



EUROPEAN COMMISSION

High Level Group of Independent Stakeholders on Administrative Burdens

## MINUTES OF THE MEETING OF THE HLG ON 8 APRIL 2011

Venue: Brussels, 8 April, from 10.00 to 17.00

Present: See presence list

Excused: Mr Berger, Ms Jongerius, Mr Ludewig, Mr Pesonen (afternoon), Mr Teli•ka (as of 15.00)

### 1) **Presentation by Commissioner Ciolo•**

The chair welcomes members and opens meeting.

The chair welcomes Commissioner Ciolo• and informs members that the formal points such as the adoption of the minutes will be treated after this point to allow the Commissioner to leave on time. He refers to a conference on cutting red tape in the CAP he attended together with the Commissioner in March and to the work of the HLG as regards agriculture and agricultural subsidies. It adopted an opinion in March 2009 and held several interesting discussions with DG AGRI, in particular Deputy Director General Mögele. He refers in detail to a number of suggestions of the HLG and gives the floor to the Commissioner.

Commissioner Ciolo• thanks the chair for the opportunity to present his views to the HLG. For the Common Agriculture Policy (CAP) simplification is essential because it is a policy for approximately 13 million beneficiaries which has an effect for the whole of the European population. This is why the impact is seen by many more than just the farmers. Even positive elements and actions of this policy may be affected by the negative perception people may have of it. Policy action needs rules because the CAP offers a lot to farmers but requests also something in return. The same goes for other parties such as the food industry. The fact that the European and the national level share responsibility in this area contributes to its complexity. The different levels that are involved can contribute to simplification or render things more complicated. He has the impression that simplification as a concept has found its place in agricultural policy and is a political priority. At this moment simplification work is mainly directed at cross-compliance issues. There is quite some criticism from farmers in this context. It is therefore important that the cost-benefit equation shows a positive result. DG AGRI, together with the Secretariat-General, is at this moment busy with an evaluation of the programme aimed at providing fruit, vegetables and milk to schools. The Commissioner announces his intention to launch a public consultation on the promotion of agricultural products before the summer. The idea is to make this promotional activity more effective but also more simple. In more general terms

the reform of the CAP should lead to comprehensive, clear and un-ambiguous rules. Administrative cost must be in reasonable relation to policy objectives and regulation must respect the principle of proportionality. All rules have to be accompanied by detailed impact assessments and evaluations. Finally, control has to be risk-based, i.e. concentration on problematic areas and less control in areas that have efficient control systems in place. In general IT-systems should be used wherever possible. The CAP-Reform is accompanied by a working group composed of experts independent of Member States. This group is consulted by DG AGRI whenever it tries to simplify legislation. Once the CAP reformed the Commissioner intends to transform this group into a network of experts that help identifying best practices. He intends also to continue the so-called "harvest experience". He thanks the HLG for its work and for the suggestions it made.

The chair thanks for this presentation and refers to his own experience with the CAP. For a long time farmers have mainly been seen as filling in forms. This has changed to the better. He underlines that the Commissioner for Agriculture plays an important role in Europe that goes clearly beyond the CAP. He invites Mr Pesonen to make a statement.

Mr Pesonen reports from the joint presidia meeting of his organisation during which the wish was clearly formulated that the reduction of administrative burdens needs to arrive to a higher degree on the farms. He thanks the Commission for its work in this context. Focus has to remain on farmers who are mainly small or, to a much lesser degree, medium sized enterprises. The CAP has become complicated because of its impact on other areas than agriculture in the narrow sense. Bringing forward the specific values and qualities of European agricultural produce is the main challenge. Standardisation is one issue within the CAP-Reform. Farmers are not against it and neither are most other operators. However, farmers see the way how it is organised sometimes as quite burdensome. A wider participation from the farming community would make the reform process easier and more transparent. He underlines that cooperation with DG AGRI has been much better than with DG SANCO.

The chair was happy to hear that the Commissioner admitted that the CAP demands a lot from farmers. It is important that the 13 million European farmers see the administration as their partner and not as someone who keeps them in leading-strings.

