



# Working with complexity - better regulation

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# What is better regulation?

# SURVEY

**Are you familiar with better regulation/ evidence-based policy making/ ex ante assessment of investments?**

- Yes, my current job involves this
- Yes, I work in a related field
- Yes, but I don't directly work on this
- No

# What is better regulation?

- Delivering policy objectives **at least cost**
- **A common sense way of working:**
  - evidence-based policy making
  - avoiding unnecessary burdens for business/ citizens/ public authorities
  - ensuring transparency and stakeholders' participation
  - initiatives deliver as expected and remain fit for purpose
- **Not deregulation or less regulation but rather a more efficient way of delivering**

# The European Commission's better regulation approach

- **Comprehensive system for the entire policy cycle (planning, design, adoption, implementation, evaluation and revision)**
  - applied to all legislation
  - integrated guidelines
  - Interinstitutional Agreement on Better Law-making
- **Focus on quality** of existing legislation (evaluations, REFIT, Fit for Future Platform)

**EU recognised by the OECD as a top performer in its approach to policy making**

# Why do we need better regulation?

- **Emphasis not just on what we do, but how we do it**
  - Quality assurance
  - Credibility
  - Accountability
  - Transparency
- **Better regulation is how we deal with complexity**

# How does better regulation work?

# How does better regulation work?

- **Evaluations** assess existing legislation to identify strengths and weaknesses, costs and benefits, and the underlying reasons.
- **Impact assessments** look at problems, possible solutions and their impacts (notably economic, social and environmental).
- **Stakeholder engagement** allows us to collect views and data from stakeholders.
- **REFIT** ensures we systematically consider simplification and burden reduction



# Impact assessments

# Impact assessments

- logical steps to structure the preparation of a proposal
- **balanced** evidence base to support, not replace, political decision-making
- **integrated** approach: all benefits and costs; economic, social and environmental impacts
- independent centralised **quality control**: the Regulatory Scrutiny Board
- **transparency**: consultations, publication of documents

# Impact assessments – key analytical steps

- Identify the **problem**
- Assess **need for EU** to intervene
- Define the **objectives**
- Develop **policy options** to achieve the objectives
- Analyse the **impacts** of the options
- **Compare** the options
- Outline **policy monitoring and evaluation**

# Impact assessments – process

Impact assessment needed for all initiatives expected to have **significant** impacts  
(not required for small impacts or when there is no policy choice)

- planning
- cross-Commission expertise
- stakeholders
- supporting studies
- quality assurance
- proposal + Commission adoption

# Regulatory Scrutiny Board

- independent body with 7 members
- responsible for quality control
- gives opinion on impact assessments and selected evaluations with recommendations for improvement
- 'positive' opinion necessary
- upstream support

# Evaluations

# Evaluations

- systematic assessment of existing legislation
- taking a critical, objective look
- ‘evaluate first’
- potential for simplification and cost reduction
- not just **what happened** but **how much** has changed and **why**
- around 60 per year

# The purpose of evaluations



Inform **decision-making**,  
input to priority-setting

**Transparency,  
accountability**



Assist in **efficient  
resource allocation**

**Organisational learning**





# Evaluation design

- Intervention logic – did it work as intended?



- Evaluation criteria

- effectiveness
- efficiency
- relevance
- EU added value
- coherence

# Evaluations – process

- planning
- cross-Commission expertise
- stakeholders
- supporting studies
- quality assurance
- publish document + follow-up

# Better regulation – guidelines and toolbox

- **Integrated guidelines that cover the entire policy cycle**
  - Planning and validation of initiatives
  - Impact assessment
  - Stakeholder consultation
  - Monitoring and evaluation
  - Legal drafting
  - Implementation plans
- **Toolbox**

# Simplification efforts

# REFIT (Regulatory Fitness and Performance Programme)

- Efforts to simplify and reduce burden **without undermining objectives**
- REFIT Scoreboard online
- Annual Burden Survey
- Fit for Future Platform
- Have your say: Simplify!

