

18 October 2018

Stocktaking of the Commission's 'better regulation' approach – public consultation

CONTEXT

On 17 July 2018 the Commission launched a public consultation on the stocktaking of its 'Better Regulation' approach. The consultation addresses the effectiveness of various better Regulation tools, and specifically focuses on public consultations, evaluations, impact assessments and regulatory scrutiny. In the view of BUSINESSEUROPE, the Better Regulation agenda should be developed further under the next Commission and become a permanent programme. Stakeholder involvement is a key aspect in this process and should continue to be ensured throughout the Better Regulation approach. BUSINESSEUROPE recently adopted six strategy papers on Better Regulation which are attached to this questionnaire.

RESPONSE TO THE PUBLIC CONSULTATION

1. The Commission and better regulation – general questions

Question 27

Are you informed about the Commission's plans early enough to be able to take part in the policy-making process?

policy-	making process?
	Yes, fully
\boxtimes	Yes, mostly
	Sometimes
	No, not usually
	No, not at all
	Don't know
•	ion 28 u satisfied with how the Commission involves members of the public, businesses, overnmental organisations and other interest groups?
	Yes, very satisfied
\boxtimes	Yes, satisfied
	Neither satisfied nor dissatisfied
	No, dissatisfied
	No, very dissatisfied
	Don't know



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Please feel free to explain your answers. We would like to know what works well (and should be kept) and what doesn't (and needs review).



During this Commission term, many positive steps have been made in the area of Better Regulation. BUSINESSEUROPE highly appreciates the efforts to achieve regulatory simplification and to improve the transparency and quality of EU decision-making which should remain a top priority for the EU. In particular the REFIT-Platform has made a positive contribution to reduce regulatory burdens.

Nonetheless BUSINESSEUROPE still sees areas where improvement is needed:

- In our view, the Better Regulation agenda should be developed further under the next Commission and become a permanent programme. Stakeholder involvement is a key aspect in this process and should continue to be ensured throughout the Better Regulation approach.
- BUSINESSEUROPE finds that in particular in the area of regulatory simplification and burden reduction, more work remains to be done. An overtly complex regulatory environment limits companies' possibilities to innovate and prosper. We recommend that the bottom-up system through the REFIT-Platform is continued by the next Commission.
- In addition, we find that more transparency on the transposition of directives in the national context is essential to avoid that burdensome regulation is unjustly attributed to the EU.
- To ensure the quality and transparency of EU decision-making, consultations and evaluations should be carried out correctly, allowing sufficient time for input and should not be steered towards predetermined outcomes.
- As evidence-based EU decision-making is of great importance for companies, not only the Commission proposal but also the final outcome of the legislative process should in our view be covered by an impact assessment.
- Transparency, most notably in relation to impact assessments and trilogues, also remains a matter of importance.
- Finally, EU rules should be flexible enough to allow for innovation and new business models. In particular in fast-changing market contexts such as digital, the requirements following from EU rules need to be sufficiently future-proof.

2. Consulting the public and interested parties

When preparing new or revising existing laws and regulations, the Commission asks interested parties for their ideas and views as well as for factual information. The idea is to give those likely to be affected by EU policies an opportunity to be heard.

Members of the public and representatives of interest groups can provide input throughout the policymaking process in a number of ways (all of which you can find on the Commission's central consultation page, Have Your Say). They can:

- comment on roadmaps and inception impact assessments (these documents present the Commission's initial ideas, announce the launch of an impact assessment process or explain its absence and also provide an overview of the planned public and targeted consultations)
- participate in public consultations
- comment on legislative proposals
- comment on draft delegated or implementing acts (these acts complement existing laws to update them or to help implement them)
- Suggest ways to improve existing laws, via the 'Lighten the Load' tool



Individual Commission departments also regularly hold targeted consultations of stakeholders through events, working groups, or questionnaires published on the respective department's web page or sent to experts.

The aim of this section is to identify what parts of the stakeholder consultation processes are working well and find out how the Commission can improve them further.

Question 34

Are roadmaps and inception impact assessments useful to help you prepare you
participation in the policy-making process?

	Yes, fully
	Yes, mostly
	Partially
\boxtimes	No, mostly not
	No, not at all
	Don't know

Question 35

Please feel free to explain your answer.

