



The
Federal Government

Better Regulation 2013:

Ensuring sustainable successes and preventing additional costs

2013 Federal Government Report pursuant to Section 7 of the Act on the
Establishment of a National Regulatory Control Council

March 2014



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Foreword



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A review of the year 2013 provides compelling evidence that, within a very few years of its introduction in 2006, systematic assessment, based on hard data, of the impact of legislation has already become a routine task of all federal ministries. The early involvement of citizens, businesses, the administration and the National Regulatory Control Council and transparency regarding the expected implications of regulatory proposals are limiting compliance costs in Germany.

Yet there is still a great deal to be done to achieve even more tangible simplifications and to eliminate complex, incomprehensible and even contradictory provisions. This applies to EU rules as much as to those that are developed, discussed and adopted in Germany.

The government programme on bureaucracy reduction and better regulation will be continued. The Federal Government is currently preparing the next steps in the quest for less red tape and better law-making.

With regard to the four statutory thematic areas of this report, the following findings have emerged for 2013:

1. There was a very marginal increase of 0.04 of a percentage point in the bureaucracy costs incurred by businesses (pp. 19–20). The objective set by the Federal Government on 28 March 2012 of keeping business bureaucracy costs at a permanently low level was thus achieved for 2013.¹
2. The methods used by the Federal Government to identify and present compliance costs proved effective in 2013 (pp. 7 et seq.). Government ministries are now well versed in the use of the guide, and the National Regulatory Control Council had only a few isolated critical comments to make. In exchanges with the public, business and the administration as well as with associations, the academic world and the media, government figures for compliance costs are meeting with acceptance. Accounting (p. 9), review (pp. 10–11), and evaluation (pp. 27 et seq.) help to keep watch over the cost and effectiveness of regulations and to keep the database for future regulatory projects up to date (pp. 11–12).²
3. One project in 2013 had a decisive influence on compliance costs (pp. 12 et seq.), namely the Second Ordinance amending the Energy Saving Ordinance (p. 16). It was largely responsible for the rise

¹ Section 7(1) of the National Regulatory Control Council Act: progress in bureaucracy reduction in the light of existing objectives

² Section 7(2) of the National Regulatory Control Council Act: experience in the method used to identify compliance costs

in business and administrative compliance costs during the final year of the last legislative term. Although additional burdens are expected to arise from the amendment of the Energy Saving Ordinance from 2016 onwards, these will be offset by reductions in energy costs. In addition, numerous simplification projects relating to important aspects of people's lives were implemented in 2013 (pp. 20 et seq.). The application of project findings will further relieve the burden on the general public, business and the administration.³

4. In 2013 important steps were also taken towards a better regulation culture: the decision to introduce systematic evaluation of key regulatory proposals (pp. 27 et seq.), the joint preparatory work undertaken by the Federal Government, the Bundestag and the Bundesrat to establish an electronic support system for the preparation of draft regulatory instruments (pp. 29–30), a sharper focus on the presentation of benefits in draft instruments (pp. 30–31), cooperation with numerous national and international partners (pp. 32 et seq.) and active Federal Government involvement in the corresponding EU programmes (pp. 33 et seq.).⁴

On the basis of what has been achieved, the task is now to keep developing the government programme systematically in order to be sure of redeeming the pledge made in the coalition agreement for the 18th legislative term: “We intend to ease the burden of information and documentation obligations and to reduce compliance costs”.

At the same time, the current coalition agreement stipulates that laws must be designed simply and comprehensibly and must be precisely targeted. The key to drafting laws will be greater consistency in analysing and simplifying provisions from the perspective of those who are affected by the instrument in question. In this context the Federal Government attaches equal importance to its contributions to national and European lawmaking.



Dr Helge Braun

Minister of State to the Federal Chancellor
Federal Government Coordinator for
Bureaucracy Reduction and Better Regulation

³ Section 7(3) of the National Regulatory Control Council Act: development of compliance costs in the individual government ministries

⁴ Section 7(4) of the National Regulatory Control Council Act: findings and further development in the realm of better regulation

A. Identification and presentation of compliance costs

A.1 General

Under section 7 of the Act on the Establishment of a National Regulatory Control Council, the Federal Government presents the Bundestag annually with a progress report on bureaucracy reduction and better regulation. One of the main elements of this communication is the presentation of:

- experience gained with the method applied to estimate compliance costs, and
- the development of compliance costs in the individual ministries.

With its Programme of Work for Better Regulation of 28 March 2012, the Federal Government decided that the cost of compliance with federal legislation for citizens, businesses and the administration was to be kept permanently at a low level. Cost surveillance is based on estimates made by the government ministries in the explanatory memoranda accompanying Federal Government bills. The federal ministries establish the data by applying the procedure introduced in 2011 for the identification and presentation of compliance costs in the Federal Government's regulation proposals. This procedure has now become established in the various federal ministries and forms the basis of the report.

The aim is to provide decision-makers with maximum transparency and a realistic portrayal of the expected impact of a regulatory instrument on citizens, businesses and the administration. Special attention is focused on bureaucracy cost trends as expressed in the bureaucracy cost index.

Details on the methodology for identifying compliance costs and on the development of those costs for each group of subjects of the law are set out in sections A.2 and A.3 below.

The development of compliance costs in the areas of responsibility of the individual ministries and for the Federal Government as a whole is shown in the tables attached at Annexes 1 to 3.

A.2 Methodology and accounting

Experience of the method used to identify compliance costs

By the end of the 2013 reporting year, more than two years of experience had been amassed in the identification of compliance costs. Since 2011, government ministries have been identifying the extent to which compliance costs are likely to be altered as a result of each regulatory project, using the methodology laid down in the *Guidelines on the Identification and Presentation of Compliance Costs in Legislative Proposals of the Federal Government*.

Compliance costs are shown separately for three groups of addressees of regulatory instruments, namely citizens, businesses and the administration. In the case of businesses, bureaucracy costs arising from information obligations are presented as a separate element of compliance costs. The methodology also distinguishes between recurring and one-off costs. In this way compliance costs are broken down into nine categories, which cannot be set off against each other on account of their diversity.

Figure 1: Categories of compliance costs

Regular compliance costs (annual)		
... for citizens	... for businesses	... for the administration
<ul style="list-style-type: none"> • time input in hours • expenditure in euros 	<ul style="list-style-type: none"> • expenditure in euros 	<ul style="list-style-type: none"> • expenditure in euros
	Information obligations	
One-off compliance costs (adjustment costs)		
... for citizens	... for businesses	... for the administration
<ul style="list-style-type: none"> • time input in hours • expenditure in euros 	<ul style="list-style-type: none"> • expenditure in euros 	<ul style="list-style-type: none"> • expenditure in euros

The first sentence of section 8 of the Act on the Establishment of a National Regulatory Control Council stipulates that the Federal Statistical Office is to support the Federal Government, the Bundestag and the Bundesrat in the tasks deriving from the Act. In particular, these tasks include assisting government ministries in identifying the compliance costs that are expected to arise from proposed regulatory instruments. Moreover, under the second sentence of section 8, the Federal Statistical Office is responsible for building up and maintaining the databases needed for the reporting and monitoring of success within the meaning of the Act.

Assisting government ministries in identifying likely compliance costs

The Federal Statistical Office offers government ministries a wide spectrum of support services to assist them in identifying compliance costs. These range from providing information from databases to checking the ministry's estimates and even to assuming full responsibility for identifying compliance costs.

In 2013, the Federal Statistical Office was involved in 27 cost estimates. In 13 cases, the Office undertook the full identification of the expected cost of complying with a proposed regulatory instrument.

Registering regulatory proposals in the database

In order to ensure that the ministerial data are registered in the WebSKM online database of the Federal Statistical Office⁵ in accordance with the second sentence of section 8 of the Act on the Establishment of a National Regulatory Control Council, it was agreed that the following procedure would be followed:

⁵ www.destatis.de/webskm

The secretariat of the National Regulatory Control Council transmits its opinion to the government ministries and to the Federal Statistical Office. Once the proposal has been adopted by the Federal Cabinet, the lead ministry e-mails the Federal Statistical Office immediately, that is to say within five working days, attaching the regulatory proposal, including the cover page and the explanatory memorandum, in which the likely compliance costs are presented. Regulatory proposals that do not require adoption by the Federal Cabinet, such as ministerial regulations, are forwarded by the government ministry, following their adoption, to the Federal Statistical Office for registration. This ensures that all regulatory proposals are documented in the WebSKM online database.

The data on regulatory proposals can be consulted online by government ministries, the Federal Chancellery and the National Regulatory Control Council in the WebSKM database. The same data are accessible by citizens once the regulatory proposal has entered into force.

Accounting and reporting

The Federal Statistical Office draws up a monthly statement of the bureaucracy costs arising from information obligations for businesses in its report on bureaucracy cost index and a six-monthly statement of compliance costs.

At the end of each month the Federal Statistical Office reviews the database and produces provisional reports on the bureaucracy cost index. These reports portray the overall trend with regard to bureaucracy costs and indicate how the individual government ministries have contributed to the general trend. When the ministries have examined the provisional reports and reported back to the Federal Statistical Office, the current bureaucracy cost index, covering all ministries, is published on the Federal Statistical Office website on the 15th day of each month. Each government ministry receives a report showing the changes in bureaucracy costs within its own area of responsibility. The monthly reports establish transparency in respect of changes to bureaucracy costs borne by businesses. This contributes significantly to the long-term consolidation of successes achieved in reducing the administrative burden on businesses.

