



Procedure file

Basic information		
INI - Own-initiative procedure	2007/2095(INI)	Procedure completed
Better Regulation in the European Union		
Subject		
8.50.01 Implementation of EU law		
8.50.02 Legislative simplification, coordination, codification		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	JURI Legal Affairs		18/12/2006	
		PSE LÉVAI Katalin		
	Committee for opinion	Rapporteur for opinion	Appointed	
	AFET Foreign Affairs	The committee decided not to give an opinion.		
	DEVE Development	The committee decided not to give an opinion.		
	INTA International Trade	The committee decided not to give an opinion.		
	BUDG Budgets	The committee decided not to give an opinion.		
	CONT Budgetary Control	The committee decided not to give an opinion.		
	ECON Economic and Monetary Affairs		24/01/2007	
		PPE-DE HÖKMARK Gunnar		
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.		
	ENVI Environment, Public Health and Food Safety		27/03/2007	
		PPE-DE OUZKÝ Miroslav		
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.		
	IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.		
	TRAN Transport and Tourism	The committee decided not to give an opinion.		
	REGI Regional Development		12/04/2007	
		ALDE ATTWOOLL Elspeth		
	AGRI Agriculture and Rural Development	The committee decided not to give an opinion.		
PECH Fisheries	The committee decided not to give an opinion.			
CULT Culture and Education	The committee decided not to give an opinion.			

	LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
	AFCO Constitutional Affairs	The committee decided not to give an opinion.	
	FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	PETI Petitions	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Competitiveness (Internal Market, Industry, Research and Space)	2801	21/05/2007
European Commission	Commission DG	Commissioner	
	Legal Service	BARROSO José Manuel	

Key events

14/11/2006	Non-legislative basic document published	COM(2006)0689	Summary
26/04/2007	Committee referral announced in Parliament		
21/05/2007	Debate in Council	2801	Summary
26/06/2007	Vote in committee		Summary
02/07/2007	Committee report tabled for plenary	A6-0273/2007	
03/09/2007	Debate in Parliament		
04/09/2007	Results of vote in Parliament		
04/09/2007	Decision by Parliament	T6-0363/2007	Summary
04/09/2007	End of procedure in Parliament		

Technical information

Procedure reference	2007/2095(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	JURI/6/48555

Documentation gateway

Non-legislative basic document		COM(2006)0689	14/11/2006	EC	Summary
Amendments tabled in committee		PE388.729	16/05/2007	EP	
Committee opinion	ENVI	PE388.425	06/06/2007	EP	

Committee opinion	ECON	PE388.546	06/06/2007	EP	
Committee opinion	REGI	PE388.354	25/06/2007	EP	
Committee report tabled for plenary, single reading		A6-0273/2007	02/07/2007	EP	
Text adopted by Parliament, single reading		T6-0363/2007	04/09/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)5401	18/10/2007	EC	
Commission response to text adopted in plenary		SP(2007)5402	24/10/2007	EC	

Better Regulation in the European Union

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 signed 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 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.

Better Regulation in the European Union

The Council took note of a Presidency progress report on the Better Regulation agenda (see Council document: 9164/07).

The Better Regulation agenda aims at improving the quality and form of the regulatory environment in order to strengthen EU competitiveness. It currently covers simplification of legislative texts, reduction of administrative burdens and preparation and examination of impact assessments on most legislative proposals.

Since the last progress report in December 2006 and thanks to the impetus given by the German presidency in cooperation with the Commission, many positive developments have taken place. These include the adoption and launch at the Spring European Council 2007 of the Action Plan for reducing administrative burdens which includes the commitment to reduce the administrative burdens arising from EU legislation by 25% by 2012.

Better Regulation in the European Union

The Committee on Legal Affairs unanimously adopted the report drawn up by Katalin Levai (PES, Hungary) on Better Regulation in the EU. It stated its strong support for the process of Better Regulation but stressed that such a process needs to be based on a number of preconditions, including the joint involvement of the Council, the Commission and the European Parliament; consultation of all relevant stakeholders, including nongovernmental organisations; strengthening accountability, in particular by opening Council meetings to public scrutiny when the Council is acting in its legislative capacity; and consideration of the economic, social, environmental and health aspects on an equal footing. The simplification process must under no circumstance entail lowering the standards contained in current legislation.

Whilst the measures outlined in the Commission communication demonstrate a clear commitment, still greater efforts are required in a number of areas to ensure that the maximum economic benefit is derived from internal market legislation.

The Committee fully supported the setting-up within the Commission of an Impact Assessment Board under the authority of the Commission's President, but felt that an independent panel of experts should be set up to monitor, by means of spot checks, the quality of opinions delivered by the Impact Assessment Board, and that representatives of interested parties should also be allowed to assist in conducting them. It was also necessary that the Impact Assessment Board should guarantee the application of a common methodology for all impact assessments, so as to avoid contradictory approaches and to facilitate comparability.

The Committee insisted that Member States provide an impact assessment for their initiatives in the area of police and judicial cooperation in criminal matters, pursuant to Article 34(2) of the EU Treaty. Member States should commit themselves to recognising a real obligation in this respect.