BUSINESSEUROPE welcomes the Commission's intention to keep stakeholders informed at an early stage. Having said that, we observe that roadmaps and inception impact assessments often fail to provide sufficient information for stakeholders to provide meaningful input. Roadmaps and inception impact assessments should therefore be as detailed as possible so that stakeholders can participate adequately at an early stage of the process.

Question 36

Are you satisfied with the following opportunities to contribute to the policy-making process?

	Yes, very satisfied	Yes, satisfied	Neither satisfied nor dissatisfied	No, dissatisfied	No, very dissatisfied	Don't know
Opportunity to comment on roadmaps and inception impact assessments			×			
Public consultations						
Opportunity to comment on draft delegated and implementing acts						



Opportunity to comment on Commission legislative proposals		×		
Opportunity to suggest ways to improve existing laws (Lighten the Load)	×			

Please feel free to explain your answer.

BUSINESSEUROPE greatly appreciates the significant efforts that have been made over the past years to improve participation and provide stakeholders with more and better opportunities to contribute to EU policy making. Notable are the revision of the Better Regulation Guidelines and Toolbox for public consultations, and the work of the REFIT Platform on this issue. The "Contribute to law-making" website is also very useful as it bundles all consultation opportunities in a single site.

Nonetheless BUSINESSEUROPE still sees areas where improvement is needed in the way that feedback is gathered from stakeholders and used by the Commission:

- When preparing consultation strategies, the Commission services continue to apply the consultation guidelines and tools incoherently and inconsistently
- It should be ensured that the design of the consultations supports evidence collection for the impact assessments and extend the mandate of the Regulatory Scrutiny Board (RSB) to assess the link between the consultations and impact assessments.
- More frequent use should be made of targeted consultations and divide consultations on complex issues in expert interviews and interviews for the general public.
- The received feedback should be weighed according to its representativeness and the explanatory memorandum should explain in greater detail how consultation feedback has been taken up and used.
- The set-up of consultation documents is often problematic and should be addressed, which we detail further in our response question 39 below.
- The timeframe to comment on draft delegated and implementing acts, four weeks, is too short.
- Regarding the question above on roadmaps and inception impact assessments, we
 wish to note that the formulation of the question is unclear, which is why
 BUSINESSEUROPE has opted for a neutral response. On the one hand we are
 pleased that the opportunity to comment on roadmaps and inception impact
 assessments exists, however on the other hand we see that they often fail to provide
 sufficient information for stakeholders to provide meaningful input.



Question 38Are you satisfied with the following aspects of the Commissions *public* consultations?

	Yes, very satisfied	Yes, satisfied	Neither satisfied nor dissatisfied	No, dissatisfied	No, very dissatisfied	Don't know
Clarity of questionnaires				⊠		
Length of questionnaires				×		
Neutrality of questionnaires						
Opportunity to make relevant comments or provide supporting material						
Availability of different language versions		×				
Length of consultation period (12 weeks)		×				

Question 39

Please feel free to explain your answer.

While the replies to these questions depend on the consultation in question, we notice that in general the design of public consultation questionnaires requires further improvement. Questionnaires should not be too long, allow for open answers or comments and not use prejudiced questions; consultation forms should be provided in an editable format; questions should be simple and clear; uploading position papers should always be possible as an additional feature; and it should be possible to answer all the questions in the questionnaire irrespective of answers provided and the nature of stakeholders.

We appreciate the Commission's commitment to ensure consultations are more accessible in different EU languages.

The Commission should ensure sufficient time to respond, and never carry out consultations over holiday periods (in particular July-August, second half of December). For "feedback" consultations and consultations on draft delegated and implementing acts, the four-week consultation time should be extended; for the latter, there should be sufficient time for the Commission to consider changes to the draft prior to the vote in the Committee.



Are you satisfied with how the Commission reports on the results of its public consultations and the other opportunities to comment?

	Yes, very satisfied
	Yes, satisfied
	Neither satisfied nor dissatisfied
\boxtimes	No, dissatisfied
	No, very dissatisfied
	Don't know

Question 41

Please feel free to explain your answer.

Despite the reporting undertaken by the Commission, there is still uncertainty among stakeholders as to whether, or to which extent, the feedback provided is taken up in both the impact assessment and the final proposal.

Question 42

Do you have any other ideas for improving the Commission's stakeholder consultation practices? We would like to hear examples of good practice from both EU and non-EU countries.