Mr Teli•ka feels encouraged by what he heard today. The CAP reform is a key opportunity because it is a review of a whole policy field. The overall result should be a reduction in administrative burdens. The installation of a working group that accompanies the CAP-Reform is an encouraging sign that the Commission is willing to listen to external advice. He thinks that the HLG would be ready to be involved in future reform steps and could offer its know-how.

The chair agrees with Mr Teli•ka's suggestion. The HLG can give advice if its offer is being picked up.

Mr Lambertz (Observer from the Committee of the Regions) underlines the importance of the agricultural policy. Farmers are particularly affected by bureaucracy and all bureaucracy is for the farmer of European origin.

Mr Hontelez wonders whether the administrative burdens would not even be more if there would be no common agriculture policy but 27 different agricultural policies. Rules governing agriculture are also difficult because of a number of reasons for which the EU is not responsible. If one would divide the overall administrative burden by the number of

farmers each farmer would have to face cost of approximately 400 to 500 EUR. It seems there is a lot of irritation felt by farmers in relation to cross-compliance.

Mr Gibbons appreciates the presence of the Commissioner. The agricultural legislative framework has a bad reputation when it comes to administrative burden. The question is whether within DG AGRI the most effective way of communicating with those that are subject to regulation takes place and could therefore contribute to solutions. Mr Gibbons would like to know whether roadmaps and the communication about them are useful for stakeholders. He furthermore would be interested to know whether he would think that informing stakeholders about impact assessments before they are discussed by the Commission would help.

Commissioner Ciolo• agrees with Mr Pesonen that it is important that simplification efforts are being felt by the farmers. This is the single most important element of any attempt to reduce burdens and simplify rules. He underlines the importance of the dialogue between farmers, payment authorities and DG AGRI to identify problems and find solutions. He would also like to advance now with simplification efforts in the area of rural development. "Private" certification activities should be accepted as official certification to the degree possible. This would avoid double control. He wonders why comments on administrative burdens in relation to "Greening" are already made now without having seen the proposals that are about to be made. It seems important to him that farmers are enabled to show to the citizen that their actions contribute to the environment. Overall it is important to keep in mind that agriculture plays a hugely important role in society beyond the mere growing of agricultural produce. He reminds also that directives such as Natura 2000 are to a large degree the responsibility of Member States. He recalls that quite a number of important responsibilities in the area of agriculture remain with Member States on national, regional and local level. The Commissioner insists that he keeps close contact with farmers, MEP's and the Council to make sure that the proposals of the Commission are kept simple and adopted so that they don't create unnecessary additional burden.

Mr Teli•ka agrees with the Commissioner in particular regarding the legislative process after the adoption of the Commission proposal. He thinks that the HLG could offer the necessary independent advice.

The chair thanks very much for this detailed presentation and for the time the Commissioner had for the HLG. In particular in times of crisis it is good to know that the Commission is committed to Smart Regulation.

The Commissioner thanks the chair and the group for the invitation and good discussion. He is open to a continuation of the dialogue.

## 2) **Agenda and minutes of the last meeting**

The agenda and the minutes of the last meeting are adopted unanimously, the latter subject to modifications by Ms Fritsch.

The chair reports from his meeting with Mr Richelle, Director General of EMPL. During this meeting he tried to make clear that it is not the intention of the HLG to reduce employees' rights; in this context he regrets that Ms Jongerius could not be present today. He refers to the letter of PM Cameron *et al* and the Council Conclusions. The letter from PM Cameron and a number of other heads of state and government will be subject of a discussion at the next HLG meeting, as suggested by Mr Gibbons. He renews his criticism di-

rected at the duration of the legislative procedure in view of the continuing problems regarding the exemption of micro-entities. He thanks Mr Gibbons for his help with the preparation of the visit in Oxford and London later in May.

Mr Gibbons briefs members on the letter by PM Cameron *et al* in summing up its main content. Four points are essential: 1) make the Single Market work, 2) the need to develop more targets, not necessarily limited to administrative burdens, 3) to provide real and radical pressure the balance has to be at least neutral in relation to burden (one-in / one-out) and 4) do something in particular for SME's.

