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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE  
EUROPEAN PARLIAMENT**

**Action Programme for Reducing Administrative Burdens in the EU  
Sectoral Reduction Plans and 2009 Actions**

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## **Action Programme for Reducing Administrative Burdens in the EU Sectoral Reduction Plans and 2009 Actions**

### **1. INTRODUCTION**

In January 2007 the Commission presented an ambitious Action Programme<sup>1</sup> to eliminate unnecessary administrative burdens on businesses in the EU. The European Council endorsed the Programme in March 2007<sup>2</sup> and agreed that administrative burdens arising from EU legislation, including national measures implementing or transposing this legislation, should be reduced by 25 % in 2012. The European Council also invited Member States to “set national targets of comparable ambition”.

The Action Programme is an essential part of the Commission's overall Better Regulation Agenda – intervening where there is a need to do so, involving stakeholders fully, and keeping burdens on public authorities, businesses and citizens to the minimum necessary to achieve societal goals. It is firmly rooted in the Commission's strategy to promote competitiveness, growth and jobs<sup>3</sup>. Reducing regulatory costs imposed on enterprises is also in line with the Small Business Act and its "think small first" principle. The importance of reducing unnecessary administrative burdens increased with the economic crisis since Small and Medium sized Enterprises in particular need quick relief. Moreover it is a sensible complement to direct budgetary support, at a time where the financial capacity of the Union and the Member States to intervene is substantially diminishing. For all these reasons the reduction of administrative burdens has been identified as one of the key areas for action in the European Economic Recovery Plan.

At the beginning of 2009, the Commission made a commitment to present Sectoral Reduction Plans for all 13 priority areas and prepare additional measures to reduce administrative burdens before the end of its mandate<sup>4</sup> in order to do everything within its competencies to achieve the 25 % target in 2012. Both aspects are covered in this Communication which provides an overview of achievements so far, lessons learned and steps ahead.

### **2. RESULTS OF THE EU BASELINE MEASUREMENT AND OVERVIEW OF THE SECTORAL REDUCTION PLANS**

With the endorsement of the European Council and the support of the European Parliament, the Commission launched an assessment of administrative burdens<sup>5</sup> which businesses incur in meeting EU legal obligations to provide information on their products or activities, either to public authorities or to private parties<sup>6</sup>. This EU baseline measurement *covers burdens*

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<sup>1</sup> COM(2007)23, 21 January 2007.

<sup>2</sup> Presidency conclusions of the European Council (7/8 March 2007), p.10.

<sup>3</sup> On the impact of administrative burdens reduction on competitiveness, see European Commission, "Quantitative assessment of Structural Reforms: Modelling the Lisbon Strategy", European Economy - Economic Paper n°282, June 2007.

<sup>4</sup> COM(2009)15, 28 January 2009.

<sup>5</sup> As foreseen in COM(2007)23 the EU baseline measurement distinguishes between administrative costs and administrative burdens.

<sup>6</sup> Information is to be construed in a broad sense, i.e. including labelling, reporting, registration, monitoring and assessment needed to provide the information. In some cases, the information has to be transferred to public authorities or private parties. In others, it only has to be available for inspection or supply on request.

stemming from EU legislation and from national measures implementing or transposing it. It uses the EU “standard cost model” (SCM) which draws on the specific experiences of Member States. The qualitative and quantitative results of this exercise have been a valuable input for setting reduction priorities and designing reduction proposals.

The EU baseline measurement has been finalised for the 72 acts covered by the Action Programme and its 13 priority areas<sup>7</sup>. The overall administrative burden imposed by these acts at the beginning of the legislature (2005) is estimated to be around EUR 123.8 billions<sup>8</sup>.

The exercise has identified a total of 486 EU information obligations<sup>9</sup>, and more than 10 000 national obligations which transpose or implement these EU obligations. More than 700 national obligations go beyond EU legal requirements. The burden for businesses of complying with each information obligation has been estimated, taking into account the fact that in many cases businesses would perform the required tasks even in the absence of legal obligations (“Business As Usual” costs).

