STREAMLINING AND SIMPLIFICATION OF ENVIRONMENT RELATED REGULATORY REQUIREMENTS FOR COMPANIES

FINAL REPORT OF THE BEST PROJECT EXPERT GROUP

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Legal notice

This report is the result of a project carried out under the “BEST Procedure” of the Enterprise and Industry Directorate-General of the European Commission. The project has been conducted by staff from the Institute for European Environmental Policy (Brussels and London) and Ecologic (Berlin) together with experts from the BEST Expert Group.

Although the work has been carried out under the guidance of Commission officials, the views expressed in this document do not necessarily represent the opinion of the European Commission.

Further information

European Commission
Enterprise and Industry Directorate-General
Unit B4 'Competitiveness Aspects of Sustainable Development”
B-1049 Brussels, Belgium
Fax: +32-2-2991925
Email: Entr-competitiveness-sustainable-dev@cec.eu.int
Internet: http://europa.eu.int/comm/enterprise/environment/index.htm

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http://europa.eu.int/comm/enterprise/enterprise_policy/best/best_procedure.htm

Executive summary

This report presents the results of a study of the actions taken by Member States, Candidate Countries and other non-EU countries to simplify and streamline the requirements of environmental regulation, and thereby reduce burdens on businesses. A group of national experts and a consultant under the auspices of the European Commission's 'BEST Procedure' carried out the study. The report:

- describes 76 examples of concrete actions taken to streamline and simplify environmental regulation across 24 countries;
- identifies the elements of each action which represents best or good practice;
- elaborates on 26 examples of best practice actions which are particularly innovative in reducing administrative burdens; and
- makes a series of recommendations to the Member States and Commission on how the results of the report can be used in national simplification programmes to reduce administrative burdens on businesses subject to environmental regulation.

Reasons for the study
As part of the practical implementation of the Lisbon Strategy the Member States and Candidate Countries have been developing their national simplification programmes. These are aimed at reducing administrative burdens on industry by simplifying legislation and the framework for its implementation. This BEST project started in 2004 to identify practical examples of actions that had successfully been taken to reduce burdens.

Methodology and Results
The BEST Expert Group and the Commission gathered information on concrete actions that had been taken, initially by questionnaires. The Commission contracted consultants, the Institute for European Environmental Policy and Ecologic, to prepare the report. In order to determine if a case qualified as an action that could be regarded as **good practice** it had to pass a series of criteria such as the action had or would lead to actual reduction of burden on enterprises, and that it had lead to no overall net reduction in environmental protection. 76 concrete actions passed the criteria. They were grouped into the following seven categories developed by the BEST Expert Group for further analysis: organisation/institutional framework; simplification of permit schemes; simplification of monitoring/reporting; simplification of inspection; use of IT tools/electronic systems; risk-based/incentive-driven approach; and compliance assistance/support.

Actions featuring in each category were further evaluated to identify those which were clearly innovative approaches to simplification. These actions were classified as **best practice**, of which there were 26 examples. For each of the categories, the range of actions identified by the Expert Group is presented. Examples of actions considered to be best practice are highlighted in boxes throughout the text. Details of all of the actions are provided in the Annexes of the report with contact details of the national expert.

Recommendations
Based on the results of the study, the BEST Expert Group has made 33 recommendations to the Member States and Commission on taking forward the simplification actions. The recommendations are grouped together according to the categories within which they fit best. Overall, the BEST Group has recommended that concrete actions be taken in all of the

categories identified during the study. The selected best practice examples form the basis for a series of recommendations for policy makers and relevant stakeholders to help improve the development and implementation of simplification initiatives. They are addressed primarily at the Member States who should use them in their national simplification programmes. Some are addressed jointly to them and the Commission, or the Commission alone. The recommendations are set out at the front of the report.

Future actions

The BEST Expert Group has recommended that the Commission follows this project up with a conference in 18 months time to determine the extent to which the concrete actions identified in the report have been taken up by the Member States.

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0 Recommendations

This study has highlighted the wide range of simplification initiatives being undertaken in the Member States, Candidate Countries and outside Europe. The relevant participating countries have confirmed that none of the initiatives described in the report have lead to a reduction of the levels of environmental protection. The initiatives presented in the report are relevant to all types and scales of industry including SMEs; nearly all of the 76 projects have SME relevance. Furthermore, the results identified from the study apply more widely than the field of environmental regulation to the extent that they could be used as guiding principles for all simplification and streamlining initiatives whatever the subject area.

This study has identified a series of recommendations drawn from the lessons learned in the study of practices in different countries. The recommendations are directed primarily to Member State authorities and the European Commission, although some are also applicable to businesses. The recommendations initially consider strategic issues and are then structured according to individual aspects of regulation (permitting, monitoring and inspection), as well as specific recommendations relating to IT-tools, risk-based regulation and compliance assistance. This structure mirrors the analytical structure of the main report, enabling the reader to identify the basis for individual recommendations.

0.1 General

Many of the Member States have already made significant progress in their efforts to simplify and streamline the burdens imposed on all businesses by environmental regulation. During the development of simplification ideas many good ideas have been generated and it is apparent that many of these could be transferred to other countries or regulatory regimes (such as the Operator Pollution Risk Appraisal system in Ireland being based in part on the system operated in the UK). Therefore, we would first stress two general recommendations which would facilitate such knowledge transfer:

- Member States should review the applicability of the actions identified in this study to their own situation, adopting or adapting them as befits their circumstances.

- Member States have much to learn from each other in the development and implementation of a wide range of simplification initiatives. Member States should seek opportunities to enhance this learning process by using different information exchange platforms, such as that provided within the BEST Expert Group.

- The European Commission should consider, in co-operation with the BEST Expert Group, opportunities to build upon the results of this study to allow Group members to report back on progress with ongoing initiatives, and on the initiatives that have been started following publication.

0.2 Organisational or institutional framework

The institutional and legal framework within which regulation takes place is unique to each Member State. However, each provides the whole context for regulatory activity and can act either as a barrier to, or enabler of, simplification. This has important consequences for the

level of burden on businesses. There is a wide range of initiatives in this area, including bringing institutional responsibilities together in one-stop-shops (such as in Italy), undertaking detailed costed analysis of burdens to direct simplification (as in Denmark, the Netherlands and UK) and other approaches that ask fundamental questions of what is required and how it can be better delivered (such as in Bulgaria and Portugal). Based on this synthesis we recommend that:

- Member States and the European Commission should further develop and undertake strategic approaches to simplification. This would allow them to identify the biggest regulatory burdens (such as from poor design of regulations) which would subsequently allow for these burdens to be the subject of properly targeted simplification measures. Ideally these strategic approaches should be government-wide to provide the context for initiatives on environmental regulation.

- Member States and the European Commission should undertake quantified analyses (such as the standard cost model) of the burdens of regulation wherever practicable in discussion with the stakeholder groups. This will allow Member States to identify the actual burden so as to guide the targeting of initiatives and the monitoring of progress during implementation. Authorities must always consider the burdens placed on businesses when new rules are proposed and ensure that they fully understand the implications for different types of business. Particular attention must be paid to SMEs as they are most likely to suffer if weighed down with excessive bureaucracy, and are the most likely to flourish from initiatives to simplify the regulatory regimes.

- Member States must look at the scope for introducing new or changed legal requirements using existing laws and structures rather than changing the legislative framework each time.

- Member States and the European Commission should encourage business stakeholders to come forward with ideas for simplifying regulations and evidence of unnecessary costs from regulation.

- Member States and the European Commission must ensure that all legal instruments are written so that they are easily understood, easily implemented, easily enforced and enable consistent, proportionate, risk-based approaches to be adopted. All interested parties must be consulted when they are being drafted.

- Member States should explore opportunities to advance the use of one-stop-shops for permitting and other regulatory interactions.

- Member States and the European Commission should work to ensure full stakeholder consultation and buy-in to regulatory changes. There also needs to be an effective and ongoing communication strategy to ensure that businesses use and benefit from the tool and that simplification measures improve actual business experience.

- The European Commission must ensure that the drafting of legislative proposals does not preclude the opportunity afforded to Member States of simplifying or streamlining their own legislation during transposition (such as the opportunity to use general binding rules).

- Member States should ensure that all simplification initiatives are monitored and reviewed in order to determine if they have been fully implemented and to identify opportunities for further business benefits.

0.3 Simplification of permit schemes

Many activities require a permit or licence before they are allowed to be constructed, to operate or to undertake particular activities. Acquisition of a permit can involve different administrative processes which can be complex and impose significant costs on businesses. Countries have employed a wide variety of approaches to the simplification of permitting requirements. Examples include bringing different permit systems into a unified regime (as in the 'VROM' permit in the Netherlands), introducing general binding rules in place of some bespoke permits (as in Denmark), improving permit management (as in Germany) and facilitating the process with IT tools (as in Ireland). Based on the examples presented in this report we recommend that:

- Member States should examine the opportunities for bringing different permitting processes together into one permitting process. This should be done in a way that maximises the reduction in administrative tasks in permitting. The scope of such integration can include different areas of environmental regulation and also other areas, such as health and safety, where practicable, to provide more holistic approaches.

- Member States should consider the use of general binding rules to minimise the need to make individual permit applications without reducing protection of the environment.

- Member States should also examine the benefits of using alternative approaches to traditional regulation, such as voluntary agreements, economic instruments, etc, to seek lower cost routes to achieving environmental outcomes.

- Member States should improve the support they give to businesses in the permitting processes, for example by providing clear guidance to support on-line applications for permits. The more complex a permit application (or at least the more it covers), the more necessary it is that there is a clear guide to help applicants. In particular for SMEs this could be done within the framework of the compliance assistance programme for SMEs, as foreseen in the EU 6th Environmental Action Programme.

- Member States should increase the use of IT tools for permitting processes particularly by using fully on-line applications. Interactive web-based solutions should be considered to allow the replacement of paper-based systems wherever possible.

0.4 Simplification of monitoring or reporting

Monitoring and reporting can impose significant costs on businesses and regulators. The study found a large number of initiatives relating to monitoring and reporting. Almost all are IT tools which have been developed to make the delivery of information from companies to regulatory authorities easier, ease data processing and provide a presentational platform that

can help the regulator to provide information back to the company and other stakeholders including the public. Examples include Integraal Milieujaarverslag in Belgium and the Hercules Project in Spain. We recommend that:

- The European Commission and Member States should examine the scope for harmonising monitoring and reporting requirements across different regulations, focussing on what the monitoring is trying to deliver.

- Member States should aim to adopt systems that ensure that businesses do not have to provide unnecessary information nor give the same piece of information twice.

- Member States should increase the use of IT tools for monitoring and reporting. Interactive web-based solutions should replace paper-based systems wherever practicable. In particular, reporting of emissions using web-based tools could be adopted widely across the Member States.

- Member States should ensure that adequate start-up and on-going routine funding for IT tools and data sharing systems is available. This will not only ensure their long-term sustainability, but also that they remain up-to-date and comprehensive.

0.5 Simplification of inspection

Inspection is the principal tool for regulatory authorities to ensure companies comply with environmental law. This study found few initiatives aimed at the simplification of inspection systems, although the risked-based Operator and Pollution Risk Appraisal approach in the UK changes the approach to inspection planning and execution. In Austria (Styria) the unification of inspection systems with improved transparency and integration with IT systems has simplified inspection as has an initiative to improve inspection coherence in France. Our recommendations are:

- Member States should examine the opportunities for the introduction of simplification measures relating to environmental inspections. Member States should seek to use new tools in better targeting environmental inspections.

- Member States should seek to identify opportunities for combining inspections for different purposes into fewer inspections. This would reduce the amount of time business has to spend preparing for, and being subject to, inspections.

- Member States should adopt the use of IT tools to support inspection processes.

0.6 Use of information technology tools and electronic systems

The rapid expansion of information technology facilities in recent years has opened many possibilities for new simplification tools. It is also important to note that IT tools are, of course, not an end in themselves but support various aspects of the regulatory cycle. Thus they can be used to support permitting (such as the EUDIN system in Austria for waste transfer notifications), monitoring (such as REGINE information system in Belgium) or aid in compliance assistance (such as the EnviroCentre website for SMEs in Ireland). Recommendations are:

- Member States should explore the full range of opportunities that IT now provides across the range of their regulatory activities to help identify areas where more cost-effective approaches might be introduced.

- Member States should ensure that adequate start-up and on-going routine funding for IT tools is available. This will not only ensure their long-term sustainability, but also that they remain up-to-date and comprehensive.

- Communication with stakeholders is important particularly when IT tools are introduced in order to ensure businesses use them and benefit from them.

- Member States should investigate the adoption of a EUDIN-like waste shipment monitoring tool.

0.7 Risk-based and incentive driven approaches

Risk-based regulation aims to focus the efforts of regulation (and the costs incurred by business) at those activities that pose the greater risks to health or the environment. While the basic approach is not new, there are important recently developed initiatives in this area within the EU. Two examples are the Operator and Pollution Risk Appraisal approach in the UK and a similar system which is being implemented in Ireland. The latter example demonstrates well the transferability of initiatives between Member States. Risk-based regulation also forms an integral approach to initiatives in other areas such as the current industrial permitting system in Portugal. From a synthesis of the initiatives presented in this report we recommend that:

- Member States should give greater consideration to transparent risk-based regulatory approaches (such as taking account of involvement of companies in voluntary schemes such as EMAS) so that differential risk is translated into differential regulatory activity in order to concentrate resources on the areas that need them most.

- Member States should ensure that there is adequate justification for the determination of risk which is made transparent to stakeholders. Any operator subject to greater regulatory activity because they are perceived to be of greater risk is justified in seeking clarification of the reasons.

0.8 Compliance assistance and support mechanisms

Member States are increasingly using a variety of approaches to improve the assistance they provide to companies to help them comply with environmental law, with many specifically targeted at helping SMEs. Interesting initiatives in this area are web-based support tools (such as regelhjelp in Norway and NetRegs in the UK.) These systems contain extensive regulatory information arranged in different ways (by regulation, activity, sector, etc) to facilitate ease of understanding and navigation by businesses. Compliance support is also increasingly linked to other simplification initiatives such as the EMAS Easy initiative for SMEs in Lithuania. Recommendations are:

- Member States should determine the compliance information needs of businesses (especially SMEs) and pursue initiatives that would help businesses meet these needs.

- Member States should examine opportunities to use compliance assistance initiatives across all areas of regulatory activity. This can usefully build upon the work of the EU's Compliance Assistance Programme.

- Member States should ensure adequate start-up and routine funding for compliance assistance tools, to ensure their long-term sustainability and that they remain up-to-date and comprehensive.

1 Introduction

1. The need for ensuring strong economic growth while protecting the environment has long been recognised as one of the cornerstones of policy of the European Commission and the Member States. At the heart of this policy is the recognition that better regulation is good for growth, jobs and the environment. Back in 2000 at the meeting in Lisbon, the European Council gave a mandate to the Commission to pursue better regulation in the context of the Lisbon agenda. This was reinforced by the renewed Lisbon Strategy proposed by the Commission and endorsed by the European Summit in the spring of 2005. Since then there has been an increasing focus on better regulation at both European and Member State levels because the body of environmental legislation has increased in volume as more has been added to the existing stock over recent decades. This can cause issues of consistency and complex interactions to the point where the administrative requirements can become overly burdensome. Excessive administrative requirements can be a particular burden for small and medium-sized enterprises (SMEs). The work of DG Enterprise and Industry and the BEST Expert Group are critical in examining different approaches to the simplification of environmental regulation so as to reduce that administrative burden, drawing upon the many initiatives that are currently in place. This report aims to support the work of DG Enterprise and Industry and the BEST Expert Group in undertaking their tasks.

2. The burdens associated with regulation will be most apparent at the point where they are delivered on the ground by local or regional government and regulatory bodies. However, it is important to recognise that the regulatory framework that these organisations operate in is crucial to enable them to regulate effectively but also in allowing them to adopt approaches that minimise burdens on business. Often the responsibility for developing or interpreting the regulatory framework may rest with other authorities or parts of Government. The role of authorities varies across the 'regulatory cycle' of permitting, monitoring and inspection (see section 5.2) and is often quite different across the Member States. There is, therefore, the potential for a wide range of simplification measures in the Member States and lessons that can be drawn from them.

2 Objectives of the study

3. This study had the objective to assess the simplification and streamlining of environment-related regulatory requirements for companies based on existing national and regional initiatives, including in the transposition and implementation of EU law. The study seeks to identify best practice initiatives undertaken in different countries with the aim that others can learn from them. The study seeks to identify simpler and more cost-effective ways to deliver environmental protection objectives. It is not concerned with 'de-regulation', but rather focuses on how to meet the same environmental objectives whilst reducing the administrative burden for businesses.

3 Administrative simplification and the extent of the administrative burden

4. Administrative simplification covers a wide range of possibilities including removing regulations, merging regulations into a more manageable form and resolving overlap or inconsistency within or between regulations. It includes reducing the burden of paperwork and the time taken dealing with information requests. In practice, simplification will reduce regulatory burdens through improvements to the regulations or the way they are administered or enforced. The aim of simplification is to reduce regulatory burdens wherever possible but without removing necessary protections for the environment or workers. Reducing burdens is an important economic driver, is a contribution to the Lisbon agenda and is a stimulation for innovation.

5. Meeting the requirements of environmental regulation can impose significant costs on businesses. Three Member States have sought to provide quantified overall estimates of this burden (further details in the cases in Annex II):

- In Denmark the overall figure for annual administrative burdens relating to environmental regulation has been estimated to be DKr 1.1 billion (€ 150 million);
- In the Netherlands regulations under the Environment Ministry (VROM) result in annual costs of € 1,677 million (€ 1,216 million for environmental regulation specifically); and
- In Sweden the total annual costs have been estimated at 3,640 million SEK (€ 387 million).

6. Quantification is continuing in other Member States (a figure for the UK is expected shortly). It is clear that variations exist between Member States. However, it is also important to consider exactly what is included in the calculation (e.g. all environmental regulation or only that for which a Ministry is directly responsible). In any case the costs to businesses are significant and measures to reduce these costs are required.

7. "Cutting red-tape", reducing the "administrative" or "regulatory" burdens on companies, "streamlining" regulation, "simplifying" regulation and "better" regulation are common terms applied to the policy drive taking place in many European countries to address the cumulative effect of these regulations. Increasingly public authorities have introduced regulatory reform programmes to improve the efficiency and effectiveness of regulations in a variety of ways, e.g. removal of obsolete and contradictory requirements, consolidation of overlapping legal requirements, application of new tools with the support of IT and introduction of organisational and structural changes. The OECD survey "From Red Tape to Smart Tape" uses the term "administrative simplification" to cover the range of measures set out above and this term is, therefore, reflected in the title of this report.[1]

[1] From Red Tape to Smart Tape: administrative simplification in OECD countries, OECD 2003.

8. The BEST project has identified three broad categories that can be included in the term 'administrative simplification'. These are:

- Designing legislation to ensure legislative coherence and cost-effectiveness and to ease the understanding of the operator in line with better regulation initiatives without lowering the environmental objectives to be achieved. This includes measures to consolidate legislation and to repeal obsolete or redundant legislation;
- Simplifying the implementation of legislation (both EU Directives and national laws) by introducing measures such as one-stop-shops (electronic and physical), simplification of permitting and licensing procedures, setting time limits for decision-making and applying IT-based solutions; and
- The introduction of new organisational and structural approaches to meet environmental objectives by introducing, for example, a more risk-based approach to regulating industry, whereby efforts are targeted on those companies where the risks are highest and rewarding 'good' performers with less supervision and control.

9. This report focuses on the second and third categories of administrative simplification, although categories 1 and 2 are related and cannot be treated completely separately. Indeed, simplifying implementation is sometimes impeded because of badly designed legislation.

10. Apart from the types of simplification measure, we can also identify principles underlying such measures. For example, the Mandelkern Group on Better Regulation[2] identified the following common principles for better regulation, many of which apply at national level:

- The principle of necessity – are the regulations needed;
- The principle of proportionality – balancing the advantages which regulation provides with the constraints it imposes;
- The principle of subsidiarity – decisions being taken as close as possible to the citizen;
- The principle of transparency – the need for participation and consultation;
- The principle of accountability – the responsibility for decisions, etc, should be identifiable; and
- The principle of accessibility – regulation to be accessible to those to whom it is addressed.

11. Since 2000 the European Council has made a number of statements that have progressively emphasised the need for better regulation or, more specifically, reduced regulatory burdens at EU and national level; these include:

- 'The European institutions, national governments and regional and local authorities to pay particular attention to the impact and compliance costs of proposed regulations and pursue their dialogue with business and citizens with this aim in mind' (March 2000)[3];

[2] Mandelkern Group on Better Regulation - Final Report (2001).
[3] Conclusions of the Lisbon European Council, 23 and 24 March 2000.

- 'Businesses and citizens need a regulatory environment which is clear, simple, effective and workable in a rapidly changing global marketplace' (March 2001)[4];
- 'The economic, social and environmental effects of all policies should be examined in a co-ordinated way and taken into account in decision-making' (June 2001)[5];
- The Council considered the Commission Communication 'simplifying and improving the regulatory environment' and recommended that it 'lead to a practical plan of action in the first half of 2002' (December 2001)[6]
- 'Efforts to simplify and improve the regulatory environment will be vigorously pursued at national and Community level' (March 2002)[7];

12. In its June 2002 Communication "Action Plan: Simplifying and improving the regulatory environment"[8] the European Commission presented an Action Plan to the European Council introducing 'a strategy for further co-ordinated action to simplify the regulatory environment.' This Communication was issued in accordance with the mandate given by the European Council at Lisbon, and confirmed at the Stockholm, Laeken and Barcelona summits.

13. The Action Plan focussed on the individual and joint responsibilities of the Commission, European Parliament, Council and the Member States. It described the actions each of these could take in pursuit of the Lisbon agenda. Many of the actions were assigned to the Commission which reported on progress with them in its February 2003 Communication "Updating and simplifying the Community acquis"[9]. However, the Communication recognised that Member States have an important responsibility when it comes to simplifying and improving the regulatory environment, particularly in terms of transposing and implementing Community legislation. One of the actions called for the rationalisation of their internal procedures in relation to the legislative process, particularly when it came to the early involvement of regulatory authorities. This was followed by a further call by the Council in March 2003 for rapid implementation of the Action Plan "Simplifying and improving the Regulatory Environment", which had been presented at the Council meeting in Seville, June 2002[10].

14. In its Communication on simplifying EU legislation of 25 October 2005[11] the Commission tabled a three year action programme for simplifying EU legislation. The programme will cover 222 pieces of legislations and over 1,400 related legal acts. The Communication recognised that simplification could be achieved through different means including simple codification, repealing irrelevant or obsolete legislation, recasting of existing acts with a view to clarifying and improving consistency, and a modification of the chosen regulatory approach. Overall, the programme should lead to legislation that is easier to apply and therefore more effective while preserving the policy objectives of the EU.

[4] Conclusions of the Stockholm European Council, 23 and 24 March 2001.
[5] Conclusions of the Gothenburg European Council, 15 and 16 June 2001.
[6] Conclusions of the Laeken European Council, 14 and 15 December 2001.
[7] Conclusions of the Barcelona European Council, 15 and 16 March 2002.
[8] COM(2002) 278 final.
[9] COM(2003) 71 final.
[10] Conclusions of the Brussels European Council, 20 and 21 March 2003.
[11] COM(2005) 535 final.

15. The European Council reaffirmed the importance of reducing unnecessary burdens for business and citizens in December 2005[12]. It welcomed the Commission's new programme for simplifying EU legislation, and called on the Council and the European Parliament to give high priority to progressing simplification proposals through the legislative system. Furthermore, the Spring European Council acknowledged[13] the utmost importance of creating a more favourable business environment, especially for small and medium-sized enterprises (SMEs).

16. Already the number of simplification initiatives at national level is large in response to the original Lisbon agenda. The initiatives range from relatively straightforward simplification procedures, such as making permit application forms less complex, to extensive re-evaluation of the way that environmental law is implemented. The recent Dutch decision to remove obligations on many small businesses is a good example as is its view that a citizenship 'duty of care' requirement could replace specific regulatory requirements, especially for SMEs combined with practical information on technical measures that at least comply with the duty of care.[14]. Detailed methods of assessment have also been developed to support this, such as the 'standard cost model'[15].

17. It is clear from this summary that the drive for simplification continues as a central theme within the EU. Given the objectives of the project mentioned in section 2 and its scope, it is evident that this BEST project will make a significant contribution to assisting the Member States to identify appropriate initiatives for use in their national Reform Programmes as foreseen in the renewed Lisbon strategy.

4 The BEST procedure in context

18. The Business Environment Simplification Task Force (BEST) was set up in 1997; it involves representatives from the business community and public authorities in the Member States. The BEST Procedure provides a framework to support Member States' efforts to improve their performance by learning from best practices in the EU or in the rest of the world. It aims to:

- Trigger policy change in the Member States in areas of importance for enterprises so as to improve the business environment;
- Attract high-level political attention through clear, operational conclusions that capture the attention of Ministers, senior officials and the business community alike; and
- Serve the policy objectives of the Multi-Annual Programme for Enterprise and Entrepreneurship, and the European Charter for Small Enterprises.

19. The BEST Procedure was launched in 2000 as a European Commission response to the Lisbon European Council call for an open method for co-ordination in the field of enterprise policy. Its purpose is to focus high-level political attention on key issues,

[12] Conclusions of the Brussels European Council, 15 and 16 December 2005.
[13] Conclusions of the Brussels European Council, 23 and 24 March 2006.
[14] Ministry of Justice 2004 A Practical Legal System A White Paper from the Ministry of Justice of the Netherlands, 59pp.
[15] Ministry of Finance 2003. Focus on Administrative Burdens! Guide for Defining and Quantifying Administrative Burdens for Businesses. Ministry of Finance, the Netherlands. 40pp.

agreed with the national governments in consultation with business organisations, in order to bring about concrete changes in national policies and to thereby improve the business environment.

20. The BEST Procedure provides a framework to support Member States' efforts to improve their performance by learning from best practices. BEST projects are intended to concentrate on narrowly defined, well-focused issues in high profile policy areas where improvements in Member States' performances are needed. These policy areas may be identified through the various reports produced by DG Enterprise and Industry, such as the Enterprise and the Innovation Scoreboards, the Competitiveness Report and the Charter Implementation Report. Above all, BEST projects bring work to a policy conclusion by providing concrete, visible and exploitable results.

5 Methodology

5.1 Introduction

21. The study involved the following tasks:

- Complementing and clarifying existing collected information on national simplification initiatives in close co-operation with the BEST Expert Group;
- Comparing and categorising the "simplification" initiatives on the basis of the information collected. The initiatives were categorised into different components of initiatives adopted by governments to reduce the administrative burdens. These components comprise, in the main, actions to be undertaken to ensure success and the comprehensibility of national initiatives;
- Identifying good/best practices amongst national initiatives identified under the different components of categories on the basis of an agreed set of evaluation criteria;
- Analysing conditions for success of the initiatives; and
- Contributing to the formulation of recommendations.

22. The collection of information on cases of simplification in the different countries built upon existing work undertaken by DG Enterprise and Industry and the BEST Expert Group. This work was in the form of a questionnaire on such cases completed by many of the BEST Expert Group members during 2005. A copy of the questionnaire is given in Annex I. The questionnaire results provided a good starting point for the work.

23. It was, therefore, necessary for the project team to seek additional information to complete the objectives of the study. This was done by:

- Seeking clarification and additional detail from BEST Expert Group members (and others in countries) on cases described in completed questionnaires and seeking potential new cases;
- Seeking views on initiatives (and additional initiatives) from key stakeholders, particularly industry, through a meeting of EU level industry associations in Brussels and follow-up with them and selected individual industry contacts;

- These contacts were made variously through meetings, telephone and email; and
- Use of literature, particularly web-based and other information on initiatives.

24. As a result a large number of contacts were made and the project team is especially grateful for all of the assistance that was given to it. The team did identify some additional cases from Member States that had already reported as well as information from Member States that had not reported. In most cases additional information on the initiatives identified was also obtained. In some instances the cases identified in the questionnaires reflected different aspects of the same case and have, therefore, been combined. In rare instances cases indicated in questionnaire responses did not warrant inclusion in the report as they did not fit the criteria identified.

25. Having identified and described the initiatives being undertaken in the countries, it was necessary to determine which were best cases. The October 2005 BEST Expert Group meeting agreed that the selection of best cases should meet the two groups of criteria. It was agreed that each best practice case should meet all of the compulsory criteria and at least two of the four optional criteria:

26. Compulsory criteria:

- Increased efficiency of implementation – e.g. scope for significant cost-saving to business;
- Clarity of objectives/comprehensibility;
- Transferability to other countries/sectors/regulatory regimes; and
- The initiative must not result in a net reduction in environmental protection.

27. Optional criteria:

- The extent to which the initiative benefits SMEs;
- The quantified predicted or measurable benefits/outcomes;
- The ease of implementation; and
- It is innovative.

28. Having identified the best practice case examples and described them in detail, the study has sought to identify the factors which contributed to or were responsible for the success of these examples and wider lessons and recommendations.

29. This work has been undertaken by a team from the Institute for European Environmental Policy and Ecologic commissioned by DG Enterprise and Industry in close collaboration with the BEST Expert Group.

5.2 Categories and measures and the regulatory cycle

30. It is important to note that burdens can be imposed upon businesses at different stages in the regulatory cycle and that simplification measures might be appropriate at any stage in that cycle. We stress this point as some simplification initiatives focus on the early stages of the regulatory cycle (legislation and permit requirements) over which national policy makers have most interest or direct control. However, the burdens resulting from the latter stages (such as monitoring and inspection) can also be

burdensome, although they can receive less attention as they are often undertaken by non-ministerial authorities It is important to recognise that the legislative framework developed by national policy makers has a crucial role to play in enabling non-ministerial authorities to adopt effective approaches that minimise burdens.

31. Within the context of this report an initiative represents an overall programme aimed at simplification of the regulatory regime. Each initiative comprises one or more concrete actions which are termed case studies for the purposes of this report. In undertaking this BEST project, the actions have been grouped into categories which reflect the principal purpose of each concrete action. For example, if an action is best described as a compliance assistance tool, it has been allocated to this category even though it may also have fallen into the IT category as well.

32. At the BEST Expert Group meeting in October 2005 it was agreed that national simplification initiatives should be analysed through the relevant categories of actions. The group recognised that it was important to consider simplification initiatives at different stages of that cycle. Thus the following categories were agreed:

- Organisational or institutional framework;
- Simplification of permit schemes;
- Simplification of monitoring or reporting; and
- Simplification of inspection.

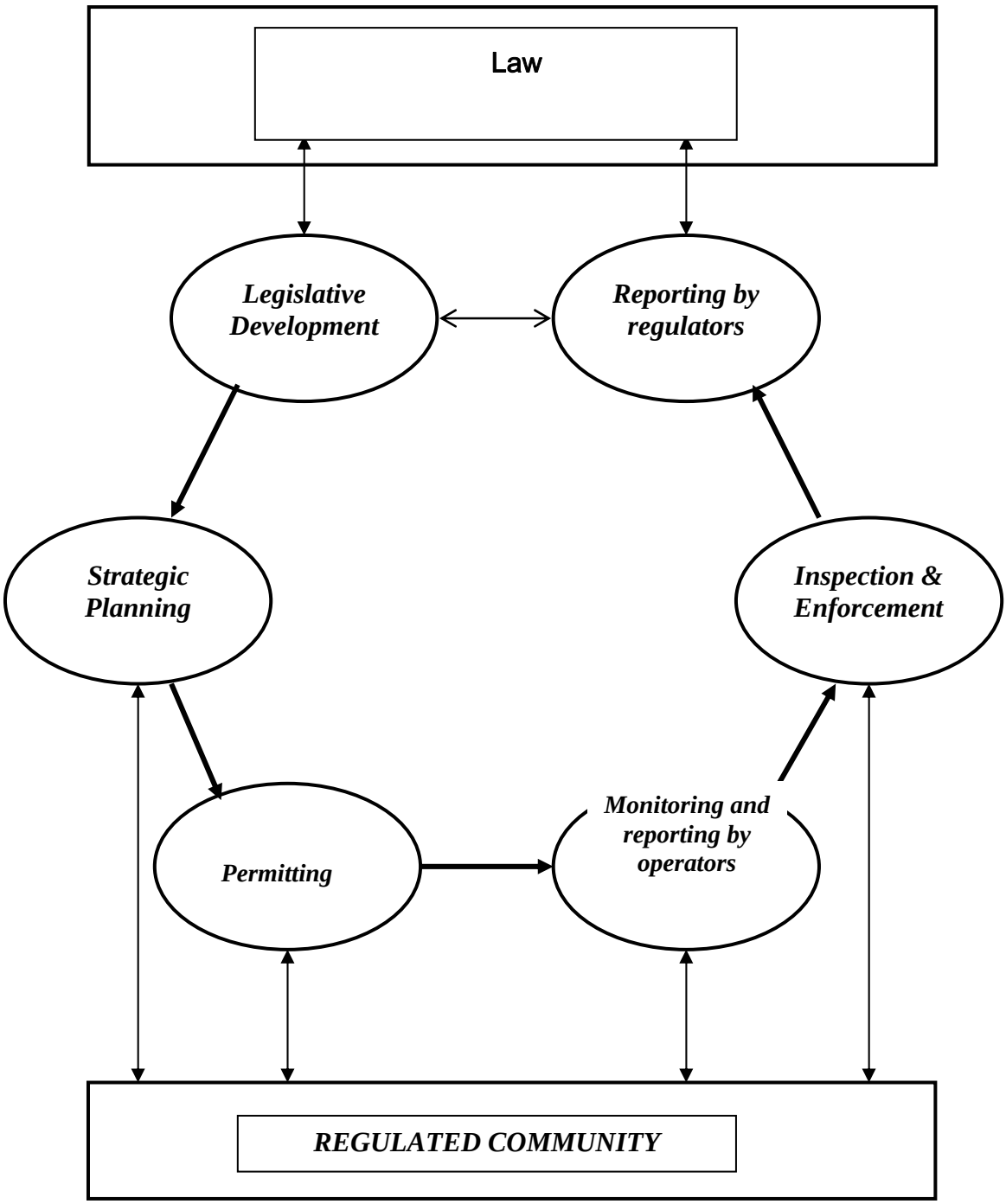
33. While these related to the regulatory cycle, it was also considered important to distinguish different types of tools and approaches. Therefore, the following additional categories were also identified:

- Use of IT tools and electronic systems;
- Risk-based and incentive driven approaches;
- Compliance assistance and support mechanisms; and
- Other.

34. It is useful to note that the regulatory cycle consists of the following stages:

- **Legislative Development** involves the development of national legislation, including the transposition of EC legislation, including both framework legislation and the technical regulations that flow from this;
- **Strategic Planning** involves the preparation of the strategies and plans that are required (explicitly or implicitly) in order to implement legislation;
- **Permitting** procedures for both new and existing plants, facilities and operations covered by environmental law;
- **Monitoring and reporting** procedures and practices, both for individual installations and, where appropriate, operations (such as waste collection), and for more general environmental quality;
- **Inspection** procedures in cases where monitoring reveals that required standards are not being met.

35. The relationships between the components of the cycle are shown in the figure below.


Law
Legislative Development
Reporting by regulators
Strategic Planning
Inspection & Enforcement
Permitting
Monitoring and reporting by operators
REGULATED COMMUNITY

6 Results

6.1 The range of initiatives undertaken in the Member States

36. The study found that a wide range of simplification measures are in place or are under development in many Member States. Most had been reported through completion of the BEST questionnaire.

37. The cases readily met some of the criteria, but less readily for others. For example, many initiatives have elements which are transferable to other Member States. Furthermore all cases seem to have benefits for SMEs. However, true innovation was less common. It was not always easy to distinguish between best and good cases. As a result the best cases in this report represent those we feel most exemplify the chosen criteria, while at the same time we wish to stress the value of the experience within the good practice cases.

38. The results of the work are given in two Annexes. Annex II gives detailed descriptions of the best/good cases that were identified from countries in Europe. Each case is introduced in an individual manner to stress those aspects of particular interest. Annex III provides information about initiatives from non-European countries.

39. The table below provides a list of the best practice cases identified for each Member State. Overall 76 European and international cases were identified, of which 26 were selected as best practice examples – roughly one third. The table identifies each best practice case and briefly describes what it is and which criteria it most fulfils (although this is a non-exhaustive list).

40. It is clear that there are a number of actions in each category and that also many of the national initiatives fall into more than one category (see Table in Annex II). For example, there are many initiatives that involve IT tools to improve monitoring or reporting. Similarly, many strategic approaches include a revision of permitting and many initiatives include an element of compliance assistance.

41. However, there are two categories where the number of actions is lower – simplification of inspection procedures and risk-based regulation. It is not clear whether this represents a true reflection of where simplification measures are focused, or some product of the way that the information gathering has taken place. However, we suspect that it might be a real result, given that such initiatives focus on later stages in the regulatory cycle, whereas more strategic policy developments on simplification and better regulation tend to focus on up-front issues such as legislation and permitting.

Table. Best practice cases of simplification initiatives from European countries identified during the project indicating the main focus of the case.

Case	Focus
Austria	
European Data Interchange for waste notification systems (EUDIN)	An IT tool that reduces the administrative burdens of waste shipments. In particular it is innovative, increases efficiency, has an ease of implementation and is readily transferable to other Member States.
Belgium	
Codification and simplification of environmental legislation in Flanders	A detailed reassessment of environmental law in Flanders leading to reform in a number of areas. This increases efficiency of implementation and is innovative in that it has such a comprehensive approach.
Integraal milieujaarverslag: the integrated environmental reporting system in Flanders	A major IT tool that increases the efficiency of data reporting by companies. It has particular benefits to SMEs and is relatively innovative.
Simplification of permit schemes in Walloon	A comprehensive approach to integrating different permitting regimes, unifying administration and speeding up processes. The approach increases efficiency, reduces costs, has particular benefits to SMEs and its scope is innovative.
Electronic systems for monitoring and reporting in Walloon - REGINE	A major IT tool that increases the efficiency of data reporting by companies. It has particular benefits to SMEs and is relatively innovative and transferable to other countries.
Bulgaria	
Strategic approaches to regulation	A comprehensive approach to the analysis of administrative burdens that leads to a range of actions to reduce burdens of permitting. It has particular benefits to SMEs and is innovative, not least in demonstrating that such approaches can take place in the context of the approximation processes within Candidate Countries.
Denmark	
Strategic approaches to simplification	A strategic analysis of administrative burdens from environmental legislation together with a series of reforms to ease these burdens. The initiative results in significant cost savings, is innovative and, in particular, is characterised by detailed quantified assessments of burdens assisting in targeting action.
Finland	
Simplifying the Permit Procedure and Administration	A comprehensive reassessment of permitting requirements linked with extensive administrative structural reform. It leads to significant cost savings to business, has a particular focus on SMEs and is innovative.
Germany	
Simplification and Acceleration Measures	A legislative change which results in a speeding-up of the permitting process. It is simple, clear, easy to implement and readily transferable to other Member States.
Simplification and Streamlining of Environmental Requirements for Companies	A management approach to assisting companies through the permit process through use of a ‘project pilot’. It is clear, increases efficiency, is easy to implement and benefits SMEs.
Ireland	
Risk-based approaches to enforcement	A strategic approach to reviewing regulation resulting in a quantified risk-based approach to permitting and inspection. It is clear, increases efficiency, transferable and can benefit SMEs.

Case	Focus
EnviroCentre	An SME support tool based on an information web-site with supporting activities. It is innovative, benefits SMEs and is readily transferable to other Member States.
Italy	
One-Stop-Shop for Productive Activities	A legislative initiative that requires authorities to consolidate administration to reduce burdens. It increases efficiency, benefits SMEs, is transferable and has quantified measurements of outcomes.
Lithuania	
Eco-mapping – simplification of EMAS implementation in SMEs	An initiative focused on a number of countries that simplifies EMAS requirements for SMEs. It increases efficiency, is designed to be transferable, has ease of implementation and is innovative.
Netherlands	
Strategic approaches to simplification	A major strategic approach to examining regulatory burdens across a wide area with detailed quantitative analysis and a large number of sub-projects with simplification outcomes. This is aimed at increasing efficiency, has clear objectives, has benefits to SMEs and is quantified in its approach.
Simplification of permitting	A major initiative to consolidate a large number of permits into one system and remove bespoke permitting requirements where possible. It has major cost savings, has benefits to SMEs, is based on quantification. It has clear objectives and is ambitious.
Norway	
Regulation help - Clarification of the legal framework	A web-based tool which provides information and support for SMEs. It has clear objectives and aims to ease burdens for SMEs.
Poland	
"One permit one site", permitting IPPC and non IPPC installations on the same site	A simple initiative which consolidates permit requirements for selected installations. It reduces costs, is clear, simple and can benefit SMEs. It is readily transferable to other Member States.
Portugal	
Legislative and Administrative Simplification	A major strategic initiative to examine regulatory burdens across a wide area and develop simplification outcomes. It is focused on cost reduction, has clear objectives, will benefit SMEs and is transferable.
Simplifying industrial licensing	A initiative which introduces risk-based approach to permitting and inspection. It simplifies permitting requirements. It has cost-savings to business, is transferable and has benefits to SMEs and is innovative.
Spain	
Hercules Project – IT tools: electronic reporting	An IT tool for the movement and management of hazardous waste replacing paper systems. It reduces costs, is clear, benefits SMEs and is innovative.
Sweden	
The 'FMH' project	An initiative to simplify permit schemes through introducing notification. It is quantified, clear and is specifically targeted at benefiting SMEs.
United Kingdom	
Strategic approaches to better regulation	A major strategic initiative to reduce regulatory burdens through simplification. This involves tiers of analysis at different levels (government, ministry, agency) to identify and measure burdens, clarify objectives and develop solutions. It focuses on increasing effectiveness and efficiency, and delivers cost reductions, SME benefits, is transferable and is founded on quantified analysis.

Case	Focus
Risk-based regulation – OPRA	An initiative focused on quantitative analysis of risk to direct different regulatory issues (permitting, fees, inspection). It eases costs, is transferable, is quantified and innovative.
The environmental permitting programme	An initiative to consolidate different permitting regimes. It aims at reducing costs, has clear objectives and benefits SMEs. It also has detailed quantitative analysis of costs underlying its detail.
NetRegs support for SMEs	A major web-based compliance support tool for SMEs. It is particularly extensive and has innovative features. There is also extensive supporting analysis. It is innovative, clear and focused on cost reduction.

42. The BEST Expert Group identified a series of categories of actions characterising the national initiatives (see Section 5) and further discussion of the results is structured according to these categories. In each case the category is introduced, followed by an overview of the actions undertaken in the Member States. It continues with a discussion of the good/best cases and concludes with a consideration of the lessons that arise.

43. Despite the focus on the best practice examples (such as in the form of boxed examples), it is important to note that in discussing the results, the good practice examples are also taken into account. It is worth noting that because a case is identified as 'best', it does not mean that everything about it is, necessarily, 'best'. Similarly, because an example is not selected as 'best' does not mean that it does not have very worthwhile elements to be considered by other Member States.

6.2 Best practices: organisational or institutional framework

44. The institutional framework within which regulation takes place is unique to each Member State and represents a combination of a range of historical and cultural circumstances influenced by other factors such as EU law. In the context of this report the framework includes both the structures of regulatory bodies and that of environmental law.

45. Because of the prevalence of local circumstances in determining the character of these high level structures, a simple restructuring is likely to be of little interest to other Member States, even if it does deliver simplification benefits. For this reason the terms of reference of this project stressed that this area of initiatives should not be a particular focus of the study. Having said this, there is a type of restructuring which is of wider interest. This is an approach taken in Italy (see Box 1) encouraging the setting-up of one-stop-shops for business regulation. While the particular context is Italian, the principle is of wider potential applicability in Member States which have multiple regulators. A management approach can also be appropriate, whereby companies are supported by a single personal point of contact, as exemplified by the case from Germany ('project pilot') (Box 1).

46. The OECD[16] has stated that 'the purpose of one-stop-shops is to provide substantial savings in information search and transaction costs for users in relation to a wide

[16] OECD 2002. Administrative simplification – practices and strategies in OECD countries. Working Party on Regulatory Management and Reform.

range of interactions with government', with additional benefits of 'increasing accountability, objectivity and placing decision-making as close to citizens and enterprises as possible'.

47. One-stop-shops are important in delivering simplification. IPPC, for example, attempted to take this forward by the requirement for a single integrated permit. Some Member States have fully integrated their regulatory activity as a result. However, others retain a divided regulatory framework under the veneer of the IPPC permit. Most EU environmental legislation lends itself easily to one-stop-shops, because it is focused on very specific activities (e.g. groundwater protection). However, it is not individual laws which are usually an issue. Rather it is the totality of the implementation of environmental regulations acting upon individual businesses. Of course, this includes EU, national, regional and local regulation.

48. The ability to integrate such complex regulatory regimes will depend upon the administrative structures within Member States. For example, the Environmental Protection Agency in Ireland is responsible for most EU and national environmental law and has the ability to integrate its regulatory delivery. In contrast, in the Czech Republic permitting and inspection functions are spread amongst a range of national and regional authorities. It is also worth noting that real integration is possible through local delivery - as the Italian case shows, but also as seen in the role of Prefectures in Japan.

49. It was also noted that there are strategic developments in the Member States where there are reviews and changes in the regulatory framework resulting from a concerted effort at delivering better regulation. These are worth examining in more detail and determining whether they provide lessons for other Member States. Box 2 provides examples in this regard from the Netherlands, the UK and from Canada.

50. All three countries have government-wide approaches to simplification (note that similar activities occur in other countries, such as Denmark). Thus simplification of environmental regulation takes place in a wider context. All three have established principles upon which simplification (or 'better' or 'smart' regulation, etc) are based. These are important in order to help guide initiatives across many disparate areas.

51. There are also interesting differences:

- Canada is a federal country and the smart regulation initiative has had to be complemented with parallel initiatives in the Provinces. Here the response has been variable. However, for federal EU Member States this link between national and devolved administrations in strategic initiatives is a critical link for concrete outcomes;
- In the Netherlands the initiatives are driven at ministerial level (e.g. by VROM for the environment). This allows for greater cohesion of the strategic approach. Where Member States have regulation fully or partly located within a ministry this is a potential model; and
- In the UK environmental regulation of businesses is undertaken by government agencies and local authorities. Thus apart from strategic ministerial approaches, it is important that agencies also develop their own strategies. These need to draw upon and feed into the governmental priorities, but also include finer regulatory detail.

Where Member States have regulation fully or partially outside of the main ministerial apparatus, this approach is potentially transferable.

52. A further difference between the countries is that the Netherlands has adopted a quantitative target for the reduction in administrative burden from environmental regulation (alongside other regulatory burdens) (a situation also found in Denmark). This might reflect the consequence of the closer ministerial roles in the Netherlands. It also, however, reflects the use of an agreed means of measuring administrative burdens (the standard cost model). This model is also now in use in the UK, where the environment ministry (Defra) has a target of reducing administrative burdens by 25% by 2009, and in Sweden.

53. It is also worth noting that while the simple restructuring of institutions is unlikely to be of interest outside of the country in which it takes place, the opportunity can be made to link objectives on restructuring with changes in regulation. This is the case currently in Finland, where proposals to simplify administrative structures (of limited interest to other Member States) are linked to action on permit simplification (see Annex II case study).

54. While this report is focusing on individual initiatives, it is important to stress the value of strategic approaches to simplification. The conclusions from such approaches are:

- They provide a systematic approach to management and assessment;
- They provide a focus for high level commitment to simplification;
- They can provide a forum to debate fundamental issues;
- They can identify where the major burdens on businesses are and, therefore, where simplification initiatives ought to take place;
- They bring simplification initiatives together into a common framework and provide more 'joined-up' thinking;
- They can keep up the pressure – not allowing regulators or others to relax once a single initiative has been adopted;
- They are important in reacting to proposals for new regulation (to tackle the adoption of burdensome regulation on one issue while a simplification measure is being adopted for regulation on another issue); and
- They provide a systematic process to bring together all interested parties (government, regulators, business and other stakeholders).

55. For these reasons it is beneficial for all Member States to adopt some form of strategic approach to simplification. The exact nature will be different for each country due to local circumstances. However, many elements are common and should be included.

Box 1. Promoting one-stop-shops

Bringing together administrative arrangements into a single processing point (a one-stop-shop') results in significant benefits to businesses. There are a number of different types of one-stop-shop. This box describes two – one structural and one managerial.

In **Italy** before 1998 obtaining the many permits required to start a business was a long process with delays and high costs. The One-Stop-Shop for Productive Activities was created in 1998 as part of a government effort to simplify relations between public administrations

and enterprises. It aimed at:

- Giving entrepreneurs a single interlocutor for all procedures related to the opening, operation and closing of production facilities;
- Simplifying and shortening of procedures: after submitting a single application, the entrepreneur obtains a single permit;
- Facilitating the availability for city governments of all the necessary information and permits from the various authorities involved;
- Providing the entrepreneur with a known deadline specified by the relevant regulations; and
- Developing economic activities by providing information and advice concerning localization, opportunities, financial and job-creation incentives.

5,274 One-Stop-Shops have been created to date in 65.1% of the Italian municipalities. They serve a total population of 45,184,334, that is, about 79.3% of the total. 511,890 procedures have been started, and their completion times are shorter than required by the law. The number of municipalities and citizens served by One-Stop-Shops continues to increase. From 2001 to 2004, 2,033 municipalities (with an aggregate population of 8 million) created One-Stop-Shops. The number of municipalities increased by 63.7% and the population served by 39%. Permit issuance times have been dramatically reduced. The self-certification procedure, where the enterprise notifies the city administration of the activities it intends to carry on and the administration performs formal/substantive checks during and after the procedure, now takes only 39 days. Environmental impact assessment procedures, where the public administration has to carry out rigorous pre-issuance tests, can take up to 94 days. All of these times are far lower than required by the law.

In 1998, Italy was the OECD country with the highest level of barriers to entrepreneurship. The country's negative position was strongly supported by the high value of the OECD sub-indicator 'administrative burdens on start up'. After 1998, the introduction of the One-Stop-Shop, together with the other simplification reforms, reduced times, charges and procedures, was a benefit for all enterprises, but especially for start-ups. For individual enterprises, the number of procedures fell from 11 to 5, procedure completion time from 16 weeks to 1, and charges from € 1,150 to € 340. The benefits for public limited companies were a reduction of procedures from 21 to 12, time from 22 weeks to 6, and charges from € 7,700 to € 3,516. Overall, these actions have reduced significantly the barriers to entrepreneurship identified by the OECD (see case study for full comparative data)[17]. Final judgement on the outcomes of the Italian case is difficult (such as levels of environmental protection) as it results in diverse approaches in different localities.

The second example derives from Schleswig-Holstein in **Germany** and represents a managerial approach to delivering a single contact point. Here it has been recognised that it is not simply the interaction of business with an administrative organization which is important – it is also the way that personnel interact. Here a "permit pilot**"** ("Genehmigungslotse") is named as the expert contact point for permit-related questions at the Industrial Association of Schleswig Holstein and at the Ministry for Agriculture, the Environment and Rural Areas of Schleswig-Holstein respectively. In special cases, the permit pilots can be called upon to arbitrate in difficult situations during complex approval procedures. They give advice to the applicants and help to conclude the approval procedure speedily and appropriately. They exchange information

[17] http://www.oecd.org/dataoecd/21/13/1880867.pdf

among each other and submit proposals to accelerate the procedure. This provides a single focus for businesses and eases the administrative burden.

Box 2. A strategic approaches to simplification

A number of countries have adopted strategic approaches to simplification whereby a detailed analysis of overall administrative burdens is undertaken and developments on simplification of environmental regulation are set within this general context to provide targeted approaches. The project has identified a number of cases, of which three are described here – from the Netherlands, UK and Canada. However, the reader is also directed to important additional best practice examples in Belgium, Denmark, Ireland and Portugal.

In the **Netherlands** the Environment Ministry (VROM) has sought the simplification of the legal framework, but as part of some of the sub-projects (e.g. the broad environmental permit and the modernisation of the general environmental rules) attention is given to the possibilities of information technology and one-stop-shops. Under the modernising initiative there are currently 70 projects, such as:

- Simplification of waste regulation obligations, harmonising obligations at national and provincial level and producing a one-stop-shop for registration; and
- Simplification of EIA regulations, limiting them specifically to those contained in the EU Directive and removing existing additional national requirements.

The objective of the initiative is:

- Simplification of regulations (including combining 25 permitting regimes into one permit regime and removing permitting obligations from many businesses through use of general environmental rules[18]);
- Improving the transparency, feasibility and enforceability of the remaining regulations; and
- Reducing the administrative costs for businesses and citizens and the governmental costs for regional and local authorities.

VROM has the overall objective of achieving a 30% reduction in administrative burdens by the end of 2007 (the overall government objective being a 25% reduction). Over the last three years it has achieved a 10% reduction and is expected to deliver its objectives for 2007.

In the **UK** (England and Wales) the Environment Agency is responsible for delivering its Modernising Regulation Change Programme. The Environment Agency's approach to modern regulation aims to find the right balance – a proportionate, risk-based response, that will drive environmental improvements, reward good performance, but still provide the ultimate reassurance that appropriate action will be taken against those who fail to meet acceptable standards. The development and delivery of modern regulation requires the Environment Agency (with government) to:

- Engage with stakeholders and those they regulate to identify outcomes, priorities and regulatory approaches;

[18] For further information see: http://www.kc-wetgeving.nl/index.php?id=370 and http://www.infomil.nl/aspx/get.aspx?xdl=/views/infomil/xdl/page&ItmIdt=28225&SitIdt=111&VarIdt=46

- Adopt modern regulatory principles for new legislation;
- Streamline, consolidate and simplify existing legislation;
- Use a common permitting model, standard templates and rules where appropriate;
- Target compliance and enforcement effort on the basis of risk and operator performance;
- Increase the emphasis on effective advice;
- Better manage (and reduce) the administrative burdens placed on business.

It also requires business, industry and individuals to take responsibility for environmental performance and regulatory compliance.

Some recent examples of outcomes delivered include:

- From 1 April 2005, holders of 23,000 low-risk abstraction licences were released from the licensing regime (due to changes to the Water Act). These businesses – around 48% of the total stock of abstraction licences – will save approximately £1 million (€1.4 million) a year in total;
- Working with Defra and industry the Environment Agency has delivered modern, risk-based approaches to new legislation. As a result, at least 500,000 potential new low-risk (defined by quantity and substances) hazardous waste producers did not need to register with the Environment Agency – saving them around £14 million (€ 20 million) a year through administrative simplification;
- From May 2005 the remaining businesses that produce hazardous waste needed to be registered, however new rules allowed this to be done electronically and 80% of the 210,000 registrations were done this way, thus reducing administrative costs; and
- The number of low risk waste inspection has been reduced from 125,000 to 84,000 per year – freeing resources to tackle illegal operators.

