

Action Programme for Reducing Administrative Burdens in the EU

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Programme**



European Commission
Enterprise and Industry

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General background

- **January 2007** – Commission proposes an Action Programme to cut unnecessary administrative burdens (AB) imposed by legislation on businesses à - 25% by 2012
- **March 2007** – European Council conclusions à agrees that AB arising from EU legislation should be cut by 25% by 2012, à invites Member States to “set national targets of comparable ambition”.
- **January 2009** – Third strategic review on Better Regulation à 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)

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.

Key figures (3)

Priority Area	AB (in mln €)	Sectoral Reduction Figure (in mln €)	Reduction as % of Burden
Agriculture / Agricultural Subsidies	5 289,7	-1 891,4	-36 %
Annual Accounts / Company Law	14 589,1	-8 274,5	-57 %
Cohesion Policy	929,1	-222,6	-24 %
Environment	1 180,6	-242,1	-21 %
Financial Services	939,6	-141,6	-15 %
Fisheries	73,9	-33,4	-45 %
Food Safety	4 073,3	-1 281,8	-31 %
Pharmaceutical Legislation	943,5	-154,6	-16 %
Public Procurement	216,3	-60,1	-28 %
Statistics	779,5	-328,1	-42 %
Taxation / Customs	87 005,3	-26 334,2	-30 %
Transport	3 861,7	-748,2	-19 %
Working Environment / Employment Relations	3 879,2	-659,6	-17 %
Total	123 760,8	-40 372,2	-33 %

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 adopted	Reduction measures proposed	Reduction measures under preparation	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

31 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

Possible extension to new priority areas and new acts

- The Commission has identified 28 acts where potential for further reduction could exist.

Divided in:

- 19 acts in the existing 13 Priority Areas (e.g. Environment, Fisheries, Financial Services and Transport)
- 9 acts in new areas (e.g. Civil law/commercial law, Internal market for goods, R&D funding programmes and Tourism)

- 28 acts may, for all or some, be part of new initiatives for reducing administrative burdens during the next Commission

Possible extension to new priority areas and new acts

- The Commission reviewed in particular suggestions made by:
 - § Member States
 - § Businesses
 - § All suggestions discussed by the High Level Group of Independent Stakeholders on Administrative Burdens

Conclusions

- Significant progress achieved by the Commission is the result of a constructive partnership with the European Parliament and Council, the Member States and stakeholders
- If all the reduction measures are eventually presented and adopted à EU will meet its target.
- Because of economic crisis, indispensable to gear up. European Parliament and Council need in particular to adopt pending measures quickly
- All Member States have set targets but many still need to measure and reduce
- President Barroso underlined that the reduction of AB will be a priority of the next Commission and that the mandate of the High Level Group will be extended beyond August 2010