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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	"Better Regulation Practices across the European Union" report (agenda point 4.) - Presentation by OECD

Delegations will find attached a presentation by the Organisation for Economic Co-operation and Development (OECD) on “Better Regulation Across the European Union 2025”, with a view to the discussion by the Working Party on Competitiveness and Growth (Better Regulation) at its meeting on 27 May 2025, agenda point '4. "Better Regulation Practices across the European Union” report'.

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Better Regulation Across the European Union 2025

Key findings

Working Party on Competitiveness and Growth (Better Regulation)

27 May 2025





The backdrop: rulemaking across the EU put to the test

- Governments across the EU are facing **challenges of unprecedented complexity**: e.g. transformative technological innovation, “green” transition
- At the same time: **risk from high regulatory costs and complexity** for European competitiveness in a context of a protracted cost-of-living crisis (cf. Draghi, Letta reports) – “balancing act” for governments
- Rising to the challenge **key for trust** in government (cf. OECD Trust survey)
- OECD Better Regulation across the EU 2025 report
 - **Data-driven** benchmarking against OECD best practice: Indicators of Regulatory Policy and Governance (iREG)
 - Third in a series: **trends over time** – progress and priorities for improvement
 - Accessible and illustrative: analysis based on stages of the **policy cycle**



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EU Member States have laid the foundations for better regulation but some gaps remain

Key findings



All EUMS have established **better regulation strategies** to articulate their efforts to foster regulatory quality. However, regulatory delivery and evaluation are less frequently covered than the design of new rules.

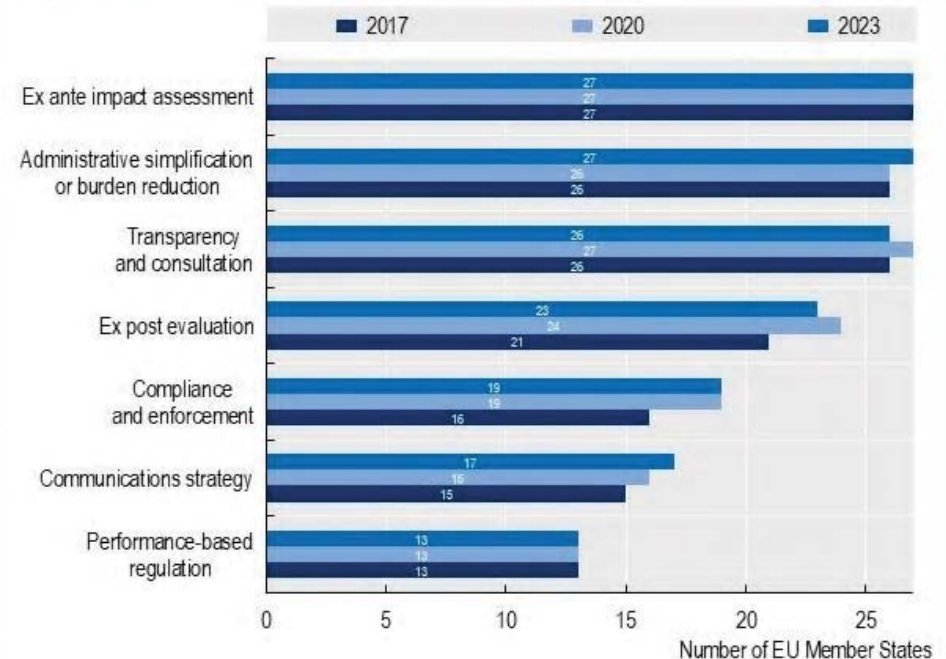


Institutional responsibility for regulatory oversight is well established in all EUMS but only a minority of them can return RIAs for revision. Only 8 EUMS have independent quality control for *ex post* evaluation.



Regular **monitoring and evaluation** of better regulation tools remain uncommon: just over half of EUMS publish performance reports on RIA and only a few of them have compliance statistics available.

