#### **European Commission - Fact Sheet**



# **Better Regulation Agenda: Questions & Answers**

Strasbourg, 19 May 2015

## Why a Better Regulation Agenda?

The 2014 European elections showed that many citizens are concerned with what they perceive as an undesirable level of EU involvement in their daily lives. While some of this can be put down to misunderstanding about the EU's actual work, and a number of 'euromyths', we must also be self-critical and ask if the EU has acted only where it can add value to national initiatives.

It is for this reason that President Jean-Claude Juncker committed to a better regulation agenda and the appointment of a First Vice-President responsible for better regulation in the new Commission. In his <u>Political Guidelines</u>, which are the basis on which the Commission was elected by the European Parliament, President Juncker says: "I want a European Union that is bigger and more ambitious on big things, and smaller and more modest on small things".

The 2015 Commission Work Programme put this new approach into practice by proposing a limited number of new initiatives, in priority areas, and promising to present a Better Regulation agenda. The Commission's 2015 Work Programme set out 23 new initiatives proposed by the Juncker Commission, following the Political Guidelines presented to the European Parliament. In the previous five years, the Commission had proposed an average of over 130 new initiatives in each annual Work Programme.

The Better Regulation agenda should review not just what policy areas the EU focuses on, but also how to make sure that our law-making procedures remain at the highest standard in terms of impact assessment, transparency, public consultation, and implementation.

### What does 'better' regulation mean?

Better regulation means doing different things, and also doing them better. It does not mean to deregulate but rather to regulate better; achieving policy goals in the most efficient way, through EU rules when needed but also at national level and/or through non-regulatory means whenever that is sufficient. The Commission wants to update its law-making practices to ensure that they meet with modern requirements and citizens' expectations for maximum transparency and wide consultation. Stakeholders also expect our laws to effectively deliver on the social, environmental and economic objectives we have set, to be well scrutinised in terms of the burden they create for businesses, citizens or public administrations when they are implemented, and to have clear measures for their success which are revised where necessary.

The Commission already presented a streamlined Annual Work Programme for 2015, with a more focused list of priorities. Now it is making sure that the law-making process is updated to ensure best practices are widely used and the EU institutions only create legislation which is workable and delivers benefits for all without overburdening those who have to comply with it.

# Who is responsible for better regulation?

The European Commission is proposing a Better Regulation Agenda which concerns its own working methods and also sets out the framework for a new agreement with the European Parliament and Council. The Commission cannot deliver the better regulation agenda alone, it relies on a commitment from the co-legislators to do their part too.

Better regulation is a task for everybody in the European Commission. A new set of internal guidelines have been adopted today, which will serve as a toolbox to help the Commission's services to use the best practice tools required to design effective legislative and policy proposals.

The inter-institutional agreement proposed to the Parliament and Council calls on them to take up their responsibilities for better regulation. The Commission's ambition is to finalise negotiations on this agreement before the end of 2015.

# Does better regulation mean less regulation?

The Commission's approach to better regulation is not based on quantitative targets. We are aiming to deliver on a number of 'must have' policy priorities where there is clear EU added-value. This is in full respect of the established principles of subsidiarity and proportionality.

#### Will the Commission be less ambitious in its policy objectives?

The Commission is not changing any of its established policy goals through the better regulation agenda. The Commission is simply seeking to find the best way to achieve the ambitious objectives which we set ourselves. We want to make our rules easy to understand and implement so our policy objectives can be met.

# What is the new Regulatory Scrutiny Board?

As <u>announced</u> in December, the Commission is transforming its Impact Assessment Board into an independent Regulatory Scrutiny Board. The Board in its current form has been in place since 2006. Like the old Board, its role is to ensure the quality of the evidence and the technical analysis that informs political decision making, without any prejudice to the independence of the latter. It does so by scrutinizing the quality of impact assessments and main evaluations by focusing on their methodology in reference to guidelines and best practices. The Board does not assess policy or legislative proposals.

The new Board will have a chairperson plus six members. Members of the Board will be transparently selected and will include three non-EU officials for the first time, to ensure that we have the best expertise possible to assess best practice methodology for conducting ex post and ex ante evaluations of impacts in the social, environmental and economic fields. All members of the Board will be selected via rigorous and objective selection procedures on the basis of their expertise. An independent quality review mechanism for impact assessment and evaluations is a widely adopted international best practice (see 2012 OECD Recommendation on regulatory policy and governance).

The Commission is calling on the European Parliament and Council to make a shared commitment to better impact assessments. In a draft Interinstitutional Agreement, the Commission proposes that the Parliament and Council review how substantial changes to the Commission's legislative proposals will impact on the implementation of legislation in the Member States and the burdens created for those who must implement them.

### What is an Interinstitutional Agreement?

The draft Interinstitutional Agreement on better law-making complements existing Agreements between the three institutions on their joint working methods. The proposal sets out a vision of how the Commission, Parliament and Council will work together to use best practice in the adoption of all EU legislation. It presents working methods for individual legislative files, as well as a shared commitment to better annual and multi-annual planning and political support for the Regulatory Fitness and Performance (REFIT) Programme.

#### What is the expert panel proposed in the draft Interinstitutional Agreement?

Better law-making should result in legislation that is comprehensible and clear, setting rights and obligations which are easy to understand for the parties concerned, avoid disproportionate costs and be practical to implement. There is a risk that this may not always be the case when a proposal is significantly amended in the course of the legislative process. To avoid this, a technical and independent analysis of specific amendments can be necessary.

Accordingly, the Commission proposes that each institution may call for an analysis to be carried out by an ad hoc panel made up of three experts, one selected by each institution but acting independently from the institutions (given the technical nature of the exercise). Such an assessment should be finalised and made public within a reasonable amount of time and take into account any existing impact assessment work (on the Commission's proposal or on co-legislators' significant amendments).

