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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

A simpler and faster Europe: Communication on implementation and simplification



I. INTRODUCTION

Over the next five years, the Commission will pursue an ambitious programme of forward-looking innovative policies and high standards in the interests of its citizens, as set out in the Political Guidelines¹. These new initiatives will deepen the foundations of a thriving, diverse and fair European Union, making it an even more desirable place to live, work and invest.

At the same time, we must free people and businesses from unnecessary burdens and overly complex rules to unleash more opportunities, innovation and growth, for a more prosperous and resilient EU. This is why the Commission wants to rally all efforts to deliver a faster, simpler and more effective Union, where rules are clearer and easier to understand, implementation is swifter and more efficient, and shared responsibility drives better results.²

The EU's competitiveness is more important than ever in today's highly contested and power-driven world. It requires an environment that supports business creation and growth and protects and empowers people in the simplest, fastest and most effective way possible. It requires clarity of purpose to deliver on our economic, social and environmental goals.

High standards can be a powerful source of competitive advantage. In many instances, they shore up the quality of European products, drive innovation and ensure the sustainability and fairness of our economy. Yet, these advantages come to bear only if the EU's rules are proportionate, effective and fully implemented. Our rules must also be in line with the frontiers of human and technological progress, and responsive to global developments.

As highlighted in the Draghi report³, the accumulation of rules over time at different levels, their increased complexity and implementation challenges are having a significant impact on Europe's competitiveness, limiting our economic potential and the prosperity of our people. The time has come to take stock and shore up the quality of our regulatory framework and step up the implementation of agreed policies.

This communication sets out a vision for an implementation and simplification agenda that delivers fast and visible improvements for people and business on the ground. This requires more than an incremental approach and the EU must take bold action to achieve this goal. The Commission, the European Parliament, the Council, Member States' authorities at all levels and stakeholders need to work together to streamline and simplify EU, national and regional rules and implement policies more effectively.

The Commission's approach to implementation and simplification will be guided by the need to take stock of the past, navigate the present, and shape the future. We will simplify existing rules where necessary and ensure that they are better implemented. We will review and adapt our regulatory framework to make it more responsive to the needs of people and businesses. New better regulation and simplification tools will ensure that future laws are designed with implementation and simplification in mind right from the outset.

² 'For these times, we need a Union that is faster and simpler, more focused and more united, more supportive of people and companies', President von der Leyen's 2024-2029 Political Guidelines.

¹ Political Guidelines 2024-2029 | European Commission.

³ 2024 report by Mario Draghi on the future of European competitiveness: https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en#paragraph_47059

II. ENSURING THAT AGREED POLICIES DELIVER

Over the past years, the EU has demonstrated its commitment to address challenges head-on, agreeing on ambitious policies at a rapid pace to respond to multiple and complex crises and events. Our success now depends both on effective implementation and on avoiding that the accumulation of burdens placed on citizens and business defeats our purpose.

Implementation concerns Member States when bringing Union law into national legislation and making sure it is enforced. It also concerns the application of rules by authorities, people and businesses. More generally, and even in areas where there is no binding EU law, coordinated work towards objectives agreed at EU level has become essential to deliver on those.

Implementation shortcomings⁴ and the incomplete Single Market⁵ weigh on our prosperity and competitiveness. They also raise questions as to whether the EU will meet its economic, social and environment targets. As a result, people and businesses do not reap the full benefits of EU policies, while regulatory obstacles and administrative burdens are often great challenges for companies⁶. Often the focus is placed on creating new laws, bringing new burdens, while effectively implementing existing ones could lead to better results.

The EU needs a change of culture, putting implementation at the centre and joining forces to achieve that goal. The Commission will step up its work for a:

- a) Better implementation of EU law through closer cooperation with Member States
- b) Better implementation through administrative capacity building
- c) Working with stakeholders for stakeholders: implementation dialogues
- d) Swift and determined enforcement action where other measures are insufficient

a) Better implementation of EU law through closer cooperation with Member States

Cooperation with Member States in the implementation of EU law is the shortest path to ensure EU rules deliver. It also helps preventing breaches from happening in the first place. For the Commission, this means that it must further step up its dialogue with and support to Member States to implement EU law correctly and in time.