Areas and tools covered in better regulation strategies



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

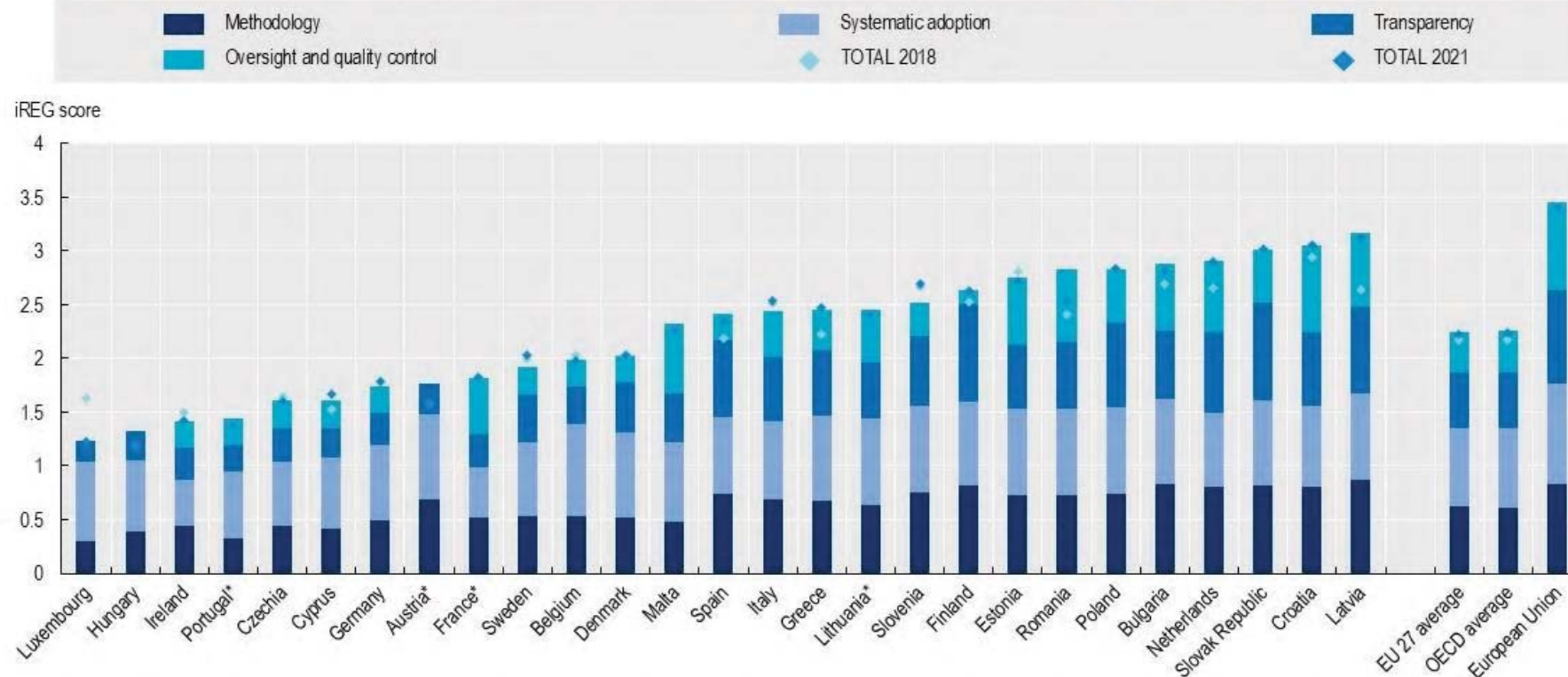
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Stakeholder engagement practices have remained relatively stable

Composite indicator: Stakeholder engagement in developing primary laws



Note: The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score. The indicator for primary laws only covers practices in the executive. * Most primary laws are initiated by the executive in the majority of EU Member States, except for Austria, France, Lithuania, and Portugal where a higher share of primary laws are initiated by the legislature.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

