



EUROPEAN COMMISSION

*Brussels, 13.3.2015
C(2015) 1709 final*

Dear President,

The Commission would like to thank the Bundesrat for its Opinion concerning the Commission's Communication on the Regulatory Fitness and Performance Programme (REFIT): state of play and outlook {COM(2014) 368 final}.

The Commission welcomes the support of the Bundesrat for the Commission's work to make EU legislation more efficient and effective.

The Commission finds that the advice and cooperation of national and regional authorities are important as the efficient implementation of EU legislation at national, regional and local level contribute to an overall reduction of regulatory burden for businesses, public administrative authorities and citizens. In that regard, the European Council has also concluded that a strong commitment is needed in this area both at the EU and at national level.

The Commission would like to assure the Bundesrat that the Commission's work to make EU legislation more efficient and effective should indeed ensure that EU interventions are limited to actions clearly most appropriately taken at the EU level, that the principles of subsidiarity and proportionality are fully respected and that the delivery of policy objectives is improved. The Commission would also like to recall that REFIT is not a de-regulatory agenda, but is designed to ensure the most efficient and effective protection of public interest requirements, including those for the protection of workers, consumers and the environment.

The Commission welcomes the recognition by the Bundesrat that effective social protection contributes positively to competition and growth and agrees with the Bundesrat that better regulation reconciles efforts for a more efficient and effective legislative framework with treaty commitments, monitoring of compliance, and the EU's social dimension.

The Commission takes note of the Bundesrat's view that an external body should be set up to supervise impact assessments as well as of its suggestion to assess the 'legislative costs' of legal acts both at the EU level and in Member States. The Commission also notes the Bundesrat's specific recommendations concerning the drafting of legislation and use of communications.

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President of the Bundesrat
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The Commission would like to make the following specific observations to the views expressed in the Bundesrat's Opinion:

In relation to reporting requirements for environmental issues, the Commission wishes to recall that the underlying purpose of environmental reporting is to present and share key information on how European environmental legislation is being implemented. However, reporting is not the only way in which such information can be made available. The 2004 Access to Information Directive (2003/4) provides for the active dissemination by Member States to the public of environmental information such as legislation, plans, decisions, reports, monitoring data and impact assessment studies. In practice, this is largely done online through Member State web portals. The 2007 INSPIRE Directive (2007/2) supports the online provision of environmental information through discovery, view and download services.

The Commission is also exploring whether the active dissemination of information can be improved through use of Structured Implementation and Information Frameworks (SIIFs). Drawing on the Access to Information and INSPIRE Directives, SIIFs would aim at providing information on how individual pieces of environmental legislation are implemented in a clear, structured way through the websites of Member State authorities. More specifically, the Commission is working on a SIIF pilot for the Urban Waste Water Treatment Directive (91/271) and will present the results of this pilot project in 2015. In addition, the Commission is organising a study of how well active dissemination is working for the Birds Directive (2009/147) and the Habitats Directive (92/43).

Further action to simplify environmental reporting includes:

- *A shift to electronic reporting required by individual legal measures;*
- *The planned repeal of the 1991 Standardised Reporting Directive (91/692), which predates the advent of electronic reporting;*
- *The evaluation of the INSPIRE Directive under REFIT.*

In relation to the European Structural and Investment Funds, the legislative framework for the implementation of the European Structural and Investment (ESI) Funds provides possibilities for Member States to reduce administrative burden. For instance, programmes for Investment for Growth and Jobs should include an assessment of the administrative burden on beneficiaries and, where necessary, corrective actions. Among the key simplification elements introduced is increased proportionality regarding arrangements for reporting, evaluation, management and control in the implementation and use of the ESI Funds. The new audit and control arrangements reduce burden through operations which fall under the threshold which has been set only being subject to one audit prior to completion, whereas for those over the threshold the limit is set at one audit per accounting year. The various options of declaring expenditure by applying simplified cost options (such as flat rates, unit costs and lump sums) also target reduced administrative burden. The

implementation of e-cohesion, providing for the electronic exchange of information with beneficiaries, is a further important step in the reduction of administrative burden.

As regards the legislation on chemicals, the 2013 review of the REACH Regulation generally concluded that the Regulation functions well and delivers on all objectives that can so far be assessed. Therefore, the Commission will not at this stage propose any changes to the Regulation. The Commission is currently conducting two complementary evaluations on EU chemicals regulation: a Fitness check on chemicals legislation other than the REACH Regulation and a Cumulative Cost Assessment of the chemical industry.

In relation to financial services, the Commission would like to thank the Bundesrat for welcoming its Communication on a reformed financial sector for Europe {COM(2014) 279 final}. The Commission finds that appropriate regulation of the financial system is essential for its good functioning. Following the recent substantial regulatory work to stabilise the financial system, the Commission is planning assessments of various aspects of the legislation. As regards the Prospectus Directive, the Commission is to assess the implications and effects of these rules by the end of 2015.

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

Yours faithfully,

*Frans Timmermans
First Vice-President*