When an act is being finalised by the European Parliament and the Council, the Commission will systematically prepare an implementation roadmap, comprising planned actions to support Member States throughout the implementation process. For all important policy initiatives, the Commission will also prepare a broader implementation strategy. These will identify the main challenges Member States are likely to face in transposing and applying the act, arrangements to track progress, Commission support actions, and a clear timeline for all steps. To maximise their usefulness, they will be issued as close to the adoption of the act as possible. For directives, they will include explanatory templates, helping Member States avoid transposition gaps and speeding up transposition checks.

⁴ There are around 1,500 infringement procedures ongoing for Member States failing to comply with EU law. Over 900 of these cases concern the incomplete or incorrect transposition of directives.

⁵ 2024 report by Enrico Letta on the future of the Single Market: https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf

⁶ 2024 report by Mario Draghi on the future of European competitiveness: https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en#paragraph_47059

For implementation roadmaps and strategies to be effective, the Commission needs to be aware of where implementation challenges are, and whether they are of a legal, administrative or practical nature. Early and open information from Member States and stakeholders is crucial for the Commission to design targeted and effective implementation support measures. Member States should therefore complement the implementation roadmap with their own planned implementation measures and envisaged implementation challenges. This cooperative approach requires mutual trust, nourished by a shared understanding that an open exchange serves our common goal of delivery. Moreover, proactive updates on additional national obligations would give the Commission a clearer view of policy landscapes, aiding in addressing the impacts of diverging rules.

Expert groups or similar bodies can be used as a platform for boosting partnership between the national authorities, supporting implementation and ensuring peer-pressure between Member States. The approach of the Single Market Enforcement Task Force⁷, where the Commission and Member States collaborate to remove market barriers, can inspire similar efforts in other sectors like competition, telecoms, or energy. This voluntary and informal collaboration can help address issues in applying rules in practice. As another example, the recent Accele-RES implementation strategy illustrates comprehensive implementation support for Member States and stakeholders. The initiative helps Member States in swiftly implementing the revised Renewable Energy Directive. The new rules streamline permitting procedures, crucial for meeting 2030 renewable energy targets.⁸

b) Better implementation through administrative capacity building

Effective policy implementation relies heavily on well-equipped public administrations. The **Technical Support Instrument** helps Member States enhance their administrative capacity, deliver reforms and investments and access available EU funds. But the use of technical support to Member States should accompany important legislative proposals more systematically, also through multi-country projects, to help Member States put in place the necessary processes and infrastructure for proper implementation in the longer term. In addition, under the European Administrative Space (ComPAct)⁹, the Commission will continue to mobilise efforts to strengthen administrative capacity at national, regional and local levels – with a focus on skills and the digital and green transitions – and the exchange of public servants to share good practices and work on common problems across borders¹⁰.

c) Working with stakeholders for stakeholders: implementation dialogues

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⁷ https://single-market-economy.ec.europa.eu/single-market/single-market-enforcement-taskforce en

⁸ The Commission supports these efforts through structured dialogues and bilateral meetings with Member States to discuss transposition plans, particularly for permitting. An upgraded expert group serves as a forum to exchange best practices and overcome implementation obstacles. Additional support comes from forums like the Concerted Action on the RED and the Single Market Enforcement Task Force. The Commission has also issued guidance documents, updated recommendations on permit procedures, launched an online Q&A portal for practical queries and provided funding for training national permitting authorities.

⁹ Commission Communication 'Enhancing the European Administrative Space (ComPAct)' (COM/2023/667) of 25 October 2023.

¹⁰ Under the Public Administration Cooperation and Exchange programme (PACE), in 2023, over 300 civil servants from 18 Member States have participated in 71 exchanges on topics such as professionalisation of public administration, improving administrative performance, green and digital public administration.

Some implementation challenges cannot be anticipated. This is why it is essential for the Commission to engage with stakeholders and practitioners, gathering feedback on what is working and what is not, and identify ways to improve and facilitate implementation.