The chair thanks for this short presentation and suggests that Mr Gibbons leads on this point.

### 3) **Best practice report**

The chair thanks Mr Mollerup for the time table that was prepared and invites him to update members.

Mr Mollerup refers to the draft outline members received and gives a detailed description of the various chapters foreseen for the report.

Mr Murray insists that clarity is needed as to whether the HLG and therefore the report deal with unnecessary administrative burden or with regulations that are politically not anymore wanted or not anymore appropriate for achieving the result originally intended.

Mr Lambertz (Observer from the CoR) informs members that a report about the examples collected by the CoR could be with members at the beginning of May. He offers that the CoR could also feed the results back to the regional and local authorities to help proliferating them.

Mr Hontelez wonders whether the background part of the report is not too long. It is important to look first at inefficient implementation. In this context he underlines the need to use the same terminology throughout the report. He also reminds members that one-in/one-out is in his view not a fit-for-all policy; it should also not be forgotten that in some areas Member States can go further, such regulatory activity cannot be called gold-plating. He would like to receive information on all examples so that he can consult his stakeholders.

Ms Fritsch thanks for the impressive work. She agrees that grouping examples rather by type than by priority area is a good idea. This would also allow showing how best practices can be proliferated. The source of each example should be clearly spelled out.

Mr Gibbons appreciates the work done. He agrees, however, with Mr Hontelez that the presentation of gold-plating has to be exact. This issue should be presented in a differentiated way to avoid giving the impression that all Member States are equally bad. He is still of the view that the institutional part will be at least as important as the individual examples.

Mr Mollerup thanks Mr Lambertz for the hard work of CoR staff and the regions. He will also take on board comments from Mr Hontelez on gold-plating and the length of the introductory part. He would feel however very comfortable when mentioning ideas like "zero goldplating" or "one-in one-out"; not necessarily because he agrees with these con-

cepts but because they are worth mentioning as the bold attempts by governments to tackle the issue.

Mr Teli•ka underlines the importance of the chapter on the institutional setup which should be quite detailed. He agrees with Mr Hontelez on the need of a debate over the overarching ideas such as "zero goldplating" but advocates having this debate relatively late in the process so not to block the open-minded collection and processing of examples.

Mr Potdevin informs members of a conference on administrative simplification. He suggests regrouping the examples under various headings.

Mr Mollerup reports that over 140 examples have been received from Member States out of a total of 250 examples but insists that the list is work in progress. Reporting members will be involved in particular for their respective areas but are for sure free to look into other examples. Evaluation should be done according to guidelines that have been prepared.

The chair thanks for the good work done so far. He invites Mr Mollerup to report to the European Parliament together with him.

Mr Murray points out that there are a number of rules that oblige to have one-stop-shops and that this concept is not in itself the best idea; one-stop-shops that have been presented as best practice examples will therefore have to be looked into carefully.

Mr Teli•ka agrees with Mr Murray regarding one-stop-shops. He would like to ask for more detailed information on quite a number of examples that have been described in very little detail. He finally argues for the report be written in non-bureaucratic language.

Mr Mollerup reassures members that a lot more information will over time be available regarding the examples.

#### 4) **Presentation of DG REGIO and the Welsh Assembly on the clearing house principles**

The chair invites Mr Teli•ka to kick off the presentation.

Mr Teli•ka gives an outline of the clearing house principles applied to regional support schemes.

Mr Delassus, DG REGIO, and Mr Hunter, Welsh Assembly Government, present together with the consultant the clearing house (members have been provided with copies of the presentations).

Mr Teli•ka sees the clearing house as a result of the HLG's work. He suggests preparing a short opinion that would wrap up this work and would be willing to draft it. Some of what has been presented should be integrated into the best practice report.

The chair thanks for this offer and suggests discussing this in the next meeting. The chair informs members at this occasion that a number of members have approached him regarding their availability at the June meeting. He therefore decided to cancel this meeting, also because members will be busy with the preparation of the best practice report.

Mr Gibbons is very impressed by the presentations. He would like to know how the protection of public money is ensured when the whole process is electronic.

Mr Hunter explains that beneficiaries have to present a transaction list and scan there receipts into the system. A sample risk-related audit is carried out on the basis of this list.

