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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 - COM(2009) 544 final

Note

As an essential element of its overall Better Regulation Agenda, the Commission presented in January 2007 an ambitious Action Programme to eliminate unnecessary administrative burdens on businesses in the EU. In responding to the economic crisis, this was identified as a key area for action in the European Economic Recovery Plan, with small and medium-sized enterprises (SMEs) needing quick relief.

So where are we? The Commission has just adopted an important Communication giving an overview of the state of progress in terms of reduction measures already adopted, proposed and under preparation.

The EU baseline measurement has been finalised for the 72 acts covered by the Action Programme and the 13 priority areas which were considered the most burdensome and/or irritating. The overall administrative burden imposed by these acts at the beginning of the legislature (2005) is estimated to be around € 123.8 billion.

As for reduction efforts, the signs are quite encouraging. Some 48 measures have already been adopted. However, the 15 measures proposed but still awaiting approval by the European Parliament and Council, are critical to meeting the ambitious target set of reducing administrative burdens by 25% by 2012. If approved, these proposals, together with those already adopted, would mean an estimated reduction of over 30% of the 72 acts currently in scope. A further batch of proposals is being prepared, focusing in particular on removing what businesses perceived as the most 'irritating' obligations.

The measures proposed by the Commission cover a variety of priority areas, however a very high proportion of administrative burdens stems from a fairly limited number of information obligations in a few policy areas. Taxation and Company Law account for over 80% of the total burden measured – a logical consequence of the degree of harmonisation and the large number of companies affected. Such burdens fall harder on SMEs as they cannot rely on specialised in-house knowledge, but are, at the same time, a key provider of employment in the EU.

Among the measures already adopted, the Modernised Customs Code will introduce a fully electronic customs environment and streamline procedures. Given the cost of making more than 170 million customs declarations each year, the estimated savings are immense – roughly € 2.4 billion per year. Other examples include: simplification of requirements for farmers benefiting from the Single Payment Scheme and other support schemes (involving over 12 million applications per year); and changes to company reporting requirements for trade statistics.

However, making sure this progress results in concrete benefits felt by businesses depends now on Parliament and Council adopting rapidly the pending proposals and then on how Member States implement these changes. Member States also have a significant role to play. At the end of 2006, only seven Member States had set national reduction targets to suppress unnecessary burdens. Thanks to the momentum created by the Action Programme, all have now set ambitious targets. Many of them now need to develop quickly national programmes for delivering on their commitment.

More information:

http://ec.europa.eu/enterprise/policies/better-regulation/administrative-burdens/action-programme/index_en.htm