

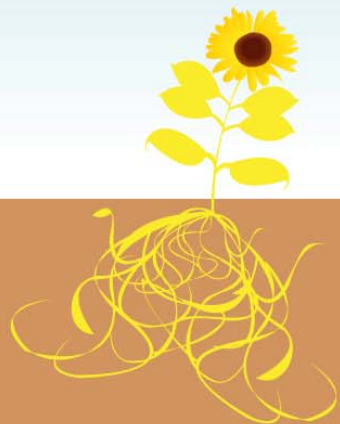
CONFERENCE

**A simple CAP for Europe**  
A challenge for all

BRUSSELS, 3-4 OCTOBER 2006

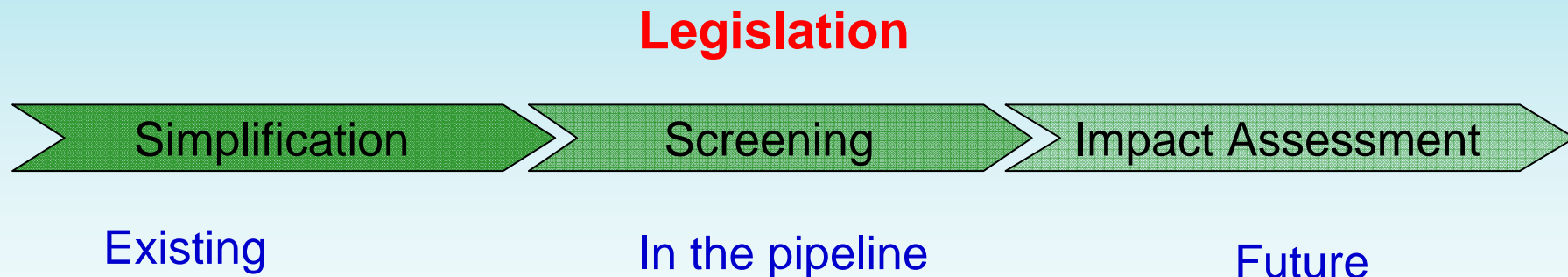
# Better Regulation & Simplification

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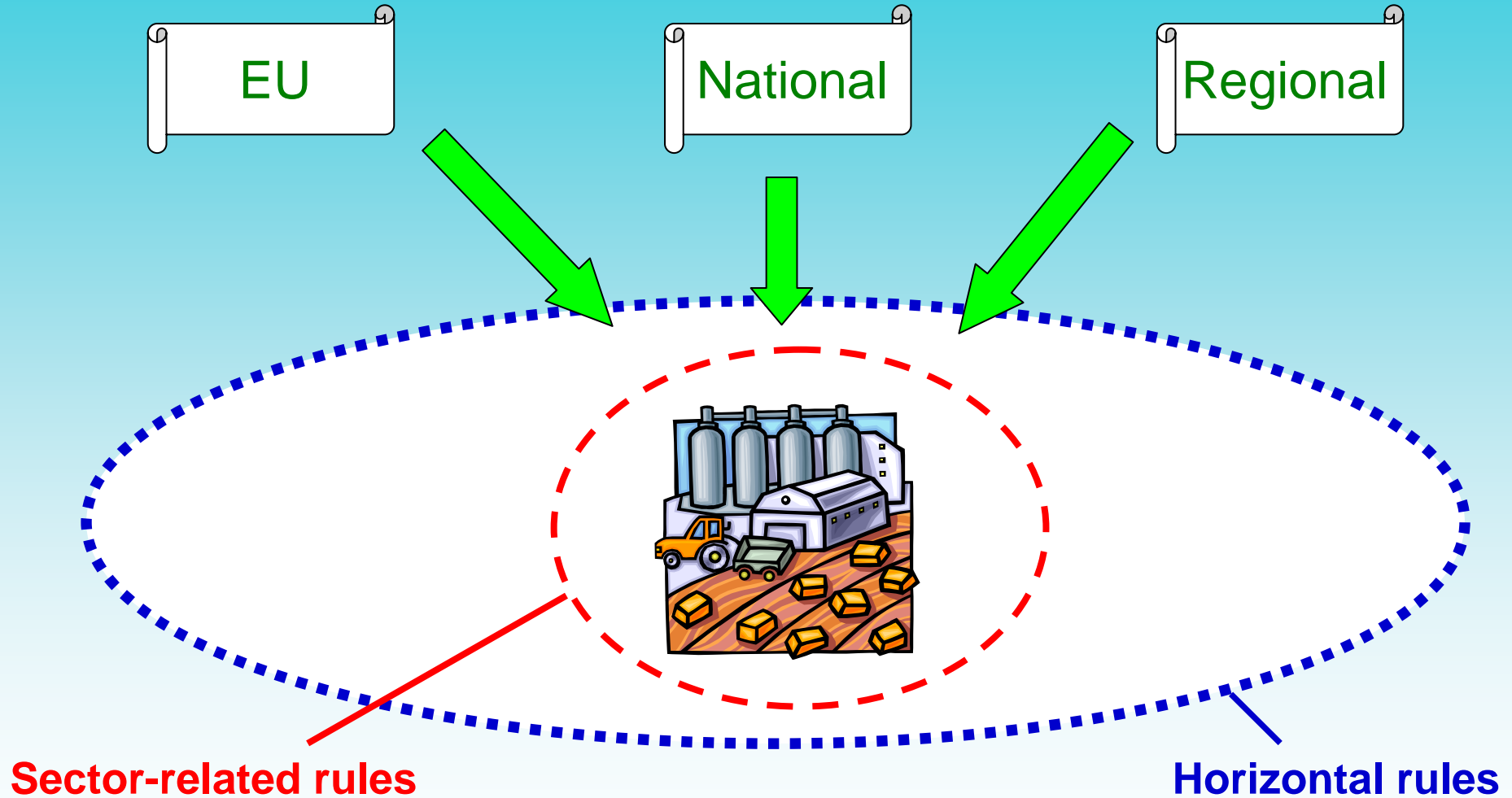