Table 1 provides estimated administrative burdens per priority area as well as sectoral reduction figures. The latter are the sum of the reduction potential of measures adopted, proposed and, in a few cases, under preparation. They provide a clear indication of the state of the reduction effort, and show that certain sectors have significantly out-performed the 25 % target. The sectoral reduction plans presented in Annex C show concretely why the Programme matters, who is being helped and how.

The main findings of the EU baseline measurement and flanking studies conducted for the Commission are that:<sup>10</sup>

- A very high proportion of administrative burdens stems from a limited number of information obligations in a couple of policy areas (Taxation and Company Law account for more than 80 % of the total burden measured - a logical consequence of the level of European harmonization reached in these areas and of the large number of companies affected by these legislations<sup>11</sup>; the ten most important information obligations overall account for more than 77 % of the total burden of EU origin). This confirms that the decision to focus measurement and reduction efforts on a limited number of acts in key priority areas was appropriate.

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<sup>7</sup> Agriculture and agricultural subsidies, Annual accounts/Company law, Cohesion policy, Environment, Financial services, Fisheries, Food safety, Pharmaceutical legislation, Public procurement, Statistics, Taxation / Customs, Transport, Working environment / employment relations.

<sup>8</sup> For sectoral figures, see Table 1. The figures provided in COM(2009)16 correspond to the 42 EU acts initially in scope of the Action Programme. The figures presented here also cover the 30 EU acts added by the Commission in January 2009. While the Member States were to measure in parallel exercises the burdens stemming from purely national rules, only a minority of them has so far done so. Total administrative burdens in the EU (i.e. resulting from all obligations of international, EU and national origins) can therefore not be determined firmly at this stage. Annex A provides details on the data and methodology used.

<sup>9</sup> EU legal texts include different types of provisions that can lead to information obligations at national level: some impose obligations on businesses (directly or via compulsory transposition by Member States); others merely open up the possibility for Member States to impose an obligation on businesses.

<sup>10</sup> For details, see Annex A. Externally contracted studies are available on [http://ec.europa.eu/enterprise/policies/better-regulation/ab\\_studies\\_2009\\_en.htm](http://ec.europa.eu/enterprise/policies/better-regulation/ab_studies_2009_en.htm).

<sup>11</sup> Harmonized rules are indispensable in these areas because indirect taxes may create an immediate obstacle to the free movement of goods and the free supply of services and because it is essential for creating a Single Market for Financial Services and products. More over these rules apply to all sectors and they impose frequent actions – for example the annual number of invoices is much higher than the annual number of authorization procedures in a sector.

**Table 1 – Burden and Reduction (72 legal acts in scope)**

Priority Area	Administrative Burden (in €)	Sectoral Reduction Figure (in €)	Reduction as % of Burden
Agriculture / Agricultural Subsidies <sup>12</sup>	5 289 700 000	-1 891 400 000	-36 %
Annual Accounts / Company Law	14 589 100 000	-8 274 500 000	-57 %
Cohesion Policy	929 100 000	-222 600 000	-24 %
Environment	1 180 600 000	-242 100 000	-21 %
Financial Services	939 600 000	-141 600 000	-15 %
Fisheries	73 900 000	-33 400 000	-45 %
Food Safety	4 073 300 000	-1 281 800 000	-31 %
Pharmaceutical Legislation	943 500 000	-154 600 000	-16 %
Public Procurement	216 300 000	-60 100 000	-28 %
Statistics	779 500 000	-328 100 000	-42 %
Taxation / Customs	87 005 300 000	-26 334 200 000	-30 %
Transport	3 861 700 000	-748 200 000	-19 %
Working Environment / Employment Relations	3 879 200 000	-659 600 000	-17 %
<b>Total</b>	<b>123 760 800 000</b>	<b>-40 372 200 000</b>	<b>-33 %</b>

- *Information obligations generally impose a proportionally higher burden on small and medium-sized enterprises.* Because of their size, SMEs don't often have access to most advanced and efficient Information and Communication Technologies. Neither can they have in-house staff with specialized knowledge on all regulatory matters, obliging them to rely more heavily on sometimes expensive service providers. Special emphasis should therefore be on reducing burden on SMEs. The "Think-Small-First" Principle must be systematically applied when designing information obligations.
- *The degree to which businesses consider an information obligation to be irritating (irritation factor) is very often uncorrelated to the administrative burdens imposed<sup>13</sup>.* This

<sup>12</sup> For details on the specific approach taken for agriculture, see Annex C.1.