The Federal Statistical Office draws up a statement on compliance costs at half-yearly intervals. To this end, provisional reports are produced at the end of each half year, transmitted to the government ministries for quality assurance and checked for completeness against the National Regulatory Control Council database.

Reassessment

In order to keep the database up to date, two years after a regulatory instrument enters into force the Federal Statistical Office reviews the data from the explanatory memorandum in the light of subsequent practice. This review is already standard procedure for bureaucracy costs and is now to be introduced for compliance costs too. This means that an extensive empirical database is available to the Federal Government for future regulatory proposals.

The review covers all significant⁶ requirements as well as requirements whose impact could not be assessed at the time when the instrument was adopted. The review also encompasses those provisions of

⁶ A requirement is deemed to be significant if it generates annual compliance costs of at least € 100,000.

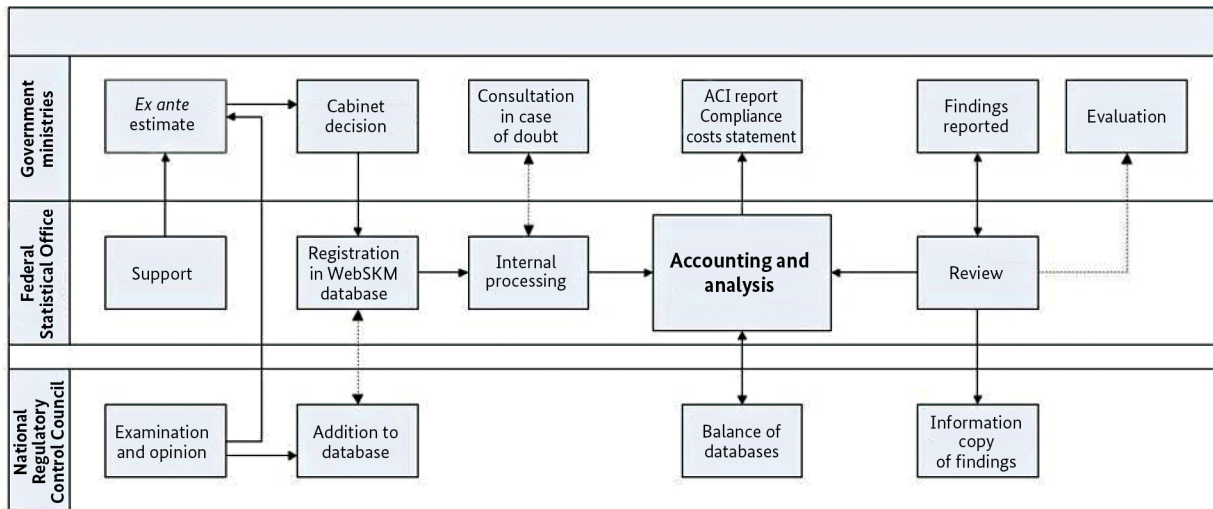
a regulatory proposal that are subject to evaluation (see section C below). In this case the government ministry and the Federal Statistical Office come to an agreement on the timing of the review and also, where appropriate, on the conduct of other surveys connected with the evaluation.

As reviews of compliance costs only began in September 2013, there are not yet any examinable review findings on compliance costs for the reference period.

When the review has been completed, the figures for the governmental ministries from the regulatory proposals are replaced by the results of the review and are displayed separately in the regular reports. The National Regulatory Control Council receives an information copy of the review results.

Figure 2 illustrates the process whereby government ministries, the Federal Statistical Office and the National Regulatory Control Council work together from the identification of the likely compliance costs to the subsequent review.

Figure 2: From the cost identification in the regulatory proposal to the review



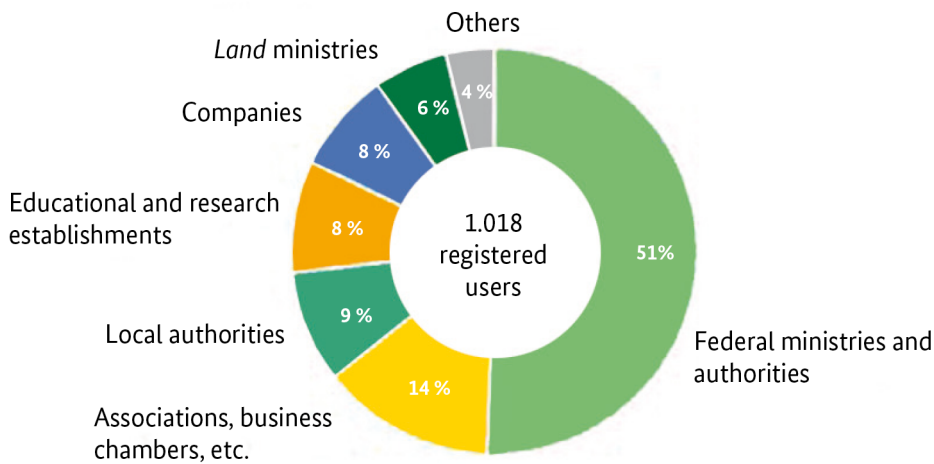
Use of the WebSKM database

Since 2008, the WebSKM database has been used to implement the Federal Government’s programme of bureaucracy reduction and better regulation. Encompassing more than 26,000 information obligations, WebSKM is the world’s most comprehensive public online data base on bureaucracy costs. It is addressed to anyone who wishes to obtain information about burdens imposed by information obligations and their legal basis. In 2012 the database was extended to cover compliance costs and was completely revised.

WebSKM provides access, free of charge, to data, tables and charts on all statutory information and documentation obligations and the bureaucracy costs arising from them and on all amendments made to legal requirements since 2012 and the associated compliance costs. The whole database can be searched for terms and legislative acts. WebSKM also displays changes made to requirements in the course of time.

Figure 3:

Use of the WebSKM database by user category in % of registered users



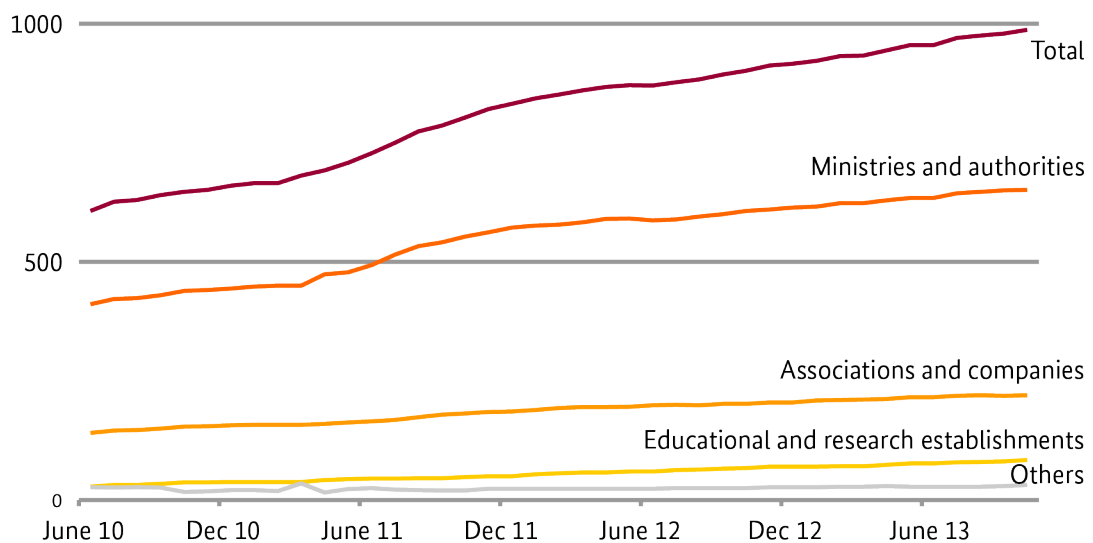
Federal Statistical Office analysis, December 2013

At the present time, more than 1,000 persons are registered with enhanced or full access to the data in WebSKM. Of these users, 66% belong to government ministries and other public authorities with full access rights. The other registered users, such as members of associations, have enhanced access. The rising number of registrations reflects the increasing importance of WebSKM. In the category of federal ministries and authorities, for instance, the number of registered users has risen by some 60% since 2010. The database is consulted 3,500 times a month on average. About a half of these visits are made by non-registered users.

