

## Scrutiny of recent Inception Impact Assessments: Carbon Border Adjustment Mechanism and Revision of the Energy Taxation Directive

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The Impact Assessment Institute conducts regular analysis on Inception Impact Assessments (IIAs) adopted by the European Commission.

On 4 March 2020, Inception Impact Assessments on the Carbon Border Adjustment Mechanism and the Revision of the Energy Taxation Directive were published on the European Commission's website (<https://ec.europa.eu/info/law/better-regulation/initiatives>). Our scrutiny of them (below), evaluating the text according to Better Regulation principles, has identified good practice alongside a number of concerns.

Key: **Xx** = no material issues identified; **Yy** = issues identified; **Zz** = significant issues identified

IIA title	<u><a href="#">Carbon Border Adjustment Mechanism</a></u>	<u><a href="#">Revision of the Energy Taxation Directive</a></u>
<i>Context and problem definition</i>	Generally balanced, but more substantial explanations would have been useful; paragraph on ETS in problem definition belongs to context	Incoherence between context and problem definition in identifying of environmental and internal market dimensions; conclusion on legal base inconsistent with scope of problem definition
<i>Objective(s) and policy options</i>	Generally consistent and relevant, but additional detail on objectives and clearer definition of policy options would have been appropriate	Appears to provide an adequate overview of the broad objectives and the options under consideration
<i>Assessment of expected impacts</i>	Text correctly defers to upcoming assessment, but one case of an intention presented as likely outcome and potential	Mostly deferring to subsequent assessment, but inconsistent reference to revenue recycling;

	negative economic impacts are not acknowledged	impacts not differentiated by policy option
<i>Background data and sources</i>	Coherent plan for Impact Assessment but sources of background data not identified	Scope and sources of evidence base unclear
<i>Timeline (respect of Better Regulation rules)</i>	Aligned	Aligned