Further to the specific observations and suggestions provided in response to the questions above, as a general point of advice we would recommend that awareness is increased in the Commission services of better regulation principles and practices, for example by regular mandatory training. We believe that this would have an overall positive impact on the Commission's stakeholder consultation practices.

3. Evaluating existing EU laws

The Commission regularly assesses how well existing EU measures - laws, policies, and financial programmes, for instance – are working.

An assessment of existing EU measures is called an 'evaluation' (and, where several EU measures are examined collectively, a 'fitness check'). Assessments enable the Commission to decide whether particular EU measures are still justified, or whether they need to be simplified or improved (e.g. to cut out unnecessary regulatory costs or inconsistencies, adapt measures to take account of new developments, make them work better, or even repeal them)

The REFIT programme and the REFIT platform help the Commission identify the areas where it needs to focus its efforts, to simplify legislation and reduce any burdens caused by EU action. The state of play of such initiatives are tracked by the REFIT Scoreboard.

Question 43

Are you satisfied with the following aspects of the Commission's evaluations?

Yes, very	Yes, satisfied	Neither satisfied	No, dissatisfied	No, very dissatisfied	Don't know
satisfied		nor			
		dissatisfied			



Transparent assessment of what works and what doesn't		\boxtimes	
Usefulness of evaluations for policy-making		×	
Transparent information about all relevant impacts (benefits and costs) of existing legislation		\boxtimes	
Focus on simplification and cutting unnecessary costs ('REFIT programme')	×		

Please feel free to explain your answer.

The 'evaluate first principle' ensures that existing legislation is reviewed before changing the rules or introducing new ones. This is important for business because it ensures stability and coherence of EU action. In our view therefore, the 'evaluate first' principle should be respected.

The current system of ex-post assessments is however less advanced than that of ex-ante assessments (impact assessments), and we find that the execution of ex-post evaluations requires improvement in particular with regards to design and methods.

Question 45

Is the REFIT platform effective in identifying areas where legislation can be simplified and unnecessary costs cut while preserving policy objectives?

Ш	res, fully
\boxtimes	Yes, mostly
	Partially
	No, mostly no
	No, not at all
	Don't know

Question 46

Please explain your answer.

BUSINESSEUROPE is positive on the work of the REFIT-Platform and its impact on better regulation. Because the platform has been able to put forward high-quality opinions on a wide variety of issues following submissions by stakeholders, citizens and national administrations, it is important that it is continued by the next Commission and becomes a permanent body.

It is however unfortunate that the REFIT-Platform is currently not sufficiently known to the affected stakeholders. The visibility of the REFIT-Platform should therefore be improved, for



example by a social media campaign and targeted outreach to umbrella organisations. A further idea could be the organisation of an annual conference.

Question 47

Do you have any further ideas about how to improve the Commission's evaluations? Please feel free to share examples of good practice from both EU and non-EU countries.

In addition to our general remarks on the 'evaluate first' principle under question 44 above, we would like to offer the following ideas for improvement for evaluations and fitness checks:

- Both evaluations and fitness checks should be completed within a reasonable timeframe.
- For evaluations of individual pieces of legislation, the Commission should take evaluations into account when revising existing or preparing new regulation; there should be additional clarification on when an opinion of the Regulatory Scrutiny Board on an evaluation is needed; evaluations should also be discussed in Council.
- For fitness checks, the roadmap should contain a reasoned explanation on the choice of the pieces of legislation that are included in the fitness check, and of the legal links and the policy links between these pieces of legislation; the roadmap should also clearly indicate the different consultation channels that are foreseen in the context of the different studies performed by external consultants for the Commission.

4. Assessing new Commission proposals

Impact assessments support the Commission's policy proposals. They assess:

- The pros and cons of a range of policy options designed to address one or more problems, using evidence from previous evaluations and consultations
- Conformity with the principles of <u>subsidiarity</u> and <u>proportionality</u>
- Potential for simplifying existing legislation and cutting any unnecessary regulatory costs, in line with the Commission's REFIT programme.

All impact assessments are published on a <u>central web page</u>. Members of the public and people with a special interest in the issue at hand can comment on impact assessments accompanying legislative proposals.

Question 48

Are you satisfied with the following aspects of the Commission's impact assessments?

