Better Regulation in the European Union

2007/2095(INI) - 14/11/2006 - Non-legislative basic document

PURPOSE: to analyse progress to date on the Better Regulation initiative.

CONTENT: the purpose of this strategic review is to analyse progress to date on the Better Regulation initiative and to map out the main challenges that lie ahead. Implementing Better Regulation is a joint responsibility – shared between the Member States and the European Union.

As the report states laws and regulations are fundamental. They ensure a fair and competitive market place, guarantee welfare, protect against public health scares and protect the environment from exploitation. Regulation also plays an important part in boosting productivity and employment.

The report recognises that now is the time to take stock of existing legislation and to see if it can be simplified – to ease burdens on operators and citizens and to ensure that it is clear, up-to-date, efficient and user friendly. Recognising the need for simplification, the European Parliament and the Council, have singed the Inter-institutional Agreement on Better Lawmaking, and are taking steps to apply Better Regulation in practice.

Nevertheless, the Commission argues that more can be done and as such is proposing the launch of an ambitious new strategy for reducing administrative burdens. Given that administrative burdens originate both in European and national legislation, the Commission proposes that a joint reduction target for administrative burdens of 25% to be achieved by 2012. It calls on the Member States, in the meantime, to take similar actions at national level with progress being reported in the National Reform Programmes.

The Better Regulation Programme: The Commission has given priority to simplifying and improving the regulatory environment. In 2005 it launched a Better Regulation programme, applying to all stages of the policy cycle. Thus, for existing legislation efforts have been being made to simplify and modernise the *acquis* (such as recasting, repealing, codifying or revising). For new proposals, a comprehensive system for assessing the impact of proposals and for consulting interested parties has been put in place. Care is taken to ensure that proposals are proportionate to the problem at hand and that any action is taken at the correct level – in other words that it respects the principle of subsidiarity. For pending legislation, the Commission is screening proposal to see if delays in adoption are due to the quality and relevance of the proposal and hence whether they should be withdrawn.

Progress to date and challenges ahead: Of the 100 proposal originally planned for 2005-2008 in the rolling simplification programme, 50 will have been adopted by the end of 2006. These include important proposal for business.

- *Reducing administrative burdens:* On the matter of reducing administrative burdens, the Commission has developed a common methodology for assessing administrative costs. It applies this in its own *ex ante* assessments for new legislation. At the Spring European Council, the Council will be asked to endorse a 25% reduction target for administrative burdens of EU and national legislation by 2012.
- *Codification and the repeal of obsolete legislation*: The Commission's codification programme involves about 500 acts in all sectors. These 500 codified acts will replace around 2000 acts in total. 85 acts have been finalised by the Commission; 52 have been adopted and published in the Official Journal; and 33 acts are pending before the Council and Parliament.
- *Improving the preparation of proposals*: The Commission has set up an integrated system for impact assessment and it has issued guidelines for major policy proposals. Since 2003 the

Commission has completed over 160 impact assessments. Since 2006 these have been translated into all official languages. An important new element is the creation of an Impact Assessment Board or IBA.

- *Screening and withdrawal of pending proposals*: Upon taking office in 2004 the present Commission decided to screen proposals adapted by the previous Commission to see if they aligned with the Growth and Jobs agenda. Based on this initiative, 68 pending proposal were withdrawn in early 2006. In 2007 a further 10 proposals will be withdrawn. The Commission will continue to regularly monitor pending legislation in order to make sure that it is up-to-date and relevant.
- *Applying EU law*: The Commission will continue to ensure the correct application of European laws. However, it is essential that Member States assume their responsibility in this respect. Where prevention fails the Commission will seek swift correction, focusing on key categories of cases such as the non-communication of national measures to transpose Directive, breaches of European law and the non-compliance with Court judgements.

Progress with Better Regulation in the Member States: Improving the regulatory environment in Europe depends on the contribution made by the Member States. It affects transposition and implementation as well as the quality of national and regional regulation. Most Member States now have a Better Regulation strategy and an institutional structure in place to support it. While about half of the Member States have developed a comprehensive simplification programme, many *ad-hoc* initiatives are being launched. The strategic review notes that improving the regulation process requires time, financial and human resources as well as an adjustment of current institutional structures.

Next Steps: The report sets out a number of targets that it wants to achieve over the coming years. In summary they include: the simplification of legislation; reducing administrative burdens; strengthening the role of impact assessments; screening the withdrawal of pending proposals; guaranteeing the transposition and application of EU laws; and continuing work on codification and the repeal of obsolete legislation.

Conclusion: The Commission concludes that whilst much has been achieved more needs to be done still in order to bring the agenda forward. The Commission asserts that it is strongly committed to playing its part and is taking major new initiatives to strengthen its impact assessment system as well as its simplification programme. It is also launching an unprecedented drive to cut administrative burdens. The Commission warns, however, that it can not succeed alone. It therefore calls on the European Council, the European Parliament and the Member States to endorse the priorities outlined in this Communication.