

Experience on executing Impact Assessment in Germany

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European Level

- White Paper 2005:

„ Dynamic consolidation is the *leitmotiv* of the Commission`s approach – an approach that is practical, ambitious and reflects stakeholders sentiment.”

National Level

Conclusions of the European Council,
Brussels March 8/9 th:

“The Council invites Member States to set their own national targets of comparable ambition (ref. to the EU reduction target of 25% by 2012) within their spheres of competence by 2008, taking into account different starting positions and regulatory traditions.”

Cabinet decision of 25 April 2006:

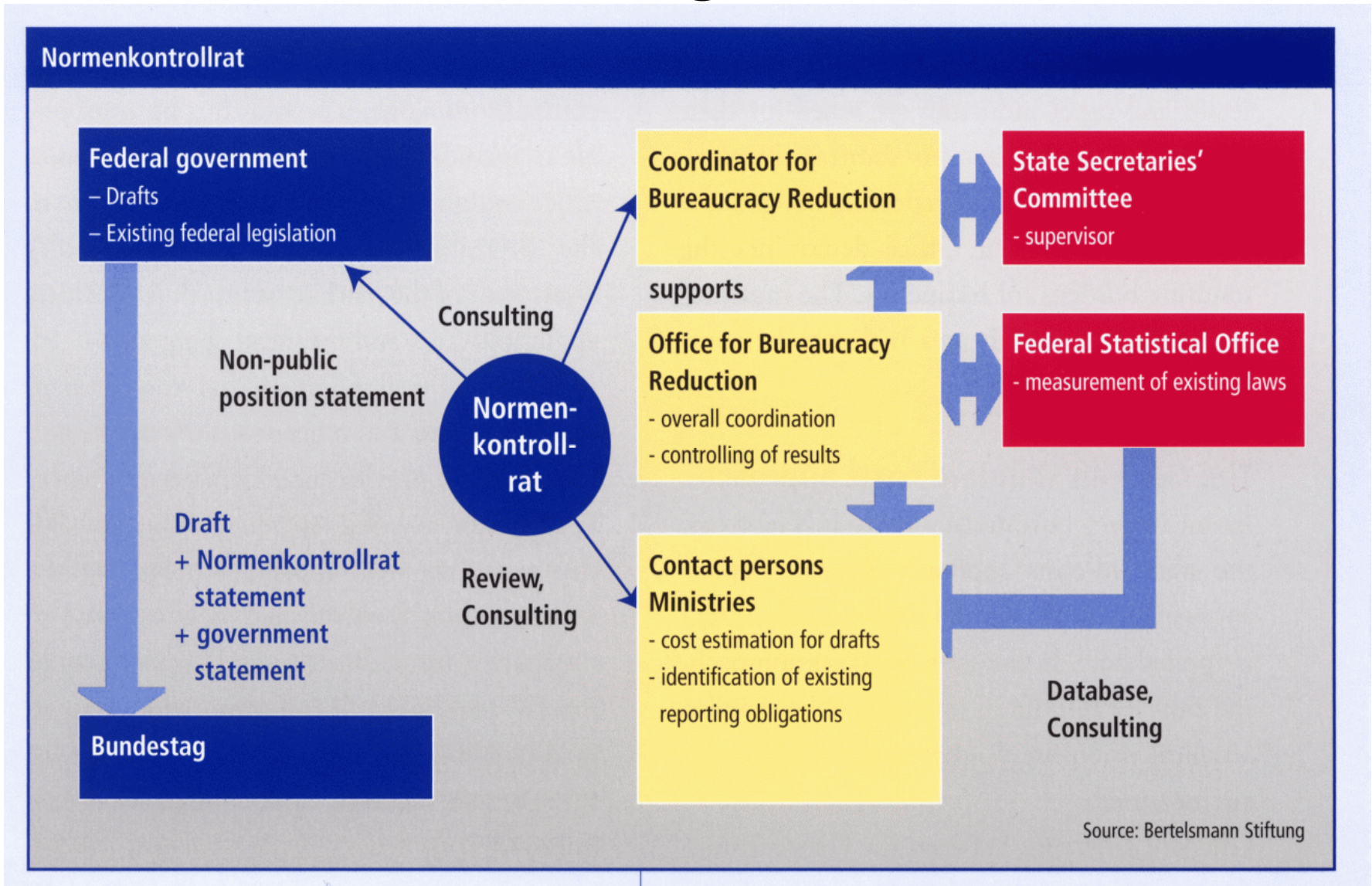
“ Programme for the Reduction of Bureaucracy and Better Regulation”:

- Appointment of a Regulatory Control Council (RCC) as independent body under the auspices of the chancellory
- Creation of a political Steering committee to monitor the work in progress
- SCM as obligatory measure tool

National Regulatory Control Council

- Tasks:
 - screening existing bureaucracy
 - preventing new bureaucracy

Processing structure



Specificity of the German approach

- only payroll cost, no overheads
(some MS reflect 50% overhead charge for Financial Institutions)
- compared to status quo: 25% easier to achieve???
- Assumption of homogeneous companies, i.e. it does not provide for differences in reporting obligations.

State of work

- Focus on information obligations (IO) on federal and EU-level
- Exchange of experiences and knowledge with the Federal States (Länder) to ensure common methodology and discuss simplification
- Ministries reported more than 10.000 IO for entrepreneurs (natural or legal persons)
- IO for citizens and administration will follow
- Commitment to a national reduction target of 25% by 2011 (cabinet decision of 28 feb 2007)

2nd measurement circle

- Kick off for full scale SCM-baseline valuation in Jan 2007
- Federal Statistical Office measures the administrative burden of 20% of IO, that should cover about 80% of the costs
- Method: questionnaires, surveys or on-the-spot interviews
- These days panels are being held to specify the time needed to fulfil IO
- Evaluation: two blocks:
 - » Wages of employees x time
 - » Number of companies x frequency
 - » administrative burden = bloc 1 x bloc 2

Preventing new bureaucracy

- new legal obligation must be examined in advance to determine new bureaucracy costs
- New Council is part of legislative procedure

Example:

Law on Investments

Data	Legal Basis	IO Requ.	Time/ min.	Wages/ h	Price t x w	Frequ.	Number of Cases	Quant. F x N	Price P x QU
Risk report		report	348	52,80	306,2	4	38	152	46.548
Notif.		Noitfy new funds	59	37,60	41,97	2	79	158	6.632

Preventing new bureaucracy: Effect

Cut in Bureaucracy costs:

- Investment Law old: 14.252.547 €
- Investment Law new: 6.950.065 €

Complementary Work

- Financial Markets are dominated by “Brussels regulations”
- ex: CRD exposure limits in Artt. 111-115 of directive 2006/48/EC: transposition created high number of form sheets
- Consequence:
New government took a “1 to 1 transposition” approach to achieve a level playing field

Additional Activities

- In the implementation of the 2005 coalition agreement, a survey on Germany's Banking surveillance system was carried out.
- DIW sent out more than 800 questionnaires and received a return of 65 %

DIW survey

- In the average, banks are satisfied with the surveillance practice in general
- significant spread between different types of banks (credit banks, saving banks, corporative banks)
 - ex.: Does an integrated surveillance cause more bureaucracy? Spread between credit banks and saving bank: 30%!
- lack in transparency and communication skills