Canada has adopted a government-wide initiative called 'smart regulation'. It has been developed through a series of studies and consultations leading to a detailed implementation programme. Smart regulation does not just concern cost-efficient regulation for business, but also other principles such as transparency and environmental sustainability. The resulting programme includes action across all government Departments (supported by a Government Directive on Regulating), such as simplifying EIA procedures. It also includes a smart regulation dialogue with the Provinces, many of which have also undertaken their own smart regulation initiatives. The Canadian initiative is particularly relevant for EU Member States in that it provides a thorough detailed approach to better regulation encompassing all aspects of government, seeking to improve what regulation is there to do as well as remove unnecessary regulation.

6.3 Best practices: simplification of permit schemes

56. Many activities require a permit, or licence, before they are allowed to be constructed, to operate or to undertake particular activities. In some cases an activity might require more than one permit or licence addressing different parts of its activity.

57. In order to obtain a permit the following are generally required from a business:

- It must complete an application form;
- It will need to provide details of its activities; and
- It will need to consider the impacts, e.g. to the environment, of its activities.

58. Permit applications will need to be made prior to the start of an activity and, usually, following substantial changes to that activity. In many cases (such as the IPPC Directive) it might not be clear what is expected of an activity (such as a specific emission limit value, as these are not set out in the IPPC Directive) and the operator will need to make a case for its operation (such as what is BAT under IPPC).

59. All of these processes can be complex and impose significant costs on businesses, not least as the time they can take can increase business uncertainty.

60. Permits are also required by many items of EU legislation which establish specific limits to emissions from processes. This includes process-specific Directives, such as the Waste Incineration, Urban Waste Water Treatment and Landfill Directives, as well as IPPC. It also includes medium-specific Directives that require processes to be regulated, such as the Water Framework Directive. Permitting requires systematic and transparent procedures to be adopted which ensure the regulated organisations understand what is required and that those undertaking the permitting can process applications in a fair manner and in a comparable way in different parts of the country. Permits must clearly state what is and what is not permitted and what improvement programme may be required. An important issue is the need for integrated permits under IPPC.

61. It is not necessary that one institution is responsible for assessing all of the conditions of the permit (air, water, waste, energy efficiency, etc). However, co-ordination is essential to produce a result which minimises impacts on the environment as a whole.

62. There are a wide variety of simplification approaches to permitting requirements. These include:

- Examining of individual schemes to introduce streamlining measures, such as on-line permit application processes;
- Seeking to combine two or three permitting processes into a single permit, such as IPPC and waste permitting in the UK case study;
- Bringing a large number of permits into a single permit, such as the VROM permit (Box 3);
- Removing the requirement to apply for permits and replacing this with a generally applicable rule, as seen in Denmark, or by the notification procedures in Sweden (Box 4);
- Accelerated permitting whereby permit procedures are altered to allow for more rapid determinations, as in Germany (Box 5); and
- Reducing the information requirements for permits as in Denmark (Box 6).

63. The OECD[19] noted that, of 28 OECD countries in 2002, 16 had programmes to review and reduce the number of licences and permits required by national government and

[19] OECD 2002. Administrative simplification – practices and strategies in OECD countries. Working Party on Regulatory Management and Reform

11 by sub-national government. This survey was not limited to environmental law, but confirms the results of this study that initiatives on permit simplification are relatively widespread.

64. Some initiatives have taken complex analysis to develop, as they seek long-term detailed changes. The changes in Flanders and the Netherlands are cases in point. However, simpler changes can also deliver benefits, such as the Polish case study which focuses on specific sites. Also different types of initiative can be used in combination (such as the VROM permit and general environmental rules in the Netherlands).

65. Bringing permitting regimes together seems always to deliver benefits, as long as it is implemented correctly and the permitting process is properly thought through. Thus leaving complex overlapping regimes in place can be considered as bad practice. Bringing in general binding rules in place of permitting has benefits, but also limitations. It must be clear that the change would not result in reduced environmental outcomes (e.g. for some local sensitive environments) or undermine public confidence/participation. Interestingly, it seems that the Dutch introduction of such rules can provide public confidence in ensuring uniformity across the country, but in Finland reduction in public participation resulted in rejection of this type of initiative (see section 7.3).

66. Finally, the OECD identified four principles in the use of permits that should be applied widely and inform Member States, both as they simplify permitting systems and in introducing new systems:

- The use of licences should only be where there are clear risks to the public associated with the conduct of the business and apparent information problems for consumers;
- Renewal requirements should be adopted only where there is a substantial need to verify continued competence and suitability to undertake the business;
- Requirements in permits should be directly and substantially related to the ability to carry out the business without risks to the public; and
- Information and procedural requirements should be restricted to the minimum necessary to verify the above.

Box 3 Reducing the number of permits required

Where operators are required to obtain more than one type of permit for the same operation an important simplification approach can be to consolidate the permit requirements into a single permit. This box describes two quite different examples of this. The first, from the Netherlands, is a comprehensive consolidation bringing a large number of permits together. The second from Poland illustrates the benefits that can be obtained of addressing consolidation at a smaller scale. The reader is also advised to consider other best practice examples from Belgium, Finland and the UK.

In the **Netherlands**, as part of the simplification initiative of the Government, the Environment Ministry, VROM, has undertaken an initiative to bring together its permitting requirements into a single framework. A second aspect of simplifying permitting requirements is to extend the use of general environmental rules to a wider number of activities – providing certainty and simpler administrative processes.

The objective of the VROM permit initiative is to bring all of these permit types into a single permit framework. Overall this will reduce around 25 different types of permit to one, covering up to three layers of government. VROM will also produce a web-based application form which allows the operator to complete only those sections which apply to that operation. The VROM permit will also be supported by a guide for users to help the applicant through the process.

A second element of the revision of permitting rules in the Netherlands is the extension of the use of general environmental rules to which companies must conform, but without needing to apply for a permit. Currently in the Netherlands many companies are already subject to general environmental rules. This amounts to about 300,000 companies, compared to 100,000 with individual permits. Under the proposed changes, only 40,000 will still require an individual permit. Currently the costs of regulation for the 100,000 establishments is €680 million and for the 300,000 with general rules €202 million. Extending the scope of the general rules to cover 50,000 additional installations is estimated to lead to a saving of €329 million for businesses.

In **Poland**, following the implementation of IPPC, it was found that installations on one 'site' could be covered by different permitting systems – IPPC for large installations and medium-specific permits for smaller activities. As a result of a study and consultation with stakeholders, the Environmental Protection Act was amended to allow for a single integrated site permit covering all of the activities. This reduces the number of permit applications that businesses need to make, reduces the number of separate determinations that regulators need to make and provides a more integrated approach to environmental protection – potentially a win-win-win outcome.

Box 4 Replacing permit requirements by notification and other procedures

A further way to reduce permitting burdens is to replace the requirement for bespoke permits with notification and other procedures. This Box describes a best practice case from Sweden (the FMH project), although the reader is also directed to other similar initiatives in the Netherlands and Portugal.

The FMH project in **Sweden** mainly concerns environmentally hazardous activities and is targeted to reduce the administrative burdens for companies, including SMEs. The project refers to the simplification of permit schemes, mainly by replacing permit requirements with notification for some activities. An approach based on the national environmental quality objectives and environmental risks has been used in the process to ensure that simplification will be environmentally efficient and cost-effective, still avoiding a net reduction of environmental protection.

Currently, the permit requirement applies to about 6,000 installations. The project proposes to replace the permit requirement by an obligation to notify for 1,350 of those installations. An obligation to notify applies to about 15,000-20,000 projects. About 100 of these would, according to the proposal, no longer have to be notified. However, as some projects that today require a permit would be under an obligation to notify, the total number requiring notification is going to be increased by about 1,250.

The total cost reduction for the enterprises was estimated to be 95 million SEK/year (€ 10 million), i.e. from 605 to 510 million SEK/year (€ 64 million to € 54 million). Cost reduction for courts and other authorities was estimated at 30 million SEK/year (€ 3.2 million).

Box 5 Accelerated permitting
One simplification approach is to adopt measures to speed up the process. This has been undertaken in **Germany**. Here substantial amendments were made to its permitting law through two Acts on accelerating approval procedures (permitting) in 1996. These placed time limits on the application process and detailed elements required in that process. The aim was not to reduce public participation where significant changes take place. This case illustrates the benefits that small alterations to the permit application process can have.

Box 6 Simplifying information requirements
Another type of simplification approach is to reduce the information requirements in a permit application. This has been done in **Denmark**. In total approximately 6,500 businesses in Denmark are subject to permit procedures. Approximately 5,000 of these businesses are covered by the new simplified system while approximately 1,100 IPPC-companies will remain under more strict procedures. The new system reduces the amount of information that businesses will have to submit to apply for a permit. For a number of industries, companies are given binding standard conditions for the businesses. Conditions are standardised requirements for each type of industry. The standard conditions are based on best available technology in the particular industry and formulated in collaboration with industry associations and decentralised public authorities.

6.4 Best practices: simplification of monitoring or reporting

67. Monitoring and reporting can impose significant costs on businesses and on regulators[20]. Unlike a permit, monitoring and reporting are recurrent costs (although also with potential start-up costs) and it is important that what companies are being asked to monitor and how they are being asked to report accurately reflect the nature of that activity and the needs of regulators. Unnecessary monitoring (that which is not needed for regulatory decision making), for example, is not justified.

68. The study found a large number of initiatives relating to monitoring and reporting. In almost every case, the initiative reported was one of an electronic tool. Such tools have been developed to make the delivery of information from companies easier, ease data processing and provide a presentational platform that can help the regulator and provide information back to the company and other stakeholders.

69. The cases from Belgium (Flanders and Walloon) presented in box 7 represent best cases of these types of approaches – to bring together disparate reporting obligations into a unified framework. The development of IT tools to support this also aids simplification. Similar examples are found with:

- Electronic data management in Austria;
- Simplifying waste reporting in Germany using electronic systems;
- E-reporting in Denmark;

[20] For example, the USEPA has an extensive information system. Its annual expenditure is around $375 million and has around 120 million person hours for reporting and record keeping.

- National database development in Estonia;
- National database development in France;
- Electronic reporting in Norway;
- Environmental report project in Sweden; and
- Pollution inventory in England and Wales.

70. Each is, of course, different, but the common elements of unification and IT support are present in each. It is interesting to speculate whether the inconsistencies and redundancies in reporting have been addressed because a single IT based system is difficult to construct if such inconsistencies continue to be present.

71. The experience from Flanders suggests that a gradual approach can be successful. It is important to start from a comprehensive inventory of existing reporting obligations in order to identify those obligations that apply to the largest target group as candidates for inclusion in an integrated reporting system. If successful, the system can later be expanded to include other, more specialised reporting obligations, which concern a more limited target group.

72. All administrative authorities with responsibility for the collection and management of environmental data from operators should be involved in the preparation and implementation of the reform, as they will need to revise their respective regulations and operating procedures. Co-operation will be required for the establishment of a central focal point and appropriate arrangements for data processing and sharing.

73. Stakeholder involvement and support is also crucial. Since this is a "win-win" initiative with benefits for stakeholders as well as public authorities, such support should be forthcoming.

74. Also included in this section is a case (Box 8) from the US of the Environmental Protection Agency reducing the reporting obligations of companies (both in terms of what is reported on and how frequently). No similar case has been reported by a European country (indeed, it is interesting to note in the case study from Flanders that some businesses regretted that in introducing a new single reporting process authorities did not reduce reporting obligations). One possibility for this is that many reporting obligations are set by EU law (and internationally by the PRTR Protocol), so that the scope for radical changes at national level might be limited (although, note that we have not sought to confirm this hypothesis) (unlike obligations in US law which are more readily changed by national simplification measures). It is also worth noting that the US initiative is controversial (details in the case study). Given the costs to businesses of monitoring and reporting, initiatives to 'rationalise' such requirements could deliver benefits.

75. In conclusion, therefore, there are a series of parallel initiatives in a range of countries to harmonise monitoring and reporting requirements, which reduces the cost to business, and to do this within an electronic reporting and presentational framework, which can also have advantages to business.

76. The tools to undertake this approach are well developed and further Member States could adopt such initiatives, subject to sufficient start-up funding (not just for IT development, but also for stakeholder involvement).

Box 7 Integrated environmental reporting initiatives

Bringing together reporting obligations into a single tool can be an important measure to reduce business burdens. This Box describes two such best practice approaches in Belgium (Flanders and Walloon).

In **Belgium (Flanders)** the objectives of the initiative are to streamline environmental data reporting requirements for all persons (natural or legal) who are subject to such requirements under Flemish environmental law, and thereby to reduce the administrative burden on them. The initiative introduces a single form and reporting schedule for the reporting of environmental data to the Flemish authorities. This implied legislative and regulatory reform. The necessary authorising legislation was passed on 6 February 2004, followed by implementing regulations on 2 April 2004. The new streamlined reporting system has been in force since 2005.

Under previous legislation, an operator could be subject to data reporting obligations under as many as four different schemes:

- effluent data under water pollution control legislation, used mainly as a basis for calculation of an annual water pollution tax;
- data on waste production and transport under waste management legislation, used for monitoring and planning purposes and as a basis for calculation of an annual waste tax;
- data on the volume of groundwater abstracted from aquifers, used mainly as a basis for calculation of an environmental levy on groundwater use; and
- emission data under integrated pollution control legislation, applicable to facilities with levels of emissions or energy consumption exceeding certain thresholds.

These data had to be reported to different administrations using different forms and at different time intervals and dates. Under the new scheme, most of these reporting requirements have now been integrated. Companies have to submit their data by completing a single form and returning it to a central administrative focal point once a year. From 2006, it has also become possible to submit the data electronically via a single internet form. A dedicated website has been created and the data are publicly accessible.

In **Belgium (Walloon)** the REGINE initiative is an integrated environmental survey system, which involves the use of information technology, one-stop-shops and communication between regional public authorities and companies with a view to collecting environmental data for reporting purposes. All required questionnaires have been reduced to one single environmental survey integrating all pertinent environment-related requirements for 300 companies. REGINE has allowed consolidation of overlapping regulations (e.g. ET and IPPC Directives, PRTR protocol), updating and anticipation of regulations (e.g. LCP Directive, E-PRTR Regulation) and solution of contradictory issues (e.g. series of PCBs, PAHs). The REGINE scheme is currently still in a pilot phase and implemented on a voluntary basis, without any legal obligation for companies to participate. However, regulations are being drafted and will be submitted for adoption to the Walloon government in 2006 to make participation mandatory.

Box 8 Reducing reporting requirements
Another approach to simplification of reporting is to reduce the requirements on businesses. This Box describes such an approach in the **United States**. The US Pollution Prevention Act of 1990 established requirements for facilities to report on pollutant releases. In 1994 the EPA expanded the rules to double the number of chemicals covered. The reporting has resulted in large amounts of information being available as well as significant burdens for some businesses. In 2005 the EPA introduced a rule change that shortened the reporting forms and eliminated the requirement to report on a number of substances. As a result this eliminates a reporting requirement for some facilities. The proposal is expected to save 165,000 hours per year for businesses, although the EPA does not quantify this in monetary terms. This has received support from business interests, but is opposed by some community groups.

6.5 Best practices: simplification of inspection

77. In April 2001 Recommendation (2001/331/EC) providing for minimum criteria for environmental inspections came into force. This Recommendation established a range of specific criteria for the operation of individual inspections. The Recommendation states 'the existence of inspection systems and the effective carrying out of inspections is a deterrent to environmental violations since it enables authorities to identify breaches and enforce environmental laws through sanctions or other means; thus inspections are an indispensable link in the regulatory chain'.

78. Few examples of simplification initiatives concerning inspection were identified in the study. Interestingly, such measures focused on the way that risk-based approaches can make inspections better targeted (such as in Ireland, Portugal and the UK). These are discussed further under risk-based approaches (see Section 6.8).

79. Other initiatives include those in Austria (Styria) which includes the unification of inspection systems with improved transparency and integration with IT systems (similar in effect to some permit simplification initiatives) and improved inspection coherence in France.

80. In the UK the Government's recent Hampton Review identified the following principles of inspection and enforcement which have wider applicability in this study:

- Regulators, and the regulatory system as a whole, should use comprehensive risk assessment to concentrate resources on the areas that need them most;
- Regulators should be accountable for the efficiency and effectiveness of their activities, while remaining independent in the decisions they take;
- All regulations should be written so that they are easily understood, easily implemented, and easily enforced, and all interested parties should be consulted when they are being drafted;
- No inspection should take place without a reason;
- Businesses should not have to give unnecessary information, nor give the same piece of information twice;
- The few businesses that persistently break regulations should be identified quickly, and face proportionate and meaningful sanctions;

- Regulators should provide authoritative, accessible advice easily and cheaply;
- When new policies are being developed, explicit consideration should be given to how they can be enforced using existing systems and data to minimise the administrative burden imposed;
- Regulators should be of the right size and scope, and no new regulator should be created where an existing one can do the work; and
- Regulators should recognise that a key element of their activity will be to allow, or even encourage, economic progress and only to intervene when there is a clear case for protection.

81. Implementation of these principles will take significant commitment and resources and require effective partnership working between all those involved in the regulatory cycle. It also requires businesses to take responsibility for the management of their activities and compliance. It is not clear that principles such as these have been fully examined in many Member States with resulting outcomes in terms of concrete simplification initiatives. Clearly this is an area that requires further analysis.

6.6 Best practices: use of information technology tools and electronic systems

82. The rapid expansion of information technology facilities in recent years has opened many possibilities for new simplification tools. While there are many possibilities for the provision of information, etc, on the internet, consideration should be given to the extent to which businesses have access to such information.

83. A wide range of initiatives using IT tools have been reported. Some simply report, for example, that permit application forms are available via the internet or can be submitted electronically. Such provision does help companies. However, we should no longer consider this to be best practice. It ought to be standard practice for all but the most unusual circumstances. Best practices need to demonstrate more novel approaches or address significant problems.

84. A strategic approach to IT tool development can be beneficial. For example, in France an agency for information and communication technologies (ATICA) was introduced to provide technical support for the introduction of new information technologies across different parts of the administration. A club of webmasters of public websites has also been established in France. These developments not only allow mistakes to be avoided, but also help deliver more compatible approaches that might allow future integration if this delivered further business or administrative benefits.

85. IMPEL undertook a survey of 13 Member States in May 2003 on e-reporting[21]. At this stage it was reported that only three allowed for electronic submission of permit applications, though it seemed that none allowed this as an alternative to submission of paper applications. A number, however, said that they were developing electronic-only submission systems. This indicates how quickly the situation is changing.

86. It is also important to note that IT tools are, of course, not an end in themselves, but support various aspects of the regulatory cycle. They can be used to support

[21] IMPEL 2004. Report of the IMPEL Information Exchange Project on e-Reporting.

permitting, monitoring or aid in compliance assistance. Some of the details of such tools are addressed under these sections (see Sections 6.3, 6.4 and 6.9).

87. The EUDIN case (Box 9) represents an example of a trans-national initiative and, therefore, of an IT tool developed across different countries and, therefore, mutually compatible. The Hercules Project in Spain (Box 9) is similar. Many other tools (such as on environmental reporting) can be developed for (important) national purposes. However, there could be future occasions when bringing tools together between countries could be beneficial and problems of incompatibility might arise. The IMPEL report raised this question and consideration should be given to this issue.

Box 9 Electronic tools for waste shipments

An area where electronic tools have been developed to simplify administrative burdens and increase efficiency is in the area of waste management. This Box describes two such best practice cases – from Austria and Spain.

In **Austria** the EUDIN initiative constitutes an IT-based system intended to simplify the, until now, fully paper-based administrative procedure to notify authorities of waste shipments within, into and out of the EU. With EUDIN, four countries Belgium, the Netherlands, Germany and Austria have set up a system that facilitates a digital notification process. In Austria, the EUDIN initiative is a part of the larger initiative of introducing electronic data management to the field of waste management.

The basis for the functioning of the EUDIN-system is the uniform definition of data and of the data transfer system. The same data are needed for several business dealings and several legal obligations. The ministry works together with the UN/CEFACT (United Nations Centre for Trade Facilitation and Electronic Business) to develop international standards (i.e. worldwide standardised messages) and uniform definitions to avoid having to convert data on transfer from one system to another.

EUDIN will have the following benefits for industry:

- The initiative accelerates the notification procedure and helps save resources (paper, etc.);
- The system needs to be fully developed and tested. It should then be easy to introduce the database to other Member States who want to use it;
- The system takes advantage of modern communication equipment and is therefore innovative; and
- As the notification procedure is simplified as a whole, the initiative is beneficial for small and medium-sized companies. Small and medium enterprises also take part in the pilot project.

The initiative is transferable to all EU Member States who are all bound by the European Waste Shipment Regulation (259/93/EEC).

In **Spain** the Hercules project is a new Information System for the collection, treatment, storage and use of information related to hazardous waste, either paper or electronic documents, which incorporates the advanced electronic signature device. Among the main benefits of the initiatives, the following can be highlighted:

- Improved accessibility to all the subjects involved with the information system on hazardous waste;
- Reduced amount of paper documents and simplification of data recording;
- Improved quality and control of information, reducing the number of errors due to data recording in different systems;
- Real time information to the involved subjects and easier information exchange between them;
- Reduced time of data processing in the management of documents;
- Improved transparency and traceability of information; and
- Expansion of electronic administration practices.

6.7 Best practices: risk-based and incentive driven approaches

88. At its most basic risked-based regulation aims to focus the efforts of regulation (and the costs incurred by business) at those activities that pose the greater risks to health or the environment. Risks can be increased in different ways. For example, a large complex installation with high volumes of hazardous substances poses a greater risk than a simpler process with relatively inert substances. Thus risk varies with the type of activity. Risk can also vary with location – an activity located next to a school might be viewed as a greater risk than one on an industrial estate. History is also important – an activity can be viewed as a greater risk if its operators have a history of not complying with environmental law.

89. Risk-based regulation seeks to focus regulatory activity on business activities that are of higher risk. Thus for the same amount of regulatory effort one should deliver greater environmental benefits. This is, therefore, 'better' regulation. It means a redistribution of regulatory attention on businesses, with some getting greater attention and some less. It is not, therefore, simplification per se, as high risk activities could receive a higher regulatory burden. Thus risk-based initiatives should be considered in relation to their overall impact on the business community, rather than on individual businesses.

90. Risk-based regulation is not new. There have been examples of regulators targeting resources to activities that pose greater environmental risks for a number of years (for example, the 'List of 80' large installations in Poland[22]).

91. The results from this project did not, however, identify many initiatives in this area. This is probably because basic risked-based approaches might not be viewed as innovative. Indeed, some of the examples in the inventory are of a similar kind to those already well established elsewhere.

92. It is important to stress that risk-based approaches can be used at the stage of legislative development, such as is seen with the FMH project in Sweden (Box 4), as well as in the individual activities of regulation.

93. In seeking new developments on risk-based regulation the most striking example is the OPRA (Operator and Pollution Risk Appraisal) system adopted by the

[22] http://www.mos.gov.pl/aarhus/dokumenty/e_access.html

Environment Agency of England and Wales (Box 10), which is also being drawn upon directly by a new initiative on risk-based regulation in Ireland (Box 10).

94. OPRA can be viewed as a logical extension of more informal risk-based approaches. 'Traditionally' authorities (e.g. an individual inspector) might make decisions for risk-based regulation on an informal basis. OPRA formalises these approaches by seeking a quasi-quantitative measure of the risk posed by an activity to the environment. Until recently, this assessment was based only on the specific attributes of the activity itself (complexity, location and sensitivity of receiving environment, releases, nature of pollutants) and the ability of the operator to manage their environmental impact. However, this has now also been extended to include compliance history – a critical risk factor. The example from Ireland (see Box 13) exhibits a similar approach and, therefore, demonstrates the potential transferability of these initiatives.

95. It is important to note, however, that these risked-based initiatives from Ireland and the UK require greater input from operators than traditional approaches and it is, therefore, important to ensure effective communication with and support from industry if such a system is introduced. This is particularly true for higher risk sites where there is a need for greater regulatory oversight. Having said this, while industry might feel initial concern over a formal measure of risk (and whether it is accurate), it should be noted that such approaches are transparent, unlike some more informal risk-based approaches.

96. The Canadian government report Smart Regulation – A Regulation Strategy for Canada[23] also highlights risk through which to examine regulation, together with competition and market openness. The report states that at present, Canada lacks federal risk assessment standards and guidelines. Government regulations have cumulative and unintended impacts, making an interdepartmental perspective necessary if a co-ordinated strategy is to be achieved. This process will involve priority ranking, analysis of how and why risks are expected to evolve in the future, an understanding of the choice of instruments and of their impact when implemented, and measures to assure compliance. The result of the report was the generation of an action plan including specific actions within different governmental departments. Each has objectives to reduce costs to business, although there is no overall assessment of cost-savings.

97. Thus like the Irish and UK examples, Canada has identified risk-based regulation as a key principle underpinning initiatives on regulatory simplification.

Box 10 Examples of risk-based regulation

There are a number of best practice cases where regulation is developed and implemented in a risk-based way. This Box describes an established case from the United States and a detailed analytical process in the UK, which has been modified for use in Ireland. However, the reader is also directed to other risk-based best practice examples such as on inspection in Portugal and legislation development in Sweden (FMH project).

In the **United States** there is a comprehensive risked-based approach to the regulation and management of activities that threaten the quality of groundwater. The need for risk-based

[23] www.smartregulation.gc.ca

regulation is driven by the fact that very large numbers of such activities exist and are initiated, so that cost-effective, targeted regulation is essential. The EPA has provided detailed assistance with methodological development. However, regulation is up to the individual States and each has developed different approaches fitted to its circumstances and three examples are given in the case study (see Annex II).

In the **UK** OPRA aims to incentivise improved environmental performance and provide a transparent means by which Operators can assess their own performance and see how they may be able to improve that performance to help ensure compliance with environmental legislation. The methodologies take into account the potential hazard (location, emissions and operational complexity) and an operator's management performance, to provide an environmental risk profile. OPRA was introduced for the Pollution Prevention and Control (IPPC) regime in 2003. It has been extended to the Waste Management Licensing regime from April 2005.

When first introduced, OPRA consisted of four attributes: complexity; emissions; location; and operator performance. An operator completed these at the time of application for a permit/licence. The 2005 version of OPRA introduces a fifth attribute, compliance rating. This is completed by the Environment Agency, after the permit has been issued, using information from the Agency's Compliance Classification Scheme (CCS), which was introduced in 2004.

Together these attributes create an OPRA banded profile for the activities covered by the permit/licence. Within each legislative regime, 'A' equates to the need for lower regulatory oversight and 'E' the need for more regulatory oversight. Each of the lettered bands can be converted to points to give an overall OPRA score. The OPRA score sets associated fees and charges for applications and subsistence so that they reflect the risk and the regulatory oversight required.

In **Ireland** authorities have developed a standard, consistent and transparent methodology for assessing the environmental risk arising from operations carried out at licensed facilities. This is being undertaken on the basis of stakeholder consultations and relevant international comparisons. A draft methodology has been developed which assesses the environmental risk of facilities on the basis of five criteria:

- Complexity of the activities on site;
- The level and type of emissions;
- Location of the activities;
- Operator management standards (e.g. compliance with environmental management standards); and
- Enforcement record of the facility.

Complexity and location are fixed attributes, and beyond the control of the operator, but the remaining three criteria can be controlled, and the overall risk thereby reduced.

Within each of the five criteria, a list of factors that contribute to the risk has been developed. For each criterion, risk is assessed, and the scores are aggregated to arrive at an overall risk category for that facility, as follows:

High Risk – A1, A2, A3

Medium Risk – B1, B2, B3
Low Risk – C1, C2

A1 is extremely high risk, while C2 is very low risk. The regulator will prioritise its enforcement efforts and fix associated fees in respect of facilities in the High Risk categories.

6.8 Best practices: compliance assistance and support mechanisms

98. Regulation (even at its simplest) imposes obligations on businesses that can be (or be perceived to be) complex and/or unclear. Businesses can, therefore, benefit from support in understanding and complying with such regulation. Regulators fundamentally wish for businesses to comply with regulation and not fail to comply due to lack of information. Thus assisting with compliance can reduce the later costs to businesses, regulators and, not least, improve environmental protection.

99. Most regulation should be accompanied by some level of supporting interpretive information. For example, many Member States provide a guide to completing a permit application alongside the permit application form. This can guide the applicant through the physical process of completing the form, and can also briefly explain why particular information is necessary. Ideally such explanations should not simply refer to other legislation (e.g. 'this is needed because of an EC Directive'), but what the fundamental purpose (e.g. an environmental objective) is. Of course, the provision of guidance should not be used as an excuse for failure to ensure that legislation/regulation is as clear as is possible.

100. However, for the purposes of this report we do not consider the provision of this level of supporting information as best practice, but rather this should now be (and probably is) usual practice. Member States where this is not the case should address this as soon as possible.

101. There are a number of examples of more extensive compliance assistance initiatives. Indeed, a number of initiatives indicate that compliance assistance is an important element of a wider process, e.g. providing information and help to companies during the process of simplifying permits (such as the initiative for a one-stop-shop for permitting in Lower Austria). Indeed some countries (e.g. the US) have adopted inter-connected compliance assistance networks covering different States and industrial sectors.

102. There are relatively few initiatives which are simply focused on compliance assistance alone. The most interesting are also IT tools and seek to use the new opportunities that IT provides to reach large numbers of companies with lots of useful information. There are three relatively similar initiatives in this regard (Box 11):

- EnviroCentre in Ireland;
- 'Regulation help' in Norway; and
- NetRegs in the UK.

103. Each is an internet-based tool providing extensive information to companies (especially SMEs) on the regulations that affect them and how they can address

those regulations. These sites aim to be simple to navigate (otherwise users would be overwhelmed with potential information) and act to support users. Each can also undertake additional support activities. For example, EnviroCentre undertakes significant personal contact work, such as site visits, facilitating and organising meetings, etc. Combined with the web-based information this provides added compliance assistance.

104. Such initiatives are costly to set-up and maintain and need good management to ensure they are successful. The issue of funding is addressed in section 7.4.

105. While tools such as these are impressive, it is important to note that it can be difficult to reach many in the target audience. NetRegs, for example, has put considerable effort into promotion, yet still only a small percentage of SMEs use the site. However, the number is increasing.

106. The problem of communication is an important one in the use of compliance assistance tools. Where such tools are linked to a regulatory process, e.g. help is given when a permit is applied for, then one might expect to reach 100 per cent of the audience. However, where this is not linked to a regulatory activity (as for general web-based support), then reaching the target audience has to be a key element of the work programme of that initiative.

107. Finally, EMAS easy (see Box 12) provides an example of a different type of best practice compliance support case. Here the simplification measures (making EMAS easy) is combined with communication and training to support uptake in SMEs, with a number of positive business outcomes.

Box 11 Web-based compliance assistance tools

There are a number of web-based compliance assistance tools that have been established to support companies and SMEs in particular. This Box describes three best practice cases from Ireland, Norway and the UK.

In **Ireland** EnviroCentre is a free and regularly updated environmental information portal from Enterprise Ireland, designed specifically for Irish industry to enhance environmental awareness, with particular emphasis on SMEs. It contains a wide range of information on environmental regulation in Ireland, provides guidance for different sectors, and information on events. Information from all relevant stakeholders is customised to the needs of Irish industry. Support is also given to SMEs in person through information, advice, networking, site visits and awareness raising; through online news, legal guides, case examples, best practice guides; and through financial support for EMS and Ecodesign.

In **Norway** the aim of the initiative 'regel hjelp' (regulation help) is to provide greater accessibility and clarification of the legal framework. The web site was launched for ten industries in 2005, and will include 50 industries by the end of 2007. The initiative is part of Altinn, which is the trade and industry's gateway to public services. Altinn, is a strategy for good and user-friendly governmental electronic services for trade and industry.

In the **UK** 'NetRegs' has been developed as a free to use website which aims to help small and medium-sized enterprises in the UK to understand the complex environmental regulations that can affect them. The site provides guidance on how to comply with

environmental law as well as advice on good environmental practice. The site comprises four main areas:

- Sector-specific guidelines for a large number of different sectors;
- Management Guidelines covering different aspects of business operation from raw material inputs through to wastes (e.g. on energy efficiency);
- Current legislation: detailing regulations in all regions of the UK; and
- Future legislation: including consultations and EU law developments.

The site also provides links to many additional resources from industry, government, literature, etc. In particular it provides links to application forms and guidance.

NetRegs has required significant resources. About £25k (€33k) was spent on the very first pilot to test the concept and build a few pages for one sector. Then the initial cost of the main project funded by Treasury was £3.5m over 3 years (about €5 million). However about £1m (€1.5m) of this was for marketing and communications. Writing the content was the most costly element in terms of staff time.

The initiative has been well-received by industry. Extensive surveys of users have demonstrated the utility of the initiative. Although it has been difficult to identify quantifiable benefits, there has been continuous growth in the number of unique visitors to the site.

NetRegs has secured additional funding for 2006/07 to enhance the system to make information even more accessible to small businesses. It provides a good example of the type of compliance support tool that Member States can adopt for businesses such as SMEs.

Box 12 EMAS easy

This initiative is part of the 'EMAS easy' development/practical testing which is being rolled-out across a number of Member States, with our best practice case identified in **Lithuania**. Thus this initiative is repeated elsewhere and is designed to be transferable. It aims to foster capacity building in Lithuania, especially for the promotion of EMAS towards small and medium organisations and enterprises, and to create an effective engagement of these type of organisations in implementing EMAS.

The application of a new innovative methodology for EMAS implementation will enable reduction of EMS documentation in companies and will make EMAS more attractive and more applicable for SMEs. Simplified verification and registration procedure will enable SMEs to participate in EMAS. Therefore, it may lead to reduction of time required for EMS verification and associated costs for SMEs. In the process of EMS implementation, SMEs participating in the initiative have identified a number of cost saving measures. Some of these measures have been already implemented. Most of these measures fall in the following categories: (i) simple good house keeping measures for energy/ water/ other resource saving; and (ii) equipment modification/ replacement.

7 Measuring success and factors for success

108. Many of the initiatives described above are relatively new and it has been difficult to determine whether they have actually been successful in their implementation in an objective way (e.g. that environmental protection is not weakened). However, positive comments are often received from authorities and stakeholders which would suggest that they have been successful.

109. However, it is also important to note that getting an initiative to begin also is a success. Important immediate success factors include:

- A full commitment by administrations to the initiative;
- A full commitment by business (trade associations and/or individual companies);
- How far a simplification initiative was viewed by business or regulators as delivering sufficient benefits;
- Adequate finance to develop, implement and maintain a new scheme;
- Full agreement by other relevant stakeholders;
- Legislative framework that enables initiative to be undertaken; and
- The context of the initiative, for example simply that the 'time was right'.

110. However, further success factors need to be considered in more detail.

7.1 Understanding the problem

111. This might seem a very basic factor for success, but it needs to be stressed. It is important for authorities to understand the burdens they impose upon industry, the purpose of such burdens (some being justified) and the views of business on them. Anecdote is not sufficient - proposals should be supported by robust and objective evidence and analysis. Without this, developing initiatives (for example as the result of a political commitment) could mean that they are misdirected and misapplied. Two factors that have proved useful in contributing towards success in this area are:

- Adopting formal tools to deliver adequate scoping, such as a participatory working group; and
- Ensuring full coverage of relevant trade associations in the analysis, for example ensuring that burdens for SMEs are taken into account as well as those for larger companies.

7.2 Measuring the burden

112. An important element for ensuring success is to analyse the burden placed upon industry. This is critical in understanding the economic dimension of environmental regulation and in understanding environmental benefits.

113. The Dutch Ministry of Finance has produced one methodology[24] for defining and quantifying administrative burdens for businesses which has become know as the 'standard cost model'. It has been used by other Member States (such as Denmark, Sweden and the UK) and for specific regulatory requirements[25]. Norway has a Register of Reporting Obligations for Enterprises provides a review of the reporting obligations for all licences/permits. Burdens are measured in time spent filling out forms and preparatory work.

114. The 2003 OECD report 'From Red Tape to Smart Tape: Administrative Simplification in OECD Countries'[26] noted that of 28 OECD countries surveyed, 26 have government programmes to reduce administrative burdens, 12 with quantitative targets, 15 with systems for measuring burdens.

115. Measuring the burden targets the issues that need to be addressed and provides significant impetus for action by authorities and participation by industry to deliver the initiative. Success is, therefore, more likely. As implementation takes place, measuring changes in the burden can also lead to revisions of the initiative to focus further on concrete measures.

116. Measuring burdens can provide more than an overall guide. The case of the environmental permitting programme in the UK illustrates how detailed cost analysis can be used within Regulatory Impact Assessment to guide the details of an initiative to make it most cost-effective.

7.3 Stakeholder involvement

117. The most important factor for success when considering simplification initiatives as a whole is stakeholder involvement in developing the initiative. The level of stakeholder involvement should be tailored to the specific initiative and how far it builds upon existing developments and processes.

118. It could be argued that some simplification measures could require little stakeholder involvement. For example, if certain requirements are removed from a permitting process or companies' reporting frequency is reduced, it might be assumed that businesses will simply view these as positive. However, even such simple and straightforward changes should be discussed with those affected as they could have unforeseen consequences or be better targeted; early consultation also begins the communication process.

119. Most initiatives, while seeking simplification, will change existing practice. Stakeholder consultation is, therefore, imperative. Ongoing stakeholder involvement allows the focus of an initiative to remain on those issues which businesses genuinely find to be a burden. The inclusion of businesses in discussions at the 'ground floor' of policy making, as in Finland, is good practice to follow.

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[24] Ministry of Finance 2003. Focus on Administrative Burdens! Guide for Defining and Quantifying Administrative Burdens for Businesses. Ministry of Finance, the Netherlands. 40pp.
[25] For example, Vroonhof, P. and Boog, J. 2004. Quick Scan Administrative Burdens Imposed by Intrastat Regulations. EIM Business and Policy Research, Zoetermeer, 23pp
[26] http://www.oecd.org/document/49/0,2340,en_2649_37421_32506387_1_1_1_37421,00.html

120. The focus of this section has been on the involvement of businesses in the development and implementation of initiatives. However, other stakeholders also need to be consulted. This is especially so if the simplification changes could be perceived as affecting the level of environmental protection, or redistributing that protection (as in some risk-based approaches). The following Box 13 describes a case from Finland where a simplification initiative that reduced public participation was withdrawn. The issues it describes could apply in other Member States (although not necessarily the levels of public involvement).

Box 13 A withdrawn initiative: simplified permits and public involvement in Finland
Finland adopted new legislation for environmental permitting in 2000. This introduced integrated permitting, not only for the (approximately) 600 processes covered by the IPPC Directive, but also 25,000 smaller installations. The Finnish Ministry of the Environment proposed the adoption of simpler permitting systems including a notification procedure for asphalt and quarrying activities. This new procedure would have speeded the permitting process, but would have also reduced public participation in that process. Under the integrated permitting process the public can make submissions during the permit application procedure and submit complaints after the permit is issued. In Finland there is significant participation with about 38% of permit applications receiving submissions and 20% of decisions receiving complaints. For quarrying, the number of complaints rises to 50%. Thus the proposed simplification measure was criticised and it was questioned whether it was consistent with the Aarhus Convention and the Finnish constitution. As a result the proposed initiative was withdrawn.

7.4 Funding

121. Funding can be a critical issue in the success of an initiative. This is most obviously seen in compliance support initiatives, as well as developing IT systems. Clearly, all initiatives require some resources. However, for revision of permitting systems, for example, such resources are the same as would be required for any similar legislative/regulatory development, that is staff time for officials and resources for stakeholder involvement.

122. In contrast, compliance support can involve significant resources for both start-up and recurrent costs. The example of NetRegs from the UK illustrates this well. Putting together the wide range of regulatory information in formats that are easily communicable to SMEs has been resource intensive. NetRegs also has to seek ongoing funding as the information it contains continually requires updating. Without this the initiative would rapidly become out of date and lose its value.

123. It is, therefore, important that full funding issues are analysed during the initial consideration of a simplification initiative. A failure to provide adequate financial support could be worse than not undertaking that initiative. For example, if a support tool like NetRegs was inadequately funded it would not only suggest to SMEs that the government or regulator was not serious about compliance support, it could also lead to the provision of out of date information with unforeseen costs to businesses.

124. The funding base will vary between Member States. Therefore, it is important to consider this factor in learning lessons from the different initiatives described in

this report. Keeping to the NetRegs example, the quantity of information within it would be similar for most Member States (even taking account of regional UK regulation). The resource requirements are not, therefore, much reduced for smaller Member States. Thus a resource intensive initiative might not always be readily transferable.

7.5 Monitoring outcomes

125. With most of the initiatives described in this report it would be good practice to monitor their outcomes. Each has specific objectives and it should be the responsibility of the administration (and where necessary businesses in partnership) to monitor whether these have been delivered and, if not, why not. Where there is any potential for such initiatives to lead to a change in environmental outcomes these should also be monitored to ensure that there is no net reduction in environmental protection. Measurement of outcomes should be customer focused to ascertain what real improvements have been made on the ground for business in undertaking their activities.

126. Many of the initiatives identified here (and particularly the best practice examples) are relatively new, so that monitoring of success or outcomes is not yet appropriate (NetRegs and EnviroCentre are examples of where some monitoring has been undertaken), although some could follow the model of the independent research undertaken on compliance assistance in Kentucky. Also full assessment of business costs prior to the development of initiatives (such as those in Denmark and Sweden) can provide a good base for post-implementation monitoring.

127. However, we note that Clement and Hansen (2003)[27] argue that while there are a number of incentives in place in the Nordic countries (DK, FIN, N, SW) for SMEs, monitoring and evaluation by the authorities is weak so that it is unclear, in many cases, what the impact of these incentives is. We suggest, therefore, that such monitoring is important for future success of such initiatives.

[27] Clement, K. and Hansen, M. (2003). Financial incentives to improve environmental performance: a review of Nordic public sector support for SMEs. European Environment 13: 34-37.

8 Lessons from the initiatives

128. A wide range of concrete lessons as well as examples have been identified. These are described according to each category of initiative.

8.1 Lessons from organisational or institutional framework initiatives

129. Many countries state that they consider simplification or better regulation at a strategic level. A formal government-wide strategic approach can provide significant benefits in targeting critical burdens on business and provide a high level of support for the development of initiatives.

130. Strategic approaches can identify the principles upon which simplification may proceed and, in some cases, provide frameworks for measuring burdens and initiatives to tackle them. Lessons from these include:

- A strategic framework can provide an immediate check on new regulation during its development (a fragmented approach could result in new regulation with burdens while seeking a simplification measure in another area);
- A holistic approach allows decision-makers and businesses to realise the most significant benefits, rather than putting effort into small piecemeal changes with less pay-back;
- Some form of measurement focuses attention on areas of most concern to business and, therefore, can maximise the outcomes of simplification measures;
- Measurement can also lead to setting targets for simplification and, therefore, aid in the concentration of efforts; and
- Strategic approaches help to integrate simplification measures into a coherent whole, again maximising outcomes and aiding support from businesses.

131. It is important not to underestimate the resources needed for strategic approaches as these can take time (to be undertaken properly) and involve many partners. It is clear from Member States that have undertaken thorough reviews (such as Denmark and the Netherlands) that it can take a number of years from initially beginning analysis to delivering some concrete outcomes. Thus significant commitment is needed to deliver these outcomes

132. Businesses are often very astute in their interaction with policy makers. However, there are still cases where they complain of costs, etc, when it is ‘too late’, such as when EU law is being implemented at Member State level. It is, therefore, important for businesses to participate in consideration of simplification issues at an early stage.

133. Finally, it is important to stress that strategic approaches must ensure buy-in from all relevant stakeholders. This should include different levels of government (such as seen in Canada), business and community groups. The latter are particularly important if the process is not to be perceived as an unravelling of environmental

protection. The divisions in the debate currently seen in places such as the US and British Columbia should not be allowed to develop in Europe.

134. Other, non-regulatory, measures (such as taxes) can be used to deliver environmental outcomes that might otherwise be achieved through direct regulation and these can also be subject to simplification measures.

8.2 Lessons from simplification of permit schemes

135. An initial important lesson is that there are a wide range of different opportunities available for simplification of permit systems, given the range from the Member States identified in this report. These include:

- Changing individual schemes to introduce streamlining measures, such as on-line permit application processes;
- Seeking to combine two or three permitting processes into a single permit, such as IPPC and waste permitting;
- Bringing a large number of permits into a single permit, such as the VROM permit;
- Replacing a permit requirement with a simpler notification procedure;
- Reducing the requirement for information to be submitted in the permit application; and
- Removing the requirement to apply for permits and replacing this with a generally applicable rule.

136. Each of these has its own lessons. These include:

- That relatively simple changes to a permitting process can deliver administrative benefits to business – it is not always necessary to initiate a complex review;
- Combining different permitting procedures provides benefits if this is done without making the resulting outcomes seem complex to business. For example, bringing IPPC and waste together in a single operation has advantages, but simply bringing two complex application forms together can be daunting. Cases where this has been tackled by ensuring operators are only directed to parts of application forms that apply to them can be followed more widely;
- The more complex a permit application (or at least the more it covers), the more necessary it is that there is a clear guide to help applicants. The best practice is that this is an on-line application linked with guidance as one completes a form;
- Undertaking a major initiative to bring different permits together requires significant investment in staff time and involvement of business. This will, later, prove a useful investment. However, up-front commitment is necessary and failure to complete the process properly could result in problems for the regulator and/or business; and
- Removing permitting requirements and replacement by general rules is an option. However, Finland has shown that stakeholder issues can be important. Thus it needs to be taken forward carefully and in consultation.

137. Few of the cases, however, have estimated, in detail, the financial benefit that they will bring: the obvious exceptions include Denmark, the Netherlands and Sweden. Many Member States have not developed a methodology for measuring burdens

and it is beyond the scope of this study to comment on the wider applicability of the standard cost model. However, Governments that have quantified administrative burdens benefit from an early dialogue with industry and help to focus efforts on those areas where burdens are greatest.

138. Permitting will, of course, remain necessary for many activities – it is necessary to determine what an installation can and cannot do and present this in a legally binding document. Member States are also subject to a number of constraints in this area from EU law, not least the IPPC Directive. However, these cases have clearly shown that much greater simplification can be achieved that reduces burdens on industry and yet maintains environmental protection and compliance with EU law.

8.3 Lessons from simplification of monitoring or reporting

139. Monitoring and reporting obligations on businesses can be a significant burden. The cases identified in this study from the Member States seek to make the processes easier and use of the resulting information more efficient. The systems that seek to ease the processes of monitoring and reporting combine elements of harmonisation of obligations and mechanisms of delivery. The American case study is an example of reducing the obligations. Making obligations 'easier' seems dependent upon the use of various IT tools. Indeed, initiatives based on a paper-based system seem unlikely.

140. From these cases we can identify the following lessons:

- It is not clear if significant reductions in monitoring or reporting obligations (and hence a reduced burden) are possible within the Member States. However, there is clearly the potential for Member States to examine this issue further;
- Harmonisation of reporting obligations is a major area for potential simplification. Different Directives and national laws have each progressively imposed monitoring obligations, often without regard to each other. Bringing these together is a clear win-win outcome;
- Undertaking the process of harmonisation requires significant investment in time for analysis of the complex issues that will need to be addressed. Thus the process can only be undertaken with sufficient resources and commitment; and
- IT tools can be used to facilitate information transfer. These can also be linked to presentational platforms – such as national databases.

8.4 Lessons from simplification of inspection

141. There are few identifiable cases relating to simplification of inspection. If this is not an artefact of the way that this study has been undertaken, this itself is an interesting lesson from the overall survey. Inspectorates are currently undertaking analyses of their activities, such as reporting on the implementation of the EU Recommendation on the Minimum Criteria for Inspection. Ultimately, this requires a minimum level of activity, rather than such inspection being undertaken in a cost-effective way for both parties.

142. Inspection can be onerous for businesses (although some businesses see inspections as ensuring fair competition). This is particularly so for large enterprises which can be subject to frequent and detailed inspection. The most obvious type of case in this area is to link inspection to a risk-based approach. This can be seen, albeit in different degrees of implementation**,** in countries as diverse as Ireland and Portugal and within the OPRA system of the UK. Risk-based regulation itself is considered below.

143. However, some lessons can be identified relating to inspection itself:

- A minimum level of inspection is necessary, both to ensure compliance and to ensure public confidence in the regulatory system; and
- Simplification measures can focus on the better targeting of regulatory effort, such as using risk-based approaches. This can mean greater burdens for some businesses, but it can prove a more cost-effective means of delivering environmental outcomes, whilst lowering the overall burden on business and focussing effort where it is most needed.

8.5 Lessons from the use of IT tools and electronic systems

144. There has been a major expansion in the use of IT tools and electronic systems to support simplification in all countries. Access to IT by both regulators and business is now so prevalent that such tools can now be relied upon for many purposes. Having said this, access and detailed familiarity are not the same and it is not clear if all intended users have the IT skills necessary for them to obtain the intended benefit.

145. While there is an expansion of IT tools, it should be noted that this is a fast moving area. What is new today is often not new tomorrow and, therefore, what is current 'best' practice might soon become usual practice. It is likely, therefore, that such cases might be seen to spread relatively quickly and that further novel developments can be expected to take place.

146. IT tools, of course, are not ends in themselves, but are mechanisms within the other categories of this study and, therefore, the lessons from them also apply to this section. Other lessons include:

- Some reports of IT tools are simple provision of information on websites or allowing for electronic communication (e.g. of permit applications). This is no longer 'best', but rather standard practice;
- Of more interest are interactive web-based systems – such as permit applications, reporting or compliance support tools. These take time and resources to develop, but they can be effective at reducing complexity and, therefore, burdens. However, good design is critical – more time can be lost when navigating through an interactive permit application in which one gets lost than dealing with a paper version. For this reason many web-based tools are accompanied by support systems, such as email or telephone support for users in difficulty (such as for the unusual business that does not fit the carefully designed protocols); and

- Communication with stakeholders has been found to be important, particularly when such tools are introduced in order to ensure businesses use them and benefit from them.

8.6 Lessons from risk-based and incentive driven approaches

147. Risk-based regulation has a long history in some countries, but is clearly growing in its coverage and complexity (although the example from the US shows significant historical complexity). There seem to be two general approaches. The first is relatively informal and is no different in character to older practices. The second is a transparent analytical process to establish the risks of activities. This is the area demonstrating most innovation.

148. Key lessons from risk-based approaches include:

- There are benefits from a clarity for the operator in the justification of risk;
- Risk-based approaches can apply to many different stages of the regulatory cycle from legislative development to decisions over individual inspections;
- The elements within a risk assessment can be robustly determined and based on objective data. With current levels of monitoring and reporting this can be more easily achieved than previously in many countries and this has led to wider use of risk-based approaches;
- A critical element of a risk-based approach is the translation of differential risk into differential regulatory activity. For example, what level of increase in risk justifies a doubling of inspection frequency? This has generally been taken forward in negotiation with industry; and
- The adoption of risk-based approaches has been achieved with close communication with industry, to ensure buy-in. This is particularly as some operators will become subject to greater regulatory burdens as a result.

8.7 Lessons from compliance assistance and support mechanisms

149. There has been a long history of simple forms of support – such as permitting officers or inspectors discussing issues with companies prior to permit applications or after inspections. This is not new, although it is worth stressing that, resources permitting, such personal contact continues alongside more ambitious compliance assistance tools.

150. Interesting cases in this area are web-based support tools which contain extensive regulatory information arranged in different ways (by regulation, activity, sector, etc) to facilitate ease of understanding by businesses. Important lessons from these are:

- Significant financial and staff investment is required to establish such tools. Also significant investment is required to maintain the tools (out of date information can be worse than useless because businesses incur unnecessary costs by following incorrect advice);
- A commitment is necessary to finish the job – complete information on half of the regulations affecting industry is of little use;

- It is important to have effective managers for such tools, given their complexity and resource use;
- Involvement with business is necessary at the start and during the entire process – it is useful to set up a tool for business communication that must identify the best mechanisms for communication;
- Simply creating the tool is not enough – there needs to be an effective and ongoing communication strategy to ensure that businesses use and benefit from the tool;
- Such tools can be supplemented by other activities (such as workshops) which can add significant value to tool; and
- The tools can be used by regulators in their wider dealings with industry, ensuring that they are clearly linked to all elements of regulatory activity.

9 Final conclusions

151. This study has shown that there is a wide range of simplification initiatives being undertaken in many countries. In some this is done within a wider strategic simplification framework and in others on a more ad-hoc basis. While the latter can be valuable, a strategic approach bringing regulators and business together is likely to be more beneficial.

152. While each country introduces each case for its own objectives, there is benefit from sharing such experience between Member States. In the course of this study it has become apparent that officials and others in many countries have considerable interest in developing simplification measures and, in particular, in understanding what is taking place in other countries. The BEST project has provided an excellent platform for the exchange of such experience and we hope that this study will also do likewise. The cases described can not only provide new ideas for Member State authorities, but also provide specific solutions to problems already identified.

153. There are clearly a variety of approaches undertaken in the Member States to perform similar functions (permitting, monitoring, etc.). Many of the differences reflect local circumstances, but this variety is also likely to result in widely different costs. This project has not sought to identify these differences, but further comparative research in this area could be beneficial.

154. The study recognised the importance of a simplified, consistent and predictable regulatory framework (at all levels) to ensure that environmental outcomes can be delivered effectively and efficiently and enabling the adoption of proportionate and risk-based approaches that reduce burdens on business.

155. This study has emphasised the importance of better administrative measures because they should reduce costs to businesses (and often the administration). It should also be emphasised that simpler administration can be better for the environment. When businesses have simple, clear obligations, implementation of the law is likely to be smoother – thus delivering environmental outcomes.

156. The study has also focused on simplification of existing measures, i.e. how to make better what is already there. In taking forward such initiatives, Member States should not lose sight of the importance of proper analysis of business costs (e.g. to SMEs) and environmental outcomes as new regulations are developed to ensure new measures meet better regulation criteria. This includes taking advantage of the flexibility available in EU Directives as they are transposed[28].

157. It is reasonable to ask whether such exchange of experience can be improved further. It has become clear during this study, for example, that identifying the key elements in a case that might be of wider interest is not always straightforward.

[28] This is explored further in the following report produced in 2005 for DG Environment: http://www.ieep.org.uk/publications/pdfs/2005/report_bestpracticeworkshop_nov2005.pdf

Interesting elements might be ‘buried’ in the detail and there can be problems of language.

158. Exchange of experience might be placed on a more permanent basis and in a more user-friendly format. This will not be an easy task, not least because of the range of different types of initiatives, only some of which might be of interest to key officials and business leaders. However, identifying ways to progress this will bring added value to the work already undertaken and build upon it (noting that many of the initiatives identified in this study are still either in their early stages of implementation or are not yet implemented, so outcomes are yet to be apparent and final lessons learned).