Figure 4:

Growing importance of the WebSKM database

Development of registrations by user category since June 2010



Federal Statistical Office analysis, October 2013

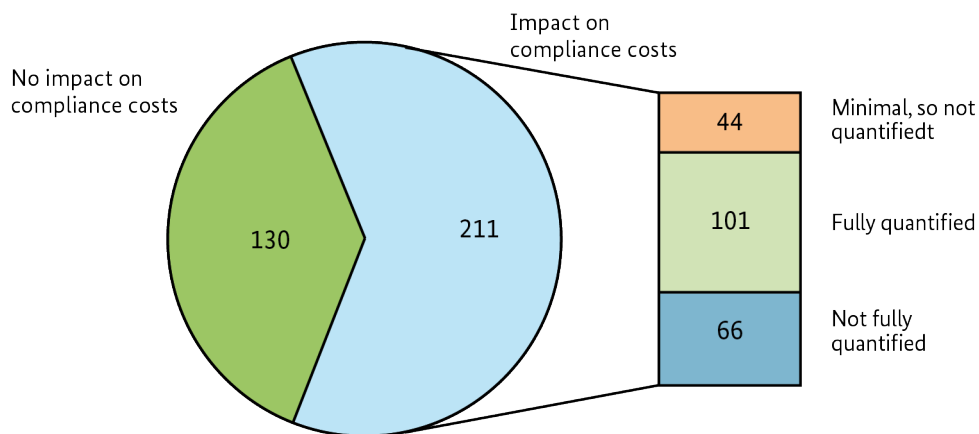
A.3 Development of compliance costs

A.3.1 Interministerial development

For the 2013 reference period the Federal Statistical Office registered 341 regulatory proposals adopted by the Federal Government in the database. Of these proposals, 130 have no impact on total compliance costs. The other 211 regulatory proposals would alter the volume of compliance costs by imposing a total of 982 individual requirements, of which 71 would affect citizens, 535 would affect businesses and 376 would affect the administration. This means that the Federal Government adopted a very few more regulatory proposals in 2013 than in 2012; the number of individual requirements imposed by these projects, however, was reduced by a quarter.

Figure 5:

Number of regulatory proposals adopted in 2013 with an impact on compliance costs



Source: Monitoring of compliance costs, 1 Jan to 31 Dec 2013, Federal Statistical Office

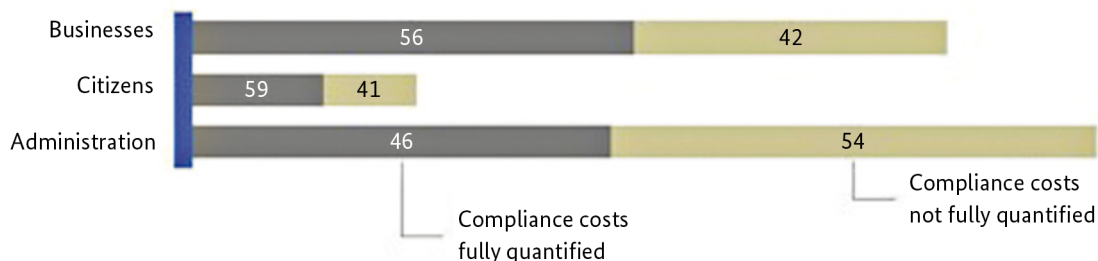
Comprehensive ministerial data were received for 101 regulatory proposals with an impact on compliance costs, indicating how the proposals would affect compliance costs. For 66 proposals the compliance costs could not be ascertained or else it was decided not to undertake a detailed quantification in view of the likely impact. In the cases of 44 other regulatory proposals, after an initial rough estimate the likely impact on compliance costs was considered to be minimal⁷. It would have taken a disproportionate input of time and effort to arrive at a specific amount. The reasons for this are documented in the explanatory memoranda accompanying the relevant legislative bills and in the opinions of the National Regulatory Control Council.

⁷ Costs are generally classed as minimal if they amount to less than € 10,000.

Figure 6:

Regulatory proposals with an impact on compliance costs Percentage quantified

2013 Reference Period



In almost 60% of regulatory proposals with an impact on compliance costs for businesses and citizens, these costs were fully quantified. By contrast, only in 46% of the cases in which proposals had cost implications for the administration could those implications be fully quantified. Because of diverse regional conditions and specific *Länder* regulations, the way in which the law is applied by the *Länder* and local authorities cannot be ascertained from the outset without the active support of the *Länder*. The aim is to quantify compliance costs wherever possible. To this end, there is a need for additional efforts at all tiers of government and for more recourse to the expertise of regional and supraregional associations and authorities.

Figure 7: Requirements entailing changes in compliance costs for each group of addressees of regulatory instruments

Type of requirement	Number	Percentage for each type of requirement	Percentage for each addressee group
Information obligations for businesses	390	39.7 %	54.5 %
Other requirements for businesses	145	14.8 %	
Requirements for citizens	71	7.2 %	7.2 %
Requirements for the administration	376	38.3 %	38.3 %
Total	982	100 %	100 %

Some 40% of the requirements that were amended during the reference period were information obligations for businesses, which, by their nature, have an impact on bureaucracy costs. Other requirements for businesses accounted for about 15%. Information obligations thus remain the dominant type of requirement for the business world. Overall, more than half of all requirements were imposed on businesses. Citizens were affected in 7% of cases, and administrations were the addressees of almost 40% of new requirements. This breakdown remained essentially constant from 2012 to 2013.

Although information obligations account for the largest percentage of requirements for businesses, they have a minor impact on costs compared with other requirements.

A.3.2 Compliance-cost trends for each group of addressees

Compliance costs for businesses

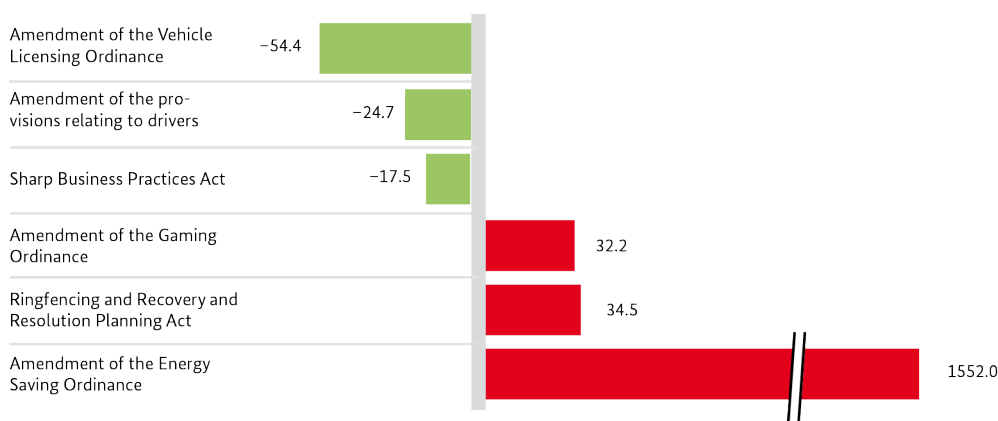
Regular compliance costs for businesses in 2013 showed a net increase of about € 1,595 million per annum. This net figure represents increases totalling € 1,707 million a year less decreases of € 112 million. A total of 55 regulatory proposals contributed to this net increase in compliance costs, while 22 proposals involved a reduction of compliance costs. The previous year had seen a reduction of € 102 million per annum in regular compliance costs for businesses (see Appendix, Figure 17).

The changes in the regular compliance costs for businesses are essentially attributable to the following regulatory proposals made in 2013:

Figure 8:

Compliance costs for businesses

Changes in regular annual compliance costs in millions of euros



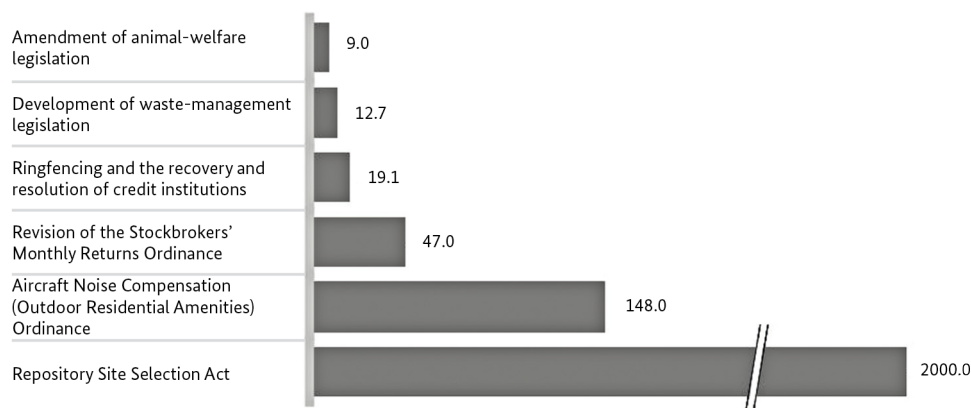
The Second Ordinance amending the Energy Saving Ordinance has created additional annual compliance costs totalling € 1,552 million a year for businesses. This expenditure is the result of energy-efficiency standards having been raised with effect from 2016 for new industrial and commercial buildings and housing stock. As a result, additional investment will be needed in new buildings constructed in or after 2016. These new burdens will at least be offset by energy cost savings over the course of time.

A quarter of the regulatory proposals that affect business will generate one-off adjustment costs amounting to € 2,267 million. This represents a year-on-year increase of € 41 million in one-off burdens on business (see Appendix, Figure 18). The bulk of this amount – two billion euros – is due to the adjustment costs arising from the Act governing the Pursuit and Selection of a Site for Final Disposal of Heat-generating Radioactive Waste and amending other Acts (the Repository Site Selection Act).

Figure 9:

Compliance costs for businesses

One-off adjustment costs in millions of euros



Compliance costs for the citizens

A total of 29 regulatory proposals introduced in 2013 alter the regular compliance costs imposed on citizens. The net increase in these costs amounts to € 472 million.

The rise in costs has much to do with the Second Ordinance amending the Energy Saving Ordinance. The provisions prescribing higher energy-efficiency standards for new buildings will generate additional annual costs of € 484 million with effect from 2016. The additional costs will be offset over time by energy cost savings.

