



EUROPEAN COMMISSION

High Level Group of Independent Stakeholders on Administrative Burdens

MINUTES OF THE MEETING OF THE HLG ON 18 SEPTEMBER 2008

Venue: Brussels, 18 September 2008, from 14.00 to 17h30

Present: See presence list

Excused: Mr. R. Berger, Mr. R. Illy, Mr. J. Murray, Mr. J. Potdevin

1) Opening and information on the competition launch

The meeting was opened by the Chair.

The draft agenda was adopted without comment.

The chair welcomes Mr. Mollerup. He replaces Mr. Pere Padrosa who stepped down. Mr. Mollerup is managing director of the Danish Federation of Small and Medium Sized Enterprises (Håndværksrådet). Mr. Mollerup will be reporting member on VAT/Tax Law and Statistics. His background is in economics.

The chair welcomes Ms. Maij-Weggen, Governor for Noord-Brabant (NL) and member of the Committee of the Regions. Ms. Maij-Weggen will ensure the liaison between the HLG and the CoR. Ms. Maij-Weggen presents herself briefly and refers to her experience both in the EP and in national government. She informs the HLG that Mr. Van den Brande, Chairman of the Committee of the Regions, has nominated her to support the HLG and make sure that the regions' voice is heard.

The chair furthermore welcomes Mr. Lehne, MEP (D), who will ensure the liaison with the EP. Mr. Lehne is member of the EP's committee for legal affairs. Mr. Lehne presents himself briefly and refers to his interest in better regulation in general. He looks forward to a good cooperation and mentions the chair's appearance in front of the legal affairs committee of the EP on 22 September next as an example.

The chair informs members that Ms. Viola Groebner has taken over the job from Mr. Gert-Jan Koopman as director of DG ENTR.B.

The chair invites Mr. Gibbons to report from the launch of the competition "Best-Idea-Award" of this morning. To this end he welcomes Ms. Kaluzynska and Mr. Trnka, two members of the jury. Ms. Kaluzynska (PL) represents the Standard Cost Model Network (SCM) whilst Mr. Trnka (CZ) represents the incoming Council presidency. Mr. Frick

(DE), who represents the Bertelsmann Foundation which contributed also financially to the organisation of the competition, could not participate.

Mr. Gibbons briefly informs members about the launch ceremony and invites all members to promote the contest in their constituencies. Material such as flyers, posters and advertising letters have been prepared and are at the disposal of the members. The chair informs about the media partnership on which Vice-President Verheugen and he agreed. He expresses his hope that the competition will be a success with this outside support. The media partnering includes Fakt (Poland), BILD (Germany) and The Sun (United Kingdom).

The chair finally thanks all members of the jury for their willingness to help with this task.

The adoption of the minutes of the meeting of 10 July 2008 was postponed in view of comments from several members. The secretariat will collect these comments and present members with a revised version.

Ms. Fritsch expresses her wish that draft minutes should be sent more quickly to members, ideally within 10 working days. Other members express their support for this proposal. The secretariat will try to adhere to this.

2) Opinion on so-called “offline suggestions”

Paragraph numbers in this section between [] refer to paragraphs of the original draft that have been removed.

Mr. Linschoten presents the draft opinion. It contains 21 suggestions of different nature and origin for which the secretariat was able to obtain more detailed comments. He describes that it is his intention to present similar packages at future meetings. Views on each proposal should be formed by the reporting members in cooperation with the secretariat and, where necessary, other Commission services.

Due to the summer break it was not possible to prepare the opinion earlier. In the future, however, reporting members should be involved earlier so that most of the details of each suggestion and the HLG’s view thereto could be discussed before the actual meeting.

Upon Ms. Fritsch’ question about the way these suggestions have been prioritised Mr. Linschoten informs members that out of the approximately 175 suggestions received so far the 21 suggestions tabled now had been reviewed by the secretariat together with other Commission services responsible for the issues at stake. It should however be noted that by far not all other proposals will be discussed in detail because a considerable number of them either do not concern European law or cannot be linked to the Action Programme.

Mr. Hontelez thanks Mr. Linschoten and the secretariat for having prepared this document but makes clear that more time would be needed to assess the suggestions properly. He refers to para. [10] (postponed) and 11. Regarding the latter he finds it important that any modification of the rules should not undermine the overall intention behind the ecolabel. So he proposes to welcome the Commission revision plans but not ask to go beyond these. He remarks that the stakeholders that raised this issue do not even ask for further simplification, but rather for financial support for SMEs to fulfil the requirements. With regard to para. [10] he has problems with the impression the HLG

might give that “in general” thresholds for SME’s would be a good idea. Mr. Hontelez thinks this is dependent on the context, in particular on whether the integrity and objectives of a piece of EU legislation is undermined by such a threshold or not. So he would like to see “in general” replaced with “where appropriate”.

Mr. Mollerup wonders whether these suggestions have been subject of an impact assessment.

Mr. Telička supports Mr. Mollerup and states that all these suggestions should be fast tracked to speed up the process.

The chair agrees with the latter.

Ms. Maij-Weggen, CoR, expresses her view that the upcoming election might actually help to bring things forward and raise awareness.

Mr. Lehne, MEP, underlines that all institutions have to react quickly to suggestions made.

Mr. Pesonen sees a momentum created within Commission services and quotes DG AGRIs “health check” as example. He suggests to incorporate suggestions into existing processes and make use of the election.

