to promote inland waterway transport, to allow its coordinated development across the EU, and to lead to a comparison of best practices in different geographical areas (Member States or regions). It would allow maintaining the promotion of inland waterway transport on the political agenda and keep the momentum.

Fine-tuning the Action Programme on the basis of a first experience of its implementation, and considering the legal and financial framework conditions which are necessary for the coordinated development of inland waterway transport, could further strengthen the momentum for modernisation and innovation which can currently be observed not only in the sector but also in public administrations and with political decision-makers at different levels.

The Communication might present different options regarding additional sources of financing or regarding the concrete objectives, funding measures, rules and criteria of a potential Inland Waterway Innovation Fund, and foresee a stakeholder consultation on this matter. An impact assessment at this stage of the process does not seem appropriate. If such a subsequent consultation would result in a concrete proposal, it is clear that an impact assessment will be undertaken for any such future initiative.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

In January 2006, the Commission presented its Communication on the promotion of inland waterway transport (COM(2006)6 final) as well as an extensive Annex to the "NAIADES" Communication (SEC (2006) 34/3) containing additional data and background information on the sector.

The "NAIADES" Action Programme is based on a thorough assessment, namely a comprehensive market study carried out by a consortium on behalf of the European Commission, "Prospects of Inland Navigation within the Enlarged Europe" (PINE), September 2004. An extensive consultation with Member States and Industry took

place during 2005.

Further relevant information is available or can be gathered through a stakeholder consultation. The Commission would proceed to further impact assessment when the next step would be taken to further specify the different options in view of a future initiative.

6. Which stakeholders & experts will be consulted, how and at what stage?

The consultation of the professional organisations in the sector about the objectives, funding measures, rules and criteria of a possible inland waterway innovation fund has already started.

Depending on the available resources, further exploratory work would start in the first trimester 2007. Member States' experts shall equally be consulted at different stages.

7. Will an inter-service steering group be set up for the IA?

Yes.

**ROADMAP**

Proposal title: **Communication on complementarity and division of labour within the EU**

Expected date of adoption of the proposal: **February 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Complementarity was an important element of the Paris Declaration where donors agreed to make full use of their respective comparative advantages, while respecting the ownership of the partner country on how to achieve increased complementarity. The Paris Declaration states that excessive fragmentation of aid at global, country or sector level impairs aid effectiveness. It recognises that a pragmatic approach to the division of labour and burden sharing increases complementarity and can reduce transaction costs.

The European Union has agreed within the European Consensus to tackle this challenge. In April and October 2006, the Council gave the Commission a mandate to make a proposal that will enhance the division of labour within the EU.

Only through a coordinated approach steered by the Commission, as stated in the Treaty, is complementarity possible at EU level in this area of shared competences.

2. What are the main policy objectives?

With reference to our commitments in the 2005 Paris Declaration and European Consensus on Development, and in line with the Council Conclusions of April 2006, the main policy objective of this communication is to come up with a set of operational guiding principles on how to improve the division of labour between EU donors at both in-country- and cross-country levels, as well as on other dimensions of complementarity.

3. a) What are the policy options? b) What regulatory or non-regulatory instruments could be considered?

a) Option 1: A communication to bring about increased complementarity and division of labour at EU-level between Member States and Commission.

Option 2: No Commission action. This would correspond to a renouncement of the Commission right of initiative and a negation of the Council express request for Commission's action.

b) The proposal will be a policy document defining operational strategies in an area of shared competences where regulatory framework would be inappropriate.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

1) In case of option 1, both the Commission and Member States will be able to benefit from increased complementarity and division of labor at EU-level, and thereby contribute to increased aid effectiveness

2) In case of option 2, this benefit will not materialize.

**B. Planning of further impact assessment work**

5. a) What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

a) EU Member States data, the EU Donor Atlas, OECD/DAC database and DAC Report on Harmonization (HLF Paris 2005), Roadmap Reports (Council April 2005)

b) Two studies are currently being conducted – one by the incoming German Presidency, one case study on existing good practices in the field by the Commission

c) By external contractors by Spring 2007

d) The German study will focus on academic aspects (definitions, methodology), while the Commissions study will focus on practices developed in the field.