Annex 1: BEST Project Questionnaire

Questionnaire on

National/Regional Initiatives to Simplify and Streamline Environment-Related Requirements on Companies within the context of the BEST Project

1. INTRODUCTION

The aim of the European Commission's BEST Project on *Streamlining and Simplifying Environment-Related Requirements on Companies* is to:

- identify good/best practices from the variety of existing national/regional simplification and streamlining measures and to provide policy-makers with an overview of experiences in the EU to encourage the development of further administrative simplification policies
- provide information on the conditions necessary for success leading to more cost-effective and proportionate requirements to fulfil the environment objectives.
- make recommendations to the EU, Member States and business stakeholders.

The BEST project will examine both national and, where relevant regional, initiatives to streamline environment-related regulatory requirements and to improve their cost-effectiveness. A number of Member States have launched regulatory simplification and streamlining initiatives. These initiatives take a variety of forms and there is considerable scope for learning from good/best practices in this policy area.

The BEST Project will primarily be based on a *qualitative approach* combined with some quantitative indicators such as the administrative costs saved from changes in regulatory practices to implement environment legislation. The qualitative indicators will cover the description of good/best practices in relation to the different categories of national initiatives as explained below.

Further information can be found in the BEST discussion paper of July 2004 as discussed at the first meeting of BEST expert group on 18 November 2004.

The aim of this questionnaire is to gather further information from the participating countries on their "simplification" initiatives and to categorise these different initiatives to enable comparisons to learn from the different approaches.

Moreover, the information collated from this questionnaire will be used as the framework for presentations by the experts at the next meeting of the BEST Expert Group planned for 3 and 4 February 2005.

2. IMPORTANT EXPLANATORY NOTE

Please read the points below before responding to the attached questionnaire.
As agreed at the BEST expert group meeting on 18th November, it is important to recall that the term "administrative simplification" covers a range of measures to simplify and streamline requirements on companies to protect the environment. These fall into three broad categories:

1. simplifying legislation to ensure legislative coherence and to ease the understanding of the operator in line with better regulation initiatives without lowering the environment objectives to be achieved. This includes measures to consolidate legislation and to repeal obsolete or redundant legislation.

2. simplifying the implementation of legislation by introducing measures such as one-stop-shops (electronic and physical), simplification of permits and licence procedures, setting time limits for decision-making and applying IT-based solutions.

3. the introduction of new organisational and structural approaches to meet environment objectives by introducing, for example, a more risk-based approach to regulating industry, whereby efforts are targeted on those companies where the risk are highest, and rewarding "good" performers with less supervision and control.

As the different national legal systems and measures to amend/simplify national legislation in the area of environment policy are not directly comparable, it was agreed that the BEST project would mainly focus on measures to simplify or streamline the *implementation* of the regulatory framework (category 2) and the introduction of new organisational and structural arrangements (category 3). Nonetheless, it was also agreed that the project will need to take account of the legal framework in a generic way as this framework can either create the necessary conditions to carry out any simplification measures or alternatively act as a barrier to reducing the administrative requirements on companies.

On this basis, your replies should focus on the second and third categories of simplification initiatives and, where relevant, also describe *the role* of the national legal framework to streamline the regulatory process. This will help us develop the generic recommendations on the importance of the legal framework at regional/national and EU level.

Could you please describe the main elements of individual initiatives separately and highlight any specific measures with regard to small and medium enterprises (SMEs)?

We would appreciate your reply in English if possible.

Please send your reply by e-mail to: Camilla.wilander@cec.eu.int with a copy to caroline.hager@cec.eu.int. You can also send any relevant information (eg. brochures/information leaflets) to the attention of Camilla Wilander, rue d'Arlon 88, B - 1040 Bruxelles. For any queries, please contact either Caroline Hager (+ 32 (0)2 299.40.92) or Camilla Wilander (+32 (0)2 295.69.59), DG Enterprise and Industry, European Commission.

BEST project
"Streamlining and Simplification of Environment-Related Regulatory Requirements for Companies"

Questionnaire

Before replying: please read the attached introduction and explanatory note carefully

1. The Design and Approach of the Simplification and Streamlining Initiatives

Please indicate the following as explicitly as possible:

- What are the names of your simplification initiatives?
- What are their duration (start and end dates, if any)?
- What are the objectives of your initiatives?

  How did your country design the simplification/streamlining initiative, eg. did you consult stakeholders? Did you rely on experience made elsewhere or recognised "best practice" when designing the initiative?

- What are the identified administrative problems to be solved by simplification?

  (Indicate the reasons for the introduction of the "simplification" initiatives in the field of environment policy, e.g. overlapping monitoring and reporting requirements. Please be as specific as possible regarding the nature and scope of the administrative burden, which sectors are covered and whether these burdens arose in regard to specific environment legislation (e.g. to regulate waste, air, water etc).

- Does the initiative affect public information/participation aspects related to the permit and/or review process?

2. Measuring the Burdens

- Does your country **measure** the extent and reduction of the administrative requirements? If yes:
  - Describe the methodology you apply to measure the administrative burdens, e.g. do you use a cost methodology and/ or a qualitative approach by means of a business surveys or regulatory impact assessment? Do you use quantitative indicators/targets against which to measure the administrative burdens and their reduction?
  - Can you provide any cost figures resulting from these measurements?

- Can you indicate to what extent the administrative burdens fall on businesses and to what extent on public authorities? Are there examples of where a simplification measure resulted in a shift from business to the public authorities or vice versa? Or a shift between different levels of administration?

- Do you carry out any ex-ante assessment of potential administrative burdens before a given environmental law is implemented, eg. do you carry out a regulatory impact assessment when transposing EU legislation to consider different implementation options so that the administrative burden could be diminished or avoided? Do you use any other specific tools?

3. What are the main characteristics of your "simplification" initiatives?

- Based on the three "simplification" categories agreed by the BEST expert group, can you describe whether the initiatives:

  - concern amendments to the legal framework (consolidation, repeal, amendments, simplification or integration of permits).

  - introduce new measures to streamline procedures (the use of information technology, one-stop-shops, communication between authorities/companies).

  - the introduction of new organisational and structural approaches to meet environment objectives, eg. targeting resources on the basis of a risk-based approach to regulating companies.

- Please indicate where initiatives are targeted to reduce the burdens on SMEs and whether your country has introduced specific measures with regard to SMEs.

4. Which ministry/agency is responsible for your country's simplification initiative?

- Describe the administrative arrangements put in place for the implementation of your national initiatives and, if relevant, the establishment of any new institutional frameworks/bodies with specific responsibility for administrative simplification.

5. Is there any evidence, for example, studies about the effectiveness of these initiatives? Please indicate:

- Do you have indicators in place to measure the effectiveness of the initiatives? NO

- What conditions for success have been identified?

- What lessons can be drawn so far?

We would like to thank you for your cooperation in responding to the questionnaire in English, if possible, by January 26th 2005 in preparation for the next BEST expert group meeting on 3 and 4 February 2005.

Annex 2: European Case Studies

This Annex provides descriptions of each of the cases examined from EU Member States, EEA countries and Candidate Countries. This includes both best and good practice examples. The table provides a summary of initiatives classified according to the different categories of measures and indicating whether it is used as a best case study and acts as a 'contents' list for the Annex. At the end of each case contact information is provided for each case and whether they are a member of the Best Expert Group.

Categories:

1. Organisational or institutional framework
2. Simplification of permit schemes
3. Simplification of monitoring or reporting
4. Simplification of inspection
5. Use of IT tools and electronic systems
6. Risk-based and incentive driven approaches
7. Compliance assistance and support mechanisms
8. Other

Initiative	1	2	3	4	5	6	7	8
Austria								
1. European Data Interchange for waste notification systems (EUDIN)	X				X			
2. Electronic Data Management	X				X			
3. IT for One Stop Shop permitting in Lower Austria		X	X		X		X	
4. Consolidation of Permits		X					X	
5. Environmental Inspections in Styria				X			X	
Belgium								
6. Codification and simplification of environmental legislation in Flanders	X	X						
7. *Integraal milieujaarverslag*: the integrated environmental reporting system in Flanders			X		X			
8. Reform of water taxation in Flanders								X

Initiative	1	2	3	4	5	6	7	8
9. Simplification of permit schemes in Walloon		X						
10. Risk-based inspection: Internal Plan for the Surveillance of Environmental obligations in Walloon				X		X		
11. Electronic systems for monitoring and reporting in Walloon			X		X			
Bulgaria								
12. Strategic approaches to regulation	X	X	X					
Cyprus								
13. Simplification of EIA procedures		X						
Czech Republic								
14. Identification of problem areas of selected environmental legislation related to production of business activities	X							X
Denmark								
15. Strategic approaches to simplification	X							
16. Simplification of permit schemes		X						
17. Electronic reporting systems			X		X			
Estonia								
18. IT tools – national database			X		X			
19. IT tools – document management programme	X				X			
20. IT tools – public provision of information					X			
21. IT tools – e-government	X				X			
Finland								
22. Simplifying the Permit Procedure and Administration	X	X						
23. Re-evaluation of the environmental steering tool kit		X						
24. VAHTI compliance monitoring system			X		X			
France								
25. Modernising inspections				X				

Initiative	1	2	3	4	5	6	7	8
26. Reclassification of installations		X				X		
27. IT tools – pollutant data on the internet			X		X			
Germany								
28. Simplification and Acceleration Measures		X						
29. 11th Federal Immission Control Ordinance			X		X			
30. Simplification and Streamlining of Environmental Requirements for Companies							X	
31. Simplification of waste monitoring regulations			X		X			
Ireland								
32. EnviroCentre					X		X	
33. Merging waste and IPPC permitting		X						
34. Use of IT in licensing and enforcement					X			
35. Risk-based approaches to enforcement			X	X		X		
36. Streamlining the Waste Permitting System		X						
Italy								
37. One Stop Shop for Productive Activities	X	X						
38. Information Communication Technology: The Liguria Region for the environmental development of enterprises	X				X			
Lithuania								
39. Eco-mapping – simplification of EMAS implementation in SMEs		X					X	
40. Sunrise Programme	X							X
Netherlands								
41. Reassessment and modernization of the VROM legislation	X							
42. Simplification of permitting		X						
Norway								
43. Simplifying Norway – strategic approach to better regulation	X							

Initiative		1	2	3	4	5	6	7	8
44.	Consumer friendly regulatory requirements							X	
45.	Regulation help - Clarification of the legal framework					X		X	
46.	Electronic reporting			X		X			
47.	Altinn Project			X		X			
48.	Simplification of the HES (health, environment and safety) area	X				X			
49.	IT tools for compliance support	X				X			
Poland									
50.	"One permit one site", permitting IPPC and non IPPC installations on the same site		X						
51.	Simplification of Environmental Impact Assessment		X						
52.	Reduction of fees for the permitting procedure		X						
53.	Notification procedure instead of permitting procedure for installations producing electromagnetic fields		X						
54.	Simplifying waste management		X						
Portugal									
55.	Legislative and administrative simplification	X	X		X		X		
56.	Simplification of permitting	X	X				X		
57.	EMAS regulatory relief and related incentives for SMEs								
Romania									
58.	Simplification of permitting	X	X				X		
Spain									
59.	Hercules Project - IT tools: electronic reporting			X		X			
Sweden									
60.	Simplifying permitting		X						
61.	The FMH Project		X				X		
62.	Environmental report project			X		X			

Initiative	1	2	3	4	5	6	7	8
United Kingdom								
63. Strategic approaches to better regulation	X							
64. Risked-based regulation – OPRA						X		
65. The environmental permitting programme		X						
66. NetRegs support for SMEs					X		X	
67. Whole farm approach to regulation		X						
68. Pollution inventory			X		X			
69. Sector plans							X	X

1 Case study Austria

European Data Interchange for waste notification systems (EUDIN)

This best practice case describes an IT tool that reduces the administrative burdens of waste shipments. In particular it is innovative, increases efficiency, has an ease of implementation and is readily transferable to other Member States.

Introduction – the Waste Shipment Regulation

The EUDIN initiative constitutes an IT-based system intended to simplify the, until now, fully paper-based administrative procedure to notify authorities of waste shipments within, into and out of the European Union. Council Regulation (EEC) No 259/93 (Waste Shipment Regulation) provides that all waste shipments need to be notified with the authorities of dispatch (=of the country from which waste is exported) and authorities of destination (see Art. 3 and 6 of the Waste Shipment Regulation). In the case that waste is transported through another country, the authorities there also have to be notified. The notification is made by means of a consignment note filled out by the notifier (=company exporting waste) and sent to all competent authorities and via them to the consignee (=the company disposing of or recovering waste in the country where the waste is transported). The authorities examine the notification, in particular the type of waste, the mode of transport and method of waste treatment (disposal or recovery). Under certain circumstances, the authorities can object to the waste shipment. If there is no objection or the authority permits the transportation before the deadline for objections ends, the waste shipment can be carried out. The consignee has to send back the completed consignment note to the involved authorities and the notifier after receipt of the waste. After the disposal or the recovery of the waste, the consignee has to confirm that the disposal / recovery has taken place.

In many cases, companies export or import waste on a regular basis. Instead of having to notify the authorities over every shipment and waiting for the authorities' response, the notifier can under certain circumstances take advantage of the procedure set out in Art. 28 Waste Shipment Regulation. This provision states that a single notification may cover several shipments of waste over a maximum period of one year where waste for disposal or recovery, having the same physical and chemical characteristics, is shipped periodically to the same consignee following the same route (see Art. 28 Waste Shipment Regulation).

Whereas the general notification procedure must only be carried out once a year in the cases mentioned above, each transportation must still be announced and documented through the submission of transport documents and the consignee has to confirm receipt of waste and the disposal / recovery of the waste to the different authorities. In this way thousands of transport documents are sent by the involved companies to the competent authorities. The **EUDIN system**, however, now offers the possibility for notifiers and the consignees to enter all legally demanded information into an electronic form for the authorities. All necessary data entered into the database are then examined by the authorities. The systems of the competent authorities of the countries taking part in the EUDIN project will in the near future be inter-linked and the information entered will then be automatically transmitted to the other authorities as well as the consignee or the notifier. The notifier will only have to communicate with the authority of dispatch whereas the consignee will only have to communicate with the authority of destination.

The first step of the EUDIN process is to offer an electronic exchange of the transport documents, the second step will be to carry out the general notification process electronically. The EUDIN initiative is intended to simplify pursuing the procedure laid down by Council Regulation No. 259/93 that all EU Member States have to observe. The new electronic system for the notification of waste shipments developed by four EU Member States, is an initiative of interest for other EU Member States and has been selected as a best-practice case for Austria.

The initiative introduces new organisational and structural approaches to meet environmental objectives. The initiative introduces a database (IT tool) to support companies in their submission of notifications. The initiative, thus, appertains to category 1 as well as category 2 of the "BEST" project.

Transferability to other Member States

- The introduction of an electronic database and an electronic data transmission system will lead to an acceleration of the waste notification procedure, however the legal provisions about data to be submitted to the authorities have not been changed. The EUDIN system, thus, only aims at simplifying data transmission and will as a consequence not lead to a diminution of environmental protection. The initiative might in fact even improve the surveillance of waste transports throughout Europe by helping to easily transmit and save data;

- The introduction of EUDIN will render redundant paper notification forms and the transmission of these forms to the competent authorities by mail or fax. The system will offer the possibility for interested companies to insert the legally required information into the electronic cyber-database. This will help save time, money and paper;

- There is no suggestion that the initiative is not comprehensible or would not have clear objectives; and

- The initiative is transferable to all EU-countries who are all bound by the European Waste Shipment Ordinance. The EUDIN project has been launched and is still being developed by a number of EU Member States. Therefore it should also be possible to introduce the database to other EU Member States.

Saving costs to industry

- The initiative accelerates the notification procedure and helps save resources (paper, etc.);

- The system needs to be fully developed and tested. It should then be easy to introduce the database to other Member States who want to use it;

- The system takes advantage of modern communication equipment and is therefore innovative; and

- As the notification procedure is simplified as a whole, the initiative is beneficial for small and medium-sized companies. Small and medium-sized enterprises also take part in the pilot project.

Objectives of the initiative

The aim of the EUDIN-project is to set up an electronic system that renders possible an electronic exchange of the notification form and the transport documents. One basic objective of the EUDIN-project is to offer a practical way for the companies to announce their waste shipments electronically, fulfilling the legal requirements. In this way, a lot of paper work for both the companies and the authorities becomes unnecessary. (Authorities normally enter the data transmitted to them by mail or fax in their electronic data systems.)

The current notification process is fully paper-based and therefore time consuming. This is true for both the notifying organisations and the competent authorities. The current procedure is prone to errors and requires a lot of paperwork.

The EUDIN initiative was thus developed to reduce the administrative efforts linked with the notification process and to accelerate the transmission of data between the different concerned authorities. The new procedure would be time-saving for all parties involved (public and private sector).

Development of the initiative

The initiative was launched and developed as a joint project by the EU Member States Belgium and the Netherlands in the year 2000. Germany and Austria joined the project in 2001. EUDIN is a “voluntary” project launched by the four countries, it is not based on any legal provision on the European or national level.

Private IT-companies are involved as contractors of the administration in the development of the project as well as the United Nations Centre for Trade Facilitation and Electronic Business concerning communication and message standards and the Austrian Research Centre at Seibersdorf.

Stakeholder participation

Waste exporting and importing companies are involved as pilot users of the new system. Representatives of the administrative body (i.e. department responsible for waste shipment within the Austrian Ministry of Environment) are members of the project team. Stakeholder views have been and will be integrated, especially regarding usability aspects. The extent is limited by both time and money.

Key elements of the initiative

With EUDIN, the four countries Belgium, the Netherlands, Germany and Austria attempt to set up a system that facilitates a digital notification process. In Austria, the EUDIN initiative is a part of a larger initiative of introducing electronic data management to the field of waste management.

This implies the adoption of a standardised interface for the exchange of data between authorities and notifiers and consignees on the one hand and between the different authorities on the other. Notifiers and consignees will be able to submit their transport documents to the

authorities either by using a normal internet browser or by fully integrating their recording systems into the electronic data management system (in fact it does not make a great difference which way is chosen, therefore this issue will not be elaborated upon). The project has already entered the pilot phase. By the end of 2006, the EUDIN system should facilitate an automatic transfer of the data that the notifier / consignee enter into the system. As a result, the notifier will only need to communicate with the competent authority of the country of dispatch whereas the waste-importing company would only need to communicate with the authority of the country of destination. The authorities will also guarantee the transmission of necessary data to the notifier / consignee.

To sum up, EUDIN will facilitate direct communication between the back office systems of the various competent authorities and between competent authorities and notifiers via EDI - Electronic Data Interchange. By using this system, mistakes are minimised, the notification process is accelerated and the need for human involvement is minimised. The success of this system, of course, depends on all involved authorities being attached to the EUDIN system.

The basis for the functioning of the EUDIN-system is the uniform definition of data and of the data transfer system. The same data are needed for several business dealings and several legal obligations. The Ministry works together with the UN/CEFACT (an organisation of the UN) to develop international standards (i.e. worldwide standardised messages) and uniform definitions to avoid having to convert data. This process is still underway. The EUDIN pilot uses draft messages; the underlying data model was published by the Austrian Standards Institute (Ref.: ONR 192150 on 1.1.2005).

The EUDIN system should be used on a regular basis till the end of 2007 for the exchange of transport documents (see introduction) and till the end of 2008 / beginning of 2009 for the general notification process (see also introduction).

Comments by the administration (project manager) on the initiative

The EUDIN system will be beneficial to both administration and waste management companies who export / import waste.

Administration will be able to conduct their communication with notifiers more efficiently and more quickly by using EDI and will be less dependent on manpower. The electronic system enables authorities to save data in a practical manner that assures an easy access to all relevant information concerning a certain shipment. Finally there will be automated control tools of notification conditions and automated reporting tools. As a consequence, the need for human intervention will be minimised.

As for **companies**, the project manager detects a potential for cost reduction that can be expected by higher flexibility using modern, rapid and streamlined ways of data exchange. Reduced costs for companies cannot be assumed in general but depend on their EDI implementation (future estimates based on relevant experiences of the pilot companies will be made).

According to the project manager the experiences of piloting firms that have so far used the system for the exchange of the transport documents have been positive overall. Pilot users, however, report the commonly known problems and inconveniences of a changeover from paper to electronics. Before the Waste Shipment Ordinance is amended allowing the

exclusively electronic transmission of data companies will have to keep submitting their data in paper form, too. The amendment, however, is to be expected soon.

In general, the informed public has a high interest in the project and the general expectations concerning its capacities are high.

Comments by industry on the initiative

The attitude of the affected industry towards the EUDIN system is generally positive although it will have to be seen if the EUDIN system works in the end to the satisfaction of the administration and industry. There were no objections to the use of the electronic system provided it works properly.

One respondent stated that the establishment of the electronic system would save resources in the notifying procedure required by the Waste Shipment Ordinance. Another respondent from industry stated that his firm would probably need to make an effort to adapt their internal data processing system to the requirements of the EUDIN system. The respondent, however, was positive about the fact that the administration had included small and medium-sized enterprises as well as big waste management companies in the piloting project for the EUDIN system.

Outcomes of the initiative

Estimated Costs

The costs for the system to be set up are estimated to be approximately €700,000 for the administration in Austria.

The estimated costs for companies depend on their degree of integration into the whole electronic business-process (overall electronic data management). However, if integration is not profitable, a web-based application can be used without any additional costs.

Possible Problems for the realisation of the initiative

In the view of the project manager, the only possible acceptance problem that the EUDIN system could encounter is that some smaller waste management companies in rural areas object to using it due the fact that they only have access to low-speed communication equipment. However, those cases are exceptional. The EUDIN system will work perfectly with standard internet equipment.

Success factors

The initiative is still being developed and the system has only been tested in a pilot phase. Therefore the “critical factors” imply likely factors helping the initiative to be a success. The critical factors as named by the project manager (administration) are:

- The EUDIN system has to cover the whole waste shipment process;
- High usability and 97% availability;
- Second level-support with a minimum reaction time (The Austrian Federal Environmental Agency will set up a helpdesk that will answer ordinary questions about the system. More complex questions including legally relevant questions about

the system will be transmitted to the competent experts via the Austrian Federal Agency; and
- Free access (without fee).

Lessons for other Member States

EUDIN has been set up to fulfil the legal requirements of the EU Directive 259/93 in a simple way. As the requirements of the Directive are binding on all Member States and the system is based on international messaging standards, the system can be transferred to other Member States. A problem not discussed yet is the use of only English as the agreed language. Depending on the final solution adopted, a supranational must be identified to host the message broker.

Possible recommendations arising from the initiative could be:

- Replacement of paper-based notification procedures by electronic ones thus guaranteeing a quicker procedure and contributing to allowing easy access for the competent authorities to all necessary data;
- Involvement of the implicated business sectors (including small and medium-sized enterprises) and independent experts in the development of new initiatives aimed at simplifying administrative procedures; and
- Harmonisation of different electronic tools to transmit data for different purposes (as is the case for EDM).

Contact	Mr. Mag. Franz Mochty, Federal Ministry for the Environment Austria, Franz.Mochty@lebensministerium.at

2 Case study: Austria

Electronic Data Management

This good practice case is an IT tool that supports reporting by companies of environmental and related data. It increases efficiency of these processes and is readily transferable.

The Electronic Data Management is an initiative which aims to reform the organisational / institutional framework of waste data management applying innovative IT tools and electronic systems.

Objectives and concept of the initiative

The Electronic Data Management initiative reforms the current waste recording system. Waste data are currently sent by fax, mail or e-mail. The EDM initiative sets up an electronic data system to simplify and standardise the waste recording procedure. The initiative has been developed for efficiency and cost reasons. The initiative has been developed on the national (federal) level and is directed at the waste management industry.

The aim of the project is the development of an electronic register, electronic consignment notes, electronic reporting systems, and electronic data transfer in accordance with the notification process of the EC- waste shipment regulation (EUDIN, see earlier case).

The Waste Management Act 2002 provides the obligation to use the EANCOM-standard for identification. The Austrian ministry has chosen a global approach for the system. The numbers (GLN- global location number or GTIN-Global trade item number) used in this system are used for the identification of participants, treatment plants and their relevant parts. These numbers are also used for identification of types of waste, treatment methods and types of treatment plants. The advantage of these numbers is that it is a system established world wide and that the distribution of these numbers is not bound by any restrictions or criteria.

As a pre-condition for the use of this identification system in many sectors, the ministry builds up a register of all participants and publishes their master-data (comparable to data in a phone book).

Apart from the situation in Austria, current developments at the European level must also be taken into consideration. Apart from EC-reporting obligations which can be fulfilled in a more efficient way, the Council Regulation on Waste Management Statistics demands additional responsibilities regarding waste data recording by companies. The waste recording system must be designed in a way that permits obtain the data required by the EU. While the Statistics Regulation does not stipulate any specific method of data compilation and also admits administrative data as a source, it will definitely call for very comprehensive information on quantities and channelling of wastes.

Who was involved in the development of the initiative?

Waste authorities, waste management companies (also SMEs) as pilot companies as well as IT firms as contractors of the Federal Ministry are involved in the development of the initiative.

Benefits and costs

In the view of the Ministry, this system provides significant advantages for industry. One advantage, for example, is the fact that it is the same system used in trade and industry. The same GLN, which makes the company identifiable world wide, can be used for identification in business and for fulfilling legal reporting and recording obligations.

Any measured outcomes of the initiative?

None yet. Development of the initiative is still in progress.

What particular lessons are there from this initiative?

One lesson learned from the initiative is that administrative procedures can be rationalised by using IT tools. This saves paper work and communication which might be superfluous. Another lesson to be learned is how to facilitate the participation of the involved industrial sector (also small and medium-sized enterprises) in the development and the testing of the IT tool at an early stage.

Contact	Mr. Mag. Franz Mochty, Federal Ministry for the Environment Austria/ Franz.Mochty@lebensministerium.at

3 Case study: Austria

IT for One Stop Shop permitting in Lower Austria

This good practice case describes an administrative reform which increases efficiency for companies by unifying administration (forms, managers, etc).

The initiative aims at the simplification of permit schemes, as well as monitoring and reporting, taking advantage of innovative IT tools. The initiative has been developed for the province "Land" of Lower Austria.

Objectives and concept of the initiative

The main objective of the initiative is the acceleration and simplification of the permit procedure. The initiative has the following features:

- introduction of a unified form of permits for the whole region;
- one specific person as competent contact for the company for the whole permitting procedure and duration;
- electronic support, electronic access for official documents, support in applying for a permit covering many environment related issues such as waste, industrial sites (IPPC, Seveso, VOC…), water, mining and nature protection.

The initiative also simplifies the work of the administration. The following advantages are evident:

- compilation of Federal and Provincial data on industrial and manufacturing sites;
- electronic simplification – all relevant data in one system;
- easier access to all relevant data for the permitting case for authority;
- bringing different permits together;
- unified format of permits across the province;
- one competent contact partner in the authority for the company.

Who was involved in the development of the initiative?

The provincial government and the regional authorities were involved in the development of the initiative. The initiative was funded by the provincial government.

Benefits and costs

The benefits for the authorities are considered to be the electronic control for all permitting and monitoring procedures, benefits for the companies are permits issued more quickly (80 % of permits are issued within a period of less than 13 weeks), clear requirements, one competent authority and one contact partner for several related permits. There is a monitoring of permit speed. Companies have easier access to information and authorities.

Particular factors that affected the success of the initiative

Among these particular factors are:

- different stakeholders were positive towards it at the outset;
- co-operation between relevant partners; and
- fast implementation.

Particular lessons from the initiative and transferability

Even when national and provincial legal structures are complicated as in Austria, there is good potential for simplification within various bodies of authorities. In principle, the initiative is transferable to other countries, in particular the IT tool in principle and the process of developing and using that tool.

Contact	Mr. Axel Steinsberg, Austrian Federal Economic Chamber, Environment and Energy Policy Department, P.O. Box 189, Wiedner Hauptstrasse 63 | A-1045 Vienna, P +43 590 900-4750 | F +43 590 900-114750, E Axel.Steinsberg@wko.at | W http://wko.at/up Reinhold.baumann@noel.gv.at.

4 Case study: Austria

Consolidation of Permits

This good practice case increases efficiency by allowing a consolidation of requirements under different permit regimes.

The initiative aims at simplifying permits schemes and providing compliance assistance and support mechanisms for industry / enterprises. The initiative has been developed on the federal level and has its focus on companies with an EMAS-certificate.

Concept and description of initiative

Companies which have been operating for many years and have made several adaptations or extensions to their facilities and plants, often have to comply with the requirements of a large number of different permits (resulting from federal laws about the protection of water, protection of workers, air quality norms, waste management, trade law, etc.) some of which may conflict with others or may be outdated. In order to facilitate compliance for the companies and also compliance monitoring for the authorities, this initiative enables companies in co-operation with the authorities to merge the existing permits into one, and to eliminate contradictions.

The new Environmental Management Law includes a paragraph that allows companies to apply to the regional authority (which is responsible for planning permits) to start a consolidation procedure. All existing permissions are collected, outdated requirements are eliminated and solutions are sought in case of conflicting requirements. Minor changes to the installations can be included in the new permit. The consolidated permit includes a complete documentation of the facility. Neighbours have a right of access to the draft document and can raise objections.

Who was involved in the development of the initiative?

The initiative was developed by the Austrian Ministry of the Environment in the course of adapting the Environmental Management Law. No extra funding was required.

Benefits and costs

Benefits for the company are perceived to be the legal certainty and the facilitation of compliance with the permit's requirements, as they are clearly and unequivocally stated and well documented. Benefits for the authority are first and foremost easier monitoring of compliance, up-to-date documentation and less paper to be archived.

There are costs caused by the time and material needed to be spent on the consolidation procedure. Estimates have been made for the time needed for the consolidation: http://www.emas.gv.at/filemanager/download/628.

Comments on the initiative

One small item should be improved: For the moment, only permissions based on federal law can be consolidated. As permissions based on provincial law (e.g. construction laws) also include relevant requirements, it would be a big step forward to include these too. Some

regional authorities have made a step forward in this respect by including a paragraph in the consolidated permit which states that the current status of the building corresponds fully to the requirements of the relevant regulations.

Transferability of the initiative to other countries

A similar regulation can be introduced in other countries.

Contact	Mr. Axel Steinsberg, Austrian Federal Economic Chamber, Environment and Energy Policy Department, P.O. Box 189, Wiedner Hauptstrasse 63 | A-1045 Vienna, P +43 590 900-4750 | F +43 590 900-114750, E Axel.Steinsberg@wko.at | W http://wko.at/up
Further References:	Information provided by the Ministry of Agriculture, Forestry, Environment, and Water (in German): http://www.emas.gv.at/article/view/183/1/103 Legal basis: §22 of the Austrian "Umweltmanagementgesetz" (Environmental Management Law) http://www.emas.gv.at/filemanager/download/8881/

5 Case study: Austria

Environmental Inspections in Styria

This good practice case increases efficiency for the administration and companies by bringing together different inspection functions.

The initiative aims at the simplification of inspection and provides some compliance assistance and support mechanisms to industry / companies. The initiative has been developed on the regional level (province, "Land", of Styria)

Objective and concept of the initiative

The EU recommendation 2001/331/EC requires regular inspections of industrial sites which are very difficult to fulfil. An efficient structure minimising administration was to be established.

Since 2004 this system has been established in Styria having the following features:

- unified procedure in the whole Province;
- coordination when a case takes place in several (administrative) regions within the province;
- optimising efforts of the verifiers;
- data management;
- utilising synergies between different administrative bodies; and
- self inspection at company sites.

Who was involved in the development of the initiative?

The initiative was developed and funded by the provincial government. The tool was developed in co-operation with relevant trade and business associations.

Costs and benefits

The benefits for the authorities are:

- electronic control for all inspections;
- no additional staff necessary; and
- proper implementation of the directive.

Benefits for companies are:

- fewer authority contacts;
- self-inspection; and
- bonus for EMS.

There are no measures available that measure the costs and benefits of the initiative. It is a scheme that operates immediately without any additional personnel.

Measured outcomes

The inspection system - based on inspection programmes - is working well.

Particular factors that affected the success of the initiative

Different stakeholders viewed the new inspection system as a good idea at the outset. There was co-operation between relevant partners. The implementation of the inspection system was facilitated by the Provincial Government on the initiative of the managing director.

What particular lessons are there from this initiative?

The realisation of the initiative leads to close interdepartmental cooperation between technical and legal divisions. It works efficiently, if:

1. overall inspections are performed;
2. environment management systems are kept in mind (e.g. EMAS);
3. there is transparent release and publication of the results;
4. it seems to be particularly advantageous to assign the programme management of complex installations to technical departments.

Contacts	Mr. Axel Steinsberg, Austrian Federal Economic Chamber, Environment and Energy Policy Department, P.O. Box 189, Wiedner Hauptstrasse 63 | A-1045 Vienna, P +43 590 900-4750 | F +43 590 900-114750, E Axel.Steinsberg@wko.at | W http://wko.at/up Michael.Schubert@stmk.gv.at; Alfred.hammler@stmk.gv.at; www.umwelt.steiermark.at

6 Belgium - Flanders

Codification and simplification of environmental legislation in Flanders

This best practice case describes a detailed reassessment of environmental law in Flanders leading to reform in a number of areas. This case has benefits to SMEs by increasing efficiency of implementation and is innovative in that it has such a comprehensive approach.

The current Flemish government has committed itself to an explicit policy objective of "legislative moderation" and "regulatory management", which is to be implemented horizontally in all policy fields over which the Flemish Region has jurisdiction within the Belgian federal system of government. One of these fields is environmental policy, since regional authorities in Belgium are competent for most aspects of this policy, including the transposition and implementation of most EU environmental legislation.

The stated policy of the Flemish Minister of the Environment is to achieve "more environmental results with less superfluous regulation". To this end, a regulatory impact assessment is to be performed for any proposed new regulations, and existing legislation and regulation are to be evaluated with a view to their simplification and the reduction of administrative burdens on citizens and businesses. The Flemish government has adopted an "Action Plan for Regulatory Management in the Field of Environmental Policy" which announced a number of initiatives aimed at legislative simplification. The main initiatives which are relevant to the BEST project will be briefly reviewed here.

A long-term objective of legislative policy in the environmental field is to streamline Flemish environmental legislation through codification. In the long run, all cross-sectoral provisions are to be brought together in a single "Flemish Environmental Code" in order to increase their transparency and accessibility, while eliminating overlapping and sometimes conflicting provisions in sector-specific environmental laws. This effort was initiated 15 years ago, when the Flemish government established an inter-university committee of experts for the reform of environmental legislation, which concluded its work in 1995 by formulating detailed proposals for codification, aimed both at streamlining existing legislation and filling some remaining gaps. Some of the committee's recommendations were implemented, but much remains to be done.

A specific legislative simplification initiative linked to the overall codification project which is likely to be implemented over the next two years is the adoption of integrated legislative provisions on the enforcement of environmental law, covering inspection procedures and a system of sanctions, with increased reliance on administrative sanctions rather than traditional criminal penalties. These new uniform provisions are intended to replace the different enforcement provisions that are currently scattered over many different pieces of sectoral legislation. Extensive stakeholder consultations are currently being conducted with a view to submitting a draft bill for approval to the Flemish government and parliament in the near future.

An initiative relating to the evaluation and reform of existing legislation is the proposed review of the 1994 decree on the clean-up of contaminated soils, which has now been in force for over a decade. Based on the experience with the implementation of the existing provisions, the Flemish government is contemplating a number of amendments aimed at simplifying administrative procedures, reducing the administrative burden on landowners and

making more efficient use of available public resources. One of the measures envisaged is increased reliance on a risk-based approach in determining soil clean-up obligations.

Another reform initiative announced for the current government period is a complete revision of the Flemish legislation on the management of manure, which has been in force since 1991 but has been amended many times by successive governments as a result of policy changes, new political compromises with the farming sector, and pressure from the European institutions (including an ECJ judgment) concerning the implementation of the Nitrates Directive in Flanders. As a consequence, the legislative and regulatory provisions currently in force are very complex. The objective of the proposed reform is to simplify the system with a view to creating more transparency and legal certainty for farmers, while ensuring correct transposition and practical application of the Nitrates Directive.

Flanders has had an integrated system of environmental permitting since 1991, long before the IPPC Directive. However, another legislative simplification initiative currently under consideration would be to merge the environmental permit with the planning permit for certain facilities with a low impact in terms of land use and urban planning. This would ensure a further reduction of the administrative burden on operators. A feasibility study on this reform is due to be completed by the end of 2005.

Contact	Flemish Authority Environment, Nature and Energy Department Koning Albert II-laan 20 bus 8, 1000 Brussels email: aminal@lin.vlaanderen.be http://www.lne.be

7 Case study: Belgium

Integraal milieujaarverslag: the integrated environmental reporting system in Flanders

This best practice case describes a major IT tool that increases the efficiency of data reporting by companies. It has particular benefits to SMEs and is relatively innovative.

Introduction

Environmental legislation in all EU Member States is replete with requirements imposed on operators of certain regulated activities to monitor, register and report data about environmentally relevant aspects of these activities. Many such requirements result directly or indirectly from EU environmental legislation. The data concerned either have to be communicated to public authorities at regular intervals or kept available for inspection. They are used by public authorities for various purposes, such as enforcement, application of environmental taxes and levies, emission monitoring and compilation of state of the environment reports, and environmental policy planning. Since the requirements in question were often introduced in an incremental, uncoordinated manner, by different pieces of legislation and different public authorities, operators are confronted with an important administrative burden, as they have to collect and report data in different forms and at different intervals to different authorities. This situation, which occurs across the EU, presents opportunities for administrative simplification and rationalisation. The case study demonstrates how these opportunities were seized in the Flemish Region of Belgium.

The measure which forms the subject of this case study falls in category simplification of monitoring or reporting. It also contains some elements belonging to the category of use of IT tools and electronic systems. It is a cross-sectoral initiative applying to many different business sectors.

The initiative maintains the same level of environmental protection. Reporting requirements are not reduced, but streamlined, so that the same data remain available to public authorities for environmental policy purposes, while reducing the administrative burden of providing and collecting them. There are benefits both for business (including, but not limited to, SMEs) and for public authorities, though these benefits have not been quantified so far. Though implementation involved administrative and regulatory reform, as well as the introduction of new systems, the measure was relatively easy to implement and seems transferable to other countries.

Objectives of the initiative

The objectives are to streamline environmental data reporting requirements for all persons (natural or legal) in the Flemish Region of Belgium who are subject to such requirements under Flemish environmental law, and thereby to reduce the administrative burden on them. An incidental objective is to improve the efficiency and performance of the information management systems of the Flemish environmental authorities.

Development of the initiative

The initiative was developed within the framework of an overall Flemish government policy aimed at regulatory simplification. It also aims at enhancing the effectiveness and efficiency of the Region’s environmental administration.

The initiative was developed by an administrative task force composed of officials of the Flemish Environment Administration (AMINAL), the Flemish Environment Agency (VMM) and the Flemish Waste Management Agency (OVAM), i.e. the regional public authorities responsible for the administration of existing reporting requirements. It was based on the results of a comprehensive study of monitoring and reporting obligations across Flemish environmental legislation, carried out by a consultant. Stakeholders were formally consulted through two different advisory bodies: the Economic and Social Council of Flanders (SERV) and the Environment and Nature Council of Flanders (MiNa-Raad). The reform was supported by both environmental and business constituencies.

As the initiative mainly consisted of administrative and regulatory reform, the work was funded from the budget of the Flemish Region and the specific administrative agencies involved. There were no specific funding problems.

Key elements of the initiative

The initiative introduces a single form and reporting schedule for the reporting of environmental data to the Flemish authorities. This implied legislative and regulatory reform. The necessary authorizing legislation was passed on 6 February 2004, followed by implementing regulations on 2 April 2004. The new streamlined reporting system has been in force since 2005.

Under previous legislation, the same operators could be subject to data reporting obligations under as many as four different schemes:

- effluent data under water pollution control legislation, used mainly as a basis for calculation of an annual water pollution tax;
- data on waste production and transport under waste management legislation, used for monitoring and planning purposes and as a basis for calculation of an annual waste tax;
- data on the volume of groundwater abstracted from aquifers, used mainly as a basis for calculation of an environmental levy on groundwater use; and
- emission data under integrated pollution control legislation, applicable to facilities with levels of emissions or energy consumption exceeding certain thresholds.

These data had to be reported to different administrations using different forms and at different time intervals and dates. Under the new scheme, most of these reporting requirements have now been integrated. Companies have to submit their data by completing a single form and returning it to a central administrative focal point once a year. From 2006, it has also become possible to submit the data electronically via a single internet form. A dedicated website has been created.

It should be mentioned that the introduction of the new reporting system was also used in order to ensure full compliance with EU obligations under the EPER scheme (Decision 2000/479/EC). This implied extending the existing emission data reporting requirements for certain pollutants and activities. The new data to be reported under EPER were included in the single form from the start.

The objective of the Flemish authorities is to continue the gradual development of the system in consultation with stakeholders. Additional reporting obligations, of a more specialized nature, which do not apply to all sectors, have been added to the integrated reporting system from 2006. A comprehensive review of all sectoral reporting obligations has been carried out in order to identify those that could be included in the integrated system. For example, the specific reporting obligations of operators subject to the EU emission allowance trading scheme (Directive 2003/87/EC) may also be integrated into the system at a later stage. However, the initial objective of fully integrating the effluent data to be provided for taxation purposes has not yet been achieved. This part of the initiative has been delayed by a separate reform of the wastewater taxation system, as well as by resistance from industry, which prefers to keep data used for fiscal purposes separate from effluent data reported for monitoring and statistical purposes.

Opinions on the initiative

Business has generally been supportive of this initiative. However, business interest groups point out that the resulting reduction in administrative burden and compliance costs has not been as important as might have been expected. They regret that the opportunity provided by the introduction of the new integrated reporting system was not used by the public authorities to reduce the range and scope of data to be reported (e.g. by adopting the higher thresholds for the reporting of certain emissions provided by EPER rather than maintaining the lower thresholds from the pre-existing Flemish regulations), since the largest burden on operators results from the obligation to monitor and register data, not from the reporting obligation as such.

The opinion of the business federation is that a significant_burden reduction only found for waste data reporting. This is because under the previous reporting system, all producers of industrial waste had to report waste production data annually. Some even had to report to two different authorities using different forms. Under the new, integrated system, this dual reporting obligation has been abolished, and not all producers have to report annually any more. Only IPPC facilities and a statistically representative sample of other producers, which is determined every year, are required to report waste production data through the integrated form. So a significant number of companies which previously had to report are now exempted. The business federation considers that for those companies which are still subject to an annual reporting obligation, the burden reduction resulting from the introduction of the new integrated form and online reporting possibility is not so significant, because the main burden is collecting the data, not reporting them. This probably reflects mainly the opinion of the larger producers, which already had well-established computerized data collection systems under the earlier scheme, and were forced to adapt their software and systems to the new scheme.

Also, the full benefits of the new system will only be evident in 2006, when the possibility of online reporting is fully introduced. During the first year of operation, in 2005, there were some start-up problems due to necessary changes in the formatting of certain data as a result of the introduction of the new forms. This reformatting of data also entailed software adaptation costs for certain operators.

Outcomes of the initiative

Take-up is not relevant, since reporting is not voluntary, but mandatory. The anticipated costs and benefits of the integrated reporting system were initially only assessed in qualitative

terms. A full cost-effectiveness assessment has not yet been performed, since the system has only been operational for one full year, but an ex post evaluation is planned in the future. In the second stage of the introduction of the system, expanding it to sectoral reporting obligations, some quantitative assessments of costs of selected obligations were performed. However, these assessments were not decisive in the selection of the obligations that were incorporated into the integrated system.

Success factors

There was a broad measure of consensus between stakeholders. Extensive consultations with the regulated community were held during the preparation and implementation of the initiative. A communication strategy was developed and implemented to inform industry and specialized professionals (environmental experts and coordinators). The information campaign was carried out in cooperation with business associations.

Lessons for other Member States

The initiative seems transferable to other Member States where similar conditions prevail. Its specific design will of course vary depending on the legislative and administrative situation in each country.

The experience in Flanders suggests that a gradual approach may be most successful. It is important to start from a comprehensive inventory of existing reporting obligations, to identify those obligations that apply to the largest target group as candidates for inclusion in an integrated reporting system. If successful, the system can later be expanded to include other, more specialized reporting obligations, which concern a more limited target group.

All administrative authorities with responsibility for the collection and management of environmental data from operators should be involved in the preparation and implementation of the reform, as they will need to revise their respective regulations and operating procedures. Cooperation will be required for the establishment of a central focal point and appropriate arrangements for data processing and sharing.

Stakeholder involvement and support is also crucial. Since this is a “win-win” initiative with benefits for stakeholders as well as public authorities, such support should be forthcoming.

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Website: http://imjv.milieuinfo.be/

Contact	Dick van Straaten, project manager Environmental Management Information System, Flemish Authority, Koning Albert II-laan 20 bus 8, 1000 Brussels tel: +32/2/5531156 email: dvs@milieuinfo.be

8 Case study: Belgium (Flanders)

Water tax reform through introduction of 'unified water bill'

This good practice case describes a reform to a financial instrument by providing tax relief to SMEs for their water taxation within a broader administrative simplification. It indicates that simplification measures can also apply to economic instruments.

Introduction

In 2005, the Flemish government introduced a major reform and simplification of the system for the funding of the public water treatment infrastructure in Flanders. Compared to the previous arrangements, the new system reduces the administrative burden both for small water users and governmental agencies and also provides a measure of tax relief to SMEs.

Description

A single 'unified water bill' has been introduced for all persons (natural or legal) who, under the system previously in force, were liable to pay water treatment tax to the Flemish authorities, in addition to paying the water supplier for their water consumption, and who consume less than 500 m3 of water from the public drinking water supply system per year. The unified water bill covers not only the cost of water supply but also of water treatment. The new system does not, however, apply to all water users. The 500 m3 threshold excludes most industrial water users, who are still subject to water treatment tax. Though the new billing system mostly concerns households, it is estimated that approx. 50,000 small businesses also benefit from it. The new system may later be extended to include large water users, i.e. some 20,000 companies that are currently still subject to direct taxation of their effluent discharges.

Under the previous system, the cost of the public water treatment services was covered by the budget of the Flemish Region, which paid the operator of these services (Aquafin NV) a fee for investment costs and operational expenditure. The federal government charged 21 % VAT on these payments. The income to cover this budgetary expenditure was raised through a special water treatment tax, collected annually by the Flemish Environment Agency (VMM - Vlaamse Milieumaatschappij). As a result of a ruling by the federal tax administration, this regional tax was no longer tax-deductible for businesses subject to it.

Under the new system, the public drinking water supply companies are made liable for the cost of treatment of the water they supply to end-users. They discharge their liability by concluding a service agreement with Aquafin NV under which they are charged for water treatment services based on the volume of water supplied. This cost is passed on to the water consumers through a special charge per m3 added to their water bill. Businesses can deduct the full amount billed from their taxable income. As a result of the new system, a substantial portion of the cost of public water treatment (resulting from the implementation of the Urban Waste Water Directive) is paid directly by water users through the water supply companies rather than from public funds raised by taxation.

Benefits

The reform has been justified with reference to the provisions of the Water Framework Directive on costing of water services and the polluter pays principle as a cost internalisation

measure. Users get a single bill reflecting the full cost of water, instead of a water bill followed by a separate water treatment tax bill one year later. This is more transparent for users. It also involves less paperwork.

However, the total cost of water services to the end-user has not been reduced as a result of the reform, except for eligible business users for whom the full cost of those services has again become tax-deductible as any normal business expenditure.

Another benefit is the reduction of the administrative burden on government authorities. VMM does not have to send annual tax bills to over 2,000,000 water users in Flanders. However, the financial benefit to VMM is not proportionate as water supply companies charge it for the additional administrative expenditure and financial risk resulting from their new duty to collect water charges from their customers.

The main benefit is for the Flemish regional treasury as it avoids paying 21% VAT to the federal treasury on its payments to Aquafin (operator of the water treatment infrastructure).

While the unified water bill is depicted as an administrative simplification measure, the main incentive for its introduction was budgetary, i.e. the resulting reduction of the VAT burden (approx. € 50 million/year) on the Flemish waste water treatment budget (in fact a transfer of funds from the Flemish treasury to the federal treasury). This resulted in strong political support for the initiative in Flanders.

Transferability

This is a case of creative redesign of funding mechanisms for environmental services with benefits for consumers/taxpayers, certain businesses and public authorities. In its overall design, this initiative might be transferable to other countries. However, its relevance will depend on the particular nature of the financing mechanisms for public water treatment in place in other countries. In countries where water supply and water treatment are already the responsibility of the same companies this type of reform would not be relevant.

Contact	Lutgard Fleurinck, Hoofd Afdeling Heffingen, Vlaamse Milieumaatschappij (VMM), A. van de Maelestraat 96, B-9320 Erembodegem, Belgium

9 Case study Belgium, Walloon Region

Simplification of permit schemes

This best practice case describes a comprehensive approach to integrating different permitting regimes, unifying administration and speeding up processes. The approach increases efficiency, reduces costs, has particular benefits to SMEs and its scope is innovative.

Introduction

On 11 March 1999 a Decree on environmental permitting was introduced which simplified permitting with the following elements:

- To integrate all environmental issues in a single permit;
- To integrate environment and urban planning;
- To apply a faster procedure because of established deadlines;
- To transpose several European Directives;
- To establish a simplified method of declaration for the enterprises giving rise to fewer environmental impacts; and
- To establish a single authority and a one stop shop.

It applies to all activities which are subject to environmental permitting requirements in the Walloon Region of Belgium, across a wide variety of business sectors. IPPC facilities are included but the scope of the system extends well beyond them.

Key elements

Moving from several permits to a single integrated permit which covers all media and activities and replaces a series of pre-existing permitting procedures introduced by earlier regional legislation. The legislation on the integrated permit system has also been used to ensure transposition of certain aspects of the IPPC, VOC, EIA and Seveso Directives. Also, some activities which were previously subject to authorisation are now subject to a simple declaration procedure (unilateral notification to a local authority by the operator). The results of the initiative as compared to the previous legal situation are further explained in table 1 below.

The reform legislation was passed in March 1999 but only entered into force on 1 October 2002, as implementing regulations had to be adopted by the Walloon Government. Meanwhile, a new decree, entitled RESA (relance économique et simplification administrative, Economic Re-launch and Administrative Simplification) was adopted on 3 February 2005 as part of a regional policy of economic and administrative reform, which made some changes in the procedure and various implementing measures of the Decree of 11 March 1999 on environmental permitting. The Walloon Government has been empowered to make further procedural changes, for example to shorten certain time periods at various stages of the permitting procedure.

Development of the initiative

This was a political initiative of the Walloon Government, which was prepared by its competent administrative services especially the General Directorate of Natural Resources

and Environment (DGRNE) of the Ministry of Walloon Region. The draft legislation was submitted to various consultative bodies and finally to the regional parliament for adoption. Subsequently, further administrative work was carried out by DGRNE to draft detailed implementing regulations which were eventually adopted by the regional government.

Several advisory boards have been set up by decree to provide public authorities with opinions prior to the adoption of legislation and regulations in the area of sustainable development such as the Environment Council of the Walloon Region for Sustainable Development (CWEDD). These commissions are composed of representatives of the Region's business federations, trade unions, associations and NGOs. Through this initiative, the Consultative Commission of Urban Planning is also consulted.

The Decree of 11 March 1999 on environmental permitting itself provides for public participation in the permitting procedure. A public inquiry is undertaken as part of the procedure: During the undertaking of an Environmental Impact Assessment, the applicant must publish an announcement specifying the nature of the project before the information meeting. During the public inquiry, the local administration in charge of issuing the permit must inform the residents and post an announcement that spells out the project's consultation procedures. The Decree includes an obligation to take decisions on the basis of the opinions and comments that have been received and to mention possibilities for appeals. The Decree also specifies the measures necessary to publicize the decisions that are taken by the authority responsible for granting the permits. However, it is possible that some of these participatory procedures may be curtailed by the government under special powers it has recently been granted by the RESA decree (see above).

Outcomes of the initiative

In general terms, the benefits of the new integrated permitting system can be described as a reduction of the administrative burden for companies and public authorities through the introduction of a one stop shop. More specifically, DGRNE highlights the following benefits:

- The procedure for obtaining the permit is shorter and characterised by rigorous deadlines;
- The Decree introduces one single environmental permit replacing numerous environmental permits and authorisations. In addition, environmental and planning authorisations are granted in the form of a single permit;
- A single competent authority; and
- Activities are divided in three classes depending on the potential impact on the environment. In addition, there is a simplified method of declaration for the enterprises giving rise to fewer environmental impacts (class 3).

SMEs benefit in particular from the introduction of the Class 3 list of activities, which covers a huge number of activities of SMEs (such as: oil tanks over 3,000 litres, individual petrol stations, permanent chip shops, bowling alleys, etc), which no longer require a formal permit, but are only subject to a simple declaration. In addition, in the case of these small businesses whose activity has little impact on the environment, processing of applications are streamlined and speeded up.

It should be pointed out that the benefits of the new system will only be felt very gradually, as it applies immediately only to permits issued or up for renewal after 1 October 2002. All sectoral permits issued under previous legislation before that date remain valid for their

stipulated period of validity. It is only when they lapse that the holders must apply for a renewal under the new integrated system which will cover previously authorized activities.

Decree of 11 March 1999 on environmental permitting

Before the Decree	With the Decree
• Lengthy administrative delays. • Several permits/authorisations (operating permit, authorisation to draw water or to discharge industrial waste water, authorisations about waste, explosives, mining, etc…). • Extensive bureaucracy (several competent authorities). • All companies and all activities were concerned. • Some Directives pending for transposition.	• The procedure for obtaining the permit is shorter and characterised by rigorous deadlines. • The Decree introduces one single environmental permit replacing numerous environmental permits and authorisations. In addition, environmental and planning authorisations are granted in the form of a single permit. • A single competent authority. • Activities are divided into three classes depending on the potential impact on the environment. In addition, there is a simplified method of declaration for the enterprises giving rise to fewer environmental impacts (class 3). • Transposition of Seveso II, VOC, EIA (Directive 97/11/EC) and IPPC Directives.

Lessons for other Member States

This case study has a number of lessons for other Member States, including:

- The importance of the link between simplifying permitting and the simplification of the institutional context of the permitting authorities.
- The need to link integration (potentially a complex process) of permitting with measures to deliver simplicity.
- Linking permit revision with different sizes of activity (related to risk-based approaches).

