Update on the European Commission's REFIT Programme

Background

In December 2012, the European Commission's Regulatory Fitness and Performance Programme (REFIT) committed the institution to attempt to establish a simple, clear, stable and predictable regulatory framework for business, workers and citizens, as well as to ensure EU legislation brings benefits at the lowest cost and with the least bureaucracy (COM(2012)746). The Commission undertook a process of screening all EU legislation for unnecessary burdens and weaknesses, seeking to identify corrective solutions (SWD(2013)401 final). As a result of this initial screening, in October 2013, the Commission proposed 133 individual actions to simplify legislation, cut red tape and repeal redundant laws (COM(2013)685 final). In addition, following broad stakeholder consultation, the Commission committed to 47 'Fitness Checks' and evaluations to assess the efficiency and effectiveness of EU regulations (SWD(2013)60 and COM(2013)446 final).

New Commission Communication

The Commission has recently produced a Communication on the state-of-play in implementing the REFIT programme and identifies new actions to take (COM (2014)368 final). It is accompanied by the first edition of a REFIT Scoreboard to track progress on the 133 individual actions identified so far by the Commission1 (see the Staff Working Document SWD(2014)192 final). This first Scoreboard provides a full list of the identified measures to be monitored according to the initial REFIT estimations, featuring the Commission's analysis about whether, how, and to what degree expected results may have been jeopardised by amendments made to the relevant initiative during the co-decision procedure.

However, the Scoreboard does not present REFIT’s implementation in a format consolidating available data into statistics, as is the case for the Internal Market or the Consumer Scoreboards. Nor does it propose an overall REFIT “implementation deficit” indicator, such as the Internal Market Scoreboard’s established “transposition deficit” indicator, featuring a breakdown by Member State and policy area. Also, the structure does not readily allow comparison of progress made in different areas. However, the Commission's assurance is that the 2015 Scoreboard will provide information on the impact on-the-ground, allowing results to be measured against initial objectives.

The REFIT process so far

This Communication runs through the main pieces of legislation adopted since the REFIT Communication of October 2013, quoting the initial administrative burden reduction estimates. In particular, it identifies inter alia: public procurement legislation (which according to Commission estimates is set to deliver annually between 5% and 20% administrative burden reductions, equivalent to at least €100 billion, through the roll out of electronic procurement online or ‘eProcurement’, as well as savings to businesses’ procurement costs of €169 million, especially relevant to SMEs, through the use of self-declarations, equivalent to an 80% 1The Scoreboard also covers actions relating to the top 10 burdens on SMEs (see also the EP Resolution of 17th April 2014) and the Administrative Barriers Reduction (ABR+) programme.

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reduction); the introduction of smart-tachographs in the Recording Equipment in Road Transport Regulation, linked to satellite navigation systems and to control authorities, also including appropriate exemptions for lorries smaller than 7.5 tonnes (with an estimated cost reduction of 20% or €515 million in total; and, the new Directive on Mutual Recognition of Professional Qualifications (simplified recognition procedures, improving access to information).

Alleged action limiting REFIT benefits
The Commission explains where its initial plans for reducing administrative burdens were not taken on board or continue to be questioned, frequently on grounds of subsidiarity, by the legislators in the Parliament or Council. Focusing on initiatives which have not yet been definitively opposed, the Communication highlights Company Accounting Requirements; VAT coordination and statistics collection; a Consolidated Corporate Tax Base (CCTB), where a proposal is still pending; and especially, the EU standard VAT declaration (where lack of Member State support threatens savings to businesses of €15 billion per year according to Commission estimates).

Specific implementation issues
The Communication stresses the need for Member States to fully implement two important administrative burden reduction regulations that entered into force in 2014: on Customs enforcement of Intellectual Property Rights and the Waste of Electrical and Electronic Equipment (WEEE) ‘take-back’ exemption for small retailers. The Communication also highlights areas where Member States do not use simplification or burden reduction opportunities, and states its intention to report back in the 2015 REFIT Scoreboard - namely the optional lighter regimes for SMEs relating to food safety and food information to consumers and certain road safety driving time exemptions for light commercial vehicle SME operators.

Monitoring and evaluation
This Communication provides an update on the Commission's initiatives relating to gathering information relevant to impact assessment, on consolidating the relevant Commission expert groups, and on updating the evaluation guidelines. It also signals that EU institutions and Member States need to improve in exercising a shared responsibility for making Regulatory Fitness work. No target is set for reducing the overall burden of regulation during the 2014-19 Commission. While the emphasis is on minimising administrative burdens, perhaps less emphasis is placed on compliance costs.

Identification of new initiatives and conclusions
Important new measures in this Communication include the Commission confirming withdrawals of the Soil Framework Directive and Access to Justice in Environmental Matters, and announcing five new withdrawals, including a number on Transport policy, notably the Aviation Security Directive. None of these plans have been subject to a structured consultation including the European Parliament prior to their announcement. Commitments to further fitness checks are also made, for example in respect of insurance, training and qualification, licences in road transport, the evaluation of the prospectus directive and cumulative cost assessments (such as on the glass/ceramics industry). The Communication also announces further initiatives in relation to the application of chemicals legislation on REACH, in particular assistance to SMEs. Among the 23 proposals in the REFIT Communication of October 2013, two have been tabled so far, and 15 proposals are still scheduled for adoption in 2014.

This document is also available on the internet at: www.europarl.europa.eu/thinktank
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