6. Which stakeholders & experts will be consulted, how and at what stage?

Process is a continuation of the mandate agreed in the GAERC of April 2006 and further developed in October 2006. They were based on Commission work developed jointly with the Presidency and based on technical seminars with experts from Member States. Further, similar technical seminars are scheduled for December 2006 and January 2007.

7. Will an inter-service steering group be set up for the IA?

No. The draft communication and attached documents will be discussed in the context of the inter-service group on Aid Effectiveness.

## ROADMAP

Title of the proposal: **Council Regulation applying a scheme of generalised tariff preferences**

Expected date of adoption of the proposal: **December 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

Screening yet to be performed.. Problems, however, if any, should normally be minimal because the differences between the planned Regulation in comparison to the Regulation it replaces are expected to be minor Potential problems could be (a)an increased competition for EU-Producers with regard to some products, (b) economic, social and environmental effects on GSP beneficiaries linked to a changed market access for some products (graduation / de- graduation, changes in product coverage)

2. What are the main policy objectives?

A communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee of 7 July 2004 entitled "Developing countries, international trade and sustainable development: the function of the Community's general system of preferences (GSP) for the ten year period from 2006 to 2015" sets out the guidelines for the application of the scheme of generalised tariff preferences for the period 2006 and 2015. The first Regulation implementing those guidelines is the Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences. This Regulation applies until 31 December 2008. Due to the ten-year overall framework, it has to be replaced by a second Council Regulation applying a scheme of generalised tariff preferences for the period 1<sup>st</sup> January 2009 until 31 December 2011.

On the overall policy objectives of the EU GSP are the integration of Developing Countries into the world trading system, the diversification of Developing Country exports to the EU and giving an incentive for sustainable development and good governance.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Since the planned Regulation is implementing the Communication of the Commission entitled "Developing countries, international trade and sustainable development: the function of the Community's general system of preferences (GSP) for the ten year period from 2006 to 2015" and that within this framework the application of the GSP-Regulation currently in force ends in December 2008 and has to be replaced, there are no options outside the Council Regulation to be prepared.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Possible Impacts on competitiveness of EU firms, on consumers and households, third countries and international relations, general environmental impacts, employment, standards and rights related to job quality (GSP+), governance (GSP+)

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

No data available, methodology to be determined

6. Which stakeholders & experts will be consulted, how and at what stage?

Beneficiary countries, Civil Society, methodology to be determined

7. Will an interdepartmental steering group be set up for the IA?

Yes, planned

**ROADMAP**

Title of the proposal: **Green paper on the establishment of the second phase of the Common European Asylum System**

Expected date of adoption of the proposal: second quarter 2007

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

With the adoption on 1 December 2005 of Council Directive 2005/85 on minimum standards on procedures in Member States for granting and withdrawing refugee status (the Asylum Procedures Directive), the first phase of the Common European Asylum System (CEAS) was completed. In the Hague Programme of 4-5 November 2004, the European Council reiterated that the aims of the Common European Asylum System in its second phase will be the establishment of a common asylum procedure and a uniform status for those who are granted asylum or subsidiary protection.

The Hague Programme also invites the Commission to conclude the evaluation of the first phase legal instruments in 2007 and to submit the second phase instruments and measures to the Council and European Parliament with a view to their adoption before the end of 2010.

It is clear that before the Commission puts forward proposals for the completion of the Common European Asylum Policy a thorough debate on the issues at stake with all actors involved in asylum policy is essential. Such debate would be organised around a green paper to be published by the Commission. The result of the debate will inform the preparation of the policy plan on asylum policy which will set out the roadmap of the Commission work towards the achievement of the CEAS.

