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REPORT

on Better Regulation in the European Union
(2007/2095(INI))

Committee on Legal Affairs

Rapporteur: Katalin Lévai

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Better Regulation in the European Union (2007/2095(INI))

The European Parliament,

- having regard to its resolution of 26 October 2000 on the Commission reports to the European Council entitled “Better lawmaking 1998 – A shared responsibility (1998)” and “Better lawmaking 1999”¹,
- having regard to its resolution of 29 November 2001 on the Commission White Paper on European governance²,
- having regard to its resolution of 8 April 2003 on the Commission reports to the European Council entitled “Better lawmaking 2000” and “Better lawmaking 2001”³,
- having regard to its resolution of 26 February 2004 on the Commission report entitled “Better Lawmaking 2002”⁴,
- having regard to its resolution of 9 March 2004 on the Commission communication on simplifying and improving the Community’s regulatory activity⁵,
- having regard to its resolution of 20 April 2004 on assessment of the impact of Community legislation and the consultation procedures⁶,
- having regard to its resolution of 16 May 2006 on a strategy for the simplification of the regulatory environment⁷,
- having regard to its resolution of 16 May 2006 on Better lawmaking 2004: application of the principle of subsidiarity – 12th annual report⁸,
- having regard to its resolution of 16 May 2006 on the outcome of the screening of legislative proposals pending before the Legislator⁹,
- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 14 November 2006 entitled "A strategic review of Better Regulation in the European Union" (COM(2006)0689),

¹ OJ C 197, 12.7.2001, p. 433.

² OJ C 153 E, 27.6.2002, p. 314.

³ OJ C 64 E, 12.3.2004, p. 135.

⁴ OJ C 98 E, 23.4.2004, p. 155.

⁵ OJ C 102 E, 28.4.2004, p. 512.

⁶ OJ C 104 E, 30.4.2004, p. 146.

⁷ OJ C 297 E, 7.12.2006, p. 136.

⁸ OJ C 297 E, 7.12.2006, p. 128.

⁹ OJ C 297 E, 7.12.2006, p. 140.

- having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Legal Affairs and the opinions of the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety and the Committee on Regional Development (A6-0273/2007),
- A. whereas succeeding in attaining the objective of "Better Regulation" constitutes one of the main priorities for the European Union, as maximising the benefits of modern, rational and effective legislation whilst minimising its costs would ensure the highest level of productivity, growth, acceptance and, ultimately, employment throughout Europe,
- B. whereas the Commission, in its above-mentioned communication of 14 November 2006, analyses progress achieved in the area of better regulation and maps out the main challenges ahead, pointing out the progress to be made both at European level and at the level of the Member States and thus developing an overall approach aimed at making Community and national legislation easier to apply and hence less costly,
- C. whereas this approach, constituting for the Commission, the Council and the European Parliament a useful tool for achieving the aims of the Lisbon strategy, requires a close partnership in this area, first between the European institutions and then between the latter and the national authorities,
- D. whereas, in the above-mentioned communication, the Commission proposes to reinforce the scrutiny of impact assessments through the creation of an independent Impact Assessment Board under the authority of the Commission's President, and commits itself to taking more preventive action, following up with Member States at an early stage so as to facilitate the correct transposition of key directives,
- E. whereas, in the Commission's view, the European Parliament and the Council should provide more systematic impact assessments of major amendments to its proposals and give higher priority to pending simplification proposals, to codification and to the repeal of obsolete legislation,
- F. whereas the Commission proposes that Member States should in turn develop and enforce consultation mechanisms and simplification programmes, where these are missing, and should foster a more systematic assessment of economic, social and environmental impacts, along with an improved application of Community law,
- G. whereas better regulation is not exclusively about cutting red tape, reducing the administrative burden, simplifying existing legislation or deregulation but also involves ensuring that the legislative process is engaged with by all relevant governmental and non-governmental actors at all levels and that a close partnership is established between the European institutions and the national, regional and local authorities in order to deliver high-quality regulation,
- H. whereas every level of governance must be committed to better regulation in order to achieve any reduction in the administrative burden,

