Better lawmaking 2004: application of the principle of subsidiarity. 12th annual report

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The Council held a policy debate on progress made under the “Better Regulation” initiative. In its Conclusion, the Council stressed the importance of an improved regulatory framework for growth, jobs and the need to enhance European competitiveness by reducing unnecessary burdens on business and citizens. The Council also reaffirmed the importance of simplifying the regulatory framework in accordance with the principles of subsidiarity and proportionality, while respecting the *acquis communautaire*. Based on the Conclusions of previous Council, the present Council, *inter alia*:

- Welcomes the Commission’s Communication “Implementing the Community Lisbon Programme: A strategy for the simplification of the regulatory environment” and its sectoral approach to industrial policy.

- Called on the Commission to adopt proposals based on the rolling simplification programme and to prioritise the simplification of its proposals.

- Recognises that in certain cases, and for the sake of legal clarity, Regulations may be more appropriate than Directives. The choice of legal instruments should continue to be made on a case by cases basis, taking full account of the proportionality and subsidiarity principles.

- Welcomes the Commission’s Communication on an EU common methodology for assessing administrative costs imposed by legislation.

- Welcomes the Commission’s screening initiatives and calls on the Commission to continue to monitor pending proposals in terms of their impacts with a view to modification, replacement or, where appropriate, withdrawal. In addition, the Council takes not of the new impact assessment guidelines covering the three pillars of sustainable development, strengthened competitiveness dimension and a methodology to measure administrative costs. In this context, the Council asks the Commission to prepare balanced integrated impact assessments for all major legislative proposals and to take full account of the principle of subsidiarity. In line with this development the Council has stated its intention to carry out impact assessments on substantive Council amendments in line with the Inter-institutional Agreement on better law-making.

- Reaffirms the importance of transparency in policy making and the need for timely stakeholder consultation.

- Reaffirms the importance of action by the Member States to improve the regulatory framework and takes note of the fact that many Member States are continuing with their efforts on better regulation as set out in their Lisbon National Reform Programmes.

At the same time as announcing these Conclusions, the Council agreed, without discussion, on an inter-institutional common approach to impact assessments aimed at improving the quality of EU legislation. This approach seeks to assess the impact of legislation processed by the European Parliament, the Commission and the Council, so that decisions can be made following a careful and detailed evaluation of the available evidence. Further, the common approach stipulates that the Commission will, as a general rule, carry out impact assessments on major items of draft legislation – and notably those included in its annual legislative programme. In return, both the Parliament and the Council will take account of the

impact assessment along with the Commission's initiative, taking them into account when preparing their own substantive amendments. Any substantive amendments proposed must map out their potential impacts in an integrated and balanced way as well as being based on accurate, objective and complete information. Lastly, all three institutions will publish their impact assessments on-line and the common approach will be reviewed after two years in the light of experience gained.