Dear President of the European Commission,

Ladies and Gentlemen,

After seven years and 54 meetings of the High Level Group – a considerable number for a group that works on a purely honorary basis – I will hand over today our Final Report “Cutting Red Tape – Legacy and Outlook” to the President of the European Commission José Manuel Barroso. I am delighted that this handover will take place during this important conference, in which the President of the Commission has given account of the far-reaching reform of the law-making process within the EU which he has initiated. He has set a signal here. The keywords are: Smart regulation, REFIT and Cutting Red Tape. The High Level Group has been an essential part of the Action Programme on Reducing Administrative Burdens in the EU and supported this reform, especially the reduction of unnecessary regulatory costs, to the best of its abilities. Today I want to take stock of our work, but
first and foremost, to outline our main recommendations for the future.

Ladies and Gentlemen,

My personal starting point for the honorary commitment to this task, which has taken up quite a lot of my time, is the enormous loss in support for the European Union by its citizens. This was showcased dramatically in the elections to the European Parliament of May 2014, which resulted in the feared rise of populist and anti-European parties to 20 % of the votes. This result presents entirely new challenges for the institutions in Brussels.

Leaving aside the topics of the Euro and the financial crisis, the increasing amount of regulation is an important source of this negative development. When ordinary citizens in London, Paris or Berlin are asked what comes to mind first when thinking about the EU, for too many people the answer is not the indisputable successes such as peace, freedom and prosperity, but lack of transparency and overwhelming bureaucracy. This is why it is so important to contribute to re-establishing support of the EU among its citizens by cutting red tape and substantially improving the European law-making
process. The EU, the European idea and their importance for all of us are too precious to be associated so strongly with these shortcomings. As the great German film director Wim Wenders put it: "The European idea has turned into the administration of Europe - now people think that the administration is the idea".

One main reason for the growing number of European laws - especially in the fields of environment, health and food safety - is the fact that within the single market European rules replace the different national rules of the 28 Member States. This makes life a lot easier for businesses, who continue to call for European rules. However, in my opinion, the Article of the EU-Treaty governing the single market continues to be interpreted too widely within the EU and is used to regulate more and more policy areas in more and more detail and thus create more and more bureaucracy.

However, the real political discussion about new rules often only starts in the Member States when the underlying fundamental decisions have already been taken in Brussels, as knowledge about the growing importance of the European Union in respect of law-making is still not spread widely
enough. Time and time again rules are created which have no support and create resentment. Typical examples of this are the new energy-saving electric bulbs or the concrete implementations of the eco-design directive with the energy-saving hoovers, hair dryers etc..

Also the behaviour of citizens and businesses is contradictory: On one hand, people complain about bureaucracy and on the other, new regulations to improve life are continually requested. Thousands of Members of Parliaments and civil servants all over Europe are constantly busy with improving the lives of people with new regulation. Particularly after disasters, new regulations are being demanded in order to avoid such events in the future.

Let us not fool ourselves: In our complex and complicated world, there will always be a tendency towards the creation of more and more rules. This is why it is so important to design these rules to be as least burdensome as possible so as to not bring about blanket accusations against Brussels of creating red tape.
Ultimately, the big question regarding bureaucracy and red tape is actually the conflict between freedom and self-responsibility on one hand and safety on the other. Although we complain about red tape, safety continues to be a high priority. My conviction is that we need to find a better balance between freedom and safety. In order to do so, we need a new way of thinking in Europe, and we also need to find the courage to leave gaps in the legislative framework. The Commission has taken up this idea with the REFIT programme and wants to withdraw some legislative proposals or relinquish new legislative initiatives. I will come back to that later.

Ladies and Gentlemen,

cutting Red Tape can make an important contribution to more growth and jobs, because it is an economic stimulus programme free of charge and works without needing counter-financing. This is the economic side of cutting red tape.