- I. whereas local and regional authorities often face the task of implementing and enforcing EU law,
 - J. whereas, finally, the Commission proposes that both the European Union and Member States should embark on an ambitious strategy for reducing administrative burdens originating in European and national legislation, and that the joint reduction target in this regard should be achieved by 2012,
1. Strongly supports the process of Better Regulation with a view to strengthening the effectiveness, efficiency, coherence, accountability and transparency of EU law; stresses, however, that such a process needs to be based on a number of preconditions:
 - (i) full and joint involvement of the Council, the Commission and the European Parliament;
 - (ii) wide and transparent consultation of all relevant stakeholders, including non-governmental organisations;
 - (iii) strengthening of the accountability of Community bodies for the regulatory process, and of the general transparency of that process, in particular by opening Council meetings to public scrutiny when the Council is acting in its legislative capacity;
 - (iv) any assessment aimed at simplification must consider economic, social, environmental and health aspects on an equal footing and should not be limited to short-term considerations;
 - (v) the simplification process must under no circumstance entail lowering the standards contained in current legislation;
 2. Supports the Commission's aim of improving the quality of legislation and reducing the administrative burden; believes that the measures outlined in the Commission communication demonstrate a clear and ongoing commitment to that aim, but considers that still greater efforts are required in a number of areas to ensure that the maximum economic benefit is derived from internal market legislation;
 3. Urges the Commission to make all necessary efforts to streamline and modernise the stock of existing Community legislation through an adequate simplification strategy which should properly involve the Member States and interested parties; nevertheless, reaffirms that, although the goal of better regulation is to be shared among all European institutions, the Commission plays a crucial role in preparing high-quality legislative proposals, which constitute the best starting-point for the whole simplification process;
 4. Urges the Commission to place greater emphasis on the implementation, enforcement and evaluation of Community legislation, as an essential part of the Better Regulation process;
 5. Agrees with the Commission that better lawmaking cannot be achieved without an overall picture of the economic, social, environmental, health and international impact of each

legislative proposal; fully supports, therefore, 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;

6. Stresses, nevertheless, that, in order to guarantee a minimum level of independent scrutiny in the drafting of impact assessments, 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;
7. Considers it 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;
8. Insists that Parliament be informed periodically of the decisions adopted by the Impact Assessment Board under the supervision of the President of the Commission, with a view to ensuring transparent dialogue between the two institutions.
9. Calls on the Commission to provide impact assessments presenting a sufficient number of scenarios and policy options (including 'do-nothing' options as necessary) as a basis for cost-effective, sustainable and socially acceptable solutions;
10. Considers it a general rule that any impact assessment must take into due account all possible significant effects of a policy proposal on society, the environment and the economy, and furthermore that, whenever possible and consistent with the relevant area of legislation, impact assessments 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");
11. Requests the Commission to consult all relevant stakeholders, and in particular national, regional and local authorities, when preparing an impact assessment so that the local or regional variations can be properly taken into account, and to notify the results of the impact assessment in good time to Parliament, to the Committee of Regions and to all relevant regional and local governmental bodies;
12. Considers that, to this end, all relevant stakeholders must be consulted, at all stages, possibly by having greater recourse to the Commission's website for the purposes of public hearings, the outcome of which might otherwise be aleatory, and through new and more structured ways of consultation, as envisaged in the Commission's Communication entitled "Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission" (COM(2002)0704); takes the view that, in this connection, the Commission must provide maximum transparency by publishing the reactions of interested parties;
13. Stresses that Parliament and the Council should provide more systematic impact

assessments of major amendments to Commission proposals;

14. Urges the Commission to specify the stage reached by impact assessments which have not yet been published, making it clear whether those assessments are still pending or have been withdrawn, postponed or restarted on different grounds, etc., and to consult interested parties on those still pending;
15. Insists 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; considers that Member States should commit themselves to recognising a real obligation in this respect;
16. Supports the Commission's exercise of periodical screening and withdrawal of pending proposals; maintains, however, that this exercise must be viewed in the light of the prerogatives of the various Community institutions in the legislative process, as defined in the Treaties, and in compliance with the principle of loyal cooperation among the institutions;
17. Is in favour of promoting principles-based legislation and focusing on quality rather than quantity; sees the better regulation debate as an occasion to reflect on legislation as a process designed to achieve clearly defined policy goals by committing all stakeholders to all phases of the process, from preparation to enforcement, and involving them therein;
18. Regards the experience of the Lamfalussy procedure in financial markets regulation, and the regulator-market participants dialogue in particular, as a valuable case for a dynamic legislative process;
19. Is of the opinion that the Lamfalussy procedure is a useful mechanism; considers the convergence of supervisory practices to be crucial; welcomes the work of the Level 3 committees in this respect and supports their call for an adequate toolbox; believes that giving supervisors room for manoeuvre can remove much of the burden of technical detail in legislation and produce adequate rules for a dynamic market; stresses, however, that this can never take away the political responsibility as regards the final objectives; insists that legislators should carefully monitor the process and reiterates that Parliament's rights in the legislative procedure should be fully respected;
20. Believes that the Commission should review the relevance of pending legislation on an ongoing basis and not only upon taking office, and that it should withdraw proposals which are no longer pertinent, paying particular attention to those which have been outstanding for some time;
21. Underlines that simplification is also required in the Commission's interaction with citizens, e.g. in the areas of procurement, financial services, research programmes, State aid rules and grant applications;
22. Supports in principle the quicker adoption of pending simplification proposals, but considers it necessary to assess on a case-by-case basis whether a proposal has broader implications, in which case more time will be required;