# The EU's Better Regulation Policy: Background and Context

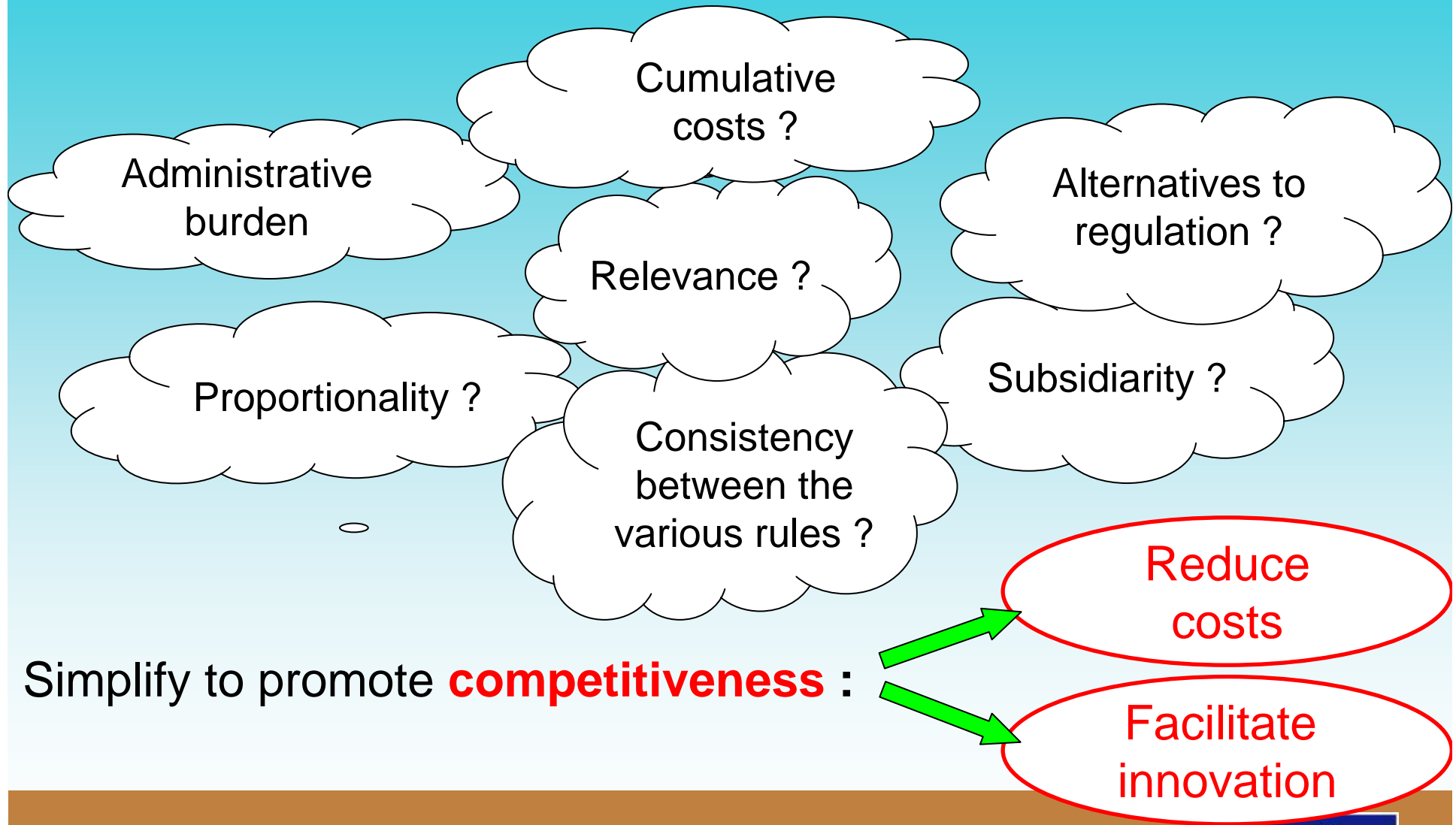
The Communication of March 2005 on “**Better Regulation for Growth and Jobs in the EU**” identified better regulation as a basic prerequisite if Member States are to achieve their Lisbon objectives



