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Administrative Burdens and The CAP

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The CAP is not simple

Who is responsible:

The Council?

The Commission?

The European Parliament?

The Court of Auditors?

The National Administration?

The Farmers?

Third Countries ? Others?

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Policy evolution

- Market based support
- Quota regulation
- McSherry reform
- Agenda 2000
- Fischler reform

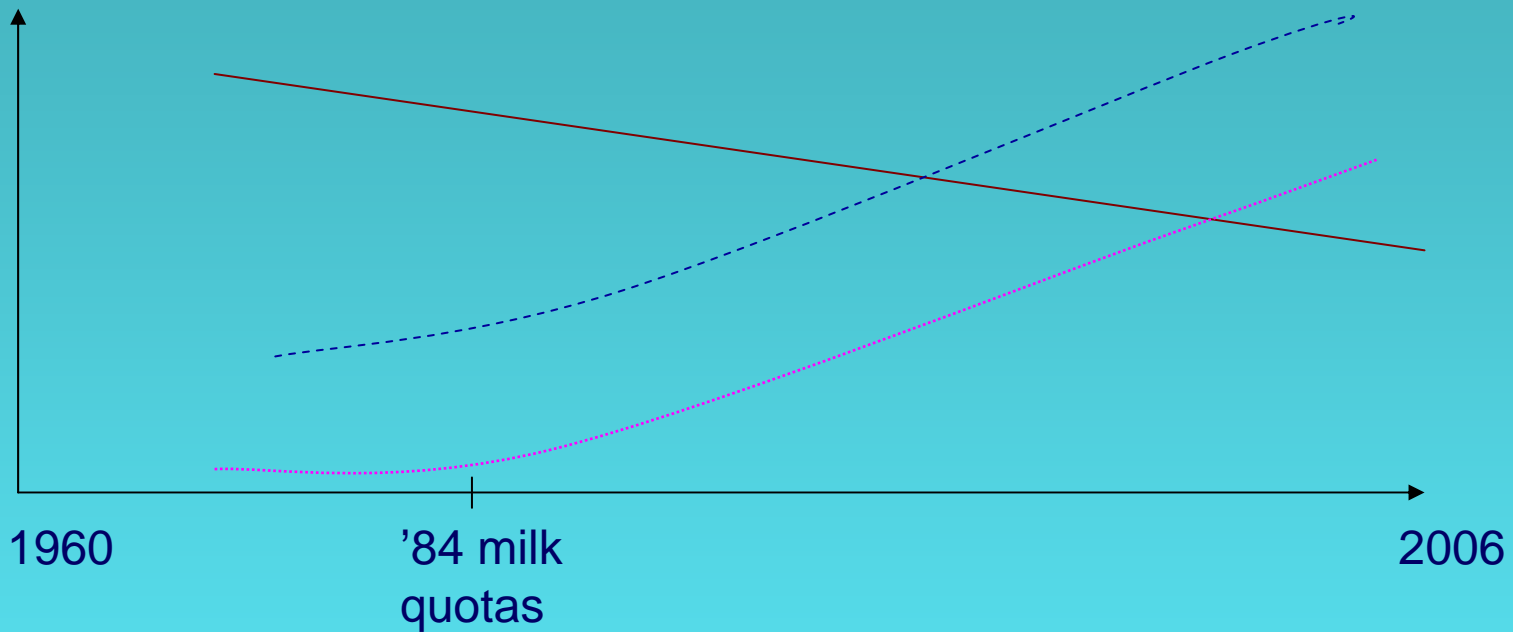
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Burden Sharing



- Company's
- - - National administration
- Primary Agriculture

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Measuring administrative burdens

“Standard cost method (SCM)”

Developed especially for National policies

- Easy to set targets

SCM and CAP

- Many administrative details decided in Council and Committee's
- Simplification efforts will become policy infected

Problems:

Does only take into account cost measures at the level of citizens.

