European Union
Overview and recent developments

The European Commission (EC) is the executive of the European Union (EU). It proposes new initiatives and legislation, which are adopted by the European Parliament and the Council. With its 2015 Better Regulation Package, the EC has introduced significant changes to its Better Regulation policy, further refined in 2017.

Ex ante impact assessments continue to be carried out for major primary laws and subordinate legislation. Since 2015, Inception Impact Assessments, including an initial assessment of possible impacts and options to be considered, are prepared and consulted on for 4 weeks, before a full RIA is conducted. Following this initial feedback period, the EC conducts public consultations of 12 weeks during the development of initiatives with an impact assessment. Legislative proposals and the accompanying full RIA are then published online for feedback for 8 weeks following approval of the proposal by the College of Commissioners. Draft subordinate legislation is consulted on publicly for 4 weeks. Transparency could be further improved by making RIAs on subordinate legislation available at this stage with the opportunity to comment on the analysis.

The ex post evaluation system, combining systematic evaluations of individual regulations with comprehensive “Fitness checks” of policy sectors, has been improved by providing the opportunity to comment on evaluation roadmaps for 4 weeks and on the main elements of all evaluations for 12 weeks. A REFIT Platform brings together representatives of the Commission, Member States and non-government stakeholders, to make suggestions for simplification and review of EU legislation.

INSTITUTIONAL SETUP FOR REGULATORY OVERSIGHT

The Commission’s Secretariat General (SG), the Centre of Government body in charge of the overall coherence of the Commission’s work, is responsible for overseeing Better Regulation. The SG reviews RIAs, stakeholder engagement processes and ex post evaluations, provides capacity support and makes recommendations for improvements of the system. The SG also serves as the secretariat to the Regulatory Scrutiny Board (RSB), which checks the quality of all impact assessments and major evaluations and fitness checks informing EU legislation. The RSB is composed of three Commission officials and three outside experts and chaired by a Commission’s Director General.

Outside the Commission, the European Parliament (EP)’s Directorate for Impact Assessment also reviews RIAs attached to draft legislation submitted by the Commission and can conduct more in-depth analysis and impact assessments of amendments at the request of EP committees. The European Court of Auditors, the EU Supreme Audit Institution, has also conducted performance audits of the regulatory management system.
NEGOTIATING AND IMPLEMENTING EU LEGISLATION

**Negotiation stage:** Most EU directives and EU regulations are adopted by the Council of the EU and the European Parliament through the ordinary legislative procedure. Throughout this process, the Council and the European Parliament separately review the Commission’s legislative proposal. In the Council and its sub-committees, Member States’ governments propose amendments and negotiate a common position on the legislative draft. Each Member State may undertake stakeholder engagement and regulatory impact assessment to help inform its negotiation position. The Council’s role in conducting impact assessments on amendments made in its committees has so far remained limited. EU legislation is adopted once the Council and the Parliament agree on a joint text.

**Transposition stage:** Member States are required to transpose EU directives, i.e. to incorporate them into their national laws, by adopting dedicated transposition measures. The transposition of EU directives provides EU countries with considerable latitude on the process and method of implementation. Many directives are designed such that they provide scope for Member States to include additional provisions. Governments usually transpose directives through domestic legislative procedures and may consult stakeholders and conduct regulatory impact assessment throughout this process. Each directive is required to be transposed to a specific deadline set in each directive. The Commission monitors the timely and legally accurate transposition of directives and can initiate infringement procedures where the transposition of directives is delayed.

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**INDICATORS OF REGULATORY POLICY AND GOVERNANCE (iREG): EUROPEAN UNION, 2018**

Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score. Results presented apply to all legislation (regulations, directives and implementing and delegated acts) initiated by the European Commission, who is the sole initiator of legislation in the EU system.

The data presented in the 2019 Better Regulation Practices across the EU report are the results of the 2014 and 2017 indicators of Regulatory Policy and Governance (iREG) surveys. The results from these surveys for OECD members and accession countries as well as the European Union have also been presented in the 2015 and 2018 Regulatory Policy Outlooks. Composite indicators and country profiles for the five EU countries that are not members of the OECD are published for the first time and are solely based on the data from the 2017 iREG survey.

The Regulatory Indicators Survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and ex post evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- **Systematic adoption** which records formal requirements and how often these requirements are conducted in practice
- **Methodology** which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- **Oversight and quality control** records the role of oversight bodies and publically available evaluations; and
- **Transparency** which records information from the questions that relate to the principles of open government e.g. whether government decisions are made publically available.

The data underlying the composite indicator reflect practices and requirements in place at the national level of government, as of 31 December 2017. Whilst the indicators provide an overview of a country’s regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (http://oe.cd/ireg).

Related links:
- **Full report: Better Regulation Practices across the European Union**
- **Indicators and underlying data and methodology**
- **2012 Recommendation of the Council on Regulatory Policy and Governance**
- **OECD Measuring Regulatory Performance Programme**
- **OECD work on regulatory policy**

For more information:

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- [http://oe.cd/ireg](http://oe.cd/ireg)