Each Commissioner will host at least two implementation dialogues annually with stakeholders. These dialogues aim to assess progress and identify areas needing attention for EU policies to deliver on the ground. The dialogues will target key stakeholders affected by EU policies, such as SMEs, civil society organisations, industry, and local authorities. Their outcomes will feed the Annual Progress Reports on Enforcement and Implementation, helping to identify issues pertaining to poor implementation, gold-plating¹¹, over-compliance or fragmentation, and uncover opportunities for simplification and burden reduction. Several implementation dialogues will take place already in the first half of 2025¹².

d) Swift and determined enforcement action where other measures are insufficient

Where shortcomings in the implementation and application of EU law persist despite the Commission's support outlined above, the aim is to achieve compliance as soon as possible. Sectoral **monitoring mechanisms**¹³ and **problem-solving tools**¹⁴ will remain useful to address specific issues. Swift fixes can also be achieved through a pre-infringement dialogue, known as **EU Pilot**¹⁵. This dialogue is used when it is likely to lead to faster compliance than a formal infringement procedure.

While cooperation is the shortest path to ensure EU rules deliver, **infringement procedures also play an important role** in cases where a Member State is unwilling to implement agreed rules and policies. The Commission will resolutely assume its enforcement responsibilities, as guardian of the Treaties: its strategic approach to enforcing EU law gives priority to breaches with the most significant impact on the interests of people and businesses.

The stock of open infringement procedures remains high (around 1,500 cases at the beginning of 2025), some of which are long-standing. The Commission will continue its efforts to **bring infringement cases to a close successfully**, ensuring Member States apply EU law correctly to deliver its benefits. If the early stages of the infringement procedure do not resolve the breach of EU law, the Commission will not hesitate to **refer the case to the Court of Justice of the European Union, requesting financial sanctions** where this is legally possible ¹⁶.

¹¹ Meaning where additional national requirements when transposing an EU directive into national law create burden and barriers. complicate EU directives.

^{12 [}to be reviewed at ISC] Implementation dialogues are already planned in the following areas (non-exhaustive list): EU consumer legislation as well as labelling and online consumption (placeholder to describe the three dialogues); sustainable use of pesticides; fisheries and oceans dialogues with equal attention to the environmental and socio-economic dimensions; Anti-Money Laundering rules; progress and challenges implementing equality rules; potential obstacles and possible solutions to the implementation of the Pact on Migration and Asylum; EU rules towards our collective energy and climate targets for 2030; availability and affordability of sustainable energy sources for all transport sectors.

¹³ For example, the Single Market Transparency Directive to avoid the creation of barriers, the Single Market Scoreboard, the European Semester's country-specific reports and the Environmental Implementation Review.

¹⁴ For example, tools such as SOLVIT, the Internal Market Information System, and Your Europe empower people and businesses to fully use their rights in the single market. They offer clear information, assistance on specific problems and problem-solving.

¹⁵ The EU Pilot success rate was 76% in 2024.

¹⁶ The Commission systematically asks the Court to impose financial sanctions in the form of a lump sum payment and a daily penalty payment when a Member State fails to take the necessary measures to comply with an earlier

III. MAKING EUROPE SIMPLER AND FASTER

The green and digital transitions are transforming the world's economies and societies and bringing about intense competition for resources and innovation. Succeeding in this new environment requires a bold approach to foster our competitiveness, including by simplifying our regulatory framework, to make Europe a more attractive place to live and do business.

In past years, steps have already been taken towards addressing administrative burden. In 2023, the Commission announced in March the goal to reduce the reporting burden by 25% for companies and administrations¹⁷. With its 2024 Work programme¹⁸, it tabled a first set of 41 proposals towards this goal. Notable measures included the EU Customs Reform, which is expected alone to save EUR 2.7 billion, the adjustments of the threshold of the Accounting Directive, benefiting more than one million companies, or a common online form for posting workers declarations¹⁹.

In 2025, the Commission has set simplification, reducing reporting burden, cutting red tape, facilitate the process for obtaining permits and simplifying legislation as top priorities for the next five years. They will be delivered by each and every Commissioner in their areas of responsibility, under the coordination of the Commissioner for Implementation and Simplification.

These changes complement the existing 'one in, one out' approach²⁰, our 'cost brake' aimed at stemming the 'flow' of new burden. The approach is fully implemented since 2022 and resulted in Commission proposals with net cost savings of EUR 7.3 billion in 2022, 6.3 billion in 2023 and EUR 260 million in 2024²¹. These savings are based on the initiatives as adopted by the Commission. Some of these measures have however not yet been adopted or the cost saving potential has been reduced following amendments introduced as part of legislative negotiations.