# Stakeholder input

Have your say

## Welcome to Have your say

Citizens and businesses can share their views on new EU policies and existing laws.

Search

[All initiatives >](#)

## Highlights



**European Statistical System – making it fit for the future**

43

[Have your say >](#)



**Intellectual property – revised framework for compulsory licensing of patents**

18

[Have your say >](#)

## Have your say: Simplify!

### Subscribe

Subscribe to receive updates on initiatives that interest you

Suggest how to simplify and modernise existing laws and reduce regulatory burdens

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#### The Fit for Future Platform

#### Share your ideas

#### When can I send my suggestions?

#### How are my suggestions used

#### Recent suggestions

## The Fit for Future Platform

The Fit for Future Platform is a high-level expert group that consists of the Member States, the Committee of the Regions, the European Economic and Social Committee and stakeholders representing a common interest in a variety of sectors.

The [Fit for Future platform](#) helps the Commission to simplify existing laws, reduce regulatory burdens, and ensure that EU laws are fit for the future. You can get involved in making EU laws more efficient and fit for future, while achieving the policy objectives.

The Platform works on the basis of an [annual work programme](#) that contains a selection of topics on which the Commission has launched an initiative for simplification and burden reduction.

## Share your ideas

You can contribute to the work of the Platform on the [Have Your Say: Simplify!](#) portal. Have a look at the list of topics in the work programme and share your ideas to increase their digitalisation potential, to simplify procedures and obligations linked to labelling, authorisations and reporting, or to avoid overlaps or uncertainty. You can also propose new topics.

Your feedback is instantly published, therefore it must adhere to [certain rules](#). You are responsible for the personal data that you provide.

You can choose if to have your suggestion published:

- with your personal or organisation's details, or
- anonymously (make sure attachments do not contain any personal information)

# REFIT Scoreboard



REFIT Scoreboard

Share your views on how to simplify EU regulation

REFIT - Making EU law simpler and less costly

## INTRODUCTION



"Our objective should be to adopt measures that do not create unnecessary burden, and develop a culture of evidence-based policymaking."

 AGRICULTURE AND RURAL DEVELOPMENT	 CLIMATE ACTION	 COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY	 COMPETITION	 EMPLOYMENT, SOCIAL AFFAIRS, INCLUSION AND EDUCATION	 ENERGY
 ENVIRONMENT	 FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION	 HEALTH AND FOOD SAFETY	 INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND SMES AND STATISTICS	 JUSTICE, CONSUMERS AND GENDER EQUALITY	 MARITIME AND FISHERIES POLICY
 MIGRATION AND HOME AFFAIRS	 MOBILITY AND TRANSPORT	 REGIONAL AND URBAN POLICY	 RESEARCH AND INNOVATION	 TAXATION, CUSTOMS UNION AND ANTI- FRAUD	 TRADE AND EXTERNAL ACTION

