Basic information

2005/2140(INI) INI - Own-initiative procedure	Procedure completed
Minimising administrative costs imposed by legislation **Subject** 8.50.02 Legislative simplification, coordination, codification	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MULDER Jan (ALDE)	20/04/2005

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	CHRISTENSEN Ole (PSE)	12/09/2005
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
JURI Legal Affairs	DOORN Bert (PPE-DE)	21/06/2006

European Commission

Commission DG	Commissioner
Secretariat-General	BARROSO José Manuel

Key events

Date	Event	Reference	Summary
08/09/2005	Committee referral announced in Parliament		
27/06/2007	Vote in committee		Summary
03/07/2007	Committee report tabled for plenary	A6-0275/2007	
10/07/2007	Decision by Parliament	T6-0316/2007	Summary
10/07/2007	Results of vote in Parliament		

10/07/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2005/2140(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/29245

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	EMPL	PE362.672	07/03/2006	
Committee opinion	JURI	PE376.344	12/09/2006	
Committee draft report		PE374.082	14/05/2007	
Amendments tabled in committee		PE390.588	11/06/2007	
Committee report tabled for plenary, single reading		A6-0275/2007	03/07/2007	
Text adopted by Parliament, single reading		T6-0316/2007	10/07/2007	Summary

European Commission

Document type	Reference	Date	Summary
For information	COM(2005)0097	16/03/2005	
Document attached to the procedure	SEC(2005)0175	16/03/2005	Summary

Minimising administrative costs imposed by legislation

2005/2140(INI) - 10/07/2007 - Text adopted by Parliament, single reading

The European Parliament adopted the resolution by Jan **MULDER** (ALDE, NL) on minimising administrative costs imposed by legislation. It fully accepted the recommendations made by the committee responsible. The main recommendations are as follows:

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 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 Parliament proposes that this be given special attention within the newly proposed competitiveness testing, which is an integral part of impact assessments.

The Parliament 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.

MEPs stress 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.

Overall, the Parliament 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 be perceived as deregulation. MEPs will watch to ensure that the goal of legislation is not affected by that approach. 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.

On a budgetary note, the Parliament 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 Parliament 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'.

The Parliament 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. The independent panel should also be allowed to comment on the steps already undertaken in 2006 and 2007 and which set up the administrative burden reduction policy.

As regards the role of the institutions, the MEPS stress 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. In addition, Parliament stresses therefore that each Directorate General (DG) must be made aware of the unnecessary administrative burdens in their policy areas.

Minimising administrative costs imposed by legislation

2005/2140(INI) - 16/03/2005 - Document attached to the procedure

PURPOSE: to minimize administrative costs imposed by legislation.

CONTENT: Concern for regulatory costs imposed by EU legislation is not new. The Protocol on the application of the principles of subsidiarity and proportionality annexed to the Treaty establishing the European Community already provides that “any burden, whether financial or administrative, falling upon the Community, national governments, local authorities, economic operators or citizens needs to be minimised and proportionate to the objective to be achieved”. In the EU’s approach to better regulation, the preparation of new legislation and simplification of existing legislation take into account the overall benefits and costs.

Therefore, regulatory costs, of which administrative obligations are just one element, must be analysed in a broader context, encompassing in an integrated way the economic, social and environmental costs and benefits of regulation. This is why the assessment of administrative burdens must continue to form a part of the Commission’s integrated impact assessment procedure. Measuring administrative costs can help to improve the regulatory environment, but it cannot take a disproportionate weight in that broader analysis. Nor can EU legislation be presented as a mere cost factor, in particular as it often replaces 25 different national legislations and thus decreases operating costs at EU level.

It is also necessary to recognise the benefits of reporting and information obligations of EU legislation. Without the resulting data streams for public authorities and companies, enforcement and implementation will be severely restricted to the detriment of economic, social and environmental objectives. It is therefore a question of ensuring a proper balance where reporting and information costs are proportionate to the benefits they bring. Moreover, some of these benefits accrue directly to businesses. Business can, for example, benefit from having a better understanding of how it uses its resources and can use this information to identify process innovations that increase productivity.

The Commission already evaluates administrative costs when assessing the possible impact of new initiativesand when simplifying existing legislation. However, it may be possible in the broad EU framework for better regulation to ensure that administrative costs arising from EU legislation are better evaluated, controlled and minimised, while ensuring proper enforcement of public rules.

This is one of the objectives set by the “Joint Initiative on Regulatory Reform” adopted on 26 January 2004 by the countries holding the presidency of the Council in 2004-5.

The Commission agreed to examine the feasibility of developing a common approach with the other institutions and with Member States to quantify and minimise administrative costs in a proportionate manner. Without questioning the need for regulatory authorities to pursue policy objectives

through legislation, there is scope for considering more carefully the design of EU regulations at all stages of the legislative procedure and implementation by Member States.

However, the Commission also stresses that before embarking on a common endeavour, some serious questions need to be addressed. Different approaches to quantifying administrative costs exist, but there is not necessarily a one-size-fits-all approach to data collection that is applicable for all policies at the EU level. A flexible approach therefore needs to be developed. Moreover, a common approach needs to be accompanied by recognition of the shared responsibility of EU institutions and Member States and be consistent with the balanced and integrated approach endorsed inter alia in the Interinstitutional Agreement on “Better Lawmaking”. Lastly, the Commission will continue to exercise its right of initiative based on its own best judgment of the impacts of its proposals.

The pilot phase to be launched builds on the experience of Commission services in assessing administrative costs in the context of impact assessments, work of various Member States and international organisations in this domain, as well as on the recent analysis of the Economic Policy Committee and the conclusions of the Council (ECOFIN) of 21 October 2004. It starts by examining the need for a common approach at EU level and the criteria that such an approach should meet. It then outlines a possible approach, its scope of application and some preconditions for its possible introduction and use. Lastly, this Staff Working Document sets out the launch of a pilot phase to test the feasibility and value-added of a common approach.