Under the first mandate of the High Level Group 2008/2009, we screened the 13 most important policy areas for administrative burdens brought
about by European information obligations. These amount to a total of 124 billion Euros per year. On this basis the High Level Group has made more than 300 concrete suggestions for cutting red tape with a savings potential of around 41 billion Euros. Until today the Commission, the European Parliament and Council have adopted measures which relieve the 23 million enterprises in the EU of regulatory costs of 33 billion Euros per year. Thus, the ambitious target of cutting the measured administrative burden of 124 billion Euros by 25 per cent has - with 27 per cent - been clearly exceeded.

In my discussions with President Barroso, I have pointed out time and again that the criticism of creating too much bureaucracy must not be addressed to Brussels alone, but that the Member States must also bear a large share of the responsibility for unnecessary bureaucracy when implementing European standards and that the public should be made aware of this. In the public perception, it is not the Member States who are being blamed for this so far, but Brussels alone, with all the ensuing negative consequences for support of European policy-making in general. I welcome that President Barroso has taken up this idea with
Smart Regulation and REFIT and has asked for our advice on this matter.

Under the second mandate from 2010 and 2012, we have for the first time closely examined the implementation of EU law in Member States and presented a report with recommendations for improvement. No less than one third of the regulatory costs stemming from EU legislation are in fact not caused by inefficient implementation in Member States.

For example, a typical public procurement procedure lasts between 77 days in Latvia and 241 days in Malta. If all Member States were to follow best practices when transposing EU legislation into national rules, administrative burdens could be reduced by up to 40 billion Euros. Our report contains 74 examples of best practice from all Member States. Let me give you just two examples:

- In Estonia, a law is prohibiting the repeated collection of data which has already been submitted to the company register by way of the electronic yearly financial statement.
In Portugal, public procurement must be conducted via an electronic platform. The rate of digital public procurement procedures is 75 per cent, whereas the EU average is only 5 per cent.

Under the third mandate up to October 2014 we have for the first time assessed how far measures to reduce administrative burdens have actually been implemented in Member States, as this is vital for improving support for the EU in achieving a measurable relief for businesses on the ground. The results of this exercise are as follows:

- A cross-border exchange regarding the implementation of European rules into national law is necessary, in order to establish best practices.

- The Commission must significantly extend its knowledge base regarding the concrete implementation of European rules into national law in order to facilitate the necessary exchange of experiences and to create an incentive for competition. If you want to call it like that, this goes towards controlling national administrations.
Ladies and Gentlemen,

I am very happy with this concrete work and the results achieved. However, I have made it very clear from the very beginning that my most important goal is not the individual administrative burden reduction measure. My most important aim has been and still is to campaign for a new way of thinking in Brussels: *Not everything that can be regulated must be regulated.*

Therefore I am very happy that, in his State of the Union speech in September 2013, President Barroso initiated a fundamental turnaround in EU policy making, which will lead to a change of working methods within the Commission.

For decades it has been the perception of the European Union that everything which can be regulated at European level will be beneficial to the European idea. This has is no longer been the case since President Barroso presented the REFIT programme on 2 October 2013. It contains a number of measures which I have been campaigning for for years:
• The Commission has screened the entire legislative aquis of the EU and quotes separately for each policy area which rules are to be simplified.

• The Commission cancelled certain legislative proposals - for example the soil directive.

• The Commission declined to take up new legislative initiatives – for example prohibiting hairdressers from wearing high-heeled shoes.

• The Commission finally plans to assess how European legislation is actually implemented in Member States. This is an absolute core issue and was exactly what we wanted to achieve with our report on best practices! So far, only the "if" and not the "how" of implementation has been scrutinized.

• The President of the Commission rightly says: "The EU must be bigger on big things and smaller on small things".

Unfortunately, up to now this programme has gained far too little attention in Germany, but also in other Member States. This is also a core task for
the new Commission: To inform the public more effectively about its good work!

Ladies and Gentlemen,

For the first time, the preception of the citizens that the EU is producing too much red tape is being taken as a benchmark for policy-making. This is a quantum leap and a great opportunity for the European Union. With Smart Regulation, REFIT and Cutting Red Tape, President Barroso has laid a strong foundation for better law-making that will remain associated with his Commission. Citizens and businesses will benefit from it.