This panel has no relation with the Commission's Regulatory Scrutiny Board or REFIT Platform.

### What is the REFIT programme?

As First Vice-President Timmermans has said, the EU should not automatically look to new legislation as the solution to any problem, it must also consider whether the existing body of law is fit for purpose, and make changes where necessary. The political will to review our existing stock of EU law, and improve it where necessary, must be shared by all three EU Institutions.

The REFIT programme was established by the Commission in 2012 to make EU law simpler and to reduce regulatory costs, contributing to a clear, stable and predictable regulatory framework supporting growth and jobs. Building on this work, the Commission intends to strengthen REFIT so as to achieve better, more tangible results.REFIT will be more:

- Targeted – by focusing on the most serious sources of inefficiency and unnecessary burden;

- Quantitative estimates of the potential benefits and cost savings will accompany each REFIT proposal; an update of the estimates will be published following adoption of the legislation; and the Commission will work together with Member States and stakeholders to check whether this potential is being translated into real impacts on the ground;
- Inclusive the new REFIT Platform will be an invaluable source of suggestions to improve EU laws;
- Embedded in political decision-making REFIT will feature prominently in each year's Commission Work Programme and in the Commission's political dialogue with the other EU institutions before and after the adoption of the Work Programme.

# What is the new REFIT platform?

The Commission is now establishing a new inclusive stakeholder mechanism, the REFIT Platform. The Platform will bring together high-level experts from business, civil society, social partners, the European economic and Social Committee and the Committee of Regions, as well as representatives from each of the 28 Member States.

It will collect suggestions for reducing regulatory burden and bring forward concrete ideas. The Commission will react to all of them and systematically explain how it intends to follow up.

Members of the Platform will be selected broadly to represent sectors, interests and regions in Europe and will have direct experience of applying EU legislation. The appointments will be made by the First Vice-President, following an open public call for expressions of interest. The Platform will be fully transparent, with a dedicated website publishing all suggestions, comments, input from members and external parties, summary minutes of meetings and comments by the Commission and Member State authorities as regards follow-up.

## How will the agenda boost transparency?

The Commission will increase its consultation with stakeholders throughout the full legislative cycle. In the past, there have been fixed points in the process for consultation with stakeholders. The new approach will increase transparency and the opportunity to provide feed-back at different stages of the legislative procedure. In addition to improved stakeholder consultation in the preparation and evaluation of Commission proposals, feedback will now also be invited on Roadmaps, Inception Impact Assessments and draft Delegated and Implementing Acts.

Furthermore, feed-back opportunities will also be extended to cover proposals after they are adopted by the College of Commissioners; an eight-week window will be opened after proposals are sent to Parliament and Council, and the Commission will collect and summarise the responses and then forward these to the co-legislators to consider as part of their legislative work.

The Commission is also renewing its commitment to listen to the views of stakeholders via an online tool called "Lighten the Load – Have Your Say". This feature on the Commission's Better Regulation website will also give everybody the chance to express their views on EU laws or new initiatives at any time. The portal provides a new interactive tool for consultative policy-making. The Commission will respond to all submissions.

# What will change with implementing and delegated acts?

For the first time, the draft texts of delegated acts – measures which amend or supplement non-essential elements of EU legislation – will be open for public comments on the Commission's website for four weeks. This is in parallel to the existing consultation of Member State experts.

Important implementing acts – setting out detailed or specific application of primary legislation – will also be made public for four weeks. This allows for stakeholder comments to be communicated to Member State experts in the relevant Committee, for their consideration when adopting their position.

The Commission will publish online an indicative list of upcoming acts, so that stakeholders can plan ahead accordingly.

## Will this new agenda slow the Commission down?

Better regulation is a compliment to sound political decision-making. While it is important to thoroughly prepare and assess all legislation there is nothing in the Better Regulation Agenda to slow the Commission down and stop rapid political decisions being taken when necessary.

#### Does this new agenda confer more powers on the Commission?

All of the measures set out today are in full respect for the imperatives of the co-legislators in the European Parliament and Council. These powers are clearly defined in the Treaties and the Commission is not seeking to change them.

Specifically on the question of impact assessments of substantial amendments introduced by the colegislators, the Commission is not seeking to reduce the political scope of the Parliament or Council, it is merely asking them to consider the impact of any major amendments they propose. The Commission is ready to support the impact assessment work carried out by the other institutions, who retain full autonomy in deciding how to organise their work.

# What impact does this have on the social partners?

When the social partners conclude an agreement between themselves, they can ask the Commission to make a proposal for a Council Decision to put the agreement into Union law. The Commission must decide whether to accept or reject the agreement, but cannot amend it. Like all Commission decisions, this will be informed by a proportionate impact assessment if the agreement is likely to have significant impacts. However, given the role and autonomy of social partners, specific arrangements will apply.

### What targets are you setting to measure your success?

The Commission does not believe that quantitative targets are the best way to achieve results for burden reduction. We find that it is better to listen to specific examples and suggestions that are raised with us and make sure they are tackled urgently and efficiently whenever this can be done without compromising the underlying policy objectives, rather than arbitrarily selecting issues because we have a numerical target to meet.

#### What is next?

The Commission will now start negotiations with the Parliament and Council on the proposed Interinstitutional Agreement, with the aim of completing negotiations by the end of 2015.

Recruitment for the external members of the Regulatory Scrutiny Board and the REFIT Platform will be launched by the end of June. The update of the existing online platforms and creation of new websites will be completed by the end of 2015.

#### More information

Press release on Better Regulation IP/15/4988

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General public inquiries:

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