



Council of the  
European Union

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**NOTE**

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From: Presidency  
To: Delegations  
Subject: Reduction targets

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Delegations will find in Annex a Presidency discussion note on Reduction targets.

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**Presidency discussion note on reduction targets/objectives**

1. In the meeting of the Working Party on Competitiveness and Growth (Better Regulation) of 15 March 2016, the merits and possibilities for the quantification of the regulatory burden reduction were discussed. During the discussion it became clear that good examples of quantification exist, and that these can be instrumental in providing support and direction for the Better Regulation agenda. Given the heterogeneity of regulations, adopting a single methodology for quantification is not easy, and a case by case approach is warranted. Some MS underlined the importance of quantifying costs as well as benefits.
2. The meeting of the Working Party on Better Regulation on 1 April will build on these discussions and will focus on the issue of formulating quantitative reduction targets/objectives. On the basis of this discussion, Council conclusions will be prepared. MS are invited to explicitly express their views on the questions for discussion below.
3. The issue of reduction targets has been addressed previously as well. The Council Conclusions of the Competitiveness Council of December 2014 indicate: *“15. CALLS on the Commission to develop and put in place – on the basis of input from Member States and stakeholders – reduction targets in particularly burdensome areas, especially for SMEs, within the REFIT Programme. This approach would not require a baseline measurement and should consider at the same time the costs and benefits of regulation”*. Also, the Interinstitutional Agreement (IIA) states: *“The Commission will also assess the feasibility of establishing, in its regulatory fitness programme, objectives for the reduction of burdens in specific areas”*.
4. With the case for reduction targets or objectives having been explicitly made in these conclusions and in the IIA, the Presidency suggests that the discussions on 1 April focus in particular on the question in what way ex ante reduction targets or objectives can be best developed. The Presidency wants to focus on the following issues and questions in particular:

**a. Level of aggregation**

(Pilots for) reduction targets or objectives could focus on individual regulatory proposals, on a set of proposals, on a sector or even across the board.

=>What level of aggregation do MS see as the most effective and feasible step?

**b. Measurement**

(Pilots for) reduction targets or objectives can be based on different quantitative indicators, for instance in monetary terms, on the numbers of proposals, the number of affected companies or even other units, or more qualitatively on the issues that stakeholders have identified as too complicated, burdensome or irritating. This choice of course also depends on the availability of data.

=>What unit of measurement do MS see as most feasible and effective to develop reduction targets or objectives?

**c. Identification of ‘particularly burdensome areas’**

Both the Council conclusions of December 2014 and the IIA suggest that (pilots for) reduction targets or objectives should best be focused on areas where the regulation is particularly burdensome. An important question is what these areas should be. The identification of such areas could for instance be based on the degree that regulation affects SMEs; areas where SMEs face particularly strong unnecessary regulatory costs could be prioritised. Also, given the importance of innovation for future growth and jobs, a focus could be areas where regulation particularly hampers innovation. Third, the focus for such pilots could be on areas where the Commission in its Refit program already intends to put particular effort, or in areas where industry indicates that the regulatory burden is particularly burdensome. Finally, obviously an important consideration for the selection of an area is the availability of data and/or other evidence, to enable the formulation of targets or objectives.

=>Which ‘particularly burdensome areas’ do MS think that (pilots for) reduction targets or objectives should focus on?

*d. Timing*

Finally, an important question is timing.

=>When should in the view of MS such pilots for reduction targets or objectives be started? Can such pilots already be part of the Commission Work Programme for 2017?

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