23. Is conscious of the fact that the legislative work within the Union could be undertaken in a more systemic way; therefore calls on the Commission to reconsider its working methods and the way it is organised so as to be able to address various issues in a more horizontal manner, the main purpose being to ensure greater coherence, to build on possible synergies and to avoid inconsistencies;
24. Considers that the Commission should take the views of Parliament into consideration when withdrawing pending proposals, in order to maintain the essential element of trust between the Commission and Parliament;
25. Welcomes the Commission communication withdrawing 68 proposals that it considered inconsistent with the objectives of the Lisbon Strategy and the principles of better regulation, but regrets that the Commission has withdrawn the proposal for a directive on the Statute for a European mutual society despite the fact that it is one of the key elements of the Lisbon Strategy, and therefore calls on the Commission to adopt an initiative before the end of 2007 to enable a Statute for a European mutual society and a European association to be drafted;
26. Accepts that the Council, like Parliament, must consider the impact of its major amendments upon the Commission's impact assessment; stresses the need for cost-benefit analyses that better reflect the complex regulatory cost structures when directives are implemented by way of national legislation and change the regulatory framework within which companies and individuals operate; strongly advocates transparency and independent scrutiny of the carrying-out of impact assessments under the full responsibility of the legislators in the context of their political priorities;
27. Fully supports any efforts on the part of the Commission aimed at the general strengthening of the enforcement of Community law through more preventive action, coupled with a process of following matters up with Member States at an early stage so as to facilitate the correct transposition of key directives, and recommends that Parliament be duly associated with such initiatives;
28. Considers that, 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, is of the opinion that the Commission should call on Member States to adopt a common reference methodology;
29. Considers that the emphasis placed on the importance of impact assessments should not lead to a situation within the Commission whereby resources intended for monitoring the correct transposition of Community law and for processing cases of infringement are re-allocated to impact assessments; stresses the need to increase resources aimed at ensuring that the application of Community law is effectively monitored;
30. Deplores Member States' practice of 'gold plating', and calls 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; calls for 'follow-up impact assessments' analysing how decisions are in fact implemented in Member States and at local level; supports the increased use, where appropriate, of regulations;

31. Recalls the importance of the judicious use of 'sunset clauses' in ensuring that legislation remains pertinent;
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32. Insists that, 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; considers, in particular, that the practice of using incomprehensible acronyms and the over-abundance of needless recitals must be abandoned; encourages all levels of government to use, whenever possible, clear language that is easily understandable by citizens;
33. Calls upon the Commission to ensure, while developing better regulation, that new regulations and their enforcement are consistent, justifiable, transparent and comprehensible for stakeholders and for beneficiaries;
34. Calls on the Commission, in the case of regulations, to produce in advance guidance notes on implementation for the benefit of the Member States, regional and local authorities and specialised agencies;
35. Strongly reaffirms 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; also stresses that it is 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;
36. Encourages the Commission to investigate alternatives to legislation with a view to improving the functioning of the internal market, including self-regulation and the mutual recognition of national rules, while stressing that this should not impede democratic scrutiny by the European Parliament and by Member States' parliaments; underlines that Community regulation must be seen in the context of international competition and global markets;
37. Considers that 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;
38. Welcomes the conclusions of the European Council of Spring 2007 on better regulation and, in particular, the decision to reduce administrative burdens arising from Community legislation by 25 % for small and medium-sized enterprises (SMEs) by 2012; considers that this target should result in more intelligent, more effective and more user-oriented legislation, reducing unnecessary burdens on SMEs without lowering the standards contained in the current legislation; supports, in particular, the decision of the Council to invite Member States to set national targets by 2008, and asks that the Commission and the Member States establish homogeneous monitoring mechanisms enabling this process to be effectively pursued in Member States at national, regional and local levels;

39. Calls upon the Commission to present annually its achievements and its plans for the achievement of promised goals of reducing the administrative burden;
40. Calls on the Commission to develop, in cooperation with the Council and the European Parliament, institutional reforms within the Community that will help to secure greater financial savings and will facilitate cooperation in ensuring better or more intelligent regulation;
41. Calls on the Commission to take into account, in its further work on better regulation, the results of the study requested by Parliament's Committee on the Environment, Public Health and Food Safety on the simplification process, "Simplifying EU Environmental Policy"¹;
42. Is concerned by the findings of various independent studies² that the Commission guidelines on impact assessments are not fully respected by Commission DGs, that the assessment and quantification of economic impacts have been emphasised at the expense of environmental, social and international impacts, that the costs of legislation are assessed far more than the benefits, and that short-term considerations overshadow long-term ones; welcomes the Commission's plans to set up an Impact Assessment Board and to establish external evaluation of the Commission's impact assessment system, both of which should contribute to ensuring that the persistent deficiencies listed above are finally overcome;
43. Supports the conclusion resulting from the study entitled "Simplifying EU Environmental Policy" that impact assessments can play an essential role in ensuring better regulation and that the quality of some assessments needs to be improved; urges the Commission to ensure:
- that adequate time and financial resources are allocated for these assessments;
 - that impact assessments consider economic, social, environmental and health aspects on an equal footing, both in the short and the longer term;
 - that impact assessments consider not only the costs of measures but also the costs of not addressing the environmental, public health or food issues;
 - transparency and input of all relevant stakeholders;
 - that the impact assessments are broad enough in scope and that they take into account the different national circumstances in the Member States;

recognises that impact assessments could also play an essential role in the case of

¹ 1P/A/ENVI/ST/2006-45.

