



Council of the  
European Union

073106/EU XXVII. GP  
Eingelangt am 17/09/21

Brussels, 8 September 2021  
(OR. en)

11654/21

**BETREG 23**  
**COMPET 630**  
**DIGIT 120**  
**MI 671**

#### NOTE

---

From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	<i>Preparation of Council Meeting on Competitiveness on 29 September 2021</i> Future-proof policymaking to improve the competitiveness of the EU and further foster the Single Market: Joining forces to make better laws - <i>Policy debate</i>

---

Delegations will find attached a Presidency note on "Future-proof policymaking to improve the competitiveness of the EU and further foster the Single Market: Joining forces to make better laws" with a view to the policy debate at the Competitiveness Council on 29 September 2021.

---

# **Future-proof policymaking to improve the competitiveness of the EU and further foster the Single Market: Joining forces to make better laws**

## *Discussion paper*

The Better Regulation agenda has long been one of the main political priorities of the European Union. It is important in order to ensure a clear, predictable, coherent and future-proof legislative framework. In these times of pandemic, Better Regulation is key to Europe's recovery, in order to foster the competitiveness, growth and functioning of the Single Market. The Competitiveness Council has an important role to play in discussing how Better Regulation can contribute to strengthening the competitiveness of the EU economy and in particular small and medium sized enterprises (SMEs), by calling, among other things, for the systematic application of the Think Small First principle across the EU.

Better Regulation has a long history, dating back to 2002, when the Commission introduced obligatory impact assessments and public consultations for its new initiatives. Following major changes in 2015, the Commission published in 2019 a **stocktaking**<sup>1</sup> of its Better Regulation policy, which identified the need to further improve consultation mechanisms and the quality of impact assessments, while still focusing on simplifying and reducing unnecessary burdens. In response to this, on 29 April 2021 the Commission adopted **the Communication on Better Regulation**<sup>2</sup>, the general aim of which is to promote the **twin transition** – green and digital – and to further improve evidence-informed policymaking and simplify stakeholder consultations.

<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Better regulation: taking stock and sustaining our commitment, COM/2019/178 final ([EUR-Lex - 52019DC0178 - EN - EUR-Lex \(europa.eu\)](#))

<sup>2</sup> Communication from the Commission to the European Parliament, the Council, the European and Social Committee and the Committee of the Regions. Better Regulation: Joining forces to make better laws ([https://ec.europa.eu/info/sites/default/files/better\\_regulation\\_joining\\_forces\\_to\\_make\\_better\\_laws\\_en\\_0.pdf](https://ec.europa.eu/info/sites/default/files/better_regulation_joining_forces_to_make_better_laws_en_0.pdf))

The existence of an innovation-friendly, future-proof, evidence-based and resilient regulatory framework is a precondition for boosting productivity and fostering the competitiveness, growth and sustainability of the EU. In this regard, the Commission intends to **expand impact assessments** in order to cover the analysis of the ‘**do no significant harm**’ and ‘**digital by default**’ principles, pay greater attention to the **gender equality** dimension and also equality for all, strengthen the assessment of the impact on **territorial and rural** dimensions, while applying the **SME test** in a more systematic and proportionate manner, and to include longer-term effects identified through foresight.

Greening the economy, encompassed in the Fit for 55 package, will have important and varying effects in industry and the regions. Therefore, particular attention must be paid to Commission impact assessments. In accordance with the Interinstitutional Agreement on Better Law Making<sup>3</sup> (IIA), the Council is fully committed to taking full account of the Commission’s impact assessment when considering Commission legislative proposals.

Matching the needs of businesses, especially SMEs, implies regularly including them in consultations and continuously cutting red tape in order to speed-up investments and building 21<sup>st</sup> century infrastructure. In this regard, the Commission is **introducing a ‘one in, one out’ approach** to minimise the burdens for people and businesses (especially SMEs) by paying special attention to the implications and costs of applying new legislation. This approach aims to ensure that any newly introduced burdens are offset by removing equivalent burdens in the same policy area, while not lowering social and ecological standards. A test phase of the “one in, one out” approach has started in the second half of 2021 and will be fully implemented with the 2022 Commission work programme.

---

<sup>3</sup> OJ L 123, 12.5.2016, p. 1–14

The Commission Communication revolves around the concept that Better Regulation is **a shared responsibility**, and underlines the importance of joining forces to achieve the intended results of Better Regulation. It is an important step forward in making sure that legislation works and is in line with European policy objectives, helping to create a resilient and competitive EU economy while protecting consumers and allowing industry to innovate.

**Question for discussion:**

**In the Commission 2021 Better Regulation Communication, which elements do you consider to be most important for increasing the competitiveness of the EU economy and further fostering the Single Market, and what are the challenges for their implementation?**

---