# REFIT Scoreboard



Home

Agriculture and rural development

Climate action

Communications networks, content and technology

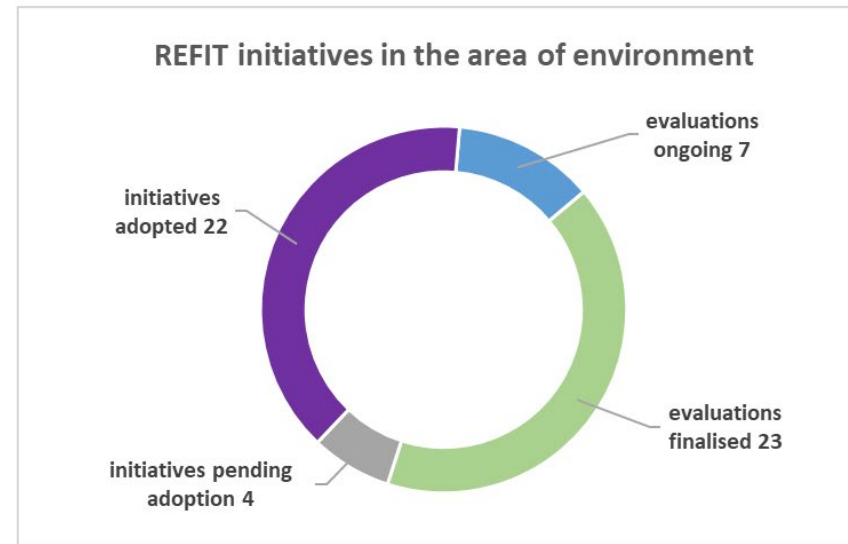
Competition

Employment, social affairs, inclusion and education

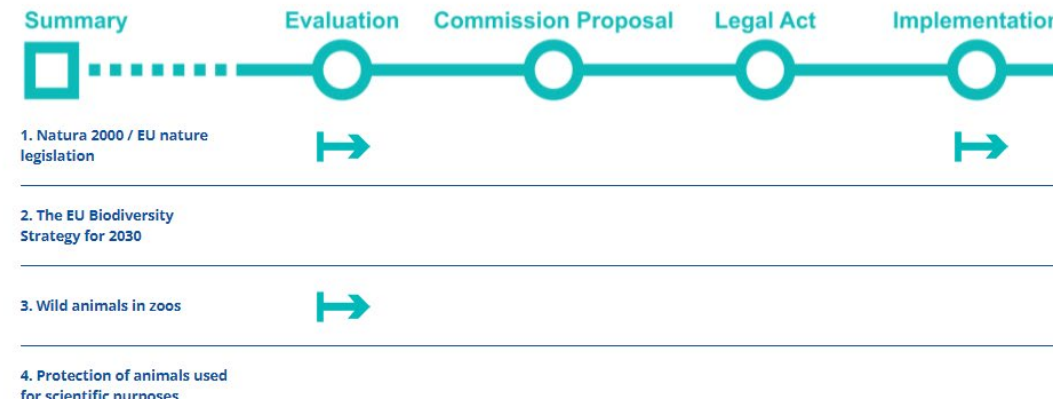
Energy

**Environment**

- 1. Natura 2000 / EU nature legislation
- 2. The EU Biodiversity Strategy for 2030
- 3. Wild animals in zoos
- 4. Protection of animals used for scientific purposes
- 5. Marine environment policy
- 6. Water Framework Directive



## Initiatives in the area of environment





# Annual Burden Survey



*The European Union's  
efforts to simplify legislation*  
**Annual Burden  
Survey 2021**



# Commission Work Programme

## Annex II: REFIT initiatives<sup>2</sup>

No.	Title	Simplification objective / potential (short explanation of the burden reduction and simplification objective)
A European Green Deal		
1.	<b>Revision of the urban wastewater treatment Directive</b>	<p>Following the evaluation of the Directive, some areas for improvements were identified: better tackling remaining and emerging pollution, and improving the governance of the sector while better connecting it to the European Green Deal objectives. Public health considerations will also be included (better preventing pandemics by waste water surveillance).</p> <p>Particular efforts will be made to improve monitoring and reporting (moving towards semi-automatic reporting). Member States and wastewater operators – private or public – will benefit from this. More efforts on transparency might be requested as this is considered as a driver for better performance for the sector.</p> <p>(legislative, incl. impact assessment, Article 192 TFEU, Q2 2022)</p>
2.	<b>Revision - Restriction of the use of hazardous substances in electronics</b>	<p>The revision will strengthen and simplify legislation to better protect citizens and the environment against hazardous chemicals, inter alia by taking into account the move towards a process of 'one substance – one assessment' and providing for greater transparency when prioritising action to deal with chemicals, as well as by encouraging innovation for the development of safe and sustainable alternatives, as highlighted in the European Green Deal.</p> <p>The revision will aim to reduce administrative burden with regard to the exemptions process.</p> <p>(legislative, incl. impact assessment, Article 114 TFEU, Q4 2022)</p>
3.	<b>GreenData4All - Revision of the infrastructure for spatial information in the European Community (INSPIRE) Directive and the public access to environmental information Directive</b>	<p>The initiative is stemming from the European data strategy. It consists in a revision of the Directive establishing an infrastructure for spatial information in the EU (INSPIRE), together with the public access to environmental information Directive, following their evaluation in 2021. The initiative aims to modernise the data regime in line with technological and innovation opportunities, making it easier for EU public authorities, businesses and citizens to support the transition to a greener and carbon-neutral economy and reducing administrative burden. It is expected to cover reusable data services on a large scale to assist in collecting, sharing, processing and analysing large volumes of data relevant for assuring compliance with environmental legislation and priority European Green Deal actions. The initiative aims at streamlining reporting and burden reduction through better reuse of existing data, automatic reporting generation through data mining and business intelligence.</p> <p>(legislative, incl. impact assessment, Article 192 TFEU, Q4 2022)</p>