² Institute for European Environment Policy (2004): Sustainable Development in the European Commission's Integrated Impact Assessments for 2003.

Institute for European Environment Policy (2005): For better or for worse - The EU's 'Better Regulation' Agenda and the environment.

European Environment and Sustainable Development Advisory Council (2006): Impact Assessments of European Commission Policies: Achievements and Prospects.

amendments proposed by the European Parliament or the Council having potentially significant impacts;

44. Calls on the Commission to further promote exchanges of information on best practices regarding simplification of EU environmental policy in the Member States, such as:
 - the use of information technology to reduce the administrative burden;
 - the simplification and integration of permit schemes and licensing, while safeguarding environmental and health standards;
 - the simplification and integration of the monitoring and reporting requirements, including the risk-based approach, while safeguarding transparency and effective implementation and enforcement;
45. Calls upon the Member States to develop and to implement consultation mechanisms with the regional and local authorities during the legislative process, to take into account their concerns during ministerial negotiations and to reinforce their role during the process of transposition and implementation of EU legislation;
46. Calls upon the Commission to work closely with all authorities in the Member States that are responsible for the transposition of EU legislation, and at the same time advises the Commission to organise seminars at local level too on the subject of the transposition of EU legislation into domestic law, so as to ensure that, by simple, comprehensible means, relevant information reaches stakeholders directly;
47. Calls upon the Member States to develop and to enforce necessary, efficient and clear procedures for better cooperation between the regional and central governments in order to facilitate the transposition process, and to recognise the increasing role of regions having legislative powers;
48. Encourages authorities in the Member States to draw up formal transposition strategies, in order to clearly define the roles and responsibilities of the regional and national governments for better and faster transposition;
49. Encourages the Commission to publish, where possible, the transposition guidelines for directives at the same time as the directives themselves, in order to allow national and regional governments to take them into account before starting the transposition process and to permit correct and timely transposition in the Member States;
50. Calls upon the Commission to speed up the completion of a comprehensive, freely accessible public database of national implementing laws, including regional variations where appropriate;
51. Takes the view that better regulation should not lead to a reduction in environmental, social and quality standards;
52. Calls upon the Member States to ensure that, when transposing EU legislation, they do not impose upon natural and legal persons obligations which go beyond what is required under the transposed legislation and which place an unnecessary administrative burden

upon, in particular, SMEs, which are the driving force behind the sustainable development of Europe's regions;

53. Requests the Commission to improve the provision of information about transposition and infringement proceedings, and to make this information public and easily accessible on the Commission's website.
54. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

I. Background

1. In recent years, the European Commission has become more and more concerned about the quality of Community legislation, both in terms of clarity and accessibility, on the one hand, and of effectiveness and positive impact on citizens and businesses, on the other. The Commission usually refers to all these goals as to "Better Regulation" or "Better Lawmaking".
2. As a matter of fact, Better Regulation aims at maximising the benefits of a modern, rational and effective legislation whilst minimising its costs, so that productivity, growth and, ultimately, employment can be ensured at the highest level throughout the European Union. As for its scope, Better Regulation covers policy making, from its initial conception through to implementation and enforcement starting with the careful application of the principle of subsidiarity.
3. On 14 November 2006, with a view to analysing progress achieved in this area and to mapping out the main challenges ahead, the Commission adopted a Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions concerning a "Strategic Review of Better Regulation in the European Union" (COM(2006) 689 final)¹.
4. After describing the current situation, the document points out the progress to be made both at European level and at level of Member States.
5. In particular, the European Commission should provide an updated simplification programme, aimed at reducing administrative burdens and reinforcing the scrutiny of impact assessments through the creation of an independent Impact Assessment Board under the authority of the President. The Commission will also embark on a general strengthening of the enforcement of Community law through more preventive action, following-up with Member States at an early stage so as to facilitate the correct transposition of key directives.
6. The Council and the European Parliament should provide more systematic impact assessments of major amendments to Commission proposals and give higher priority to pending simplification proposals, to codification and to repeal of obsolete legislation.
7. Member States should develop and enforce consultation mechanisms and simplification programmes, where missing, and foster a more systematic assessment of economic, social and environmental impacts, along with an improved application of Community law.
8. Finally, both the European Union and Member States should embark on an ambitious strategy for reducing administrative burdens. Given that administrative burdens originate both in European and national legislation, the Commission proposes that the Spring 2007 European

¹ The Communication is accompanied by two documents on the simplification of the regulatory environment (COM(2006) 690 final) and on measuring and reducing administrative costs (COM(2006) 691 final) which will be the object of two separate own-initiative reports.

Council fix a joint reduction target for administrative burdens of 25%, to be achieved by 2012. Member States should, in the meanwhile, take similar actions at national level.

