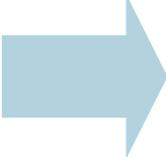
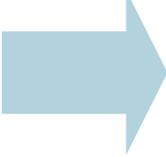


The Tasks of Nationaler Normenkontrollrat

Wolf-Michael Catenhusen
Deputy Chairman of the National Regulatory Control Council

Prague, 1 June 2012

Federal Government's 2006 Programme for the Reduction of Bureaucracy and Better Regulation

- Strategy**  – **Systematic approach for a sustainable reduction of red tape**
-
- What was new?**  – **Transparency on costs using an internationally accepted methodology – SCM**
-
- Institutional Setup**  – **Ambitious reduction target**
– **Establishment of an independent watchdog in the legislative procedure (ex-ante-procedure)**
-
- Focus**  – **Limited to administrative burdens, caused by information obligations in federal law**
-

Task and Composition of NKR

NKR

Established by a formal federal law (August 2006)

Model: The Netherlands

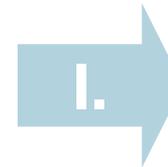
Independent advisory body

Appointment of 10 members for a term of office of 5 years

Start of second term:
20 September 2011

Task

**Support and
Advice to the
Federal
Government in the
reduction of
bureaucracy and
better regulation**



**Avoid the creation
of new
administrative
burdens**



**Perceivable
reduction of
existing
administrative
burdens**

Members of NKR

Dr. Johannes Ludewig (Chairman; former Secretary of State; former Chairman of Deutsche Bahn AG, Director General of the Community of European Railways)

Wolf-Michael Catenhusen (Deputy Chairman; former Secretary of State; Member of Deutscher Bundestag from 1980 to 2002)

Dr. Thea Dückert (Lecturer at the University of Oldenburg, Member of Deutscher Bundestag from 1998 to 2009)

Rainer Funke (former Secretary of State, Member of Deutscher Bundestag from 1980 to 1983 and from 1987 to 2005)

Gudrun Grieser (former Lord Mayor of the City of Schweinfurt)

Prof. Dr. Sabine Kuhlmann (German University of Administrative Sciences in Speyer)

Sebastian Lechner (Economist)

Dorothea Störr-Ritter (Head of the district authority of the district of Breisgau-Hochschwarzwald)

Hanns-Eberhard Schleyer (Lawyer, former Secretary General of German Confederation of Skilled Crafts)

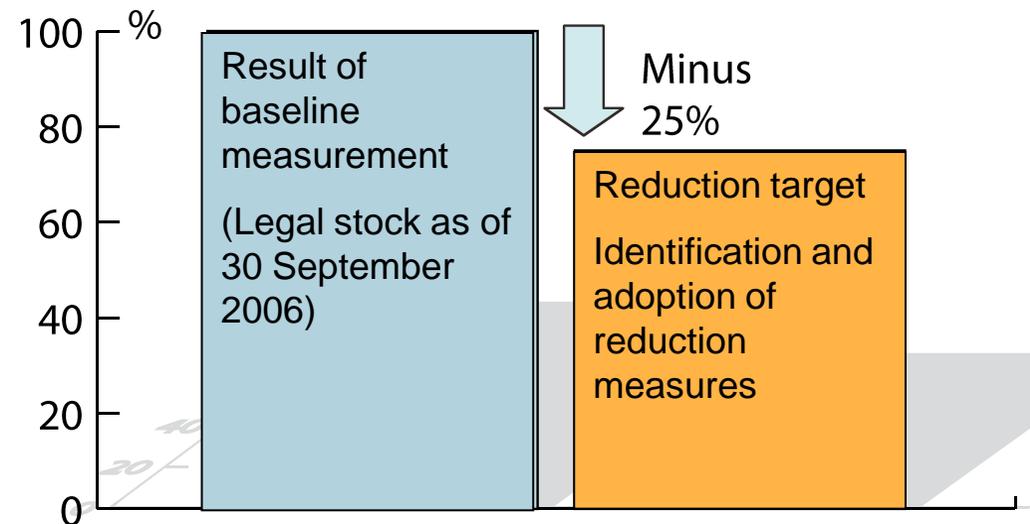
Prof. Dr. Andrea Versteyl (Lawyer, honorary Judge at the constitutional court of Saxony)