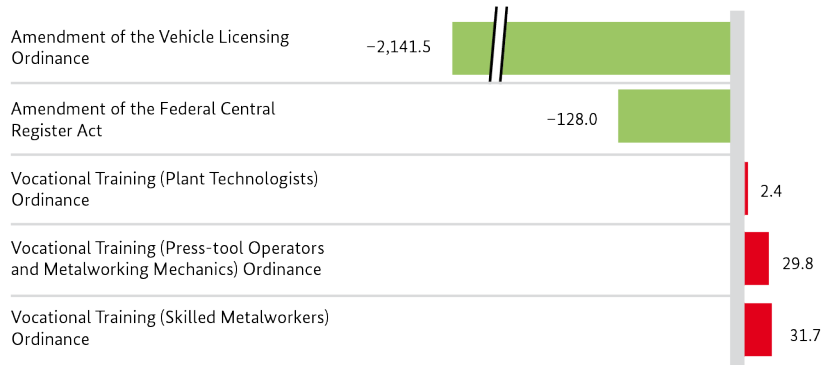
The main reduction in compliance costs comes from the amendment of the Vehicle Licensing Ordinance. The new provisions allow owners to deregister a vehicle online and to retain their existing licence plates when they move home. These simplifications will reduce people's compliance costs by an aggregate amount of € 12 million and reduce by about 2.1 million hours a year the total time spent deregistering and reregistering vehicles.

The changes in the demand on people's time is largely attributable to the following regulatory proposals:

Figure 10:

Compliance costs for citizens

Changes in the annual demand on people’s time in thousands of hours



Compliance costs for the administration

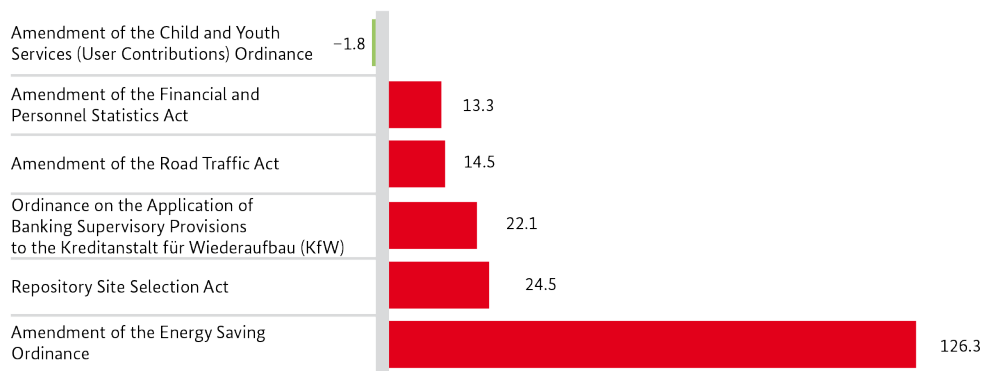
A total of 73 regulatory proposals impact on the regular compliance costs for the administration. 13 of them entail a reduction in these costs, while 60 generate increased costs. The total net annual increase in compliance costs borne by the administration amounts to € 245 million. This is a slightly bigger increase than in the previous year (see Appendix, Figure 17).

Figure 11 below shows the main regulatory proposals that impact on regular compliance costs for the administration.

Figure 11:

Compliance costs for the administration

Changes in regular annual compliance costs in millions of euros

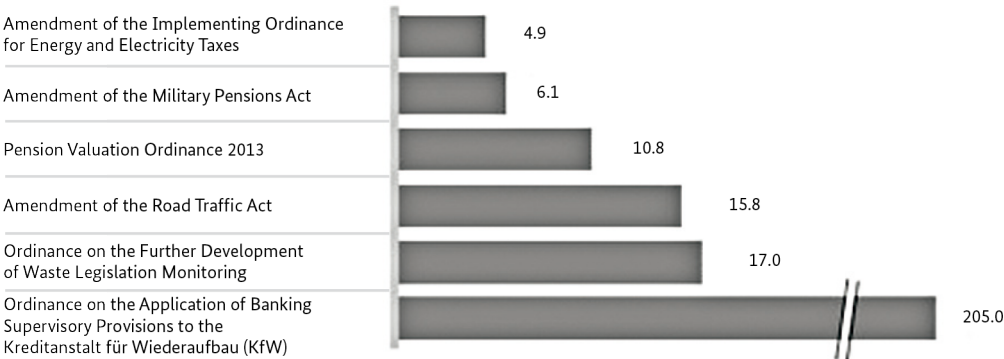


It is estimated that the administration will incur one-off adjustment costs of € 283 million as a result of regulatory proposals introduced in 2013. This expenditure amounts to about a third of the adjustment costs arising from proposals made in 2012 (see Appendix, Figure 18).

The following regulatory proposals give rise to the highest adjustment costs:

Figure 12:

Compliance costs for the administration
 One-off adjustment costs in millions of euros

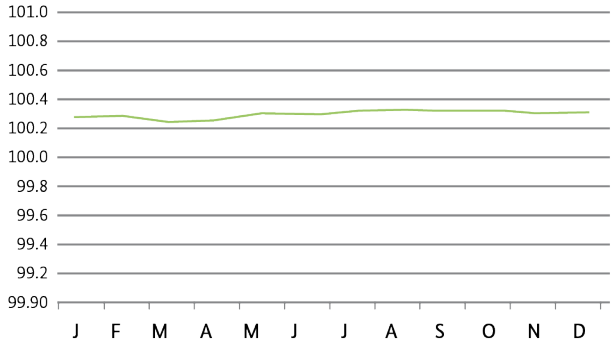


A.3.3 Development of the bureaucracy cost index

The Federal Government has set itself the aim of sustaining the progress made in reducing bureaucracy costs for businesses. To this end, on 28 March 2012, in the context of the Programme of Work for Better Regulation, the Federal Government decided to use a bureaucracy cost index to portray changes in the bureaucracy costs imposed on businesses. It is an indicator of trends in the bureaucracy costs that companies in Germany incur in order to comply with regulatory requirements.

Figure 13:

Bureaucracy Cost Index, 2013
 January 2012 = 100



© Federal Statistical Office, Wiesbaden, 2014

A. Identification and presentation of compliance costs

The baseline is the total amount of bureaucracy costs borne by businesses as of 1 January 2012, to which the bureaucracy cost index 100 is assigned. Federal Government decisions that impact on the total bureaucracy costs borne by business influence the value of the index.

The bureaucracy cost index was calculated for the first time for the reference month of May 2012 and had risen slightly to 100.27 by the end of 2012. In the 2013 reporting year the index rose only marginally by 0.04 of a percentage point to 100.31.

The following regulatory proposals were primarily responsible for this increase:

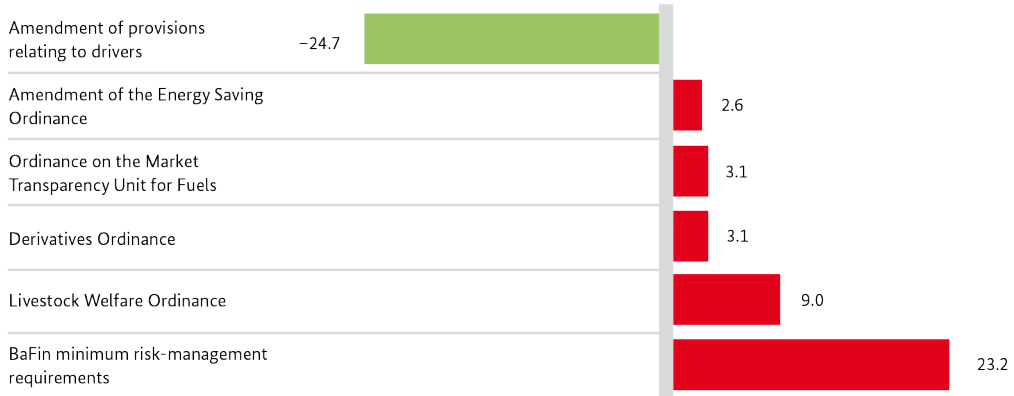
- The circular from BaFin, the Federal Financial Supervisory Authority, to all credit and financial services institutions on minimum risk-management requirements, with its new rules laying down documentation requirements, generated annual costs of € 23 million for the banking sector.
- The Fifth Ordinance amending the Livestock Welfare Ordinance introduced three information obligations for rabbit breeders. The annual bureaucracy costs amount to € 9 million.
- The Ordinance on the Market Transparency Unit for Fuels governs the communication of basic and price data by service stations and centrally organised companies. It led to an increase of € 3 million in compliance costs for businesses.
- The Derivatives Ordinance was brought into line with the German Investment Code. It contains provisions on risk management and risk assessment in connection with the use of derivatives, loaned securities and repurchase agreements in investment funds. This raised the annual bureaucracy costs by € 3.1 million.
- The Second Ordinance amending the Energy Saving Ordinance provides for information and documentation obligations in connection with energy performance certificates and inspection papers. The annual bureaucracy costs amount to approximately € 2.6 million.

On the other hand, the Federal Government enacted the Ordinance amending Driver, Freight Transport and Licensing Provisions, which simplified the recording and documentation requirements for driving times and rest periods in freight and passenger transport. This eases the burden on transport companies by € 25 million a year.

Figure 14:

Bureaucracy costs for businesses

Change in annual regular bureaucracy costs in millions of euros



In 2013, the Federal Government adopted a total of 68 regulatory proposals that influence business compliance costs. The fact that the bureaucracy cost index rose by only 0.04 of a percentage point shows that compliance costs were kept at an almost constantly low level in 2013.