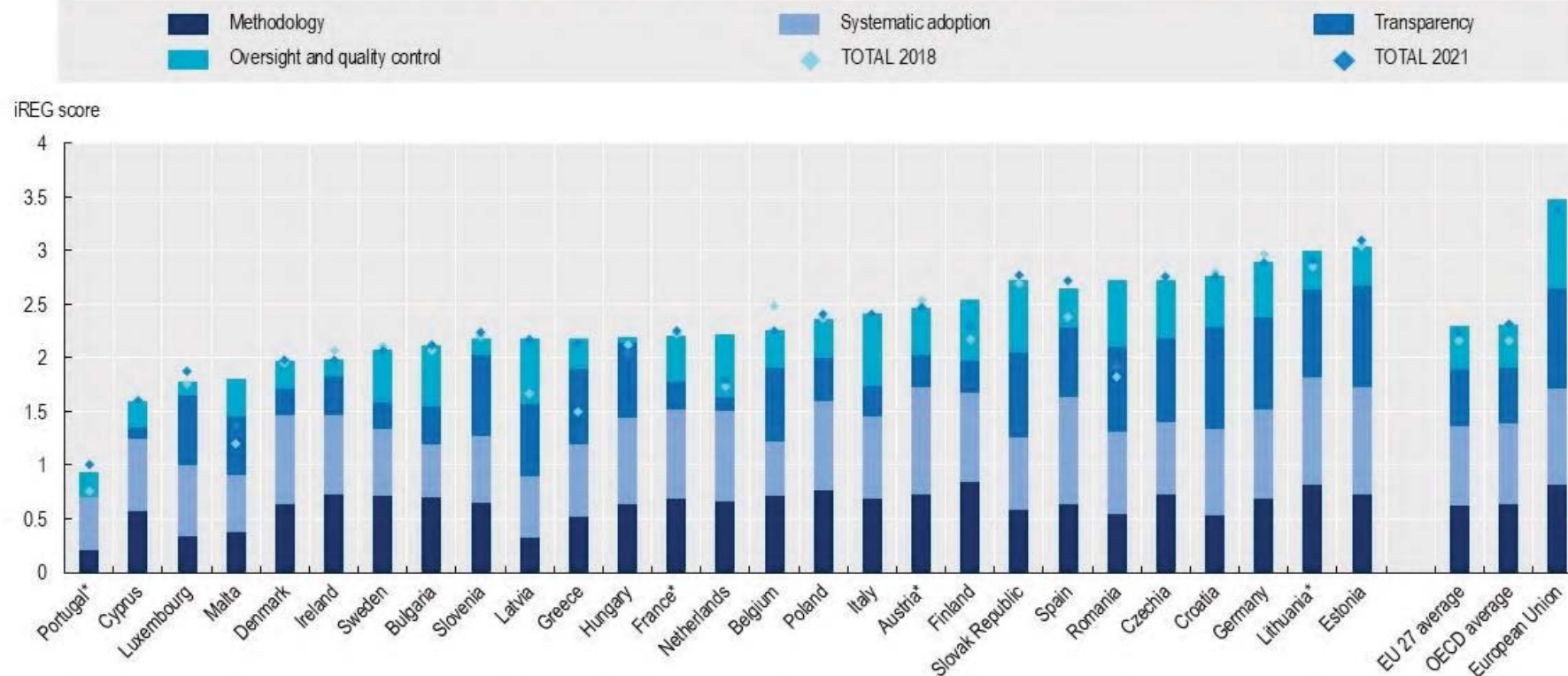
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Improvements in regulatory impact assessment have slowed down

Composite indicator: Regulatory impact assessment (RIA) in developing primary laws



Note: The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score. The indicator for primary laws only covers practices in the executive. * Most primary laws are initiated by the executive in the majority of EU Member States, except for Austria, France, Lithuania, and Portugal where a higher share of primary laws are initiated by the legislature.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