Control the flow

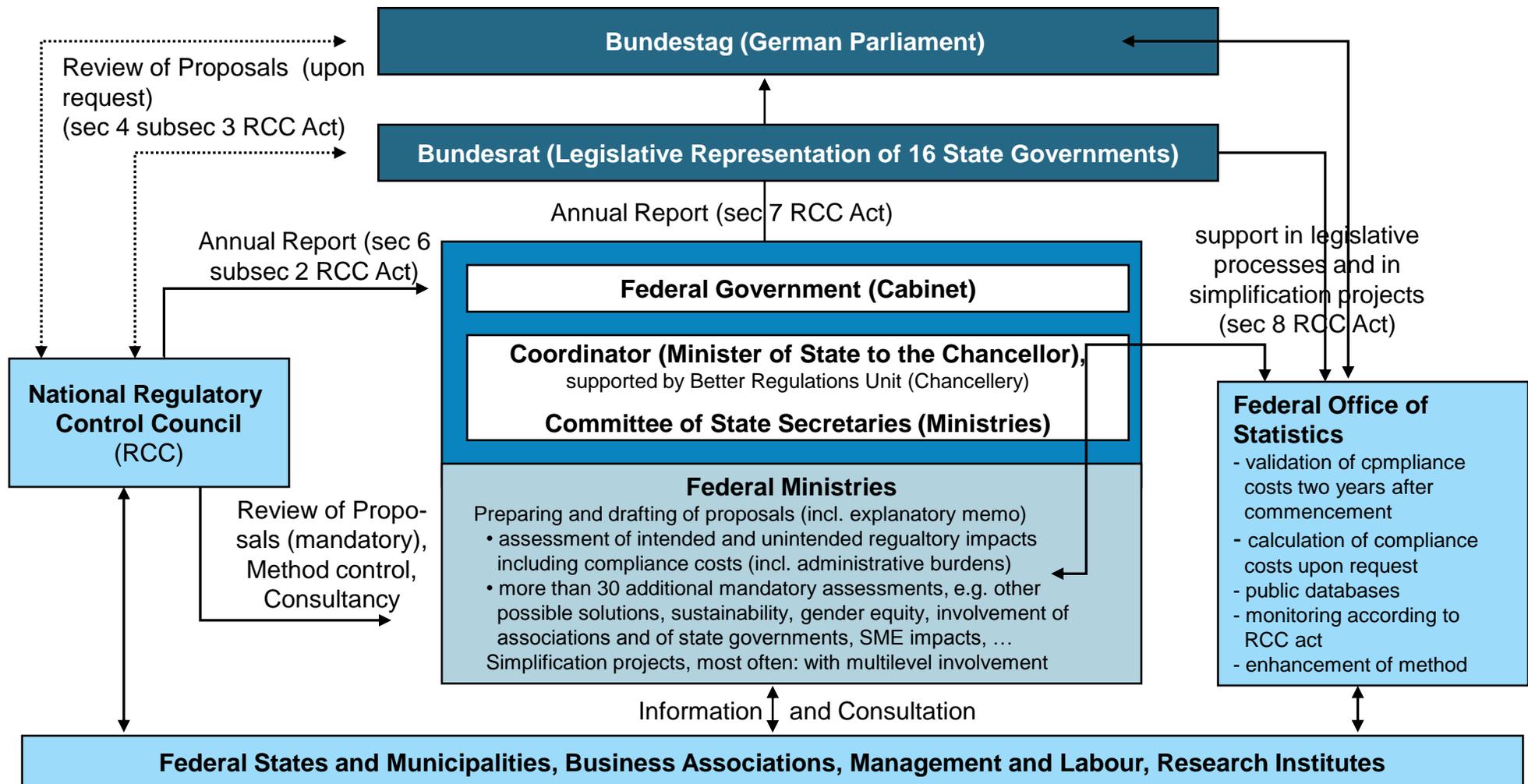
- **Since 01 December 2006** new joint rules of procedure.
- NKR is treated like a line ministry in the interministerial coordination.
- **NKR assesses** each new proposal on administrative burdens.
- **Formal Opinion of NKR** is attached to the cabinet draft and is passed to Parliament and the Federal Council.

