



EUROPEAN COMMISSION

High Level Group of Independent Stakeholders on Administrative Burdens

MINUTES OF THE MEETING OF THE HLG ON 10 MARCH 2011

Venue: Amsterdam, 10 March, from 14.45 to 17.00

Present: See presence list

Excused: Ms Krzysztozek, Mr Berger, Mr Dell'Alba, Mr Pesonen

1) **Agenda and minutes of the last meeting**

The chair welcomes members and opens the HLG's public meeting in the context of the International Regulatory Reform Conference in Amsterdam.

The agenda and the minutes of the last meeting are adopted unanimously.

The chair reports on his and Mr Ludewig's participation in a meeting of the economic committee of the German Bundestag as well as his visit to the European committee of the state parliament of Baden-Württemberg. On the issue of the proposed exemption for micro entities he had talked with Prime Minister Juncker and the Austrian Vice-Chancellor Pröll. He mentions that the activities of the HLG had also been acknowledged in a meeting between President Barroso and Prime Minister Cameron and asks Mr Gibbons to report on that meeting.

Mr Gibbons states that the UK government had put a special emphasis on reducing administrative burdens for SMEs, and in this context the government would also closely examine EU regulation. During the Davos meeting Prime Minister Cameron had announced the British aspirations on better regulations which were focused on a '1 in – 1 out' approach also for the EU level (in order to foster the cultural change within the administration, preferably to be scrutinised by an independent body), on a further deregulatory target and on a default SME exemption. In addition, the Prime Minister and the President would look forward to an extension of the administrative burden reduction programme. Furthermore, the British government supports a reduction of the overall regulatory burden, in particular for SMEs.

2) **Presentation of the Annual Report 2010 of the Impact Assessment Board**

The chair asks Ms Pons (Secretariat-General of the Commission) to present the annual report 2010 of the Impact Assessment Board (members had been provided with a copy of the presentation).

In the following discussion Mr Gibbons remarks that the report describes the Impact Assessment Board (IAB) as 'independent', while some Member States would have a different concept of independence for their regulatory oversight bodies. He asks whether the 'more demanding IAB standards' mentioned in the presentation were now at the right level and why only 27% of the impact assessments would encompass quantitative estimates.

Mr Mollerup welcomes the report but points to the remark that there is no room for complacency. The Court of Auditors' report had also shown that in some areas further improvements are possible.

Mr Ludewig interrogates about proposals that had been adopted without an impact assessment, the question of publication of draft impact assessments, the independence of the IAB and the lack of consultation on draft IA and draft legislation and the ensuing time delays.

Mr Teli•ka tends to agree with the Commission on the independence of the IAB. In his view transparency in the process would be of paramount importance, including the processes within the European Parliament and the Council. Thorough ex-ante scrutiny was required, e.g. in the area of the Common Agricultural Policy.

Ms Pons points out that the issue of independence of regulatory oversight bodies had been extensively discussed before. The two notions of externality and independence should not be mixed up. The Commission does not consider an external body appropriate on the European level due to conceptual and institutional reasons linked to the Commission's right of initiative. However, the IAB, while not being external, is actually independent. Its members are appointed on a personal capacity by the President of the Commission. In addition, the raising rate of resubmission shows that the IAB is more and more demanding on the quality of the IA submitted to it by the Commission services. The "more demanding IAB standards" are based on the new impact assessment guidelines, revised in close cooperation with the MS representatives at the HLG BR. The share of impact assessments containing quantitative estimates had risen, but in some cases quantifications are not pertinent due to the very nature of the initiative or not feasible due to a lack of relevant data at EU level. The European Court of Auditors' report had shown that the Commission had established a high-standard impact assessment system, and the Commission is working on further improvements. The Commission has published roadmaps, in order to provide transparency at a very early stage and all along the preparatory phase of IA, but would not consider a publication of draft impact assessments just before their submission to the IAB appropriate. It would slow down the process without bringing added value. As far as consultation on draft legislation before its adoption by the Commission intervenes, Ms Pons reminded that a new phase for stakeholders' involvement starts in front of the co-legislator when the proposal is adopted. On the Common Agricultural Policy Ms Pons points out that Commissioner Ciolo• would participate in the next HLG meeting on 8 April.

3) **Draft opinion on offline suggestions, 7th batch**

The chair thanks the coordinating member Mr Goucha for the preparation of the draft off-line opinion.

Mr Goucha thanks the reporting members and the HLG secretariat for the excellent cooperation and support in preparing the current draft of the 7th offline opinion which was the first opinion under the new extended mandate of the HLG. He had put a lot of emphasis on transparent procedures for the preparation of the draft. The opinion would cover 25 suggestions from a broad variety of areas, including areas beyond the former priority areas such as research, education and car registration. The next opinion would be scheduled for the May meeting. He asks the reporting members who suggested amendments to present these.

Ms Fritsch explains that concerning tax law the suggestion refers to a rather specialised area of taxes. After input had been given from Commission services, the reporting members for tax law had agreed on amending the text to emphasise that although access to information is not in itself a burden reduction measure it can act as a starting point.. Furthermore, the reporting members suggested encouraging the Commission and the Member States to cooperate in exploring possibilities to reduce compliance costs and administrative burdens in the area of insurance premium taxes and parafiscal taxes.

