

A short History of the ERIF – 1991 to 2021

The origins of the European Regulation and Innovation Forum (formerly ERF), an expert-led think tank that focuses on the quality of risk assessment and management decisions at the EU level, go back to the early 1990s. Initially a small group of thought leaders and business representatives from a wide variety of industrial sectors met to discuss new developments in the use of cost-benefit analysis and risk assessment when managing risks.

This was a period of intense interest, amongst many governments throughout the OECD area, in finding ways to improve the quality of regulatory decision-making. In 1993, US President Clinton established clear rules for assessing the regulatory impact of new Federal regulations, an approach endorsed by all subsequent Administrations till today. Canada took a similar approach, establishing regulatory decision-making standards, also in 1993. Leading academics endorsed these reforms. John Graham and Jonathan Weiner, both of Harvard University, for instance, highlighted the complexities of risk management decision-making, establishing the concept of risk-risk. And, Nobel laureate Kenneth Arrow articulated a powerful rationale for using impact assessment to improve the quality of environmental, health, and safety regulation in 1996.

This was quite novel at the time in Europe. In 1988, the famous Cecchini Report on the "cost of non-Europe" made explicit, arguably for the first time, the economic value of integrating Europe's markets into a single space, also through legislation. The first policy breakthrough was at the Edinburgh summit in 1992 when the concept of impact assessment was first noted at European Council level. This resulted in the "Declaration of estimated costs under Commission proposals" annexed to the Maastricht Treaty of 1993. Indeed, those reform efforts reflected a growing recognition amongst EU policy-makers of the need to improve the quality of regulatory decision-making, as a mechanism for improving public welfare, protecting health, safety, and the environment, and enhancing the legitimacy of state actions.

The work of the ERF was much stimulated at the global level by the work that the OECD initiated in 1995 on improving the quality of government regulation. This was encouraged by several governments and supported by BIAC – the then Business and Industry Advisory Committee to the OECD. Besides issuing recommendations and checklists on regulatory governance, the OECD undertook country studies that assessed of the quality of their regulatory frameworks. In those years, the importance of these ideas was endorsed at EU-level through the work of the Molitor and Westendorp groups in 1995.

The current Better Regulation agenda of the EU institutions finds its original form in the White Paper on European Governance of 2001, and specifically in the work of expert groups led by the then "Foresight Unit" of the Commission that were established to reform administrative and regulatory governance challenges – the fall of the Santer Commission as well as the poor record of EU-level management of health and safety crises in the 1990s, such as the so-called "tainted blood" scandal in France, the BSE ("mad cow") disease in the UK, or again the dioxin disaster in Belgium. At the same time, EU Member States committed to improving the performance of the EU regulatory processes through the establishment of the Mandelkern Group (2001).

Meetings of what was still then the Risk Forum became formalised in those years, under the aegis of the European Policy Centre (EPC), a widely known think tank in Brussels. The membership of the Forum expanded steadily and encompassed a wide variety of sectors, including food and drink, household care, chemicals, pharmaceuticals, tobacco, personal care, energy, building materials, oil and gas, motor vehicles, medical devices and biotechnology. In 2003, the work broadened into the Better Regulation Programme of the EPC within which sat the Risk Forum.

Over the years, the ERIF has produced significant reports and organised seminars, workshops and conferences on Better Regulation. The membership of some of the working groups has included academics as well as representatives of national governments and of the EU institutions. The involvement of these stakeholders has always been transparently communicated.

In 2007, the Risk Forum span off from the EPC and became independent with its own statutory basis, as "European Risk Forum". Initially established as a Belgian "Association de fait", it became an "Association Sans But Lucratif" in 2013, changing its name to the current European Regulation and Innovation Forum (ERIF) in 2021. A Board appointed by the General Assembly and headed by a Chairman governs the ERIF, and a Secretary General supported by an executive team manages its daily activities. The ERIF is funded by the annual contributions of its members.

The ERIF is registered in the EU Transparency Register since 2010 (Identification Nr. <u>52996964558-47</u>)

Throughout its history and by mission, the ERIF has acted purely as a think tank and has never been involved in lobbying for any particular product or sector. It engages with opinion-formers and policy-makers solely on 'horizontal', governance issues focused on public management of risk and regulatory decision-making.

The work of the ERIF is organised in a number of dedicated task forces that address themes of cross-sectoral importance such as the role of science in decision-making, the administrative state, international regulatory cooperation and the Innovation Principle.

The ERIF Innovation Task Force, in particular, was established in 2014 to inform the debate about the interface between regulation and innovation at the EU level.

The importance of understanding these complex relationships was identified by the OECD initially in 1997, as well as in a major report by UNICE (now Business Europe) in 1995. It is, moreover, a formal requirement of regulatory processes in many other parts of the OECD area. A good example is Canada, where the need to promote innovation, along with ensuring a high standard of protection, forms part of the binding statement of Federal regulatory principles.

The ERIF task force initially assembled support for a letter signed by CEOs of 22 leading companies who together employ 1.5 million people and invest Euro 30bn annually in innovation. The concept has been developed with support of the Council of European Ministers, the European Parliament and relevant parts of the EU Commission, as well as many groups that see innovation as essential to attaining the United Nations Sustainable Development Goals. The aim is very simple – to make sure that all new regulation takes account of the potential impact on innovation – but does not set out to position any particular innovation as being good or bad. The false notion that the Innovation Principle is opposed to the Precautionary Principle is incorrect and misleading, especially as innovation will be increasingly important to achieve sustainability. The ERIF considers both principles as being complementary and essential.