

CEE Federations Initiative Meeting

May 28 – 29, 2015

Split, Croatia

For Information and Debate

“Better Regulation Agenda: Enhancing transparency and scrutiny for better EU law-making”

Background

On May 19th 2015 European Commission (EC) published new rules concerning Better Regulation Agenda (BRA). It introduced comprehensive package of reforms covering the entire policy cycle within the EU decision-making process. The basic aim of the package is to achieve “*better results for citizens and businesses through better EU rules*”.

Two basic objectives were introduced:

- a) to improve the quality of new legislation through better impact assessments of legislation drafts and amendments, and
- b) to promote constant and consistent review of existing EU laws. It is important to mention that the EC considers the BRA as not only bureaucratic exercise.

The better regulation package in brief

The package introduces three basic measures to fulfill its aim and objectives:

More Transparency and Consultation – there will be new opportunities for stakeholders to comment all legislation throughout the entire policy lifecycle, from the initial “Roadmaps (legislative plans)” to the final EC proposals. The EC will provide 12 weeks of consultations for feedbacks or suggestions for any new legislation in very early stage of preparation as well as for “fitness check” of existing legislation. After adoption of the proposal there will be another 8 week period to submit comments. As an additional possibility there will be another 4 weeks period for comments of real and existing drafted texts of delegated acts before execution of any vote by Member States in the relevant committees. There are also other measures to ensure more transparency such as: a) introductory impact assessments process, b) providing of improved explanatory memorandum which will accompany each EC proposal, and c) everyone (every citizen) will have a chance to present his views and make comments on EU legislation via a new website - the so called initiative “Lighten the Load – Have Your Say”.

Regulatory Fitness and Performance Program (REFIT) – the program connects together high-level experts from business, civil society, social partners, the Economic and Social Committee and the Committee of Regions and Member States. The new system will evaluate the existing stock of EU legislation in order to make it more effective and efficient. The system will propose changes to existing legislation and try to ensure that EU Parliament and Council will prioritize initiatives that will simplify and improve existing laws. The EC will establish a permanent and inclusive platform for dialogue with stakeholders and Member States on how to improve EU laws in the context of the REFIT.

Better impact assessments and quality control – The EC is planning to strengthen its approach to impact assessment and evaluations of all legislative proposals. It ensures that Commission's Impact Assessment Board will be transformed into more independent Regulatory Scrutiny

Board (members will have a more independent status and half of them will be recruited from outside the EC) and have an expanded role within the processes of impact assessments. The EC also proposes that impact assessments should be conducted throughout the legislative process (EU Parliament and Council), not just when the Commission prepares its proposal.

Topics for Discussion

1. Better regulation or less regulation?

The EC in the package: *"Better regulation is not about "more" or "less" EU legislation; nor is it about deregulating or deprioritizing certain policy areas. Better regulation is about making sure we (as EU) actually deliver on the ambitious policy goals we have set ourselves"*.

Business point of view: we have too many regulations in the EU. The EU needs less regulation.

2. Better regulation – for SMEs or for all businesses?

The EC constantly presents the so called "SMEs approach" (easing regulation for SMEs) stating that it pays *"particular attention to the rules that affect SMEs"*. There is a generally accepted tendency towards "improving" the business environment by "exempting" SMEs from burdensome regulations.

Business point of view: if it is relevant all regulations should be eased for all companies, not only for SMEs. Irrespective originally good intention, exemptions for SMEs create further distortions. Better regulation principles should be applied to all businesses within EU, not only SMEs.

3. Composition of REFIT Platform and Regulatory Scrutiny Board – any chance for CEE action and co-ordination?

For implementation of the Better Regulation Agenda it is crucial to have a functioning newly established bodies of the BRA (Regulatory Fitness and Performance Program and Regulatory Scrutiny Board). They will be composed of experts nominated by member states as well as selected by the Commission.

Business point of view: it is important to make efforts to have as many members of these bodies with pro-business views as possible. These efforts, ideally co-ordinated, should aim at: 1. national nominations, 2. nominations of BusinessEurope and other EU bodies where business is represented (European Economic and Social Committee), and 3. the selection process of the Commission.

Sources:

- **Better regulation for better results - An EU agenda.** WWW DOCUMENT <http://ec.europa.eu/smart-regulation/better_regulation/documents/com_2015_215_en.pdf>
- **Regulatory Fitness and Performance Program (REFIT): State of Play and Outlook.** WWW DOCUMENT <http://ec.europa.eu/smart-regulation/better_regulation/documents/swd_2015_110_en.pdf>
- **The REFIT Platform Structure and Functioning.** WWW DOCUMENT <http://ec.europa.eu/smart-regulation/better_regulation/documents/c_2015_3260_en.pdf>
- **DECISION OF THE PRESIDENT OF THE EUROPEAN COMMISSION on the establishment of an independent Regulatory Scrutiny Board** WWW DOCUMENT <http://ec.europa.eu/smart-regulation/better_regulation/documents/c_2015_3263_en.pdf>