	Yes, very satisfied	Yes, satisfied	Neither satisfied nor dissatisfied	No, dissatisfied	No, very dissatisfied	Don't know
Transparent information about all the relevant impacts (benefits and costs) of different policy alternatives				×		
Assessment of the potential for simplifying existing						



legislation and cutting unnecessary costs			
Usefulness to inform the Commission's decision-making	×		
Usefulness to inform the European Parliament's and the Council's decisionmaking	×		

Please feel free to explain your answer.

BUSINESSEUROPE is in favour of evidence-based decision-making supported by impact assessments. While we appreciate the steps that have been taken on this issue, we would like to emphasize that impact assessments are still not carried out for all relevant Commission proposals. It is key that impact assessments are carried out diligently and updated throughout the legislative procedure. Certain types of delegated and implementing acts also benefit from a fully-fledged impact assessment.

We appreciate the Commission's effort to improve the quantification of costs and benefits in their impact assessments, and strongly support quantification where possible.

Question 50

Do the Commission's impact assessments analyse the most relevant and important issues? (e.g. impacts on SMEs via the SME test, etc.)

In terms of the content of the impact assessment, we find that there is still room for improvement. The assessment should be transparent regarding the methods used, the options explored and the data used. It should also be possible to compare the impact of the different options. In addition, in the data used to support the impact assessment it should be possible to distinguish between consultation input and scientific evidence; it should be explained how feedback from stakeholders has been incorporated. The way the assessment is set up should allow for an actual assessment of the impact. Building on the experiences gained from the better regulation toolbox for innovation, a reflection should be developed on how to scale-up the implementation of the innovation principle.

Question 51

What more can the Commission do to justify its proposals with regard to <u>subsidiarity</u> and <u>proportionality</u>?

While we acknowledge that an impact assessment should allow leeway for political decisions based on the options explored, we find that the proportionality of legislative proposals at times leaves to be desired. We encourage the Commission to address this issue through a more enhanced proportionality assessment on the side of the Commission and/or of the RSB.

Question 52

Do you have any further ideas about how to improve the Commission's impact assessments? Please feel free to share examples of good practice from both EU and non-EU countries.



- The mandate of the Regulatory Scrutiny Board (RSB) should be extended to cover instances of failure to provide an impact assessment with the legislative proposal; opinions of the RSB should be published at the time of their adoption. In view of its increasing workload, it should be ensured that the RSB has the necessary capacity to carry out its work.
- More commitment from EP and Council is necessary, clearly defined in practical terms, to carry out impact assessments in case of significant amendments and to define what is a 'significant amendment'. We encourage the Council to increase their in-house impact assessment capacities. The final outcome of the legislative process should be covered by an evidence-based impact assessment.
- As BUSINESSEUROPE has previously suggested, draft impact assessments should be published before the legislative proposal is adopted by the Commission. These draft impact assessments should be published on the RSB's website. The publication of inception impact assessments is not sufficient, as these provide too limited information to provide meaningful comments.
- To ensure that the draft proposals reflect the impact assessments, when impact assessments are submitted to the RSB they should be accompanied by the draft proposal. The RSB's mandate should be extended to verify that the options put forward in the impact assessment correlate to the proposed legislative text.
- We encourage the Commission to start a reflection process, involving all relevant stakeholders, to further scale up the innovation principle within the Better Regulation Agenda. Its successful implementation would translate into a powerful stimulus to invest in innovation and it would set the basis for more inclusive and sustainable growth, and prosperity for all.

5. Scrutinising the quality of impact assessments and evaluations

The Regulatory Scrutiny Board (RSB) became operational in 2016. It is appointed by the President of the Commission. It has 7 full-time members, of which 3 are externally recruited. The Board quality controls impact assessments and major evaluations. It ensures that facts and stakeholder views are fairly presented to decision-makers. Its opinions are published.

Question 53

Please indicate the level of your agreement with each of the following statements:

	strongly agree	I tend to agree	l tend to disagree	l strongly disagree	Don't know
I am familiar with the Regulatory Scrutiny Board.	×				
There is sufficient regulatory scrutiny of EU impact					



assessments and evaluations.			
Regulatory scrutiny adds value to the overall regulatory process.			
The Regulatory Scrutiny Board is impartial.			
The Regulatory Scrutiny Board opinions are informative.	×		
The Regulatory Scrutiny Board opinions promote evidence-based policies.	×		
The Regulatory Scrutiny Board increases the quality of Commission proposals.	×		
The Regulatory Scrutiny Board increases transparency of Commission policy- making.	×		
The Regulatory Scrutiny Board increases accountability of Commission policy- making.			