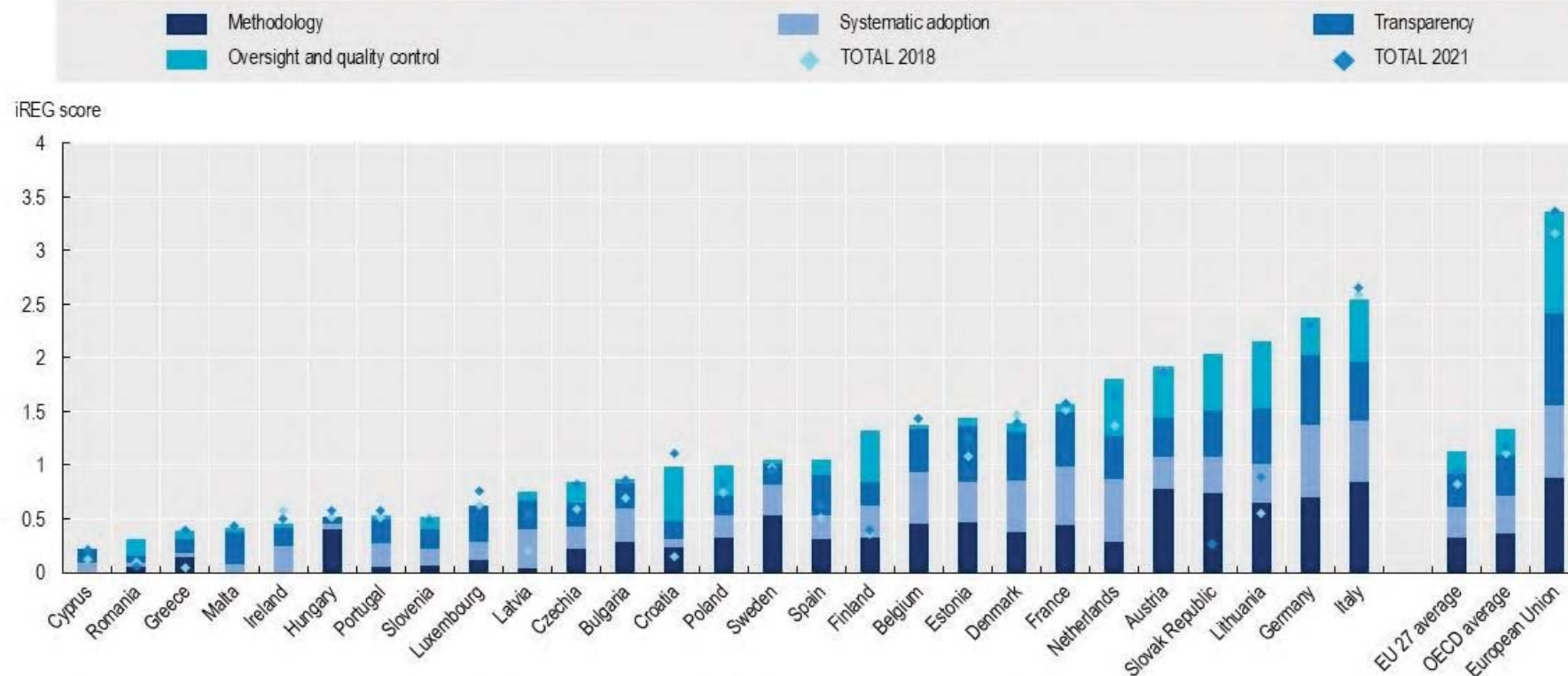
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Despite some improvements, *ex post* evaluation remains far from being fully developed

Composite indicator: *Ex post* evaluation of primary laws



Note: The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score.

Source: OECD Indicators of Regulatory Policy and Governance (iREG).

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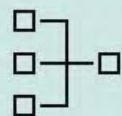


Better regulation tools could be better used to identify challenges and explore solutions

Key findings



Early-stage engagement, undertaken systematically by only 2 EUMS, remains a prominent gap – and tends to focus on targeted stakeholders.