<sup>13</sup> The irritation factor depends on the acceptance of the policy objective, on the perceived usefulness of the information for the policy objective, the integration of the legal requirements into the business processes and the ease of interaction with the respective authorities.

vindicates the decision to include also acts that are more irritating than burdensome. Dealing with perceptions is indeed one key pre-condition for securing the involvement of stakeholders in the longer run.

- It is estimated that 32 % of administrative burdens of EU origin are the result of the decision of some Member States to go beyond what is required by EU legislation (gold-plating) and of the inefficiency in their administrative procedures. This broadly tends to confirm previous assessment of the origin of administrative burdens<sup>14</sup> and is why it has proved possible to cut administrative burdens without jeopardising the objectives of the legislation, which should remain a requirement till the end of the Programme. Significant differences in the burdens imposed by national measures implementing EU legislation indicate that the exchange of best practices would greatly reduce the level of administrative burdens in many Member States.

### 3. REACHING THE REDUCTION TARGET FOR EU LEGISLATION

While the reduction of administrative burden did not start in 2005<sup>15</sup>, it was in the mandate of this Commission that major steps have been taken to reach the EU target of 25 % set in March 2007. The Commission has already identified possible reductions of burdens that go well beyond that target. Reduction measures put in place by the Commission or proposed by the Commission and already adopted could bring a reduction of EUR 7.6 billion. Measures proposed by the Commission and pending adoption could add EUR 30.7 billion to that amount. Preparatory work on further reduction could lead to the presentation of 31 additional measures bringing further reduction of at least EUR 2.1 billion. All in all this could represent a reduction of EUR 40.4 billion out of EUR 123.8 billion, i.e. -33 % of total estimated burdens of EU origin.

In order to indicate clearly what has been achieved so far, the Communication distinguishes between reduction measures which are *adopted* (e.g. adoption of legal acts by the European Parliament and the Council or adoption of executive acts by the Commission); which are *proposed* (e.g. legislative proposals pending with the European Parliament and the Council); and which are *under preparation*<sup>16</sup>.

Some reduction measures are addressed exclusively to the EU level, while others require joint action of the EU and the Member States. In cases where the reduction measure is mainly addressed to Member States, the role of the Commission is to facilitate these changes.

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<sup>14</sup> COM(2006)691.

<sup>15</sup> Ten reduction measures adopted by Parliament and Council (and amounting to EUR 6.8 billion) have their origin in a legislative proposal tabled by the previous Commission. This Commission started its mandate by screening pending proposals. It decided to maintain these 10 proposals and defended them throughout the legislative deliberation.

<sup>16</sup> For details on reduction measures presented for each priority area, see Sectoral Reduction Plans in Annex D.