B. Studies covering multiple fields of law and tiers of government

Besides the avoidance of new red tape and additional burdens on citizens, businesses and the administration, the reduction of expenditure is also a major aim of the Government programme for bureaucracy reduction and better regulation. The quest for potential simplifications includes projects covering multiple fields of law and tiers of government. One of the components of these projects is generally the identification of compliance costs by the Federal Statistical Office. On this basis, particularly cost-intensive regulations can be identified, and potential simplification measures can be developed. In this way the studies make an important practical contribution to reducing red tape and improving regulation.

a) Care project

The aim of the care project is to ensure that statutory benefits in the realm of long-term care can be granted more quickly, more simply and/or more affordably without lowering the standards of service or relaxing the existing safeguards that are designed to prevent abuses.

In preparation for the project a multi-tier effort was made to the compliance costs arising in the field of care from federal legislation and from its implementation by the *Länder* and local authorities as well as by social insurers.

The ten application procedures generate total annual compliance costs of some € 449 million for businesses and the administration, with the administration bearing about 60% of the burden and business a little less than 40%. The most onerous procedures are the establishment of the care category and the application for exemption from statutory patients' contributions. These two procedures together account for more than half of the entire burden.

For the people concerned, the demands on their time vary, depending on the procedure, between three and 435 minutes. The most time-consuming procedure is the application for care assistance, even though the caseload of 64,000 applications is fairly low compared with the other types of application under examination. The high time input is partly explained by the fact that it is often not only the applicants who are involved in the process but their dependants too. The latter's time investments were also counted. By far the largest number of cases relate to requests for medical items, which take up a relatively modest 20 minutes of a person's time.

The surveys of people involved in these procedures revealed that the design of application forms and the channels through which applications, information and decisions were transmitted were considered to need improvement. Shortcomings were also identified in the areas of information and advice.

The Federal Government has already implemented a few proposals for the removal of red tape in the Care Realignment Act. Particular importance now attaches to the steps that are taken in the areas subject to devolved management to further reduce the identified compliance costs.

Besides the application procedures the project has also examined documentation processes in the realm of long-term care. According to its findings, compliance costs for businesses arising from care documentation come to an annual total of some € 2.7 billion.

Partly on the basis of the project report and the data presented in it, the Ombudswoman for Bureaucracy Reduction in Long-term Care at the Federal Ministry of Health has been working with institutions in the field to formulate proposals for the simplification of care documentation, which are now being piloted as part of another project entitled *Praktische Anwendung des Strukturmodells – Effizienzsteigerung der Pflegedokumentation* ('Practical application of the structural model – increasing the efficiency of care documentation').

b) Web-based vehicle licensing registration: *Kfz-Online*

In September 2013 the Federal Government adopted the First Ordinance amending the Vehicle Licensing Regulations and the Scale of Fees and Charges for Road Traffic Related Services.

This Ordinance reforms the vehicle-licensing procedure, removing more red tape. The following are the main innovations:

- The Ordinance has created the option of online deregistration of vehicles by introducing a Web-based deregistration procedure.
- The compulsory allocation of a new registration number to vehicle owners who move to another registration area has been abolished.
- The Federal Motor Transport Authority (KBA) is authorised to publish implementation rules for the establishment of a new procedure for exchanging data on vehicle keepers.
- Records stored in the KBA Central Vehicle Register of journey-logging requirements imposed on vehicle keepers are made available online to the supervisory authorities.

By introducing the online deregistration facility, the Federal Ministry of Transport, Building and Urban Development has implemented the first stage in the Web-based vehicle-licensing project (*Kfz-Online*)⁸.

The aim of stage two of the *Kfz-Online* project is to allow Web-based relicensing of a vehicle to the same keeper. This will mean a further reduction in compliance costs for citizens and businesses. The legal basis for this facility is to be created in the current legislative term. At the same time a blueprint is being developed for the online processing of initial licensing and of changes of registration. A working party comprising representatives of the federal and state governments and of associations is supporting this process.

c) Optimised social-security registration procedure

The aim of the project *Optimiertes Meldeverfahren in der sozialen Sicherung* ('Optimised Social Security Registration Procedure') is to optimise registration, certification and application transactions between employers and the social-security administration. The project was implemented in 2012 and 2013. In order to tap into the potential for further improvement, the Federal Ministry of Labour and Social Affairs has extended the project until the end of 2014.

⁸ This project was initially led by the Hamburg Finance Department, which examined, in cooperation with federal and state authorities, how electronic vehicle licensing could be achieved. Since 2012, the Federal Ministry of Transport, Building and Urban Development has been in charge of the project.

B. Studies covering multiple fields of law and tiers of government

In the first phase of the project the existing processes were described, and the compliance costs arising from each process for businesses and the administration were assessed. The results are publicly accessible on the project website at <http://www.projekt-oms.de>.

In the second phase of the project, all participants were asked to contribute suggestions for potential procedural improvements. A total of 111 proposals were submitted, and the project working groups had managed to study 31 of them by the end of 2013. The proposals were examined for their subject matter and for their organisational and technical feasibility, for their implications in terms of changes to existing data sets and for their admissibility under data-protection legislation. Together with the stakeholders, the Federal Statistical Office estimated the impact of each proposal on compliance costs.

In June 2013, an interim report was presented in which selected optimisation proposals were considered in detail. According to that report, there is scope for efficiency gains in the social-security registration procedure. The stakeholders acknowledge the need for action and want to optimise procedures. A report dated 31 December 2013 summarises the findings up to the end of the year. Although all participants were working at full capacity, it proved impossible to examine all of the submitted improvement proposals by the end of 2013. For that reason the Federal Ministry of Labour and Social Affairs has extended the project until 31 December 2014.

The results of the subsequent work on this project will be set out in an evaluation report, which is to be presented by the end of 2014.

d) Identification of the compliance costs arising from the implementation of the education and inclusion package

The Programme of Work for Better Regulation provides for an examination of the implementation of the education and inclusion package in the framework of a review of project initiatives launched by the Federal Ministry of Labour and Social Affairs.

The education and inclusion benefits for children, juveniles and young adults were introduced on 1 January 2011. They help to ensure that children's specific minimum social and cultural requirements are met, regardless of the financial and economic circumstances of their parents or guardians.

In the spring of 2013, the Federal Ministry of Labour and Social Affairs commissioned a research project for a nationwide evaluation of the implementation of the education and inclusion benefits scheme and its uptake. Its purpose is to identify the factors and procedural constellations that encourage or else inhibit recourse to the education and inclusion package and thereby reinforce or undermine the intention of the law. At the same time, the variant methods of delivering education and inclusion benefits are to be surveyed.

The identification of the compliance costs arising from the education and inclusion package is part of this comprehensive evaluation and is being carried out by the Federal Statistical Office. In addition, the Institute for Employment Research (IAB) is conducting a representative survey of persons entitled to these benefits. The three project components are closely interlinked.

As part of the overall research project, case studies are being conducted throughout Germany. In order to prepare for these case studies and select the case files, a nationwide survey of local authorities was

conducted in 2013, in which more than 80% of local authorities took part. As a result, 29 cases were selected and are now being studied to assess the impact of the education and inclusion package.

On the basis of further case studies, the Federal Statistical Office will conduct a sample assessment of compliance costs for the groups affected by statutory requirements in this domain, that is to say beneficiaries, who belong to the category of the general public, benefit providers, drawn from the business category and, in part – as in the case of schools – from the administrative category, and benefit offices, which belong to the administrative category.

One of the purposes for which the studies conducted by the Federal Statistical Office will be used is to identify obstacles in the application procedure. Even though these obstacles cannot be quantified in terms of compliance costs, they may indicate what sorts of action are needed. For example, delays in processing applications and waiting times for applicants may not directly generate compliance costs, but the public may perceive them as a major issue. The aim of the study is to identify the compliance costs for all addressees of regulations and to identify simplification options. The project is intended to shed light on existing options for the processes under examination with a view to reducing stakeholders' costs while upholding the objectives for which the various requirements were created.

**e) Compliance-costs project for business start-ups:
from the business idea to the first transaction**

The success of the German economy is very heavily dependent on a strong body of small and medium-sized enterprises and on entrepreneurial initiative in the industrial and service sectors. If these strengths are to be nurtured, it is important that the process from the launch of a new business to its first transaction should run as smoothly as possible with minimum outlay.

On behalf of the Federal Ministry of Economics and Technology, the Federal Statistical Office has been examining the actual cost of a business start-up and identifying where savings could ideally be made.

To this end, the Federal Statistical Office has conducted a large-scale survey involving 108 structured interviews with self-starters in the fields of construction, wholesale and retail trade and hotels and restaurants as well as in other areas of the service sector such as information and communication technology and the cultural industries. The surveys also covered administrative authorities involved in the start-up process. The interviewers sought to establish the volume of compliance costs typically incurred in the core process of starting a business through operations such as registering the business with the local authority, the tax authorities and the relevant trade association, that is to say the procedural steps that are compulsory for all of the types of business start-ups under examination. The statisticians also assessed the expenditure arising from processes specific to certain companies, such as entry in the trade register and notarisation of a company agreement. Other examples include entry in the register of craftsmen and compulsory notification of the intention to serve alcohol. Several, though not all, of the procedural requirements for a business start-up can now be fulfilled through a one-stop point of contact⁹.