Despite some growth over time, the assessment of **non-regulatory options** remains less developed. Generally, options assessment is **not sufficiently scrutinised**.

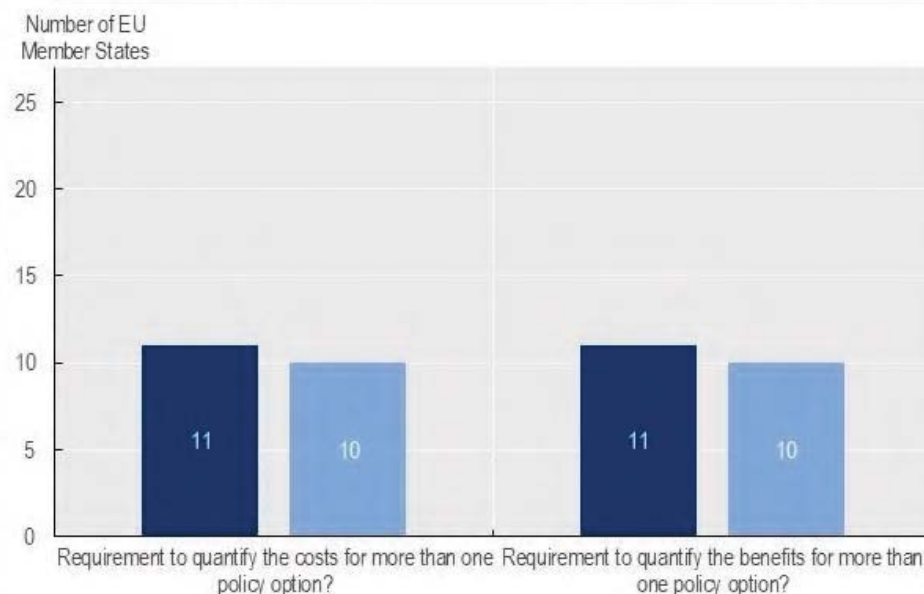


Proportionality in RIA is growing, now required in over two-thirds of EUMS. The use of threshold tests to guide proportionate analysis is comparatively less developed.

Requirements to quantify costs and benefits for more than one option

Primary laws

Subordinate regulations



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

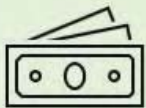
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Regulatory design tools are well developed but further improvements needed to place people at the core of the process

Key findings



More comprehensive analysis of impacts needed for a better picture on long-term growth: quantification of benefits trails that of costs and assessment of wider economic impacts are rarely required.