**Table 2 – State of progress / Sectoral Reduction Plans (72 legal acts in scope)**

Priority Area	Measures adopted			Measures proposed			Measures under preparation		
	#	in €	%	#	in €	%	#	in €	%
Agriculture / Agricultural Subsidies	7	-1 891 400 000	-36%	0	0	0%	1	0	0%
Annual accounts / Company law	5	-1 362 900 000	-9%	2	-6 911 600 000	-47%	2	0	0%
Cohesion policy	4	-117 600 000	-13%	1	-50 000 000	-5%	1	-55 000 000	-6%
Environment	1	-3 600 000	-0.3%	5	-238 500 000	-20%	4	0	0%
Financial services	5	-142 500 000	-15%	1	900 000	0.1%	1	0	0%
Fisheries	1	-19 000 000	-26%	2	-14 400 000	-19%	0	0	0%
Food safety	5	-24 600 000	-0.6%	1	103 800 000	3%	2	-1 361 000 000	-33%
Pharmaceutical legislation	2	-40 100 000	-4%	1	-61 000 000	-6%	2	-53 500 000	-6%
Public procurement	1	-12 500 000	-6%	0	0	0%	2	-47 600 000	-22%
Statistics	7	-328 100 000	-42%	0	0	0%	6	0	0%
Taxation / Customs	4	-3 133 100 000	-4%	2	-23 201 100 000	-27%	3	0	0%
Transport	4	-403 800 000	-10%	3	-344 400 000	-9%	1	0	0%
Working environment <sup>17</sup>	2	-92 600 000	-2%	0	0	0%	6	-567 000 000	-15%
<b>TOTAL</b>	<b>48</b>	<b>-7 571 800 000</b>	<b>-6%</b>	<b>18</b>	<b>-30 716 300 000</b>	<b>-25%</b>	<b>31</b>	<b>-2 084 100 000</b>	<b>-2%</b>

### 3.1. Delivery to Date - Measures adopted

Since the beginning of the legislature, major steps have been taken to reduce burdens in all priority areas. Parliament and Council have so far adopted 33 legislative proposals presented by the Commission with an estimated reduction of EUR 5.7 billion. The Commission in parallel has put in place 15 measures (e.g. executive acts, guidance documents and IT tools) that could bring a reduction of EUR 1.9 billion. Some of these measures have been presented as part of the 2007 and 2008 packages of technical measures aimed at generating immediate and significant benefits or reduce irritation (so-called "fast track actions"). The Commission

<sup>17</sup> For this priority area, the figure in the column "Measures under preparation" also takes into account "Measures under consideration".

regrets the slow pace of adoption by the European Parliament and the Council for some of these measures<sup>18</sup>.

*Reduction measures with immediate effect*

In order to produce trade statistics (Intrastat), enterprises have to **report on their import and export of goods within the Union**. By increasing the threshold under which enterprises do not have to report, it is estimated that the number of contributing enterprises has been reduced by half since 2004 (from 720 000 to around 350 000). SMEs are the main beneficiaries.

Special attention has been given to address areas imposing a large part of administrative burdens, such as VAT legislation and Company Law. Special focus has also been put on allowing enterprises to make maximum use of the cost saving potential of new technologies and e-government solutions and on alleviating the burden on SMEs. Examples of measures already adopted include:

- Formalities for **farmers** benefiting from the "Single Payment Scheme" and other support schemes, such as payments for energy crops and durum wheat, have been simplified. In the past, farmers had to leave a part of the land unused ("set-aside") in order to be eligible for support. With the suppression of this requirement, farmers no longer have to report on areas they want to set aside and verify that their surface matches the percentage set by EC law. This concerns more than 12 million applications per year.
- Thanks to better "Guidance on **Risk Assessment**"<sup>19</sup> and the European campaign of the European Agency for **Safety and Health at Work**, more companies, especially smaller ones, should be able to carry out risk assessments required by law in a simple and less time-consuming way, with savings estimated at EUR 92.5 million per year in the EU.
- The Modernised Customs Code<sup>20</sup> will introduce a fully **electronic customs environment** and streamline customs procedure. Considering the cost of lodging more than 170 million customs declarations annually, the reduction potential is immense (roughly EUR 2.4 billion per year).

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<sup>18</sup> For the list of pending proposals, see Annex G.

<sup>19</sup> <http://osha.europa.eu/en>.

<sup>20</sup> Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code).

#### *Reducing administrative burdens: a dynamic process*

Tachographs are used to record the driving and rest time of **truck drivers**. Where analogue tachographs impose many manual operations, digital ones reduce the average time needed to record information. The EU decided that the digital **tachograph** should be the rule for transport companies (Regulation 561/2006). This switch reduces administrative burdens by EUR 37 on average per driver and per year. Considering that 74 % of drivers are still using the analogue tachographs, the measure will eventually bring savings up to EUR 286 million per year. However accidentally this regulation results in some inconsistencies as regards the working and rest times for non professional drivers, putting more burdens on craft businesses compared to farmers.

