Minimising administrative costs imposed by legislation

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The Committee on Budgetary Control adopted the report by Jan **MULDER** (ALDE, NL) on minimising administrative costs imposed by legislation. In so doing, the committee recalls that the Protocol on the application of the principles of subsidiarity and proportionality annexed to the EC Treaty provides that the Commission should "take duly into account the need for any burden, whether financial or administrative, falling upon the Community, national governments, local authorities, economic operators and citizens to be minimised and proportionate to the objective to be achieved".

MEPs call on the Commission, within the framework of the interinstitutional agreement on better law-making, to adopt targeted, well-considered legislation with predictable consequences which will contribute to creating favourable conditions by providing suitable incentives for undertakings and companies, reducing superfluous expenditure and procedures, removing barriers to adaptability and innovation and generally providing legal certainty.

The committee welcomes the emphasis which is put on early consultation of stakeholders, including the social partners, SMEs, legislators, law enforcement bodies and NGOs. The role of social dialogue is underlined as a useful tool, contributing to better European governance by ensuring a better balance of interests through the involvement of all actors in decision-making and in the implementation process.

It agrees that the regulatory environment in which businesses operate is a determinant of their competitiveness, sustainable growth and employment performance, and that ensuring that the existing and future regulatory environment is transparent, clear, effective and generally of high quality should be an important objective of EU policy. It emphasises the importance of fully applying the principles of subsidiarity and proportionality in adopting Community legislation.

The Commission is called upon, when proposing new legislation, to give an indication as to what the costs of implementing and monitoring the proposed legislation are. The committee argues that the Commission should equate those costs with the total spending specific legislation brings about.

The committee stresses that the effect of simplifying and updating existing legislation should not be deregulation, diluting health and safety legislation or dismantling basic social standards. It calls on the Commission to make sure that legislation continues to deliver improvements in social standards whilst at the same time not being detrimental to business competitiveness.

MEPs consider it very important to counteract any unnecessary gold-plating or topping-up of legislation by Member States. They urge the Commission to take this into account when issuing regulations and directives and feel strongly that the Commission clearly states what the minimum requirements of regulations and directives are. They expect that when increasing the level of requirements and control measurements surpassing the minimum requirements issued by the Commission, Member States should

communicate and indicate this in national legislation or the implementing measures.

The Commission is urged, when proposing new legislation, to indicate the administrative burden this imposes on the various economic, social and environmental sectors in comparison to equivalent sectors outside the European Union. The committee proposes that this be given special attention within the newly proposed competitiveness testing, which is an integral part of impact assessments.

Overall, the committee supports the Commission Action Programme to measure the administrative cost for companies in Europe and to reduce administrative burdens by 25% by 2013. It notes that the strategy cannot, as the Commission itself states, be perceived as deregulation. MEPs will watch to ensure that the goal of legislation is not affected by that approach. They note the identification of the 13 priority areas in the Commission's Action Programme on the reasoning that 80% of the total administrative burden is to be found in those areas. They point out that the 25% reduction should reflect a net reduction in burdens. It is also stressed that a 25% reduction within the 13 priority areas can only be seen as a gross reduction target. The Commission is called on to publish and present to the relevant committees a detailed scoreboard with precise targets to be achieved in a set timeline for the implementation of measures, identified as necessary for achieving the 25% reduction target by 2013, and to report on its progression to the competent committees annually.

The committee is of the opinion that the introduction of the Community Action Programme for reducing the administrative burden subsequently means that the Commission has to allocate sufficient resources and appropriations. It supports, therefore, the fact that approximately EUR 19.6 million excluding VAT has been made available by the Commission services to this end. It invites the Commission however to report to the Committee on Budgets as to which budget lines the appropriations are taken from, to what extent this affects other policies, how and when that sum will be spent and what the legal bases are to justify that expenditure. The committee also propose that the appropriations reserved on the line 26 01 08 of the EU Budget for a pilot project minimizing administrative burdens be used to set up an independent panel of experts, comprising representatives from all stakeholder groups, to fully monitor implementation of the Action Programme 'Reducing Administrative Burdens in the EU'.

As regards the role of the institutions, the committee stresses that the Council, Parliament and the Commission have to engage fully and assume political responsibility concerning the reduction of administrative burdens. It is convinced that without ownership at the political level, the EU will be unable to succeed in changing the culture of law-making in Europe.

It emphasises that ownership at the political level also needs to be accompanied by practice on management and implementation levels. It stresses therefore that each Directorate General (DG) must be made aware of the unnecessary administrative burdens in their policy areas.

The committee proposes further that the independent panel, as well as fully supervising the implementation of the European Action Programme, also assess the findings and outcome of the Internet and local level consultations. It proposes that the independent panel be granted access to the impact assessment of reduction proposals before their adoption by the Commission. The Commission is asked to appoint an independent free-thinking representative to chair the panel and have the panel fully operational by September 2007.

Lastly, the Commission is asked to allow the independent panel also to comment on the steps already undertaken in 2006 and 2007 and which set up the administrative burden reduction policy.