In order to identify potential scope for savings, the Federal Statistical Office devised model scenarios to compare the measurements with the costs that would hypothetically arise if the entire process of starting a business were dealt with by a single point of contact and if no such single point had been estab-

⁹ This also serves as the point of single contact within the meaning of the EU Services Directive.

lished at all in Germany. The comparison showed that the introduction of a point of single contact had had a beneficial effect. If even more of the processes required for a business start-up were conducted through a single contact point, new entrepreneurs could be spared even more administrative expense.

In the light of these findings, the Federal Government will deliberate with the *Länder* – Bavaria, Berlin, Brandenburg, Bremen, Hesse, Saxony and Thuringia – and the associations – the Association of German Chambers of Industry and Commerce and the Central Association of German Craft Industries and Trades – involved in the project on practical ways of making the start-up process simpler and faster, not only for new entrepreneurs but also for the administration itself. The project findings will be published in the spring of 2014.

f) Electronic certificates and applications in the realm of shipping

The aim of the electronic shipping certificates and applications project being implemented by the Federal Ministry of Transport, Building and Urban Development was to relieve the shipping trade and the competent authorities of red tape in connection with international shipping certificates. On the basis of the project findings, the Ministry, together with the participating bodies, set measures in motion to implement the simplification proposals.

The Federal Maritime and Hydrographic Agency (BSH) and the Ship Safety Division of the Berufsgenossenschaft für Transport und Verkehrswirtschaft (occupational accident insurance fund for the transport industry) are making preparations for the introduction of electronic communication and application procedures. They are examining, for example, which applications can be made without a form and have begun to digitise forms.

The Ship Safety Division has now prepared 16 of its certificates for electronic production. Ten of these have already been tested by the staff who will process them.

The Division intends to go operational shortly with three certificates for vessels engaged in international shipping and so pilot the electronic production of certificates within its administration. At the same time it is developing a practical identification system, which will be necessary if certificates are to be made available online.

The question of worldwide recognition of electronic certificates is still under discussion within the International Maritime Organization (IMO) and is part of a programme on which several specialised committees will focus their attention in 2014 and 2015. As a first step, Germany will therefore offer electronic certificates for national shipping. In this way it can gather experience that will be useful for a subsequent introduction of electronic certificates for international shipping.

C. Pilot phase of the evaluation procedure

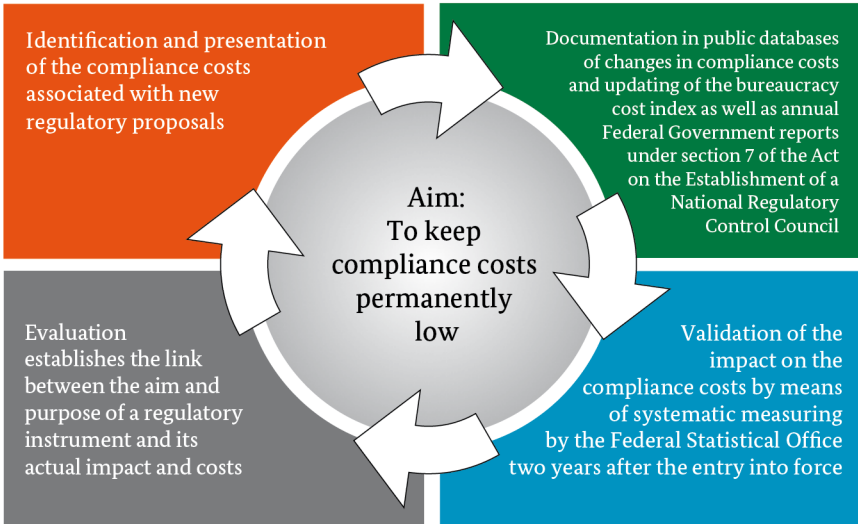
The Federal Government has introduced an evaluation procedure, which took effect on 1 March 2013 and applies to all federal regulatory proposals. Under this procedure, government ministries are to review major regulatory instruments once they have been in force for a reasonable length of time in order to establish whether and to what extent the objectives of the regulation have been achieved and how accurate the initial cost estimate was.

The evaluation has been designed with a view to keeping compliance costs permanently low. Within the evaluation framework proposals are deemed to be major if they give rise to regular compliance costs of more than one million euros a year for the citizens, businesses or the administration. If one of the thresholds is exceeded, Rule 44(7) of the Joint Rules of Procedure of the Federal Ministries lays down that the explanatory memorandum accompanying the draft regulation must include comments on the implementation of evaluations or reasons why no evaluation was undertaken, as appropriate. Besides the achievement of objectives, other criteria such as the acceptance and feasibility of regulations may be examined. Government ministries can continue – as hitherto – to require evaluations for other reasons, for example if the instrument involves high financial expenditure, if it is of particular political importance or if there is a high degree of uncertainty about its actual effect.

The evaluation strategy is currently being tested in a pilot phase that will continue until the end of 2014. It will then undergo an initial review. At the present time, the pilot phase involves the evaluation of eight regulatory proposals from various ministries. In some of these cases the Federal Statistical Office is assisting the ministries in reviewing the compliance costs arising from the proposals or also in conducting surveys of those affected by them, focused on various aspects of the proposals that are examined in the evaluation framework.

The methodology and scope of the piloted proposals cover a wide spectrum, which ranges from relatively straightforward reviews of case numbers to more in-depth surveys by the Federal Statistical Office and even to commissioning research establishments to carry out a scientific evaluation. The results of the evaluation may indicate a need for political action. In this way the cycle of political action begins again.

Figure 15: Cycle of political action



D. Electronic support system for the preparation of draft regulatory instruments

When drafting regulatory instruments, government ministries should receive comprehensive support that will allow them to initiate the uniform and continuous electronic processing of bills from the initial drafting through the deliberation and voting processes to their ultimate promulgation. An interministerial working party with members from the Bundestag and Bundesrat presented a report on this matter, which the State Secretaries' Committee on Bureaucracy Reduction noted in August 2013, adopting the following decision:

“On the basis of the Cabinet decision of 28 March 2012, the objectives in the 18th legislative term will be to agree on specific requirements for the feasibility study and on the subsequent timetable for the creation of an electronic legislative workflow and for the revision of eNorm, to consult on these matters with the National Regulatory Control Council, the Bundestag and the Bundesrat and to initiate further implementation measures. Any additional requirements arising from the pursuit of these objectives are to be offset so as to have no net budgetary impact.”

The working party on electronic legislative processes will therefore continue its work with the following objectives:

- to complete the analysis of the entire legislative process and to examine the scope for simplifications that IT services could offer,
- to draw up a feasibility study and a detailed IT design document for a comprehensive modular electronic support system that would serve to ensure a uniform and continuous electronic legislative workflow from the initial drafting through the deliberation and voting processes to promulgation,
- to simplify in future, in due legal form, the legislative technique for amendment acts and to modify it in such a way that amendments to the existing version are recognisable as such.

In addition, eNorm is to be further developed with the aim of providing practitioners with a greatly improved version in terms of functionality and operability which dovetails with the electronic support system that is to be developed for the legislative process. The continuing development of the uses of eNorm will be pursued in close coordination with the Bundestag.

E. Benefit assessment

Over the past few years the systematic identification and documentation of the subsequent costs that are expected to result from legislative acts has grown in importance. The national identification of bureaucracy and compliance costs is based on an established and coordinated methodology.

When it comes to assessing the benefits of planned legislation, however, there is no comparable established line of approach and no equivalent requirement to set out a comprehensive statement of benefits on the introductory page. Government ministries may explain their thinking on the benefits of regulatory instruments under the headings of *Objective* and *Necessity of the Bill* (Rule 43(1)(1) of the Joint Rules of Procedure of the Federal Ministries) and in the section on the impact of the legislation (Rule 44 of the Joint Rules of Procedure).

With a view to reaching conclusions on the next steps in assessment of the benefits of regulatory proposals in Germany, representatives of the government ministries, the Federal Chancellery and the National Regulatory Control Council have discussed the options and the arguments for placing greater emphasis on benefit assessment in the legislative process with German and foreign experts in two workshops.

The following are the main findings that emerged from those workshops:

- Where it is possible to quantify benefits or express them in monetary terms, such a quantification can be a useful complement to the presentation of the cost impact in the general political assessment of a regulatory proposal.
- Benefit assessments are particularly helpful in cases where a choice has to be made between two or more options or where some latitude is available in the framing of a regulation. In these cases the assessment of the likely benefit of each option can help to establish an order of preference.
- In so far as benefits are tangible, i.e. assessable in economic terms, these values can also be cited when the case for the regulatory proposal is presented. Intangible benefits, which cannot be expressed in terms of market prices, such as effects on the environment, public health or security, are difficult to assess.
- The benefits of regulatory proposals cannot be fully presented in quantitative or monetary terms in every case. There are no simple standardised national or international procedures for the quantification or monetary valuation of specific categories of benefit. The diversity of the relevant beneficial aspects and their complex or unverifiable interactions are obstacles to the development of a uniform methodology.
- In individual cases, such as regulatory proposals relating to public health, the economic debate may trigger ethically equivocal discussions.
- The availability of data is often limited, and there are also frequent uncertainties regarding causes and effects. Where there are high degrees of uncertainty there is also a danger of feigned precision.