The first phase legal instruments only aimed at establishing minimum standards in the field of asylum. It will be necessary to proceed to a higher degree of harmonisation if the objective of establishing a common European procedure is to be achieved. The completion of the first phase also means that the second stage instruments will be adopted under a new institutional framework comprising Qualified Majority Voting and Co-decision with the European Parliament. It is therefore even more essential to organise an open debate with several actors so that the different view can be incorporated in the future legislative work of the Commission.

2. What are the main policy objectives?

Stimulate debate and dialogue with all actors involved in asylum policy which will be taken into account in the preparation of the second stage legal instruments to be proposed by the Commission in order to complete the CEAS by 2010.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The mandate of the Commission to present second stage legal instruments in order to complete the CEAS is clear. The Green Paper will seek to stimulate critical debate around the contents of such instruments, in particular whether the amendment of current instruments is sufficient or whether new legislative initiatives should be considered.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

This assessment will only be possible after the conclusion of the public debate.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

1) In the course of 2006 the Commission will prepare two reports on the evaluation of the Dublin Regulations and the Reception Conditions Directive, which will already identify possible amendments to those instruments

and make policy suggestions which could be incorporated in the Green Paper for debate. The evaluation of the Dublin Regulations is carried out by the Commission, the evaluation of the Reception Conditions Directive will be based on a study contracted to an external contractor (already contracted)

2) In the course of 2006 a similar evaluation will be conducted on the Qualification Directive via an external contractor

3) The exchange of information which takes place regularly in different expert fora on asylum which are convened by the Commission (e.g. Eurasil) also provides for valuable information which will be used for the preparation of the Green Paper

4) Reports regularly produced by UNHCR and asylum NGOs on EC Asylum policy will also be taken into account

6. Which stakeholders & experts will be consulted, how and at what stage?

By the Green Paper, an open public consultation will be launched. Member States, EP, UNHCR, NGOs, civil society are in particular targeted.

7. Will an inter-service steering group be set up for the IA?

Not applicable.

**ROADMAP**

Title of the proposal: **Communication on trade defence instruments**

Expected date of adoption of the proposal: **July 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

Globalisation has made the practice of trade – between companies and between countries - more complex and more interconnected than it was in the past. To be able to respond to these changing circumstances, the Commission will analyse whether our trade defence instruments and our use of them take account of the new realities of globalisation. For example, we need to reflect on the re-location of EU domestic industry production to Asia and, therefore, if and to what extent the interest of de-localised companies are sufficiently taken into consideration in the Community interest test. Furthermore, we will analyse if we sufficiently take into account the welfare effects of our measures outside the Union, particularly when dealing with developing countries.

The Commission will launch a Green Paper in December 2006 on these issues and ask for contributions of stakeholders until March 2007. On the basis of this feedback the Commission will prepare a Communication that, in general terms, summarises the contribution and proposes policy implications if warranted.

2. What are the main policy objectives?

To assess the position of stakeholders on the question if EC trade defence instruments adequately respond to the challenges of globalisation and, if not, describe and discuss possible changes to EC trade defence instruments.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

As this is an open-ended reflection process it is not clear what precise policy options will be presented. The main point of attention of this reflection process is if, and how, we need to change the way the Community interest assessment is carried out in Anti-Dumping/Anti-Subsidy cases and how the interest of various types of domestic producers is taken into account

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Too early to say at this stage.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

Available: External evaluation study, results of stakeholder seminars held in 2005 and brainstorming session between the Commissioner and a selected group of external experts on 11 July 2006.

Additional information to be available: Feedback from stakeholders replying to the Commission Green Paper as well as results of a stakeholder seminar following the Green paper process.

6. Which stakeholders & experts will be consulted, how and at what stage?

Available: External evaluation study, results of stakeholder seminars held in 2005 and brainstorming session between the Commissioner and a selected group of external experts on 11 July 2006.

. Producers, traders, exporters from third countries, representatives of the law Community, and trade-unions will be specifically invited to participate in the stakeholder seminar following the Green Paper process.

7. Will an inter-service steering group be set up for the IA?

Too early to say as it is not clear if there will be policy implication or not.