Reduce the stock

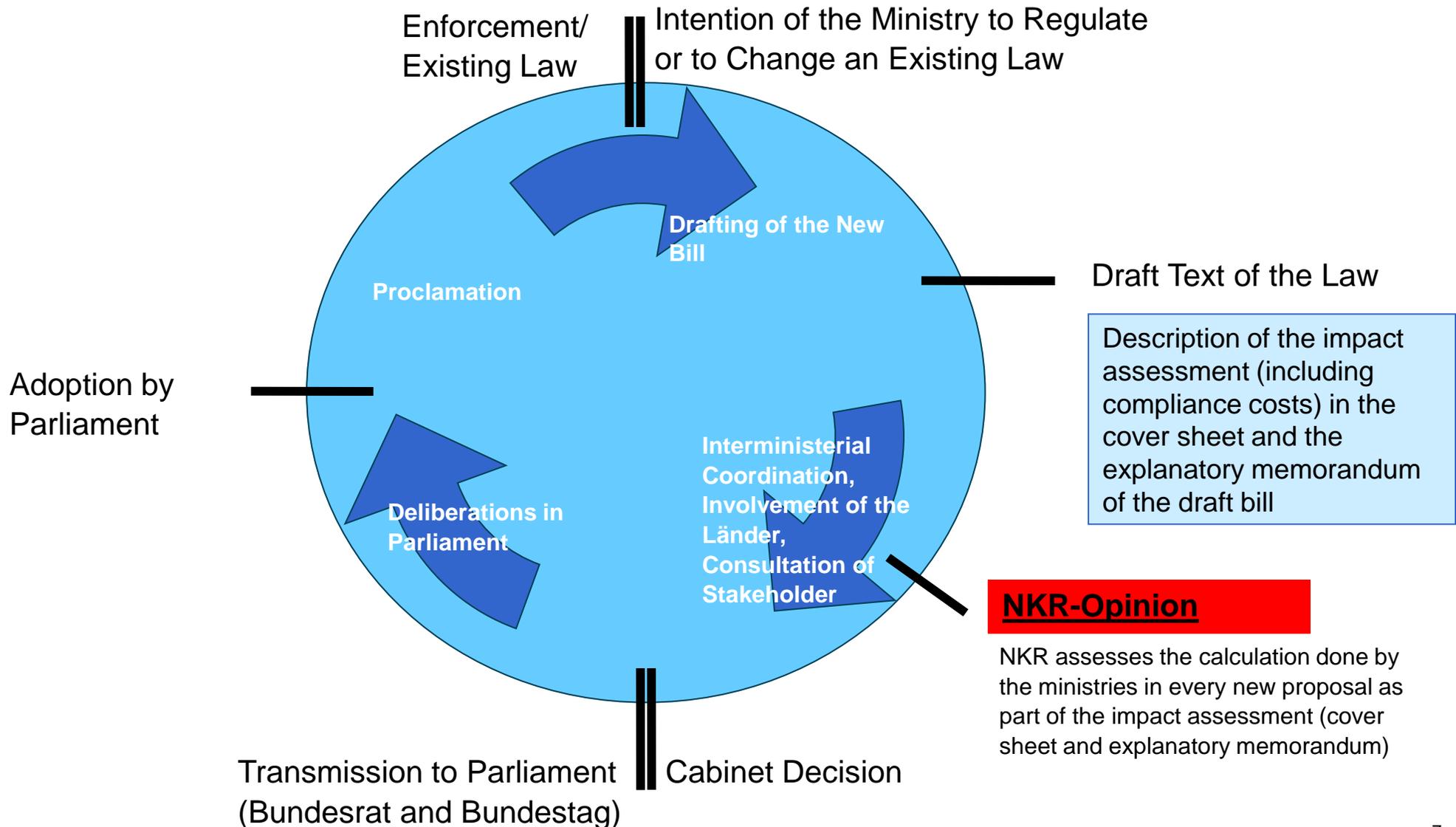
- The Federal government aims on a noticeable reduction of unnecessary burdens
- Reduction target of 25% by 2011