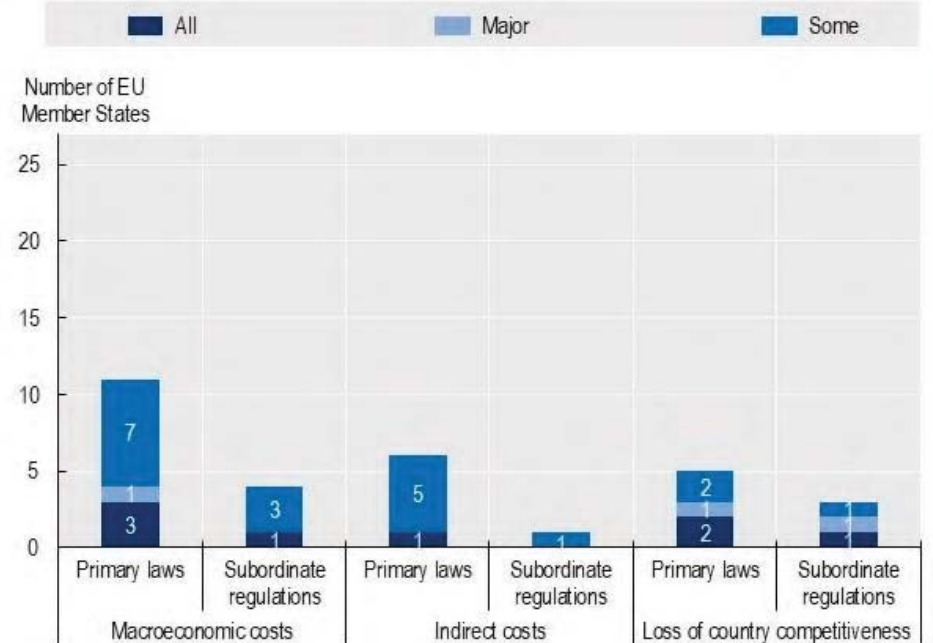


Social and environmental impacts are increasingly considered – but at a generic level: only 10 EUMS systematically check for impacts on domestic or international decarbonisation targets and only around half do so for impacts on poverty and inequality



Closing the consultation feedback loop to ensure meaningful engagement and responsiveness: less than half of EUMS issue a public response on how comments have shaped rules.

Requirements to identify different types of economic impacts of new rules



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

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Better planning for implementation and consistent monitoring to secure impact

Key findings



When developing them, EUMS could more systematically **plan how rules will work** out in practice: only a minority identify enforcement mechanisms and assess levels of compliance.

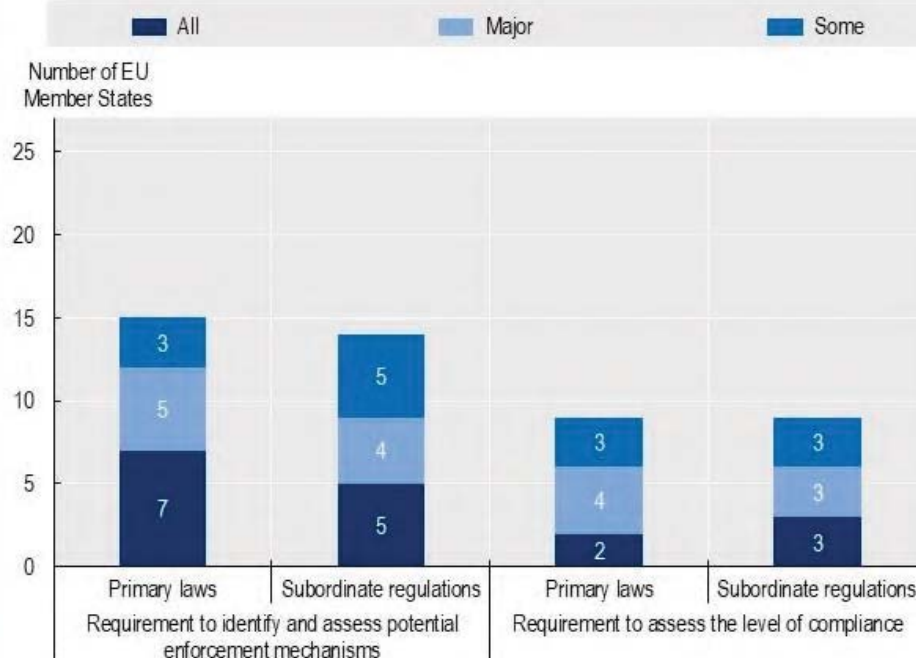


There are **opportunities to improve the monitoring of rules** and their outcomes in practice. Only a few EUMS require a methodology and/or clear indicators to assess progress towards policy goals.



EUMS have **scope to maximise the effectiveness and efficiency** in how rules are enforced: only a minority of them actively encourages enforcement and inspection authorities to base activities on risk and to use data-driven approaches.

Hardwiring implementation into regulatory design



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

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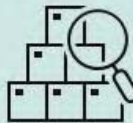


EUMS still need to close the cycle through systematic review to keep rules fit for purpose

Key findings



Ex post evaluation remains unsystematic: whilst many EUMS have adopted a methodology through written guidance, only a quarter of them have requirements to periodically evaluate all or major rules.