Simplification will help our citizens and companies, including our 24 million SMEs, in their efforts to make the most of the EU Single Market and the green and digital transitions. A consistent review of and targeted changes to our rules will bring about a better, more effective delivery of our policy objectives, and a more competitive and resilient EU.

To translate this vision into reality, we will deploy the following tools and initiatives:

a) Meeting new targets to reduce administrative burden

judgment of the Court finding an infringement of Union law (Article 260(2) TFEU) and when a Member State fails to notify measures transposing a directive adopted under a legislative procedure (Article 260(3) TFEU). In 2023 and 2024, the Commission decided to refer 134 infringement cases to the Court of Justice, including a request for financial sanctions in 55 of these cases.

¹⁷ Communication from the Commission to the European Parliament, the Council, the European and Social Committee and the Committee of the Regions – "Long-term competitiveness of the EU: looking beyond 2030".

¹⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Commission work programme 2024 – "Delivering today and preparing for tomorrow" – Annex II.

¹⁹ In 2024 the Commission introduced a new digital platform for declaring posted workers. This will reduce the administrative burden for businesses by decreasing, on average, by an estimated 73% the time spent on filing such declarations. It will also support the protection of workers by increasing the transparency of postings and facilitate the carrying out of effective and targeted inspections by Member States.

²⁰ 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 (2021);

²¹ 2024 has, as a transition year, seen lower level of legislative activity.

- b) Prioritising new simplification measures
- c) A gradual stress-testing of the stock of EU legislation
- d) Hands-on experience through Reality Checks
- e) A Simplification Advisory Group

a) Meeting new targets to reduce administrative burden

To ensure sustained and measurable efforts over the years ahead, the Commission has set ambitious targets for reducing reporting burden: at least 25% for all companies and 35% for SMEs. We will take stock of our progress towards this goal regularly in annual progress reports on enforcement and implementation, which will also include orientations for future simplification initiatives.

Using data available at the EU and national level, EUROSTAT has approximated the baseline of overall recurring (annual) costs at EUR 150 billion in the EU.²² This results in a goal of reducing EUR 37.5 billion of recurring costs over the next five years to reach the 25% reduction. Additional measures for SMEs will aim to meet the 35% target.

Since the March 2023 announcement of the 25% burden reduction target, the Commission proposed measures expected to save about EUR 5 billion²³.

These estimations of savings are based on Commission proposals which may be amended by co-legislators. The simplification agenda is a shared commitment and therefore it is the joint responsibility of the European Parliament and Council to preserve or, where possible, enhance the burden reduction potential of our proposals during legislative negotiations.

b) Prioritising new simplification measures

The 2025 Commission Work Programme contains, for the first time, a strong focus on simplification. It includes a series of proposals tackling priority areas identified with stakeholders over the past year²⁴. The Commission has flagged those measures in the work programme and invites the European Parliament and the Council to handle them with priority.

[Placeholder CWP omnibus proposals and other key simplification measures]

Digital initiatives will also contribute to simplification, including through greater use of eplatforms such as the Single Digital Gateway²⁵ – or the EU Digital Wallet²⁶. We will also put forward a European Data Union Strategy in the third quarter 2025. This strategy will draw

²² The calculations follow a pragmatic approach and are based on previous work by the High-Level Group on Administrative Burdens and observed trends in some Member States. The resulting baseline is of a similar order of magnitude to the one identified in the Draghi report.

²³ These notably include the 41 initiatives adopted alongside the 2024 Commission Work Programme, as well as subsequent Commission proposals such as the simplification package for agriculture. These savings were estimated using the EU Standard Cost Model.

²⁴ A dedicated Call for Evidence on the rationalisation of reporting requirements was open for feedback from stakeholders until December 2023. Approximately 200 respondents provided their input to this consultation, complemented by targeted discussions with associations and other stakeholders such as workshops with business/industry (including SMEs).

²⁵ The single digital gateway facilitates online access to information, administrative procedures, and assistance services that EU citizens and businesses may need in another Member State.

