

THE NATIONAL HANDLING OF EU LEGISLATION - particularly with regard to the evaluation of economic impacts

Finland's membership of the EU has clearly increased both ministries' and Parliament's work load. One reason is that Union membership has brought with it the national preparation of EU legislation.

Ministries prepare two types of legislation: Government bills and EU legislation. These tasks differ considerably. In preparing Government bills the competent ministry plays a key role and Parliament does not participate in the preparation process itself. For the preparation of EU legislation, on the other hand, a system has been created in which more actors are involved. Ministries' role is still important but not as much as in the case of Government bills. In preparing EU legislation Parliament itself participates in the process in the substance stage.

The audit investigated whether Finnish authorities' practices in preparing EU legislation work well from the viewpoint of the information user, i.e. Parliament. A special point of interest was the evaluation of the economic impacts of EU legislation. The audit examined guidance in this area, ministries' procedures for evaluating economic impacts and informing Parliament, and the quality and scope of evaluations.

The audit was conducted by interviewing officials at ministries, various parliamentary committees, Finland's Permanent Representation to the EU and the European Commission. A questionnaire was also sent to ministries. In addition the audit took a closer look at three legislative projects to investigate practices in the preparation process. Probability and nonprobability samples were taken of completed EU legislation projects. The audit also examined U and E communications and U communication updates, which are used to inform Parliament, and their information content.

The audit indicated that the system created to prepare EU legislation works well. The system creates the preconditions for prepara-

tion in which different parties' viewpoints are taken into consideration in a comprehensive manner, without making preparation unreasonably difficult for those involved. The audit noted that the system lacks real strategic guidance, but every project is prepared the same way in principle. Strategic guidance at the system level would allow the anticipation of nationally important projects by setting aside adequate resources for their preparation, for example.

On the basis of preparation documents for completed EU legislation projects (basic memorandums and EU instructions), it appears that the evaluation of economic impacts is limited and focuses almost entirely on the analysis of possible costs. Benefits are not analysed. Evaluations are generally short, vague and monetary estimates are seldom given. There are no significant differences between ministries in the level of evaluations.

With regard to the content of U and E communications and U communication updates, which are used to inform Parliament, the audit observed that evaluations of impacts in these documents were better than in basic memorandums and EU instructions, but the difference was not very large. As the preparation of legislation proceeded, the quality of evaluations improved along with the supply of information.

The State Audit Office recommends that in preparing legislation projects, consideration should be given to strategic planning so that future legislation projects can be anticipated. The existence of an independent actor for this purpose would presumably take power away from the ministries, so this might be hard to accomplish.

The State Audit Office recommends that ministries pay more attention to seeing that the evaluation of the impacts of EU legislation meets the requirements of good preparation. Draftsmen should have both support for preparatory work and adequate instructions to guide them. Documents produced in the course of preparatory work should be properly recorded in the EUTORI information system. Instructions concerning the preparation of EU legislation should also be collected and revised so that matters that must be brought to the attention of Parliament are clearly defined. In the opinion of the State Audit Office, ministries' practices in preparing U and E communications should be harmonized. Furthermore standard headings should be used at least in U communications.