In July 2009 the Commission presented a draft executive measure containing 12 concrete ways to simplify the use of digital tachographs. Time spent by each driver should be cut on average by 10%. As 6 million drivers are concerned and the average cost of one working day is EUR 147, the savings could fetch EUR 234 million a year.

Finally, as part of the planned revision of Regulation 3821/1985, the Commission will eliminate the above mentioned inconsistencies and exempt both for a distance of 100 km from the EU rules on driving and rest times and will consequently also exempt them from the obligation to use a tachograph for a distance up to 100 km. This should provide a substantial reduction of administrative burden for both farmers and craftsmen as non-professional drivers while continuing to fully ensure a high level of social protection of drivers and the safety on roads.

It is also worth noting that the "new legislative framework for marketing of products" which comes into effect in 2010 will diminish costs stemming from national legislation<sup>21</sup>. This new framework foresees in particular the extension of the principle of mutual recognition to sectors that fall under the non harmonised approach. This will represent significant cuts in burdens for businesses.

### **3.2. Delivery to Date - Measures proposed**

In addition to measures already adopted, the Commission has drafted 18 measures that are still pending adoption. The reduction potential of these proposed measures is estimated at EUR 30.7 billion<sup>22</sup>.

Special efforts were made on the legislation covered by the Action Programme. Two of the proposals already presented in 2009 are particularly important: they concern invoicing rules set by VAT legislation (see box on electronic invoicing) and the scope of EU accounting directives (exemption of micro-enterprises from EU accounting rules).

Further horizontal and sectoral measures proposed by the Commission before 2009 and pending adoption by the EC legislator include new rules that would considerably facilitate reporting linked to pharmaco-vigilance<sup>23</sup>. **Pharmaceutical companies** would only have to present a simplified "pharmacovigilance system master file" in support of the marketing authorisation, provided a detailed file would be maintained on site. Adverse reaction reporting would be simplified, resulting in fewer, more relevant periodic safety updated reports (PSURs) being prepared by firms which are marketing authorisation holders. Resources currently spent on reporting obligations would be better employed analysing the data concerning the measurable effects of medicines, for safer medicines.

In the Third Strategic Review on Better Regulation of 28 January 2009, the Commission made a commitment to present additional measures to reduce administrative burdens before

<sup>21</sup> [http://ec.europa.eu/enterprise/newapproach/index\\_en.htm](http://ec.europa.eu/enterprise/newapproach/index_en.htm).

<sup>22</sup> See Annex G.

<sup>23</sup> Proposal for a Directive of the European Parliament and the Council as regards pharmaco-vigilance, COM(2008) 665.

the end of its mandate. The Commission has since proposed or put in place 7 reduction measures and 7 more should come before the end of the year<sup>24</sup>.

***Proposals with very large potential***

In January 2009, the Commission proposed to foster e-invoicing, i.e. to remove obstacles to company's electronic billing. The current rules on invoices in the VAT Directive allow Member States to impose additional requirements on invoices to make them VAT compliant. These additional requirements and the lack of harmonization among Member States in this regard, prevent enterprises from making full use of cost saving business practices such as electronic invoicing. Given that 17 billion VAT invoices are annually issued in Europe, the switch to a fully electronic invoicing system would significantly save time and money to more than 22 million taxable enterprises. The maximum mid-term reduction potential is estimated at EUR 18.4 billion if all businesses would send all their invoices electronically.

This is by far the biggest reduction proposed by the Commission. It is therefore vital that Council quickly adopts equal treatment of paper and electronic invoices.

The Commission also proposed a significant simplification of authorisation procedures for biocidal products, with an estimated administrative burden reduction of EUR 140 million per year<sup>25</sup>. With the completion of the pilot phase of the Pan-European Public eProcurement On-Line (PEPPOL), a major step will be made towards allowing any company to communicate electronically with any European governmental institution for the entire procurement process.

