

Action Programme for Reducing Administrative Burdens in the EU

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**Mrs. Pons
Head of Unit**

**Simplification and Administrative Burdens
reduction**



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Overview of the Action Programme



2007

- **25% reduction by 2012**
- Information obligations for businesses
- 13 policy areas, 72 legal acts

2009

- **Commission proposals to date > 30%**
- Need for Council/EP/ Member State follow-up

2012

- Programme completed
- Administrative burden reduction integrated into the Commission's internal processes



Retrospective on main phases

- **January 2007** – Commission proposes an Action Programme to cut unnecessary administrative burdens (AB) imposed by legislation on businesses → - 25% by 2012
- **March 2007** – European Council conclusions → agrees that AB arising from EU legislation should be cut by 25% by 2012, → invites Member States to “set national targets of comparable ambition”.
- **January 2009** – Third strategic review on Better Regulation → Commission commits to present Sectoral Reduction Plans and additional measures before the end of its mandate
- **October 2009** – Commission adopts on 22 October a Communication delivering on its commitments and making recommendations for the future (COM(2009)544)



High Level Group of Independent Stakeholders

- Temporary advisory group
- Chaired by Edmund Stoiber
- Broad representation of stakeholders
- Advice to Commission on the administrative burden reduction programme
- President Barroso intends to extend the mandate for two years until 2012



Key figures (1)

- EU baseline measurement
 - Focus on **72 EU acts** in 13 priority areas → identification of **486 EU Information Obligations (IO)**
 - More than **10.000 national measures** implementing or transposing these IO
 - Estimated **Administrative Burdens** at the beginning of the legislature (2005) → **€123.8 billion**
 - A very high proportion of administrative burdens stems from a limited number of IO in a couple of policy areas
 - Information Obligations generally impose a **proportionally higher burden on SMEs**
 - Estimated **impact of Member States gold-plating and administrative inefficiency** → **32 %** of administrative burdens of EU origin



Key figures (2)

Reduction measures already in place / adopted

+

Reductions measures proposed by the Commission and pending adoption

+

Reductions measures under preparation

=

Reduction potential of € 40.4 billion (out of €123.8 billion) or **-33 %** of burdens imposed by 72 EU acts in scope.



Sectoral reduction plans

- The Sectoral Reduction Plans cover the 72 acts in 13 priority areas and provide:
 - description of the reduction measure
 - description of the expected outcome (number of beneficiaries ...)
 - change in the level of AB
 - state of progress.
- Some reduction measures are addressed exclusively to the EU level, while others require joint action of the EU and the Member States



State of progress

	Reduction measures <u>adopted</u>	Reduction measures <u>proposed</u>	Reduction measures <u>under preparation</u>	Total
Number of reduction measures	48	18	31	97
Value (in €mln)	-7 572	-30 716	-2 084	-40 372
Value (in % of the total AB)	-6%	-25%	-2%	-33%



48 measures adopted

- 33 legislative proposals with a reduction potential of €5.8 bn have been adopted by the Parliament and the Council.
- 15 measures (executive acts, guidance documents and IT tools) worth € 1.9 bn were put in place by the Commission.
- Examples:
 - Modernized Customs Code
 - Procurement procedure documentation



18 measures proposed & pending adoption

- The Commission proposed 18 measures with a reduction potential of € 30.7bn which still have to be adopted.
- Among these two proposals have a very large potential:
 - Electronic invoicing – worth €18.4bn in the mid-term
 - Exemption of micro-enterprises from EU accounting rules - worth €6.3bn



Measures under preparation

- 31 further measures that would reduce the burden imposed by the 72 acts in scope are under way.

Examples:

- Reducing reporting burdens put on small hotels
 - Suppressing duplicating tasks for pharmaceutical companies having to report on adverse reactions to medications
- Among the 14 measures (to be) presented by the Commission before the end of 2009, 9 were presented and the 5 remaining ones are foreseen for adoption in the next few weeks/months



Possible extension to new priority areas and new acts

- The Commission reviewed in particular suggestions made by Member States , businesses, and HLG AB
- The Commission has identified 28 acts where potential for further reduction could exist:
 - 19 acts in the existing 13 Priority Areas
 - 9 acts in new areas
(e.g. Civil law/commercial law)



AB reduction remains a priority

President Barroso 18 September 2009:

- ‘ We continue to attach a high political priority to reducing administrative burdens’
- ‘ I am very pleased that the high level group will continue its important work for another two years.’
- The unit in charge of AB reduction is transferred under the direct authority of Mr Barroso (Secretariat General)