Contact	Direction de la Coordination de la Prevention des Pollutions (D.C.P.P.) Avenue Prince de Liège, 15 B-5100 NAMUR Tél.: +32 (0) 81 33 61 64 Fax : +32 (0) 81 33 61 22 E-mail : DCPP.DPA.DGRNE@mrw.wallonie.be

10 Case study: Belgium

Plan interne de surveillance des obligations environnementales (PISOE)
Internal Plan for the Monitoring of Environmental Obligations

This good practice case describes an administrative reform that increases the efficiency of reporting activity by companies

Introduction

In March 2005, the Walloon Region of Belgium started introducing a new system for the monitoring of compliance with environmental obligations by IPPC facilities under its jurisdiction (approx. 220 facilities on the territory of the Walloon Region). The objectives of the new PISOE system are:

- To better organise the supervision and control of IPPC facilities and the monitoring of compliance with the conditions fixed in their permits.
- To comply with the Recommendation of the European Parliament and of the Council of 4 April 2001 providing for minimum criteria for environmental inspections in the Member States.
- To improve the dialogue between companies and public authorities.
- To improve companies' awareness and understanding of IPPC obligations

Description

Under this new system, new provisions on emission monitoring are being systematically introduced in the permits of all IPPC facilities in Wallonia, under which the operators are required to elaborate a draft plan for environmental compliance monitoring, proposing the technical modalities and frequency of monitoring. Depending on the facility and the circumstances, monitoring is to be undertaken occasionally, regularly, frequently or intensively (the default requirement is occasional monitoring). This draft plan is reviewed by the official in charge of inspection. The final plan is established in common agreement between the operator and the public authorities in charge of inspection.

The operator is to designate one of its employees as the person in charge the implementation of the monitoring plan and must also keep a register of any complaints received from the public and how they are dealt with. The authorities must be notified 8 days in advance of any monitoring campaign and the operator must provide detailed process information to the official in charge of inspection to facilitate verification. Monitoring results must be kept available for inspection by officials.

These requirements are automatically being introduced in all new IPPC permits that are issued, and gradually included in existing permits on the occasion of their periodical review and updating. Thus, the new system will ultimately become operational in all IPPC facilities in the Walloon Region of Belgium. However, since introduction is gradual, as of early 2006, it had only become operational in a few facilities.

Rationale

Though the rationale of the PISOE system is to organize adequate procedures for self-monitoring by the operator and the required monitoring frequency is presumably to be agreed

through a risk-based approach, the documentation about the system does not specify the criteria to applied to determine frequency. The self-monitoring procedure is without prejudice to the inspection powers of public authorities, but it is to be assumed that inspection will be marginal in those companies that apply the new system. It seems that this system was mainly introduced because the inspection services did not have sufficient resources to meet their target of inspecting 80 IPPC facilities per year.

Development

The initiative was developed by the General Directorate of Natural Resources and Environment (DGRNE) of the Ministry of Walloon Region, in particular by the units in charge of IPPC facilities and inspection (DPE). IPPC permit holders and the Union of Walloon Enterprises (UWE) were involved in the project.

The development of the system was funded from the budget of the Walloon region, but implementation in the companies subject to it is to be funded by the operators themselves. If the agreed monitoring plan provides for the use of monitoring equipment which is not mandatory under the permit conditions, this equipment will be funded by the inspection authorities.

Benefits

This plan will allow to resolve the problem of the complexity of surveillance of IPPC installations and ensure compliance with IPPC permit conditions in accordance with article 9 (5) and article 14 of the IPPC Directive and the Recommendation of the European Parliament and of the Council of 4 April 2001 providing for minimum criteria for environmental inspections in the Member States. By making the operators responsible for monitoring, proper surveillance of all IPPC facilities can be ensured. This is expected to reduce the incidence of non-compliance and the number of complaints.

The initiative will also help to resolve any remaining public complaints as companies have to set up a register of complaints and establish an assessment and follow up method to deal with them. It will allow an increase in transparency and improve dialogue between companies and public authorities.

Contact	Serge Godfroid Inspecteur général Police de l'environnement Avenue Prince de Liège, 15 B-5000-Namur (Jambes) Belgium Tél. : +32(0)81.33.60.07 Fax.: +32(0)81.33.60.22 se.godfroid@mrw.wallonie.be

11 Case study: Belgium

Integrated environmental survey (REGINE)

This best practice case describes a major IT tool that increases the efficiency of data reporting by companies. It has particular benefits to SMEs and is relatively innovative and transferable to other countries

Introduction

The Walloon Region of Belgium has recently introduced an integrated environmental survey system (REGINE), which involves the use of information technology, one stop shops and communication between regional public authorities and companies with a view to collecting environmental data for reporting purposes. The measure was initiated by the regional environmental administration (DGRNE) based on their information needs to comply with EU and international reporting obligations.

The objectives of REGINE are the following:

- To lower the burdens both for companies and the administration in the field of environmental data collection and reporting**;**
- To ensure coherence between the different inventories and reports (as a result of international, European, federal and regional legislation) by collecting and validating once per year all necessary information concerning air, water, waste, energy and environmental expenditure and by putting into practice a single authentic source;
- To fulfil many different regulatory regional, federal, European and international reporting obligations on time and in the required formats;
- To concentrate efforts by targeting the most pertinent companies; and
- To exploit as much as possible the possibilities of IT.

Description

The REGINE system can be described by comparison with previous reporting systems in the following table:

Before REGINE	With REGINE
Environmental data were collected from different administrative services which resulted sometimes in redundant questions for the companies and in inconsistencies in collected data. Companies were asked to fill in a large number of questionnaires for different regulatory environmental requirements. Every regulation targeted a group of companies: every company had to fill in a number of questionnaires and answer to overlapping questions in a different manner.	A single authentic data source: The collected information is available between different services and administrations ensuring at the same time the confidentiality of certain data. All required questionnaires have been reduced to one single environmental survey integrating all pertinent environment-related requirements for 300 companies. The environmental integrated survey is personalised to the 300 operators of the activities/installations covered by one or several regulations (four international Conventions and their protocols, seven

Companies usually got very confused. Companies spent long time to answer numerous questionnaires. The deadlines were not respected. Administration spent long time to enter the validated answers in the databases. For the administration sometimes it was impossible to follow the deadlines of reporting established by international obligations. The administration had to deal with a large number of paper questionnaires.	European Directives, three European Regulations, two European Decisions, one European Recommendation, two Walloon lows, one Walloon Decree and several non legally binding agreements). REGINE has allowed consolidation of overlapping regulations (eg ET and IPPC Directives, PRTR protocol, etc…), updating and anticipation of regulations (eg LCP Directive, E-PRTR Regulation…) and solution of contradictory issues (eg series of PCBs, PAHs…). Awareness of companies about environmental obligations has increased. The majority of questionnaires are received before the deadline. Time for recording data will be reduced. Administration is able to prepare reports before the deadlines. REGINE replaces paper questionnaires by electronic data exchange (an on-line system for digital sending of data has been set up).

Most of the collected and validated data is treated and analysed to produce sectoral reports and indicators that are afterwards published on the Internet. In the near future, with the PRTR implementation in Europe, data collected through REGINE will be available in a database on the Internet as its objective is to enhance public access to information through the establishment of coherent pollutant release and transfer registers (PRTRs).

The application of the system results in the consolidation of data reporting concerning 1992 UN Framework Convention on climate change (UNFCCC) and its Kyoto Protocol, Convention on long range transboundary air pollution (CLRTAP) and its Protocols, POPs Stockholm Convention and UNECE PRTR Protocol to the Aarhus Convention, Directive 2003/87/EC on green house gas emission trading, IPPC Directive, Directive 2001/80/EC on large combustion plant (LCP), water framework Directive (2000/ 60/EC), Directive 91/414/EC regarding plant protection products, Directive 76/464/EEC concerning pollution caused by dangerous substances discharged into the aquatic environment, Directive 91/689/EC on dangerous wastes, Regulation 850/2004/EC concerning persistent organic pollutants (POPs), Regulation 2150/2002/EC on waste statistics and E-PRTR Regulation 166/2006/EC, Decision 2004/156/EC establishing guidelines for the monitoring and reporting of greenhouse gas emissions, Decision 2000/479/EC implementing EPER, Commission Recommendation of 30 May 2001 on the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies, Walloon Government Decree of 13 November 2002 on power plant permit conditions, Walloon

Government Decree of 9 April 1992 on dangerous waste, Walloon Government Decree of 10 November 2004 establishing a scheme for greenhouse gas emission allowance trading and OECD/Eurostat Joint Questionnaires on waste, environmental expenditure and regional statistics.

The REGINE scheme is currently still in a pilot phase and implemented on a voluntary basis, without any legal obligation for companies to participate. However, regulations are being drafted and will be submitted for adoption to the Walloon government in 2006 to make participation mandatory.

Scope of application

The REGINE system currently applies to all facilities which are subject to the IPPC Directive, LCP Directive and ET Directive as well as to a representative sample of other facilities producing industrial waste. The total number of businesses participating in the system (without formal legal obligation) is in the range of 300. Most of targeted companies are not SMEs. Detailed numbers can be found in the following table:

Administrative service responsible for data validation	**Part of the questionnaire**	**Number of targeted facilities**
Environment Coordination Directorate (DCE)	Identification	284
Environment Coordination Directorate (DCE)	General information	284
General Directorate for technology, research and energy (DGTRE)	Energy – auto-production	42
General Directorate for technology, research and energy (DGTRE)	Energy –consumption	263
General Directorate for technology, research and energy (DGTRE)	Energy – biogas	12
General Directorate for technology, research and energy (DGTRE)	Energy – Municipal Waste Incinerators	4
General Directorate for technology, research and energy (DGTRE)	Energy –Waste co-incineration	19
Air Unit	Air – Emissions Trading	113 (127 installations)
Air Unit	Air – Large Combustion Plants	10
Air Unit	Air – Pollutant emissions Register	178
Water Directorate (DE),	Water	178
Walloon Waste Office (OWD)	Waste – manufacturing industry	248
Walloon Waste Office (OWD)	Waste – eco-industry	35
Environment Coordination Directorate (DCE)	Environmental Expenditure	284

Development and stakeholder involvement

The environmental integrated survey (REGINE) is the result of a long effort undertaken by the services of the General Directorate of Natural Resources and Environment (DGRNE) of the Ministry of the Walloon Region: the Environment Coordination Directorate (DCE), Air Unit, Water Directorate (DE), Walloon Waste Office (OWD), General Directorate for Technology, Research and Energy (DGTRE), the Administrative Simplification Commissariat and the Wall-on-line Cell (EASI-WALL), the Walloon Enterprises Union (UWE), the IT Directorate (DI), the Walloon Statistical Institute (IWEPS), with the help of two consulting firms - ICEDD and NSI. The REGINE system has been developed in consultation with stakeholders, especially through contacts between DGRNE and the Walloon business federation UWE, as well as contacts with sectoral industrial federations and individual companies concerned. Other stakeholders have been consulted through the Environment Council of the Walloon Region for Sustainable Development (CWEDD) and the Economic and Social Council of the Walloon Region (CESRW). The project is also followed and supported by the Belgian Interregional Cell for the Environment (IRCEL-CELINE) and the Company Auditors' Institute (IRE).

Benefits and costs

There has not been any systematic assessment of costs and benefits. The following benefits of the scheme have been identified by DGRNE:

- Compliance with reporting deadlines by both companies and public authorities;
- Improvement of dialogue and the understanding of companies;
- Improvement of the quality and coherence of data;
- Reduction of the time spent for the data coding work;
- Use of a single source of information by all public actors;
- Improvement of the coherence of economic, social and environmental data (through the links that REGINE has established with the Enterprises Crossroads Bank); and
- Saving time and administrative costs for companies and public authorities.

It is difficult to assess benefits for companies because there is no clear baseline for comparison. The REGINE system does not replace existing mandatory reporting systems, but a number of sectoral surveys that were previously carried out through different channels and paper forms, on a voluntary basis. As the coverage of REGINE is broader than that of the earlier surveys, some companies may now be invited to report that were not previously covered. The administrative burden may be reduced for those companies that were. According to DGRNE, companies are generally pleased with the REGINE system, though some complain about the fact that the online reporting forms are not compatible with their internal software. DGRNE reports a response rate of 80 %, which is high given that compliance is not yet mandatory. Some data are also shared with sectoral industry federations, which use them for internal reporting purposes.

The cost to public authorities is reflected in the budget of DGRNE. Budgeted project costs in 2005 amounted to € 581,738.

Contact	Ms Marianne Petitjean (Best Expert Group member) Ministry of the Walloon Region *Direction de la coordination de l'Environnement* Phone: +32 81335160 Fax: +32 81335122 E-mail: m.petitjean@mrw.wallonie.be

12 Case study: Bulgaria

Strategic approaches to simplification

This best practice case describes a comprehensive approach to the analysis of administrative burdens that leads to a range of actions to reduce burdens of permitting. It has particular benefits to SMEs and is innovative, not least in demonstrating that such approaches can take place in the context of the approximation processes within Candidate Countries.

Introduction

Bulgaria, as an accession country offers an example of emerging practice in terms of simplification. This case study demonstrates the influence of international pressure in terms of instigating such initiatives and provides an alternative perspective on the simplification and better regulation debate based from a totally different reference point. The work that has been undertaken, although not purely focusing on environmental regulation, provides an interesting approach to the simplification of permitting and licensing. The work in Bulgaria also demonstrates the importance external influences and pressures in terms of informing others how simplification might go forward.

The work undertaken in Bulgaria sits under Category type 1, with efforts encompassing headings 1, 2 and 3 within this.

Work is ongoing in Bulgaria, separately from these measures, to improve environmental protection in the country and to bring measures in line with the EU acquis. When considering the selection criteria, the very different legislative starting point for the Bulgarian measures must be taken into consideration. The initiative is perceived to have had benefits, and has been more of a project enabling administrative and infrastructural change. It could be argued that having an improved system for the development and public understanding of regimes contributes to the effective implementation of policy in the future.

Accordingly it is felt that, to some extent, the case study does meet all the criteria. Links to criteria 3 and 4 are particularly strong based on the range of instruments used and the lessons that might be learnt in the EU and beyond.

Objectives of the initiative

The initiative centres around the work of an Inter-ministerial Working Group on the improvement of the business environment by way of the alleviation of the licensing permission and registration regimes. The group was established in March 2002 and its remit was set by the Council of Ministers in Bulgaria. The group was set three key tasks, there were:

- to carry out an inventory of the existing regulatory regimes and to propose their abolition, simplification or preservation;
- to propose to the Council of Ministers (that is the Bulgarian Cabinet) a mechanism which would prevent the proliferation of the number of the regulatory regimes in the future;
- to come up with a proposal for a publicly accessible, via the internet, register of the regulatory regimes.

- The group was chaired by the Deputy Prime Minister and Minister of the Economy. The group was made up of ten deputy Ministers, NGOs and other Agencies. The Agency for Small and Medium-Sized Enterprises under the Council of Ministers (ASME, since legally succeeded by the Bulgarian Small and Medium Enterprise Promotion Agency under the Minister of Economy and Energy[29]) coordinated the group. The most powerful NGO on the group was the Bulgarian Chamber of Commerce.

Development of the initiative

The initiative was the result of internal pressure from within the business community in Bulgaria, regarding the poor state of licensing regimes and the difficulties with, for example, identifying what regimes existed and to whom they applied. However, pressure was also placed on Bulgaria to reduce the costs of regulation by the international community, especially the IMF World Bank. In the World Bank's Country Assistance Strategy for Bulgaria[30] explicit reference to the need for Bulgaria to 'Facilitate business entry and reduce regulatory costs' was made – see box 1. Internal pressure came particularly from ASME which spurred on by work completed in Europe and by the OECD, were pushing for licensing, permitting and registration regimes to be simplified. ASME was responding to the feeling within the business community that in the past, the regimes in place were very burdensome with there being significant obstacles to getting the correct information about requirements. The2002 report on Small Enterprises noted that a 'significant share of delayed start-ups (25%) in Bulgaria point to the considerable difficulties entrepreneurs encounter due to the regulatory environment'[31].

Box 1 - Recommendations of the World Bank[30]

- Development Objectives/Issues;
- Facilitate business entry and reduce regulatory costs;
- Diagnosis;
- Various surveys have identified licensing and regulatory regimes as constraints to private sector growth, especially in the SME sector;
- Strategy/Actions;
- Streamline licensing and regulatory regimes;
- Rationalize introduction of new licensing and regulatory regimes;
- Reduce company registration processing time;
- Establish Administrative Courts;
- Benchmarks;
- Eliminate licensing regulatory regimes as per agreed plan;
- Reduce regulatory costs;
- Reduce company registration time;
- Measurement Tools;
- Public Registry of regulatory regimes; and
- Annual administrative survey (ARCS) and regulatory costs.

[29] For further information see http://www.government.bg/en/aboutBSMEPA.asp
[30] Bulgaria Country Assistance Strategy 2003 - 2005, Published May 2002 http://siteresources.worldbank.org/INTBULGARIA/Resources/CAS2002web.pdf
[31] European Charter for Small Enterprises, Bulgarian Country Report, Sofia, September 2002, http://europa.eu.int/comm/enterprise/enlargement/charter/report_2003/bulgaria300902.pdf

As stated above the inter-ministerial group's remit was set by the Bulgarian Council of Ministers in response to pressure from business within Bulgaria and international pressure. A working group set up in 2000, also looking at the rationalisation of regimes, preceded the 2002 working group. Although the earlier group made recommendations, they were not acted on in a systematic way.

The remit, participants and their roles were set by the Bulgarian Council of Ministers. Within the working group there was a core team including ASME, representatives of the Ministry of the Economy, the Economic Development Department of the Council of Ministers and from the State Administration Department of the Council of Ministers who developed reports, templates etc which were then discussed with and approved by the Inter-Ministerial group

The working group efforts were informed by considerable dialogue with stakeholders. Opinion was gathered via: representation of interest groups on the group itself; consultations; and surveys of experiences regarding regulatory regimes.

During the process of developing the simplification initiatives, now being put in place in Bulgaria, the Ministry of Economy took inspiration from practice in other countries, particularly the UK, Netherlands and US. They have been actively discussing Regulatory Impact Assessment with UK representatives. They have also proactively attended meetings in Brussels on the subject of better regulation and simplification, allowing an exchange of views with others.

Key elements of the initiative

The efforts within the working group lead to four key developments, linked to the three objectives set for the group.

The first task, of assessing existing regulatory regimes in order to assess whether they should be abolished, simplified or preserved, was completed in June 2002. The decisions were taken after consultation with 60 NGOs and branch organizations and discussions with SMEs regarding their opinion as to what permits, licenses and requirements might require simplifying. A request for opinions was placed on the Internet site of ASME.

In total 360 regulatory regimes were assessed with 75 being abolished and 117 being simplified, these changes were approved by the Bulgarian Council of Ministers in their Decision No. 392/07.06.2002. 22 regimes, administered by the Ministry of Environment and Water, were assessed with 4 being abolished and 11 simplified. The implementation of the recommendations of the Inter-ministerial Group is underway. When the BEST questionnaire was completed the Ministry of Environment and Water had actioned the simplification of seven regimes and had revoked three. Full details of changes to environmental regulatory system as a consequence of the measures can be found in the annex attached. This outlines the regimes being altered and at what stage in the process of such changes are currently at.

In order to ensure that recommendations were implemented, the respective line ministers were obliged to propose a timetable for submitting to the Council of Ministers of drafts of the legislative acts subject to an amendment as proposed by the Inter-Ministerial working group Overall, the Ministry of Economy and energy has reported that currently more than 85% of the measures and changes recommended by the Inter-Ministerial working group have been implemented, with efforts under Decision 392 now coming to an end. This implementation

has been put down to a high level of political will based the links to the World Bank, the EU etc.

Response to the measures is reported to have been very positive amongst the business community and within the media etc.

The working group was responsible for the development of 'a mechanism which would prevent the proliferation of the number of regulatory regimes in the future'. In response to this the Law on the Reduction of the Administrative Regulation and the Administrative Control of Business Activity was developed, and adopted by the Parliament on 4 June 2003. The law entered into force on 17 December 2003. This law introduces principles that did not previously exist in Bulgaria including silent consent and regulatory impact assessment[32]. It also formalized the mechanisms by which new regulatory, licensing and permitting regimes can be adopted. They can now only be implemented via primary legislation, where as previously they were developed on a more ad hoc basis making it difficult for business to identify even what the requirements upon them were and potentially resulting in multiple approaches. The Law aims at establishing general systematized rules on the administrative regulation and control by way of introducing unified definitions on the types of regimes, and placing clear boundaries on the competencies of the administration and establishing strict rules for its work with the businesses.

A public register containing details of licensing, permission and registration regimes has been created and since the beginning of February 2003 available via the Internet (http://www1.government.bg/ras/). It contains both detailed information on the regimes administered by all central government bodies and municipalities and information on licenses, permits and registrations that have been issued or denied. The idea is that entrepreneurs and citizens are able to obtain information on requirements, administrative procedures for obtaining licenses, permits or registrations and taxes, as well as on the contact persons and the working time in the respective institutions.

Following the completion of the tasks set it by the Bulgarian Council of Ministers the Inter-Ministerial working group no longer meets, although work on simplification in Bulgaria is ongoing. However, it is felt that a separate body should take simplification initiatives forward. In response to this apparent need the Ministry of Economy proposed to the Bulgarian Council of Ministers that it set up a body under its remit to take measures forward. Despite support for the idea the Council felt that it was best that such a group be organised outside the Council, but it was also felt that it would lessen its authority.

Efforts under Decision No 392 are now coming to an end, and there is a feeling that they have been successful. They are now moving on to further challenges in relation to newly developed legislation. There are also efforts being made in relation to regulatory impact assessment (RIA). Under draft legislation being put forward there will be a requirement for departments to provide much more detailed information regarding the different aspects of measures they propose. A trial has been undertaken in relation to a measure on optical disks. The practice is currently being felt to be relatively basic, but the initiative represents a big step forward from the Ministry of Economy's perspective.

In terms of taking simplification measures forward the Ministry of Economy is now considering options for simplification and streamlining at a municipal level. Measures thus far

[32] 2004 Regular Report on Bulgaria's progress towards accession, SEC(2004)1199 http://europa.eu.int/comm/enlargement/report_2004/pdf/rr_bg_2004_en.pdf

have been focused on regimes developed by the central government, however there is also a raft of measures implemented at the local level. As local authorities are autonomous in Bulgaria, the Ministry cannot tell them how to act. However, interviewees supported programmes of training and information; sharing of understanding as to how to legislate better, the impact of this and implications if you fail to do so was felt to be essential. It was felt necessary to instigate measures that will improve the legislative culture in Bulgaria.

Opinions on the initiative

Those interviewed both felt that there had been a positive response to the implementation of measures within Bulgaria in terms of freeing up the business environment. They were both positive about the use of the inter-ministerial working group etc and about the outcome of efforts thus far. Opinion was more divided regarding the online public register of measures, however.

Opinion was divided between interviewees regarding the success of the register. On the one hand it was felt that it assists with informing the business community of the regulatory requirement, by providing a 'one stop shop'. It has also reduced administrative time on the part of the Agency for Small and Medium-sized Enterprises Promotion and made measures simpler to understand. However, it was also felt that perhaps an internet site is not the most effective way of getting information to businesses within Bulgaria. It was felt that in some cultures that this would be a more effective tool. There have also been problems regarding the updating of the system, which has been difficult especially in relation to getting information from municipalities.

Outcomes of the initiative

Those interviewed were positive about the outcomes of work thus far. It was felt that people have been very positive about the results, despite many being sceptical about the process of simplification initially. Although measures thus far have been limited it was felt that they represented a major step forward. Interviewees were also positive about the future potential of taking forward new initiatives to further improve the regulatory system.

Importantly it was also felt that the as the changes have spread across the different departments awareness regarding the importance of effective policy making have been raised. Those within government are now more aware of the impacts that their actions might be having upon business and have at least a basic understanding of what might be done better in future.

Success factors

In terms of success, the high level of political will to see the efforts undertaken and implemented has been important. The Bulgarian Council of Ministers set the remit for the work of the inter-ministerial group. In addition the high level of support and interest from amongst the business community also appears to have been important. Stakeholders were heavily consulted regarding the changes and were also involved in the decision making proceedings. Finally the mood outside Bulgaria has been an important influence. The requirements of the World Bank were cited by one interviewee as vital to the development of the measures. Another interviewee pointed to the activities within the OECD and at the European Union level as encouraging action, particularly in relation to engagement within the

business community. It encouraged them to articulate the need for change and also demonstrated how such initiatives might be implemented.

Lessons for other Member States

Key lessons are:

- Political will and wide backing of the initiative within the country and internationally;
- Business support and the involvement of stakeholders;
- International support has been fundamental, both in terms of political pressure to undertake the initiative but also in terms of demonstrating a way forward and providing information and support; and
- Highlights the importance of taking into consideration the baseline conditions when considering simplification measures. Measures implemented by Bulgaria are likely to be less appropriate within the EU where efforts to streamline legislation etc are advanced. However, they can offer a potential way forward/stepping stone to those embarking on such a process in the future.

This process represents an important first step for Bulgaria in ensuring that their regimes are effective and requirements are understood. At present the measures have a limited effect in relation to environmental legislation. However, as Bulgaria implements measures to bring their environmental legislation in line with EU requirements it will be important that mechanisms for licensing, policy making etc are effective both in terms of not over burdening business and ensuring environmental protection. As a consequence improvements to existing regimes (as outlined above), an understanding of what permitting requirements exist and an enhanced regulatory culture will be important.

One interviewee felt that the steps taken to improve the regulatory culture in Bulgaria are very positive. It was felt that it is particularly important to effectively share experiences, particularly good practice. 'If you show people a better way to do something they will normally use it'. Another important point highlighted in terms of the future, is how one can take into consideration the different levels of governance under 'better regulation' initiatives. In many countries, as in Bulgaria, competency is shared between central government and regions/municipalities.

Contacts	Ms Vyara Andreycheva (Best Expert Group member) Senior Legal Adviser, Agency for Small and Medium-sized Enterprises Promotion, Phone: + 359 2 9329279, email: v.andreycheva@sme.government.bg Ms Gergana Tzareva (Best Expert Group member) Director Registering, Licensing and Control Directorate, Ministry of Economy, Phone: +359 2 9407008, email:g.tsareva@mi.government.bg

ANNEX

Details of changes made to environmental regimes in response to the Bulgarian initiative on simplification – kindly supplied by the Bulgarian Ministry of Economy

Regime Code As Per The Attachments To Council Of Ministers' Decision No 392/07.06.2002	Submitted To Council Of Ministers	Submitted To Parliament	First Hearing	Second Hearing	Promulgated In State Gazette
Permit MOEW-1 Water Law	✓	10.08.2005			
Permit MOEW-2 Water Law	✓	10.08.2005			
Permit MOEW-3 *CoM Decree 12* *Law for Protection from Harmful Impact of Chemical Substances, Preparations, and Products*	✓	✓	✓	✓	Regulation State Gazette No.66/09.07.2002
Permit MOEW-4 *Regulation No 254*	✓	✓	✓	✓	Regulation State Gazette No.96/11.10.2002
Permit MOEW-6 *Nature Protection Law*	✓				Through amendment of CoM Decree No 233/2000 State Gazette No. 86/10.09.2002
Permit MOEW-7 NPL					Repeal of NPL
Coordination MOEW-8	✓	✓	✓	✓	Law on Protected Areas

Law on Protected Areas					State Gazette No. 91/25.09.2002
Permit MOEW-9 LPA	✓	✓	✓	✓	Law on Protected Areas State Gazette No. 91/25.09.2002
Permit *MOEW-10* Law for Protection of Agricultural Land					The regime has been transferred to municipal level Regulation State Gazette No. 96/11.10.2002
Permit MOEW-11 Regulation No 26, Art. 17					
Permit MOEW-15 *Wastes Management Draft law*	✓	11.07.2002	17.01.2003	✓	Wastes Management Law has been published in State Gazette No. 86/30.09.2003
Permit MOEW-16 *Law on Subsurface Riches*	✓	24.07.2003			
Registration RIOEW (Regional Inspectorate of Environment and Water) 17 *RD No – 277/NPL*					

Permit RIOEW -20 Law on Medicinal Plants Art. 10, RD No 88	✓	✓	✓	✓	SG. 91/25.09.02
Coordination RIOEW -22					

13 Case study: Cyprus

Simplification of EIA procedures

This good practice case describes a case where administrative requirements are incorporated within existing practice to avoid unnecessary burdens and costs to business.

Introduction

The aim of the initiative is the amendment of the EIA Law in order, amongst others aims, to make it more efficient in implementation.

During the procedure of implementing the EIA Directive, and now in the procedure for improving the implementation, there was no quantitative analysis of the reduction of burdens. However, there was serious consideration to not creating new procedures for EIA that would have had a negative impact on the total time period for approval of new development projects. As a result no new permit process has been introduced into the system. Instead the EIA procedure has been incorporated in the existing Planning-Permitting system. This is implemented by the Interior Ministry with the active involvement of the Environment Authorities which have an important role in the decision-making process.

Furthermore the efficiency of the system is expected to be increased by providing even more discretion for the Environment Service of the Ministry of Agriculture, Natural Resources and the Environment (MANRE) to decide in less time on the different steps of an EIA, and especially for the projects of the Annex II of the Directive. In this sense it simplifies the procedure making it easier and at the same time without any negative impact on the protection of environment.

The initiative was developed by the Environment Service with discussion with stakeholders.

Outcomes and lessons

Outcomes have not been quantified – but simpler procedures for business should improve business costs.

An important lesson from the initiative is the need for support for stakeholders in development.

Contacts	Mr Costas Hadjipanayiotou and Ms Eirini Konstantinou, (Best Expert Group members) MANRE

14 Case Study: Czech Republic

'Identification of problem areas of selected environmental legislation related to production of business activities'

This good practice case describes an early-stage initiative where the overall burdens of environmental legislation on business is determined prior to further reform.

Introduction

The aims of this initiative are:

- To eliminate requirements over framework of the European Community legal regulations;
- To eliminate requirements of official red tape; and
- To improve transparency and understanding for authorities and public.

The specific administrative problems to be solved by simplification include:

- Duration of permit fulfilment;
- The number of permits; and
- Authorities availability (present, electronic etc.).

The Czech government has completed a thorough audit of EU and Czech environmental legislation, in order to identify opportunities for streamlining and reducing administrative burdens. It is now in the process of approving the programme, called 'Identification of the problem areas of selected environmental legislation relating to the production of business activities'. It includes a target of reducing administrative burden by 20%.

The Office of Government, the Ministry of Industry and Trade, and the Ministry of Environment will be responsible for implementation and achieving the goals of the simplification initiative. Other departments will be responsible for the initiatives within their area of competence.

There are proposed measures to streamline processes, mainly in the communication between public authorities and business. All initiatives are medium to long term and will be implemented over the next four to five years (from 2005).

Development of the programme

The process began with business groups and trade unions urging the government to review what they considered to be burdensome environmental rules that exceeded EU requirements. The overall programme was developed between Ministries.

Funding

This is a centrally funded government initiative.

Stakeholder participation

Business groups and trade unions were the driver behind the whole initiative. These groups were also consulted in the development of simplification programmes.

Transferability

The approach taken could be easily transferred. Indeed, similar initiatives already being carried out in other Member States, in advance of and in response to the Commission's own simplification programme, and calls for Member States to identify their own simplification strategies under the Lisbon objectives.

Related initiative in the Environment Ministry

As an extension to this initiative, the Environment Ministry is completing an analysis of administrative burdens on entrepreneurs in the field of environmental law. 23 representative organisations were asked to respond to the Ministry on where administrative burdens exist. On account of this, the Ministry will propose plans for reducing burdens and set in place follow up procedures. One specific action is to reduce the submission requirements of certain documents, so that businesses only submit the document to one public authority and it is then automatically handed on to other public authorities in the chain.

Outcomes

As the programme and related initiative in the Environment Ministry are relatively new, there are no outcomes to report as yet. It is known, however, that 'cost of administrative burden' indicators are in place for future measuring in the Environment Ministry. Other indicators include risk elimination or reduction; price reduction of products and services; increasing product and service line; reduction in the number of legal cases; growth of jobs; and increasing knowledge of citizens, consumers, businessmen and public authorities.

Contacts	Zemlicka Jakub (Best Expert Group member) Ministry of Industry and Trade zemlicka@mpo.cz Other contacts: Jiri Chroustovsky and Ladislav Spacek from the Ministry of Industry and Trade Website of the Environment Ministry http://www.env.cz/ Note that this is not yet available in English, but is under construction.

15 Case Study: Denmark

Strategic approaches to simplification

This best practice case describes a strategic analysis of administrative burdens from environmental legislation together with a series of reforms to ease these burdens. The initiative results in significant cost savings, is innovative and, in particular, is characterised by detailed quantified assessments of burdens assisting in targeting action.

Introduction

Denmark has introduced a detailed strategic approach to simplification. Since December 2001, this has involved a number of elements, such as:

- Undertaking a comprehensive analysis of administrative burdens from legislation under the Ministry of Environment, including quantitative analysis;
- Use of test-panels for assessment of administrative consequences and burdens due to laws and statutory orders etc.;
- Use of sun-set clauses in legislation;
- Reorganise the handling of waste; and
- Introduction of a digital reporting system (see separate case description).

Objectives

The main objective of the analysis of environmental legislation has been to verify the amount of administrative burdens that it generates in order to take appropriate initiatives to reduce the administrative burdens for businesses by up to 25 per cent by 2010 (as formulated in the Danish Growth Strategy ('Intentional Growth Strategy 2002')).

The main administrative problem to be addressed is the amount of time and money spent by businesses in order to comply with obligations due to environmental legislation. For some specific areas, for instance waste, problems due to overlapping or superfluous reporting has been brought up by trade and industry organisations. A main objective is also to make reporting obligations more effective. The AMVAB analysis (see below) of administrative burden was undertaken between February and June 2005, and is aimed at leading to concrete proposals for further improvements

Participation

When the government was formed in 2001, it identified the object of reducing the administrative burdens as a main objective.

In the process of identifying the specific legislation, companies and local authorities were asked to come up with ideas on which legislation should be altered and, if possible indicate a solution.

In some instances, eg the simplification of permit schemes for companies, a Committee consisting of stakeholders and ministries, was formed. Besides, a vast number of stakeholders were consulted, when the legislation was pasted.

As for the main initiative of analysing all legislation, the initiative was taken by the Government. The method of analysing the legislation was inspired by Dutch initiatives. Consultants were conducting the analysis of the legislation upon the initiative of the ministry of Economy and Business Affairs. Inspired by the analysis, The Ministry of Environment will be taking initiatives to achieve the up to 25 per cent reduction of administrative burdens, and in this process the Ministry will consult stakeholders.

Outcomes

There are measures in place to calculate both the present administrative burdens and the effect of the initiatives will have on administrative burdens. Temporary calculations of the administrative burdens have been based on questionnaires/business surveys of approximately 1000 companies, which have been representatively selected due to size and sector. The companies have been asked to give information on time spent on different activities, i.e. preparation of annual accounts or on money spent on external assistance on accountants etc.

The temporary calculation calculated the administrative burdens on business due to the Danish Ministry of Environment to 870 million DKr (€ 117 million). A Standard Cost Measurement (using the AMVAB-model[33]) of the Danish Ministry of Environment was conducted in 2005.The overall figure on administrative burdens relating to environmental regulation has been estimated to DKr 1.1 billion (€ 150 million).

53.8 per cent of administrative costs in the Ministry of Environment's area of responsibility are due to national legislation, 27 per cent are due to direct international legislation, and 19.2 per cent are a result of other international legislation. 85 per cent of costs are due to general business regulation; meanwhile 13 per cent of administrative costs are related to certification.

A breakdown of figures per piece of legislation is available in the report (in Danish):
http://www.amvab.dk/graphics/publikationer/Rapporter/AMVAB/AMVAB-rapport-MIM.pdf

Legislation has been passed which has reduced the administrative burdens of companies without lowering the level of environmental protection, e.g. an extended use of IT solutions and some instances of simplifications of permit.

[33] The methodology of the AMVAB-model is first to analyse the text of rules and regulations to identify requirements for information to the authorities or other parties. These information requirements can then be broken down into further detailed information, which the businesses are obligated to provide. In order to provide this information the businesses must conduct a series of standardised administrative activities, which partly demands internal as well as external resources in form of time and money spent.

A number of 'typical' businesses, which are characterised by handling their administrative activities in a 'normal' manner, are then interviewed in order to establish the costs of a '"normally effective business'. The resulting figures are then scaled up to cover the entire economy and thereby provide a total figure for the administrative costs.

Contacts	Ms Berit Hallam Ministry of Environment (Best Expert Group member) Head of Section Danish Ministry of Environment Environmental Protection Agency Direct phone: (+45) 32660434 e-mail: beha@mst.dk Ms Ellen Hvidt Thelle Ministry of Environment, (Best Expert Group member) Hojbro Plads 4, 1200, Denmark Phone: +45 33927476 Fax: +4532573577 E-mail: eht@mim.dk Website: www.mst.dk

16 Case study: Denmark

Simplification of permitting

This best practice case describes a comprehensive reform of environmental permitting, resulting in a wide range of changes aimed at maximising cost reductions, including reducing obligations, digital approaches and guidance. This approach delivers benefits to SMEs and is innovative and supported by quantified analysis.

Introduction

This initiative aims to facilitate the work of businesses through the simplification of permit schemes, which is also a part of the Danish Growth Strategy ('Intentional Growth Strategy 2002'))[34]. It is part of the larger (2003) plan of action 'a more business-friendly public sector'. This plan comprises tasks to reduce administrative burdens, simplify rules and prevent new burdens. It consists of 17 initiatives detailed in the following table and each Ministry is responsible for reducing administrative burdens in their own area by up to 25%.

Administrative alleviations	
Sub-objective	**Initiative**
More businesses that use digital solutions	1. From hard copy to digital administration 2. Increased information activities regarding Virk.dk 3. Easy Account for businesses and citizens
Simplification of the rules of the most burdensome Acts	4. Simplification of the most burdensome Acts and rules 5. Simplified environmental approvals and fairer supervision 6. More flexible and simpler agricultural legislation 7. Simplification of employer obligations
New Acts and rules are to be less burdensome	8. Business-relevant Ministerial Orders are to be tested by a business panel 9. Better prevention of administrative burdens in new rules
Businesses' competencies are to be improved	10. Improvement in businesses' administrative competencies 11. The digital employee agent of businesses
Communication and service	
Sub-objective	**Initiative**
A public sector that is adjusted to user requirements	12. More satisfied public sector customers 13. Surveys on satisfaction with new Acts and Ministerial Orders
A public sector that communicates better	14. Better letters and telephone service 15. Better and more cohesive public web sites 16. Effect measurements of public sector

[34] Information on permit procedures is available (in Danish) on the following web-address: http://www.mst.dk/default.asp?Sub=http://www.mst.dk/produkt/01020000.htm

	communication 17. Communication plans in new legislation

In total approximately 6,500 businesses in Denmark are subject to permit procedures. Approximately 5,000 of these businesses from a number of sectors are covered by the new simplified system while approx. 1,100 IPPC companies where the pollution risk is particularly high, will remain under more strict procedures. The permit procedures have been simplified as a follow up on the recommendations from 'Virksomhedsudvalget', which was approved by the Danish Minister of the Environment in 2002.

Launched in January 2005, the new system reduces the amount of information that businesses will have to submit to apply for a permit. For a number of industries, companies are given binding standard conditions for the businesses. Conditions are standardised requirements for each type of industry. The standard conditions are based on best available technology in the particular industry and formulated in collaboration with industry associations and decentralised public authorities. Standard conditions for 20 industries are expected to be formulated by the end of 2006.

Participation

A Committee consisting of stakeholders and ministries was formed and a large number of stakeholders were consulted before the legislation was adopted. There have not been any barriers to the introduction or use of standard conditions. Businesses themselves have asked for the revision of the permit procedures. Relevant businesses and associations also participated in preparing the standard conditions.

Outcomes

The primary outcome is to save time for businesses and public administration as regards the permit application. For industries with standard conditions, it is likely to lead to fairer competition between them, as they operate under equal conditions.

No pre-adoption assessments made of the likely benefits to industry. An ex post evaluation of the measures will be available when an up-date of the standard cost measurement of the Danish Ministry of Environment has been conducted.

No measurements have been made on risks to the environment. The simplification of the permit procedures, however, involves no weakening of requirements on environmental performance. Some businesses may well experience more strict requirements than before.

Contacts	Ms Berit Hallam Ministry of Environment (Best Expert Group member) Head of Section Danish Ministry of Environment Environmental Protection Agency Direct phone: (+45) 32660434 e-mail: beha@mst.dk Ms Ellen Hvidt Thelle Ministry of Environment, (Best Expert Group member) Hojbro Plads 4, 1200, Denmark Phone: +45 33927476 Fax: +4532573577 E-mail: eht@mim.dk Website: www.mst.dk

17 Case study: Denmark

Electronic Reporting Systems

This good practice case describes an initiative which is transferring paper reporting and form filling to digital solutions. It increases business efficiency and is readily transferable to other countries.

Introduction

A digital reporting system for Danish Businesses – Virk.dk – was launch in 2004 as part of the Danish Growth Strategy ('Intentional Growth Strategy 2002'). The objective of Virk.dk is to relieve Danish corporations of administrative burdens and to create one point of access to the public sector. Virk.dk contains all business forms and applications, all public tools and all relevant information for businesses. With a digital signature the individual business can gain direct access to a number of specified services and on-line administrative systems. The information in the reporting system is used by several Danish Ministries, including the Ministry of Commerce and the Ministry of Environment.

Funding and Organisations

Virk.dk is a partnership between the public sector, represented by the Danish Commerce and Companies Agency (DCCA), and the Public Limited Company. The DCCA is responsible for measuring the administrative burdens of all existing business regulation. The DCCA is also responsible for monitoring the daily operation of Virk.dk. The DCCA also has a co-ordinating role (in relation to other public authorities) in the work of promoting digital services for businesses, and is the prime public contact for the Business portal Virk.dk.

Outcomes

As a result of the introduction of Virk.dk, the Ministry of Environment has converted applications, notifications etc., which used to be on paper to digital forms on the internet portal Virk.dk and a majority of these forms can also be reported/sent digitally to the Ministry of Environment. On a general level, the use of IT has also made 'cross authority' platforms possible as regards the administration of business information by public authorities.

Contacts	Ms Berit Hallam Ministry of Environment (Best Expert Group member) Head of Section Danish Ministry of Environment Environmental Protection Agency Direct phone: (+45) 32660434 e-mail: beha@mst.dk Ms Ellen Hvidt Thelle Ministry of Environment, (Best Expert Group member) Hojbro Plads 4, 1200, Denmark Phone: +45 33927476 Fax: +4532573577 E-mail: eht@mim.dk Website: www.mst.dk

18 Case study: Estonia

IT-Tools – National Programme X-Roads (also known as crossroads)

This good practice case describes an initiative at an early stage which is seeking to use IT tools to improve administrative efficiency and reduce business burdens in different areas.

Introduction

The aim of the X-Road programme is to develop software, hardware and organisational methods for standardised usage of national databases. The objective is to change national databases into a common public service-rendering resource that would keep account of databases, expand, integrate or eliminate them and enable data cross-use and management of data processing and data capture.

The initiative aims to improve the organisational or institutional framework with the help IT tools and electronic systems. X-Road will enable agencies, legal and natural persons to search data from national databases over the Internet.

Through public procurement, all the essential software components of the X-Road environment were elaborated and tested and the technical and user documentation of the project was drafted. During this period all databases that participated in the pilot projects and also databases that had achieved technical readiness to join X-Road, were connected to the X-Road environment.

Funding and Organisations

The project is funded by the state and run by the Ministry of Justice and Ministry of Internal Affairs.

Outcomes

In December 2001 the X-Road centre, which is responsible for the functioning of X-Road, was founded. The experimental test period of X-Road lasted until 1 April 2002. During this period all databases that participated in the pilot projects and also databases that had achieved technical readiness to join X-Road by that time were connected to the X-Road environment.

By March 2005 X-road has:

- 41 databases providing services
- 354 institutions and companies using the services
- 687 different services

In January 2003 X-road services were used 21 670 times an in January 2004 this figure had risen to 270 466 times. Currently there are plans to create interfaces with EU information systems and provide respective information systems with data from Estonian databases.

Contact & information	Ahto Kalja, X-Road Centre, ahto.kalja@ria.ee, http://www.ria.ee/27309

19 Case study: Estonia

IT tools – document management programme

This good practice case describes an initiative which is introducing IT based approaches to documentation management and increase administrative efficiency.

Introduction

The DPM is intended for the public administration (government agencies) with the aims to:

- establish of electronic management standards;
- elaborate of a strategic DMP training programme;
- test and introduce DMP results in co-operation with other agencies and projects; and
- develop an integral information system of legislation.

The initiative aims to improve the institutional framework with the help IT tools and electronic systems.

The programme is quite broad and is related to several other projects, such as the implementation of digital signatures in public administration; the elaboration of rules for preserving documents; a pilot project to test information exchange of document management systems of agencies; project eCounty (development of an internet-based working environment and a web portal of Estonian counties); and project eJustice (pilot application of electronic legislative proceedings of draft legislation and, later, the development of an integral information system of legislation).

Funding and Organisations

The project is funded by the state and run by the State Chancellery.

Outcomes

To date there has been no measured outcomes.

Contact and information	Ülle Laur YlleL@wp.rk.ee http://www.riik.ee/dhp/

20 Case study: Estonia

IT tools – public provision of information; e-citizen

This good practice case describes a citizen focused IT tool which will help speed-up permitting processes. The link between administrative efficiency and citizenship development is transferable to other countries.

Introduction

The aim is to improve the co-operation between Estonian citizens and the public sector through Internet. In the course of the project an e-citizen environment will be created, which will enable the citizen to conveniently obtain information about the services provided by the state and citizen's rights and to enable the public to become "active citizens". Another aim of the project is to speed up all processes dealing with permits (building permits etc.).

The e-citizen will provide a common IT platform for the base services to all local governments in Estonia. This will free their own resources to build local add-ons to the platform.

The project is nationwide (citizens and the public sector) with links to the X-road project.

The four priorities of the project are:

- Education - The dialogue between the Schools and the pupils / pupils parents.
- Development/Planning - speeding up all processes dealing with permits (building permits etc.) including self-service.
- Healthcare - Dialogue / Cooperation with the family doctor and hospitals.
- Democracy - Personalized information services. Information about all decisions that match his interest profile is automatically e-mailed to the citizen

Funding and Organisations

The project is funded by the state and run by the Ministry of the Interior, in close co-operation with the Ministry of Communications (IT-Ministry), Ministry of Finance, and the Association of Local Governments. Several local authorities involved in the development of e-citizen.

Outcomes

The preliminary two-year-long project that was aimed at the creation of a citizen portal in the Internet is now developing into a platform, enabling citizens to be part of the information society. In a sense, the project serves as a continuation as well as an "umbrella-project" for several national e-projects, such as the Document Management Programme and X-Road. Thus, the project should rather be regarded as a framework programme in systematically developing citizen-oriented e-services.

In 2004 all state and local government agencies were providing services through the Internet.

Contact and information	Ahto Kalja, X-Road Centre, ahto.kalja@ria.ee http://www.riik.ee/ekodanik/ecitizen.rtf

21 Case study: Estonia

IT tools – public provision of information; e-Government

This good practice case is a broad governmental approach to IT development seeking to link a variety of administrative processes within a digital approach. This breadth of approach is relatively innovative.

Introduction

The initiative aims to improve the institutional framework with the help IT tools and electronic systems. The e-Government portal serves as a common access point for virtual servers and websites of state institutions and projects. e-Government portal, coupled with the Electronic Commercial Register and the use of digital signatures, enables a reduction in paperwork and bureaucracy by improving inter-agency communications.

In addition to the role of being the state portal it has acquired the role of an integrator and coordinator of national information systems. The e-government is an umbrella project that also covers other projects in this inventory, such as e-citizen and X-roads. More specifically, the architecture of e-Government was developed in the framework of the X-Road project. After the successful start of sending database queries and answers over the Internet, the X-Road environment was expanded to send all kinds of electronic documents and became the skeleton for all e-Government services.

Funding and Organisations

It is funded by the state and run by the Ministry of Transport and Communications. The X-Road centre is the heart of the eGovernment environment as all central servers (central monitoring server, certification server, etc.) of the whole network are connected and located in their. The centre employs special staff for managing eGovernment hardware, software, internet connections, agreements, etc. The management group organises courses, seminars, and co-ordinates co-operation with the European Union. A new central register of databases was added to the X-Road centre at the beginning of 2005.

Outcomes

e-Government started in 1998. One of the services of the e-Government portal is to provide an opportunity for local governments to disclose their documents on a common server and in this way meet the requirements of the Public Information Act. Another service of the portal is the provision of forms on the internet. The service has made document forms available for citizens to communicate with state agencies. Ministers are also able to go through draft bills and regulations, make comments and suggestions, and vote entirely online at computer terminals.

The portal “e-government” (http://www.riik.ee/en/) has been changed and supplemented with new headings, databases and links.

Contact	Ahto Kalja, X-Road Centre, ahto.kalja@ria.ee

22 Case study: Finland

Simplifying the Permit Procedure and Administration

This best practice case describes a comprehensive reassessment of permitting requirements linked with extensive administrative structural reform. It leads to significant cost savings to business, has a particular focus on SMEs and is innovative (in linking the two developments).

Introduction

The simplifying of the permit procedure started in 1994 with the creation of the environmental permits committee. The environmental permits committee and the environmental law committee produced a joint report in 1996 after which the ministerial HELY working group took over. The Environmental Protection Act, which came into force in March 2000, was the result of this work. The Act represents the largest renewal of environmental legislation in Finland and the simplification of the permit procedure was its central aim. The Act did not radically change any other aspects of the current environmental legislation. The simplification of the permit procedure was based on the notion that this simplification would achieve the environmental protection goals efficiently and with lower costs. The simplification of the administrative procedures started in 2000 as a Government initiative and is linked to the simplification procedure of the Environmental Protection Act. The simplification of the administration will be in place in 2007, with further administrative simplification measures to take place by 2009.

Key elements

The Environmental Protection Act is based on an integrated system for environmental permits. Applications for the environmental permits are made to one authority, and all the environmental effects of the activity will be assessed during the consideration of the permit. The Act defines more explicitly, and in a more integrated manner, the requirements of environmental permits and the prerequisites for granting a permit.

A key provision of the Environmental Protection Act is the public's right to influence the decision-making by stating an opinion on a permit application. Other stakeholders also have certain rights under the Act.

Finland has three permitting authorities, two at state level and one at municipal level. The municipal level deals with the largest number of facilities requiring a permit (about 25 000, mostly SMEs). The state authorities cover the largest installations (about 650 IPPC-installations as well as other larger industries). The aim of the simplifying the administrative provision is to achieve a “one stop shop” – approach and separate permitting and supervision from each other on the regional level.

Outcomes of the initiatives

According to Hildén et al (2003a) the administrative costs to permitting authorities increased from 70 –80 man-years to 100-110 man-years during the simplification process.

However, this increase is not necessarily linked to the simplification process itself but to the widening of the legal scope and the number of installations that require a permit. Therefore

this is seen as a transitional aspect. Still, the increase in the administrative burden was a surprise and might have been anticipated if a proper RIA had been conducted.

Costs of the simplification procedure to industry and SMEs have been difficult to assess because of limited data availability (Kautto et al, 2003) (Sjöblom and von Troil, 2003). According to Hildén (2003b) this is because the monitoring of the permit simplification (the VAHTI-database) was not developed with the assessment of the simplification procedure in mind (costs, benefits etc.) and some of the information on the municipality level is not part of the VAHTI-database.

No monetary estimates of the benefits are available but representatives of the industry found that the simplification of the permit procedure had the following benefits (Similä, 2003):

- reduces the administrative burden within the company;
- requirements of an integrated permit are easier to justify within the company
- an integrated, but installation specific, permit makes business arrangements easier; and
- an integrated permit is easier to integrate within an environmental management system.

In addition to simplification of the permitting procedure the Act improved the rights of the public to participate in the environmental permit procedure. Parties involved (permit applicants and persons who are affected by an activity) have the right to submit complaints and others have the right to express their opinion. In addition to parties involved, associations and foundations that promote the protection of the environment, health and nature or that work to improve the living environment and who may be affected by an activity, have the right to appeal a permit decision.

A complaint had been submitted in 38 per cent of permit applications during 2000-2002. The average number of complaints per permit was 3.3. Appeals on permit decisions had been submitted in 17 per cent of all cases during the same time period (Sjöblom et al, 2003). Note that environmental NGOs in Finland seldom use the appeal opportunity as a lobbying tool (Hildén et al, 2003b).

The simplification of the administrative procedure is still under study phase but it is estimated that this will have positive effects on the business when you can apply for a permit from one authority divided into 4-5 offices over the country. Problems for the business are only anticipated in cases were the authority offices are not situated nearby the installations or the business, and the permit granters are not so well aware of the local environment.

Lessons for other Member States

Key lessons are:

- It is important to design a permit database with future evaluations of the simplification process in mind;
- The opportunity for the public and parties involved to complain/appeal has increased the participation activity;
- The simplification procedure has reduced the administrative burden of companies;
- Integrated permits are compatible with environmental management systems;

- The simplification process of permit applications often require an administrative simplification process; and
- A proper RIA is important to identify stakeholder costs.

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Contact	Ms Elise Sahivirta, Ministry of Environment (Best Expert Group member) Email: elise.sahivirta@ymparisto.fi

23 Case study: Finland

Re-evaluation of the environmental steering tool kit

This good practice case describes an initiative whereby permit simplification is focused on identifying exactly what is required for SMEs, etc. It is transferable to other countries and has clear objectives.

Introduction

The re-evaluation of the environmental steering tool kit is part of the simplification of permits. The objective of the re-evaluation of the environmental steering tool kit is to have a smoother steering system, which also takes into account SMEs and the renewing of the permits for large industrial plants into consideration. The suitability of policy instruments for certain type of operations is assessed. The aim is also to simplify and speed up the permitting system for different sectors. The initiative is directed to businesses.

The project will assess to what extent the number of permits can be reduced and if it is possible to replace them with other administrative means without lowering the level of environmental protection.

Funding and Organisations

The programme is funded by the state (€ 35,000). The Ministry of the Environment has contracted the development of the initiative to a consultancy. Stakeholders (representatives of the industry, NGOs, etc.) were involved from the very beginning of the project.

Outcomes

The programme has been adapted to consider SMEs and the renewing of the permits for large industrial plants. As yet, there have not been any measured outcomes. Based on the limited data availability it is difficult to estimate the project's potential as a case study. The project is scheduled to finish in 2009.

Contact	Ms Elise Sahivirta, Ministry of Environment (Best Expert Group member) Email: elise.sahivirta@ymparisto.fi

24 Case study: Finland

VAHTI compliance monitoring system

This good practice case describes an improvement in the existing reporting systems to develop improve efficiency and reduced business burdens.

Introduction

The VAHTI compliance data system functions as a tool for the 13 regional environment centres in their work on processing and monitoring permits. VAHTI also contains information on how installations comply with environmental regulations. The initiative deals with simplification of monitoring/reporting with the help of information technology.

The data system contains information on the environmental permits of clients, the wastes they generate, discharges into water and emissions to air. The operators are able to put their emission values directly into the database.

Periodical environmental reports (production, fuels used, emission into air and into water, and waste generated) are filled into the VAHTI database. It is possible to make a specific analysis about pollution by one SME or about pollution in a certain region. The information can also be used by the SME, in order to monitor their own situation.