Title of the proposal: **Communication on stocktaking of EU-Africa relations**

Expected date of adoption of the proposal (month/year): **September 2007**

### **A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The challenges Africa faces are multiple:

- Political challenges, including to prevent conflicts, conduct peace-building actions and peacekeeping
- Economic challenges, including in boosting trade – Africa accounts for only 1% of global trade today – and addressing infrastructure missing links
- Social and environmental challenges, including in addressing pandemics such as HIV/AIDS and tackling desertification

To respond to those challenges in an effective way, the is confront itself with some challenges

- To increase its aid effectiveness
- To enhance the coherence between different external and internal EU policies
- To increase its political leverage and to speak increasingly with one voice in political matters.

The EU Strategy for Africa, provides a roadmap to address these challenges

2. What are the main policy objectives?

- Maintain Africa on the political agenda
- Review progress in implementation of the EU Strategy for Africa
- Possibly, prepare proposals for EU-Africa Summit

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

1. EU disengages from its policy towards and cooperation with Africa; EU Strategy for Africa is not implemented at all
2. EU continues with its cooperation as it is currently doing; EU Strategy for Africa is not fully implemented, there is no ownership of the Member States of the Strategy
3. EU works in a more coordinated and coherent way; EU Strategy for Africa is fully used as a platform for increasing political visibility and effectiveness of EU action

No (non-) regulatory framework will be considered

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

- 1 Africa's problems increase; EU loses out as compared to emerging partners; EU action is less coordinated and less coherent
2. Development of Africa does not substantially improve
3. EU can contribute better to Africa's development, by
  - Increasing its aid effectiveness
  - Enhancing the coherence between different external and internal EU policies
  - Increase its political leverage

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The IA will focus on the new policy proposals, as compared to the Strategy for Africa. These proposals will result from (i) the progress report which will be made to the European Council in December 2006 and (ii) the work done to prepare the Joint Strategy, i.e. the dialogue with the AU and the wider consultation process.

New policy proposals are expected in the three main pillars of the Strategy for Africa and be based inter alia on:

- Political reports and mid-term review of cooperation under the 9th EDF
- Progress report of the Strategy for Africa

Additional statistical information from external sources (e.g. OECD, BWI, ...)

6. Which stakeholders & experts will be consulted, how and at what stage?

In the drafting of a Joint Strategy for Africa, ideally to be adopted in the second half of 2007, at the EU-Africa Summit in Lisbon, an extensive consultation process with civil society is foreseen. The EU-Africa Ministerial Troika meeting in Brazzaville, on 10 October 2006, defined the exact timeframe of this consultation process:

- Consultations with civil society and other stakeholders in all areas relevant to the Joint Strategy will be started as soon as possible. Joint EU-Africa meetings will be held in January 2007 to give visibility to the consultation
- Internet consultations will prepare and follow up these meetings in January 2007.
- Experts Group will consider the results of the consultation process in March, 2007.
- On the basis of the ongoing discussions within the Experts Group and outcome of the consultation process, then experts will agree on the draft final outline in time for the Troika to consider it in May 2007.

More precise information will be published on the website in the course of November: <http://www.europe-cares.org/africa/>

7. Will an inter-service steering group be set up for the IA?

Inter-service consultation will be undertaken by the existing inter-service group for EU-Africa relations and the implementation of the EU Strategy for Africa.

## ROADMAP

Title of the proposal: **Addressing trans-regional security threats through the Instrument for Stability:**  
Expected date of adoption of the proposal: **May 2007**

**A. Initial impact assessment screening**

## 1. What are the main problems identified?

Growing international openness, fuelled by globalisation, brings about important opportunities for economic growth and prosperity, but it also leads to vulnerability to a wide range of threats. The growing number of international flows of goods, people, money, etc. strongly increases interdependence and disruptions often have an impact across borders. Global and trans-regional threats represent an increasing challenge for security policy. Such threats must be responded to in a comprehensive and coherent way.