AB within smart regulation context

EU 2020 - a new economic strategy

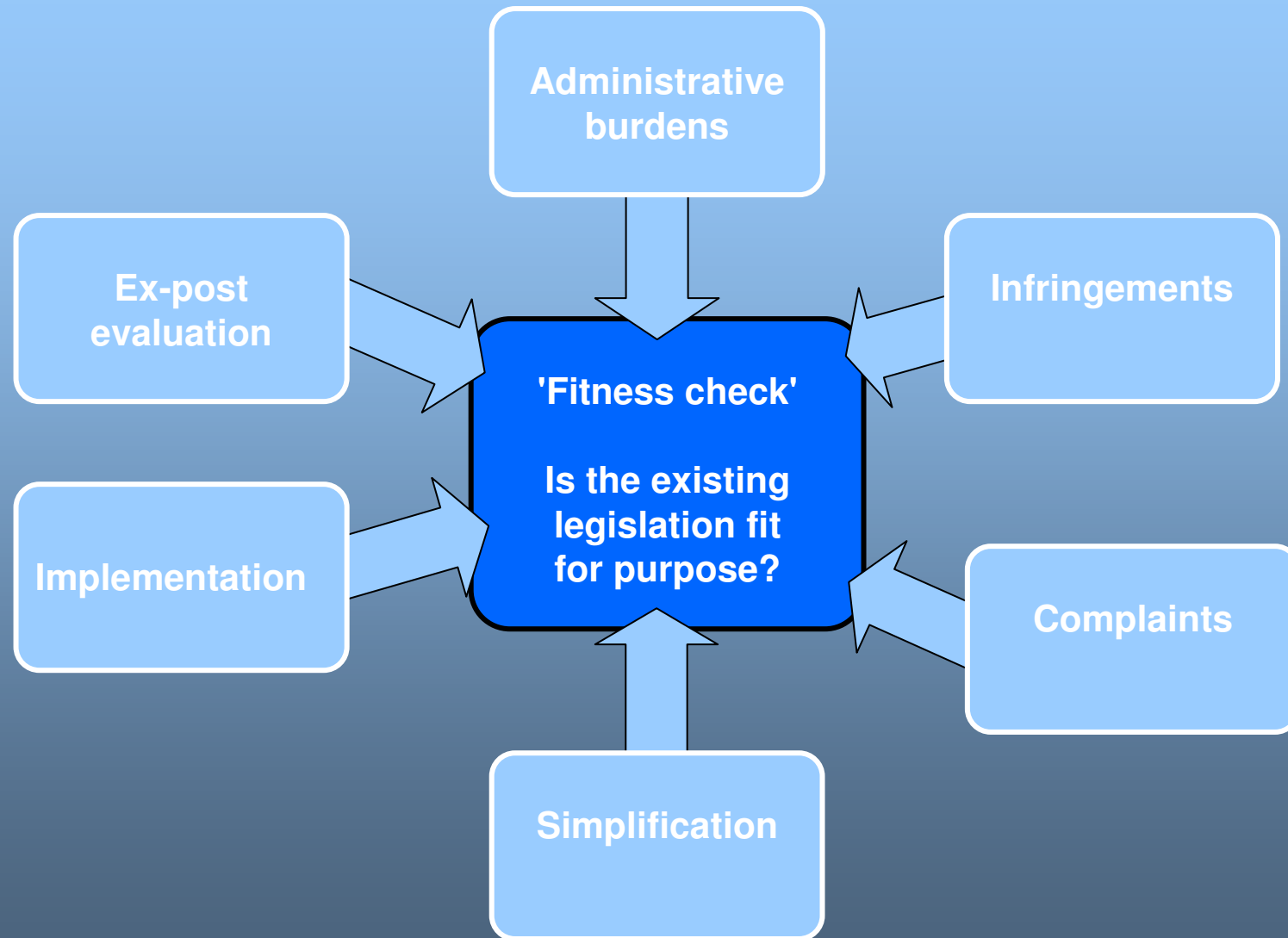
- “*Smart, sustainable and inclusive growth*”
- new governance methods

The smart regulatory approach

- « markets for people »: extension of AB reduction to citizens, assessment of social impacts
- Emphasis on benefits, not only costs
- « fitness check » of EU law: integrated use of ex post evaluation, improved RIA, AB reduction, simplification



Outlook



Conclusions

- With a new Commission, AB remains a priority
- New synergies with other BR tools are expected to boost results;
- With EU2020 and smart regulation, cutting red tape contributes to the wider economic strategy, including social objectives;
- The Commission has made proposals going beyond the 25% target. It is now up to European Parliament and Council to adopt pending measures quickly
- Final effect for business and citizens will also depend on MS national target execution.