The permit, or the emissions monitoring and reporting programme annexed to the permit, includes orders on what the operator (i.e. person or legal person in charge of a facility) must report to the authorities. Operators are encouraged to send their periodical reports to the authorities electronically via the TYVI operator (TYVI = flow of information from customers to authorities).

The user interface makes it possible to add new customers, change or add customers' data, retrieve reports from the database and write inspection reports. Additionally, the system has other helpful functions, such as mapping functions and a calendar to remind an inspector of time limits.

Funding and Organisations

Funded by the Ministry of the Environment and run by the Ministry and the regional environment centres.

Outcome

The first VAHTI version became operational in 2003. Currently, there are 800 active users of the system and it has a reputation as an effective tool in the everyday work of the environmental administration. Moreover, the data system already provides substantial reports for the diverse needs of the administration and for other interested parties needing information. The VAHTI monitoring system will also be used for the European Pollutant Emission Register.

The data system provides a platform for the diverse needs of the administration and for other interested parties needing information.

In the year 2003 VAHTI contained information on 31 000 clients. The table below shows the number of installations that reported environmental loading of waste or environmental loading into air or water during that year.

	Water	Air	Waste
Industry	361	791	731
Municipality	517	1	381
Fish farms	251	-	7
Others	59	114	612
Total	1188	906	1713

So far the system has been working well and no other self-monitoring systems have been required. The interactive aspects of the VIHTA database will also be expanded.

At the beginning of 2005, a new application was added, containing data on how the regional environment centres carry out their compliance monitoring.

The VAHTI website is accessible at:
http://www.ymparisto.fi/default.asp?contentid=122519&lan=en&clan=fi

Contacts	Markku Hietamäki markku.hietamaki@ymparisto.fi or Markku Nurmio Markku.nurmio@ymparisto.fi

25 Case study: France

Modernising inspections

This good practice case describes an initiative to improve the efficiency of inspection processes to reduce business burdens. This straightforward approach is relatively transferable to other countries.

Introduction

In 2004, a modernisation programme of classified installations inspection was launched in France under a state reform to promote administrative simplification. The programme is an action plan for 3 years, with the objectives to improve transparency of the inspection actions, to control time spent on the authorisation request, to reinforce coherence of the regional inspection's actions, to provide a clear framework to help inspectors to do their job and to reaffirm the collective responsibility of inspection, evolve to a better defined tasks and means of action available.

Funding and Organisations

The implementation/responsibility for administrative simplification lies with the Ministry of Ecology and Sustainable Development, with consultation of Ministries that could be involved like the Ministry of Industry, the Ministry of Agriculture, depending on the subjects.

The actions put in place were submitted to a large consultation, a lot of ideas and exchanges of information across inspection, and stakeholders were involved.

Outcomes

Quantitative indicators are used to verify that the targets are reached. Some indicators were already in place to estimate the inspection's activity. These are complemented with specific indicators related to the five commitments defined by the modernization programme. In early 2005, no results were available concerning the modernisation programme.

Some general conclusions have been drawn from the initiative. Success factors identified for the state reform as a whole include:

- Good communication, good understanding of the goals, and addressing all levels of inspection;
- Good communication with all the stakeholders (industrial, public), in order to reach a good understanding; and
- Focus efforts on the highest environmental impact concerns.

Contacts	Ms Delphine Petit Ministry of Ecology and Sustainable Development Phone: +331 42191991 ; Fax: +331 42191467 E-mail: delphine.petit@ecologie.gouv.fr Website: www.ecologie.gouv.fr Mr Marc Aviam (Best Expert Group member) Ministry of Ecology and Sustainable Development Phone: +331 42191708 ; Fax: +331 42191754 E-mail: marc.aviam@ecologie.gouv.fr

26 Case study: France

Re-classification of installations

This good practice case describes an initiative whereby activities with lower environmental impacts are subject to simpler regulatory requirements, thus reducing business costs.

Introduction

Launched under a state reform to promote administrative simplification, this initiative involves raising of thresholds for some activities in the list of the classified installations (in the 'nomenclature'). The modification of the nomenclature, which was carried out in 2004 and 2005, will enable simplification of the administrative procedure for several thousand installations with lower environmental impacts, and it will help the inspection function to focus efforts on the main concerns.

Funding and Organisations

The implementation/responsibility for administrative simplification lies with the Ministry of Ecology and sustainable development, with consultation of Ministries that could be involved like the Ministry of Industry, the Ministry of Agriculture, depending on the subject

Outcomes

Quantitative indicators are generally used to verify that the targets are reached. (See also general lessons from the state reform above.)

Contacts	Ms Delphine Petit Ministry of Ecology and Sustainable Development Phone: +331 42191991 ; Fax: +331 42191467 E-mail: delphine.petit@ecologie.gouv.fr Website: www.ecologie.gouv.fr Mr Marc Aviam (Best Expert Group member) Ministry of Ecology and Sustainable Development Phone: +331 42191708 ; Fax: +331 42191754 E-mail: marc.aviam@ecologie.gouv.fr

27 Case study: France

IT tools – pollutant data on the internet

This good practice case describes an initiative where IT tools are used to assist environmental data reporting. It reduces business costs and is transferable to other countries.

Introduction

The French government has implemented two web sites for the management of pollutant data: a web site to collect pollutant emissions data (simplification of an administrative procedure request to industrial installations), and a web site to disseminate the national pollutant emissions register. The websites were launched under a state reform to promote administrative simplification. The web sites are examples of the simplification of administrative procedures and the aim is to provide a lot of information in a same place for the operators and for the inspection, to save time in the collect of data and to facilitate their treatment, and their diffusion.

Funding and Organisations

The implementation/responsibility for administrative simplification lies with the Ministry of Ecology and sustainable development, with consultation of Ministries that could be involved like the Ministry of Industry, the Ministry of Agriculture, depending on the subject

Outcomes

Quantitative indicators are generally used to verify that the targets are reached. (See also general lessons from the state reform above.)

Contacts	Ms Delphine Petit Ministry of Ecology and Sustainable Development Phone: +331 42191991 ; Fax: +331 42191467 E-mail: delphine.petit@ecologie.gouv.fr Website: www.ecologie.gouv.fr Mr Marc Aviam (Best Expert Group member) Ministry of Ecology and Sustainable Development Phone: +331 42191708 ; Fax: +331 42191754 E-mail: marc.aviam@ecologie.gouv.fr

28 Case study Germany

Simplification and Acceleration Measures in Germany

This best practice case describes a simplification initiative which results in a speeding-up of the permitting process. It is simple, clear, easy to implement and readily transferable to other Member States.

Introduction

The initiative described consists of two major amendments to German permitting law. The first amendment is constituted by the Act on Accelerating Approval Procedures of 11 September 1996 (Gesetz zur Beschleunigung von Genehmigungsverfahren), the second by the Act on the Acceleration and Simplification of Approval Procedures under the Federal Immission Control Act of 12 September 1996 (Gesetz zur Beschleunigung und Vereinfachung immissionsschutzrechtlicher Genehmigungsverfahren).

The simplification of the Administrative Procedures Act and the Federal Emission Protection Act is a broad legal initiative aimed at simplifying permitting procedures for projects linked to economic projects. As this initiative aims at simplifying procedures addressed at enterprises and is much heralded in Germany, the project was chosen as a best practice case.

The initiative constitutes a simplification of legislation to ease the understanding of the operator in line with better regulation initiatives without lowering the environmental objectives to be achieved. The initiative consists of two laws simplifying the permitting procedure, one amending the German Administrative Procedures Act, the other the German Federal Emissions Protection Act. Hence, it fits category 1 of this BEST Project (Simplification of permit schemes)

Key points of interest:

- The two laws are meant to simplify the permitting procedure but do not abolish the traditional system of surveillance of environmentally relevant industrial activities by the authorities. Despite some modification of the legal framework, net environmental protection will in all likelihood be kept up;
- The two laws simplify the permitting procedure and other administrative procedures. Therefore, they constitute a benefit to companies;
- There is no hint that the laws are not comprehensible or would not have clear objectives. Where there are legal problems, the courts have to clarify them; and
- Depending on the permitting system of the respective country, it is possible to transfer the concept of the permitting procedure as envisaged by the two laws to other countries.

Objectives of the initiative

The aim of the initiative is to accelerate administrative procedures, especially permitting procedures, without curbing public participation. The applicants should also be better able to influence the procedure (see Holle, M./Scholz, B., Beschleunigung von Planungs- und Genehmigungsverfahren / Deregulierung, in UPR 1996, p. 377).

The initiative is designed to shorten the permission procedures and enhance the attractiveness of Germany for investors without curbing public participation or the level of environmental protection (see Moormann, F.J., Die Änderung des Bundes-Immissionsschutzgesetzes durch das Gesetz zur Beschleunigung und Vereinfachung immissionsschuzrechtlicher Genehmigungsverfahren, in UPR 1996, S. 408).

The initiative, thus, aims at promoting investment in Germany by simplifying the permitting procedure. The Act on Accelerating Approval Procedures of 11 September 1996 addresses only projects aimed at economic undertakings. Private investments, such as building a family home, however, are not covered by the initiative. The Act on the Acceleration and Simplification of Approval Procedures of 12 September 1996 addresses industrial installations.

Development of the initiative

The initiative was developed because it became obvious at the beginning of the 1990s that the duration of permitting procedures is a vital aspect in the international competition for investment. The German permitting procedures, for example for traffic infrastructure or waste treatment plants, were very lengthy and called for simplification (see Report of the Committee for Internal Affairs, Bundestag, Drs. 13/5085).

The two laws simplifying the permitting procedures are based on the suggestions of a commission that was made up of representatives of the parliamentary groups supporting the government and the competent Federal Ministries (Ludewig Commission). This commission developed proposals which were for their part based on suggestions made in an independent experts' report ordered by the Federal Government (Schlichter Commission).

The laws were drafted by the Federal Government and to a minor degree amended by the Bundestag and the Bundesrat (i.e. both houses of the German Federal Parliament).

Key elements of the initiative

In the following sections the two amendments to existing German laws brought about by the initiative are described in detail.

Act on Accelerating Approval Procedures

The Act on Accelerating Approval Procedures amends the Administrative Procedures Act (German abbreviation: VwVfG). The Administrative Procedures Act is the general basic law for administrative procedures and is applied if other laws for particular procedures do not specify other requirements. In the following, the various amendments are briefly explained.

Obligation of the Authority to give advice (§§ 71 c Administrative Procedures Act)

In permitting procedures for projects aimed at economic activity, the authorities are obligated to advise the applicant in a comprehensive manner (§ 71 c VwVfG). Before submission of the application, the authority confers with the applicant about the following aspects, when necessary:

- What material the applicant has to base the application on;
- What expert reports can be accepted in the permitting procedure; and

- How the public can be consulted before the permitting process begins in order to accelerate the procedure.

Upon receipt of the application by the authority, the authority has to tell the applicant whether all the required application material has been submitted and approximately how long the permitting procedure will take. The authorities are, moreover, obliged to inform the applicant of ways in which the procedure may be accelerated.

On the applicant's request, the permitting authority has to assemble all parties concerned for a discussion of the project with the applicant (§ 71e VwVfG).

Remedying Procedural Errors, § 45-46 Administrative Procedures Act

The authority can carry out legally required actions after the fact, i.e. even after the permit has been issued in breach of procedural rules. This allows the authority to correct procedural errors until the end of an appeal procedure in court (§ 45 para 2 VwVfG).

The withdrawal of the permit is not necessary in cases where the breach of procedural rules has not influenced the decision (§ 46 VwVfG).

Shortening deadlines for stating a view or an objection (§ 71 d and § 73 para. 2, 3a, 4 Administrative Procedures Act)

The initiative introduces strict deadlines for the submission of views by authorities concerned by the projects or for objections by the concerned public in participation procedures. The authority in charge of the procedure has to fix deadlines for the other concerned authorities to submit their views (§ 71 d para 2 VwVfG).

A deadline of no longer than three months for the presentation of views of other concerned authorities is provided in the most complex of all procedures, the *Planfeststellungsverfahren* (for big projects, such as large waste treatment plants, motorways, etc.). The concerned general public can file objections for up to two weeks after the project material has been made public (§ 73 para. 4 VwVfG).

After the deadline, the views of concerned authorities or objections are no longer admissible unless they are of legal relevance for the decision.

Simplified procedure for complex projects

Even for large projects that previously required a complex permitting procedure ("Planfeststellungsverfahren" for example for motorways, airports, landfills, etc., see. §§ 72 ff. VwVfG) a simplified procedure has been introduced and can be pursued under certain conditions. In these cases public participation is not required.

Legal provisions to contest administrative decisions in court:

The final decision resulting from complex permitting procedures as provided in the §§ 72ff VwVfG can be contested in court only to a limited extent, that is when the authority themselves cannot correct the error (i.e. a faulty balancing of the different legal aspects) by a supplementary plan or a supplementary procedure.

Act on the Acceleration and Simplification of Approval Procedures under the Federal Immission Control Act

The Act on the Acceleration and Simplification of Approval Procedures under the Federal Immission Control Act (German abbreviation: BImSchG) aims at introducing some simplifications to the permitting procedure of certain industrial installations, including all IPPC installations.

No need for a permit if the change of an installation is not significant

In cases where an installation is not significantly changed, there is no need to apply for a permit (§ 15 BImSchG). A notification to the authority will be sufficient. Upon reception of the notification the authority has one month to check whether the change is indeed only a minor one or whether it does require a permit (major change, § 16 BImSchG). If the authority does not arrive at a decision before this deadline, the change to the installation may be carried out without a permit.

No public participation in cases where a change to an installation does not cause a negative environmental impact

In cases where the change to the installation is significant and therefore requires a permit, public participation does not have to take place if the environmental impact is minor compared to the positive effects of the change on the environment or if there is no impact at all (§ 16 para. 2 BImSchG). The applicant has to request that public participation does not take place.

Construction of installations before the permit is issued

If specific conditions are met, the authority can give permission for the construction work to start before the permit is formally issued for the installation (§ 8a BimSchG).

Filing a complaint after waiting three months for a decision on an appeal procedure

§ 14a BImSchG: The applicant can file a complaint before an administrative court when he has been waiting more than three months for a decision on his appeal to an authority's decision (e.g. if a permit was denied).

Opinions on the initiative

Representatives of the **Federal Ministry of the Environment** gave an opinion during the legislative process:

Dr. Kurt Schäfer approved the replacement of the permitting requirement by notification in the case of changes to an installation that were of subordinate importance.

Franz-Josef Moorman suggested that the introduction of a notification requirement for changes of subordinate importance would produce new problems. That is because the authorities have to categorise changes into important and unimportant ones. This would add to the workload of the authorities. (vgl. Zeitschrift für Umwelt- und Planungsrecht, 1996, S. 379). (However, this difficulty seems to have been overcome, see SRU, 2002, p. 133f.).

Two **major studies** were launched on the two amendments to the permitting laws. The German **Federal Environmental Agency** commissioned a study called "Erfahrungen mit umweltrechtlichen Genehmigungsverfahren anhand exemplarischer Standorte"[35] (="experiences with environmental permitting procedures illustrated by exemplary procedures", 2001). In this study, 24 exemplary permitting procedures were examined. The **Council of Environmental Experts** (Sachverständigenrat für Umweltfragen, abbr. SRU, see http://www.umweltrat.de/frame02.htm) dedicated one chapter of its 2002 report to the two amendments.

The study launched by the **Federal Environmental Agency** concluded that the new instruments introduced by the two amendments to the German permitting laws partly contribute to an acceleration of the permitting procedure. However, some instruments are commonly used whereas others do not play a significant role in the permitting procedures (vgl. FEA-study, 2001, p. IX).

The Council of Environmental Advisers also states that the duration of permitting procedures has decreased considerably since the beginning of the 1990s and attributed this fact to the legislation aimed at accelerating permitting procedures (SRU, 2002, p. 127).

Both the Council and the FEA attach a great deal of importance to the law prescribing certain **counselling duties** of the authorities (concerning the necessary documents, reports, etc.). However, the Council also pointed out that the authorities took up (informal) counselling even before it was prescribed by law (SRU, 2002, p. 134). The FEA study also considers the introductory conference (see § 71f VwVfG), which assembles the applicant and all concerned authorities, essential in order to ensure that all necessary documents are prepared for the procedure. The FEA study furthermore emphasises the positive effect of the consultation of all concerned authorities at the same time ("star" procedure) in order to avoid the stalling of the permitting procedure (see FEA-study, 2001, p. X ff.).

The Council considers the **shortening of deadlines** for the authorities to examine an application or notification problematic. That is because the shortening of deadlines influences the setting of priorities by the authorities. Since they sometimes have to examine many applications / notifications, their attention might be to a considerable extent diverted from general monitoring of existing plants to the permitting procedures, i.e. procedures triggered by an applicant or a concerned party (SRU, 2002, S. 133). However, the FEA study supposes that authorities tend to consider late statements of other concerned authorities (even after the deadline has passed). This is because the permitting authorities do not want to run the risk of delivering permits that do not comply with the law and wish to consider views given by all competent authorities. Therefore they prefer to await the statements of the concerned competent authorities (FEA-study, 2001, p. XIII). This, of course, renders the deadlines for stating a view or an objection (§ 71 d and § 73 para. 2, 3a, 4) void with regard to an acceleration of the permitting procedure.

The Council viewed the replacement of permitting requirements by **notification requirements** as a major cause in reducing the length of the permitting procedure whereas the FEA was rather hesitant on the imminent effect of the notification requirement laid down in § 15 BImschG. The FEA said that principally § 15 BImSchG (notification when changes to an installations are only minor changes) is a meaningful instrument in permitting law under the condition that it is (from a legal point of view) clear that a change is only a minor change. The

[35] Rauscher, Henning et al., Erfahrungen mit umweltrechtlichen Genehmigungsverfahren anhand exemplarischer Standorte, Berlin, 2001.

instrument of notification, however, raises problems when it is not evident if a change is a minor change (then notification) or a major change (then need for a permit)[36]. The authorities sometimes have problems judging changes to installations as minor or major changes.

The reduction of the duration of the permitting procedures could have the effect that the authorities save time and could devote themselves to a larger extent to counselling the applicants. However, the simplification of the permitting procedure in the 1990s was in fact accompanied with the reduction of posts in the administration. Hence, the effect mentioned above did not make itself felt to a large extent (SRU, 2002, S. 128). The Council, on the other hand, mentioned that the decrease of the duration of the permitting procedures is not due to a reduction of permitting procedures with obligatory public participation (SRU, 2002, S. 133).

One **industrial association** contacted for the purpose of this project stated that the replacement of the permitting requirements by notification requirements (§ 15 BImSchG) are much supported by industry and contribute to shortening the permitting procedure. Another very useful instrument is further considered to be § 8a BImSchG (construction of installations before the permit is issued).

Outcomes of the initiative

The introduction of new instruments intended to shorten permitting procedures was successful as the new instruments are to a large degree applied by the administration and the operators. Although it is controversial whether all the instruments introduced by the initiative contributed to a shortening and simplification of the permitting procedures, the two amendments to the Administrative Procedures Act and the Federal Immission Control Act are by and large considered to be successful.

Success factors

Before the two amendments were developed, much expert work had been carried out to identify the basic necessities to simplify permitting procedures including the views of independent experts as well as representatives of government and the parliamentary groups. The two laws could thus be based on a broad range of views and data concerning the necessary steps to be taken. This prior expert work was reflected in the elaboration of the two laws.

Lessons for other Member States

In principle, the changes to the permitting procedures introduced by the two Acts can be transferred to the permitting law of other states depending on the type of permitting laws there. Of course, it would be advisable to also set up an expert commission that examines whether the German initiative is in every way compatible with the law of the respective country.

Informal contacts between authorities and operators are often highly useful to accelerate permitting procedures. Authorities should thus be encouraged - legally or not - to consider the operators (applicants for permits for their installations) as clients and to advise them whenever possible. The German law now prescribes this.

[36] FEA-report, 2001, p. XV

The law should grant some flexibility to the permitting procedures so that the conduct of the procedure can adapt to the necessities needed in the respective case. The German law now provides different types of procedures that the authority can apply where appropriate or where demanded by the applicant.

An amendment to the permitting law as substantial as the two amendments in Germany should be subject to a broad consultation of experts before the amendment is passed by parliament.

Contact	Siegfried Waskow, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety; siegfried.waskow@bmu.bund.de

29 Case study Germany

Simplification of the 11th Imission Control Ordinance

This good practice case describes a simplification of emission reporting obligations leading to a reduction in burdens. It is clear, increases efficiency and is transferable.

Introduction

The initiative is intended to simplify the monitoring and reporting of emissions in accordance with the 11th Emission Control Ordinance. The initiative also makes use of IT tools and electronic systems. The initiative has been developed on the national level.

Objectives and concept

The basic objective of the initiative is the simplification of emission reporting for operators of industrial installations. The initiative concerns all installations that have to be permitted according to the German Bundesimmissionsschutzgesetz (Federal Act on Immission Control) and the 4th Ordinance based on this Act (4. BImSchV). The initiative should help reduce the burden for companies and authorities by combining several reporting obligations and using a uniform reporting format.

The amendment of the 11th BimSchV concerns the operational phase of industrial installations covered by the 11th BimSchV (most installations that require a permit according to the 4th BimSchV). The administrative burden for authorities and operators of installations is intended to be reduced by:

- cancellation of reporting obligations for certain installations under the Federal Act on Immission Control;
- reduction of the volume of the report required;
- combination of several reporting obligations by using one legal basis;
- emission data that need to be reported may be gathered by means of estimates;
- the data need no longer be reported separately for various units of an installation but for the whole installation;
- the emission report has to be done electronically (see http://www.emissionserfassung.de/emi/ee_index.html)

Who was involved in the development of the initiative?

Stakeholders, particularly business associations, were involved in the discussion of the draft regulation.

Benefits and costs

Compared to large-scale firms, small and medium-sized enterprises are said, in particular, to bear a greater share of the overall burden imposed on industry with regard to reporting requirements relative to their size. This can be explained by the fact that small and medium-sized enterprises cannot (or only at comparatively higher cost) allocate the tasks of data collection and reporting to specialised units, as can be done in large scale firms. Also, the entry (basic) cost for installing facilities for data collection and reporting requirements are high. They are the same for small and large business. Those costs do not, however, increase in

proportion to the size of the enterprise; small firms thus have to spend a bigger proportion of their turnover on these tasks, whereas large-scale firms are more likely to benefit from an economy of scale when collecting and reporting large amounts of data.

Particular factors that affected the success of the initiative

The additional option for enterprises to make and report estimates to fulfil the obligations under the 11th Immission Control Ordinance was referred to as a useful tool to simplify monitoring and reporting duties. However, it has to be mentioned that estimates have to be based on monitoring results even though this basis might be less precise than continuous monitoring.

Comments (eg from industry) on this initiative

So far, no specific problems related to the implementation of the 11th BImSchV have not been reported to the federal level by industry or the local administrations that have to deal with the emission reports on an everyday basis. Nor could the consulted authorities of the Länder refer to any grave problems. Some problems have arisen due to the duty to submit the emission reports electronically (software problems).

The fact that the emission data can be reported globally for the various installations and need not be assigned to a certain unit makes the reporting also simpler for the operators (see. Ministry for the Environment of Lower Saxony, http://cdl.niedersachsen.de/blob/images/C8168186_L20.pdf).

The fact that emissions are no longer assigned to certain units might be problematic from an environmental point of view (assessment of installations).

Transferability of the initiative

The reporting system under the 11th BImSchV appears to be suitable in the context of German environmental law as well as for EU or foreign national environmental law. In the view of the German Federal Ministry for the Environment the reporting system is not particular to Germany.

Contact	Federal Ministry of the Environment, Mr. Jochen Gebauer, Jochen.Gebauer@bmu.bund.de; Environmental Agency Baden-Württemberg: +49-721-5600-0 http://cdl.niedersachsen.de/blob/images/C8168186_L20.pdf (presentation by Ministry of the Environment Lower Saxony).

30 Case study Germany

Simplification and Streamlining of environmental requirements for companies

This best practice case describes a management approach to assisting companies through the permit process through use of a 'project pilot'. It is clear, increases efficiency, is easy to implement and benefits SMEs.

Introduction

The initiative is intended to provide assistance to applicants for environmental permits. The initiative has been developed on the regional level.

Objectives and concept of the initiative

The basic objective of the initiative is to improve the communication between a project developer and the permitting authority before and during the permitting procedure in order to guarantee the applicant an easy, quick and comfortable licensing procedure and to avoid unnecessary administrative burdens and checking steps. Administrative measures to accelerate the procedure shall also ensure that the procedure runs smoothly and that coordination between authorities is improved. The initiative is not based on any legal provision; it is a voluntary agreement.

The initiative features the introduction of a project manager and a permit pilot in the permitting procedure (Projektlotse). The **project manager** is responsible for the coordination in the approval procedure. Usually, this is the officer in charge at the authority responsible for the procedure. The project manager is the contact point for applicants, authorities, experts and other parties involved in the process. The project manager is responsible for carrying out the approval procedure on time. He gives advice to the applicant and chairs the application conference or the pre-application conference, if there is one, with the participation of the competent authority, where appropriate.

The project developer (applicant) will receive advice at a consultancy meeting before filling in the application; this particularly applies to difficult procedures. During the consultancy, the following items will be discussed: type of procedure, the admissibility of the site in accordance with the Federal Building Code, the necessity to carry out an environmental impact assessment (EIA) or an assessment pursuant to the Habitat Directive, identification of the competent authorities, the schedule of the procedure, the anticipated time frame as well as the type, content, character and number of the documents necessary for the procedure. In particular, it should be clarified what documents are necessary for the application. This implies consideration on:

- which impacts the project is likely to have and in what way this will have an influence on which procedure needs to be chosen
- how to avoid duplication of expert reports
- what measures can be taken to accelerate the procedure.

If necessary, expert authorities shall be consulted. In the case of difficult and complex projects in particular, consultancy should take place in a conference (pre-application conference). In this conference other authorities and, if the applicant agrees, other institutions such as experts and approved nature conservation associations (NGOs) will participate. The

meeting will be based on the documentation submitted by the applicant. It shall be convened within four weeks after these documents have been submitted.

If the competent authority has any data or information which may be of use for compiling the application documentation, it shall be made available to the project developer. In the case of projects which may require an EIA and/or an assessment pursuant to the Habitat Directive, consultancy should also be used to determine which documents will have to be submitted for screening and to prepare these assessments if they are required.

The competent authorities shall inform the applicant of forms and checklists for the applicant to use. These forms and checklists will be made available on the Internet. The forms are designed to help the applicant to present the data and facts required as soon as possible and in a concise and standardised way. At the same time, this will also simplify and accelerate the technical and legal assessment of the project by the authorities.

The competent authority shall inform the applicant that the processing of the application in due time requires the submission of a sufficient number of copies of the application and the documentation. The number of copies needed will be indicated. Additionally, a timetable can be fixed which states at what time certain documents must be submitted in order to ensure that the project can be correctly assessed in its different stages.

Furthermore, a **"permit pilot"** ("Genehmigungslotse") will be named as the expert contact point for permit-related questions at the Industrial Association of Schleswig Holstein and at the Ministry for Agriculture, the Environment and Rural Areas of Schleswig-Holstein respectively. In special cases, the permit pilots can be called upon to arbitrate in difficult situations during complex approval procedures. They give advice to the applicants and help to conclude the approval procedure speedily and appropriately. They exchange information among each other and submit proposals to accelerate the procedure.

Who was involved in the development of the initiative?

The Minister of the Environment of the Land Schleswig-Holstein came up with this initiative in 2001. Industrial associations, particularly the Chamber of Industry and Commerce of Kiel, participated in the development of the initiative. Environmental NGOs were informed of the project and invited for meetings but did not intend to participate directly in the development of the initiative.

Benefits and costs

A year after the new institutions of project manager and permit pilot were introduced, the initiative was assessed in an exchange of experiences. The permit pilot was consulted particularly in complex permitting procedures. The chemical industry of Northern Germany has positively referred to the initiative in a press conference.

Particular lessons from this initiative

What is essential in this initiative is the nomination of one capable person as contact person for the project developers. This person should also take action in an informal way in order to promote the successful conduct of the permitting procedure.

Transferability of the initiative

The initiative can be transferred to other states in order to improve the communication between the authority and project developers and to accelerate permitting procedures.

Contact	Dr. Andreas Wasielewski (Best Expert Group member) Leiter des Referates Rechtsangelegenheiten des Immissionsschutzes, Gentechnologie, Chemikaliensicherheit; sowie der Abfallwirtschaft, des Bodenschutzes und Altlasten Ministerium für Landwirtschaft, Umwelt und ländliche Räume des Landes Schleswig-Holstein Tel.: 0431-988-7261 Fax: 0431-988-7179 andreas.wasielewski@mlur.landsh.de

31 Case study Germany

Simplification of waste monitoring regulations

This good practice case describes a reform of monitoring obligations, particularly achieving simplification through electronic reporting. It is clear and transferable.

Introduction

The initiative aims at simplifying monitoring and reporting and makes use of IT tools. The initiative has been developed on the national level. The initiative will be incorporated in a legal project. The legal procedure is still underway.

Objective and concept of the initiative

The project aims at modernising and simplifying waste monitoring regulations. In particular, the verifications required in the waste legislation will be submitted electronically in the future. This will lead to a significant reduction of the administrative burden for the companies but also for the enforcement authorities.

Waste monitoring will be simplified and modernised with the help of this project. It will be possible to ease the burden of obsolete forms of verification for companies and the authorities in particular. In detail:

- The monitoring of the waste generated in Germany is carried out through disposal and consignment notes on paper which needed to be submitted to the authorities for review (120 000 disposal notes and up to 2.5 million consignment notes). The administrative burden so far has not only been an increasing problem for the business sector but also for the environmental authorities in the light of the reductions in personnel. By using modern electronic communication media, waste monitoring can be made considerably simpler and more efficient.
- Compared to the EU waste monitoring standards, special regulations applied in Germany. These included three distinct monitoring stages which, due to the verification requirements, led to disproportionately high administrative burdens for the generators of the waste, the transport companies and waste disposal enterprises, but also the monitoring authorities. With the new approach, German waste monitoring provisions will be more stringently harmonised with the EU legal terminology and monitoring regulations will be adapted to the monitoring provisions of other Member States. This alleviates the burden also for international operating companies.
- Additionally, further monitoring tools which have not proved useful in their implementation are to be annulled. This applies for example to the abolition of the obligation to set up ‘business concepts’ for waste management (“betriebliche Abfallwirtschaftskonzepte”).

Who was involved in the development of the initiative?

The provisions have been prepared by a working group which consisted of representatives of the Federal level, the Länder and individual enforcement authorities. This mixed working group reviewed several areas of waste monitoring with regard to sustainable possibilities for simplification. Some Länder made field trials with electronically transmitted verification which were also taken into consideration. The work concerning the use of electronic

communication media was accompanied by the Federal Agency for the Security of Information Technology. Furthermore, associations of trade and industry were also intensely involved in the preparation and co-ordination of the texts of the act and the ordinance.

Transferability

The use of suitable IT tools supporting waste reporting can well be transferred to other countries.

Contact	Mr. Jochen Gebauer, Federal Ministry of the Environment, Jochen.Gebauer@bmu.bund.de;

32 Case study: Ireland

Envirocentre

This best practice case describes an SME support tool based on an information web-site with supporting activities. It is innovative, benefits SMEs and is readily transferable to other Member States.

Introduction

EnviroCentre is an IT tool and a compliance assistance initiative. It is a free and regularly updated environmental information portal from Enterprise Ireland, designed specifically for Irish industry to enhance environmental awareness, with particular emphasis on small and medium-sized enterprises (SMEs). It provides a wide range of information on environmental regulation in Ireland, provides guidance for different industrial sectors, and information on events and environmental services. Information from all relevant stakeholders is customised to the needs of Irish industry.

Support is given to SMEs:

- *In person* through information, advice, networking, site visits and awareness raising;
- *Online* through news, legal guides, case examples, best practice guides;
- *Financial support* for EMS and Ecodesign

The guides to legislation cover the following categories:

- Planning and Environmental Impact Assessment
- IPPC
- Waste / Water / Air
- Producer Responsibility – WEEE, ROHS
- Environmental Management Systems
- Strategic Environmental Assessment

Irish case examples demonstrate environmental and business win-wins. There are also best practice guides for different industrial sectors and databases for consultations, waste operators, etc.

Participation

The initiative was developed by Enterprise Ireland, with the involvement and support of businesses and environmental authorities. It is financed by Enterprise Ireland and the Department of Enterprise, Trade and Employment.

Outcomes

From February 2003 to October 2005 there have been 3.6 million hits, averaging 10,500 daily. The EnviroCentre has also had a total of 105,000 visits, an average of 250 per day.

Further measured outcomes are difficult to identify, however such levels of use suggest business does benefit. Key success factors are:

- Continued and proactive stakeholder involvement
- Translation of issues to the Irish context

Contact	Darren Byrne, Enterprise Ireland, www.envirocentre.ie Fred Mc Darby, (Best Expert Group member) Enterprise Ireland fred.mcdarby@enterprise-ireland.com 00-353-1-8082655

33 Case study: Ireland

Simplification of permitting –merging waste and IPPC licensing

This good practice case describes an initiative which simplifies licensing by bringing together two different regimes which can apply to the same operator. It is transferable and clear in its objectives.

Introduction

The Protection of the Environment Act, 2003 amended *inter alia* the Environmental Protection Act 1992 and Waste Management Act 1996 concerning all activities requiring waste and/or IPPC licences.

The initiative means that licences for IPPC and waste management are similar and are processed in the same way. Only one licence is required if both activities are on the same site. There is less administration required for implementing changes to licences because licences can be amended without formal review. This has reduced the administrative requirements for both applicants and the Environmental Protection Agency and provided for the merging of the licensing function, procedures and management structure. In addition, IT systems and the register numbering system for both licensing regimes are in the process of being harmonised. This will provide for greater efficiency and clarity of purpose.

Participation

Stakeholders were consulted when the Act was being developed.

Outcomes

No *ex post* assessments of the benefits and costs of the initiative have yet been undertaken.

Contact	Jonathan Derham, Environmental Protection Agency – j.derham@epa.ie 00-353-053-60600

34 Case study: Ireland

Use of IT (e-DMS) in licensing process

This good practice case describes an electronic approach to the licence application process. It increases business efficiency, improves public access to licensing information and is readily transferable.

Introduction

The aim of this initiative is to implement an electronic document management system (e-DMS) for the purpose of processing Waste and IPPC licence applications and to make this licence information available on the internet. This initiative allows for applications and related documentation to be submitted and captured in electronic format. This provides for greater business efficiency in terms of the management, dissemination, search/retrieval, storage, archive and public access to documents.

Application forms for IP(P)C and waste licences have been available on-line from the EPA since 2001. However, *applications themselves* have hitherto been made in paper form only with multiple copies required.

A study undertaken in late 2003 considered the implementation of an e-DMS for use in licensing. The specific aims of the study were to enable:

- All applications to be submitted and captured electronically.
- Facilitate internet access to licensing files for the general public.

The project was initiated in 2004 and the system was implemented for internal use in 2005. The final phase of the licensing project was completed in early 2006, whereby documents were exported to the internet (www.epa.ie/Licensing) for enhanced public access.

Participation

The EPA has been responsible for this initiative.

Outcomes

As the initiative for licensing has only recently been completed, no formal assessments of the benefits and costs of the initiative have yet been undertaken. However, initial feedback from the public has been very positive. A study is now underway to expand the use of the e-DMS for the enforcement function.

Contact	Claire Fahy, EPA c.fahy@epa.ie 00-353-12680100

35 Case study: Ireland

Risk-based approaches to enforcement

This best practice case is a strategic approach to reviewing regulation resulting in a quantified risk-based approach to permitting and inspection. It is clear, increases efficiency, transferable and can benefit SMEs.

Introduction

This initiative seeks to develop a methodology for a risk-based approach to licence enforcement in respect of IPPC and waste-licensed facilities. This will enable EPA to focus resources on higher-risk activities and companies, and reduce administration in relation to low-risk companies, both for the EPA and the companies themselves.

The project began in early 2004 and consultants were appointed by the EPA to develop the methodology in September 2004. A draft methodology has been developed which assesses the environmental risk of facilities on the basis of five criteria:

- Complexity of the activities on site;
- The level and type of emissions;
- Location of the activities;
- Operator management (eg environmental management systems, incidents);
- Enforcement record of the facility; and
- Complexity and location are fixed attributes, and beyond the control of the operator, but the remaining three criteria can be controlled, and the overall risk thereby reduced.

Within each of the five criteria, a list of factors that contribute to the risk has been developed. For each criterion, risk is assessed, and the scores are aggregated to arrive at an overall risk category for that facility, as follows:

High Risk – A1, A2, A3
Medium Risk – B1, B2, B3
Low Risk – C1, C2

A1 is extremely high risk, while C2 is very low risk. Enforcement efforts and appropriate fees will be targeted on facilities in the High Risk categories. With standard and transparent criteria, operators can reduce their administrative and financial burdens by reducing those risks over which they have control.

Participation

The development of the initiative has been the responsibility of the Office for Environmental Enforcement in the Environmental Protection Agency (EPA), Ireland, assisted by consultants TES Consulting Engineers. Funding has been provided by the EPA. Relevant international comparisons (in particular in England, Scotland, Norway and the Netherlands) have informed the development of the draft methodology. The EPA is currently testing the methodology for each of its licensed facilities and the results of this testing will be incorporated into the final methodology. The views of various stakeholders (e.g. industry, local authorities) to the use of the risk based approach to enforcement will be canvassed at a conference in May 2006.

Outcomes

The risk-based approach to enforcement is not yet implemented. However, anticipated benefits are:

- The EPA can prioritise its enforcement activities based on risk with the result that higher risk activities receive the most enforcement. In addition, administrative costs associated with number of visits, audits and inspection reports in respect of lower risk facilities may be reduced.
- For operators, reduced costs through taking active steps to reduce risks, and therefore enforcement costs.
- Wider social benefits will result through improved environmental performance more rapidly than otherwise might have been the case.

As regards costs, there could be some transfer of administrative costs from EPA to operator in encouraging more thorough self-assessment of risk factors by the latter.

Contact	Mick Henry, Office of Environmental Enforcement (OEE), Environmental Protection Agency m.henry@epa.ie 00-353-949- 021588

36 Case study: Ireland

Streamlining the Waste Permitting System

This good practice case is an initiative to reduce the number of permits for waste management through consolidation. It is clear, benefits SMEs and has ease of implementation.

Introduction

The aim of this initiative is to reduce and simplify the number of permits required by commercial waste collectors for collecting and managing waste. Currently a separate licence is required to manage and collect commercial waste in each of the ten waste regions in Ireland. Each region has its own licence and fee. Waste management permits are issued for specified activities in each area e.g. composting; recovery; waste disposal < 5,000 t/a. However, there is no consistency between activities or between areas concerning licence conditions, leading to large administrative costs and fees for waste management companies that operate nationally due to such duplication.

Consideration is being given to the introduction of a single licence and fee for collecting waste nationwide. Also it is intended to standardise permits and conditions for each activity across regions, relating for example to composting, recovery etc. A template for each activity is being produced with standardised conditions. It is also intended to simplify land reclamation using inert wastes, and to reduce the insurance costs for companies in these activities.

Participation

The initiative has been developed by the EPA, in consultation with the Department of the Environment, local authorities and waste management companies. These consultations took place between June 2004 and June 2005.

Outcomes

Consultants have made recommendations to the EPA for simplification, which are currently under consideration. A revised set legislation was drafted by the Department of the Environment and issued for consultation. Over 50 submissions were received by the Department and the finalised legislation is expected in mid 2006, so outcomes are as yet unknown.

Contact	Jim Moriarty, Office of Environmental Enforcement (OEE), Environmental Protection Agency – j.moriarty@epa.ie 00-353-21-4875540

37 Case study: Italy

'Sportello Unico per le Attivita' Produttive (One Stop Shop for Productive Activities).

This best practice case is a legislative initiative that requires authorities to consolidate administration to reduce burdens. It increases efficiency, benefits SMEs, is transferable and has quantified measurements of outcomes.

Introduction

Although several experiences of one stop shops have been already implemented in Europe, the case of the Italian One Stop Shop for Productive Activities was chosen as a best practice since the project has been widely described and analysed, as the Italian Public Administration Department established a monitoring centre in charge of tracking the diffusion of One stop shops across the country and of checking their economic and administrative impact.

To find out how much the introduction of One Stop Shops has reduced regulatory barriers to starting businesses in Italy, the One stop shops impact was evaluated through an internationally acknowledged methodology, namely the OECD indicator on barriers to entrepreneurship and its sub-indicators, in particular the one that measures the administrative burdens on start-up.

Key points of interest:

- As the initiative alters neither the legislative framework, nor the level of surveillance and environmental performance, the level of environmental protection is not lowered. Furthermore, as the resulting administrative times are now lower than those imposed by the law, the initiative's result in a more effective application of the environmental regulation, thus achieving environmental objectives in shorter periods of time;
- Benefits resulting from the initiatives are shorter times to achieve legal compliance and reduced cost for public administration and private companies. In addition, the One Stop Shops act as a single interlocutor, so that the communication between public and private bodies results more quickly, and the spreading of information is more effective;
- There is no hint that the initiative is not comprehensible or would not have clear objectives. Some concerns arose about the clarity of one of the regulations affected by the initiative, namely law 447/98. The law was thus amended in 2000, improving some legislative wording and removing some misunderstandings about the One Stop Shop's field of operation;
- Depending on the permitting system of the respective country, it is possible to transfer the concept of the Italian One Stop Shop to other countries. In addition the system of performance monitoring can be easily transferred, as it is built on an internationally acknowledged methodology, the OECD indicators; and
- The initiative has quantified outcomes and there is a measuring of performance objectives through a monitoring centre, which captured positive indicators of actual benefits for small and medium-sized companies. In addition, the One Stop Shop is already known in most EU countries, and it is actually in line with the European model of One Stop Shop drafted in an EU proposal for Directive[37]. This type of initiative does not seem particularly difficult to implement in other Member States,

[37] SEC 2003 21

and only some extra effort may be required to put in place an effective monitoring centre. The initiative though does not exhibit special characteristics of innovation.

Objectives of the initiative

The One Stop Shop for Productive Activities was set up to simplify relations between public administrations and enterprises, and aimed at:

- Giving entrepreneurs a single interlocutor for all procedures related to the opening, life and closing of production facilities;
- Simplifying and shortening of procedures: after submitting a single application, the entrepreneur obtains a single permit;
- Facilitating the availability for city governments of all the necessary information and permits from the various authorities involved;
- Providing the entrepreneur with a known deadline specified by the relevant regulations; and
- Developing economic activities by providing information and advice concerning localization, opportunities, financial and job-creation incentives.

Development of the initiative

Before 1998 obtaining the many permits required to start a business was a sort of exhausting steeplechase against long delays and high costs. The One Stop Shop was created in 1998 as part of a government effort to simplify relations between public administrations and enterprises. After its institution, all municipalities were required to set up One Stop Shops so that entrepreneurs could have a single interlocutor for all procedures related to the opening, life and closing of production facilities.

The One Stop Shop was created as part of a government effort to alter the "stance" of Italian public administrations towards citizens. The One Stop Shops were developed in a framework of general decentralization, promoted by the Italian Central Administration, according to the so called Bassanini Laws, which represent the milestones of regulations on streamlining and decentralizing bureaucracy. The regulations establishing the One Stop Shops are described below, in chronological order.

Key elements of the initiative

Legal framework

Law 59/97, on administrative decentralization, defined 'empowerment' as the State's transfer of administrative functions to the Regions and local authorities. Based on the subsidiarity principle, the State transferred tasks and functions to administrative centers closer to the citizens (municipalities and authorities above the municipal level), and the State and the Regions provided administrative functions to the provinces and municipalities.

Legislative Decree 112/98 (a direct derivation from Law 59/97) concerned 'the State's contribution of administrative functions and tasks to the Regions and local authorities'. Administrative responsibilities for productive activities were transferred to the municipalities together with the functions of the One Stop Shop: the start-up, enlargement and closing of production facilities, and building permits as well.

Decree 447/98 gave municipalities business licensing functions.
Its **amendment in 2000**, and the improvement of its wording, removed some misunderstandings about the One Stop Shop's field of operation.

The **implementation decree** specified two kinds of relations between the administration and the entrepreneur.

The simplified procedure, which can be used for any application, normally ends within 90 days after the application has been submitted to the municipality.

The self-certification procedure, which can be used for only some matters, normally ends at less than 60 days; it allows the entrepreneur to declare that he or she has the qualifications required to obtain a clearance certificate or to start a business.

Law of July 29th, 2003, on simplification, generalized the silence-assent procedure and self-certification (a start-up notice instead of obtaining permits). The administration was required only to make sure that permits are used properly, not to issue them

The new **simplification bill of 2005** is now before Parliament; it supported and reconfirmed the role of One Stop Shops in streamlining and rationalizing procedures in collaboration with trade associations.

Current situation

Many activities were transferred to the municipalities without additional State grants. Each city government was allowed to organize its One Stop Shop as it saw fit, but could use only its own internal resources. The deadline for starting One Stop Shop services was May 27th, 1999, but no sanction was established for municipalities that failed to comply. This explains why the One Stop Shops, implemented in many different ways, achieved their first operational results at different times.

The services of One Stop Shops are now available throughout the country[38.]

5,274 One Stop Shops have been created to date, in 65.1% of the Italian municipalities. They serve a total population of 45,184,334, that is, about 79.3%. 511,890 procedures have been started, and their completion times are shorter than required by the law.

The number of municipalities and citizens served by One Stop Shops has increased at a remarkable pace. From 2001 to 2004, 2,033 municipalities (with an aggregate population of 8 million) created One Stop Shops. The number of municipalities increased by 63.7% and the population served by 39%. Permit issuance times have been dramatically reduced. The self-certification procedure, where the enterprise notifies the city administration the activities it intends to carry on and the administration performs formal/substantive checks during and after the procedure, now takes only 39 days. Environmental Impact Assessment procedures, where the public administration has to carry out rigorous pre-issuance tests, can take up to 94 days. All of these times are far lower than required by the law.

[38] The data come from the last national survey, concluded in October 2004, on the implementation of One Stop Shops for productive activities in Italian municipalities. The data refer to municipalities of all Italian Regions. Of the 8,101 municipalities in the target Regions, 7,150, or 88.3%, replied to the survey; their aggregate population is 53,140,415, or 93.2% of the national total.

Summary of the procedures[39]

Number of procedures	511,890
Concluded procedures	444,039
Concluded procedures within the terms (%)	81.9
Mean time of concluded procedures (days) Simplified procedures Self-certificated procedures Environmental impact assessment	 73 40 95
Average	61

Opinions on the initiative

According to a study held by Formez on May 2005[40], the One Stop Shops are currently not making a broad use of web instruments. Applications are often required on paper, rather than on-line. Use of web sites is growing but apparently without planning, thus they may lack a coherent structure.

The Piemonte Region initiated an Observatory centre on the administrative reform that lead to the decentralisation of administrative powers and to the establishment of the One Stop Shops within the region. The Observatory ('Osservatorio sulla Riforma Amministrativa'), an institutional body of public and private composition, released yearly reports on the reform's effectiveness. It also collects enterprises' and public employees' opinions through questionnaires, interviews and focus groups. The concluding remarks presented in the 2005 report[41] highlighted that:

- the network of one stop shops has generally worked, but performances were not 'excellent' in terms of collaboration between local entities. Local administrations should improve communication with each other, promote integration and knowledge sharing;
- the level of involvement of some key figures, like engineers, accountants, architects, industry associations and others 'intermediaries' between public administration and enterprises, has been generally low. These should be more involved in the provision of public services to the general public, eg though transparent information sharing, establishment of working groups, specific survey of customer satisfaction, etc., since they could be key figures in bringing public administrations closer to the production sector; and
- even though evidence shows that efficiency of one stop shops is not necessarily linked to technology, a wider use of electronic tools is generally considered advisable.

Overall, One Stop Shops' potential improvement seems to rely mainly on a better organisation between and within local organisations.

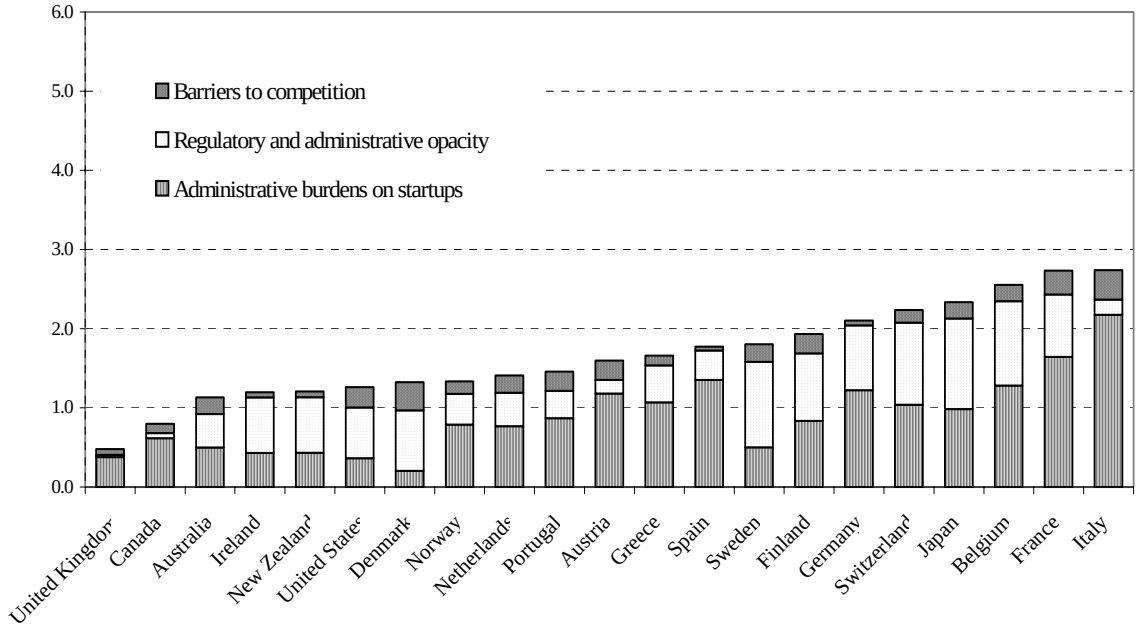
[39] Formez, 2005: The European One Stop Shop
[40] Formez, 2005: Verifica e monitoraggio dei siti SUAP.
http://www.sportelloimpresa.it/repository/Pubblicazioni/relaz_finale_monitoraggio_sistema1.pdf
[41] Osservatorio sulla Riforma Amministrativa, 2005. Lo Sportello Unico per le attività produttive in Piemonte: un possibile modello di front end per i servizi decentrati.

Outcomes of the initiative

In Italy, the One Stop Shop for Productive Activities has been the main tool used to lower what are known as "barriers to start-up", in a simplification process aimed at streamlining procedures, shortening time and reducing the cost of starting a business.

To find out how much the introduction of One Stop Shops has reduced regulatory barriers to starting businesses in Italy, a monitoring centre was established by the Central Administration, and the One Stop Shops impact was evaluated through the OECD indicator on barriers to entrepreneurship and its sub-indicators.

In 1998, Italy was the OECD country with the highest level of barriers to entrepreneurship. The country's negative position was strongly supported by the high value of the OECD sub-indicator 'administrative burdens on start up'. Barriers to entrepreneurship across countries in 1998[42]



The indicator ranges between 0 (no barriers) and 6 (highest possible barriers).

After 1998, the introduction of the One Stop Shop, together with the other simplification reforms, reduced times, charges and procedures: a benefit for all enterprises but especially for start-ups. For individual enterprise, the number of procedures fell from 11 to 5, procedure completion time from 16 weeks to 1, and charges from EUR 1,150 to EUR 340. The benefits for public limited companies were a reduction of procedures from 21 to 12, time from 22 weeks to 6, and charges from EUR 7,700 to EUR 3,516.

[42] OECD 1998

Changes in number of procedures, times and start up charges - 2002-1998[43]

	Individual enterprise		Public limited company	
	1998	**2002**	**1998**	**2002**
Number of procedures (before and after registration)	11	5	21	12
Start-up time (weeks)	16	1	22	6
Cost (Euros)	1,150	340	7,700	3,516

After 1998 the OECD 'Barriers to entrepreneurship' indicator and its sub-indicators fell by about 42%.