## 2. What are the main policy objectives?

The objective of the Communication is to promote awareness about the horizontal threats and challenges which affect both the EU and its partners and on how these can be addressed in transregional and global Community programmes, mainly in the context of the Instrument for Stability. A major focus will be on illicit trafficking, terrorism, organised crime and non- proliferation

## 3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The long term component of the Stability Instrument offers the Community an important opportunity to strengthen its role in the area of security policy. The programming and implementation of the long term component of the Instrument will ensure a certain degree of continuity in areas where the Community has historically made significant contributions (such as, for instance, certain anti-narcotics initiatives) while signalling a strategic shift to respond to the new priorities identified in the legal act. The Instrument will facilitate the development of multipurpose actions to address trans-regional challenges. Such actions should be based on close co-operation with partner countries and key actors, including Member States or international organizations.

## 4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

The approach being followed under the long term component of the Instrument for stability should over time increase awareness of the trans-regional and global context as well as of the security dimension in planning EC assistance. This can help improve comprehensiveness and coherence of the geographical as well as thematic programmes as far as security issues are concerned and lead to an increased coherence also in the overall implementation of security-related strategies of the Union.

**B. Planning of further impact assessment work**

## 5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

A series of studies have been financed under the pilot projects 2004-2005 in order to provide policy options and a factual basis for the further work with emphasis on non-proliferation and trafficking of conventional arms. Internal work will be necessary in order to assemble existing material related to other relevant areas.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Communication will be prepared in parallel with the programming of the Instrument for Stability, which involves a broad range of informal exchanges with all stakeholders (including civil society stakeholders) as well as consultations with all interested DGs. In particular DG JLS, TREN, ENTR, SANCO and DEV will be closely involved.

In addition to the Commission Services, consultations for the communication will involve the Council Secretariat, EU Member States and the European Parliament.

7. Will an inter-service steering group be set up for the IA?

Inter-service Steering Groups for Non-Proliferation of WMD and counter-terrorism already exist and can be used together with the existing network on mine action.

## ROADMAP

Title of the proposal: **Partnership and Cooperation Agreements with South East Asian Countries**

Expected date of adoption of the proposal: **First semester 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

The Commission Communication on "A new partnership with South East-Asia (COM(2003)399 final) identifies the main challenges for enhancing the relations with the region. The areas concerned are

- regional stability and the fight against terrorism,
- promoting human rights and good governance,
- mainstreaming justice and home affairs issues,
- injecting a new dynamism into regional trade and investment relations,
- continuing to support the development of less prosperous countries and
- intensifying dialogue and cooperation in specific policy areas.

2. What are the main policy objectives?

Strengthening the EU's relations with Southeast Asian countries, both bilaterally and regionally. Complementing the existing EC-ASEAN Agreement of 1980 by concluding bilateral Partnership and Cooperation Agreements with ASEAN countries will provide the EU with a legal basis for increased dialogue and cooperation in key policy areas such as: the fight against terrorism, human rights, transnational crime, migration, and trade.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

The conclusion of bilateral Partnership and Cooperation Agreements, including substantive trade and investment provisions, is a very important element in implementing the policy objectives. To that end, the Council authorized in 2004 the Commission to negotiate new bilateral Partnership and cooperation Agreements with six countries in the region (Thailand, Indonesia, Singapore, the Philippines, Malaysia and Brunei Darussalam). Negotiation of a new regional EC-ASEAN agreement is not possible due to the EU Common Position on Burma/Myanmar.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

The conclusion of these agreements will frame the basis for the new relationship with the South East Asian countries in two ways: first, the existing cooperation framework will be strengthened. Second, new policy areas will be addressed and be covered under an appropriate institutional framework.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

The negotiations with these countries start from a model agreement which is based on input from all Commission services concerned. The different Directorate Generals of the Commission provide the necessary information, data and advice in order to conduct the negotiations.

6. Which stakeholders & experts will be consulted, how and at what stage?

Relevant Commission services and other EU institutions, Member States and South East Asian authorities will be repeatedly consulted at various stages of the process.

7. Will an inter-service steering group be set up for the IA?

The negotiating rounds are prepared by inter-service consultation and meetings.