II. Key points of the draft report

1. The Communication gives the Parliament a good opportunity to highlight some key points concerning the whole exercise of Better Regulation. The following might be taken into consideration as a starting point for the draft report to come:

- on impact assessment through the creation of an Impact Assessment Board: it is of the utmost importance that this body, which will offer advice and support in developing a culture of high-quality impact assessment inside the Commission, acts independently of the policy making departments. However, this does not necessarily mean that impact assessments must be carried out by external experts who do not belong to the Institutions¹. It is also necessary that the Impact Assessment Board helps develop a common methodology for all impact assessments;
- on impact assessment related to initiatives within the third pillar: instead of simply expecting Member States to provide an impact assessment for their initiatives in the area of police and judicial cooperation in criminal matters (see Article 34(2) of EU Treaty), a clear obligation should be laid down to this end (even though formally the Commission cannot oblige Member States);
- on language clarity: when presenting a legislative initiative, the Commission should avoid unclear and redundant expressions and have preferably recourse to a plain and understandable language, whilst keeping terminological precision and legal certainty; in particular, the abuse of incomprehensible acronyms and the overabundance of needless recitals must be abandoned;
- on the level of protection: in the context of the exercise of Better Regulation an appropriate level of protection and legal certainty shall be ensured. The intended purpose of rules and regulation has to be taken into account alongside with the evaluation of their costs;
- on the role of the European Parliament: it should be reaffirmed that Better Regulation must always imply the full involvement of the European Parliament both in the inter-institutional debate and, as a co-legislator, in the adoption of the legislation subject to such a process; it should also be taken into account that the European Parliament can always consider the appropriateness of the choice of the legal instrument to be adopted (regulation, directive or decision);
- on the role of Commission: when monitoring the application of EU law by the Member States: the Commission should oblige (and not only invite) Member States to produce "correlation tables", especially with a view to easily checking each national process of transposition of directives; to this end, the Commission could call on Member States to adopt a common reference methodology;

¹ But see European Council, 8-9 March 2007, Presidency Conclusions, point 21.

- on the developments of comitology: the new rules on comitology¹, which reinforce the scrutiny of the European Parliament and the Council on the implementing powers conferred on the Commission, constitute a further way of simplifying Community legislation in so far as it allows to transfer large regulatory powers to the Commission as for non-essential and technical details and thus permits the European Parliament and the Council to concentrate their legislative activity on more essential provisions.

¹ See Council decision 1999/468/EC of 28 June 1999 as amended by Council Decision 2006/512/EC of 17 July 2006.

6.6.2007

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Legal Affairs

on Better Regulation in the European Union
(2007/2095(INI))

Draftsman: Gunnar Hökmark

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Supports the Commission's aim to improve the quality of legislation and to reduce the administrative burden; believes that the measures outlined in the Commission communication demonstrate a clear and ongoing commitment to that aim, but considers that even greater efforts are required in a number of areas to ensure that the maximum economic benefit is derived from internal market legislation;
2. Promotes principles-based legislation and the focus on quality rather than quantity; sees the better regulation debate as an occasion to reflect on legislation as a process designed to achieve clearly defined policy goals by committing all stakeholders to all phases of the process from preparation to enforcement and involving them therein;
3. Considers the experience of the Lamfalussy procedure in financial markets regulation, and the regulator-market participants dialogue in particular, as a valuable case for a dynamic legislative process;
4. Is of the opinion that the Lamfalussy procedure is a useful mechanism; considers the convergence of supervisory practices to be crucial; welcomes the work of the Level 3 committees in this respect and supports their call for an adequate toolbox; believes that supervisors' room for manoeuvre can remove much of the burden of technical detail in legislation and produce adequate rules for a dynamic market; stresses, however, that this can never take away the political responsibility on the final objectives; insists that legislators should carefully monitor the process and reiterates that Parliament's rights in the legislative procedure should be fully respected;

5. Calls upon the Commission to present its achievements and planned efforts to achieve promised goals of reducing the administrative burden annually;
6. Believes that the Commission should review the relevance of pending legislation on an on-going basis and not only upon taking office and that it should withdraw proposals which are no longer pertinent, paying particular attention to those which have been outstanding for some time;
7. Welcomes the Commission communication withdrawing 68 proposals that it considered inconsistent with the objectives of the Lisbon Strategy and the principles of better regulation but regrets that the Commission has withdrawn the proposal for a directive on the Statute for a European mutual society despite the fact that it is one of the key elements of the Lisbon Strategy and therefore calls on the Commission to adopt an initiative before the end of 2007 to enable a Statute for a European mutual society and a European association to be drafted;
8. Accepts that Council as well as Parliament must consider the impact of their major amendments upon the Commission's impact assessment; stresses the need for cost-benefit analyses that better reflect the complex regulatory cost structures when directives are implemented by way of national legislation and change the regulatory framework within which companies and individuals operate; urges for the transparency and independent scrutiny of the execution of impact assessments under the full responsibility of the legislators in the context of their political priorities,
9. Deplores Member States' practice of 'gold plating' and calls 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; calls for 'follow-up impact assessments' analysing how decisions are in fact implemented in Member States and at local level; supports the increased appropriate use of regulations;
10. Recalls the importance of the judicious use of 'sunset clauses' in ensuring that legislation remains pertinent;
11. Encourages the Commission to investigate alternatives to legislation to improve the functioning of the internal market, including self-regulation and the mutual recognition of national rules; while stressing that this should not impede democratic scrutiny by Parliament and Member State parliaments; underlines that Community regulation must be seen in the context of international competition and global markets,
12. Underlines that simplification is also required in the Commission's interaction with citizens e.g. in the areas of procurement, financial services, research programmes, State aid rules and grant applications.
13. Welcomes the conclusions of the European Council of Spring 2007 on better regulation and, in particular, the decision to reduce administrative burdens arising from Community legislation by 25 % for SMEs by 2012; supports, in particular, the decision of the Council to invite Member States to set national targets by 2008 and asks that the Commission and the Member States define homogeneous monitoring mechanisms so that such process be effectively pursued in Member States at national, regional and local level;