²⁶ EU Digital Identity Wallets will enable users to access online services, store and share digital documents, and create binding signatures.

on existing data rules to ensure a simplified, clear and coherent legal framework for businesses and administrations to share data seamlessly and at scale, while respecting high privacy and security standards.

The work programme also includes a first list of **evaluations of individual laws or of policy areas** (fitness checks), kickstarting a process to stress-test the stock of EU legislation (the so-called *EU acquis*) for potential simplification. The evaluations will look critically at potential areas to simplify and focus on finding opportunities to reduce costs and consolidate existing rules. Their results will feed into the next simplification packages, in a virtuous circle.

c) A gradual stress-testing of the stock of EU legislation

Stress-testing will be a **continuous screening process** of the existing stock of EU legislation. The ambition is to ultimately review the whole *EU acquis* to capture its cumulative impacts and simplify it, while fostering the achievement of its policy objectives. Each Commissioner will stress-test the legislation within his or her areas of responsibility, under the steer of the Commissioner for Implementation and Simplification. Following the stress-testing, we will **put forward concrete simplification measures** and an annual plan of evaluations, which will be included in the Commission work programme each year, starting in 2025 as presented above.

d) Hands-on experience through Reality Checks

The Commission will **reach out to practitioners in companies, including SMEs,** to identify and solve practical issues, such as those linked to authorisations, permitting or compliance burdens. Reality checks will seek to identify hurdles, as well as positive experiences, and how they relate to EU rules, their implementation and national transposition. They will be an important source of information to **verify that the assumptions on which EU legislation is based have in practice materialised to deliver the expected benefits**. They will also help to gauge whether planned simplification measures would result in actual cost savings and are appropriate and realistic. The outcome of reality checks will therefore feed onto the stress tests of existing legislation (including evaluations and fitness checks) and the design of future simplification proposals.

e) A Simplification Advisory Group

The Commission will build on the success of the Fit for Future Platform, a **high-level expert group** significantly contributing to simplification efforts. The Platform's 52 members brought together expertise from national administrations, employers, trade unions, businesses, as well as consumer, environmental and other non-governmental organisations, the Committee of the Regions and the European Economic and Social Committee. The participation of RegHub in the Platform's work provided useful feedback from the regional local levels.

Over its four-year mandate, the Platform prepared 41 opinions with 260 specific suggestions to reduce burden. Several Commission's flagship initiatives drew from this expertise, including the VAT in the Digital Age package, Ecodesign for Sustainable Products, the Gigabit Infrastructure Act, the Interoperable Europe Act, the Banking Union package and the Listing Act.

Building on this positive experience, the Commission will set up a Simplification Advisory Group to succeed the Fit for Future Platform, tasked with **delivering expert and strategic**

advice to the Commission in its new work on simplification. This Group will help to identify priority areas and simplification potential in existing legislation, to cut burdens without affecting the policy objectives. Its mandate and composition will be designed to ensure a strong focus on simplification, more agile and flexible working methods while ensuring a broad participation.

IV. IMPROVING HOW WE MAKE NEW RULES

As important as it is to simplify existing rules, ensuring that new legislation is indeed simple, easy to understand and to implement is also essential. Implementation and enforcement issues need to be considered from the moment when the Commission designs proposals for EU legislation, as set out in the Better Regulation guidelines and its toolbox²⁷. For this, the EU can build on its better regulation approach, which is among the best in the OECD, including for consultations²⁸, evaluations and impact assessments²⁹. It also benefits from the work of the Regulatory Scrutiny Board, tasked with ensuring the high quality of the evidence supporting legislative proposals.

Nevertheless, most companies – and SMEs in particular – see regulatory obstacles and their cumulative impact as their greatest challenge to establish themselves and grow their business in the EU. This calls for a closer examination of the impacts that new legislation may have on competitiveness, SMEs and start-ups. It also calls for more careful consideration by the European Parliament and the Council of the impact of significant amendments during the legislative process, as well as for closer scrutiny of relevant delegated and implementing acts.