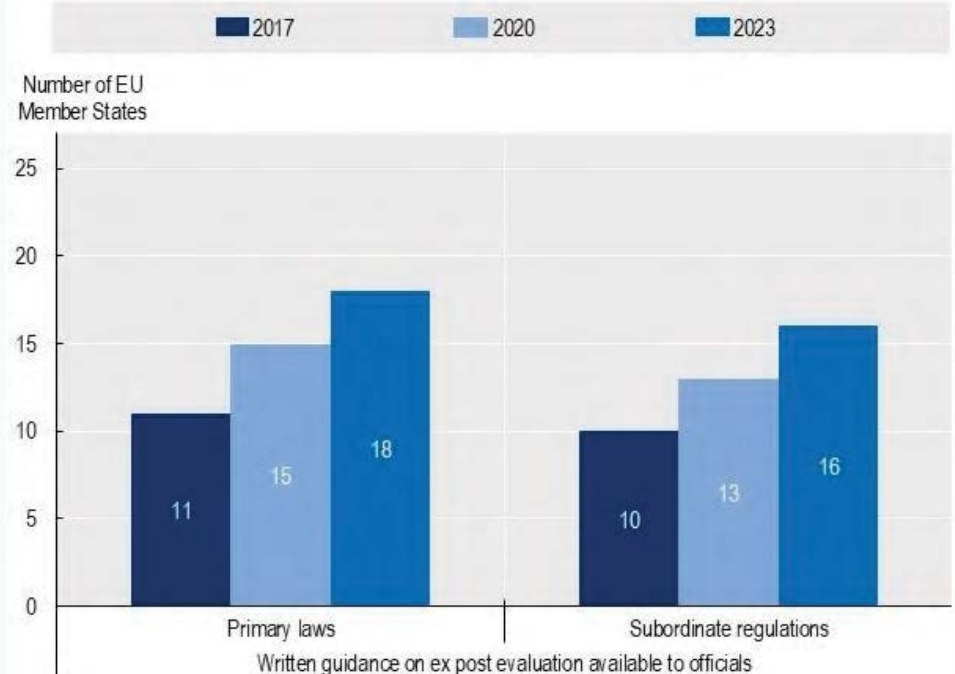


Broad-based reviews of the whole stock of regulation can be used more strategically to advance policy goals. A declining number of EUMS report such reviews with a focus on administrative simplification (14), competition (6) or compliance costs (5).



A large majority of EUMS use the insights from the European Commission's IA and stakeholder engagement – but most do so sporadically rather than systematically.

EUMS are adopting written guidance for ex post evaluation



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

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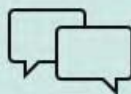


Member States have scope to better contribute to evidence-based design of EU law

Key findings



Use of evidence to inform Council negotiations remains limited – only around half of EUMS systematically assess expected impacts to determine their negotiating positions.



Only a minority of EUMS systematically engage stakeholders to inform a negotiating position – and if they do, tend to focus on targeted stakeholders rather than the general public.



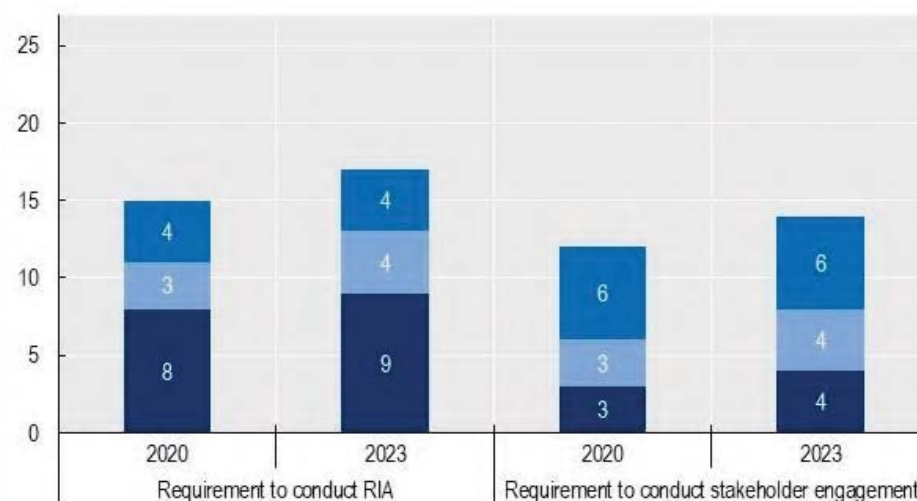
Governments have potential to improve the use of **stakeholder feedback in evaluations**. Most EUMS publish the findings of evaluations – they also engage with stakeholders but this remains non-systematic in most cases.