14. Insists that Parliament be informed periodically of the decisions adopted by the Impact Assessment Board under the supervision of the President of the Commission with a view to ensuring a transparent dialogue between the two institutions.

PROCEDURE

Title	Better Regulation in the European Union	
Procedure number	2007/2095(INI)	
Committee responsible	JURI	
Opinion by Date announced in plenary	ECON 26.4.2007	
Enhanced cooperation – date announced in plenary		
Draftsman Date appointed	Gunnar Hökmark 24.1.2007	
Previous drafts(wo)man		
Discussed in committee	8.5.2007	4.6.2007
Date adopted	5.6.2007	
Result of final vote	+: 41 -: 0 0: 0	
Members present for the final vote	Gabriele Albertini, Zsolt László Becsey, Pervenche Berès, Sharon Bowles, Udo Bullmann, Ieke van den Burg, David Casa, Manuel António dos Santos, Jan Christian Ehler, Jill Evans, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Donata Gottardi, Dariusz Maciej Grabowski, Friedrich Hoppenstedt, Sophia in 't Veld, Piia-Noora Kauppi, Guntars Krasts, Andrea Losco, Astrid Lulling, Cristobal Montoro Romero, Joseph Muscat, Joop Post, John Purvis, Alexander Radwan, Dariusz Rosati, Heide Rühle, Eoin Ryan, Antolín Sánchez Presedo, Cristian Stănescu, Margarita Starkevičiūtė, Ivo Strejček, Sahra Wagenknecht	
Substitute(s) present for the final vote	Katerina Batzeli, Harald Ettl, Ján Hudacký, Werner Langen, Maria Petre, Gianni Pittella, Andreas Schwab	
Substitute(s) under Rule 178(2) present for the final vote	Anna Ferreira	
Comments (available in one language only)	...	

6.6.2007

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Legal Affairs

on "Better Regulation in the European Union"
(2007/2095(INI))

Draftsman: Miroslav Ouzký

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Strongly supports the process of Better Regulation with a view to strengthening the effectiveness, efficiency, coherence, accountability and transparency of EU law; stresses, however, that such a process needs to be based on a number of preconditions:
 - (i) full and joint involvement of the Council, the Commission and the European Parliament;
 - (ii) wide and transparent consultation of all relevant stakeholders, including non-governmental organisations;
 - (iii) strengthening of the accountability of Community bodies for the regulatory process, and of the general transparency of that process, in particular by opening Council meetings to public scrutiny when the Council is acting in its legislative capacity;
 - (iv) any assessment for simplification has to consider economic, social, environmental and health aspects on an equal footing and should not be limited to short-term considerations;
 - (v) the simplification process must under no circumstance entail lowering the standards contained in current legislation;
2. Supports in principle the quicker adoption of pending simplification proposals, but considers it necessary to assess case by case whether a proposal has broader

implications, in which case more time will be required;

3. Welcomes the 25% target for reducing the administrative burdens of Community and national legislation; considers that this target should result in smarter, more effective, and more user-oriented legislation, diminishing unnecessary burdens on SMEs, without lowering the standards contained in the current legislation;
4. Calls on the Commission to develop, in cooperation with the Council and the European Parliament, institutional reform within the Community that will help to secure greater financial savings and will facilitate cooperation in ensuring better or smarter regulation;
5. Urges the Commission to put more emphasis on implementation, enforcement and evaluation of Community legislation, as an essential part of the Better Regulation process;
6. Calls on the Commission to take into account the results of the study requested by the European Parliament's Committee on the Environment, Public Health and Food Safety on the simplification process, "Simplifying EU Environmental Policy"¹, in its further work on better regulation;
7. Is concerned by the findings of various independent studies² that the Commission guidelines on impact assessments are not fully respected by Commission DGs, that the assessment and quantification of economic impacts has been emphasised at the expense of environmental, social and international impacts, that costs of legislation are assessed far more than the benefits, and that short-term considerations overshadow the long-term; welcomes the Commission's intention to create an Impact Assessment Board as well as to establish external evaluation of the Commission's impact assessment system, both of which should contribute to ensuring that the persistent deficiencies listed above are finally overcome;
8. Supports the conclusion from the study "Simplifying EU Environmental Policy" that Impact Assessments can play an essential role in ensuring better regulation and that the quality of some of these Assessments needs to be improved. Urges the Commission to ensure:
 - that adequate time and financial resources are allocated for these assessments;
 - that impact assessments consider economic, social, environmental and health aspects on an equal footing, both in the short and the longer term;
 - that impact assessments consider not only the costs of measures but also the costs

¹ 1P/A/ENVI/ST/2006-45.