To address these challenges, a new approach to the legislative process is needed, through:

- a) New SME and competitiveness checks
- b) Closer scrutiny of relevant delegated and implementing acts
- c) Thinking delivery when designing new EU law
- d) A simple methodology for assessing significant amendments.

a) New SME and competitiveness checks

The new SME and competitiveness checks will look more closely at the impacts of new legislation on companies, particularly on small ones and will include a **stronger sectoral focus**, to better capture the cumulative impact. It will assess the competitive position of EU companies in the sectors most affected by each proposal, using indicators and qualitative information. The check considers four key dimensions, namely cost/price competitiveness, international competitiveness, capacity to innovate, and impacts on the competitiveness of SMEs. The sector focus will be based on the analysis of a set of indicators, providing a **proxy of the competitive position of EU companies affected**, including for the sectors already identified in the Draghi

²⁷ https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en The quality of legislation is of the utmost importance. Clearly drafted and unambiguous texts facilitate implementation, compliance and enforcement of rules.

²⁸ The consultation process will be further improved by the introduction of the implementation dialogues and reality checks considered earlier.

²⁹ Based on OECD Regulatory Policy Outlook 2021 | OECD

report as being at competitive disadvantage.³⁰ To the extent that competitiveness issues are identified, **mitigating measures** will be considered.

The changes to the SME and competitiveness checks will also build on the Fit for Future Platform opinion³¹ suggesting ways to **renew the SME test**. The Commission will introduce in impact assessments a specific part dedicated to the SME test. All evaluations and fitness checks will also contain a dedicated analysis of SME impacts.³²

Moreover, the Commission will also develop a **more uniform presentation of costs and benefits** of its proposals. This will give a more comprehensive view of impacts beyond an individual proposal.

b) Assessing costs and impacts of relevant delegated and implementing acts.

The Commission adopts a large number of delegated³³ acts and implementing³⁴ acts every year, mandated by legislation adopted by the European Parliament and the Council. Many of these acts are technical, with limited impacts, already considered when proposing the basic legislation. When this was not the case³⁵, and such acts have significant impacts and the Commission has policy options to make, they will be subject to an impact assessment, in line with the Commission Better Regulation rules³⁶. When there are no policy choices to be made, and therefore no impact assessment is required, but significant impacts are expected, the Commission will nevertheless present a costs/savings analysis in a focussed staff working document. The Commission will carefully consider the implications of delegated and implementing acts introduced throughout the legislative process with the aim to avoid additional costs imposed with secondary legislation.

c) Thinking smart delivery when designing new EU law

While the EU has a well-designed process to determine and agree on the scope and objectives of EU law, the design of an initiative needs to look ahead to the time it will be implemented. This includes considering national, regional and local realities, as well as how digitalisation can facilitate implementation. Future implementation issues can be identified best through early dialogue and cooperation with Member States, social partners and other stakeholders. To achieve this goal, the legal and practical context of implementation will become part of stakeholder consultations and impact assessments where appropriate.

The current SME test is defined in tool #23. Good example of SME impact analysis will inspire the changes to the SME test, as for instance the impact assessment of the regulation preventing plastic pellet losses.

³⁰ While the sectoral analysis will depend on each specific proposals, the sectors identified by the Draghi report are energy, critical raw materials, digitalisation, broadband networks, computing, semiconductors, energy-intensive industries, clean technologies, automotive, defence, space, pharma and transport.

³¹ Final opinion SME test.pdf (europa.eu)

³³ Delegated acts are defined by the Treaties as non-legislative acts of general application. They can only be adopted if there is a delegation of powers contained in a legislative act. They may supplement or amend certain non-essential elements of that legislative act.

³⁴ When uniform conditions for the implementation of legally binding Union acts have to be ensured, implementing powers need to be conferred on the Commission.

³⁵ For instance, when such empowerments are added by the co-legislators.

³⁶ In accordance with tool #42 of the <u>Better Regulation toolbox</u>, Impact assessments should be prepared for delegated and implementing acts when the expected economic, environmental, or social impacts of EU action are likely to be significant and the Commission has a margin of discretion regarding the content of the act.

Implementation and how EU law works in practice should not be an after-thought but a prime consideration at all stages of the policy cycle. This starts from policy preparation all the way through interinstitutional negotiations, anticipating implementation challenges and ensuring high-quality legislative drafting.