**ROADMAP**

Title of the proposal: **Proposal for an European Instrument for Democracy and Human Rights (EIDHR) Strategy Paper 2007 - 2010**

Expected date of presentation to College: **1 st quarter 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified?

The problems are those identified in previous Communications and Council resolutions relating to external relations, including the Commission Communication on a Thematic Programme for the promotion of democracy and human rights worldwide under the future Financial Perspectives (2007-2013) (COM(2006)23 of 25.1.06)

2. What are the main policy objectives?

The general objectives are to contribute to the development and consolidation of democracy and respect for human rights in third countries, in accordance with EU Treaty mandates, policies and guidelines. These objectives will be defined in the new Regulation of the European Parliament and of the Council on establishing a financing instrument for the promotion of democracy and human rights worldwide (European Instrument for Democracy and Human Rights) (COM(2006)354 final of 29.06.06) and then reflected in the Strategy paper.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

Not applicable – the draft Regulation defines the framework for implementation.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the enclosed guide)?

Performance indicators will be defined in the Strategy Paper.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when?

Information already assembled through consultations, evaluations etc will probably suffice. No external contracts are foreseen.

6. Which stakeholders & experts will be consulted, how and at what stage?

Continuous consultations with Commission services and Delegations, regular meetings and contacts with civil society (NGO networks); the European Parliament will be consulted in accordance with the provisions for democratic scrutiny; Member states will be consulted and approve the strategy paper in accordance with management procedures laid down in the Regulation..

7. Will an inter-service steering group be set up for the IA?

An Inter-Service Group on Human Rights exists for general coordination, through formal as well as informal cooperation between services.

**ROADMAP**

Title of the Proposal: **Regulation amending Regulation (EC) No 1049/2001 regarding public access to European Parliament, Council and Commission documents**

Date of Adoption:

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

Regulation 1049/2001 applies exclusively to documents held by the European Parliament, the Council and the Commission

2. What are the main policy objectives?

To comply with a commitment made by the President to the European Parliament and to adjust the Regulation on the basis of experience and case law.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

There is no other option than to amend the Regulation.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

The amendments to Regulation 1049/2001 that are being considered will not have a significant impact on the administrative work involved in its implementation.

**B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

A Green Paper will be published in 2006. The public consultation will provide input for the legislative proposals.

6. Which stakeholders & experts will be consulted, how and at what stage?

The Green Paper mentioned above is intended to trigger a public debate on the review of Regulation 1049/2001. Contributions are expected in particular from NGO's dealing with transparency and civil rights, economic operators, law firms and public authorities. Experts from Member States, both civil servants and academics will be consulted.

7. Will an inter-service steering group be set up for the IA?

No

## ROADMAP

Title of the proposal: **White Paper on Communication: Operational proposals**

Expected date of adoption of the proposal: **Second semester 2007**

**A. Initial impact assessment screening**

1. What are the main problems identified? Are they unlikely to be solved satisfactorily by the sole action of Member States? (principle of subsidiarity – necessity test)

The main problems identified in the White Paper on a European Communication Policy include the communication gap between the EU institutions and citizens. The poor knowledge of European issues results in low acceptance of, and participation in, political developments in the EU as well as little influence on the decision-making process.

Successful communication requires an operational partnership of the EU institutions; national, regional and local authorities and organisations and civil society in the Member States as well as involvement of key stakeholders including the media.

2. What are the main policy objectives?

The scope of the operational proposals is to define concrete action plans with financial measures on the basis of the proposals drawn-up in the final report on the follow-up of the White Paper on a European Communication Policy.

All the following chapters of the White Paper will be covered:

- defining common principles: A new institutional instrument for communication;
- empowering citizens: European meeting places;
- working with the media and new technologies;
- understanding public opinion;
- doing the job together: Towards a new partnership on EU communication.

