

2 June 2008

Mr Günther Verheugen, Vice-President of the European Commission

Meeting with the Alliance for a Competitive European Industry (ACEI) – 2 June 2008

Second Strategic Review of Better Regulation

- The Second Strategic Review mainly deals with **simplification, administrative burden reduction** and improvements to the **impact assessment** system.
- Overall, ACEI is positive about the Second Strategic Review. **Good progress** on better regulation has been made in a relatively short period of time. There is a positive trend in the preparation and application of impact assessments on regulatory proposals, even though there remains room for improvement. For example, impact assessments are still not fully used as a tool to design better regulation but rather to refine preset policy options. This requires a different mindset with regards to impact assessments. We do appreciate, however, that impact assessments are now carried out **more frequently** and at **a higher level of quality** under the watch of the new Impact Assessment Board. Also, **concrete steps** have been made to reduce administrative burdens on business and simplify existing legislation.
- It is also positive that the Commission is also going to propose **further changes to the impact assessment guidelines** to further improve the system. We are looking forward to react to these proposals.
- There remain some **problem areas**:
 1. The handling of simplification proposals and Fast Track Actions by the Parliament and Council is **too complicated and time-consuming**. It takes years before proposals are adopted and often discussions about the substance undermine the simplification objective.
 2. **Transparency and design of impact assessments should be improved**. Transparent and accessible information about an assessment being carried out is key to raising awareness amongst stakeholders who should all be invited to feed into the process. This enhances the Commission's chances of receiving information from all sectors and businesses concerned. It is essential that the consultation of stakeholders is organised in a timely and properly fashion before the main policy options are decided and

questionnaires are drafted. In various instances the consultation is still done by means of closed questionnaires which direct the answers in a preset direction or may contain questions that are of little relevance for the assessment. Consultation needs to start very early in decision-making process to identify the right policy options which should all be objectively analysed in order to put forward the real best option. The received input should always be **adequately reflected** in the assessment.

- ACEI recommendation:
 - To increase transparency, the **draft impact assessments should be published before the legislative proposal is adopted** to allow stakeholders to address shortcomings in the analysis directly to the Board before it is too late.
 - There should be negotiations with the Council and European Parliament for an inter-institutional agreement to agree a **fast-track procedure** so that simplification proposals can be dealt with more quickly and are not amended in any way that imposes new and additional burdens on business.
- Regarding **independence**, ACEI recognises that the Impact Assessment Board in practice works with great independence. We have to realise though that the workload of the Board will increase a lot this year and that it could have trouble to continue its good work. We should also ensure that good critical oversight of impact assessments continues in the future. We should thus **embed the oversight body in the system** so that it doesn't lose importance when political priorities change. In our view, the best way of embedding the oversight function in the system is to establish an independent agency for quality control.
- ACEI is looking forward to continue working together with the Commission to improve the system. BUSINESSEUROPE is planning a **roundtable** with key stakeholders and experts from the Member States, Parliament and Stoiber Group on **3 June**. Mrs Pons from DG Enterprise will participate.

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