Do you have any comments on the Regulatory Scrutiny Board?

The Regulatory Scrutiny Board is in our view a valuable actor and enhances regulatory scrutiny. The impact of the RSB's work can be further improved by publication of the opinions of the RSB at the time of their adoption. In view of its increasing workload, it should be ensured that the RSB has the necessary capacity to carry out its work. In our opinion, the mandate of the RSB should be enhanced, most notably in the following areas:

- the mandate should cover instances of failure to provide an impact assessment with the legislative proposal;
- the RSB should be able to verify that the options put forward in the impact assessment correlate to the proposed legislative text; when impact assessments are submitted to the RSB they should therefore be accompanied by the draft proposal.



the mandate should cover assessment of the link between consultations and impact assessments.

We much appreciate the grid that is used for question 53, as it gives sufficient room for a nuanced answer ('level of agreement') on this matter.

6. F	inal questions
Pleas	e select up to three areas where the Commission has made (relatively more) ess since 2014, if any. (3 choices)
	Transparency of the policy-making process Consultations Evaluation
	Impact assessments
\boxtimes	Scrutiny of regulatory proposals
	How the different 'better regulation' tools work together Other
	etion 56 er' please specify
Estal	plishment of the REFIT-Platform to improve regulatory simplification.
	stion 57 se select up to three areas where the Commission should make improvements in sture.
	Transparency of the policy-making process
	Consultations
\boxtimes	Evaluation
	Impact assessments
	Scrutiny of regulatory proposals
	How the different 'better regulation' tools work together
	Other

Question 58

If 'other' please specify.

Not applicable.

Question 59

How could the Commission simplify its better regulation approach to ensure the timely development of proposals while ensuring that these continue to be based on evidence?

While we acknowledge that there can be a tension between evidence-based decision making and speed, we do not find that timely development should come at the expense of quality. More specifically for impact assessments, we would recommend that not only the Commission proposal but also the final outcome of the legislative process should be covered



by an evidence-based impact assessment (see also our answer to question 52). This does not preclude the possibility of cumulative assessments on significant alterations of the text.

7. Document upload and final comments

Question 60

Please feel free to upload a concise document, such as a position paper. The maximum file size is 1MB.

BUSINESSEUROPE will upload our six better regulation strategy papers and our letter to FVP Timmermans.

Question 61

If you wish to add any further information relevant to this questionnaire, please feel free to do so here.

In the spirit of the better regulation agenda, we would like to stress the relevance of some issues that are not explicitly included in the chapters of this consultation. Adding to our other comments, we would like to stress the importance of the following topics:

Burden reduction and regulatory simplification

BUSINESSEUROPE finds that in particular in the area of regulatory simplification and burden reduction, more work remains to be done. An overtly complex regulatory environment limits companies' possibilities to innovate and prosper. The REFIT-Platform has made a positive contribution to reduce regulatory burdens. We therefore recommend that this bottom-up system is continued by the next Commission. In addition, we find that more transparency on the transposition of directives in the national context is essential to avoid that burdensome regulation is unjustly attributed to the EU.

Transparency of trilogues

BUSINESSEUROPE calls upon the EU institutions to find a new modus operandi to reconcile the Treaty-based principles of transparency and participation with the need for an efficient and speedy legislative process. In practical terms, this means that meeting dates and agendas of trilogues and the negotiation positions established for individual negotiation rounds should be made publicly available in a manner that is easily accessible.

Transparent transposition

The Commission should take the lead in developing guidance or a template that relates to the transposition of EU directives - including minimum harmonisation directives - in the national context in order to improve the current lack of transparency in this area. Member States should use this guidance to report to the Commission on transposition; this reporting should be publicly accessible and be done through the existing IT-tool ('MNE interface'). The guidance should include different categories where the transposition exceeds the minimum implementation level, most notably by:

- extending the scope of the directive;
- not taking (full) advantage of derogations where this would result in Single Market barriers;
- adding regulatory requirements beyond what is required, in particular if these fall
 outside the aim of the directive, or retaining national regulatory requirements that are
 more comprehensive than is required by the Directive;
- implementing the directive earlier than the date specified in the directive;



• applying stricter sanctions or other enforcement mechanisms than necessary for correct implementation.

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