The Commission is in addition examining the possibility to present, before the end of the year, a proposal based on the EU "Best Idea for Red Tape Reduction Award" of May 2009<sup>26</sup> which recommends exempting craft businesses from the obligation to use a tachograph when providing their services within a reasonable distance<sup>27</sup>.

Reduction measures falling outside of the scope of the Action Programme were however also pursued. The proposal concerning the Prospectus Directive<sup>28</sup> would, for instance, suppress duplicating tasks imposed on issuers with listed securities. Similarly, new measures in the pharmaceutical sector would also suppress unnecessary obligations regarding substances used as a diluent or vehicle for a drug (excipients) and broaden the use of "automatic mutual recognition" in the field of marketing authorization.

### **3.3. Planned Delivery - Measures under preparation**

Preparation of further reduction measures is under way in almost all priority areas. These measures focus in particular on removing irritants to ensure that enterprises feel the burden reduction. The timing of the preparatory work takes into account the fact that measures need to be adopted by 2012<sup>29</sup>.

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<sup>24</sup> For details, see Annex D. These measures concern in particular environment, transport, statistics, public procurement, and food safety legislation.

<sup>25</sup> COM(2009) 267 final, 12 June 2009.

<sup>26</sup> [http://ec.europa.eu/enterprise/admin-burdens-reduction/competition\\_en.htm](http://ec.europa.eu/enterprise/admin-burdens-reduction/competition_en.htm).

<sup>27</sup> For details, see Press release IP/09/754 of 13 May 2009. The Commission is also ensuring the necessary follow-up, including liaising with the Member States, for the two other ideas nominated for the award (registration of food producers producing small amounts and data collection on Intra-EU Trade).

<sup>28</sup> Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading.

<sup>29</sup> See Annex C: Sectoral Plans for reducing administrative burdens – detailed presentation. It will of course be for the next Commission to decide on how to use this preparatory work.

It could result in 31 additional measures and concern *inter alia* the following areas:

- further adapting EU accounting and auditing rules to the needs of SMEs and their stakeholders for instance by possibly simplifying the requirements for the layout of the balance sheet and the profit and loss account, as well as by reducing the disclosure requirements concerning the notes to the accounts.
- reducing the administrative burden for pharmaceutical companies producing veterinary medicines by streamlining the procedure for the marketing application, making easier the reporting of variations, and modernising pharmaco-vigilance requirements.
- easing recognition as “a regular shipping service” for enterprises shipping goods between two ports in the customs territory of the Community (using a new European data-base will in particular make the initial registration procedure and subsequent assignment of vessels to the service significantly less burdensome).

#### **4. PROGRESS AT NATIONAL LEVEL**

All Member States have followed the invitation of the European Council (March 2007) to set an ambitious national reduction target in view of abolishing unnecessary administrative burdens. Moreover better regulation is part of the economic recovery programmes of many Member States. This proves the strong commitment of all EU Member States to ease the business environment, notably for SMEs.

However, there is still some room for improvement. A couple of Member States, such as Austria, Denmark, Germany, The Netherlands, Sweden and the United Kingdom<sup>30</sup> are clearly frontrunners in admin burden reduction. But even these Member States are not on equal footing when it comes to the concrete achievements in admin burden reduction so far.

It is therefore important to sustain Member States efforts insofar as, in many cases, businesses will only experience in their daily operations the benefits of EU action if national authorities use to the full new possibilities to dispense some companies to provide certain information, refrain from gold-plating and reduce administrative burdens stemming from purely national origin. The Commission stands ready to share experiences with Member States and help them developing methodologies and identifying possible reduction measures. Given the overall importance of better regulation the Commission will continue to closely cooperate with Member States and to monitor their achievements in the context of the post Lisbon 2010 agenda<sup>31</sup>.

#### **5. RECOMMENDATION ON THE SCOPE OF THE ACTION PROGRAMME**

While this Communication demonstrates that a lot has already been achieved, the Commission considers that there is scope for more. It has already extended the original list of 42 acts in the programme by 30 acts in January 2009.