Mr Hontelez explains that concerning REACH he had reached agreement with Mr Goucha on a formulation regarding certain issues with translation of references, documents and forms on REACH, which would acknowledge both the significant progress already made by the European Chemicals Agency and the stakeholders' concerns. With respect to a suggestion on a more harmonised inspection and enforcement regime in the context of legislation on chemicals, he suggested to include a reference to the HLG's first opinion on environment when the HLG had advised the promotion of coordinated or integrated inspections which had been taken up in the Commission's proposal on the revision of the Seveso Directive.

Mr Mollerup states that he had received some input by Danish authorities on the stakeholder suggestion for an exemption of husky sportsmen from the regulation on transport of pet animals. One of the objectives of the regulation had been to protect in particular puppy dogs. Therefore, he had suggested amending the text by asking the Commission to consider simplifications going beyond the positive changes already introduced by the Commission, e.g. exemptions for instance based on age or further extending the period of validity of the required certificates.

Upon request by Mr Ludewig and Mr Teli•ka the Commission confirms that it will provide an update on the state of play of the planned proposal on extending the exemption from the obligation to install tachographs for craft businesses. In addition, the Commission would continuously update its feedback on the HLG's suggestions.

The chair thanks Mr Goucha and the reporting members, and the opinion is adopted unanimously subject to the amendments suggested by the reporting members.

4) **Best Practice Report 2011 – state of play**

The chair asks Mr Mollerup to report on the best practice report. He mentions that he had envisaged participating in the next meeting of the High Level Group of national regulatory

experts as well as in meetings of the groups in the European Parliament, in order to foster good cooperation on this issue.

Mr Mollerup presents the state of play on the preparation of the HLG's report on best practice in Member States to implement EU law in the least burdensome way, which was well on track. 9 out of 27 national governments had already sent their official contributions. About 140 examples had been collected from Member States as well as from other existing materials. The examples would cover all 27 Member States and all 13 priority areas as well as areas beyond the priority areas. In addition, more than 50 examples have been received by the Committee of the Regions covering 10 Member States, bringing the total number of examples to almost 200. A more extensive update would be provided for the April meeting.

5) **Presentations by Mr Leyenaar, Deputy Director Regulatory Reform Group, and Mr van Zijp, Director of ACTAL, on the Dutch approach to Better Regulation**

The chair welcomes Mr Leyenaar and Mr van Zijp and asks for their presentations (members have been provided with copies of the presentations).

The chair states that he fully supports the activities of Actal and the Dutch government. The Dutch had been the first to reduce administrative burdens for businesses net by 25% and also adopted a second reduction target. However, sometimes businesses would not perceive the reductions already implemented, since administrative burdens presented only a small share of the bureaucratic burden. He welcomes that the Netherlands and Actal would also address compliance costs and irritation. The discussion of these presentations is deferred until after Ms Meiling's presentation.

6) **Presentation by Ms Meiling, Deputy Director General of the Danish Commerce and Companies Agency, on Danish best practice in burden reduction; followed by a discussion of both presentations**

The chair welcomes Ms Meiling and asks for her presentation (members have been provided with a copy of the presentation).

Mr Hontelez, Mr Ludewig, Mr Mollerup, Mr Murray and Mr Teli•ka engage in a discussion with the presenters on issues such as the Dutch 25% reduction target for inspections, perception of burden reductions by businesses, transparency, stakeholder involvement and the Danish burden hunter project etc. In response to a question by Mr Hontelez Mr Leyenaar explains that the 25% reduction target for inspections was not about reducing inspections by 25%, but reducing the costs for inspections by better targeting the problematic candidates and alleviating those that have good records of complying with legislation ('inspection holiday'). In addition, inspections would be combined in a better way. Mr Leyenaar furthermore explains that businesses would never state that they could feel that burdens have been reduced. However, if businesses are asked concretely whether e.g. they would still have to fill in certain forms etc, they would acknowledge that simplifications have been achieved.

Mr Ludewig pays compliments to Actal which had been a model for developments in other Member States such as Germany, where the Normenkontrollrat would closely cooperate with Actal.

In response to a question by Mr Ludewig on Denmark's ex-ante activities and its position on a new administrative burden reduction target, Ms Meiling confirmed close ex-ante scrutiny and argued that the Danish 25% administrative burden reduction target by 2010 had been a solid way to get political focus on the issue. She also said that Denmark will continue with a new reduction target of 10 % until 2015 as well as a reduction target of 10 % until 2015 on business perception of the regulation. Ms Meiling said that in addition to the 25% reduction target based on Standard Cost Model calculations, Denmark has experienced that it is equally important that the businesses' experiences of burdens are taken into account when attempting to reduce administrative burdens, and that the deployment of an end-user focus has gained positive response through the Burden Hunter Project.

7) **AOB**

The chair announces that Commissioner Ciolo• will participate in the next HLG meeting on 8 April. Together with Commissioner Ciolo• he would participate in an international conference on the reform of the Common Agricultural Policy on 14 March.

Adopted by the HLG in Brussels on 8 April 2011.