The new Commission wants to continue with this approach and further strengthen it. Furthermore President-Elect Jean-Claude Juncker has emphasised that the EU is harming itself with too many and too detailed rules. The appointment of a specially designated future First Vice-President in the person of Mr Timmermans is a strong signal from the new Commission. His power of veto on new initiatives can become a decisive breakthrough in the battle against unnecessary bureaucracy.
With our recommendations on Smart Regulation and Cutting Red Tape, we want to support the future Commission in its work, which is so important for support for the EU. At this point, I would like to highlight only the most important recommendations from our Final Report:

- As long as the issue of bureaucratic burdens is not playing any or only a minor role in the Commission, European Parliament and Council, when making new laws, the problem cannot be fully resolved.

The Commission is already doing much with its Impact Assessment Board which scrutinizes the Impact Assessments made by the Directorate-Generals. However, this board is not independent. The European Parliament has just created such a unit for impact assessments. Nothing at all is happening in the Council so far – here, in the nighttime compromise sessions, often the biggest burdens are created.

The next step must now follow: All three EU-Institutions must strive for an independent body advising on every single new law on the regulatory burdens associated with this new legislation.
Such an independent "bureaucracy check" would, contrary to many misgivings within the Commission, in no way lessen the right of legislative initiative of the Commission, because the final decision on whether a new legislation will be approved or not is always made at political level. Past experience in those Member States which have established independent watchdogs, i.e. United Kingdom, Germany, The Netherlands, Sweden and the Czech Republic, confirm this.

Furthermore I find it remarkable that France, which has been reluctant to cut red tape so far, now also wants to take this exact step. I discussed this in depth with the Secretary General of the Elysée, Mr Jouyet, in early July 2014. In our last High Level Group meeting on 22 September 2014, the French Secretary of State for Simplification, Mr Mandon, again reinforced this intent.

• Cutting red tape needs a compulsory net reduction target. Why are all these efforts made in the field of cutting red tape not yet reaching the people in the way that we want them to? Of course this is because we are not only reducing, but also increasing burdens. A consequence of the
new position of the Commission must also be a net reduction target. Below the line, in the end the burden must become smaller! The Commission has made an important step with the Action Programme for Reducing Administrative Burdens in the EU and the setting of a quantifiable reduction target of 25 per cent, which now has to be developed further.

With its principle of "one in – one out", the United Kingdom has been moving in the right direction since 2010: Every time a new legislative proposal is presented, a law from the same policy area causing the same regulatory cost has to be withdrawn. France and other Member States are also taking up this approach. This approach leads especially to the creation of the political pressure needed to establish clear priorities among the ever increasing amounts of desirable new legislation and to use of the least burdensome solution possible. At the same time, this approach does not prevent necessary new laws.

- Brussels has too few competencies in some big issues and too many in regional or even local issues. A less extensive use of EU competencies is possible even without changing the European
treaties with a political self restriction of the EU institutions. Frans Timmermans has made this very clear in his hearing in the European Parliament, quoting the example of health and safety legislation for hair dressers. He has stressed that this issue is not a question for the European States themselves.

- Small businesses are disproportionately affected by red tape. The Commission should commit rigorously to the “Think Small First” principle. SMEs and micro-businesses should be exempted from EU obligations as far as is possible and the political aim of the legislation should not be jeopardized.

- Finally, the law-making process in the EU has to be sped up. Today, for complex and controversial questions, it takes up to 7 years until a legislative proposal becomes European law and is implemented by the Member States. The communication has to be improved substantially. After seven years, too often it is no longer clear what the initial aim of a legislative proposal should have been.
Ladies and Gentlemen,

I am convinced that the new approach by the Commission on Smart regulation, REFIT and Cutting Red Tape is the key element for the future and a “quantum leap”. President Barroso and his Commission have achieved a groundbreaking success. A new era has been heralded, and it will be the task of the new Commission to continue and to further strengthen it. I strongly recommend that the suggestions of our group be taken up and implemented. That is the only way to keep the promise made during the European election campaign to bring Europe closer to its citizens and to reduce red tape.

Thank you very much for your attention!