

# Action Programme for Reducing Administrative Burdens in the EU

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Viola Groebner, Director  
Directorate B



**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 → - 25% by 2012
- **March 2007** – European Council conclusions → agrees that AB arising from EU legislation should be cut by 25% by 2012, → invites Member States to “set national targets of comparable ambition”.
- **January 2009** – Third strategic review on Better Regulation → 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 %
<b>Total</b>	<b>123 760,8</b>	<b>-40 372,2</b>	<b>-33 %</b>

# 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 reviewed in particular suggestions made by
  - Member States,
  - businesses
  - the « High Level Group of Independent Stakeholders on Administrative Burdens » chaired by E. Stoiber
- 28 acts where potential for further reduction could exist and which may, for all or some, be part of new initiatives for reducing administrative burdens during the next Commission
- Examples of the extension to new priority areas:
  - civil law/commercial law
  - Internal market for goods (radio & telecom equipment, ...)
  - R&D funding programmes
  - Tourism

# 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 → 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