3. What are the policy options? What regulatory or non-regulatory instruments could be considered?

As regards “Common principles”: a) A European Charter on Communication; b) Inter-institutional working programme to be implemented in partnership with Member States; c) Formal legal base for the Commission’s communication activities (art. 308);

As regards “Empowering citizens”

- : a) strengthening EU curricula in schools, creating a network of European teachers, and supporting educational and training programmes with European dimension;
- b) creating new meeting places for civic debate as well as virtual spaces for on-line discussion, helping civil society to run trans-national, national and regional projects, exploiting the existing and planned EU programmes; c) making the EU and national institutions more responsive, open and accessible; multilingualism;

As regards “Working with the media and new technologies”: NA

As regards “Understanding European public opinion”: a) Create an Observatory for European public opinion; b) Set up networks of experts on methods and analysis of public opinion.

As regards “Doing the job together”: a) Expand the use of management partnerships as foreseen in the Commission’s communication on implementing the information and communication strategy for the EU (COM(2004)196 final); b) Improve the inter-institutional cooperation in the IGI; c) Organise on a regular basis Europe debates in national Parliaments.

4. What are the impacts likely to result from each policy option and who is affected? Which impacts are likely to warrant further analysis (cf. list of impacts in the impact assessment guidelines)?

As regards “Common principles”: a) Stronger political commitment of all the partners involved in communication on EU issues; b) Better visibility on a multi-annual basis; c) Better legal framework for budget execution.

As regards “Empowering citizens”: Increased activity of citizens in the European public sphere and debates on EU issues to result in a better understanding of the EU.



As regards “Working with the media and new technologies”: a) Analysis of the current situation in the European audiovisual landscape with the help of the European Audiovisual Observatory via relevant indicators allowing regular monitoring; b) A digital tracking system will be implemented to monitor the use of EbS picture by broadcasters; c) Cost-efficiency and effectiveness of the co-funding will be pursued through relevant indicators of actual audience.

As regards “Understanding European public opinion”: Increase the quality of the dialogue with citizens by better understanding European public opinion.

As regards “Doing the job together”: a) Management partnerships assure higher visibility and better financial planning and programming; they can be considered as an instrument of good governance; b) Improving the inter-institutional cooperation will create synergies and allow shaping a corporate identity between the institutions; c) National Parliaments will be held more responsible for communicating and debating European affairs in public.

## **B. Planning of further impact assessment work**

5. What information and data is already available? What further information needs to be gathered? How will this be done (e.g. internally or by an external contractor) and by when? What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

A consultation period ran until the end of September. The Commission received contributions from individuals and institutional stakeholders. The White Paper has also been subject to analysis in the other EU institutions and Member States. The Council, Committee of the Regions and European Economic and Social Committee have already issued opinions and the European Parliament is to do so in November 2006.

A special Eurobarometer opinion poll has been prepared, with the principal aim to measure the understanding and acceptance of the actions laid down in the White Paper and flowing from the consultation period among two focus groups: public at large and decision-makers (CEO, public officials, NGOs, journalists). The results should be known in October/November 2006.

Operational measures have also been discussed on other occasions:

On “Common principles” and “Doing the job together”: Meeting of national information directors on 11 May 2006 in Brussels;

On “Working with the media and new technologies”: “Newsexchange” forum of TV press agencies, November 2006; Conference and stand at the MIPTV market, April 2007

6. Which stakeholders & experts will be consulted, how and at what stage?

Stakeholder conferences will cover each of the chapters of the White Paper (defining common principles; empowering citizens; working with the media and new technologies; understanding public opinion; and partnerships with other actors).

The conference on public opinion polling was held in Madrid on 27 October 2006. Other events are to take place in Bergamo (9-10 November), Helsinki (4-5 December) and Berlin (9 January) 2007. In addition, a date for a drafting seminar on a Charter on Communication remains to be specified. Participants include experts in the respective fields of interest, representatives of Member States and EU institutions, regional and local authorities; NGOs; think tanks and the media.

7. Will an inter-service steering group be set up for the IA?

External Communication Network already in place; meetings on a regular basis co-ordinated by DG COMM. In addition, close involvement of DG EAC (Empowering citizens) and meetings of Inter-institutional EbS Committee (Working with the media and new technologies).