² Institute for European Environment Policy (2004): Sustainable Development in the European Commission's Integrated Impact Assessments for 2003.

Institute for European Environment Policy (2005): For better or for worse - The EU's 'Better Regulation' Agenda and the environment.

European Environment and Sustainable Development Advisory Council (2006): Impact Assessments of European Commission Policies: Achievements and Prospects.

of not addressing the environmental, public health or food issues;

- transparency and input of all relevant stakeholders;
- that the impact assessments are broad enough in scope and take into account the different national circumstances in the Member States.

Recognises that Impact Assessments could also play an essential role in the case of amendments proposed by the European Parliament or the Council with potentially significant impacts;

9. Calls on the Commission to further promote exchange of information on the best practices on simplification of EU environmental policy in the Member States, such as:
 - the use of Information Technology to reduce the administrative burden;
 - the simplification and integration of permit schemes and licensing, while safeguarding the environmental and health standards;
 - the simplification and integration of the monitoring and reporting requirements, including the risk-based approach, while safeguarding transparency and effective implementation and enforcement;
10. Is conscious of the fact that the legislative work within the Union could be undertaken in a more systemic way; therefore calls on the Commission to reconsider its working methods and the way it is organised so as to be able to address various issues in a more horizontal manner, the main purpose being to ensure greater coherence, to build on possible synergies as well as to avoid inconsistencies.

PROCEDURE

Title	Better Regulation in the European Union	
Procedure number	2007/2095(INI)	
Committee responsible	JURI	
Opinion by Date announced in plenary	ENVI 26.4.2007	
Enhanced cooperation – date announced in plenary		
Draftsman Date appointed	Miroslav Ouzký 27.3.2007	
Previous draftsman		
Discussed in committee	7.5.2007	5.6.2007
Date adopted	5.6.2007	
Result of final vote	+: 52 -: 0 0: 0	
Members present for the final vote	Adamos Adamou, Georgs Andrejevs, Liam Aylward, Irena Belohorská, Johannes Blokland, John Bowis, Hiltrud Breyer, Martin Callanan, Dorette Corbey, Chris Davies, Avril Doyle, Mojca Drčar Murko, Edite Estrela, Jill Evans, Matthias Groote, Jens Holm, Caroline Jackson, Dan Jørgensen, Christa Kläß, Eija-Riitta Korhola, Holger Kraemer, Urszula Krupa, Peter Liese, Jules Maaten, Linda McAvan, Alexandru-Ioan Morțun, Riitta Myller, Péter Olajos, Miroslav Ouzký, Antonyia Parvanova, Vittorio Prodi, Frédérique Ries, Guido Sacconi, Daciana Octavia Sârbu, Karin Scheele, Carl Schlyter, Richard Seeber, María Sornosa Martínez, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Marcello Vernola, Anja Weisgerber, Glenis Willmott	
Substitute(s) present for the final vote	Alfonso Andria, Iles Braghetto, Kathalijne Maria Buitenweg, Umberto Guidoni, Erna Hennicot-Schoepges, Miroslav Mikolášik, Alojz Peterle, Claude Turmes	
Substitute(s) under Rule 178(2) present for the final vote		
Comments (available in one language only)		

25.6.2007

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Legal Affairs

on Better Regulation in the European Union
(2007/2095(INI))

Draftswoman: Elspeth Attwooll

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. Whereas better regulation is not exclusively about cutting red tape, reducing administrative burden, simplifying existing legislation or de-regulation but ensuring that the legislative process is engaged with by all relevant governmental and non-governmental actors at all levels and that a close partnership is established between the European institutions and the national, regional and local authorities in order to deliver quality regulation,
- B. Whereas every level of governance must be committed to better regulation in order to achieve any reduction in the administrative burden,
- C. whereas local and regional authorities often face the task of implementing and enforcing EU law,
 1. Requests the Commission to consult all relevant stakeholders, particularly national, regional and local authorities when preparing an impact assessment so that the local or regional variations can be properly taken into account and to notify, in good time, the results of the impact assessment, Parliament, the Committee of Regions and all relevant regional and local governmental bodies;
 2. Calls upon the Member States to develop and to implement consultation mechanisms with the regional and local authorities during the legislative process, to take into account their concerns during ministerial negotiations and to reinforce their role during the transposition and implementation process of the EU legislation;
 3. Calls upon the Commission to work closely with all authorities in the Member States that are responsible for the transposition of EU legislation and at the same time advises the

