



EUROPEAN COMMISSION

Brussels, 19.04.2016
C(2016) 2219 final

Dear President,

The Commission would like to thank the Senát for its Opinion on the Communication from the Commission "Annual Growth Survey 2016" {COM(2015) 690 final}.

The Commission welcomes the endorsement by the Senát of the three main pillars for the EU's economic and social policy in 2016: re-launching investment, pursuing structural reforms to modernise EU economies and responsible fiscal policies. The Commission invites Member States to take advantage of the ongoing moderate recovery to focus policy efforts on these priorities.

The Commission also welcomes the Senát's support for the streamlining of the European Semester, for the further deepening and strengthening of the Single Market, for fiscal responsibility and for the need to foster a favourable investment environment.

Regarding the Senát's observation on the administrative burden caused by changes of the legal framework at the Union level, the Commission would like to recall that Better Regulation is among its top priorities and underpins all its policies. With the Better Regulation package adopted in May 2015 {COM(2015) 110 final}, the Commission has put forward an extensive set of measures to improve the quality of both new and existing EU laws, so that EU policies achieve their objectives in the most effective and least burdensome way. In particular, the Commission has strengthened its approach to impact assessment and evaluations to improve the evidence base which underpins all legislative proposals, and transformed the Commission's Impact Assessment Board into a Regulatory Scrutiny Board to ensure an independent quality check, with half of its members now recruited outside the Commission. The REFIT programme – the main instrument of the Commission to facilitate actions to reduce unnecessary regulatory burdens – is also being strengthened. It has already delivered results for business in many areas since it was launched in 2012. Through REFIT actions, we have seen for instance a reduction of up to 90% in SME fees for compliance with chemicals legislation, the introduction of e-procurement tools saving up to 20% of procurement costs and various waivers for SMEs to particularly heavy regulatory burdens. The Commission has in its Work Programme for 2016 identified 40 REFIT initiatives including in key areas

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such as VAT, the Digital Single Market and the Energy Union. REFIT is a key component of the Commission's annual Work Programme – ensuring that as much attention is paid to checking whether the body of existing EU law is fit for purpose and removing unnecessary burdens as to new initiatives – and an annual REFIT scoreboard assesses progress for each individual initiative, including at the level of the European Parliament and the Council. Finally, the new Inter-Institutional Agreement on better law-making negotiated with the Council and Parliament ensures that all three EU institutions are committed to Better Regulation principles.

The Commission also wishes to recall that the Commission has taken numerous initiatives since the beginning of this mandate to provide a better business environment and a more certain and stable regulatory environment for investment, such as the single market strategy, the digital single market, the energy union, the capital markets union and the circular economy package. Reforms at Member State level are needed to complement those undertaken at EU level.

The Commission wishes to underline the importance of an increased involvement of national Parliaments, social partners and stakeholders in the European Semester of economic policy co-ordination, in order to strengthen national ownership and to increase its effectiveness and implementation at all levels. The Commission has called on Member States to consult closely national Parliaments and social partners when preparing their national programmes.

As already mentioned, the Commission considers that fostering dialogue on the Annual Growth Survey is of particular importance both at EU and national level. The Commission agrees that inter-parliamentary cooperation initiatives represent useful platforms for more exchanges of information, opinions, experience and best practices, as pointed out by the Senát.

The Commission hopes that these clarifications address the issues raised by the Senát and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Valdis Dombrovskis
Vice-President*