Strategy for the simplification of the regulatory environment, implementing the Lisbon strategy

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The present Commission Working Document is a direct follow-up to the October 2005 Communication COM(2005) 535: Implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment. It also complements the Communication on the "Strategic review of Better Regulation in the European Union".

This document takes stock of progress achieved in the implementation of the October 2005 simplification, addresses ongoing work in the pipeline and presents brand new initiatives which will enhance the simplification rolling programme covering the period 2006-2009. One of the key achievements of simplification is the progressive coverage of all EC regulatory areas. The Commission Working Document will also present a state of play in terms of codification.

In parallel, this first progress report addresses the success factors for achieving the simplification goals, in particular a solid set of methodologies, improved inter institutional cooperation with the European Parliament and the Council to take the work to the final stages, increased use of self-regulation and co-regulation as well as simplification at national level to ensure that the EU simplification benefits are not cancelled out by new national rules or technical barriers.

This document outlines a number of major simplification initiatives relevant for competitiveness confirmed for 2006/2007/2008:

• **Agriculture**: merging of the 21 Common Market Organisations into one single scheme;

• **Environment**: review of the Integrated Pollution Prevention and Control Directive (IPPC) and other related legislation on industrial emissions;

• **Construction** products Directive: revision of this Directive with a view to clarifying and reducing the administrative burden, in particular for SMEs;

• **Statistics**: lighten statistical reporting by economic operators, in particular SMEs;

• **Food/Feed labelling**: the modernisation of the legislation in this field;

• **Consumer protection**: rationalisation and simplification of the whole consumer protection *acquis;*

• **Cosmetics**: recasting the cosmetics Directive which has been modified more than 40 times;

• **Accounting and financial reporting standards**: Providing EU firms with an up-to-date set of Financial Reporting Standards by merging the current set of Regulation into one single and user-friendly Regulation;

• **Automotive Regulatory Framework**: the pending proposal for the revision of the framework Directive on type-approval of motor vehicles, when approved, will allow: i) the replacement of EC Directives by UN /ECE regulations. This simplification will streamline regulations and remove redundant requirements. Furthermore, it will help global industry to remove non-tariff barriers to trade, maintaining the EU's leading position as the developer of international standards and allowing industry to adapt faster to

technical developments at international level; ii) the introduction of necessary technical provisions for self-testing and virtual testing in 25 EC Directives and UN/ECE Regulations;

• **Access to the road transport market and profession**: recasting four regulations and one directive;

• Consolidation of the technical **New Approach**Regulations/Directives for the marketing of products around consistent definitions, simplified certification procedures and streamlined administrative cooperation so as to facilitate the commercialisation of products while protecting manufacturers against non- conforming products.

Based on the rolling programme launched last year, the Commission is reinforcing its simplification action with 43new initiatives for the period 2006-2009 to:

- stimulate innovation and reduce administrative burden stemming from regulatory requirements;

- reduce the total volume of the Community *acquis* and promote the transition to more flexible regulatory approaches.

In the future, the ongoing work on the reduction of administrative burden will feed into the simplification exercise which will, in his turn, contribute to an overall 25% joint reduction target for EU and national legislation to be achieved by 2012, as indicated in the “Strategic Review of Better Regulation”.

In line with this, the benefits of extensive consultations of stakeholders and impact assessments will help improve the quality of the Commission's new proposals and will better enable legislators to produce a regulatory environment that is in full compliance with the subsidiarity principle and is more conducive to competitiveness, innovation and growth. This is likely to alleviate the future simplification workload. Progress reports will be launched on a regular basis.