- Balancing costs and benefits in the form of a cost-benefit analysis is impractical and it would not be the right method to adopt in this context. Nevertheless, sharing experience of assessment methods and of cost rates applied by the various government ministries seems to be a useful exercise.

On the basis of these findings, the State Secretaries' Committee on Bureaucracy Reduction recommended at its meeting in August 2013 that more space in explanatory memoranda be devoted to the results of benefit assessments conducted by government ministries on their own responsibility. At the same time, the assumptions underlying these assessments should be disclosed transparently. Technical responsibility for the content of these assessments lies with the ministries. The aim should be to grasp, in a pragmatic manner, the opportunities for a balanced representation of the likely impact of a legislative act that result from a quantification of benefits. The ministries are also encouraged to promote the sharing of professional experience with each other on quantitative and monetary assessment whenever new findings emerge, to implement pilot projects and to report on them in interministerial forums.

Some ministries have expressed willingness to carry out pilot projects on benefit assessment and quantification and to report on these in interministerial forums. In so doing they can call, if necessary, on the support of a working party in which all government ministries, the Federal Statistical Office and the National Regulatory Control Council are able to participate on a voluntary basis. To assist them, the Better Regulation Unit, with the aid of the Federal Statistical Office and the National Regulatory Control Council, will make available an appropriate methodological toolkit or checklist.

F. Cooperation with *Länder* and local authorities

The working party comprising representatives of the federal and state governments and of the national associations of local authorities met twice in Berlin in 2013 at the invitation of the Federal Chancellery. Besides multi-tier projects designed to ease the burden of red tape on citizens, businesses and the administration (see section B above), the main item on the agenda was a discussion of the participants' respective Better Regulation projects. As a result, the experiences of the *Länder* in areas such as the overhauling of the legal framework, legal information systems and the work of the legislation review services filtered into the continuing development of the federal programme.

In addition, representatives of the Federal Government reported on projects such as the examination of scope for further popular participation in major infrastructure projects, the online deregistration of cars and a draft directive from the European Commission which would require public bodies to accept electronic invoices from their contractors in future.

The discussions also covered the preparations and decision of the Federal Government for the systematic evaluation of major regulatory proposals and the enhanced procedure designed to raise the quality of information of the expected impact on the EU. This cooperation will be continued in 2014. An electronic forum has been set up for exchanges between the competent authorities.

G. International cooperation

The subject of better regulation, particularly through the reduction of red tape, played an important role in the international context too in 2013. Not only did the EU and many of its member states continue to develop their policies in this domain; the OECD and countries such as Mexico, Brazil, Kazakhstan, Azerbaijan, Indonesia and South Korea also showed growing interest in reform of regulation policies. This was impressively illustrated by the International Regulatory Reform Conference (IRRC) organised by the Federal Government in Berlin at the beginning of 2013, which resulted in further development of bilateral exchanges with numerous countries on matters relating to better regulation.

G.1 European Union

Regulatory Fitness – REFIT

Above all, the year 2013 was dominated by the pursuit of the agenda presented by the European Commission in December 2012 on the regulatory fitness of EU provisions – the Regulatory Fitness and Performance Programme (REFIT)¹⁰. At the heart of the programme is a review of the entire body of EU law for the purpose of identifying administrative burdens, inconsistencies, gaps and ineffective measures as well as the appropriate simplification initiatives required to remedy these defects.

On 2 October 2013, in its Communication on EU Regulatory Fitness¹¹, the Commission presented initial results of this review, which also took account of the outcome of the consultations held for the purpose of establishing what SMEs considered to be the ten most burdensome EU laws and areas of legislation¹². The Commission has adopted initial measures in response to those consultations in its Work Programme for 2014 (see Annex III to the Work Programme on REFIT actions and Annex IV, which lists withdrawals of pending proposals)¹³. The Commission will report on progress made in the implementation of the REFIT measures in an annually updated gazette.

In 2013, the European Council dealt several times with matters relating to better regulation in the EU context. At its meeting of 24 and 25 October 2013 it explicitly welcomed the Commission's work on REFIT and called on it to implement the programme rapidly by making further substantial proposals to alleviate the burden of legislation. This effort was to include the withdrawal of legal instruments that were no longer needed and the repeal of legislation that was out of date. The Competitiveness Council, whose remit includes smart regulation, called on the Commission in the conclusions of its meeting of 2 December 2013 to develop a five year roadmap for the implementation of the REFIT programme, which would be updated annually on a rolling basis, and to consider specific targets in sectors with high regulatory burdens.

The Council also welcomed another Communication from the Commission, also dated 2 October 2013, in which the Commission describes its planned measures to improve its evaluation system¹⁴. At the heart of these measures is a revision of the evaluation guidelines; the draft revised guidelines were

10 See the annual Federal Government report on better regulation for 2012, pp. 55-56.

11 http://ec.europa.eu/smart-regulation/better_regulation/documents/com_2013_en.pdf

12 See the Commission's Communication of 18 June 2013 on the Commission follow-up to the "TOP TEN" Consultation of SMEs on EU Regulation at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0446:FIN:EN:PDF>.

13 The Commission's work programmes are accessible at http://ec.europa.eu/atwork/key-documents/index_en.htm.

14 Communication on strengthening the foundations of Smart Regulation – improving evaluation (COM(2013) 686 final).

presented for public consultation on 12 November 2013¹⁵. In its conclusions of 2 December 2013, the Council also called on the Commission to further develop the underlying methodology, to ensure a coordinated approach regarding planning, prioritisation and implementation of ex post evaluations and to undertake independent quality assessment.

The REFIT agenda is also addressed to Member States, which are invited to implement EU legislation efficiently and, in particular, in the least burdensome way. To this end, they should share information on best implementation practices. The Commission has established a relevant website to support such exchanges¹⁶. It intends, moreover, to enhance its monitoring and support of Member States' implementation processes by drawing up implementation plans for its legislative initiatives. These will contain recommendations on the optimum content and timing of national implementing measures.

Follow-up to the Administrative Burden Reduction Programme (ABR*plus*)

Besides this systematic approach, the Commission is also keeping an eye on the results of its Administrative Burden Reduction Programme (ABR). In order to review the actual impact of the measures proposed in the programme, the Commission has selected twelve proposals and asked Member States to report on how they have implemented them and to what extent the implemented proposals have actually reduced compliance costs for businesses. Business organisations and companies have also been surveyed about the impact of these proposals. It is expected that findings from this process, known as ABR*plus*, will be communicated in the spring of 2014.

High-Level Group on Administrative Burdens ('Stoiber Group')

The High-Level Group on Administrative Burdens, chaired by former Bavarian Minister-President Edmund Stoiber, is monitoring and supporting the implementation of the REFIT programme. In the context of the ABR*plus* measures it acts as a link between the Member States and the Commission. It participated in the selection of measures and will formulate its own assessments of their impact in terms of reducing the administrative burdens borne by businesses. It is also monitoring and supporting the Commission's REFIT initiatives, focusing particularly on the scope for lightening the burdens of small and medium-sized enterprises. Its present mandate expires in October 2014.

Impact assessments in the Council

Better regulation is a task for all of the EU institutions. In 2012 the European Parliament established its own impact-assessment unit (see the Federal Government's annual report for 2012, p. 57). In the Council too, significant progress was made in 2013, although the calls made by the Federal Government in particular for the creation of the Council's own impact-assessment unit within its Secretariat have not yet borne fruit.

Under the Irish presidency, for example, a report on impact assessments was adopted by the Council in response to a request made in the Cypriot Presidency's report of 21 November 2012. In future, the Council is to devote more attention to the Commission's impact assessments in order to raise aware-

¹⁵ The consultation documents are accessible at http://ec.europa.eu/dgs/secretariat_general/evaluation/index_en.htm.

¹⁶ http://ec.europa.eu/governance/impact/best_practices_examples/index_en.htm

ness of cost implications and other effects and to increase transparency. The principal means to this end is a comprehensive indicative checklist, which is being piloted in the framework of three legislative procedures; two of these pilot procedures¹⁷ were completed under the Lithuanian presidency, while the third and final procedure is scheduled for the first half of 2014, the time of the Greek presidency.

Extended EU *ex ante* procedure

In 2013, the EU *ex ante* evaluation procedure, adopted by the Federal Government on 17 December 2012, was carried out for the first time. Under this procedure, government ministries examine, on the basis of the information available to them, whether and to what extent the regulatory proposals announced in the Commission Work Programme are likely to impose a significant burden on businesses, citizens and the administration (for more details see the Federal Government's annual report for 2012, p. 55). The Federal Government sent its first estimate in this framework to the Commission in March 2013, in which it referred to the need to minimise costs when framing the new provisions. At the same time the decision adopting the estimate also commits government ministries to seek the lowest possible cost implications when negotiating the actual wording of these provisions in Council working groups.

G.2 OECD

In the international context, as in previous years, special emphasis must be placed on the activities of the OECD for the establishment and promotion of better regulation. The unit of the OECD Secretariat responsible for regulatory policy played an active role in the shaping of the International Regulatory Reform Conference held in Berlin in January 2013, organising a number of workshops around the subject of 'Key Actors of Regulatory Governance'. In the discussions, many of the invited speakers and workshop participants presented the bodies and institutions that are necessary if efforts to establish the principles of better regulation on a permanent basis are to be crowned with success. For the conclusions of the Conference, see www.bundesregierung.de/irrc2013.