The Commission also intends to make better use of digital technologies to ease reporting burdens and reduce compliance costs, by fully deploying the 'digital by default' and 'onceonly' principles in partnership with national, regional and local authorities. The Commission has also developed a new Legal Financial and Digital Statement to accompany its proposals. Its digital dimension chapter captures essential information on the digital aspects of the proposals and serves as the Commission's interoperability assessment report, as mandated by the Interoperable Europe Act. It ensures that the Commission considers thoroughly digital impacts when preparing its proposals so that they are well-prepared for the digital age.

d) A simple methodology for assessing significant amendments

Building on the standard cost model, the Commission will propose to co-legislators to use an adapted application of the methodology. This will allow to estimate the administrative costs of significant amendments, while for other type of costs a more uniform presentation will be proposed. The purpose is to apply a common, easy to apply methodology building as much as possible on existing statistical data.

This work will be consulted with the co-legislators in the second quarter of 2025.

V. WAY FORWARD: PARTNERSHIP AND ENGAGEMENT

In this Communication, the Commission has laid out an ambitious agenda for simplification and implementation to boost competitiveness, prosperity and resilience in the EU. Delivering on these goals will also require a strong commitment from other institutions and stakeholders, including the European Parliament and the Council, national, regional and local authorities. The principles of partnership and engagement will guide the Commission's work:

- a) Reporting regularly on progress, ensuring transparency and accountability
- b) Engaging with the co-legislators for simpler and more effective EU rules

a) Reporting regularly on progress, ensuring transparency and accountability

The Commission will report regularly on progress made towards improving implementation and simplifying EU rules. Each Commissioner will present an **annual progress report** on implementation and enforcement in his or her area, to the respective Parliament Committee and Council formation. These reports will present the progress achieved towards key policy objectives and targets, as well as provide general **explanations about ongoing enforcement actions, implementation support and simplification measures**. They will also take stock of stakeholder dialogues, stress-tests and reality checks, and set out orientations for possible additional measures.

The individual reports will be followed by a **global summary report** and the Commission's website *Europa* will display user-friendly information on topics such as the progress towards the 25% and 35% burden reduction targets, Commission enforcement actions, or the national implementation of EU law, including interactive maps and customisable graphs.

Indicative timeline of the implementation and simplification cycle*



b) Engaging with the co-legislators for simpler and more effective EU rules

The European Parliament and the Council examine and amend Commission's legislative proposals before adopting them. They therefore have a central role to play to deliver simple and effective rules with the lowest administrative costs for citizens and companies. In 2016, each institution already committed to the principle of assessing the impacts of their amendments when substantial, and they consider this to be appropriate and necessary.³⁷ This can refer to amendments that increase costs, create the risk of additional adverse impacts or significantly reduce the simplification potential of a dedicated Commission proposal. However, this approach proved insufficient since neither the European Parliament nor the Council is delivering on this commitment.

The Commission calls on the European Parliament and the Council to operationalise this commitment and allocate the necessary processes and resources. While amendments cannot be subject to a full impact assessment in the tight time frame of negotiations, it could be possible for each institution to apply a simple methodology to assess their costs, as considered earlier.

³⁷ See paragraph 15 of <u>IIA-BL</u>: The European Parliament and the Council will, when they consider this to be appropriate and necessary for the legislative process, carry out impact assessments in relation to their substantial amendments to the Commission's proposal. The European Parliament and the Council will, as a general rule, take the Commission's impact assessment as the starting point for their further work. The definition of a 'substantial' amendment should be for the respective Institution to determine.

We stand ready to work closely together with the Parliament and Council for this purpose³⁸ and wish to **renew the Interinstitutional Agreement on Better Lawmaking** to clarify how this would be achieved.



³⁸ The Court of Justice has indicated that, although there is no legal requirement to carry out impact assessments, whose content is also not binding, the EU legislature must be able to clearly set out the basic data taken into account when making its choices, in particular where any burden is imposed. A recent ruling (see judgment of 4 October 2024 in cases C-541/20 to C-555/20 on the mobility package-<u>Action for annulment – First package of mobility measures ('Mobility Package') – 4 October 2024)</u> confirmed that onerous requirements introduced in the legislative process and for which the co-legislators cannot demonstrate the underlying basic data may be successfully challenged and annulled by the Court.