Furthermore, when monitoring the application of Community law by Member States, the Commission should oblige, and not merely invite, Member States to produce correlation tables and transposition notes, especially with a view to checking each national process of transposition of directives. To that end, the Committee was of the opinion that the Commission should call on Member States to adopt a common reference methodology.

The Committee deplored Member States' practice of 'gold plating', calling upon the Commission to investigate what further measures might be taken to prevent it, including the introduction of a right of direct action for citizens, and 'follow-up impact assessments' analysing how decisions are in fact implemented in Member States and at local level.

When presenting a legislative proposal, the Commission must avoid unclear and redundant expressions and preferably use plain and comprehensible language, whilst retaining terminological precision and legal certainty. The practice of using incomprehensible acronyms and the over-abundance of needless recitals must be abandoned.

Members strongly reaffirmed that better regulation must always imply the full involvement of Parliament both in the inter-institutional debate and, as a co-legislator, in the adoption of legislation subject to such a process. It was always open to Parliament to consider the appropriateness of the choice of legal instrument to be adopted (regulation, directive or decision) and/or to assess whether it may be preferable to use alternative regulatory methods.

Lastly, the new rules on comitology, which reinforce the scrutiny by Parliament and the Council of the implementing powers conferred on the Commission, constitute a further way of simplifying Community legislation, inasmuch as they allow wide-ranging regulatory powers to be transferred to the Commission as regards non-essential and technical details and thus permit Parliament and the Council to concentrate their legislative activity on more essential provisions.

Better Regulation in the European Union

The European Parliament adopted a resolution based on the own-initiative report drawn up by Katalin LEVAI (PES, HU) on Better Regulation in the EU. It expressed its strong support for the objective of ensuring that the regulatory environment is necessary, simple and effective, but

stressed that such a process should be fully transparent and based on the full involvement of the European Parliament with public scrutiny and wide and open consultation of experts and all the relevant stakeholders, including non-governmental organisations. Parliament also wanted the creation of an impact assessment board.

The resolution stated that the process of Better Regulation needed to be based on a number of preconditions: the joint involvement of the Council, the Commission and the European Parliament; consultation of all relevant stakeholders, including nongovernmental organisations; strengthening accountability, in particular by opening Council meetings to public scrutiny when the Council is acting in its legislative capacity; and consideration of the economic, social, environmental and health aspects on an equal footing. The simplification process must under no circumstance entail lowering the standards contained in current legislation.

Whilst the measures outlined in the Commission communication demonstrate a clear commitment, still greater efforts are required in a number of areas to ensure that the maximum economic benefit is derived from internal market legislation.

Since better lawmaking could not be achieved without an overall picture of the economic, social, environmental, health and international impact of each legislative proposal, Parliament fully supported the setting-up within the Commission of an Impact Assessment Board under the authority of the Commission's President in order to monitor the application of these principles in the drafting of impact assessments by the responsible staff of the Commission. It felt, however, that an independent panel of experts should be set up to monitor, by means of spot checks, the quality of opinions delivered by the Impact Assessment Board, and that representatives of interested parties should also be allowed to assist in conducting them. It was also necessary that the Impact Assessment Board should guarantee the application of a common methodology for all impact assessments, so as to avoid contradictory approaches and to facilitate comparability.

Any impact assessment must take into due account significant effects of a policy proposal on society, the environment and the economy. It must also take into due account all possible significant effects on vulnerable or minority groups as well as gender mainstreaming aspects and other sensitive target groups, for example ethnic minorities, parents bringing up children, the aged and permanently ill and disabled people ("social benchmarking").

Parliament insisted that Member States provide an impact assessment for their initiatives in the area of police and judicial cooperation in criminal matters, pursuant to Article 34(2) of the EU Treaty. Member States should commit themselves to recognising a real obligation in this respect.

Furthermore, when monitoring the application of Community law by Member States, the Commission should oblige, and not merely invite, Member States to produce correlation tables and transposition notes, especially with a view to checking each national process of transposition of directives. To that end, the Committee was of the opinion that the Commission should call on Member States to adopt a common reference methodology.

Parliament deplored Member States' practice of 'gold plating', calling upon the Commission to investigate what further measures might be taken to prevent it, including the introduction of a right of direct action for citizens, and 'follow-up impact assessments' analysing how decisions are in fact implemented in Member States and at local level. It recalled the importance of the judicious use of 'sunset clauses' in ensuring that legislation remains pertinent.

When presenting a legislative proposal, the Commission must avoid unclear and redundant expressions and preferably use plain and comprehensible language, whilst retaining terminological precision and legal certainty. The practice of using incomprehensible acronyms and the over-abundance of needless recitals must be abandoned.

Members strongly reaffirmed that better regulation must always imply the full involvement of Parliament both in the inter-institutional debate and, as a co-legislator, in the adoption of legislation subject to such a process. It was always open to Parliament to consider the appropriateness of the choice of legal instrument to be adopted (regulation, directive or decision) and/or to assess whether it may be preferable to use alternative regulatory methods.

Lastly, the new rules on comitology, which reinforce the scrutiny by Parliament and the Council of the implementing powers conferred on the Commission, constitute a further way of simplifying Community legislation, inasmuch as they allow wide-ranging regulatory powers to be transferred to the Commission as regards non-essential and technical details and thus permit Parliament and the Council to concentrate their legislative activity on more essential provisions.