Component: administrative burdens for start-ups[44]

Indicators	**Administrative burdens for sole proprietors' firms**	**Administrative burdens for corporations**	**Sector specific administrative burdens**	**Total**
Before one stop shop	4.75	5.75	4.5	4.92
Status at 2002	1.75	3	4.5	2.99

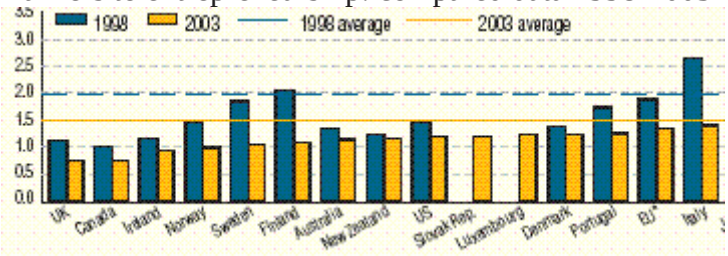
Component: regulatory and administrative opacity[45]

Indicators	**Licence and permit system**	**Communication and simplification of rule and procedures**	**Total**
Before one stop shop	4	0.8	2.56
Status at 2002	0	0.8	0.36

Indicator: barriers to entrepreneurship[46]

Indicators	**Administrative burdens on start-up**	**Regulatory and administrative capacity**	**Barriers to competition**	**Total**
Before one stop shop	4.92	2.56	1.80	3.34
Status at 2002	2.99	0.36	1.80	1.94

Barriers to entrepreneurship: compared data 1998-2003[47]

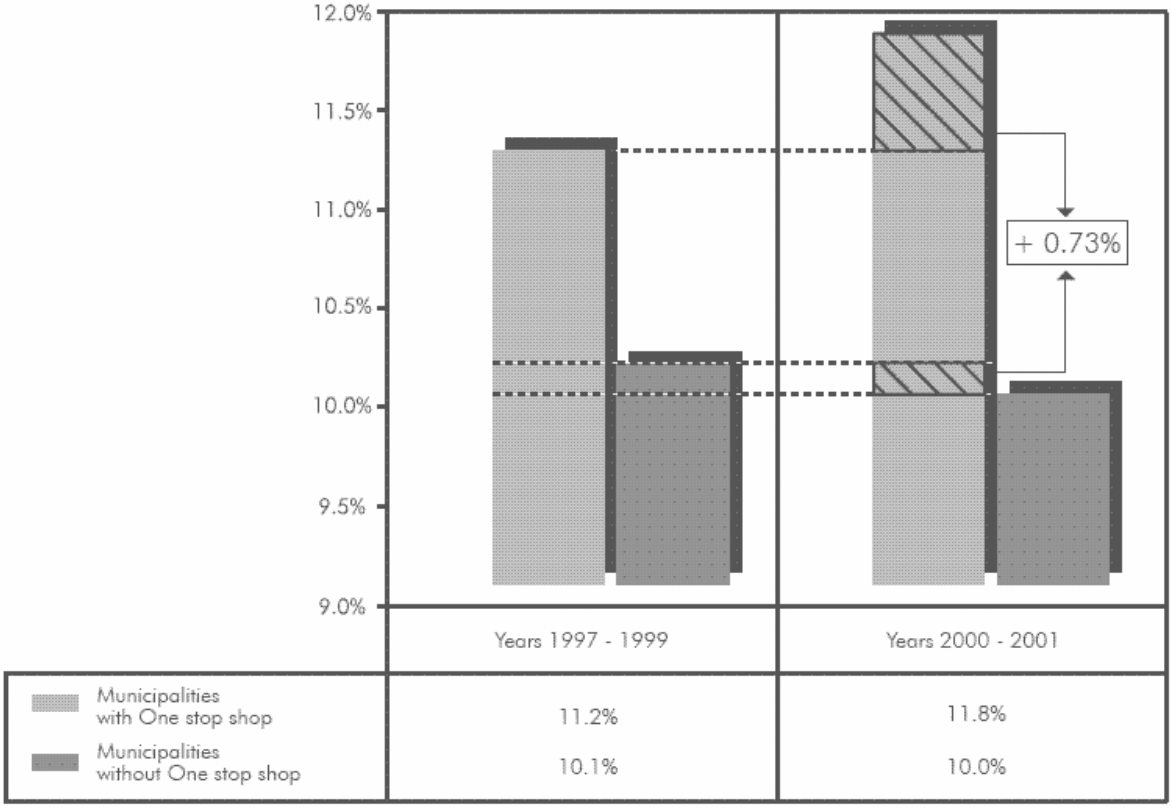


[43] Ibid. 3
[44] Ibid. 3
[45] Ibid. 3
[46] Ibid. 3
[47] OECD

Lowering barriers to entrepreneurship encourages and facilitates the birth of new enterprises. The evaluation of the One Stop Shop's economic impact revealed that the lowering of barriers to start-up, allowed by the creation of the One Stop Shops, raised entrepreneurship levels (ie start up rate). Given a sample of municipalities with equivalent economic and productive features, those with the best One Stop Shop standards had higher increases in the enterprise start-up rate. Their start-up rate was 0.73% higher than the average for the sample, and 6.6% higher than in the period before the introduction of the initiative. This means that through the One Stop Shop a municipality with a start-up rate of 9% – near the Italian average – raised its rate to 9.73%.

In the figure below, the striped areas show the difference (municipalities with and without One Stop Shop) in average start-up rates before and after the introduction of the One Stop Shop, hence they measure its impact on local entrepreneurial dynamism.

Impact of the one stop shop on average start-up rates[48]



Further analysis highlighted also to what extent this rise in entrepreneurship levels can generate higher economic growth. The analysis showed how each point added to the start-up rate could raise the economic growth (GDP) rate by 0.52% and the employment growth rate by 0.45%. Considering the increase generated by the start-up rate in entrepreneurial density, the One Stop Shops contribution to economic development may be still more important in the long term.

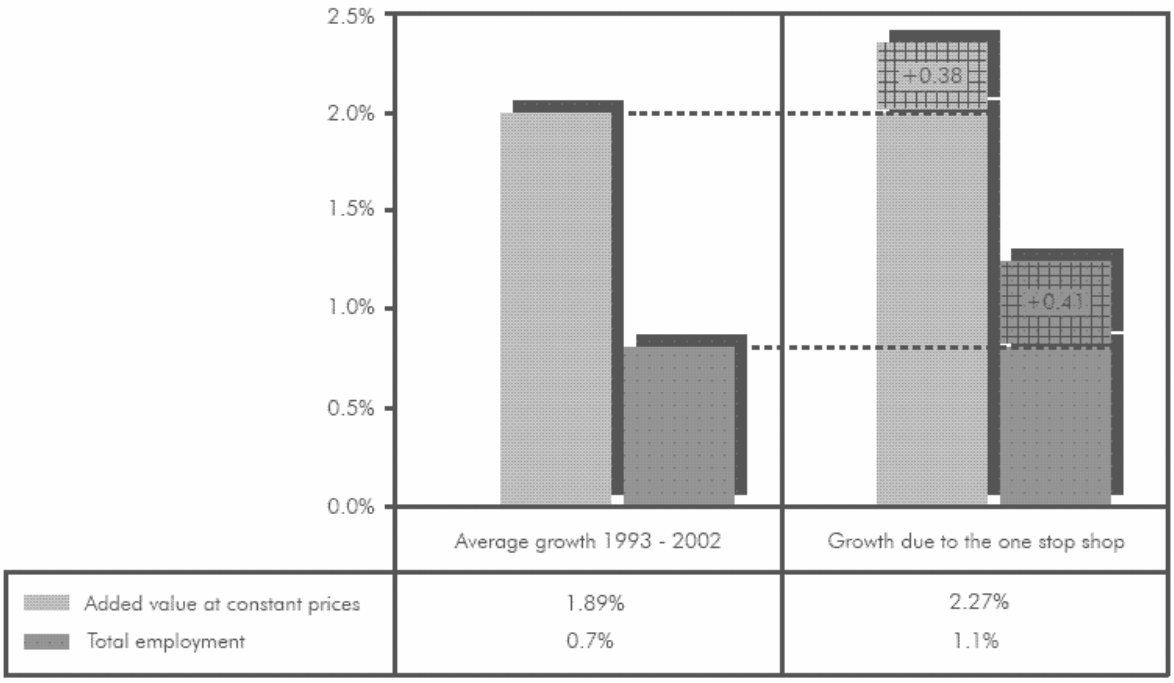
Impact of the introduction of the one stop shop on economic growth and employment. total economy minus banks, insurance companies, professional services and social services[49].

[48] Ibid. 3
[49] Ibid. 3

Impact of the one-stop-shop on the start-up rate	Impact on GDP growth		Impact on employment growth		
	Coefficient of the impact of the start-up rate on the GDP growth rate	One-stop-shop impact on GDP	Coefficient of the impact of the start-up rate on the employment growth rate	Coefficient of the impact of the added-value growth rate on the employment growth rate	One-stop-shop impact on employment growth
0.7337%	0.520	0.38%	0.451	0.211	0.41%

In the figure below, dotted areas represent the impact on the growth of GDP and employment if the One stop shop is implemented fully and efficiently nationwide

Impact of the introduction of the one stop shop on economic and employment growth in Italy[50]



However, it is to be noted that the evaluation of the overall impact of the One Stop Shop on the economy included data only from the two years after the introduction of the One Stop Shop, and took into consideration only excellent cases. In the future the impact may stabilize at 0.38% for the added-value growth rate and 0.41% for the employment growth rate, both sustainable in the long term.

Success factors

In most of Italy and in the areas most significant for demography and development levels, these results were attained partly through the dynamism of many municipal and regional

[50] Ibid. 3

administrations, and partly through various measures implemented by the central administration, together with the Public Administration Department, to support the One Stop Shops. Among the measures at territorial level which aimed at creating and improving their services, was the One Stop Shop Action Plan – financed mainly with national resources and managed by the Public Administration Department – which affected 2,850 municipalities with a total population of 25,807,956.

Lessons for other Member States

No sanction was established for municipalities that failed to comply with the deadline for establishing One-Stop-Shops. This explains why they have been implemented in many different ways and achieved their first operational results at different times.

Though all the One Stop Shops can issue permits in remarkably shorter times than required by the law, the "dead time" in processing applications remains high. These delays are due partly to communication problems among offices in the individual One Stop Shop administrations and the offices in different administrations, and partly due to the enterprises' providing full and clear information. Shortening dead times, especially through further efforts towards self-certification, communication, information and online services, could increase the benefits of the One Stop Shop.

In the future, the One Stop Shops could become actual business service centres. Threats and opportunities for future relations between One Stop Shops and citizens will arise from connection of the public employment network, territorial planning, public-private co-ordination for the promotion of new businesses, the preparation and release of correct and full information to investors and entrepreneurs (including online operations), and a new simplification effort.

The use of OECD indicators makes the initiative highly comparable across Member States, and benchmark can be easily established in order to find out the level of effectiveness of the simplification procedure, measured in terms of start-up incentives for enterprises and effect on GDP growth. Thus, the establishment of monitoring centres should be highly encouraged.

The Central Administration may play a key role, in terms of information and administrative support, above all in the start-up phase of the One Stop Shops.

The Italian case though reveals some weaknesses that should be taken as lessons. For instance, the lack of economic instruments to enforce the initiative by the stated deadline brought many delays in the actual implementation. 'Dead times' in issuing permits fall outside the scope of the One Stop Shop thus, in order to make the initiative truly effective, administrative procedures should be monitored and optimised, ie harmonising the initiative with other administrative regulations.

The communication potential of the One Stop Shop should be well understood and used to bring citizens and enterprises closer to the administrative sector. Positive interchanges of data and information could benefit both the general public (eg in terms of understanding the legal framework and facilitate compliance with environmental standards) and institutions (eg providing feedbacks on the effectiveness of regulations).

Contact	Mr Fausto Santangelo (Best Expert Group member) Ministry of Trade & Industry Via Buonarroti 4 85100 Potenza, Italy e-mail fausto.santangelo@tiscali.it

38 Case study: Italy

Information Communication Technology: The Liguria Region for the environmental development of enterprises

This good practice case is an IT tool which supports environmental reporting and information management for companies. It increases efficiency and is readily transferable.

Introduction

The initiative here described is an Information Communication Technology implemented by the Liguria Region for the environmental development of enterprises within its territory. It is and organisation/institutional tools based on IT and electronic systems, meant to:

- increase the local enterprises' competitiveness;
- incentivise the installation of new enterprises in Liguria Region; and
- reduce the environmental impacts of firms.

Description of the initiative

The initiative lasted from January to December 2003. It was divided in three parts:

- Creation of web site SUAP (One Stop Shop for Production Activities), related to the local One Stop Shops;
- Creation of Web site ECOSERVER, providing environmental information for enterprises; and
- Implementation of many meetings with enterprises to disseminate information about:
    - environmental laws at European, national and regional level;
    - new technology and systems of pollution abatement;
    - available funds;
    - opportunities to start activities in new sites;
    - how to find on line information on environmental issues (waste, air, water pollution, etc);
    - possibilities to benefit from lower fines for environmental damages; and
    - possibilities to benefit from reduced time and costs of licenses and permits.

Participation

Many institutional partners were involved in the development of this initiative: Public Authorities, enterprises associations, chambers of trade and crafts The Liguria Region established a working group as a technical reference for public authorities and private organizations. For the web site ECO SERVER a technical committee was established, involving regional representatives, representatives of Genova University, representatives of regional industrial associations, representatives of regional chamber of trade and crafts.

In public meetings people were involved in order to provide them with information on the initiative

Outcomes

The main benefit of this initiative is that the length of time to obtain a permit has been reduced through the combination of IT tools and One-Stop Shops. The innovation is in the possibility to have on line not only the documentation for permits, but also any environmental information about permitting, technology, laws, funds etc. The public participation is enhanced through public information meetings and on line service by e-mail.

At the moment though there are no measurements in terms of reduction of administrative burdens.

Lessons learned

Among the lessons learned from this case, it was noted that simplification is effective if entrepreneurs can save costs and times. This is achievable if entrepreneurs can liaise with only one person in the Public Administration and if they can obtain information and explanations without depending on consultants.

Transferability

The initiative does not seem difficult to transfer to other countries, but it is less interesting considering that the IT tools are mainly based on the practice of One Stop Shops, which is already quite well known, and that specific indicators have not been developed to test the effectiveness of this initiative.

Contact	Mr Fausto Santangelo (Best Expert Group member) Ministry of Trade & Industry Via Buonarroti 4 85100 Potenza, Italy e-mail fausto.santangelo@tiscali.it

39 Case study - Lithuania

Eco-mapping – simplification of EMAS implementation in SMEs

This best practice case is an initiative focused on a number of countries that simplifies EMAS requirements for SMEs. It increases efficiency, is designed to be transferable, has ease of implementation and is innovative.

Introduction

The aims of this initiative are:

1. To foster capacity building in Lithuania, especially for the promotion of the EMAS Scheme towards small and medium-sized organisations and enterprises, and to create an effective engagement of these type of organisations in implementing EMAS. This will be done by training a group of experts, who then will coach these organisations in the implementation of the EMAS Scheme.
2. Build capacity within the environmental consulting and auditing community for the implementation of lightly documented and innovative EMAS applications.
3. Demonstrate the feasibility and relevance of the application of the EMAS Regulation in small and medium- sized organisations and enterprises.
4. To implement EMS in accordance to EMAS requirements in selected SMEs.
5. To design a simplified procedure for EMS verification and registration in accordance with EMAS requirements.

This initiative is part of the 'EMAS easy' development/practical testing which is being rolled-out across a number of Member States. Thus this initiative is repeated elsewhere and is designed to be transferable.

Funding

The initiative began in December 2004. Formally, this initiative ended in January 2006 as the project supported by the EC terminated. However, the methodology developed and capacity built during the project will enable continuation of the objective for simplified EMS implementation in SMEs. The extent of further activities will depend on the interest of SMEs in implementing EMS, particularly in accordance to EMAS requirements.

The Ministry of Economy is considering whether to subsidize EMAS verification and registration costs for companies to promote EMAS implementation in Lithuania. This would provide additional incentives for companies to implement EMAS.

Partnerships

The initiative is co-ordinated by the International Network of Environmental Management (INEM) and is implemented in co-operation with local partners in the following new Members States: Estonia, Latvia, Lithuania, Hungary and Poland. In Lithuania, the project partner is Institute of Environmental Engineering (APINI), Kaunas University of Technology. The project has been developed on the basis of experience gained from practical application of the Eco-mapping tool in different countries.

In terms of simplification of verification and registration scheme, discussions among different stakeholders in Lithuania have been initiated.

Outcomes

The application of a new innovative methodology for EMAS implementation will enable reduction of EMS documentation in companies and will make EMAS more attractive and more applicable for SMEs.

Simplified verification and registration procedure will enable SMEs to participate in the EMAS scheme. Therefore, it may lead to reduction of time required for EMS verification and associated costs for SMEs.

In the process of EMS implementation, SMEs participating in the initiative have identified a number of cost saving measures. Some of these measures have already been implemented. Most of these measures fall in the following categories: (i) simple good house keeping measures for energy/ water/ other resource saving; and (ii) equipment modification/ replacement.

To date, none of the companies participating in the initiative have fully implemented EMS in accordance with EMAS requirements. However, some companies are determined to finalise the EMS implementation and hopefully will be the first companies in Lithuania that will be EMAS registered.

Success and constraints

The following are the success factors:

- The methodology applied helps to reduce EMS paperwork and this helps SMEs to overcome problem related to lack of human resources for EMS implementation;
- The initiative has been implemented in accordance with a clear time plan with periodic training sessions and clear tasks to be accomplished between these training sessions; and
- The initiative was financially supported by the EC and SMEs received free of charge training and consultations.

The main problem is lack of environmental competence in SMEs. Lack of motivation for EMAS registration in companies is also an important obstacle for this particular initiative and any initiative related to EMAS implementation. Most probably, SMEs participating in this initiative that will successfully implement EMS in accordance with EMAS requirements and will achieve EMAS registration; they may also seek ISO 14001 certification.

Despite the fact that the methodology is clear and companies receive well-designed templates for EMS documentation, in most cases they do not have sufficient competence to apply this methodology themselves and require external assistance.

Contact	Valdas Arbaciauskas Institute of Environmental Engineering, Kaunas University of Technology, Lithuania Valdas.Arbaciauskas@ktu.lt Phone: +370 37300760 Fax: +370 37209372

40 Case study: Lithuania

Sunrise Programme

This good practice case is a consultative strategic approach to examining regulatory burdens and simplification with a focus on SMEs.

Description

This initiative aims to improve the business environment in Lithuania, as a follow up to recommendations by the Foreign Investment Advisory Service. The main focus is more on business conditions rather than environment policy.

The initiative began through an Inter-ministerial mechanism launched at the start of 2000. Several temporary working groups comprising representatives of business organisations and public institutions were established to propose solutions to remove legal and administrative barriers in areas such as taxes, customs formalities, and labour market liberalisation. A working group was also set up to deal with the specific concerns of SMEs and define the main orientations of the SME development strategy.

Contact	Small and Medium-Sized Business Division, Ministry of Economy, tel: +370.2.623.859 or 628.903 fax: +370.2.629.676 or 623.974 e-mail: smverslas@po.ekm.lt

41 Case study – The Netherlands

Reassessment and modernization of the VROM legislation

This best practice case is a major strategic approach to examining regulatory burdens across a wide area with detailed quantitative analysis and a large number of sub-projects with simplification outcomes. This is aimed at increasing efficiency, has clear objectives, has benefits to SMEs and is quantified in its approach.

Introduction

The primary approach was the simplification of the legal framework, but as part of some of the sub-projects (e.g. the broad environmental permit and the modernization of the general environmental rules) much attention is given to the possibilities of information technology and one stop shops.

The project was started in 2002. Most of the sub-projects that originate from the project are expected to be finished by 2007. In order to undertake this work, the following processes were set in place:

- Ten working groups, each for a sector of VROM legislation;
- A small management team, with representatives of the various VROM Directorates;
- A sounding board group with representatives of stakeholder interests; and
- Representatives of other ministries.

Under the modernizing initiative there are currently 70 projects, such as:

- Simplification of waste regulation obligations, harmonizing obligations at national and provincial level and producing a one-stop shop for registration; and
- Simplification of EIA regulations, limiting them specifically to those contained in the EU Directive and removing existing additional national requirements.

The aim is not to lead to any reduction in environmental protection. There has been little reaction from NGOs. There is far more debate between industry and government, with some pressure to reduce environmental protection. However, this has not been accepted by VROM.

In reviewing the regulatory requirements the risks of the different activities for the environment are considered. Supervision and enforcement aspects are not an element of the simplification initiative, they are discussed in another project: professionalization of the environmental enforcement process. Of course, authorities that are responsible for enforcement seek to pay the most attention to the most hazardous activities.

Periodic reports about the results of the simplification are sent to Parliament and are discussed there. The reports give information about the simplification of the legal framework and about the reduction of the administrative costs.

Objectives

The objectives of the initiative are:

- Reduction of the number of regulations;

- Improving the transparency, feasibility and enforceability of the remaining regulations; and
- Reducing the administrative costs for businesses and citizens and the governmental costs for regional and local authorities

The Dutch initiative is also aimed at reducing the burdens on the SMEs. An important sub-project for the SMEs is the modernization of the general environmental rules. One of the aims of this modernization is that more enterprises will no longer need an individual environmental permit.

Partnerships

We have consulted stakeholders from business circles, decentralized governments, NGOs and universities. All projects have advisory groups with stakeholders.

Measuring outcomes

All Dutch ministries have a quantified task to reduce the administrative burdens for businesses and citizens. The Ministry of Housing, Spatial Planning and the Environment was the front runner in the simplification process because the environment legislation has a reputation for being very complicated. Existing administrative burdens for public authorities have not been quantified. However, the consequences of new or modified regulations for the burdens of public authorities are quantified as accurately as possible and are discussed with representatives of the provinces and municipalities.

VROM has the overall objective of achieving a 30% reduction in administrative burdens by the end of 2007 (the overall government objective being a 25% reduction). Over the last three years it has achieved a 10% reduction, measured using the standard cost model developed in the Netherlands.

Future developments

In the future VROM has ambitions to go further. Regulation is only one instrument as it is unlikely to deliver all objectives (hence the use of emissions trading to meet national emission ceiling and air quality objectives). Further action on modernizing regulation will require the use of additional instruments.

Key lessons

- It is very important that the political and official leadership of the Ministry emphasizes the priority that is given to simplification and reduction of administrative burdens;
- It is also important that the people who are responsible for the preparing of proposals can review the existing regulations in an innovative and disengaged way; and
- The best results can be reached if there is an ambitious and fixed timetable for the proposals and the implementation.

Contact	Pieter Roos & Jan Groen, VROM Pieter.Roos@minvrom.nl Jan.Groen@minvrom.nl

42 Case study: The Netherlands

Simplification of Permit Requirements in the Netherlands

This best practice case is a major initiative to consolidate a large number of permits into one system and remove bespoke permitting requirements where possible. It has major cost savings, has benefits to SMEs, is based on quantification. It has clear objectives and is ambitious.

Introduction

As part of the simplification initiative of the Dutch Government, the Environment Ministry, VROM, has undertaken an initiative to bring together its permitting requirements into a single framework. A second aspect of simplifying permitting requirements is to extend the use of general environmental rules to a wider number of activities – providing certainty and simpler administrative processes.

A Dutch White Paper[51] on the future of the legal system in the Netherlands had this to say about environmental law, 'Environmental policy is based on the idea that the government controls pollution through a system of bans and conditions for permits. It is becoming increasingly clear from human actions that they affect the environment and therefore this premise leads to more rules. Here too, there are several tiers of government that are interested parties with responsibilities to correct each other. Environmental legislation protects citizens against actions which might threaten each other's living environment. In our view, the premise is obvious, but in theory it is at least conceivable that citizens monitor each other's actions that might threaten the environment, as it is in their own interest. In the United States, the environment is for the larger part protected under private law. In our country it might be possible to leave more to self-care systems, as is already done on a modest scale.' The White Paper goes on to explain that this could, in part, be achieved by expanding general conditions of 'duty of care' on businesses as replacements for specific legal rules. To make this work in practice especially for SMEs this should be combined with practical information on technical measures that at least comply with the duty of care. The particular role of the citizen (as opposed to the State) in supervising environmental (and other) objectives is further examined by the Ministry of the Interior[52].

The 'VROM' Permit

Currently VROM is responsible for issuing a range of different types of permits. These include:

- IPPC;
- Building permits;
- Spatial planning; and
- Other aspects of air protection.

[51] Ministry of Justice 2004. A Practical Legal System A White Paper from the Ministry of Justice of the Netherlands, 59pp.
[52] Ministry of the Interior. 2003. Watchful Eyes. A Fresh Look at Supervision Arrangements. Ministry of the Interior, the Netherlands, 64pp.

The simple objective of the VROM permit initiative is to bring all of these permit types into a single permit framework, i.e. one application, one "counter", one competent authority (instead of three or more now) and one procedure for objection and appeal. Overall this will reduce around 25 different types of permit to one, covering up to three layers of government. VROM is also extending the permit to include issues addressed by other ministries, such as water, monuments and nature protection.

To undertake this has not been simple, as each has a number of complexities and harmonisation has to take account, for example, of EU obligations. It has been produced in close co-operation with industry groups and with different governmental interests, such as local government.

The VROM permit will be in place at the start of 2008. It is, therefore, too early to judge its success or not. Importantly, simply combining the permits is not sufficient. For a small activity such a large application could appear daunting. Thus the aim is to produce a web-based application form which allows the operator to complete only those sections which apply to that operation. The VROM permit will also be supported by a guide for users to help the applicant through the process. This will interface with the web-based application form.

General environmental rules

General environmental rules are an alternative to permitting. Put simply, they mean that if one is operating a particular type of activity, it is simply required that it is operated according to the general rules for that activity. The initiative also includes a simplification for those activities already exempt from permits in that they will no longer be subject to monitoring and reporting requirements.

Currently in the Netherlands many companies are already subject to general environmental rules. This amounts to about 300,000 companies, compared to 100,000 with individual permits. Under the proposed changes, only 40,000 will still require an individual permit.

The aim of introducing the new general environmental rules is:

- Reduction of administrative burdens;
- efficient use of authorities' resources;
- include the use of alternative instruments (self-regulation; covenants; guidelines);
- relevance and proportionality;
- consistency and uniformity; and
- improve practicability and enforceability.

Under the proposal levels of administration will be replaced by a single statutory order and one ministerial (implementing) order. There will also be direct links with planning permissions and building permits and inclusion of discharges to waters. There will be uniform (nationally established) requirements wherever possible, with limited room for local deviation or additional requirements.

Currently the costs of regulation for the 100,000 establishments is Eur 680 million and for the 300,000 with general rules Eur 202 million. Extending the scope of the general rules to cover 50,000 additional installations is estimated to lead to a saving of Eur 329 million.

Public participation could be an issue, however, as communities will not longer have a point at which they can make representations about an activity. However, VROM has argued that general environmental rules are more transparent. It is clear for communities that small activities are operating in the same way across the country and they should no longer be suspicious of individual permit decisions by local authorities. The conditions to be set in the general environmental rules will be based on a combination of existing conditions and new analysis.

Further information is available at: http://www.kc-wetgeving.nl/index.php?id=370 and http://www.infomil.nl/aspx/get.aspx?xdl=/views/infomil/xdl/page&ItmIdt=28225&SitIdt=111&VarIdt=46

Conclusions and lessons for other Member States

These two simplification initiatives are worthy of greater examination in other Member States. They represent a critical effort in streamlining the administration so as to provide a more efficient 'face' towards industry, together with an effort to remove unnecessary administrative requirements. Additionally, the initiatives are linked to estimates of burden reductions for businesses, helping to ensure effective targeting of effort.

In both cases the initiatives have still not been implemented. However, close examination of the outcomes when available (such as VROM permit application and guide) and the response of industry and other stakeholders to the general environmental rules should be undertaken.

Contact	Pieter Roos & Jan Groen, VROM Pieter.Roos@minvrom.nl Jan.Groen@minvrom.nl

43 Case study: Norway

Simplifying Norway – strategic approach to better regulation

This good practice case is a strategic approach to simplification with sub-projects. It has clear aims to reduce business costs and benefit SMEs.

Introduction

Simplifying Norway was first launched in 1999. It developed into an umbrella under which simplification projects were funded as part of Action Plans, covering specific time periods. For example Altinn and Regelhjalp (also a case) are projects under the Simplifying Norway Action Plans.

The objectives of the original programme were:

- simplification of government regulations of the business sector;
- the development of a citizen and use- oriented public administration; and
- the simplification of the regulatory framework of local municipalities to engage them more in service delivery instead of compliance with central government guidelines.

Funding and Organisations

The programme is funded by the state. The programme acted as a broad umbrella for a set of projects managed by the various ministries.

Outcomes

Simplifying Norway was originally launched in 1999 as a two-year programme, co-ordinated by a committee of 16 ministers headed by the Prime Minister. The programme was terminated after eighteen months due to a change of government, but was re-launched in 2002.

In an "Action Plan" based on contributions and suggestions from all ministries the Ministry of Trade and Industry provided an overview of on-going initiatives and came up with proposals for the future prioritisation of new initiatives. The government presented its first version of the Action Plan in late October 2002. The re-launching of the programme focused on reducing administrative burdens for businesses. The Ministry of Trade and Industry, on the request of the government, developed a continuous government strategy to reduce administrative burdens imposed on businesses.

According to a report by the OECD[53], a survey (note that the survey was conducted in late 2000) revealed that 40% of ministers and high-level civil servants interviewed about the performance of the programme estimated that it had been "close to zero regarding increased efficiency". The interviewees estimated that the programme had lead to no simplification. Despite the strong political will, the programme was not sustained by sufficient capacities and co-operation by central politicians and because it faced resistance of the administrative leadership. The programme was perceived fragmented due to the large number of institutions and departments involved.

[53] OECD (2003), Regulatory Reform in Norway, Government Capacity to Assure High Quality Regulation, OECD

The latest Simplifying Norway Action Plan 2005-2009: “Streamlining and Facilitation for Trade and Industry” is available at: http://www.odin.no/filarkiv/252416/EEN_-_engelsk.pdf.

Contact	Hege Hammer Normann, hege.hammer.normann@sft.no Norwegian Pollution Control Authority Tonje Johnsen, Tonje.Johnsen@sft.no Norwegian Pollution Control Authority

44 Case study: Norway

Consumer friendly regulatory requirements

This good practice case is an initiative focused on benefit SMEs to improve understanding of regulatory requirements.

Introduction

The initiative began in 2003 and the regulatory requirements came into force 1 July 2004. The aim of the initiative was to make the legal framework more accessible, coordinated and easier to understand. The initiative specifically targeted SMEs.

Funding and Organisations

The project was funded by the state and developed by the Norwegian Confederation of Business and Industry. Stakeholders were invited to participate in an open consultative round.

Outputs

There are no measured outputs of the initiative. A standard cost model will be applied, based on interviews with private sector representatives.

Contact	Hege Hammer Normann, hege.hammer.normann@sft.no Norwegian Pollution Control Authority Tonje Johnsen, Tonje.Johnsen@sft.no Norwegian Pollution Control Authority

45 Case study: Norway

Regulation Help – clarification of the legal framework

This best practice case is a web-based tool which provides information and support for SMEs. It has clear objectives and aims to ease burdens for SMEs.

Introduction

The aim of the initiative regel hjelp (regulation help) is to provide greater accessibility and clarification of the legal framework. The web site was launched for ten industries in 2005, and will include 50 industries by the end of 2007. The initiative is part of Altinn (included in this inventory), which is the trade and industry's gateway to public services. Altinn, is a strategy for good and user-friendly governmental electronic services for trade and industry.

The website will convey industry specific regulatory information to SMEs from a group of authorities, including the Norwegian Pollution Control Authority

Funding and Organisations

The programme is funded by the state and is run by the Norwegian Pollution Control Authority and the Norwegian Association of Local and regional Authorities. Stakeholders were invited to participate in an open consultative round.

Outcomes

There are no measured outcomes of the initiative. A standard cost model will be applied, based on interviews with private sector representatives.

The regel hjelp website is available at: www.regelhjelp.no

Contact	Hege Hammer Normann, hege.hammer.normann@sft.no Norwegian Pollution Control Authority Tonje Johnsen, Tonje.Johnsen@sft.no Norwegian Pollution Control Authority

46 Case study: Norway

IT tools: Electronic Reporting

This good practice case which is an initiative to introduce electronic reporting to reduce burdens on business. It is readily transferable.

Introduction

The initiative has the following aims:

- Conversion to more sophisticated forms of electronic reporting;
- Coordination of reporting formats;
- Use of common data definitions; and
- Development of the Altinn project.

This project is part of the Simplifying Norway action plan (part of this inventory as well). The work is based on the eNorway 2005 objective of all government bodies being able to receive trade and industry reports electronically by end of 2004. In the future the initiative will become part of the Altinn project.

Funding and Organisations

The project is funded by the state and run by the Norwegian Confederation of Business and Industry.

Outcomes

A standard cost model will be applied, based on interviews with private sector representatives.

Contact	Hege Hammer Normann, hege.hammer.normann@sft.no Norwegian Pollution Control Authority Tonje Johnsen, Tonje.Johnsen@sft.no Norwegian Pollution Control Authority

47 Case study: Norway

IT tools: electronic reporting – Altinn

This good practice case which is an initiative to introduce electronic reporting to reduce burdens on business. It is readily transferable.

Introduction

Altinn provides electronic public sector services (both local and central government sectors) to companies. Surveys indicate that Norwegian enterprises spend over 7300 full time equivalents on statutory reporting to Central Government agencies. The aim of Altinn is to ease this burden of public reporting.

The aim is to include all other IT tools under Altinn. This means that Altinn would cover in the future environmental permitting issues. The Simplifying Norway action plan and electronic reporting (see the other inventory fiches) are also part of Altinn.

Efforts have been made to develop the forms to become as easily accessible as possible. The users will automatically get a list of forms on screen when deadlines are imminent and, at the same time, get necessary online guidance on what forms to send to which public agency. Altinn automatically enters all relevant information into the forms based on the information contained in existing public IT systems and registers.

Funding and organisations

In 2002 the Norwegian Tax Administration, Statistics Norway, and the Brønnøysund Register Centre joined forces in order to create Altinn. In addition the Norwegian Association of Local and Regional Authorities has been involved in the development of the project. The project is state funded. In 2004 the Government allocated 23 million Norwegian Krona (about € 2.9 million) to Altinn.

Outputs

The initiative started in 2002 and the portal was launched in December 2003. The number of compulsory forms submitted electronically has grown significantly since the launch of Altinn. As an example, nearly 200 000 Norwegian enterprises handed in their tax reports through Altinn in 2004, which is a 50 percent growth from the year before. Also 85 different public forms have been available since start-up and during the first six months of 2004 more than 1.7 million forms have been submitted through Altinn.

It has been estimated that the improved interaction between the private and public sector has freed up time for businesses.

The Altinn webiste is available at: www.altinn.no

Contact	Hallstein Husand, email: hallstein.husand@brreg.no

48 Case study: Norway

Simplification of Environmental Regulation

This good practice case is a strategic initiative to examine the burdens of environmental regulation and develop simplification solutions. It is focused on reducing costs and benefiting SMEs.

Introduction

The initiative looks at the simplification of the HES (health, environment and safety) area. It is part of the Simplifying Norway Action Plan. In the 2002 Action Plan the Government announced a wide-ranging simplification within the health, environment and safety area. There are several projects that address access to regulatory frameworks and administrative practice.

A report on government inspectorates was submitted in January 2003. A key objective of the report was to prepare the ground for the strengthening of inspectorates insight industrial development. The Report focused on those inspectorates that are relatively similar, and where the effects of specific changes lead to more effective utilisation of resources and simpler requirements for those subjected to inspections.

The initiative has the following aims:

- Development and simplification of regulations of the Ministry of the Environment and the Ministry of Labour and Government Administration;
- Improving access to regulatory framework through internet-based solutions; and
- A review of government inspectorates.

Funding and Organisations

State funded and developed by the Government and public authorities.

Outputs

The following outputs have been documented:

- 14 sets of regulations on hazardous chemicals and products have been brought together in one set of regulations;
- 7 sets of regulations on ozone-depleting substances have been brought together in one set of regulations; and
- 6 sets of regulations on hazardous chemicals have been brought together in one set of regulations.

Contact	Hege Hammer Normann, hege.hammer.normann@sft.no Norwegian Pollution Control Authority

49 Case study: Norway

IT tools for compliance support

This good practice case is an IT initiative to simplify permitting requirements. It has an ease of implementation and reduces costs. It is readily transferable to other Member States.

Introduction

The aim of the Regulation for Industry is to simplify the current permit procedure. The initiative uses IT tools and electronic systems and compliance and support mechanisms and will be part of Altinn in the future.

The proposed Regulation for Industry will become a separate chapter of the Regulation relating to Pollution. The proposed regulation will provide a common standard, which applies for all industrial activities (including IPPC). For some sectors and for some processes special, additional requirements have been laid down. Eventually all sectors and processes will be covered. The Proposal is expected to become law sometime in 2007. Work on the proposal started in 2002. The project applies to all industrial activities.

Funding and organisations

The project is state funded and run by the Norwegian Pollution Control Authority

Outcomes

An important effect of this streamlining of requirements is that they will be predictable and apply equally to all companies within the same sector. Also permits will no longer be necessary for a large portion of Norwegian industry - and in time it is expected that at least approximately 70% of the permits will be abolished.

Currently there are only 1800 permits in Norway, so the possible benefits will not be as substantial compared to countries where the number of permits is considerably higher.

Information about the Regulation is available at: http://www.sft.no/english/legislation

Contact	Hege Hammer Normann, hege.hammer.normann@sft.no Norwegian Pollution Control Authority

50 Case study Poland

"One permit one site", permitting IPPC and non IPPC installations on the same site

This best practice case is a simple initiative which consolidates permit requirements for selected installations. It reduces costs, is clear, simple and can benefit SMEs. It is readily transferable to other Member States.

Introduction

The initiative "one permit one site" introduces into the Polish national Environmental Protection Law (hereinafter Polish Environmental Law) the possibility for operators of IPPC and non-IPPC installations on one site to obtain one IPPC permit for all activities. IPPC installations are installations that are covered by Annex I of the IPPC Directive (Integrated Pollution Prevention and Control). This IPPC permit then covers all the installations of the site no matter whether they are IPPC installations or not.

The implementation of the IPPC Directive is currently an essential issue for the Member States of the EU as the Directive has to be applied to existing installations by October 2007, which constitutes an enormous challenge to the EU Member States. One of the problematic issues is how to deal with IPPC installations that co-exist with non-IPPC installations on the same site. Regulating businesses in different ways can lead to confusion and increased costs to both industry and regulators. Poland has devised a specific approach to deal with this issue in a pragmatic way that might contribute to a significant shortening of the permitting procedure. This new approach could be of interest for other EU Member States since they must all address this issue. This case is, therefore, potentially transferable.

The initiative constitutes a **simplification** of a piece of national legislation that aims at implementing the IPPC Directive and simplifying the permitting procedure. Therefore, the initiative can be regarded as fitting category 1 of the BEST Project.

Key points of interest:

- The new provisions in the Polish Environmental Protection Law concerning the permitting procedure of IPPC installations are meant to simplify the permitting procedure but do not lower the standards relevant for the issuing of a permit. The IPPC installations have to be permitted according to the standards provided in the IPPC Directive. The non-IPPC installations have to be permitted according to the standards laid down by the laws relevant for them. The overall level of environmental protection therefore should not be decreased;
- The consolidation of IPPC permits with permits for non-IPPC installations on the same site simplifies the permitting procedure for the operators as well as the authorities. This has positive effects on the costs as well as the duration of the permitting procedure. As a consequence, the initiative benefits companies and authorities;
- There is no suggestion that the initiative is not comprehensible or would not have clear objectives. It remains to be seen how the permitting authorities deal with the new system of "one site one permit" and if the operators take advantage of it;
- The initiative is transferable to those countries that differentiate between IPPC installations and non-IPPC installations in their national permitting laws. It remains to be seen if the initiative will work in practice;

- The initiative makes the permitting procedure cheaper and generally reduces its duration;
- The initiative is practical – especially for new installations and new sites. The plants' operators now have more possibilities to have all emissions from the plant authorised; and
- As the permit procedure is simplified as a whole, the initiative is beneficial for small and medium-sized companies.

Objectives of the initiative

The initiative aims at simplifying the permitting procedure for industrial sites where both IPPC and non-IPPC installations exist. Formerly, the law stated that one IPPC permit would cover all IPPC installations on the site whereas non-IPPC installations were automatically subject to several separate sectoral permitting procedures. Moreover, sectoral permits had to be issued for every non-IPPC installation. Only on the operator's request, could the competent authority grant one sectoral permit for a number of non-IPPC installations (if the emissions from those installations were of the same type).

The new legislation aims to facilitate the permitting process in these cases. The amendment to the Polish Environmental Act introduced the possibility to issue one IPPC permit for all plants on the site no matter whether they are IPPC installations or not. The operator can choose if he wants to take advantage of this simplification or if he wants to stick with the previous system of IPPC permits and sectoral permits.

Development of the initiative

The initiative was developed because of the legal obligation to issue new permits in accordance with the IPPC Directive for new and existing installations that are covered in Annex I of the IPPC Directive (existing installations have to be permitted according to the provisions of the IPPC Directive by 30 October 2007).

The initiative is meant to alleviate the difficulties linked with permitting IPPC and non-IPPC installations on the same site. The former require an IPPC permit, the latter require several sectoral permits. This initiative aims at integrating existing sectoral permits with the IPPC permit.

The initiative constitutes an amendment to the Polish Environmental Protection Law, which is a national law, and came into effect on 28 July 2005.

The proposal to change the permitting procedure for sites that contain IPPC and non-IPPC installations was voiced for the first time in the report commissioned by the Ministry of Environment in 2003: "Analysis of functionalism of IPPC permits' system in Poland – proposals for rationalisation". The proposals for rationalisation of the IPPC system in Poland (including the concerned initiative) included in the report were based mostly on the experience gained in the course of a Polish – Danish bilateral project "Assistance to Poland on Implementation of the EU Directive on Integrated Pollution Prevention and Control". While drafting the amendment to the Environmental Protection Law, the Ministry of the Environment took into account the concerned expertise (however not all of the proposals were included in the draft). Furthermore, the initiative was said to have been proposed during meetings of the Technical Working Groups and other meetings with industry organised by the Ministry of the Environment.

The draft amendment to the Environmental Protection Law was sent to the following bodies for consultation:

- state bodies: administrative authorities on regional level, Chief Environmental Protection Inspectorate, Chief Sanitary Inspectorate, State Environmental Council, State Nature Conservation Council, National Water Management Council, General Director of State Forests, President of National Fund of Environmental Protection and Water Management and Common Council of Government and Self-Government;
- representative NGOs and trade unions;
- representative scientific institutes;
- representative employers' organisations: Confederation of Polish Employers, Polish Confederation of Private Employers, National Economic Chamber; and
- and made available to the public by the Internet.

No negative comments about the concerned amendment were submitted in the course of the public consultation process.

The **amendment concerning the permitting procedure for IPPC and non-IPPC installations on the same site** was supported by two organisations during the public consultation: IPPC Technical Working Group for food production and processes (Polish TWG appointed by Ministry of Environment) and Confederation of Polish Employers. In their opinion, the concerned initiative satisfies the needs and demands of industry as far as it covers practical aspects of industrial operation and ensures the competitiveness of Polish undertakings.

Key elements of the initiative

The initiative regards cases where IPPC installations must be permitted on sites where non-IPPC installations also exist. At the operator's request it is possible for one IPPC permit to be issued for all or part of the installation on the site depending on what is the most appropriate. Thus, only one permitting procedure has to be carried out by one authority in contrast to the previous requirement for several permits for each installation. The IPPC permit for all installations has to be renewed for all installations before the permit expires. The standards laid down in the IPPC permit for the non-IPPC installations are derived in the same ways as the former sectoral permits since the permits for non-IPPC installations do not have to be based on the Best Available Techniques (BAT). The permits for IPPC installations, on the other hand, have to be based on BAT. It depends on the approaches of the authorities how they derive the BAT-standards for each IPPC installation.

The fact that one permit can be issued for all installations on an industrial site has the benefit that the authorities do not have to precisely assign the amount of pollution, for example waste water from different installations that is disposed of in the same sewage system, to a certain installation on site. The authority instead lays down the requirements for all the installations on site. This can lead to an optimisation of costs.

The IPPC permit for all installations is issued by one authority on one administrative level. Whether the regional or county level has discretion to issue the IPPC permit depends on whether any installation on the site requires an Environmental Impact Assessment (according to Annex I of the EIA Directive), see Art. 378 para 2 of the Environmental Protection Law). The county level has discretion when no installation requires an EIA, the regional level has

discretion when at least one installation requires an EIA. Special regulations apply for the so-called “restricted areas”, such as areas for military or defensive purposes.

Opinions on the initiative

The Ministry for the Environment of Poland states that the solution “one permit one site” is definitely less costly in terms of fees for issuing the environmental permit. Those operators who apply for one IPPC permit for one plant will pay the registration fee, which is required for an IPPC permit, and only one fee for issuing the environmental permit, instead of a number of fees otherwise required for each sectoral emission permit. Another important advantage is the lower costs related to preparing an application for the permit required for the plant.

The new solution “one permit one site” seems to be beneficial for authorities as well, because it allows the coverage in a permit of all emission points on one site. The difficulties caused by having to segregate the emissions / impacts of installations of IPPC / non-IPPC installations on one site can be avoided.

The Environment Ministry also stated that industry did not clearly signal whether they were in favour of the new provisions or not.

Another Polish expert dealing with permitting issues stated that the initiative might result in the authorities not really differentiating between IPPC and non-IPPC installations and thus seeking to base not only the permits for the IPPC installations but also those for the non-IPPC installations on BAT. Defining the changes to the permits and the procedures needed to update them might also turn out to be complex.

Outcomes of the initiative

The concerned amendment has only been in force since 28 July 2005. There has been no application that has yet requested bringing together IPPC and non-IPPC installations into one IPPC permit. Thus, for the time being, no analysis has been undertaken to measure the success of the initiative.

Success factors

The most important critical factor that helped the initiative be a success was its practicability – especially for new installations and new sites. Plants’ operators now have more possibilities to have all emissions from the plant authorised – with lower costs. That might be the main reason why that idea was accepted during the drafting and legislative process. Moreover, there were no legal or any other formal obstacles to the initiative.

Lessons for other Member States

It seems that the concerned initiative can be easily transferred to those Member States that have an environmental permitting system similar to the Polish one (i.e. apart from IPPC permit sectoral permits for each component of environment).

Possible lessons include:

- Bringing together separate items of regulatory legislation into a single framework can have benefits for industry, regulators and the environment (win-win-win);
- Simplification of national legislation can take place in the context of the implementation of EU law – ie EU law can act as an opportunity rather than a constraint; and
- Apart from the usual 'start-up' costs with legal amendment, the costs of the initiative are minimal.

Contact	Eva Florkiewicz, (Best Expert Group member) Ministry of the Environment; Ewa.Florkiewicz@mos.gov.pl

51 Case Study: Poland

Simplification of Environmental Impact Assessment

This good practice case is an initiative to simplify environmental decision making during permitting. It reduces burdens by speeding decision making and is transferable and clear.

Introduction

The initiative is intended to simplify permit schemes. It has been developed on the national level and has been introduced by a change in the Environmental Protection Law, which encompasses projects that could have a major impact on the environment.

Objectives and concept

The specific objective is the simplification of the permitting process. The procedure of environmental impact assessment has been reformed; the responsibility for the environmental assessment now lies in the hands of one authority.

The initiative creates a new step in the permitting procedure, the so-called Environmental Decision for projects that have an impact on the environment. Formerly, an Environmental Impact Assessment was carried out at various stages of the permitting procedure, for example at the level of the localisation decision and building consent or at the level of the water permit. From now on, the environmental decision precedes all other stages of the permitting procedure (with the exception of the localising decision which can be made before or after the environmental decision.) The initiative also has the effect that only one authority is in charge of this environmental decision (mostly local authorities).

Who was involved in the development of the initiative?

The initiative was developed by the Ministry of the Environment and the Polish parliament. The relevant stakeholders were consulted. However, the final law did not take account of the recommendations of the stakeholders. The environmental decision as a “new” step in the permitting process was created by the parliamentary process. There was no public consultation for the parliamentary process.

Benefits and costs

The costs of the uniform environmental decision are a little bit lower than the costs of the Environmental Impact Assessment, which had to be repeated by the various steps of the permitting process (process necessary up until the change of the law). There has been no post-implementation impact assessment of the new provisions so far and there is no formal procedure for that kind of assessment. Thus the effectiveness of the new legal provisions is usually confirmed or challenged by the addressees of these provisions in a rather informal way.

Comments on the initiative

The Polish Ministry of the Environment says that the reception so far has generally been positive. With one exception: investors who had obtained the localisation decision before the introduction of the new provisions have to have the EIA procedure repeated in order to obtain

a new environmental decision before applying for building consent. They, hence, do not profit from the new system. The transitional provisions do not help them either.

Transferability

The simplification and homogenisation of the permitting procedure is surely an aspect that is transferable to other states. However, in Poland the starting point was an Environmental Impact Assessment which is required at the start of the permitting process. In order to detach the EIA from other decisions in the process, a separate environmental decision has been created. The Polish model is partly based on the Czech model. The various national systems of permitting will determine the extent to which the simplification is transferable to other countries.

Contact	Eva Florkiewicz, (Best Expert Group member) Ministry of the Environment; Ewa.Florkiewicz@mos.gov.pl

52 Case Study: Poland

Reduction of fees for the permitting procedure

This good practice case is an initiative that reduces permit fees. It is simple, clear, has quantified outcomes and is transferable to relevant Member States.

Introduction

The initiative developed by the Environment Ministry is intended to simplify and alleviate the permitting procedure. The initiative has been developed on the national level and is exclusively addressed to small and medium enterprises.

Objectives and description of the initiative

The objective of the initiative is the reduction of the costs for the permit for SME only. This is because a lack of proportionality was detected as regards the state revenue fee for the issuing of environmental permits for SMEs. The charge for SMEs and large enterprises used to be the same.

There are three kinds of fees to pay in order to obtain an environmental permit:

- Fee for submission of permit application
- Registration fee to be paid before submission of the permit: The fee rates vary depending on the scale of the plant.
- Fee for issuing the environmental permit.

Only the fee for issuing the environmental permit was lowered. The cost before simplification was 2,000 PLN (about € 500) whereas under the new regulation the fee is 500 PLN (€ 125).

Benefits and costs

The benefit is an important lowering of the costs for SMEs in the permitting procedure. Every SME saves about € 375 per permit.

Transferability of the initiative

The initiative can be transferred to any other country.

Contact	Eva Florkiewicz, (Best Expert Group member) Ministry of the Environment; Ewa.Florkiewicz@mos.gov.pl

53 Case Study: Poland

Notification procedure instead of permitting procedure for installations producing electromagnetic fields

This good practice case is an initiative that introduces notification instead of permitting for limited cases. It has an ease of implementation and has clear objectives.

Introduction

The initiative aims at simplifying the permitting procedure for installations that cause emissions of electromagnetic fields. It has been developed on national level and was introduced by a change of law.

Objectives and description

The specific objective of the initiative is to save the operator of installations that cause emissions of electromagnetic fields a long permitting procedure specific to electromagnetic fields and to introduce a less formalised notification procedure.

The permitting procedure linked to the emission of electromagnetic fields used to be time-consuming and bureaucratic constituting a burden on operators. The permitting procedure was replaced by a notification procedure, which makes the whole process quicker and less formalised. Before the installation starts operation or, when the installation is already in operation, within six months from the date when it becomes subject to obligation, the operator has to notify the relevant environmental authority (on county or regional level – depending on the scale of the installation). If the authority does not object thereto within 30 days after the notification, the operator may proceed with the operation of the installation. The above-mentioned decision of the authority is subject to appeal.

Who was involved in the development of the initiative?

The change of the procedure was introduced by an amendment of the Environmental Protection Law. So mainly national legislating authorities were involved in the development of the initiative. However stakeholders were consulted during the legislative process.

Is it clear that the changed procedure does not result in any reduction to levels of environmental protection?

To maintain a sufficient level of environmental protection after the deletion of permits on the emission of electromagnetic fields, the following measures were introduced:

- the above-mentioned notification to the environmental authority;
- additional measurements: just before the start of operation of an installation and in case of change in the conditions of its operation, when that change may have an impact on the emission of electromagnetic fields;
- for certain types of the concerned installation (i.e. those covered by annex I and II of the EIA directive), before their construction / installation the EIA procedure has to be conducted (there is an obligation to obtain a new “environmental decision” before submitting the application for building consent or notifying the construction works to relevant building authority). The installations covered by the EIA procedure are the

same type of installations as those described above, which required the permit for the emission of electromagnetic fields.

Benefits and costs

The benefits are that the procedure is less time consuming and therefore also cheaper for the operator. There have been no comments from industry so far.

Contact	Eva Florkiewicz, (Best Expert Group member) Ministry of the Environment; Ewa.Florkiewicz@mos.gov.pl

54 Case Study: Poland

Simplifying Waste Management

This good practice case is an initiative to simplifying permitting by deleting some requirements of the process. It has ease of implementation and reduces burdens on business.

Introduction

The initiative aims at simplifying the permitting procedure in the field of waste management. It has been developed on the national level.

Objective and concept

The objective of the initiative is the simplification of the permitting procedure in the field of waste management. Some formerly compulsory elements in the application for waste generation have been eliminated, e.g. the information on possible impact on the environment, results of emission monitoring from the installation and proposed measures for prevention or diminution of emissions).

Who was involved in development of the initiative?

There was a stakeholder consultation in the legislative process. However, the stakeholders' views have not been reflected much during the legislative process.

Benefits and costs

The operator does not have to abide by as many reporting duties as before.

Contact	Eva Florkiewicz, (Best Expert Group member) Ministry of the Environment; Ewa.Florkiewicz@mos.gov.pl

55 Case study – Portugal

Legislative and Administrative Simplification

This best practice case is a major strategic initiative to examine regulatory burdens across a wide area and develop simplification outcomes. It is focused on cost reduction, has clear objectives, will benefit SMEs and is transferable.

Introduction

The Ministry of Economy and Innovation has recently issued a global framework for legislative and administrative simplification in order to provide a better regulatory environment for companies. As far as legislation related to industry is concerned, some of the problems to be solved by simplification have been identified.

An example illustrating this is the changes in national legislation on the ecolabel in order to simplify and reduce the procedures necessary to award the label.

Legislative and Administrative Simplification Framework

The current Portuguese government has identified legislation, together with the modernisation of the Public Administration, as an area of strategic action at national level in the belief that it makes a decisive contribution to a desirable growth strategy for the country.

Hence, the Government intends to introduce a culture of change, through successive, articulated steps, in order to obtain an effective administration which provides a better service and simplifies the life of both citizens and companies. More specifically, the aim is that the Public Administration creates an environment which favours a culture of active citizenship and economic development and does not raise barriers hindering either of these two objectives.

In order to achieve this, the Government's Programme has established a set of measures, of which the following stand out: the drawing up of a national programme eliminating unnecessary licences, authorisations and procedures in the Public Administration; rapid procedures for company start-up; greater proximity of services to users, namely by concentrating service following the principle of a 'single counter' (ie one-stop-shop), and the development of interaction with these users, both by extending and reformulating the citizen shops, services which attend citizens and centres dealing with company formalities, and also by using information and knowledge technologies.

In this context, special reference should be given to the following political and strategic guidelines/objectives:

- No unnecessary regulations; no unnecessary requests for information; and no unjustified forms;
- Proposed legislation should be accompanied by an evaluation of the respective administrative costs for companies and citizens; and
- The progressive institution of an intelligent, rational and simplified system for collecting the minimum information necessary, where the implicit principle is one of trust in the citizen and economic agents and where the cost-benefit analysis is always present in the Administration's demands (considering also legal security).

The Coordination Unit for Administrative Modernisation (UCMA) was set up by the Resolution of the Council of Ministers no. 90/2005 and its mission is to support and coordinate the development of government policy on administrative modernization and simplification.

Recently ten measures for administrative simplification were announced with an impact on the development of the Economy, although these are not specific to environmental law. These measures are part of a National legislative and administrative Simplification Programme for application this year and in the coming years.

Given the scope of the Best Project and considering the measures envisaged in the Action Programme for 2006, reference is made to the following legislative and administrative streamlining and simplifying requirements on companies:

Application of the Information System on Companies (SIE - Sistema de Informação Empresarial)

- Monitoring of Industrial Licensing and dynamic of the companies (Industrial Register); and
- Legislative Simplification in what concerns the elimination of the company formulary and the legislation related to Industrial Register.

Industrial Licensing – Legislative measures and simplification initiatives
(NB see separate case study on the industrial licensing regime)

- Alteration of the previous licensing of industrial companies of type 4 in a system of previous declaration of industrial activities;
- A declaration that the company complies with all the legislation related to safety, health at work and environment, subject to inspection; and
- Study (Reengineering of process) - Identification of the necessary conditions (and tools) to implement the Electronic Licensing involving all the entities which participate in Licensing Process (dematerialisation of the Licensing Process)".

Developing a 'bottom up' approach to participation

Generally speaking the efforts so far taken are grounded in the European and national legislation about public participation in certain policy and legislative initiatives where it is required.