Use of better regulation tools to inform national positions for Council negotiations

■ For all EU directives/ regulations
■ For some EU directives/ regulations

■ For major EU directives/ regulations

Number of EU Member States



Source: OECD Indicators of Regulatory Policy and Governance (iREG).

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Improved use and pooling of evidence could strengthen implementation of EU law

Key findings



Transposition of directives is generally supported by impact assessment but the risk of “gold plating” is not systematically checked against in most EUMS and consultation is less open than for domestic regulations.



Better pooling of evidence throughout development and implementation could enhance consistency and foster synergies – limited evidence of information sharing mechanisms and use of other EUMS's RIA.



Feeding insights from evaluations of EU law back to the Commission could help close the policy cycle and help improve EU law – only 4 EUMS report doing so.

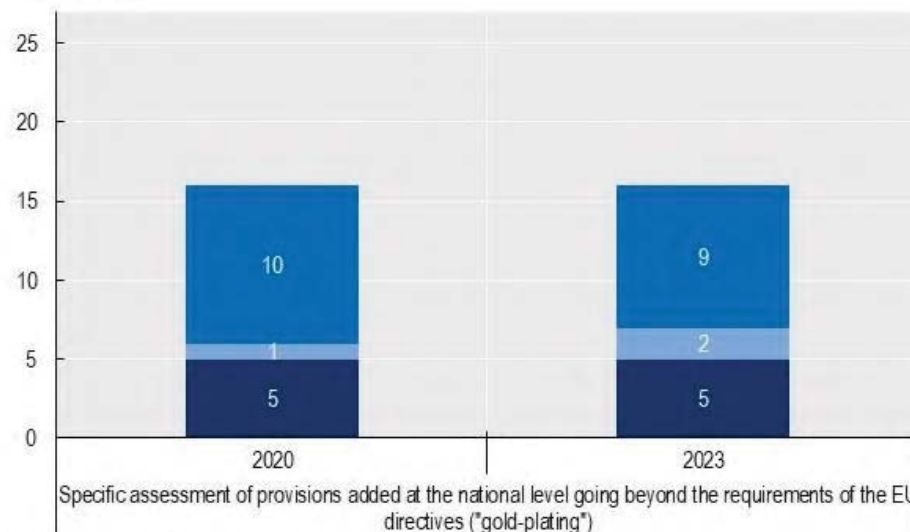
“Gold-plating” often remains unchecked

Always

Frequently

Sometimes

Number of EU Member States



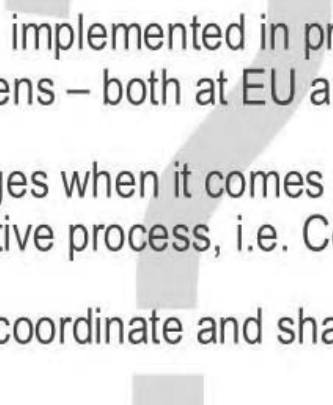
Source: OECD Indicators of Regulatory Policy and Governance (iREG).

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Some unanswered questions...

- 
1. How well are better regulation tools implemented in practice and how effective are they in driving impact and minimising burdens – both at EU and domestic level?
 2. What are the enablers and challenges when it comes to use of evidence-based policy making throughout the EU's legislative process, i.e. Council and Parliament?
 3. How effectively do Member States coordinate and share evidence in the implementation of EU law? Areas for improvement?

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