#### 5) **Discussion on roadmaps (follow-up to the discussion on 24 January)**

The chair explains the background and asks Mr Gibbons to lead the discussion.

Mr Gibbons briefly recalls the historic reasons for looking into roadmaps based on the invitation of the Commission to look into them together with the respective services. Upon reflection he finds this suggestion quite logical because it is not the IAB that has the ownership of the proposals but the Commission services. A typical problem in roadmaps seems to be the description of the problem. He is of the view that there would have to be an even earlier step with a problem description before the way to a solution is set in stone. Such an early description of the problem does not seem to exist. He suggests however that members receive links to those roadmaps that concern their respective areas of interest. Secondly, members should have a look at the roadmaps and form a view whether the envisaged solution is likely to generate considerable administrative burdens. Following that meetings can be set up with the services concerned. He wraps up the discussion that took place with DG ENER and offers that the minutes of that meeting are made available to interested members.

The chair announces that Ms Klingbeil had to leave the HLG due to unexpected other obligations. Her presentation on the work of the IAB will be given on 5 May. He thanks Mr Gibbons for his presentation. He doesn't wish to reopen the ex-ante / ex-post debate. He would however offer to services that the HLG could take an independent look at upcoming proposals with the intention to avoid new unnecessary administrative burdens.

Mr Hontelez refers to the annual policy strategies, normally published by the Commission. Looking at these might be a way forward. As regards the discussion with DG ENER he doubts whether different DG's will work in different ways with the HLG.

Ms Pons (SG) recalls that the offer that Ms Klingbeil made as regards the roadmaps is valid for all stakeholders. She mentions that as a complement, the ex-post evaluation and fitness checks sites can be helpful to convey stakeholder's messages on existing legislation.

The chair thanks for this information. The HLG has to be aware of its limitations when it comes to any ex-ante activity. He asks Mr Gibbons to have a look at the annual policy strategy without changing the approach to contact Commission services as suggested by Ms Klingbeil.

Mr Mollerup thinks that with a number of roadmaps the debate can be entered early enough and quotes the ongoing VAT discussion as an example.

Mr Murray is opposed to the way the HLG might go. He is of the view that what Mr Gibbons is suggesting goes beyond the existing mandate. He is also of the view that the HLG would not have the resources to involve itself in all these subjects. He would also like to point out that roadmaps "don't come out of the blue"; they are the fruit of a long preparation into which stakeholder comments, some public, some not, have been fed into. Finally, the HLG should in his view not have privileged access to information.

The chair does not share Mr Murray's view. He recalls why this group was put in place and what its role. He is of the view that the group's role is a small contribution to the improvement of the public view of the EU. It is the HLG's obligation to make whatever contribution it can.

Mr Gibbons agrees with the chair that the HLG comes together trying to reduce existing and avoid future unnecessary administrative burden. The group heard about digitalization and one-stop-shops as well as institutional measure to reduce burden. It is important that unnecessary burden are stopped being imposed in the first place. The group was invited by the Commission to look into the roadmaps and this is therefore the way to go. The idea is that the over 100 roadmaps are screened to identify those that look likely to be of interest from an administrative burden point of view. He sees as the biggest problem the lack of proper analyses regarding the potential bureaucracy created by a new piece of legislation. He underlines that there should be no formality in the contacts with Commission services.

The chair is of the impression that the different positions are not so far from each other. He asks Ms Pons to clarify the situation regarding the strategic documents.

Ms Pons (SG) explains that the strategic planning is multi-annual. Every year the Commission Work Programme – CWP is established in line with this strategic planning.

The chair thanks for this clarification. He is of the view that the HLG could offer in individual cases its know-how to Commissioners that come to the group. It will depend on them and their services whether the offer is picked up or not.

#### 6) **AOB**

The chair invites Mr Goucha to say a few words regarding the next offline batch that is planned for adoption at the May meeting.

Mr Goucha briefly presents the preliminary draft opinion that has been handed out to members. Commission services have not yet commented on the suggestions.

Adopted by the HLG in Brussels on 5 May 2011.