The existence of certain Committees within environmental legislation e.g. the waste flows (like packaging and waste packaging, tyres, batteries, vehicles, etc) and the IPPC Directive are a good practice which should be developed i.e. it is an opportunity for key stakeholder involvement and policy development. Within the IPPC Consultative Committee several actions were taken by the Ministry of Environment together with other relevant Ministries like Ministry of Economy and Ministry of Agriculture. The Ministry of Economy and Innovation had also some initiatives in partnership with relevant Industrial Associations, with a view to encourage enterprises to apply in due time for an IPPC permit. Those actions targeted sectors where SMEs are in the vast majority.

With regard to the specific policy area of emissions trading, within the first NAP – National Allocation Plan for 2005-2007, and now for the second NAP 2008-2012 the 'bottom-up approach' for the relevant installations is a strong component as a complement to the 'top-down approach'.

Follow up to the review of air pollution legislation

The review of air pollution legislation was made to provide, *inter alia*, consolidation purposes concerning several separate laws. It should also be stressed that this revision provided for a greater scope of involvement of installations, *i.e.*, not only industry but also trade, services and health units.

The full regulation 'package' that will allow the framework legislation to be effective is not yet complete. Nevertheless, some Decrees (Portaria) are now already in place, including a Decree that established graduated monitoring.

Integrated permits

The environmental license is an integrated license, which includes all the licenses and authorisations needed on the environment, and is integrated in the final decision which includes all the requirements applicable to the companies related to safety, and protection of health at work.

One stop shop

As a result of the one-stop shop, the need for industrial operators to contact different entities when licensing a company is avoided. They only need to contact the single entity that coordinates the industrial licensing.

That entity sends copies of the licensing process to all the other competent entities for these issues (for example, health, work and environment) and receives the various opinions/licenses which will be integrated in the final decision.

SME access to information

At present the different Regional Directorates of the Ministry of Economy and Innovation (MEI), are implementing an online consultation procedure where the industrialist can use a password to access the situation of the respective process.

A project is underway which intends to create an electronic form in the IPPC context that can be completed online.

Other issues – assisting environmental compliance

The Ministry of Economy and Innovation has a number of websites where industry can obtain information about the licensing process, applicable legislation, forms, etc. Legislation on licensing, the related areas (safety, hygiene and health at work, and environment), and the required forms are available from the Ministry of Economy's Regional Directorates own website. These sites also provide information about services, contacts, and other useful sites.

Further development of IT tools

A web portal was created on 'Prevention of Industrial Wastes' within the PRERESI Project (Prevention of Industrial Waste Production). PRERESI is a public-private Partnership, which, in the framework of PESGRI (Strategic Management Plan of Industrial Waste) aims to foster efficiency in resource management, waste prevention and minimisation of waste treatment measures and costs linked to its elimination at industry level. The partners involved are INETI (Instituto Nacional de Engenharia, Tecnologia e Inovação), INR (Instituto dos Resíduos) and industrial associations.

The initiative aims to disseminate PNAPRI (National Plan for the Prevention of Industrial Waste); implement the web site on 'Industrial Waste Prevention', develop expertise in technologies through training; and demonstrate wide-raging preventive technologies and case studies.

Further details of PRERESI: http://preresi.ineti.pt

Contact	Mr António Oliveira (Best Expert Group member) Directorate General for Enterprise Director - Dep. for Sustainable Development Av.Visconde de Valmor, nº 72 1069 - 041 Lisbon Phone: +351 217919100 Fax: +351 217965158 E-mail: antonio.oliveira@dgempresa.min-economia.pt Website: www.dgempresa.min-economia.pt

56 Case Study – Portugal

Simplifying industrial licensing

This best practice case is a initiative which introduces risk-based approach to permitting and inspection. It simplifies permitting requirements. It has cost-savings to business, is transferable and has benefits to SMEs and is innovative.

Introduction

This initiative is aimed at streamlining permit schemes applicable to industrial installations. It was developed in response to the increasing number and complexity of legislation. The strategic target is to ensure development of private initiative while assuring compatibility with collective interest; safeguard conditions for improving quality of life; and search for the best conditions for company development.

The specific target is risk prevention measures from industrial installations aimed at safeguarding public and workers health; safety of people and goods; hygiene safety in the work place; environment quality; and adequate territory planning; thereby contributing to sustainable development and corporate social responsibility.

Description of the initiative

The key elements of the initiative are:

- Risk-based approach;
- Predictability (deadlines) and transparent – shorter deadlines for issuing expert opinions, (including exemptions for projects validated by accredited entities, and tacit acceptance) and final decision. Variable deadlines depending on the type of license;
- One stop shop – single contact point for industry, responsible for coordinating the licensing procedures. Process manager identified;
- Proportionality – suitable procedures and requirements;
- Legal framework of the system defines four licensing regimes and coordinating entities; requirements for industrial licensing requirements; applications requirements for location; and fees for services provided in industrial licensing;
- Legal security – new analysis and licence review every seven years;
- Promotes liaison with companies' partnership initiatives, namely voluntary agreements;
- Incorporates responsibilities of the local authorities;
- Liaises with new industrial registrants;
- Decentralises most responsibility for licensing to regional and local level;
- Improved access to information on the licensing process via the internet;
- Integrated expert opinion, particularly on environment from the competent authority; and
- Accredited entity to carry out tasks such as assessment of project compliance with applicable legislation, and assessment of installations' compliance with approved project.

Background

In Portugal, an industrial licensing system has been in force since 1991. This was set out in Decree-Law no.109/91 and within related legislation. At the time this was a significant advance, both giving the integrated vision of prevention and control of industrial risks, and also enabling the co-ordinated and integrated intervention of the competent authority. A co-ordinating Entity was then established, responsible for the co-ordination of the industrial licensing processes ("one-stop-shop") and issuing the respective authorisation for installation and activity.

The main purpose for the establishment of that system was to set a series of industry discipline rules concerning the prevention of risks and the impact of the industrial activity, in order to safeguard the health of public and workers, the safety of people and goods, the hygiene and safety in the work place, the correct territory planning and the environment quality, including predictable administrative procedures.

The experience of the legal framework in place between 1991 to 2002, as well as the set of new regulatory constraints on the impact of industrial activity in prevention and control, as a result of the transposition of Community Directives, such as:

- the environment impact assessment;
- the integrated pollution prevention and control; and
- the prevention of risks associated to serious accidents involving dangerous substances; and

This led to an unarticulated and inefficient framework of Government intervention, with inherent inconveniences for the companies.

Principles of design of the current Industrial Licensing System

The principles underlying the design of the current licensing system are:

- within the Industrial Licensing System the prevention and control of the industrial activity impact should be compatible with the adoption of public policy measures to improve enterprises environment conditions (namely regulation), strengthening the planning of a framework favourable to the promotion of industry competitiveness and sustainable development and ensuring that the pursuit of the collective interests is compatible;

- the Industrial Licensing System, as a public policy instrument, is a privileged tool in the relationship between Government and companies leading to the promotion of economic and social development; its importance is stressed in the National Sustainable Development Strategy;

- the Industrial Licensing System should promote the articulation with voluntary partnership initiatives, namely Agreements and/or Contracts, aiming at stimulating pro-active actions, leading to a better performance in eco-efficiency and corporate social responsibility;

- the Industrial Licensing Scheme is a support tool in the pursuit of enterprise dynamism leading to the accomplishment of the National Sustainable Development Strategy;

- in this area particular importance is assumed by the simplification of administrative procedures, the new definition of Central Administration competencies and the role to be played by Local Administrations in the improvement of the global System performance and in the reduction of the response to companies regarding the reinforcement of their responsibility in the prevention of risks and compliance with regulations;

- the revision of the Industrial Licensing System should articulate and integrate the connected legislation on minimising the social impact of industrial activity and the prevention of risks for the health of public and workers, leading to an improved enterprise-administration relationship; and

- to reach these objectives it is essential to improve the Industrial Licensing System, increasing its efficiency within the public action.

In this context, the specific areas for action to develop the system are:

- Extension of the System to all manufacturing industry, including the manufacture of fishing products on land (previously regulated by another legal framework);
- Consideration, within the System, of duties and competencies of Local Authorities;
- More integrated approach of risk prevention and control in industrial activities;
- Articulation of the System with voluntary measures for eco-efficiency and sustainability of enterprises reflecting the dynamism of innovation and technological development, as essential factors for industry competitiveness;
- Inclusion of the adoption of safety and environment management systems in the pursuit of Total Quality Management;
- Strengthening of the Co-ordinating Entity role as "one stop-shop", which is responsible for process co-ordination, and is the single contact for communication with the industry; the creation of a process manager is being contemplated and greater intervention and decision powers;
- Creation of an Accredited Entity to which will be attributed and delegated competencies within the system; this will contribute to the simplification of procedures and quicker action;
- Establishment of four licensing regimes, with differentiated process requirements corresponding to four different industrial installation typologies, characterised by the associated potential risk and organised according to a decreasing risk hierarchy ("risk based approach"); these have the corresponding simplification of procedures as well as reduction in the licensing process;
- Inclusion in a single system of the licensing processes which are transferred from the responsibility of the local authorities, as well as licensing of industrial installations to be located in Enterprises Location Areas (*ALE)*;
- Consideration of Environment Impact Assessment and Location Authorisation applications, as procedures prior to the Installation Licensing, but within the system, in order to avoid unnecessary document and process costs; this will ensure predictable intervention and administrative decision;
- Clarification of location criteria and defining conditions where previous location authorisation is necessary or not, based on existing territory planning instruments, namely the Municipality Leading Plans (*PDM*);

- Clarification of the required process elements, rationalising and simplifying the requirements according to the licensing regime and making effective importance of the *ALE* Management Societies, as well as of the Accredited Entities;
- Reinforcement of requirements associated with licensing applications, in compliance with the administrative simplification principle and simultaneous company liability;
- Establishment of a Licensing Dossier to be kept updated at the installation indicating changes for which licensing is not required, enabling a control *"a posteriori"*, replacing the systematic requirement of changes to previous licensing;
- Simplification of expert opinion on the different licensing regimes; its exemption is foreseen for enterprises which intend to install in Enterprises Location Areas or with projects validated by Accredited Entities;
- Reduction of the deadline for the expert opinion, strengthening the tacit acceptance whenever the foreseen time has been exceeded; the introduction of the concept of an integrated expert opinion from the Ministry (or an integrated permit for IPPC), as well as compulsory presentation of grounds and compliance with the imposed conditions;
- Introduction of a new analysis of the conditions for potential higher risk installations, every 7 years; and
- Establishment of a single fee for the installation application authorisation, integrating opinions and associated licenses.

Conclusions

The following principles have been agreed as underlying the industrial activity framework regarding Industrial Licensing System:

- Competitiveness plays a central role in the enterprise policy on sustainable development, requiring a balanced integration of its three dimensions - economic, social and environmental;
- The enterprise policy measures should promote sustainable economic growth, not lead to the pressure on the natural resources, which should also be sustainable regarding cost-benefits;
- The reinforcement of policy articulation, particularly between the enterprise policy and the other sector policies, namely, economic, environment, internal market, technology and innovation policies, is essential to support a strategically coherent action directed towards the aim of sustainable competitiveness of European industry;
- At regulation level, its impact on competitiveness should be subject to systematic assessment (cost-benefit analysis) and a balance between the strictly legislative and voluntary measures should be sought; the latter should be promoted and stimulated as a guarantee of responsible company action (Corporate Social Responsibility). In this sense, the ongoing work in the EU on the issue of “Better Regulation/Simplification of Legislation" should be taken into consideration; this reaffirms the high priority that should be devoted to implementing simplification and to improving the regulation framework of enterprises at the European level; and
- SMEs deserve special attention, given their specific nature and special characteristics.

The Industrial Licensing System:

- is a public policy tool – Enterprise Policy – in line with the objectives of sustainable development;
- has a great potential to provide more rational and simplified regulation;

- is a integrated approach to the increasing number and complexity of legislation on environment, safety, land use planning; and
- articulates with specific legislation in the following areas: environment safety, land use planning, building permits.

Thus the Industrial Licensing System should lead to improvements in simplification and streamlining of regulatory requirements for enterprises by:

- Coordinating Entity "one-stop-shop";
- fast decision making;
- shorter deadlines for issuing expert opinions (including exemption for projects validated by Accredited Entities, and tacit acceptance) and final decision;
- proportionality (suitable procedures and requirements);
- improved access to information related to Licensing process by internet (e-Government);
- Legal security (new analysis and licence renewal every 7 years);
- Business eco-efficiency and industrial ecology;
- Business innovation;
- Quality of the environment;
- Correct land use planning and its productivity;
- Sustainability of economic growth; and
- Corporate social responsibility.

Business has reacted very positively as they have seen that the reduction of requirements and the simplification of the legislation have contributed in general to the improvement of business.

The Ministry of Economy and Innovation's Administrative Simplification Programme for 2006 includes the following further developments:

- Plans to abolish the licensing regime for type 4 industries (licensed by municipalities). These industries will only be inspected; and
- Study (Reengineering of the process) - Identification of the necessary conditions (and tools) to implement Electronic Licensing involving all the entities which participate in Licensing Process.

It can be seen, therefore, that the system addresses issues relating to each of the categories of initiatives being addressed in this project. This is summarised in the Table below.

Table - Comparison between the Portuguese Industrial Licensing System and different Categories of Initiatives Measures

Categories of Measures	Industrial Licensing System
1.Organisational or institutional framework	The Industrial Licensing System is a public policy tool in line with the objectives of sustainable development and is an integrated System which includes in its final decision all the requirements applicable to the companies related to environment, safety and health at work and public health. The System have a strong balance between strategic target (improve better conditions for enterprises development and quality of life) and specific target (risk prevention from industries) and is coordinated by a Co-ordinating Entity (one-stop-shop). The system is also articulated with other regulatory frameworks, namely: land use planning and building permit.
2.Simplification of permit schemes	The industries are classified in types 1, 2, 3 and 4, on a risk-based approach. Each type has a licensing regime differing from the others in terms of delays, technical requirements and taxes (proportionality)
3. Simplification of monitoring or reporting	The requirements on monitoring and reporting are very related with the obligations included in EU Directives.
4. Simplification of inspection	All the entities consulted in this procedure participate in the surveys before the final decision and start working (so, the survey phase of the Industrial Licensing System is also an integrated and articulated phase).
5. Use of IT tools and electronic systems	The different Regional Directorates of the MEI (Ministry of Economy and Innovation), are implementing in their internet sites, a consultation procedure where the industrial, with a password, can get information about the respective process. It´s in course a project which intends to create an electronic formulary in the IPPC context that will allow the fulfilling on-line. A Study is on going on the identification of the needs to implement the Electronic Licensing (reengineering of the process - dematerialisation of the Licensing Process).
6. Risk-based and incentive driven approaches	The industries are classified in types 1, 2, 3 and 4 on a risk-based approach. The risk-based approach to promote also a good understanding on environment and safety risk prevention.
7.Compliance assistance and support mechanisms	The Internet sites of de Regional Directorates of the MEI, (DRE´S), of others licensing entities, and of industrial associations, have the more relevant information about the industrial Licensing. In the sites of the DRE´s the industrial can get the formularies to bee fulfilled. Industrial Associations provide also assistance and support to enterprises in compliance with Industrial Licensing System.

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Contact	Mr António Oliveira (Best Expert Group member) Directorate General for Enterprise Director - Dep. for Sustainable Development Av.Visconde de Valmor, nº 72 1069 - 041 Lisbon Phone: +351 217919100 Fax: +351 217965158 E-mail: antonio.oliveira@dgempresa.min-economia.pt Website: www.dgempresa.min-economia.pt

57 Case Study – Portugal

EMAS regulatory relief and related incentives for SMEs

This good practice case are initiatives that ease regulatory burdens for SMEs that are EMAS certified. It reduces costs, is clear and transferable.

Introduction

The objective of this initiative was to benefit organisations registered in EMAS in terms of regulatory relief, based on the Commission Recommendation on EMAS and SMEs. It was an agreement between the EMAS competent body (Institute for Environment) and the General Inspectorate for the Environment, both of which are under the Portuguese Ministry for the Environment. Organisations registered in EMAS were to have fewer inspections, given that it was considered that EMAS registered organisations would have a better knowledge of their environmental performance.

Unfortunately, the relief system no longer applies. This is because the agreement was never officially formalised, and was more of a 'gentleman's agreement'. This experience offers lessons for the future regarding the need for formal agreements between administrations.

Other incentives for EMAS and Ecolabelling

SMEs have reduced taxes for EMAS and the European Ecolabel.

Concerning EMAS, the Competent Portuguese Authority also follows the Recommendation issued by the European Commission in the context of the EMAS Regulation concerning the verification of SMEs.

Environmental Continuous Improvement Contracts - these Contracts were signed in 1999, by the Portuguese Government, represented by the Ministries of the Environment and of the Economy, through two voluntary agreements called "Contracts of Continuous Improvement of Environmental Performance" involving two strategic sectors at national level:

- the cement sector (19/January/1999 to 31/December/2004); and
- the glass packaging sector (1/June/1999 to 31/December/2003).

The aim of these contracts was to develop a set of actions for continuous improvement in environmental performance of the member companies, in order to register in EMAS, under the provisions of Regulation EC n.º 761/2001, of 19 March, that encourages industrial units to go beyond the fulfilment of the legal provisions on environment protection.

It is important to point out the scope of these contracts, given the fact that there are two industrial sectors subjected to a high scrutiny of their environmental performance, in so far as they are high consumers of energy, whose most significant environmental impacts simultaneously arise from the atmospheric emissions, and they are sectors within the scope of the European legislation of integrated prevention pollution and control (IPPC), as well as by the recent emission trading market, in force since early 2005.

On the other hand, these contracts provided these sectors with a chance to be prepared to obtain an IPPC permit for existing installations.

In general, the results of these two contracts were the following:

- Improvements in the plants, eco-efficiency;
- Reduction of water consumption;
- Reduction of atmospheric emissions;
- Noise minimisation;
- Energy efficiency Improvement (thermal and electric energy sources);
- EMS Implementation and certification according to ISO 14001; and
- Registration in EMAS.

Contact	Mr António Oliveira (Best Expert Group member) Directorate General for Enterprise Director - Dep. for Sustainable Development Av.Visconde de Valmor, nº 72 1069 - 041 Lisbon Phone: +351 217919100 Fax: +351 217965158 E-mail: antonio.oliveira@dgempresa.min-economia.pt Website: www.dgempresa.min-economia.pt Website of EMAS competent body: www.iambiente.pt

58 Case Study: Romania

Institutional framework and IT tools to deliver simplification

This good practice case is an initiative that introduces different simplification measures such as an authorization procedure based on the statement of applicant and IT tools. It reduces business burdens, is clear and benefits SMEs.

Introduction

The initiative here analysed is the *Law no 359/2004 on the simplification of the registration in the Trade Registry of individuals, family associations and legal entities, their tax registration, as well as the authorization of legal entities* implemented by Romania. The initiative is a type of organisational/institutional framework, based also on IT tools and electronic systems.

Aims

The initiative aims to:

- simplify the administrative procedure for economic activities with insignificant environmental impacts, including SMEs;
- save time related to some administrative procedure for operators; and
- focus inspection efforts on the main concerns.

Description of the initiative

This initiative is a legal instrument that came into force in 2004 and which enables an authorization procedure based on a statement of the applicant, for certain activities. It applies to those economic activities considered as having an insignificant impact on the environment according to a Romania classification and also stresses the role of inspection carried out by the competent authorities. This means that the activities that are less harmful for the environment may benefit from faster and simpler procedures.

The applicant assumes responsibility regarding the compliance of their activities with the provisions of applicable legislation. The application is made at the Unique Bureau functioning within the Trade Register Office, once with the registration of individuals, family associations or other legal entities in the Trade Register.

The existing environmental legislation also imposes the obligation for public authorities to make all the necessary information for each type of authorization available on their web sites, together with all the related required documents (forms, guides for completing the forms, list of necessary documents).

The procedure does not apply to activities with major impact on environment and also to those activities with reduced impact on environment.

In accordance with Romanian legislation the social and economic activities are classified into three categories, taking into consideration their level of environmental impact:

- Activities with insignificant impact on the environment: they do not need environmental permit; For these activities the operator will submit a statement at his own responsibility;
- Activities with reduced impact on the environment (i.e. activities with a potential significant impact, but that, after the framing stage of the permitting procedure, are not considered to be subject to an impact assessment procedure). These activities need only an environmental license and the projects related, for new or existing investments, are subject to a simplified regulatory procedure; and
- Activities with significant impact on the environment (i.e. activities which, after the framing stage of the permitting procedure, should go through an impact assessment procedure). This includes new investments or substantial modification of the existing installations need environmental permit or, by case, integrated environmental permit.

Environmental permits are issued on the basis of documents which will be considered as 'base line' when the competent authority analyses the conditions set up by the environmental license.

The competent authorities check the compliance of activities with the declared situation. When these authorities find activities to be not compliant with legal provisions, they notify the operator, setting at the same time a deadline during which the operator has to carry out the measures required for compliance. If the activity does not fulfil the legal requirements, after the deadline, the competent public authority notifies the Trade Register Office with the document banning that activity.

Participation

Both the government and interested stakeholders have been involved in the development of the initiative. The simplification/streamlining actions have been designed taking in account the findings of the consultation of stakeholders. In fact in Romania, Government Decision no. 314/2001 imposes on governmental institutions the obligation to consult stakeholders about normative draft acts, in line with Consultative Committee. Law no. 52/2003 on transparency of decisions in public administration (OJ no 70/3.02.2003), and it stipulates that citizens must be informed about the legislative initiatives of the public administration and the problems of public interest, which are going to be discussed by the public authorities. The citizens can make suggestions and express their point of view regarding the problems and the legislative initiatives.

Outcomes

Before the regulation was enforced, permit and license procedures were too complicated and were taking a long time, according to the size/extent of activities' environmental impacts. The main benefit of this initiative thus is that new, shorter procedures brought money saving in terms of administrative costs, e.g. cost of personnel.

Transferability

The initiative seems readily transferable, given that Member States do adopt different levels of administration for activities with different levels of impact on the environment. Nevertheless this also means that the initiative lacks a strong innovative character.

Contacts	Ms Doina Constantinescu (Best Expert Group member) Phone: +40 212129475 Fax: +40 213129669 e-mail dconstant@minind.ro Ms Simona-Ioana Uglea (Best Expert Group member) Phone: +40 213361451Fax: +40 213353413 e-mail simona.uglea@mimmc.ro

59 Case study: Spain

Project Hercules

This best practice case is an IT tool for the movement and management of hazardous waste replacing paper systems. It reduces costs, is clear, benefits SMEs and is innovative.

Introduction

The project 'Hercules is an IT tools implemented in Spain for a better management of hazardous waste. The initiative is aimed at offering internet as a new communication channel, and at modernising technology and organisation.

The initiative is a national project involving all the subjects dealing with hazardous waste: producers, waste management companies, autonomous communities and General division for Quality and Environmental Assessment of the Ministry of Environment

Description of the initiative

The Hercules Project is a new Information System for the collection, treatment, storage and use of information related to hazardous waste, either paper or electronic documents, which incorporates the advanced electronic signature device. The initiative includes the following procedures:

- Notification of movement (of hazardous waste within an autonomous community or from one to another);
- Documents of control and tracking;
- Document B of control and tracking of used oil;
- PCB statement;
- Waste managers yearly report;
- Producers yearly statement;
- Notification of extra-borders movements; and
- Other waste: urban waste, packaging waste, inventories and management plans.

The information systems concerns the management of the documentation produced for each of the mentioned procedures. Data will be registered, stored, managed and found in a database, and sent electronically to the involved authorities.

Participation

The need to modernise the current Information System for hazardous waste was agreed in several meeting held by Sector Conference Working Groups on waste and National Plans Working Groups. The project was developed by a mixed team made of staff of Ministry of Environment and private contractors.

Outcomes

Among the main benefits of the initiatives, the following can be highlighted:

- Improved accessibility to all the subjects involved of the information system on hazardous waste;

- Reduced amount of paper documents and simplification of data recording;
- Improved quality and control of information, reducing the number of errors due to data recording in different systems;
- Real time information to the involved subjects and easier information exchange between them
- Reduced time of data processing in the management of documents;
- Improved transparency and traceability of information; and
- Expansion of electronic administration practices.

Lessons from the initiative

Among the lessons learnt, this project exemplified how electronic tools allow the creation of a manageable information database, thus reducing the administrative times, the amount of paper documentation and the number of errors due to data recording in different systems, facilitating communication between involved subjects. The initiative revealed also that it is advisable to develop a related system of electronic signature, in order to make the electronic documents trustworthy and reliable.

Contacts	Mr Desiderio Aranda Martín (Best Expert Group member) Ms Sofía Soto Santos

60 Case study: Sweden

Simplifying permitting

This good practice case is a strategic approach to analysing and simplifying permitting. It has a quantified approach to reducing business costs, has clear objectives and is transferable.

Introduction

In December 2004 the Swedish Government decided on an overall action programme to reduce the administrative burden for enterprises. The government has made an inventory of all the initiatives, including in the area of the environment, that have been taken by the Ministries and government agencies. These 291 initiatives have been listed in the action programme. The three Swedish case studies in this Annex are included in that list.

Further, the Swedish Government has given The Swedish Agency for Economic and Regional Growth (Nutek) the mandate to measure the businesses' administrative costs related to environmental legislation. This includes creating a database. The costs have been calculated according to the Standard Cost Model and presented to the Government in a report in February 2006. On the basis on this report, the Government will decide with what share the administrative costs are to be cut. This will be communicated in the next Government budget (September 2006).

The total yearly costs have been estimated to 3,640 million SEK (€ 387 million), as of 1 July 2004, corresponding to 0.14 per cent of Swedish GDP. The list of the ten most costly burdens includes costs relating to the permitting of environmentally hazardous activities, self monitoring of such activities, environmental reporting and certain waste management requirements. The list of the ten most time consuming burdens is quite similar, but also includes requirements related to the climate gas emission trading system.

On 1 August 2005, a new legislation (simplification of 'Miljobalken') aimed at simplifying permitting procedures entered into force in Sweden. Amendments were made to the legal framework, in order to streamline procedures, such as clarifying the authorities' obligation to take an active part in the EIA procedure, and to introduce new organisational and structural approaches, such as a notification requirement for smaller water operations. Among other things, it is now easier to obtain a permit for only extension of/change in the operation of an installation, without having to revaluate the existing operations at the site. The overall objective is to streamline and simplify the environmental permit procedure for environmentally hazardous activities and water operations without lowering the level of protection for human health or the environment. The application procedure should be shortened but the change must not make it more difficult to achieve the national environmental quality objectives, nor impede the right of the public to be informed and participate.

Funding and Organisations

The initiative was taken by the Government. Law amendments are decided by the Parliament and the Government gave the assignment to a Parliamentary Committee (the Environmental Code Committee) on 8 May 2003. (The bill was under the Ministry of Sustainable Development.) Experts were appointed to take part in the work of the Committee. The

Committee studied the regimes of environmental impact assessment in some other countries. The Committee made a survey of the average time for the application procedure in cases decided on in 2002. The report of the Committee was sent out for consultation with stakeholders. The Committee presented its final report in December 2003. Based on the proposals in the report, the Government presented a bill to the Parliament on 23 March 2005. The bill was passed and the new legislation entered into force on 1 August 2005.

The initiative is funded by the Government.

Outcomes

The Committee established the fact that the application procedure is considered time consuming and bureaucratic and that this might hinder investments that would be of economic and environmental benefit. The following aspects have been considered:

- The need for a simpler and more flexible and EIA procedure;
- The possibility of, in some cases, limiting the scope of the permit for changes to and/or extension of operations to the changes and/or extension only, without a reassessment of the whole operation;
- The replacement of a permit requirement by notification of certain smaller water operations;
- Fewer projects to be authorised by the Government before a permit is issued by the Environmental Court; and
- Streamlining of the permit procedure for quarries with the procedure for other environmentally hazardous activities.

The Committee made a survey of the average time for the application procedure in cases of the year of 2002. For Environmental Courts (larger installations) the average time from application to decision was 12.6 months. (For further information, please see presentation by the Swedish Environment Protection Agency at the Best meeting on 3 February 2005). The costs have not been estimated

In 2008 the Government will examine whether there is practical experience available in order to carry out an evaluation of the efficiency of the initiatives.

Success factors identified so far includes that the initiative was taken by the government and that amendments of legislation have been carried out. Other lessons learned from the initiative include:

- The replacement of permit procedures for smaller water operations is relying on the government to identify which operations would be relieved from permit procedures; and
- It is very difficult to estimate the costs and time needed to carry out the EIA.

Contact	Asa Wiklund-Fredstrom (Best Expert Group member) Legal Advisor Swedish Environmental Protection Agency SE-106 48 Stockholm, Sweden Phone: +468 6981225 Fax: +468 6981480 asa.wiklund-fredstrom@naturvardsverket.se

61 Case Study: Sweden

Supporting SMEs - The FMH Project (FMH is short for the name of the statue concerned)

This best practice case is an initiative to simplify permit schemes through introducing notification. It is quantified, clear and is specifically targeted at benefiting SMEs.

Introduction

This initiative, which concerns environmentally hazardous activities in Sweden, is targeted to reduce the administrative burdens for companies, including SMEs. The project refers to the simplification of permit schemes, mainly by replacing permit requirements with notification for some activities. An approach based on the national environmental quality objectives and environmental risks has be used in the process to ensure that simplification will be environmentally efficient and cost-effective, still avoiding a net reduction of environmental protection.

The objectives of the initiative are to:

- Make the permit and notification requirements for environmentally hazardous activities to be in line with the national environmental quality objectives;
- Significantly decrease the number of operations requiring a permit;
- Decrease the number of operations requiring notification; and
- Compliance with EU-related requirements for permits and notification

The project started its work in 2002, presented its proposals in a report in February 2004 and is currently (in spring 2006) awaiting a Government decision that is expected in summer 2006.

The starting point for the work has been that new environmental problems require new approaches. Permitting might not always be the best way of addressing these problems. The permitting system should better contribute to meeting the environmental quality objectives and the objectives of the new environmental legislation. General binding rules, more inspections and/or notification can in some cases be a better solution than permit requirements. Authorities' resources for inspections can then be focused more on legislation connected to the new environmental problems.

The risked-based approach has included the use of different principles as indicated in the following table.

Permit requirement	Obligation to notify (or neither permit nor notification)
• Complex and/or significant impacts • Global, national or regional impacts (descending order) • Out-of-date technology causing significant impacts	• Less complex and/or less significant impacts • Local impacts • Modern, environmentally friendly technology • General rules more effective

On the issue of how the proposed simplifications might affect public participation the following can be noted. All projects will be subject to an EIA procedure if stipulated by the EIA Directive. Other projects with fewer environmental impacts will no longer be subject to a mandatory EIA. For those projects, the notification procedure includes an obligation to consult the public most concerned 'to a reasonable extent'.

Funding and Organisations

The initiative was taken by the Swedish Environment Protection Agency (SEPA). For its implementation amendments to law and Government statutes are necessary.

The project had the ambition to work in an open and transparent way with the participation of several other authorities (national, regional and local), committees, organisations, enterprises and others. The Ministry for Sustainable Development and the Environmental Code Committee were consulted. A working group with representatives of the Swedish Environmental Protection Agency (SEPA), regional and local authorities was formed early in the process. Two workshops were arranged and several meetings. The report has been sent out for consultation.

The initiative is funded by the Government.

Outcomes

Since the project has not yet been implemented there are no measured outcomes of its implementation, but below is an assessment of the current costs of permit and notification procedures. However, the requirements for a permit have not been considered in relation to other, some of them new, tools available in order to achieve the national environmental quality objectives. The Government has pointed out the importance of getting the right combination of tools, considering cost-efficiency, possibilities to meet targets and lessen unwanted effects.

The Government will follow up the effectiveness of the initiative in 2008.

Information on 30 permit and notification procedures was collected through a survey. The applying/notifying enterprises represented different categories and sizes. The actual time and costs for the procedures were estimated. The costs for the applicants/notifiers own work were estimated at 530 SEK/h (€ 56). Other costs relating to the work on the application/notification were:

Type of costs	Estimated costs SEK/year
Premises	100,000 (€10,572)
Office supplies, computers	50,000 (€5,286)
Education and training	50,000 (€5,286)
Overhead	15 %

In addition, actual costs for public notice (advertisement in newspapers), legal council, technical consultants and charges to the competent authorities were included. The time estimation included all the elements directly connected to the work on the application/notification procedure, such as meetings, reading of documents, examinations, assembling of information, etc.

Costs and time from the start of the company's work on the application/notification until the final decision of the competent authority were estimated at the following.

Type of project	Costs SEK	Time (months)
Permit issued by the Environmental Court	600,000 (€ 63,432)	24
Permit issued by the County Administrative Board (significant effects)	300,000 (€31,716)	17
Permit issued by the County Administrative Board (no significant effects)	300,000 (€31,716)	12
Notification to the Municipality	20,000-30,000 (€ 2,114-3,172)	3-5

Today, the permit requirement applies to about 6,000 installations. The project proposes to replace the permit requirement by an obligation to notify for 1,350 of those installations. An obligation to notify applies to about 15,000-20,000 projects. About 100 of these would, according to the proposal, no longer have to be notified. However, as some projects that today require a permit would be under an obligation to notify, the total number requiring notification is going to be increased by about 1,250.

The total cost reduction for the enterprises was estimated to 95 million SEK/year (€ 10 million), ie from 605 to 510 SEK/year (€ 64 million to € 54 million). Cost reduction for courts and other authorities was estimated to 30 million SEK/year (€ 3.2 million). The figures are based on the premise that all other regulations remain unaltered.

Contact	Asa Wiklund-Fredstrom (Best Expert Group member) Legal Advisor Swedish Environmental Protection Agency SE-106 48 Stockholm, Sweden Phone: +468 6981225 Fax: +468 6981480 asa.wiklund-fredstrom@naturvardsverket.se

62 Case Study: Sweden

Environmental report project

This good practice case is an initiative to simplify reporting obligations through an IT tool. It reduces costs, is transferable and has an ease of implementation.

Introduction

The Swedish Environmental Report Project introduces new measures to streamline procedures by the use of information technology and by streamlining the communication between authorities/companies. The initiative, which includes a new web portal - The Swedish Portal for Environmental Reports, is expected to facilitate the handling of data for reporting companies, and giving the public increased access to environmental information. For many SMEs the environmental reporting will be somewhat less time consuming, as they will no longer have to make an emission declaration. The project started its work in 2002 and a pilot project is carried out in two regions. A pilot initiative, which tests a web-based environmental reporting system, has been carried out in one Swedish region (Gavleborgs Lan) since 2003 (using the data of 2003). Previously, paper copies/documents were used for reporting. For the 2005 – reporting period, the project will include a second region (Vasternorrlands Lan). The initiative will include the whole country from 2007.

The objectives of the project are to:

- Establish clear and simple requirements;
- Devise a new structure for the report – more lists, less solid text;
- Streamline the information required;
- Make the information useful for the supervising of compliance with permit conditions by the competent authorities and for monitoring by the operators;
- Restrict the requirement for an emission declaration to cases where it is needed for international reports (IPPC Directive and Protocol on Pollutant Release and Transfer Registers); and
- Support the introduction of electronic reporting by using a new web based portal, The Swedish Portal for Environmental Reports, allowing for basic information to be submitted only once.

Funding and Organisations

The initiative was developed by SEPA. A decision on the necessary amendments to SEPA's regulations on environmental reports is expected before summer 2006. The proposals were also sent out for consultation in October 2004.

Outcomes

The actual time for environmental reporting was inquired. In average, the time for completion of an environmental report was 100 hours, varying between 20 and 220 hours and costs varying between 60,000 and 100,000 SEK/year (€ 6,346 to €10,577). The total costs of the companies in connection with the regulation and system in force have been estimated to 380 million SEK/year (€ 40 million).

For companies that report electronically, time will be saved as basic information will have to be submitted only once and guidance will be available on how to undertake this reporting. The reporting will be less time consuming for companies that will no longer have to make an emission declaration (about 1,000). The time for making an emission declaration for the remaining companies might increase, as more comprehensive information will have to be submitted.

Contacts	Asa Wiklund-Fredstrom (Best Expert Group member) Legal Advisor Swedish Environmental Protection Agency SE-106 48 Stockholm, Sweden Phone: +468 6981225 Fax: +468 6981480 asa.wiklund-fredstrom@naturvardsverket.se Monika Magnusson, Swedish Environmental Protection Agency, Phone: +468 6981190

63 Case study: UK

Strategic approaches to better regulation

This best practice case is a major strategic initiative that involves tiers of analysis at different levels (government, ministry, agency) to identify burdens, clarify objectives and develop solutions. It focuses on cost reductions, SME benefits, is transferable and is founded on quantified analysis.

Introduction

Better Regulation is the central plank of UK government strategy to make the UK a global economy which offers choice and opportunity for its businesses and its citizens. This sea-change has come about over the past two years. Important milestones during that time are:

- In December 2004, the Department of the Environment, Food and Rural Affairs (Defra) published its five-year strategy, which committed it to reducing the net administrative burden from its regulations by 25% by 2009. A core component in delivering these commitments was the recognition that the Department needs to have regulations in place that minimise burdens on business whilst securing effective outcomes;

- In March 2005, the Better Regulation Task Force (BRTF) published its report "Regulation – Less is More: Reducing Burdens, Improving Outcomes", which advocated use of the standard cost model for measuring the administrative burden imposed by Departments, setting targets to reduce that burden and putting in place the necessary organisational structures to drive the required changes across government and regulators; and

- Also in March 2005, Philip Hampton published his review on "Reducing administrative burdens: effective inspection and enforcement." Amongst other matters, this identified the need to apply a risk-based approach to the delivery of regulatory activities and proposed that the landscape of regulators and regulations should be simplified to reduce complexity and increase efficiency.

The resulting strategic Better Regulation Programme includes commitments to:

- Regulate only when necessary and in proportion to risk;
- Reduce administrative burdens; and
- Rationalise inspection and enforcement arrangements for business.

To meet the above commitments means having the right regulations in place. Defra and the Environment Agency aim to regulate in a way that minimises burdens on business, whilst still securing effective outcomes (e.g. protection of the environment and public health). To do this Defra and the Environment Agency are taking a fundamental look at existing regulations, and identifying (with business and other stakeholders) how they can be simplified, whether it is reducing administrative burdens, consolidating existing legislation, or providing simpler systems for business to provide data to regulators. The initial plan, Lifting the Burden (see www.defra.gov.uk/corporate/regulat/pdf/lifting-burden.pdf), sets out how this simplification is being approached (in particular in how to achieve the 25% administrative burden reduction target).

As part of the Government's commitment to Better Regulation, it has pledged to produce departmental plans for simplification which will be published at the Pre-Budget Report 2006, expected in Nov 06. Each department is developing an overarching simplification plan, which will include its plans for admin burdens reductions.

Simplification plans will need to demonstrate how a net reduction in administrative burdens will be delivered. This means that as well as reducing admin burdens from existing regulation, the admin burden of new regulation will have to be minimized.

The Cabinet Office contains a Better Regulation Executive ("BRE") which works with other government departments, agencies and regulators to drive the better regulation programme and help ensure regulations are fair and effective and that all new and existing regulation is necessary and adopts modernised approaches that minimise the administrative burdens on business. The Cabinet Office also provides a secretariat for the Government's Better Regulation Commission ("BRC") – an independent body which provides advice to Government on a wide range of regulatory issues and vets Regulatory Simplification Plans produced by Government Departments.

The BRE and the BRC cover regulation in all fields. Where environmental regulation in England and Wales is concerned, the main initiatives come from Defra, which sponsors the Environment Agency and also provides guidance to local authorities which have a role in environmental regulation. In Scotland, the Scottish Executive and the Scottish Environment Protection Agency are the key players, as are the Department for Environment and the Northern Ireland Environment and Heritage Service in Northern Ireland.

Defra has a "family wide" Better Regulation Programme, and a Better Regulation Unit that promotes modernised approaches and is responsible for the Department's Regulatory Simplification Plan to achieve the stated 25% reduction target.

Modernising Regulation

The Environment Agency delivers most environmental regulation on behalf of Government in England and Wales. This includes the direct regulation of some business through permits and compliance assessment (including inspection) as well as influencing the environmental performance of all businesses through advisory services, awareness raising campaigns and enforcement of general environmental rules. Since 2000 it has made good progress with its own rolling Modernising Regulation Change Programme to maximise the efficiency and effectiveness of its regulatory activities. The Agency's booklet "Delivering for the Environment"[54] describes its modern approach to regulation, and how it uses dialogue, joint problem solving, incentives and rewards to supplement or replace traditional approaches.

The Environment Agency's Modernising Regulation Change Programme includes the development of modern regulatory approaches and tools such OPRA described elsewhere in this report.

The Environment Agency's approach to modern regulation aims to find the right balance – a proportionate, risk-based response, that will drive environmental improvements, reward good

[54] Available at www.environment-agency.gov.uk/business)

performance, but still provide the ultimate reassurance that appropriate action will be taken on those who fail to meet acceptable standards.

Development and stakeholder involvement

The Environment Agency's Modernising Regulation Change Programme has been designed internally, but it has been consulted on widely with stakeholders. For example the document "Delivering for the environment: A 21st Century approach to regulation" has been reissued following positive feedback after extensive consultation

Measuring change

The Agency's Modernising Regulation Change Programme is increasing the efficiency and effectiveness of the Agency's regulatory activities (to enable the implementation of new regulatory duties) and aims to minimise the burdens placed on business.

Administrative Burdens will be costed using the Standard Cost Model, which is currently being used to measure the existing burden (up to May 05), and should now be used to measure the cost of new burdens. It will be embedded in the regulatory impact assessment process which measures the cost of new burdens. An example of the use of this measurement can be seen in the UK case example of the review of its permitting regime.

Outcomes

Some recent examples of outcomes delivered include:

- From 1 April 2005, holders of 23,000 low-risk abstraction licences were released from the licensing regime (due to changes to the Water Act). These holders – around 48% of the total stock of abstraction licences – will save approximately £1 million (€ 1.7 million) a year in total;

- The number of low risk waste inspection has been reduced from 125,000 to 84,000 per year – freeing resources to tackle illegal operators;

- 500,000 potential low-risk hazardous waste producers no longer need to register with the Environment Agency – saving around £14 million each year; and

- From May 2005 businesses that produce hazardous waste needed to be registered, however new rules allowed this to be done electronically and 80% of the 190,000 registrations were done this way.

Lessons from the initiative

- To gain maximum benefits it is necessary to approach holistically and tackle the bigger and harder challenges i.e. comprehensive reform of legislation to move to a more consistent legislative platform, rather than making minor isolated changes to individual regimes;
- It is a complex area to tackle;
- It requires a great deal of resource and commitment from government, business and regulators;

- It is not always easy to get effective engagement with, and quality input from, stakeholders;
- Significant cultural changes will be required in government departments, regulators and business; and
- In many instances it will be necessary to invest up front in order to reap the benefits and savings e.g. data management and sharing infrastructure.

Contacts	Mrs Swati Khare-Zodgekar (Best Expert Group member) DEFRA Better Regulation Unit, 9 Millbank Area 4D, C/O Nobel House 17 Smith Square London, SW1P 3JR United Kingdom Mr Dominic Hutchings (Best Expert Group member) Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury, Bristol BS 32 4UD

64 Case study UK

Operator and Pollution Risk Appraisal (OPRA)

This best practice case is an initiative focused on quantitative analysis of risk to direct different regulatory issues (permitting, fees, inspection). It eases costs, is transferable, is quantified and innovative.

Introduction

The Environmental Protection Operator and Pollution Risk Appraisal (EP OPRA) methodology is an important step in the development of a common approach to risk assessment across the Environment Agency's regulatory regimes. It is primarily a risk screening methodology that provides a consistent and transparent system which:

a) Enables the regulator to target their resources on higher risk operations.
b) Aims to incentivise improved environmental performance.
c) Enables operators to assess their own performance and see how they may be able to improve that performance.

The methodology provides a transparent and consistent way to assess the potential hazard of an activity (based on its operational complexity, location, and emissions) and the likelihood of that hazard being realised (based on the operator's management performance), to provide an environmental risk profile of the facility.

The risk profile is converted into a score for the facility that is used as a basis for allocating the amount of resource needed to regulate that facility and to determine the regulatory charges. Compliant businesses are rewarded by reduced regulatory charges and fewer site inspections (and associated administrative burdens).

The Agency's website contains details of its OPRA and charging schemes (www.environment-agency.gov.uk/).

Development of the initiative

OPRA has been developed in close dialogue with business. The EP OPRA risk screening methodology was publicly consulted upon in 2002. It builds on the experience gained from earlier OPRA schemes.

When first introduced, EP OPRA consisted of four attributes, for which the inputs were completed by an operator at the time of their application for a permit:

- Complexity
- Location
- Emissions, and
- Operator performance.

The 2005 version introduces a fifth attribute, the compliance rating. The input for this attribute is completed by the Environment Agency, after the permit has been issued, using information from their Compliance Classification Scheme (CCS), which was introduced in 2004. This new attribute will allow the Environment Agency to more accurately adjust its

regulatory oversight according to its assessment of compliance. Compliance rating each year will be based on CCS scores collected for the previous year and will begin to contribute to EP OPRA profiles in 2006.

It is the Agency's intention to further extend the principles of the EP OPRA scheme to cover businesses regulated under all other regimes, starting with those covered by authorisations under the Radioactive Substances regulations and discharge consents under the Water Quality regulations.

Details of the OPRA attributes

Together the OPRA attributes create a banded profile for the activity(s) covered by the permit. The appropriate band for each attribute is identified by answering questions related to it (for the complexity attribute, a look-up table is used.)

Within each attribute, band 'A' equates to the need for lower regulatory oversight, increasing through to band 'E' to reflect the need for more regulatory oversight. Each of the lettered bands can be converted to points to give an overall EP OPRA score for the activities on the facility. An EP OPRA score is required to determine the risk posed by the facility, to plan the regulatory effort that will be applied to determining the permit application and to carrying out subsequent compliance assessment, and to set associated fees and charges for applications and subsistence.

The first four attributes are used when the operator applies for a permit/licence. The new fifth attribute, Compliance rating, only becomes active after a permit is issued. It is not used to calculate application fees. It has been introduced to make it easier for operators to identify how the new compliance assessment systems and their ongoing environmental performance link with EP OPRA.

Complexity attribute

The more complex an installation, the more work will be needed to understand and check on:

- the processes involved;
- their interactions; and
- their pollution potential.

This attribute takes into account the following factors:

- Activities carried out;
- Potential for significant releases to one or more media;
- Use of one or several interconnected but distinct processes;
- Potential for accidental emissions;
- Inventory of potentially hazardous materials;
- Size relative to its sector and the other criteria mentioned here; and
- If significant regulatory effort is required to assess and maintain compliance and to maintain public confidence.

Location attribute

The presence or absence of key receptors that could be affected by the activity is a further indication of the potential hazard of the installation and of the assessment required.

This attribute takes into account the following factors:

- Proximity of human habitation (domestic and industrial/office occupation, schools, hospitals, nursing homes, etc.);
- Proximity to sites designated under wildlife, countryside or habitats legislation;
- Whether or not the site is in a sensitive Groundwater Zone;
- Sensitivity of receiving waters;
- Potential for direct release to waters and the presence of control measures such as interceptors and balancing lagoons;
- Potential for flooding and the consequence of uncontrolled emissions to the flood waters; and
- Inclusion within an Air Quality Management Zone.

Emissions attribute

The substances that the activity may release into one or more environmental media will potentially impact the surrounding environment, i.e. the greater the release, the greater the potential impact.

This attribute is generally based on the values in the permit/licence rather than actual emissions. These are what are assessed during the permitting process and represent the maximum potential impact. Where emissions are difficult to quantify directly, they may instead be represented by the types and quantities of materials being subject to a particular activity (see the regime specific guidance included with this document).

The potential for emissions arising from unforeseen events and accidents is covered under the Complexity attribute.

The Emissions attribute takes into account the following factors:

- The type and quantity of substance in question;
- The media into which the release takes place e.g. air, land, water; and
- The relative impact of that substance on that media.

Operator performance (management systems) attribute

Operator performance consists of an assessment of the operator's ability, preparedness and commitment to meet permit/licence conditions and other regulatory requirements. This takes into account the management systems in place and considers previous formal enforcement action taken by regulatory bodies at the site.

This attribute takes into account the following factors:

- Presence/absence of management systems or recognised procedures covering areas such as:
    - Operations and maintenance;

- Competence and training;
- Emergency planning; and
- Auditing, monitoring, reporting and evaluation.

Compliance rating attribute

This reflects the level of compliance with the conditions of the permit/licence.

This attribute takes into account the following factors:

- Non-compliance with permit/licence requirements;
- Potential impact on the environment as a result of non-compliance; and
- Additional compliance assessment effort required to deal with permit/licence breaches.

Use of OPRA in compliance planning

This work includes:

- carrying out site visits;
- checking the processes and procedures in place to comply with permit/licence conditions and the law;
- reviewing any self monitoring;
- assessing operational activities;
- checking premises and equipment (including whether it is maintained adequately) and the adequacy of environmental management at the site;
- checking records; and
- monitoring the achievement of environmental quality standards.

Installations that are more complex with large quantities of emissions, in sensitive locations and/or with poor operator performance can expect to be subject to more compliance assessment activity.

Lessons for other Member States

OPRA is an effective tool for determining the risk of activities, as a guide to efficient and effective regulation. Its methodology and use are worth examining in detail. However, effective operation of the system requires detailed information on how installations operate and the risks they pose. This is made easier with support from business and is considerably assisted if they have confidence in the way that regulators work.

Contacts	Mrs Swati Khare-Zodgekar (Best Expert Group member) DEFRA Better Regulation Unit, 9 Millbank Area 4D, C/O Nobel House 17 Smith Square London, SW1P 3JR United Kingdom Mr Dominic Hutchings (Best Expert Group member) Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury, Bristol BS32 4UD

65 Case study: UK

Reviewing environmental permitting

This best practice case is an initiative to consolidate different permitting regimes. It aims at reducing costs, has clear objectives and benefits SMEs. It also has detailed quantitative analysis of costs underlying its detail.

Introduction

This case study concerns a proposal issued in February 2006 on the Environmental Permitting Programme in England and Wales. The proposal consists of a detailed consultation paper[55] and an accompanying partial Regulatory Impact Assessment[56]. The Environmental Permitting Programme is a joint Defra, Welsh Assembly Government and the Environment Agency programme. It aims to simplify the mechanics of environmental permitting and compliance systems (for example, how to obtain, vary and transfer permits) without altering the standards that have to be met. The Programme should deliver a modernised permitting system, in line with EU requirements, sound environmental policy and the Government's principles of good regulation. The new system aims to be better for industry, better for regulators and better for the environment.

The reason for its inclusion as a best practice is that, while it is currently only a proposal, it has been produced through extensive analysis, including quantification of impacts on business, which is of wider interest and is, itself, good practice.

The problem being addressed

The problem being addressed in England and Wales is that different regulatory systems have been developed largely independently of each other. This has led to a regulatory system that is perceived as excessively complex and one that imposes unnecessary administrative burdens upon both industry and regulators.

There has already been some convergence of the system, stimulated by the waste management activities covered by IPPC. The Environmental Permitting Programme is currently consulting on proposals to deliver a system that aims to reduce red tape by streamlining the way Waste Management licences and IPPC permits are governed in England and Wales, without compromising environmental protection or harming human health. A key feature of the proposed system is that it should be capable of extension (to later contain other systems such as water quality and radioactive substances).

Solution proposed

The UK Government has identified the features that an ideal permitting and compliance system should contain and reconcile if it is to meet simplification objectives. Because most of these could apply to any system in any Member State, many are worth highlighting. Thus the system should:

[55] Defra 2006. Environmental Permitting Programme: consultation on options for creating a streamlined environmental permitting and compliance system. Available from: www.defra.gov.uk

[56] Defra 2006. Environmental Permitting Programme: RIA on options for creating a streamlined environmental permitting and compliance system. Available from: www.defra.gov.uk

- Contain a high degree of commonality for permitting and compliance tasks;
- Avoid unnecessary prescription;
- Be easily understood and implemented;
- Deliver risk-based regulation where the level of regulatory control is, as far as is practicable, proportionate to the environmental risks posed by the activities;
- Be capable of extension to other permitting and compliance systems;
- Meet obligations (such as from the EU) in a way which can accommodate change without significant regulatory change; and
- Apply a uniform approach across the country.

In implementing new permitting systems, the Government has highlighted key principles, including:

- Permit application forms should be as concise as possible to reduce administrative burdens. They must be designed in consultation with industry.
- Only information that is necessary should be required to be submitted with a permit application. Applicants should also be in no doubt what they are being asked to provide.

The consultation proposes that the delivery of waste and IPPC permitting and compliance could be through a single site-based permit, thus simplifying the existing regimes. Thus where more than one permit currently applies at a site they could be consolidated. The details of how this is to be done reflect some UK-specific issues (such as regulatory structures and waste management history). Thus the interest for other Member States is the general objective and the underlying principles.

Quantification of cost savings to business

In developing the proposed changes to the permitting regime a 'partial regulatory impact assessment' (RIA) was undertaken which included a detailed assessment of the costs and benefits to businesses. As with all RIAs in the UK, Departments are required to present analyses for more than one option. In this case the review of permitting presents some problems for assessing costs and benefits in that there is a multiplicity of potential combinations of options. Thus these are present in convenient groupings to allow for an understanding of the variability.

Costs and benefits consist broadly of two elements: first, the changes would lead to reductions in the *administrative burdens* on industry. These savings accrue directly, as industry would make savings in its own administrative costs, and indirectly, to the extent that regulators' efficiency gains are passed to industry in the form of lower charges. Second, there are *wider economic benefits* to industry resulting from a more efficient system. It should also be noted that the Government states that some important impacts which are expected to be positive cannot be quantified at this stage, for example the gains from extending the new approach in due course to other permitting systems.. It is useful, therefore, to note that in considering costs and benefits to business of current and future administrative regimes, the effect of these on the wider economic performance of industry should not be ignored, even if quantification and/ or monitisation is difficult.

The results for the different options are:

- Option A.: adopt administrative measures to improve permitting procedures going beyond what is currently planned, but with no changes to legislation. These changes only affect waste licensing. This results in a saving of £1.3 million net present value (NPV) over ten years due to direct savings to industry and the regulator.

- Option B.: Make legislative changes to waste management licensing to improve its procedures, but keeping it separate from IPPC. This option is estimated to result in savings of £47 million NPV over ten years resulting from direct savings to industry and regulatory efficiencies. Annual steady state savings (ie those after the system is fully in place) would be around £7 million which represents 16% of the total waste management industry administrative costs. There will also be an additional £1.2 million of efficiency savings to the regulator and statutory consultees.

- Option C.: This simplifies the procedures by bringing waste licensing and IPPC together in a single system. This results in savings of £67 million NPV over ten years through direct savings to industry, regulator and consultees. Steady state savings to industry would be an annual £8 million, with a further annual £3.5 million of additional savings to regulators and statutory consultees.

