



**COUNCIL OF
THE EUROPEAN UNION**



Council Conclusions on better regulation

*2871st COMPETITIVENESS
(INTERNAL MARKET, INDUSTRY and RESEARCH) Council meeting
Brussels, 29 and 30 May 2008*

The Council adopted the following conclusions:

"THE COUNCIL,

STRESSING the important role of Better Regulation in the context of the Lisbon reform agenda;

RE-AFFIRMING its view that an improved regulatory environment in the European Union, at Community and Member States level is a key component in delivering sustainable growth and jobs;

RECALLING

The progress report on Better Regulation presented to the Competitiveness Council on 22 November 2007;

The Competitiveness Council Key Issues Paper of 25 February 2008;

The Conclusions of the 2008 Spring European Council;

P R E S S

WELCOMES

The Commission's Second Strategic Review of Better Regulation in the European Union of 30 January 2008 and AGREES with its analysis of the progress made so far and the corresponding general direction of future work;

In this context, the Council calls for further specific action in the following areas:

I. Impact Assessment

1. UNDERLINES the importance of embedding effective use of impact assessment in the EU legislative process and WELCOMES the Commission's on-going efforts to improve its impact assessment system;
2. WELCOMES the Commission's intention to carry out a public consultation on its revised impact assessment guidelines;
3. BELIEVES that the quality of analysis in impact assessments could be improved through greater use of quantification and other measurement approaches for advantages and disadvantages, which could be facilitated, inter alia, by better guidance on identifying and quantifying economic, social and environmental impacts, including impacts on the Internal Market, SMEs and at the national and regional level, where appropriate; CONSIDERS that Member States' specificities should be taken into account;
4. WELCOMES the Commission's intention to increase the scope of impact assessment, based on a level of analysis which is proportionate, in particular to conduct impact assessments on the most important proposals and those having the most far-reaching impacts, including comitology proposals where appropriate, and CALLS ON the Commission to ensure that robust governance arrangements are implemented through the Impact Assessment Board;
5. CALLS ON the Commission to use more extensive and innovative methods of consultation, going beyond its Minimum Standards on Consultation where appropriate during the whole policy development process, including through clear and relevant information to stakeholders, as a means of testing out assumptions on costs and benefits of the policy options being considered, of gathering data on national and regional impacts, and engaging more with relevant stakeholders;
6. WELCOMES the Commission's intention to pay more attention to international impacts of policy initiatives on European competitiveness, inter alia through analysis of comparable existing regulation in relevant countries;
7. RECOGNIZES the importance of integrated impact assessment for further discussions of impacts in the Council and the European Parliament, and INVITES the Commission to make its impact assessments as clear and readable as possible, including the short executive summary giving key facts and figures of the assessment;
8. RE-AFFIRMS the importance that the document "Handling Impact Assessments in Council – Indicative Guidance for Working Party Chairs" be used systematically in all relevant Council preparatory bodies to assist the effective scrutiny of Commission impact assessments;

9. UNDERLINES the importance of the forthcoming review of the Inter-Institutional Common Approach to Impact Assessment and CONFIRMS that the Council will play a constructive role in this process, based *inter alia* on proposals from the Presidency, in particular with a view to enabling the Council to carry out impact assessments on substantive Council amendments where appropriate and necessary for the legislative process.

II. Administrative Burden Reduction

10. RECOGNIZES the significant role that removing excessive administrative burdens can play in improving the competitiveness of business, particularly SMEs, and the importance of increasing the predictability for business about the long term direction of regulation; STRESSES that administrative burdens on Member States' administrations should not be increased;
11. WELCOMES the Commission's consultation on the Small Business Act for Europe and the intention to identify the main obstacles that affect the competitiveness of SMEs;
12. NOTES, in this context, that progress in reducing administrative burdens would be undermined by additional administrative costs resulting from new legislative proposals and, therefore, CALLS ON the Commission to ensure that impact assessments thoroughly analyse the administrative costs with a view to avoiding all unnecessary burdens;
13. WELCOMES the adoption of the Commission's second batch of fast track actions; UNDERTAKES to examine proposals which will come before the Council as a matter of priority; and INVITES the European Parliament to do likewise;
14. NOTES the progress made to date on implementing the Action Programme on Reducing Administrative burdens and BELIEVES that facilitating speedy agreement and implementation of proposals in the EU institutions and the Member States will be important if the 25% reduction target at EU level is to be achieved by 2012;
15. TAKES NOTE of the proposals on Company Law presented by the Commission on 17 April 2008 and LOOKS FORWARD to further proposals to reduce administrative burdens in this key area;
16. WELCOMES that sixteen Member States have set national targets. Member States who have not already done so should set where possible national targets to reduce administrative burdens, in line with the conclusions of the 2007 Spring European Council; UNDERLINES the importance for incoming National Reform Programmes for Growth and Jobs to include information on administrative burdens reduction measures;

III. Simplification

17. RECOGNISES that simplification of existing EU legislation can make an important contribution to competitiveness, particularly of SMEs, while ensuring legal certainty and respecting the *acquis communautaire*;

18. BELIEVES that greater progress must be made to implement the simplification rolling programme, and WILL CONSIDER how the examination of simplification proposals could be speeded up, within the framework of existing decision-making procedures;
19. WELCOMES the Commission's initiative to screen the *acquis communautaire* as a means of identifying additional proposals for simplification;
20. UNDERLINES the necessity to improve the legibility and accesibility of community law for citizens, consumers and businesses, in particular through better electronic diffusion of law;
21. STRESSES the importance that all EU institutions actively communicate the benefits of simplification measures to stakeholders.

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IV. Concluding remarks

THE COUNCIL

RE-AFFIRMS its intention to monitor progress in all areas of Better Regulation with a view to reporting to the Spring European Council and INVITES the Commission to consider phasing in the reporting of significant changes in administrative burdens through existing reporting mechanisms."