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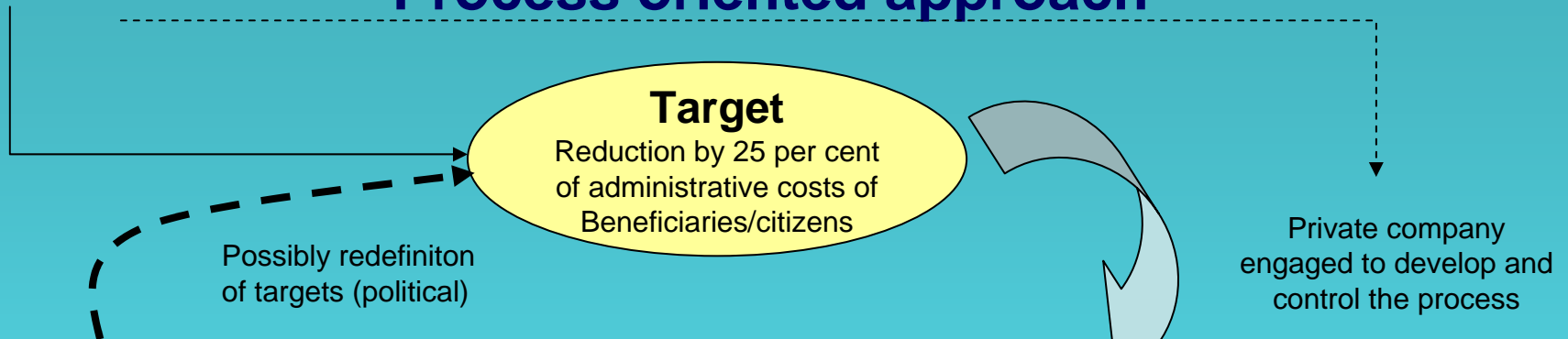
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Standard Cost Method

Process oriented approach



Shaping of methods

- Methods must be based on objective criteria (interaction with public adm.)
- Simplification effort must cover all parties involved (no substitution)
- De-regulation or reduction of interaction must be assessed with the same level of service as before

”Standard Cost Method”

- De-composing regulations into pieces
- Measuring costs related to service
- Based on interview of citizens

Problems identified

- Only costs for citizens included – risk of substitution of costs by public administration
- Interview method requires substantial knowledge and is neither precise nor objective
- Costs might be imposed by detailed EU regulations directly binding in national legislation

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SCM

<u>Mill. Kr.</u>	<u>Result in Denmark</u>
SPS	311
Fertilizer + Veg. Plan	198
Payment of Livestock premium	72
Content of spray equipment and keeping of spray journals	<u>64</u>
	<u>645</u> (total 1,012 mill. kr.)

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Simplification

**A successful simplification of CAP
will demonstrate:**

- Credibility to the system of CAP (legitimacy)
- Responsibility to the common budget and the tax payers
- Renewed focus on the purposes of the policies
- A move away from labelling of CAP as bureaucracy and protection of vested interests