Mr. Mendez sees a certain impact of the HLG in view of the timetable. He expresses his doubts as to para. [10] and [19].

Mr. Linschoten proposes to postpone the suggestions contained in para. [10] and [19].

As regards para. *new* 13 the chair states that “welcoming” something is superfluous and is joined in this view by Mr. Ludewig who mentioned that the HLG should in the future express more compelling opinions with regard to the specific offline-proposal. The chair states further that the size of an undertaking can in principle not be decisive as regards respecting standards. The political will is often not in line with concrete actions undertaken.

Mr. Hontelez insists that also “welcoming” a proposal is important.

The opinion is adopted pursuant to the following changes (listed in the order of their appearance in the document):

- Suggestions 4 and 5 are postponed and do not form part of this opinion
- Suggestion 7: the assessment of the HLG (text in italics) ends at “[...] efforts[.]”
- Suggestions 19 and 20 [paragraphs 10 and 19] are postponed and do not form part of this opinion
- At the end of the second paragraph of the conclusion the words “[...] *and it asks the Commission to ensure an adequate follow-up*” are added
- In paragraph 3 “June 2009” is being replaced by “March/April 2009” in view of the discussion on this subject and the remarks made by Mr. Lehne, MEP.

3) Short exchange of views on the draft final report from the Consortium

Based on a working paper of the chair members discuss the draft final report from the Consortium.

By way of introduction the chair voices his disappointment as regards the quality of the draft reports. The chair quotes from a letter he received from Vice-President Verheugen who expresses his agreement with the critique voiced (the exchange of letters will be put at the disposal of the members).

Mr. Philippart informs that the drafts that were sent to members have been rejected formally by the Commission. This means that the Consortium has to re-submit modified reports. The reason for this rejection lays in the inadequate quality of most of the priority area reports as well as the cover report. He underlines however that Commission services have given very detailed comments and expect that the CST will be able to deliver a satisfactory result. He recalled that the selection of the 41 acts now measured was based on a study done by independent economic institutes and the experience of some Member States. He recalls that a verification of this choice was always foreseen. An extension of the list is already envisaged and discussed among Commission services, in close collaboration with the cabinet's of the President and Vice-President Verheugen.

The chair expresses his worries that what is on the table might simply not be enough.

The chair recalls that the public would not understand the results. They have to be verified and adjusted if necessary. In this context he refers in particular to the discrepancies of the figures as regards Germany.

Mr. Ludewig enquires as to when the inconsistencies will be corrected. With regard to the statement of Mr. Philippart, Mr. Ludewig emphasizes the need to further extend the Action Programme of the Commission in case that the most burdensome regulations are not yet included. Further more, he sees some reduction ideas in the reports and suggests not to sit idly till the CST delivers an acceptable version of the report.

Mr. Hontelez responds to Mr Stoiber, who had underlined the public expectation of a reduction of 150 billion EUR. Mr. Hontelez refers to the Memo DG Enterprise presented to the HLG on 23 April this year, which explained that the 150 billion EUR estimation was the amount of extra GDP growth that could be achieved by the year 2040 only. That in fact the total current administrative burden caused by EU legislation is estimated to be 146 billion Euro/year¹, so even below the 150 billion savings that are often mentioned in the press as a short term result.

Ms. Fritsch recalls that the opinion on company law was prepared based on a similar draft report.

The chair agrees but underlines that the figures in the final report were even higher.

¹ N.B.: On the basis of Dutch figures and administrative costs for starting a new firm, total administrative costs in the EU are estimated to amount to 3.5% of GDP (EUR 365 billion). Assuming that EU obligations account for 40%, administrative costs of EU origin would be around EUR 146 billion.

Mr. Mollerup refers to the ongoing preparation of an opinion on (a part of) the priority area Tax Law, scheduled for 22 October. He is of the view that proposals can already be made even without the appropriate numbers.

Mr. Doherty responds for the CST. He underlines that the reports are drafts and not meant for publication or even public quoting. He outlines the methodology and the basis for the figures given in the draft reports. He promises revised versions for beginning of November and proposals for reduction measures for end of November/beginning of December as well as proposals for the Member States in February 2009.

Mr. Gibbons underlines the need for being constructive. The basic data are sufficient to continue working on proposals. He is of the view that some radicalism might be needed when it comes to concrete proposals.

Ms. Fritsch suggests expressing savings for enterprises rather in time than money as this is easier to grasp for the enterprises.

The chair states that the HLG has to work in the short run.

Ms. Maij-Weggen, CoR, states the need to be sure about the figures.

Mr. Telička underlines the political dimension of the HLG's work. One is sometimes too fast in setting figures. He appreciates the transparent sending of the draft reports as it gives more time to prepare. He underlines the need to prioritise the work.

Mr. Ludewig states the need to organise the process and to integrate stakeholders' proposals.

4) Priority area *Fisheries*: Presentation of the reform of the control regulation

DG MARE presents the reform of the control regulation (the presentation will be put at the disposal of members).

5) Priority Area *Environment*: Presentation of the reform of the WEEE directive

DG ENV presents the reform of the so-called WEEE directive (the presentation will be put at the disposal of members).

The chair thanks the teams from ENV and MARE for their presentations. The fact that the Commission works on such initiatives on its own is very encouraging.

He announces that on 22 October the HLG will deal with tax law (e-invoicing) and agriculture.

Adopted by the HLG in Brussels on 22 October 2008