# In practice

- all **revisions** are REFIT
- all **evaluations** have to look at REFIT potential
- REFIT is complemented by '**one in, one out**'
- Stakeholders' consultations allow public & stakeholders to provide input
- Fit for Future Platform
- Shared responsibility // Commission, institutions, Member States

# One in, one out

## Political commitment

*“(...) to apply the “one in, one out” principle whereby each legislative proposal creating new burdens should relieve people and business of an equivalent existing burden at EU level in the same policy area.”*

## Objectives:

- Minimise the burdens for individuals and businesses in legislative proposals
- Raise awareness of costs and benefits of legislative proposals
- Comparable costs estimates across policy areas

# Closer look at specific tools

# Trade-offs and balance

- **Complex topics versus assessments that simplify reality**
- **Readable documents – to support decision makers**
- **Transparency and communication aspect**
- **Not everything is as easy to quantify and monetise – e.g. benefits**

# How to analyse problems

- What is the problem
- What is the scale
- Who is affected
- Is the problem likely to persist

# How to analyse problems – drivers

- **Market failures**
- **Regulatory failures**
- **Examples**
  - Cross-border impacts
  - Pollution
  - Coordination difficulties



# How to analyse problems - common issues

- Lack of legislation
- Political decision
- Different interlinked issues
- Magnitude
- Evidence base

**Making sense of complexity**

# How to identify policy options

- What is the starting point (what if nothing changes)
- What are the options that could help us solve the problem
- Are all options viable

## Consider

- What are the problem drivers and how to affect them
- What do stakeholders think
- What do Member States do? What do they think?

# How to identify policy options - screening

## Screen the options:

- legal/ technical/ political feasibility
- coherence with other policies
- effectiveness and efficiency
- proportionality
- relevance

# How to identify policy options – challenges

- Many problems – many measures
- Option packages
- Cumulative impact
- Best combination of measures
- Trade-offs

**Reduce the complexity of the policy options, without oversimplifying**

# Simulation models

- **Models = representations of reality used for projections and estimates given specific assumptions**
- **Types**
  - economic models
  - environmental models
  - integrated modelling approaches

# Simulation models - issues

- **transparency on underlying methodology & assumptions**
- **being clear about uncertainty**
- **limitations in results + need to use other evidence**
- **coherence**

# Simulation models - issues

- Not all parts of the model are equal
- Data availability issues and data errors
- Assumptions make a difference e.g. assumption that other policies will fully materialise
- Quality assurance of model

# Evaluating causal effects

- **Causality – attribution**
- **Other factors and other policies have an impact**
- **Causality versus correlation**



# Links

- [Guidelines and toolbox](#)
- [REFIT](#)
- [REFIT Scoreboard](#)
- [Have your say](#)

# Thank you