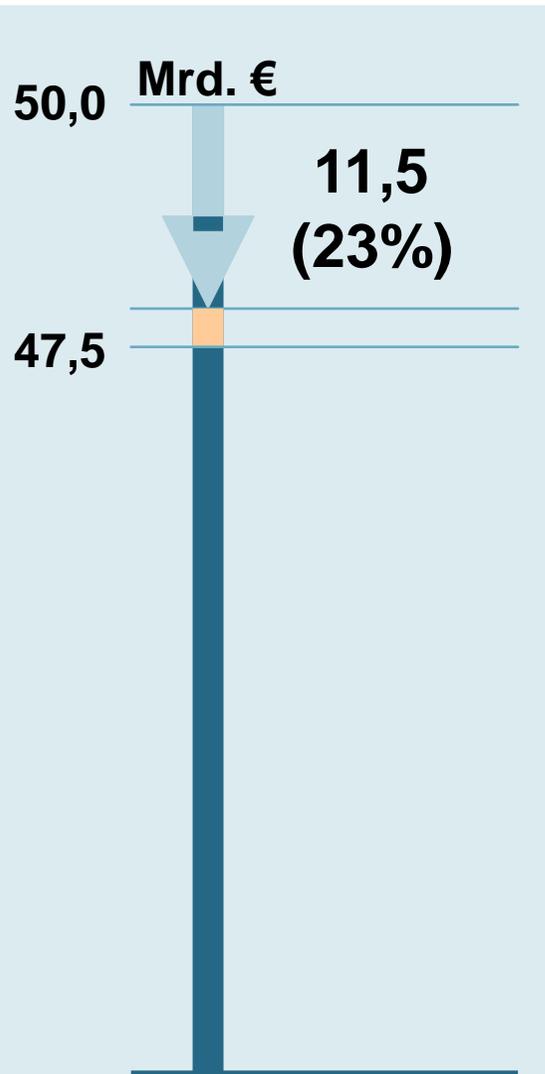
Players involved in Better Regulation Politics



Ex-ante procedure



Reduction of administrative burdens



Basis:

Administrative burdens out of 9,500 federal information obligations (as of 30 September 2006)

Result of baseline measurement:

50 bn. Euro p.a.

Target:

net-reduction of 25% by the end of **2011**

Current Status:

More than 250 measures have been adopted with a reduction potential of 11,5 bn. Euro (23 %); Government intends to reach the target finally at the end of **2012**

Examples:

- Electronic invoicing (- 4 bn. €)
- Modernisation of accounting regulations (- 2,5 bn. €)
- Simplifications of procurement regulations (- 265 Mill. €)