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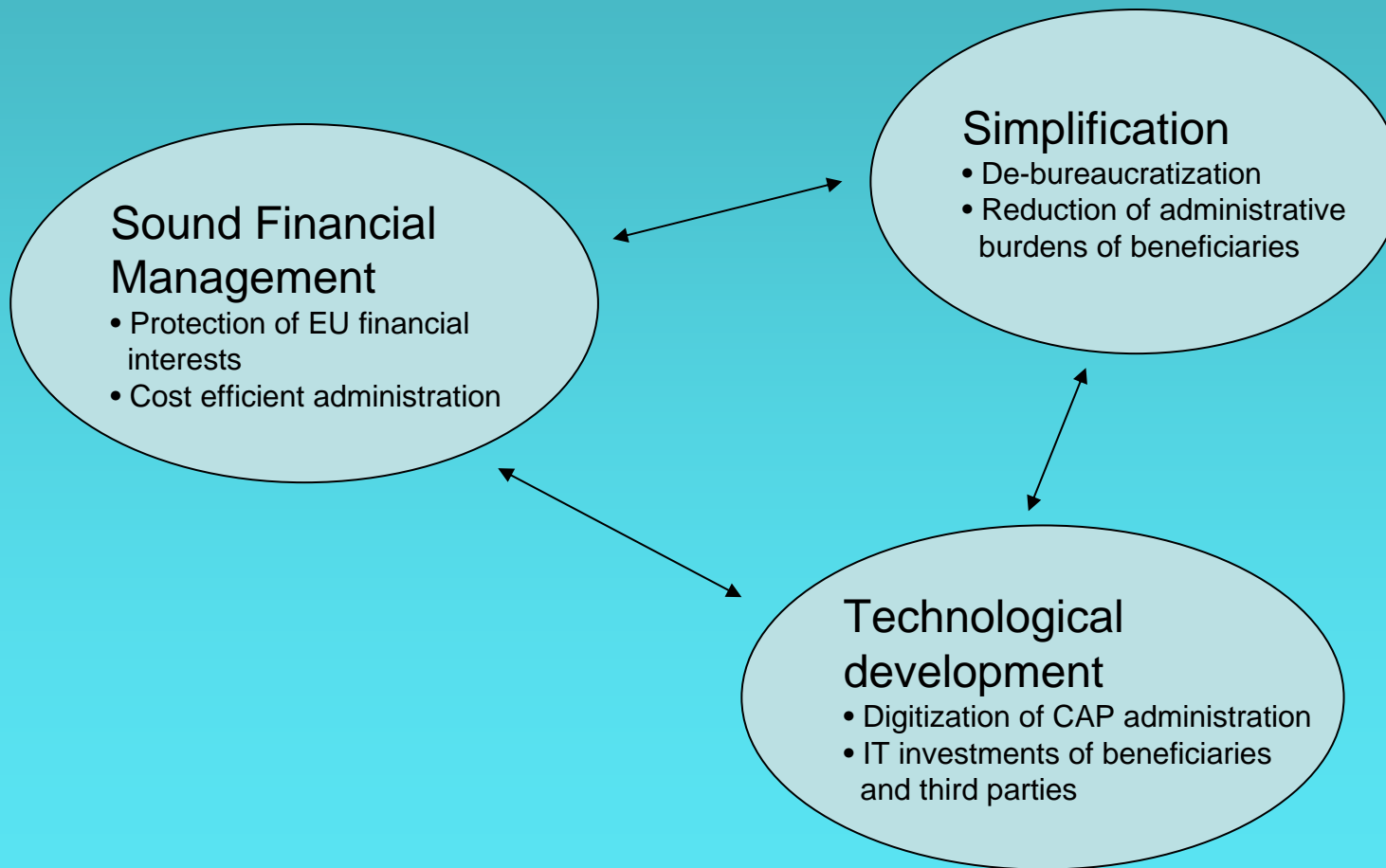
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Risk Management

The development triangle



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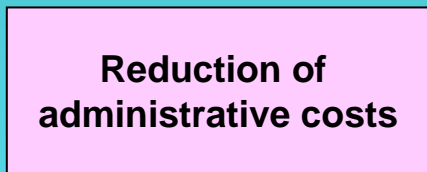
Simplification

Necessary elements and process

Costs/Burdens

Regulation

Concept of Simplification



Citizens

- A) No barriers to get Access to the Service provided
 - Technical
 - Financial

- B) Reduction of related Internal costs of the Citizens/beneficiaries I

Administration (Tax payers)

- A) Reduction of internal costs by supplying the same/equal service (Cost efficiency)

- B) Enhancing new technologies

Better regulation

- Efficiency
- Less negative consequences affecting:
 - Beneficiaries
 - Third parties
 - Other authorities

De-regulation

- Less regulation (volume)
- Less complex regulation
- Focus on market driven forces to affect behaviour

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Simplification of CAP

Problem and barriers

- Uniform implementation in detail in all Member States
- Identification of areas subject for simplification
- Assessment of simplification potential



The way forward

- Principle of subsidiarity must prevail
- Process of involving beneficiaries and put focus on cost efficiency
- Common calculation and assessment methods (cost-benefit analysis tool)
- Pilot projects of new administrative and control methods

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Simplification method

Future model

Simplification method								
Reduction of administrative costs		Better regulation		De-regulation			Objective met	General assessm. (incl. Financial security)
Citizens	Adm.	Efficiency	Negative effects of the beneficiaries	Less	Less complex	Market driven	Policy measures	Pos/Neg Strenghtening Financial security

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Avoid the creation of new red tape in form of:

”Bureaucracy of simplification”