# Businesses' regulatory environment



# Need to re-think the regulatory environment for businesses



# Simplification strategy at EU level

## « Implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment » COM (2005) 535

- Based on a broad **consultation** (MS/stakeholders), to anchor the strategy in stakeholders' practical experience
- Lays out the basis for a continuous **in-depth sectoral assessment** to assess
  - the overall effectiveness of the legislative framework for the sector concerned and
  - the room for further simplification.
- Incorporates a three-year **simplification rolling programme**, listing 220 basic legislative instruments regrouped into approximately 100 initiatives covering all regulatory domains
- Spells out the **methods of simplification** that the Commission intends to implement



# Simplification rolling programme

## Examples of relevance to farmers and the agrifood business

Sizeable progress has already been achieved after the first year...

- streamlining of the Regulation of *organic farming*
- revision of the regulation on the protection of geographical indications and designations of origin of agricultural products and foodstuffs
- simplification of the regulation on egg marketing standards
- simplification of the customs code
- simplification of the waste framework Directive
- recast of the plant protection products Directive
- modernisation of the *acquis* in the areas of food additives and flavorings
- simplification of the Directives on marketing authorization of seeds

... whilst further simplification initiatives are under preparation

- merging of the common provisions of the 21 Common Market Organisations into 1 single instrument
- streamlining of the texts governing state aid in the agricultural sector
- simplification of certain CMOs (wine, fruits & vegetables)
- review of a regulation on milk & milk products
- DG AGRI's Action Plan



# Methods of simplification (1)

## 1. Repeal

- Must be followed by repeal of corresponding national implementing measures
- Systematic introduction of “review clauses” (or “sunset clauses”) to prevent obsolescence

## 2. Codification

- Provides more readable and legally secure texts – facilitating transparency and enforcement

## 3. Recasting

- Simultaneously amends and codifies a legal act

## 4. Reinforcement of the use of information technology

- Helps to reduce administrative burden by accelerating procedures, trimming paper flows, making the law apply more uniformly and reducing the risk of error.



# Methods of simplification (2)

## 5. Modification of the regulatory approach

### A . Co-regulation

- often a cost efficient and expedient method: tremendous reduction of policy intervention by public authorities before marketing of products (CE marking)
- work on the revision of the “New Approach” ongoing to raise confidence that only safe products come onto the market
- intention to extend this revised approach to as many sectors as possible, even beyond the area of technical harmonisation for industrial products

? Quality standards for agricultural goods ?

### B. From Directives to Regulations

- immediate application
- all actors are subject to the same rules at the same time
- focuses attention on concrete enforcement of EU rules





# Simplification and administrative costs

- EU common methodology for assessing administrative costs (⇒ integrated into the internal impact assessment guidelines)
  - to assist the European legislator in measuring such costs when designing new legislation (*ex ante*)
  - In the future, to feed into the identification of administrative burdens associated to existing legislation + classify them by regulatory origin (*ex post*)
    - ⇒ identification of simplification needs
- The Commission announced that it would launch a major exercise to measure administrative costs in selected policy areas
  - work is about to start to assess the administrative burdens resulting for farmers from the single payment scheme introduced by the 2003 CAP reform
- No reduction target set at EU level yet. However, VP Verheugen is confident that European policy makers can set combined targets to reduce unnecessary administrative burdens by 25%



# The factors of success (1)

## 1. Simplification work must be based on two basic principles:

- consultation of the stakeholders
  - promotes policy maker's understanding of genuine concrete problems
  - eases subsequent ownership by stakeholders of the proposed reforms
- in-depth sectoral assessment
  - Studies / high-level groups to screen the quality of the regulatory environment / Impact Assessment

Key parameter = TIME

Continuous & long term. NOT a one-off exercise

## 2. Strong political back-up for the “Better Regulation” agenda is indispensable to overcome resistance to change at all levels and opposition by vested interests

- industry often prefers suboptimal legislation to regulatory instability
- overcoming inertia implies cultural changes for regulators – at all levels
- simplification brings about broad macroeconomic benefits, but can occasionally spawn ‘losers’



## The factors of success (2)

3. Simplification work requires a working method and a medium-term programmed with concrete and measurable deliverable

Simplification goes beyond the mere maintenance of the *acquis*

**NOT a deregulation programme**

Treaty objectives will be preserved

Harmonisation at EU level remains a powerful simplification tool

(1 single rule instead of 25 different national ones)

4. All Institutions must share a common mindset to improve / simplify the regulatory environment

The European Parliament and Council must play their role of co-legislators to:

- give an appropriate priority to the adoption of simplification proposals
- ensure that their simplification component is preserved



## The factors of success (3)

5. Initiatives taken at EU level are echoed by equally ambitious programmes in the Member States
  - the advantages of a lighter Community regulatory environment should not be cancelled out by new national rules or technical barriers (*e.g.: repeal of EU Directives*)
  - Member States need to complement EU simplification by ambitious national simplification programmes (National Reform Plans)
  - The exchange of good practices must be encouraged (*Open-method of coordination*).