On the basis of a recommendation made in 2012 by the OECD Council on Regulatory Policy and Governance, the Regulatory Policy Committee examined in detail selected aspects of better regulation. On the initiative of Germany, for instance, the preparation of an international guide to the measurement and reduction of compliance costs was launched. Besides the Federal Government and the National Regulatory Control Council, the governments of the United Kingdom, Austria and the Netherlands contributed to both the funding and the content of the guide. A project group chaired by the OECD Secretariat worked on the content. Besides the participants referred to above, the European Commission and Mexico were also involved in the preparatory work. The objectives of the guide are to establish a standard international definition of compliance costs and to provide methodological tips for dealing with the routine and challenges of the measurement process. The standard established by this guide will provide national and international authorities with a guidance framework for their own choice of

¹⁷ Proposal for a Regulation of the European Parliament and of the Council establishing a framework on market access to port services and financial transparency of ports (known as the Ports Package, COM (2013) 296 final), and Proposal for a Directive of the European Parliament and of the Council on package travel and assisted travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU and repealing Council Directive 90/314/EEC (COM(2013) 512 final).

methods for measuring compliance costs. At the same time, it fulfils a condition for the establishment and comparison of best practices in the international context.

Paragraph 25 of the Declaration issued by the Franco-German Council of Ministers on 22 January 2013 to mark the 50th anniversary of the signing of the Élysée Treaty:

“Smart regulation and effective reduction of unnecessary administrative costs will help to improve growth and competitiveness, particularly among SMEs (small and medium-sized enterprises). France and Germany will exchange information on their respective approaches and share their experience and will intensify Franco-German coordination, particularly with regard to initiatives at the European level.”

The OECD Regulatory Policy Committee will adopt the guide as an official OECD publication in the spring of 2014.

G.3 Bilateral cooperation with France

Germany and France opened intensive bilateral exchanges in 2013 on their national programmes for better regulation. The main meeting was a two-day seminar in Berlin in September 2013. Besides the respective coordinating bodies for better regulation – the Office of the Prime Minister in France and the Federal Chancellery, the Federal Ministry of Economics and Technology and the National Regulatory Control Council in Germany – various German and French government ministries were also represented at the event. Besides methodological questions, such as how the impact of a burden can best be analysed, the experts also discussed how the environmental directives of the EU can be implemented in the least onerous way possible. Diverse forms of burden affecting people in particular situations were also discussed.

An electronic forum was set up to encourage the continuation of specialised exchanges between experts. On the subject of EU law, the stakeholders agreed on a closer form of cooperation, and this is now in place. The exchanges on the national programmes for bureaucracy reduction and better regulation will be continued and intensified at one of the next meetings of the Franco-German Council of Ministers.

Appendix

Annex 1

Development of compliance costs in the period from 1 January to 31 December 2013(1) Source: Federal Statistical Office database
 Net annual change in compliance costs for businesses in € million - Last updated: 7 January 2014 -

	Annual compliance costs for businesses in € million			of which bureaucracy costs arising from information obligations in € million		
	Burden	Reduction	Balance	Burden	Reduction	Balance
Federal Foreign Office						
Federal Ministry of the Interior	1.2		1.2			
Federal Ministry of Justice		-17.7	-17.7	0.2	-0.2	
Federal Ministry of Finance	78.1		78.1	33.3		33.3
Federal Ministry of Economics and Technology	812.1	-7.8	804.2	4.9		4.9
Federal Ministry of Labour and Social Affairs	18.2		18.2			
Federal Ministry of Food, Agriculture and Consumer Protection	17.8	-5.3	12.5	9.3	-0.1	9.2
Federal Ministry of Defence						
Federal Ministry for Family Affairs, Senior Citizens, Women and Youth	0.5		0.5	0.4		0.4
Federal Ministry of Health	0.6		0.6	0.1		0.1
Federal Ministry of Transport, Building and Urban Development	777.4	-79.1	698.3	2.0	-24.8	-22.8
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety	0.9	-1.4	-0.6	0.8	-0.3	0.5
Federal Ministry of Education and Research						
Federal Ministry for Economic Cooperation and Development						
Federal Government Commissioner for Culture and the Media		-0.1	-0.1			
Total	1,706.8	-111.5	1,595.3	51.1	-25.4	25.7

*) Covers proposals dealt with by the Federal Cabinet between 1 January and 31 December 2013 or regulatory proposals that are not referred to the Cabinet, such as ministerial regulations, for which the process of interministerial coordination was completed during that period.

**) Totals may diverge as a result of rounding.

Annex 2

Development of compliance costs in the period from 1 January to 31 December 2013*)
 Net annual change in regular compliance costs for citizens and the administration in € million

Source: Federal Statistical Office database
 - Last updated: 7 January 2014 -

	Annual compliance costs for citizens						Annual compliance costs for the administration			
	Time input in 1,000s of hours			Cost in € million			in € million			
	Burden	Reduction	Balance	Burden	Reduction	Balance	Burden	Reduction	Balance	
Federal Foreign Office										
Federal Ministry of the Interior		-0.1	-0.1				4.1	-0.1	3.9	
Federal Ministry of Justice		-128.0	-128.0				10.5		10.5	
Federal Ministry of Finance							53.1		53.1	
Federal Ministry of Economics and Technology	61.5		61.5	242.1		242.1	65.5	-0.1	65.4	
Federal Ministry of Labour and Social Affairs	0.6		0.6				0.1		0.1	
Federal Ministry of Food, Agriculture and Consumer Protection	2.4		2.4				2.0	-0.2	1.8	
Federal Ministry of Defence										
Federal Ministry for Family Affairs, Senior Citizens, Women and Youth	4.8		4.8				4.2	-1.8	2.4	
Federal Ministry of Health							1.3		1.3	
Federal Ministry of Transport, Building and Urban Development	1.6	-2.142.5	-2.140.9	242.1	-12.3	229.8	82.7		82.7	
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety							25.1	-0.6	24.5	
Federal Ministry of Education and Research	0.2		0.2							
Federal Ministry for Economic Cooperation and Development										
Federal Government Commissioner for Culture and the Media								-0.2	-0.2	
Total	71.2	-2,270.6	-2,199.4	484.2	-12.3	471.9	248.4	-3.1	245.3	

*) Covers proposals dealt with by the Federal Cabinet between 1 January and 31 December 2013 or regulatory proposals that are not referred to the Cabinet, such as ministerial regulations, for which the process of interministerial coordination was completed during that period.

**) Totals may diverge as a result of rounding.

Annex 3

Development of compliance costs in the period from 1 January 2012 to 31 December 2013*)
 One-off adjustment costs for citizens, businesses and the administration

Source: Federal Statistical Office database
 - Last updated: 7 January 2014 -

	Adjustment costs for citizens		Adjustment costs for businesses	Adjustment costs for the administration
	Time input in 1,000s of hours	Cost in € million		
Federal Foreign Office				0.1
Federal Ministry of the Interior			0.1	0.5
Federal Ministry of Justice				4.9
Federal Ministry of Finance			78.1	210.8
Federal Ministry of Economics and Technology			7.1	3.0
Federal Ministry of Labour and Social Affairs				12.6
Federal Ministry of Food, Agriculture and Consumer Protection			14.7	3.4
Federal Ministry of Defence				8.3
Federal Ministry for Family Affairs, Senior Citizens, Women and Youth			0.2	1.9
Federal Ministry of Health			1.7	0.3
Federal Ministry of Transport, Building and Urban Development				19.6
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety			2,165.3	17.1
Federal Ministry of Education and Research				
Federal Ministry for Economic Cooperation and Development				
Federal Government Commissioner for Culture and the Media				
Total			2,267.1	282.6

*) Covers proposals dealt with by the Federal Cabinet between 1 January and 31 December 2013 or regulatory proposals that are not referred to the Cabinet, such as ministerial regulations, for which the process of interministerial coordination was completed during that period.

**) Totals may diverge as a result of rounding.

Annex 4

Figure 17:

Changes in regular compliance costs since September 2011

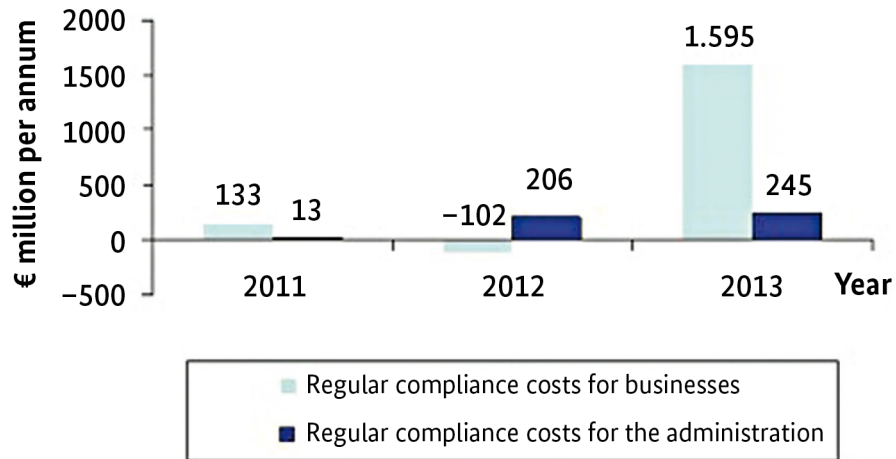


Figure 18:

One-off adjustment costs since September 2011