Commission to organise seminars at local level too on the subject of the transposition of EU legislation into domestic law, so as to ensure that, by simple, comprehensible means, relevant information reaches stakeholders directly;

4. Calls upon the Commission to ensure, while developing better regulation, that new regulations and their enforcement are consistent, accountable, transparent and comprehensible for the stakeholders and the beneficiaries;
5. Calls upon the Member States to develop and to enforce necessary, efficient and clear procedures for a better cooperation between the regional and central governments in order to facilitate the transposition process and to recognize the increasing role of the regions with legislative powers.
6. Encourages authorities in the Member States to draw up formal transposition strategies, in order to clearly define the roles and responsibilities of the regional and national governments for a better and faster transposition;
7. Encourages the European Commission to publish, where possible, the transposition guidelines for the directives at the same time as the directives themselves, in order to allow the national and regional governments to take them into account before starting the transposition process and to permit a correct and timely transposition in the Member States;
8. Calls upon the Commission to speed up the completion of a comprehensive, freely accessible public database of national implementing laws, including regional variations where appropriate;
9. Takes the view that better regulation should not lead to a reduction in environmental, social and quality standards;
10. Encourages authorities within Member States to draw up correlation tables and transposition notes when transposing EU law;
11. Calls upon the Member States to ensure that, when transposing EU legislation, they do not impose upon natural and legal persons obligations which exceed what is required under the transposed legislation and which place an unnecessary administrative burden primarily upon small and medium-sized businesses, which are the driving force behind the sustainable development of Europe's regions;
12. Calls on the Commission, in the case of regulations, to produce in advance guidance notes on implementation for the benefit of the Member States, regional and local authorities and specialised agencies;
13. Calls upon the the Council, the European Parliament and the Commission to use clearer and more comprehensive language while drafting and amending legislative texts in order to avoid misinterpretation and therefore delayed or incorrect transposition and implementation; as well as encouraging all levels of government to use clear language that is easily understandable by citizens whenever possible;
14. Requests the Commission to improve the provision of information about transposition and

infringement proceedings, to make this information public and easily accessible on the Commission's website.

PROCEDURE

Title	Better Regulation in the European Union
Procedure number	2007/2095(INI)]
Committee responsible	JURI
Opinion by Date announced in plenary	REGI 26.4.2007
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Elspeth Attwooll 12.4.2007
Previous drafts(wo)man	
Discussed in committee	7.6.2007
Date adopted	25.6.2007
Result of final vote	+ : 22 - : 0 0 : 1
Members present for the final vote	Stavros Arnautakis, Wolfgang Bulfon, Gerardo Galeote, Iratxe García Pérez, Eugenijus Gentvilas, Ambroise Guellec, Marian Harkin, Jim Higgins, Filiz Hyusmenova, Mieczysław Edmund Janowski, Tunne Kelam, Miroslav Mikolášik, Lambert van Nistelrooij, Maria Petre, Markus Pieper, Wojciech Roszkowski, Elisabeth Schroedter, Grażyna Staniszevska
Substitute(s) present for the final vote	Jan Březina, Brigitte Douay, Mojca Drčar Murko, Zita Pleštinská, László Surján
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	...

PROCEDURE

Title	Better Regulation in the European Union				
Procedure number	2007/2095(INI)				
Committee responsible Date authorisation announced in plenary	JURI 26.4.2007				
Committee(s) asked for opinion(s) Date announced in plenary	ALL 26.4.2007				
Not delivering opinion(s) Date of decision	AFET 8.5.2007	DEVE 5.6.2007	INTA 7.5.2007	BUDG 23.5.2007	CONT 3.5.2007
	EMPL 13.12.2006	ITRE 7.6.2007	IMCO 7.5.2007	TRAN 21.11.2006	AGRI 12.4.2007
	PECH 29.5.2007	LIBE 21.5.2007	AFCO 26.4.2007	FEMM 2.5.2007	PETI 25.6.2007
	CULT 7.5.2007				
Enhanced cooperation Date announced in plenary					
Rapporteur(s) Date appointed	Katalin Lévai 19.12.2006				
Previous rapporteur(s)					
Discussed in committee	3.5.2007		26.6.2007		
Date adopted	26.6.2007				
Result of final vote	+ 17 - 0 0 0				
Members present for the final vote	Carlo Casini, Bert Doorn, Giuseppe Gargani, Lidia Joanna Geringer de Oedenberg, Piiia-Noora Kauppi, Klaus-Heiner Lehne, Katalin Lévai, Manuel Medina Ortega, Hartmut Nassauer, Francesco Enrico Speroni, Gary Titley, Tadeusz Zwiefka				
Substitute(s) present for the final vote	Sharon Bowles, Jean-Paul Gauzès, Kurt Lechner, Gabriele Stauner, Jacques Toubon				
Substitute(s) under Rule 178(2) present for the final vote					
Date tabled	2.7.2007				
Comments (available in one language only)					