



**COUNCIL OF
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REPORT

from: General Secretariat
to: Council (Competitiveness)

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Subject : Better Regulation
- Progress report from the Presidency

Delegations will find attached a Presidency report on work in progress in the area of Better Regulation which has been prepared for the forthcoming meeting of the Competitiveness Council on 11 October 2005.

The Council is invited to take note of the report and to agree to revert to the subject of Better regulation at its session on 28/29 November 2005 with a view to holding a policy debate.

Progress report on Better regulation**I. Introduction**

In the framework of the six-Presidency initiative on regulatory reform (Ireland, Netherlands, Luxembourg, United Kingdom, Austria and Finland) of December 2004 and as a follow-up to the Conclusions of the Competitiveness Council of 6 June 2005 and work carried out under the Luxembourg Presidency, efforts are continuing to take forward better regulation under the UK Presidency. An in-depth discussion on delivering the better regulation agenda as an essential element of the revitalised Lisbon Strategy took place at the informal meeting of Competitiveness Ministers and Vice-President Verheugen at Cardiff on 11 and 12 July. At the centre of the discussions were: the Commission's latest simplification initiative, the Commission's guidelines on impact assessment, the use of Commission impact assessment in Council discussions and impact assessment of Council amendments.

These issues will be the subject of further deliberations in the competent Council preparatory bodies during the months ahead with a view to a policy debate and the adoption of Council Conclusions at the meeting of the Competitiveness Council on 28-29 November 2005.

The Presidency notes that the following work is in progress:

II. Impact assessment

The Commission's revised internal Impact Assessment Guidelines were adopted by the Commission in June 2005. The Commission has announced that it intends to apply these guidelines progressively for key proposals and major policy initiatives set out in the Commission's Legislative and Work Programme for 2005 and 2006.

In the context of the Council's ongoing work on impact assessment, the Presidency is seeking to facilitate better use of Commission impact assessments to inform all Council discussions. For example, impact assessments have played a central role in informing the ongoing negotiations on the REACH proposal and there will be a policy debate at the 17 October Environment Council on better regulation and the environment.

III. Simplification of legislation

Simplification of legislation means making regulation, at Community as well as national level, less burdensome on economic operators, easier to apply and thereby more effective in achieving its objectives while respecting the *acquis communautaire*. Vice-President Verheugen wrote to the Member States on 15 April 2005, inviting them to suggest priorities for simplification. The Commission has received responses from 23 Member States to this invitation as well as 30 from business organisations and other representative entities. The Commission also received more than 600 contributions through the web consultation launched on 1 June¹. About 400 legislative instruments have been suggested for simplification. The Presidency will seek to take forward work on simplification on the basis of the Commission's forthcoming communication, which is expected on 21 October 2005. The October communication is expected to indicate legislative priorities for simplification and also to complete the Commission's response on whether and how it intends to integrate in its Work Programme the Council priorities for simplification agreed in November 2004.

¹ <http://europa.eu.int/yourvoice/forms/dispatch?form=418&lang=EN>. The ongoing consultation will be open until the end of the year.

The Competitiveness Council will give its reaction to the Commission's Communication at its meeting in November and is expected to signal its intention to remain involved in the ongoing simplification process.

The Presidency remains committed to making progress on simplification proposals that have already been presented by the Commission.

IV. Screening of pending legislative proposals

The Presidency notes that the Commission has undertaken a screening exercise with regard to the impact of pending legislative proposals on competitiveness. The Council will return to this issue at its meeting in November.

V. Administrative costs

The Presidency notes the Commission's intention to present results from its pilot projects on developing a methodology to measure administrative costs and to present its conclusions and proposals in a Communication in October. This will be presented to the Economic Policy Committee on 25 October ahead of the ECOFIN Council on 8 November 2005.

VI. Consultation

The Commission intends to convene in October the Group of high level national regulatory experts as envisaged in its March 2005 communication.

In the context of extending dialogue with stakeholders, the UK Presidency hosted a conference in Edinburgh on 22 and 23 September 2005 on the theme of how business can more explicitly engage with the EU regulatory process.