It has also carefully reviewed the additional suggestions made by the Member States and by the stakeholders, both through the High Level Group of Independent Stakeholders and the

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<sup>30</sup> See Annex E.

<sup>31</sup> Completing national measurements and adopting the associated reduction measures in a larger number of Member States is indispensable to have a meaningful overview of progress in the European Union (i.e. what has been done to tackle burden of EU origin and of purely national origin) and to ensure that enterprises see the difference in their day-to-day operations. The Commission could start reporting in more detail on national progress to the European Council.

Commission's online consultation<sup>32</sup>, and further examined the results of the screening of the *acquis* presented in January 2009<sup>33</sup>.

As a result of these exercises, the Commission has identified 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. These would either extend the scope of the current 13 priority areas or add new areas to the Action Programme in the field of civil law / commercial law, internal market for goods, R&D funding programmes and tourism<sup>34</sup>. This would also ensure that administrative burden is fully considered as part of the simplification programme.

## 6. CONCLUSIONS

The Commission made determined efforts to deliver its part in the Action Programme. Significant progress achieved by the Commission towards the reduction target of 25 % is the result of a constructive partnership with the European Parliament and Council, the Member States and stakeholders. The Commission has benefited in particular from concrete suggestions from the High Level Group of Independent Stakeholders on Administrative Burdens. Those suggestions which relate to the 72 legal acts already covered by the Action Programme have been integrated into the Sectoral Reduction Plans<sup>35</sup>. Further suggestions received from stakeholders have also been proven invaluable. These suggestions have been used as an input for a possible extension of the Action Programme to be decided by the next Commission<sup>36</sup>.

The High Level Group of Independent Stakeholders proved extremely useful in examining the feasibility of draft reduction measures and finding new ideas to reduce administrative burdens. President Barroso has therefore announced that he would like the new Commission to extend its mandate (which ends in August 2010). Equally the public of- and on-line consultation across the Member States has been useful.

Measures tabled by the Commission until now could deliver savings of EUR 38.3 billion per year for European businesses. This would correspond to a reduction of 31 % in administrative burdens. Translating this progress into concrete benefits felt by businesses will now depend, however, on the determination of the European Parliament and the Council to adopt pending measures quickly and on how Member States decide to implement these changes. In addition Member States should make full use of the possibilities which EC legislation already offers to waive obligations for certain types of businesses such as SMEs, and should avoid going beyond what is required by EU information obligations.

Better Regulation needs permanent political leadership and commitment. It is a continuous exercise and all involved in legislation making are challenged to ensure that the results from the administrative burden reduction programme are felt by companies. This is also a matter of sustaining public acceptance of the European integration. Therefore it is of crucial importance to ensure that any new information obligations and new administrative burdens are kept to the minimum necessary, while to continue to reduce existing administrative burdens in view of achieving a real impact in every sector on the ground.

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<sup>32</sup> The Commission received more than 800 contributions. See [http://ec.europa.eu/enterprise/admin-burdens-reduction/online\\_consultation\\_en.htm](http://ec.europa.eu/enterprise/admin-burdens-reduction/online_consultation_en.htm).

<sup>33</sup> COM(2009)17.

<sup>34</sup> See Annex F.

<sup>35</sup> See section 3 and Annexes B and C.

<sup>36</sup> See section 4 and Annex F.

Therefore the Commission will continue its efforts on two fronts. First, by reviewing proactively existing legislation, it will ensure that obsolete obligations are identified and their removal is proposed. Second, it will ensure through its impact assessment system that requirements introduced by new policies are kept to the minimum<sup>37</sup>. All in all, the Commission will regularly verify whether legislation has delivered the intended result and whether burdens arose which were not intended by the legislators. With ambitious aims, innovative thinking and new technologies, the Union will benefit from lighter rules while maintaining high social, economic and environmental standards.

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<sup>37</sup> See [http://ec.europa.eu/governance/impact/index\\_en.htm](http://ec.europa.eu/governance/impact/index_en.htm)