Taking stock after 6 years

+ positive

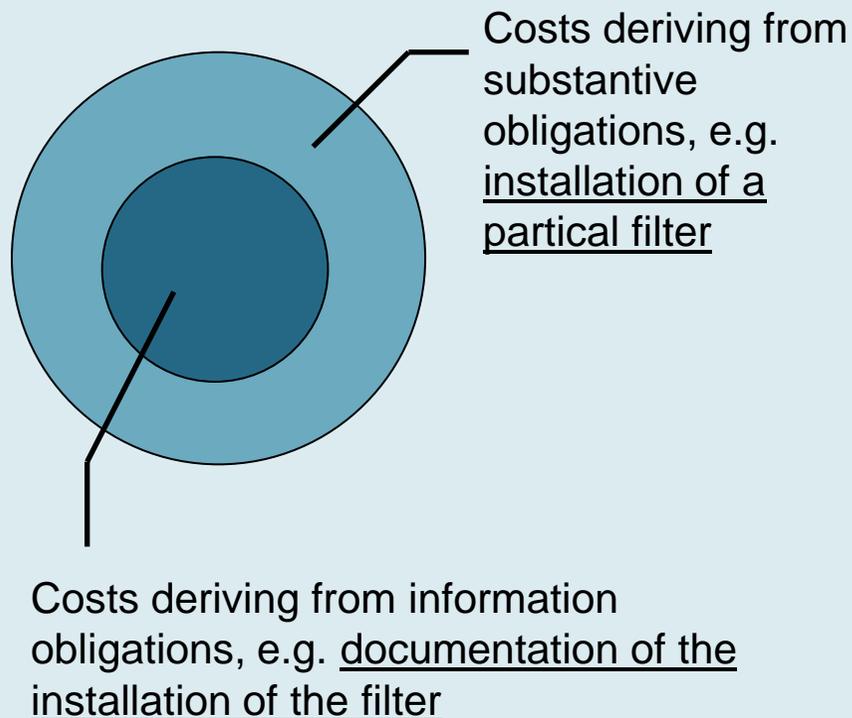
- **Verifiable reduction** of administrative burdens:
Though the 25%-target is not be reached – **quite a success**
- **Awareness for administrative burdens** in politics and the administration has grown. A **cultural change** starts to take place
- „Bureaucracy reduction and better regulation“ has become a **political value and stand-alone objective**

- negative

- **Burden reduction is not perceived** in the single company
- **Not all costs are taken into account** – only administrative burdens deriving from information obligations
- **Execution of laws in the “Länder“ is not taken into account** (cf. “Einfacher zu...-Projekte“ of NKR)
- No effective way to **prevent administrative burdens in European legislation**

Federal Government's new programme: Taking compliance costs (cc) into account

What is part of cc?



Cabinet decision of 27 January 2010:

“... the government's programme of 25 April 2006 is to be further developed and expanded to take into account the total compliance cost federal legislation places on citizens, businesses and public authorities.“

Core elements:

1. Expansion of the ex-ante-procedure to include compliance costs
2. Enforcement of the mandate of the NKR
3. No baseline measurement but reduction of the costs in eight priority areas via multi-level-projects across different fields of law, e.g. planning and building law for infrastructure projects, tax declarations, by 25% by 2011

New competences for the NKR by the amendment of the law on the NKR

NKR examines the description of the **compliance costs** of new regulations for citizens, the business sector and public administration in terms of comprehensibility and correct methodology, as well as the description of the **other costs** to businesses and especially for small and medium-sized enterprises.

Furthermore, the NKR can examine the description of the following aspects:

- comprehensible presentation of the intention of and need for the regulation,
- consideration of other possible solutions,
- consideration regarding the time of entry into force, time limits, and evaluation,
- considerations of simplifications of law and administration,
- the extent to which, in the case of the implementation of a directive or other statutory instrument of the European Union, further-reaching regulations are put in place.

Impacts of the new mandate on the ex-ante-procedure

▶ Germany is a **front-runner** in checking compliance costs. No international methodology available.

▶ Federal Government, Federal Statistical Office and NKR have developed **guidelines for the assessment of compliance costs**

▶ NKR examines compliance costs since **1 Juli 2011**

First experiences

- The assessment of compliance costs is **much more complex** than the assessment of administrative burdens.
- **But it can be done,**
- because there is **no need for a high accuracy** of the assessment,
- there should be a **balance between a practical way** of doing the assessments and the **results that are plausible.**

Wolf-Michael Catenhusen

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