The RIA considers further options relating to option C which reflect changes to the details of the way that the UK has implemented IPPC and other national air regulatory regimes. However, the results presented here demonstrate the following:

- Significant savings are possible through seeking simplification measures within a regime;
- The larger savings come from seeking to bring permitting regimes together in an efficient and effective system; and
- The savings that can result are far from trivial, but can represent major proportions of administrative costs to businesses.

The RIA provides much greater detail on all of these costs, including assessments of baseline costs and the fine detail of the breakdown of each option as well as indicating particular savings for SMEs. For this information the reader is, therefore, directed to the RIA.

Conclusions and lessons for other Member States

The final implementation of this review will only become apparent following the consultation of the proposal. However, there are already important lessons:

- That bringing permitting regimes together is not necessarily straightforward, but can open complex questions;
- That working with industry is critically important in developing solutions;
- That different options should be explored as each could deliver cost savings;
- That proposals for change should be based on clearly stated principles; and
- That quantification of the benefits to business is an important analytical tool and should be undertaken wherever possible.

Contacts	Mrs Swati Khare-Zodgekar (Best Expert Group member) DEFRA Better Regulation Unit, 9 Millbank Area 4D, C/O Nobel House 17 Smith Square London, SW1P 3JR United Kingdom Mr Dominic Hutchings (Best Expert Group member) Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury, Bristol BS32 4UD

66 Case study: UK

NetRegs: compliance assistance to SMEs

This best practice case is a major web-based compliance support tool for SMEs. In particular it is extensive and has innovative features. There is also extensive supporting analysis. It is innovative, clear and focused on cost reduction.

Introduction

NetRegs is a free to use website which aims to help small and medium-sized enterprises (SMEs) in the UK to understand the complex environmental regulations that can affect them. The site provides guidance on how to comply with environmental law as well as advice on good environmental practice.

NetRegs provides clear, readily accessible information to businesses on the environmental legislation that affects them. This helps a business take the first step towards environmental compliance and resource efficiency.

Increasing environmental regulation means that it is harder for businesses, especially SMEs, to identify and understand their responsibilities and the legislation that affects them. The NetRegs system has proven to be successful as a source of information for businesses.

How the site is structured

The site comprises four main areas:

- Sector-specific guidelines for over 100 sectors;
- Management Guidelines covering different aspects of business operation from raw material inputs through to wastes (eg on energy efficiency);
- Current legislation: detailing regulations in all regions of the UK; and
- Future legislation: including consultations and EU law developments.

The site also provides links to many additional resources from industry, government, literature, etc. In particular it provides links to application forms and guidance.

Costs of the initiative

NetRegs appears costly. However, it has been experimental, so the actual cost to set up in another country could be much reduced. Also when the investment cost is set against actual and hidden costs associated with pollution incidents, to include things like incident response, fines, clean up (government, local authority and industry), court costs, business down time costs, loss of sales revenue, and loss of public image, the costs appear more reasonable.

About £25,000 (€42,000) was spent on the very first pilot to test the concept and build a few pages for one sector. Then the initial cost of the main project funded by the national Government was £3.5m (€6 million) over 3 years. However about £1 million (€1.7 million) of this was for marketing and communications. Writing the content was the most costly element in pure staff time.

For a team of about 20 people the annual running costs are now just over £1 million (€1.7 million) per year. This caters for management, technical support, legal support, sector-specific writers and a dedicated marketing and communications person for each region of the UK. This means that, with the exception of proofing by a wider range of policy staff within each regulator, NetRegs is self-contained to create content, update the website and spread the word. There are economies of scale from going into partnership hence the regional agencies working in partnership.

Currently NetRegs has a bid to government seeking £1.75 million (€2.5 million) to develop a new IT platform to upgrade everything so that it is far more user-friendly and to make it possible for a user to tailor the information to their specific needs. Again, this is breaking new territory and once the system is proven, rolling it across other countries should be able to take advantage of this to reduce set-up costs in terms of infrastructure. There will always be a heavy cost at start-up to interpret individual Member State legislation into country-specific advice. However, it is worth bearing in mind that with the emphasis placed on trying to write practical guidance there is much content that would probably be reusable in other countries.

Survey of SMEs – awareness and use of NetRegs

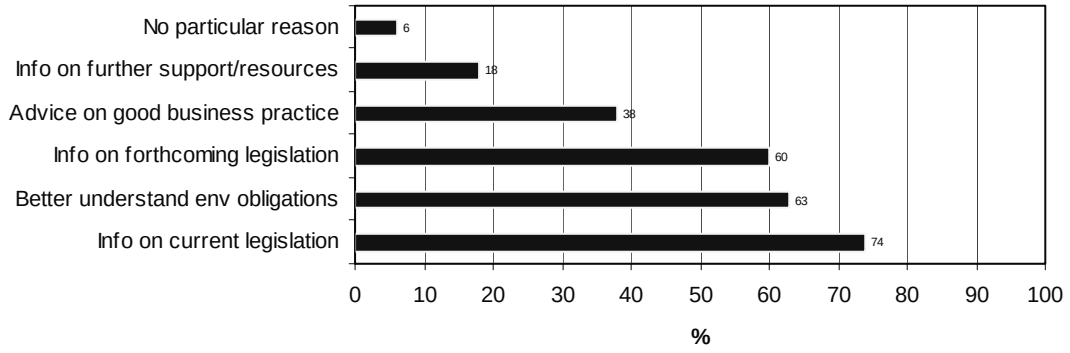
In April 2005, NetRegs commissioned a telephone survey to assess the level of environmental awareness and compliance amongst small to medium-sized enterprises (SMEs). 5,554 businesses were surveyed UK-wide, stratified by country, business sector and size of business. The sample was selected to ensure that an equal number of interviews could be achieved for each business sector within each of the four UK countries. This survey follows on from a similar one conducted in 2003 in which over 8,000 businesses were contacted.

It is difficult to identify the benefits to business as there is not a two-way flow of information with business. Thus NetRegs has implemented a simple registration service so that for the first time it can proactively send out information about changes to the web site and hopeful get more feedback as well. In the first two months since setting it up and with only low level PR there have been over 2000 registrations.

NetRegs has also started to get feedback from people who use the site through a recent survey it carried out. One of the more notable facts is that "repeat use of website is high with 57% of UK SME respondents having used the NetRegs website more than once and more than half of those have used it more than ten times". Also, when asked what action respondents had taken 61% had either ensured they were already compliant or made changes as a result of using the site.

Organisations appear to be using NetRegs primarily to understand what they’re supposed to be doing in relation to the environment to achieve legislative compliance. Over half of SME respondents claim to use website to obtain information on current legislation, forthcoming legislation and/or to understand environmental obligations.

Figure: Reasons SMEs give for use of NetRegs website.



Respondents were asked what changes their organisation has carried out as a result of visiting NetRegs website:

- 6 out of 10 (61%) had either ensured they were already compliant or made changes;
- 1 in 6 (17%) had identified areas where change was needed but not yet implemented it;
- same proportion (17%) had not made any changes;
- a fifth (21%) said they 'don't know/can't say' whether they've implemented any changes;
- 61% were either already compliant or had made changes; and
- 39% had not yet made any changes.

There is also clear evidence that repeat visitors to the site are more likely to have taken action:

- 75% of all repeat users (SMEs) claim to have either ensured they are compliant or made changes compared to 41% of first time users; and
- Only 26% of repeat users say they have 'not taken any action to date' and/or 'don't know/can't say' compared to 57% of first time users saying the same.

Opinions on the initiative

The recent Hampton Review (the UK Government's strategic initiative on better regulation) noted that "The Environment Agency's NetRegs is an excellent example of the user-centered, simple services that the review would like to see." In addition the HoC Environmental Audit Committee report on Environmental Crime also mentioned NetRegs saying that they "…would like to see its existence promoted more actively to encourage greater use by small firms."

Other examples of feedback include:

"The Small Business Service of the Department of Trade and Industry is happy to support NetRegs, which we see as a valuable tool for small and medium-sized businesses." Clive Glover, Small Business Service

“The NetRegs website is a very useful resource for any small business trying to keep up with the impact of environmental regulations.” Matthew Fell, Head of Enterprise Group, Confederation of British Industry

"The FSB supports the NetRegs website as a truly useful tool for small businesses. Its strength lies in providing information on environmental regulation in a format that is easy to digest yet comprehensive and relevant to small business needs." John Holbrow, Chairman Environment & Rural Affairs Policy Unit, Federation of Small Businesses

“CIRIA welcomes the launch of NetRegs for the construction sector as a way of providing valuable and practical environmental information to the industry. This free service is likely to be particularly useful to construction SMEs, and should make a real difference to the industry’s understanding of environmental legislation as well as encouraging measures on-site to ensure compliance.” Tim Broyd, Chief Executive, Construction Industry Research and Information Association (CIRIA)

“NetRegs is a valuable tool to help SMEs in the food and drink manufacturing sector improve their environmental performance. But environmental compliance is not just good for the environment, it's good for business too. It is estimated that by implementing environmental best practice measures, businesses can save, on average, up to 1.1% of their turnover. This can translate to up to £1000 per employee annually. This saving goes straight to the bottom line and will help companies improve their competitive edge.” Dr Martin Gibson, Envirowise Programme Director

“Many, many thanks for this wonderful web-site. I am sure that all of our companies will find it extremely useful and easy to understand”. Bill Stark, General Secretary, Scottish Print Employers Association

Future developments

Proposals to develop NetRegs have been accepted by Defra's Business Resource Efficiency and Waste (BREW) fund. £1.75 million (€2.5 million) has been allocated to carry out three projects during 2006/07. These include:

Personalisation of NetRegs: to meet business demand for automatic updates about changes to legislation and how it affects them. Develop a unique approach to delivering information updates about environmental legislation to SMEs. This would be delivered by:

- developing a new way of personalising the regulatory compliance information on NetRegs i.e. tailoring and customising to an individual’s specific requirements;
- investigating relevance of technologies like SMS messaging to update businesses on the subject of environmental legislation;
- creating a new interactive site map and a new ‘60 second’ snapshot guide to improve navigation around the site; and
- strengthening the links with business advice delivery networks like Envirowise to ensure a consistent and coherent suite of information.

The proposals for the development of the NetRegs system would allow businesses to receive more personal information about legislation that affects them and would allow them to more easily assess their needs. This would:

- provide a business specific information about changes as soon as they happen;
- tailor information to individual business needs;
- help business users to quickly understand the overall context of their environmental responsibilities; and
- make it easier for business advisers to offer the most relevant assistance to businesses.

Compliance self-assessment tool: to enable small businesses to proactively ensure compliance with relevant environmental legislation and improve resource efficiency as well as permit and monitoring/reporting requirements. This would be delivered by:

- Developing a consistent method for self-assessment of compliance and resource efficiency for small businesses;
- Creating an on-line tool with tick box type system – next generation version of NetRegs Management Guidelines;
- Channelling businesses to the most suitable level of Environmental Management System (EMS) or industry code of practice according to their individual circumstances; and
- Outputting data for all recognised EMSs.

The compliance self-assessment tool would:

- ensure consistent approach to avoid confusion by cross linking to other regulatory systems;
- create more innovative approaches to environmental management;
- be useable within supply chain engagement to assure companies that their suppliers are meeting regulators' requirements;
- provide seamless linking to compliance information on NetRegs; and
- help improve business waste and energy efficiency within a compliance framework for continuous improvement.

"What do I do with my business waste?" web tool: to highlight to SMEs, regardless of their business sector, what facilities exist locally to deal with their waste. Following the example of the Agricultural Waste Forum pilot recycling project this would be delivered by:

- developing information about individual waste streams to highlight re-use and recycling opportunities; and
- showing location of the closest recovery and disposal sites for waste streams through postcode searches and a simple waste stream tick box approach.

The "What do I do with my business waste?" web tool would:

- ensure local information for businesses to reduce time and effort spent searching for relevant recovery and disposal sites;
- joins up gap between the personalised information about "how" to comply (see item 1 above) with local delivery for businesses;
- consistent way for recovery and disposal service providers to highlight their operations to the wider business community; and
- extend potential for sign-posting to other waste minimisation/re-use delivery bodies.

Success factors

The key success factor has proven to be the building of partnerships with as wide a range of business advisory intermediaries as possible. This has had to be combined with sufficient resources to make NetRegs of sufficient interest and scope that it is worthwhile for SMEs to consult it.

Lessons for other Member States

The key lessons given by the project team are:

- Don't underestimate how much marketing and communications costs;
- Don't underestimate how long it takes to change how people live and work;
- Don't underestimate how many links and partners you need to engage to make it work;
- LISTEN to what businesses are saying they need and want and then deliver it; and
- Buy in a decent team and programme manager to deliver the work.

Contact	Tim Fanshawe Business Development Manager Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury – Bristol BS32 4UD

67 Case study: UK

Whole farm approach

This good practice case is an initiative that consolidates regulatory activity directed at farms. It focuses on reducing costs while maximising environmental outcomes and benefits SMEs.

Introduction and aims

The Whole Farm Approach applies in England and Wales to the agriculture sector and provides farmers with a single web-based portal for submitting data to a variety of regulatory agencies. For example data submitted for the purpose of claiming the Single Farm Payment will be passed to the Rural Payments Agency, whilst information on compliance with farm waste regulations will go to the Environment Agency. The long-term objective of the Whole Farm Approach will provide tools to the farming industry that streamline regulation, demonstrate best practice and allow compliance information to be submitted easily.

The objectives of the inspection project within Whole Farm Approach are to:

- Identify overlaps to reduce number of inspections, improve value for public money and reduce the burdens on farmers;
- Provide resource for inspectorates and farmers enabling improved understanding of the inspection process;
- Develop joined-up inspections supporting the Whole Farm Appraisal; and
- Fully co-ordinated and scheduled inspection visits.

Description

The Whole Farm Approach is a long-term programme to develop an integrated access point to Defra and related agencies to support the farming industry across the entire range of its activities. The Whole Farm Approach is a programme of major strategic importance to Defra and its partners. It is one of fourteen initiatives under Defra's Sustainable Food and Farming Strategy. The Whole Farm Approach also supports a number of Government strategies for improving rural service delivery and government efficiency. The solution will be a fully electronic system – no paper copies will be available. We will ensure that the solution is accessible to the widest audience through the maximum number of channels.

A system preview for the Whole Farm Approach was launched in September 2005 and a further operational release is planned for early 2006. This will be followed by a series of enhancements. The System Preview will contain the Whole Farm Approach website and will introduce farmers to the Appraisal, the first element of the programme. This will afford a selected audience from the farming community the opportunity to preview the functionality and usability of the website, and for Defra to demonstrate some of the planned benefits, such as the online submission of the appraisal, farmer information management, submission of applications for grants and the Single Payment System, and other functions. As well as providing an early view of the solution, it will allow the Whole Farm Approach team to gather feedback to help improve the system in future releases.

The Appraisal can be accessed online or through a CD-Rom consisting of a range of question modules that have been devised in association with other key government agencies, based on extensive input from farmers, growers and the NFU.

The major release in the first quarter of 2006 will offer a range of facilities on-line, for example the ability to:

- Complete the Appraisal self-assessment questionnaire as an efficient way to provide data;
- Review and update information held on the business;
- Complete other surveys where applicable;
- Benchmark the financial performance of the business;
- Quick link to the Cattle Tracing System on-line to update the cattle movements;
- Access key websites relevant to you're the farming business; and
- Quick link to the Single Payment Scheme.

The Whole Farm Approach will also have questions and guidance on:

- Waste Management (including the ability to register an exemption from waste licensing);
- Soil Management; and
- Catchment Sensitive Farming.

Future releases of the Whole Farm Approach will also offer the opportunity to:

- Make a Single Payment Scheme application;
- View Farm Maps;
- Check a calendar for key regulatory events;
- Receive tailored news and information specific to each farmer's business; and
- Register under the Food and Feed Hygiene Regulations.

A part of the Whole Farm Approach includes a project looking at on-farm inspections. This includes a significant rationalisation of inspection arrangements, requiring a joining-up and sharing of information from previously separate inspections of agricultural premises by different inspectorates. This work aims to develop a smarter approach to regulation, enforcement and inspection. The inspections team is currently looking at a number of ways to develop and maintain a register of all the inspections (and corresponding regulations) that take place on-farm. This information will be made available to all the inspectorates and to farmers, and will help identify potential overlaps which could be addressed to reduce the burden of inspections. The aim of this will be to provide a source of information for the those who may be inspected so that they have a greater understanding of why the inspections are necessary, the type of information required, who will be carrying out the inspection, information required by the inspector and any post inspection processes.

Development of the initiative

The Whole Farm Approach ran a series of pilots throughout 2004, and extended this to include a Waste Module pilot in the early part of 2005. Pilots were used to provide a controlled mechanism to test functions, options, impact and outputs with farmers. This enabled Defra and the Environment Agency to develop their ideas to meet stakeholder needs

and ensure that it delivered a useful tool that would help farmers comply with the Agricultural Waste Regulations. The pilots were tested by farmers who provided the feedback that enabled the Agency to improve the product for the benefit of farmers.

The first pilot served as a 'proof of concept' indicating the practicality of the Whole Farm Appraisal and the potential to meet overall objectives. It produced evidence of potential gains to farmers and government, which were then incorporated into the second pilot phase in mid 2004.

The series of pilots that followed explored greater functionality and breadth of coverage of the appraisal along with additional features such as the scope for e-delivery. The first addition was a more detailed appraisal that tested the modular development of the core appraisal along with external stakeholders' modules. This was then enhanced into a broader based appraisal testing of key functionality and performance.

This was followed by a pilot evaluating the functionality of a standalone Waste Exemptions Licences pilot, which tested both the feasibility of adding bolt-on modules to the core structure but also the opportunity to apply for exemption licences as a result of selecting a range of relevant options.

The Whole Farm approach has been extensively piloted with farmers and demonstrated at farming shows and other events.

Benefits

As a farmer or grower, the Whole Farm Approach will help to:

- Reduce the quantity of data submitted by avoiding duplication;
- More easily understand the regulations affecting businesses;
- Access relevant advice and guidance;
- Provide evidence of good farming practice for Cross Compliance and other regulatory processes; and
- Reduce the risk of inspections for a well-run farm completing the Appraisal self-assessment questionnaire.

The benefits of the inspection project are:

- Enable regulators to build up a risk profile for individual farm businesses;
- Improve scheduling of necessary visits where possible, including increased cross department/agency co-ordination to reduce the impact of visits on farmers;
- Improve efficiency within the department; and
- Improve communication with farmers.

Comments

The, then, National Farmers' Union President Tim Bennett said: "The Whole Farm Approach is a welcome and central part of the new relationship between farmers and government. It will reduce duplication and make the requirements of regulation clearer and simpler to follow, allowing farmers to get on with running their businesses rather than chasing paper. The NFU has worked closely with Defra's development team to ensure that the system offers real time

savings for farmers and growers. The system preview offers a chance for the industry to test the system and prove its worth".

Further information

http://www.defra.gov.uk/farm/wholefarm/default.htm

Contact	Mrs Swati Khare-Zodgekar (Best Expert Group member) DEFRA Better Regulation Unit, 9 Millbank Area 4D, C/O Nobel House 17 Smith Square London, SW1P 3JR United Kingdom Mr Dominic Hutchings (Best Expert Group member) Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury, Bristol BS 32 4UD

68 Case study: UK

Pollution Inventory

This good practice case is an IT initiative to ease the burden of environmental reporting for business and improve efficiency of information management. It has clear objectives and is transferable.

Overview and aim

The aim of the initiative is to provide a coherent platform for the delivery and presentation of pollutant emission information. The Pollution Inventory is an annual record of pollution in England and Wales from selected regulated activities. The Pollution Inventory now includes eight years of data from industrial sites in England and Wales. The main objectives of the pollution inventory are to:

- tell the public about pollution from industrial and other sources in their local area and nationally;
- help environmental regulators to protect the environment; and
- help the Government to meet national and international commitments and obligations for reporting.

Description

The Pollution Inventory is an annual record of pollution in England and Wales from selected activities regulated by the Environment Agency. The Pollution Inventory is used to gather emissions data for a number of different purposes including statutory reporting requirements such as those for the Large Combustion Plant Directive (LCPD) and for the European Pollutant Emission Register (EPER) set up under the Integrated Pollution Prevention and Control Directive. The Pollution Inventory data is also used to provide an input to other databases including the UK National Atmospheric Emissions Inventory (NAEI) that is used for many European and international reporting needs. Regulated industries are required to report annually on pollution that is released into the air, discharged into rivers, the sea or the sewerage network, or transferred off-site as waste. This can now be done electronically over the web allowing easy comparison with previous years' data and minimising transcription errors. In 2002, the Agency revised its criteria for the selection of substances and thresholds on the pollution inventory and this ensured that new statutory reporting requirements were picked up through this existing approach rather than introducing anything new.

In future, emission figures will be combined with other statistics such as production rates or energy consumption to provide better methods for showing relative environmental performance within industrial sectors. The Agency's Environmental Burdens project is investigating ways of providing an indication of the environmental impact of emissions.

Benefits

Pollution Inventory data have been central to the Agency's Spotlight on Business Environmental Performance Report. The Spotlight Report highlights areas of success (and failure) in achieving pollution reductions.

The IT system has been very successful in shifting the reporting from paper to electronic returns. It has been widely supported by industry and currently over 50% of returns (1800) are submitted using the electronic form. The electronic form has a number of specific advantages, these are:

- On-line validation and quality assurance of data that in turn reduces the amount of follow-up discussions required with industry on their Pollution Inventory returns.
- Reduction of paper burden (on-line public registers require no paper copies of the form)
- Additional guidance and help from the on-line system gives operators access to sector specific information, previous data returns and advice.
- Reduction in the Environment Agency's administrative time from the elimination of data entry of paper returns and the inevitable additional data errors that occur.

For further information see the website: http://www.environment-agency.gov.uk/pi

Contact	Mr Dominic Hutchings (Best Expert Group member) Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury, Bristol. BS 32 4UD

69 Case study: UK

Sector Plans

This good practice case is an initiative which involves the development of environmental/ regulatory plans for industry sectors, leading to cost reductions and improved environmental performance. It is innovative and transferable to other Member States.

Introduction

Sector plans produce a strategic account of the environmental priorities, objectives and indicators of performance covering the next five to fifteen years for individual industry sectors. The plans have actions for both industry and the Environment Agency, some regulatory and some voluntary to provide an integrated guide to improving environmental performance with monitoring, timetables and reporting.

Description

The plans provide:

- A summary and prioritisation of each sector's environmental risks and impacts;
- An opportunity to focus our regulatory effort and industry's environmental expenditure on agreed priorities, contributing to sustainable development;
- Performance indicators that are more directly linked to environmental outcomes, which could with further development, allow benchmarking within and between sectors; and
- A "golden thread" showing how regulatory controls, voluntary agreements and other initiatives link together to create overall environmental improvement in the sector.

Sector plans have been developed for the cement, nuclear and chemicals sectors and will be reviewed and revised as necessary.

Future sector plans will cover:

- Diary farming;
- Power generation;
- Food and drink manufacture;
- Waste management; and
- Water companies.

Development

Sector Plans have been developed jointly with industry. There is a lot of support for sector plans from industry, who see them as helping with their long term planning and going beyond traditional regulation by looking at issues that face the sector from a wider perspective.

Outcomes

Sector plans aim to improve the performance of industry sectors by:

- Defining the sector's contribution towards sustainable development;

- Setting objectives for improving environmental performance, thereby increasing certainty for business and regulators;
- Prioritising the regulatory workload;
- Engagement between regulator and stakeholders; and
- Evaluating and reporting on environmental performance.

Lessons

The critical element delivering success is the joint production of the plans with the relevant industry sector.

Transferability

This initiative is potentially of interest in other Member States. It provides a strategic approach to regulation in the general context of business development in a sector and wider environmental performance. This avoids a narrow focus on individual regulation and increases business certainty. It therefore deserves consideration in other Member States.

Further information

http://www.environment-agency.gov.uk/business/444251/1215866/

Contact	Mr Dominic Hutchings (Best Expert Group member) Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury - Bristol BS 32 4UD

Annex 3: International Case Studies

This Annex provides descriptions of each of the cases examined from outside Europe. The table provides a summary of initiatives classified according to the different categories of measures and indicating whether it is used as a best case study and acts as a 'contents' list for the Annex.

Categories:

9. Organisational or institutional framework
10. Simplification of permit schemes
11. Simplification of monitoring or reporting
12. Simplification of inspection
13. Use of IT tools and electronic systems
14. Risk-based and incentive driven approaches
15. Compliance assistance and support mechanisms

	1	2	3	4	5	6	7
Canada							
Smart regulation	X						
USA							
Review of reporting obligations			X				
Risk-based decision making							X
Compliance assistance tools							X
Australia							
IT tools to help businesses					X		X
Japan							
Measures for compliance assistance					X		X

Introduction

The regulatory context of EU Member States has particular and unique characteristics. However, there are clearly lessons that can be learned from the focus on better regulation that has been taking place in other OECD countries. Indeed the OECD itself has sought to bring some of this information together, as exemplified by its report 'From Red Tape to Smart Tape', much of which focuses on high level better regulation activities.

The most extensive effort on simplification has taken place in Canada and the United States. Both countries have highly federalised constitutions (and, therefore, environmental regulation) and measures can be identified at both national and Province/State level. While a range of initiatives have taken place, a particular difference with many developments within the EU is the highly controversial nature of many of the developments. Public interest organisations frequently challenge such developments as undermining environmental protection and/or public participation in decision-making[57]. This has made the identification of cases within the criteria of this report particularly difficult, i.e. that simplification measures should not lead to a reduction in environmental protection. We are not in a position to judge the accuracy of each and every claim made by interest groups on measures that have been undertaken in Canada and the United States. As a result, we have limited the case examples to two quite different examples – the strategic approach on 'smart regulation' in Canada and a simplification of reporting requirements by the US Environmental Protection Agency.

'Smart Regulation' in Canada

Smart Regulation is a national government initiative aimed at improving the Government of Canada's regulatory system (across all subject areas)[58]. It strives for a 'better coordinated, more transparent system that remains forward-thinking and accountable to citizens'. Smart Regulation involves a series of projects that aim to strengthen the policies, processes, tools and communities needed to sustain high levels of regulatory performance, and facilitate continuous improvement.

Smart Regulation emphasizes the importance of safeguarding the health and safety of Canadians, contributing to a healthy environment, and securing the conditions for an innovative and prosperous economy.

Smart Regulation is based on a set of specified principles:

- *Protecting the public interest:* Smart Regulation strives to find the right blend of policy instruments to achieve the greatest overall benefit to Canadians, recognizing that social, environmental, and economic objectives are mutually supporting;

[57] For example, in British Columbia West Coast Environmental Lawyers have produced a significant critique of deregulation in the Province arguing that it has reduced environmental protection significantly – see http://www.wcel.org/wcelpub/2002/oneyearreview_final.pdf.

[58] Full details, including monitoring reports, can be found at: http://www.regulation.gc.ca/

- *Extending the values of Canadian democracy:* Decision-making on regulatory matters is conducted in an open and transparent manner, with the government communicating intended results and being accountable for outcomes;
- *Leveraging the best knowledge in Canada and worldwide:* Smart Regulation recognizes that knowledge and evidence form the basis of regulation, and strives to maximize a diversity of knowledge sources and perspectives. Co-operation within Canada and internationally to share knowledge will be maximized; and
- *Promoting effective co-operation, partnerships, and processes:* Smart Regulation strengthens co-operation with all levels of government and improves policy coherence, timeliness, efficiency, and effectiveness. It engages stakeholders, and fosters international co-operation to improve economic competitiveness.

The federal government has also established the following strategic objectives of Smart Regulation:

- Enhanced coordination across the federal government and better co-operation with other governments in Canada and internationally to help set and meet national objectives that promote social, environmental and economic well-being and improve the quality of life of Canadians;
- Increased policy coherence and the integration of social, economic and environmental principles and objectives into all stages of policy, regulation and decision-making;
- Improved transparency, efficiency, timeliness and predictability of regulatory and decision-making processes, and reduced administrative burden for businesses and citizens;
- Strengthened planning and priority setting and more proactive and timely problem and risk identification to facilitate responsive regulation and to better protect the public interest;
- Improved identification, management and mitigation of aggregate and unintended impacts on areas and sectors through greater use of longer-term, integrated and whole-of-government approaches to regulation; and
- Strengthened regulatory management from design to implementation and evaluation of regulation for the continuous improvement and ongoing renewal of regulation across government.

Status of Implementation

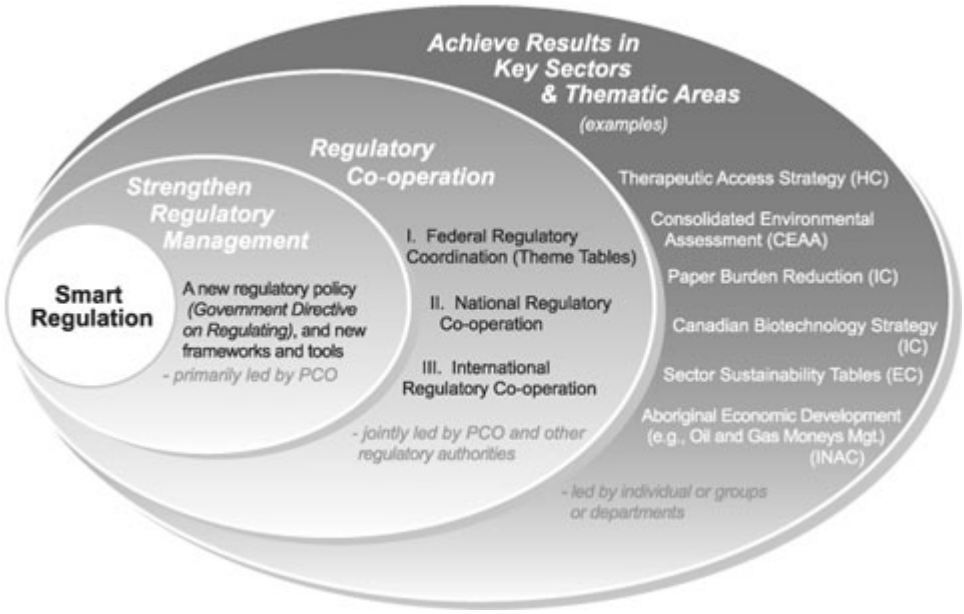
Smart Regulation was formally launched in early 2005, following an examination of issues through earlier studies. Currently, implementation of initiatives along three streams is underway. The first two streams are aimed at establishing a strong foundation for Smart Regulation initiatives; the third focuses on the specifics of those departmental initiatives that will lead to a smarter approach to regulation. The three streams of Smart Regulation are as follows:

- *Strengthening regulatory management:* A series of initiatives aimed at strengthening the policy and analytical requirements of regulation, along with

the capacity to manage regulation through its life cycle, from development to implementation to review;

- *Enhancing regulatory co-operation*: Initiatives aimed at achieving greater collaboration and co-operation within the federal regulatory community, across jurisdictions within Canada and internationally; and
- *Achieving results in key sectors and thematic areas:* Initiatives described in this report that are being undertaken by regulatory departments and agencies within five thematic areas that meet government priorities and serve the interests of Canadians.

These streams are inter-related to provide both a strategic and specific focus, as illustrated by this conceptual diagram from the Canadian government:



The Government committed to report twice each year on the implementation of Smart Regulation. The most recent report was in Autumn 2005. While the majority of initiatives have met their targets, some have not moved as quickly, due to the complexity of issues, diversity of views, and obstacles being faced by key sectors and participants. Issues that challenge regulatory planners include confidentiality of information, legacy protocols with respect to sharing of information, sector-specific industry needs, emergency matters that shift priorities, and tendencies toward traditional practices. The sheer complexity of these issues has a significant influence on regulatory reform, and must be addressed in order for us to meet Smart Regulation goals.

Participation in Smart Regulation

The federal government developed a Consultation and Engagement Strategy for Smart Regulation. The strategy outlines opportunities for Canadians, whether members of the public, industry, academia, Aboriginal (native American) organizations or public advocacy groups, to help shape a new regulatory approach and to ensure that it is fair, relevant and effective. The means to achieve this are:

- *Web-based information exchange:* The Government's official site on regulation, www.regulation.gc.ca, provides the public with comprehensive and up-to-date information about Smart Regulation. An online form is available on the site that enables interested parties to submit comments electronically. Interested parties will be e-mailed whenever substantive new information is available for review;
- *Reference Group on Regulating:* This group met for the first time in July 2005 and regularly thereafter. It consists of people who represent a broad spectrum of interests and is mandated with providing an external perspective on the *Government Directive on Regulating* as it evolves, as well as on related documents, such as the *International Regulatory Cooperation Framework*, *Proposal for Regulatory Review*, *Regulatory Learning and Community Building Strategy*, and *Risk Management Framework*; and
- *Cross-Canada workshops:* A series of workshops were held in selected locations across Canada. These workshops will provide participants with an opportunity to discuss their views on the draft *Government Directive on Regulating*.

Other mechanisms include federal interdepartmental consultations and a federal-provincial/territorial working group aimed at ensuring that federal departments and other levels of government are able to provide input to the Smart Regulation agenda. International agencies will be consulted as well, to share lessons learned and best practices on regulatory renewal. A Regulation Advisory Board will be created in 2006 to provide an ongoing forum for stakeholder participation in regulatory management and external oversight of the Government's progress in transforming the regulatory system. The Board may also examine sector-specific issues where regulatory gaps exist.

New efforts are also being made by departments and agencies to involve stakeholders in the regulatory process, particularly during the development stages. For example, the Government's Sector Sustainability Tables will bring together government, industry, labour, Aboriginal peoples and non-governmental organizations to provide informed advice on how to improve the level of environmental performance in a way that strengthens the long-term competitiveness of the sectors involved.

Strengthening Regulatory Management

"Developing a New Management System for the Development and Implementation of Regulation" is a multi-stakeholder process designed to support a revised Government of Canada regulatory policy and a life-cycle approach that accommodates all stages of regulation—from development through implementation to review. The regulatory management system is the cornerstone of Smart Regulation. It creates the basis on which rules that affect the lives and interests of all Canadians can be established. It also accommodates a more dynamic approach to managing regulation, with a greater emphasis on performance, cost-effectiveness, timeliness, flexibility and continuous improvement, resulting in a regulatory culture that is open, inclusive and accountable. The following initiatives are underway:

1 Government Directive on Regulating.

Among the priorities identified is the need to review and amend the existing regulatory policy, a policy that was first implemented in 1986 and updated in 1999. Considerable progress has been made toward developing the new policy, which is called the *Government Directive on Regulating,* as well as the tools and processes necessary to strengthen regulatory governance. The *Government Directive on Regulating* is designed to:

- communicate to Canadians the Government's commitment to protect health and safety and to provide supportive conditions for an innovative economy;
- ensure that Canadians have information and opportunities to participate in regulating;
- communicate to government officials their regulatory roles and responsibilities; and
- ensure that ministers have the information necessary to make sound decisions.

The *Government Directive on Regulating* will be completed by March 2006 and will establish a life-cycle approach to regulatory governance by identifying requirements for regulatory management, impact analysis, and reporting results to Canadians. It will also provide an opportunity to integrate modern policy and management techniques into the regulatory system. The development of most tools and processes to support the new system will also be completed by March 2006, with a planned focus in 2006–2007 on implementation.

2 Framework for Assessing, Selecting and Implementing Instruments for Government Action

The Instrument Choice Framework will assist in selecting appropriate instruments for government action (e.g., laws, regulation, taxation, standards, publications and education) to provide guidance to federal departments and to increase consistency in the analytical work that feeds the decision-making process. Work on the Instrument Choice Framework has been completed and it is now available for use by officials.

3 Guide for Effective Regulatory Consultations

The *Guide for Effective Regulatory Consultations* assists departmental officials in designing a clear and inclusive consultation plan during the development of regulatory proposals. It covers topics such as ensuring clarity of purpose and objectives; coordination of regulatory consultation across departments; conducting internal and external scans; choosing the right tools; developing realistic timelines; and evaluating the process.

4 Framework for the Triage of Regulatory Submissions

This framework ensures that federal regulatory proposals are treated according to their relative importance through a consistent, open and transparent process. It provides for an abridged Regulatory Impact Analysis Statement (RIAS) for proposals of low significance. For proposals of higher significance, the framework helps departments and agencies identify and explain areas where the greatest regulatory

impact is expected. The framework is guided by the principle of proportionality. Given that the government must use public resources as efficiently as possible, analytical efforts dedicated to regulatory proposals should be commensurate to their level of expected impact.

5 Regulatory Learning and Community Building Strategy

This strategy is aimed at strengthening the capacity of those charged with carrying out the Government's regulatory responsibilities. The key objectives are to further build a professional regulatory community, advance horizontal approaches to regulating at all levels of government, develop a learning strategy that addresses the needs of regulators throughout the life cycle of the process, and foster a culture of continuous learning. Activities to support this include:

- establishment of a Project Steering Committee and Regulatory Learning Strategy Working Group to guide the development of the strategy;
- development of a model that provides an overview of functions carried out in support of regulatory activities across departments;
- focus groups to assess needs at both the national and regional levels; preliminary work on the development of competency profiles; and
- a proposed learning curriculum for the regulatory community. Implementation, which is coordinated jointly by the PCO and the Canada School of Public Service (CSPS).

6 Regulatory Data Development and Analytical Practices Project

There is currently little systematic data collected on regulatory activity in the Government of Canada. This project will provide accurate information on the scope of federal activity on regulation. It will result in a knowledge base on regulation for ministers, parliamentarians, government officials, and citizens. The goal of this project is to enable better assessment of the impact of regulation on the welfare of Canadians, strengthen research and policy development, and contribute to increased accountability.

7 Measuring Regulatory Performance

The Government is developing an *Umbrella Results-based Management and Accountability Framework* (RMAF) as a mechanism for ongoing performance measurement and evaluation of Smart Regulation implementation. The framework is an important tool to demonstrate accountability and transparency as Smart Regulation initiatives are implemented. The framework will use a logic model to measure the impact of the Smart Regulation initiative according to key outputs and immediate, intermediate, and ultimate outcomes. It will include an evaluation strategy to measure the extent to which intended outcomes have been achieved and the degree to which Smart Regulation principles contributed to these outcomes. It will also include data collection methods and sources, and a reporting strategy for collecting and coordinating the flow of performance data.

New Initiatives include:

1 Regulatory Review

As part of the new life-cycle approach to regulating and its focus on continuous improvement, a proposed framework for regulatory review has been developed to ensure that regulations are achieving their intended results in a sustainable way. It includes guidance on evaluation criteria and review mechanisms to be used, and provides a filter through which departments and agencies can assess their regulations in relation to good governance criteria, both when the regulation is introduced and periodically throughout its life span. This initiative began in June 2005 with a pilot project with the Canadian Food Inspection Agency in two areas: Seeds Variety Registration; and Streamlining of Seeds Regulations and Ethical Trading of Fresh Fruits and Vegetables. The pilots will serve to identify cost estimates and appropriate ways to move forward with a broader review. Departments have been asked to identify other specific regulations or sectors that could benefit from a regulatory review and a proposal for a broader review initiative will be developed in 2006. Expected benefits include the following:

- *For citizens:* Trust that regulation is clear and accessible, and that it is more effective and relevant to safeguarding health, safety, and the environment, in keeping with social, ethical, and economic values.
- *For industry:* Reduced compliance costs; support for innovation and productivity.
- *For government:* Reduced overlap and duplication with provinces and territories; compliance and enforcement focused on high priorities; enhanced relations with citizens and industry; lower administration costs; and an evidence base for additional resources to address identified regulatory gaps.

2 Framework for Developing Integrated Compliance Strategies and Plans

This framework will provide guidance to federal departments to improve consistency in analytical work by taking into account issues relating to compliance strategies and plans early in the policy development process. Departments will be able to more effectively evaluate risk of non-compliance with regulation and have a better understanding of the tools available to respond to variables that affect compliance. Anticipated benefits include greater transparency in how compliance strategies and plans are designed, a more consistent approach on the use of compliance tools, and greater trust from citizens and industry in the Government's ability to ensure compliance.

3 Regulatory Risk Management Framework

This framework will outline uniform government-wide guiding principles for developing, assessing and managing regulatory response to public risk. It will also encourage improved response to horizontal risk issues that affect multiple departments or agencies. An interdepartmental working group will provide a risk perspective on related Smart Regulation initiatives, such as the *Government Directive on Regulating* and other supporting frameworks.

Interdepartmental Coordination and Theme Table Activities

Among the first steps toward improved co-ordination and co-operation is getting the federal government departments to work together. Smart Regulation encourages policy coherence among departments and promotes regulatory development using a whole-of-government approach. Smart Regulation uses theme tables help to improve coordination among regulatory departments and agencies by facilitating interdepartmental discussion early in the policy development process. Theme tables also improve transparency by providing stakeholders with an access point to the Government on issues that transcend the mandates of individual departments, and where no suitable forum currently exists. An assistant deputy minister (ADM) "champion" has been identified for each theme table.

The role of Smart Regulation theme tables is:

- Identifying, reviewing, and coordinating initiatives to support Smart Regulation's agenda;
- Producing work plans and identifying specific deliverables;
- Generating interest in Smart Regulation, mobilizing expertise, building capacity, and fostering co-operation;
- Sharing best practices, successes and challenges on regulatory policy issues across departments and agencies to support continuous improvement; and
- Providing a mechanism whereby stakeholder input on crosscutting issues affecting the strength and continuity of Canada's regulatory system is addressed through open discussion, co-operation, and action.

One of the theme tables is 'Environmental Sustainability'. This is focused on developing a common approach to regulation to support a rich and sustainable natural environment. Its work is structured so that environmental, social and economic objectives can be achieved simultaneously.

Federal-Provincial/Territorial Co-operation

The Federal, Provincial and Territorial (FPT) Working Group on Regulatory Reform was created as a forum for building the foundation for a shared approach to managing regulation. This group is co-chaired by British Columbia and the Government of Canada. Work includes developing common regulatory principles, instituting a consistent approach to regulatory impact analysis, and sharing best practices. This work will enhance the capacity of all governments to improve the effectiveness and efficiency of their regulations, and encourage regulatory co-operation across jurisdictions.

Examples of Smart Regulation initiatives in the field of the environment

Habitat Compliance Modernization

This is an initiative to modernize the compliance and enforcement strategies of Fisheries and Oceans Canada's Habitat Management Program and is part of the

Environmental Process Modernization Plan. It aims to promote and enhance compliance with the fish habitat protection provisions of the *Fisheries Act*. It:

- Places emphasis on all elements of the compliance continuum, with increased effort on compliance promotion and monitoring for results;
- More focused compliance and enforcement for activities posing greatest risk to fish habitat;
- Assists regulated community in developing self-audit programmes; and
- Institutes compliance incentives for public and industry that voluntarily discover, disclose and correct environmental problems. Increased efficiency in delivery of compliance and enforcement activities by following a risk management framework.

The anticipated benefits are:

- Industry: An improved, predictable and equitable level of compliance and enforcement.
- Canadians: Better protection for fish habitat for present and future generations.
- Fisheries and Oceans Canada: Greater programme effectiveness by learning from increased monitoring efforts and incorporating lessons learned into regulatory decisions.

Consolidating Federal Environmental Assessments

Consolidation of the federal environmental assessment process will improve consistency and timeliness through more focused accountability and improved coordination. Consultations were held in August and September 2005 on options for a new model in which the Canadian Environmental Assessment Agency would take a greater role in the assessment of projects. At the request of industry associations, environmental groups and others, consultations will continue in order to better define effective and viable models. Other improvements will be implemented concurrent with development of the new model.

Lessons for EU Member States

The smart regulation initiative in Canada represents one of the most comprehensive approaches to simplification and better regulation anywhere. It is comprehensive in that it covers all governmental regulatory activity and seeks to involve a very wide range of stakeholders.

An important aspect of smart regulation is that is establishes, up front, the principles upon which it operates – these include a commitment to environmental sustainability. Thus it is not a deregulation process, but a process aimed at better regulation for specified outcomes. This statement of principles provides a benchmark against which the many specific initiatives can be judged and through which stakeholders can have more confidence. An important lesson is, therefore, that a commitment to principles can deliver greater stakeholder buy-in.

Smart regulation has also adopted a rigorous process for taking forward its initiatives, including studies and extensive consultation processes. This framework approach is important in its success and it is clear that being systematic in analysis and delivery is a key lesson for EU Member States.

Other important lessons include:

- The use of formal mechanisms to enhance federal/Provincial co-operation which could also apply in some Member States;
- The use of Theme Tables to enhance inter-departmental co-operation while also enhancing transparency;
- Providing a great emphasis on transparency and adopting an extensive series of mechanisms for stakeholder communication and participation;
- Reviewing existing regulation as well as improving assessments of the impact of new legislation; and
- Examining the nature of regulatory impact and seeking better ways to measure it, thus enabling more informed decision-making on the impacts of regulation.

Simplification of reporting rules for its Toxic Release Inventory by the United States Environmental Protection Agency

The US Toxic Release Inventory provides the public with information on chemical releases including disposal for their communities, and is an important instrument for industries to gauge their progress in reducing pollution. TRI tracks releases of chemicals and industrial sectors specified by the Emergency Planning and Community Right to Know Act of 1986 and its implementing regulations. The Pollution Prevention Act (PPA) of 1990 also mandates that facilities report data on other waste management activities such as treatment, recycling and energy recovery. Together, these laws require facilities in certain industries to report annually on releases, disposal and other waste management activities related to these chemicals. In addition, since 1994, EPA has by rulemaking expanded the programme by doubling the number of covered chemicals, adding seven new industrial sectors, and lowering reporting thresholds for persistent, bioaccumulative, toxic (PBT) chemicals. These rulemakings have provided valuable new information to communities but have also increased the burden on reporters.

Since 1987 companies have been required to report toxic releases to air, land, and water, as well as toxic waste that is treated, burned, recycled, or disposed of. Approximately 26,000 industrial facilities report information about any of the 650 chemicals in the programme.

The initiative[59] is that the EPA is proposing a rule to expand the use of a shortened reporting form. The proposal is expected to save 165,000 hours per year, while still ensuring full Form R (long form) reporting on over 99 percent of toxic releases and other waste management activities. The proposal also provides new incentives to facilities to emit less in order to be able to use the shorter form. This proposed action comes after an extensive evaluation by EPA, its stakeholders and reporting facilities to address the concerns expressed about TRI reporting burden. The proposed rule changes are still under consideration, public consultation on the proposals having closed in January 2006.

The EPA has stated that "Since TRI began in 1986, EPA has learned a great deal about the power that public information has to influence corporate behaviour and empower communities, and we also have found new ways to use technology to reduce costs for everyone involved, improve data quality and speed the release of the information collected. The proposal would provide burden reduction for approximately one thrid of TRI reporters while still requiring facilities to report on all chemicals that they report on today."

However, the proposal has received criticism from public interest groups. For example, PennEnvironment[60] has analysed what the rule changes would mean compared to 2003 reporting results and argue that 216 facilities would no longer be required to report toxic chemical releases to the public; this is the fourth highest number of facilities no longer required to report under the TRI in the nation,

[59] Additional information, a copy of the proposal and notification to Congress is available at: http://www.epa.gov/tri/tridata/modrule/phase2

[60] PennEnvironment analysis of a proposed Bush Administration rule
http://www.pennenvironment.org/PE.asp?id2=20744

following California (297), Ohio (261), and Texas (217). Specific communities in Pennsylvania will be most affected. Communities in fifty-one Pennsylvania zip codes will lose all the pollution information about chemical releases in their neighbourhoods. Similarly a national community group, OMB Watch, produced a report[61] criticising the EPA analysis underlying the proposal and the consequences of reduced reporting.

In contrast the National Association of Manufacturers praised the proposed rule change, stating that "By reducing threshold reporting requirements for releases that have minimal environmental impacts, the rule improves an overly broad regulation that created unnecessary costs and actually diverted resources away from significant environmental priorities. This sensible update will provide some relief to small manufacturers and free up resources for addressing critical environmental priorities."

Risk-based decision making

This was introduced by Directive 9610.17 March 1, 1995. It is a specific approach to delivering risk-based decision-making in underground storage tank (UST) corrective action programmes (covering about 34,000 activities). It is considered that a risk-based approach is consistent with the Administrator's efforts to ensure that environmental clean-up programmes are based on the application of sound science and common sense and are flexible and cost-effective.

There are over 250,000 UST releases and over 30,000 new ones each year. Clean-ups have been initiated at more than 209,000 sites and completed at more than 107,000 of them. In spite of this progress, UST implementing agencies face the challenges posed by the more than 163,000 cleanups still underway. Forty-six States have established State financial assurance funds to help owners and operators satisfy the Federal statutory requirement for evidence of ability to pay the costs of corrective action. These funds serve as both a mechanism for satisfying the Federal financial responsibility requirements and a source of financial assistance to help UST owners pay for corrective actions. While these funds together collect more than $1.3 billion dollars a year (€1.08 billion), many are beginning to face solvency issues as reimbursement requests increase.

To help UST implementing agencies deal with these challenges, EPA provides support for streamlining (i.e., simplifying and accelerating) administrative and field investigation processes. EPA believes that risk-based corrective action processes are another tool that can facilitate UST implementing agencies' efforts to move all sites forward expeditiously while still assuring protection of human health and the environment. The value of risk-based decision-making lies in its potential to help UST implementing agencies and UST owners and operators oversee/manage cleanups of UST releases based on relative risks to human health and the environment. In addition, risk-based decision-making can provide a coherent decision-making framework to help keep transaction costs under control. Thus, while risk-based decision-making can be as protective of human health and the environment as other approaches, it offers a scientifically sound and administratively effective way to

[61] Dismantling the Public's Right to Know: EPA's Systematic Weakening of the Toxic Release Inventory http://www.ombwatch.org/pdfs/TRI_Report.pdf

respond to the pressures for timely action at large numbers of sites and efficient use of both public and private resources. It is important to recognize that risk-based decision-making is not intended to be primarily a money-saving tool, even though its use may save money in many cases. At high-risk sites (which account for only 20 to 30 percent of all sites), risk-based cleanups could cost more than those based on other procedures for establishing cleanup goals.

As applied to corrective action at UST release sites, risk-based decision-making is a process that utilizes risk and exposure assessment methodology to help UST implementing agencies make determinations about the extent and urgency of corrective action and about the scope and intensity of their oversight of corrective action by UST owners and operators.

Where risk-based decision-making is incorporated into the UST corrective action process, the result is usually called risk-based corrective action (RBCA). The American Society for Testing and Materials (ASTM) issued an emergency standard for risk-based corrective action; the ASTM standard provides a detailed scientific and technical framework that can be adapted by UST implementing agencies for use in their corrective action programmes.

EPA's guidance on the development of comprehensive State Ground Water Protection Programs urges States to take current and prospective uses of ground water, as well as relative risks to human health and the environment, into consideration when establishing goals for the remediation of contaminated ground water. Within this framework, EPA recommended that States use health-based drinking water standards as the remediation goal for ground water that is already used, or could reasonably be expected to be used, for drinking water. In all other cases, States can set cleanup goals based on aquifer priority and other site-specific considerations.

In the Superfund programme, risk-based decision-making plays an integral role in determining whether a hazardous waste site belongs on the National Priorities List. Once a site is listed, qualitative and quantitative risk assessments are used as the basis for establishing the need for action and determining remedial alternatives. To simplify and accelerate baseline risk assessments at Superfund sites, EPA has developed generic soil screening guidance that can be used to help distinguish between contamination levels that generally present no health concerns and those that generally require further evaluation.

The Resource Conservation and Recovery Act Corrective Action programme also uses risk-based decision-making to set priorities for cleanup so that high-risk sites receive attention as quickly as possible: to assist in the determination of cleanup standards; and to prescribe management requirements for remediation of wastes.

Examples of risk-based decision making in individual States

Texas

Texas modified its corrective action programme to be risk-based. In Texas, risk-based corrective action refers to a case-by-case consideration of the actual or reasonable potential for public and environmental exposure to contaminants in the

determination of the timing, type, and degree of site remediation. To implement the new risk-based corrective action program, the Texas Natural Resource Conservation Commission created a new site classification system and site assessment protocol, and adopted new procedures for developing risk-based cleanup levels. In addition, the Commission contracted for the development of a guidance document on fate and transport modelling to support its review of risk assessments reports.

Ohio

Ohio has developed corrective rules that include a Site Feature Scoring System (SFSS) and risk-based action levels to assess corrective action sites. Ohio developed a risk-based approach which uses four tiers of risk assessment. The complexity of risk assessment increases from Tier I through Tier IV. The process initially uses conservative scenarios and assumptions; less conservative assumptions are introduced as additional site-specific data are provided to justify them. Based on data collected during an initial site check or assessment, the responsible party completes an SFSS form, which determines whether or not additional corrective actions are necessary. If contamination is present at or below the action level, further remediation is not required at that time. If the action levels are exceeded, additional corrective actions are necessary. As an alternative to Tier I (the SFSS action levels), Ohio also allows owners and operators to conduct risk assessments to determine whether cleanups are necessary and to develop site-specific target cleanup levels. Tier II, a baseline risk assessment, uses conservative assumptions about pathways and chemicals. Tier III is a more detailed risk assessment and, if sufficient data exist, specific pathways (e.g., groundwater ingestion) may be eliminated in this tier. Tier TV consists of a risk assessment with Monte Carlo sensitivity analysis. This tier requires additional site-specific information to justify less conservative assumptions about pathways and chemicals.

Illinois

Illinois enacted legislation governing UST corrective actions. The revised program incorporates risk in the site prioritization and review processes and in the development of site-specific cleanup levels. Site classification follows early corrective action activities; data obtained as part of early action can be used to classify sites. Sites are classified as high priority, low priority, or no further action based on five "triggering" criteria: 1. physical soil classification; 2. setback zone distance; 3. migratory pathways; 4. Class III groundwater distance, and, 5 surface water impact. If a site passes on all five criteria, it is classified a no further action site. If a site fails on criteria #2 through #5, it is classified a high priority site. If a site fails on criteria #1, it can be classified as either a high or low priority site depending on the results of groundwater monitoring.

Hawaii

Hawaii offers owners and operators three options for cleaning up contaminated soil and groundwater to levels that are protective of human health and the environment. Option I allows owners and operators to clean up soil and groundwater to levels established by the Department of Health. Option 2 allows owners and operators to propose alternative cleanup levels based on risk assessment. Option 3 allows owners

and operators to select exposure prevention management to eliminate existing exposure pathways. Of the three available cleanup options, Option 1 is the simplest and most direct. The Department of Health has established cleanup levels for soil and groundwater with protection of human health and the environment as the ultimate goal. The Department has attempted to establish protective levels that can be practically achieved by owners and operators at many UST release sites. In cases where these criteria are impractical, the risk assessment option and the exposure management option are available to owners and operators.

Where owners and operators propose to leave contamination in soil and water above the recommended cleanup criteria and where complete exposure pathways do exist, the levels of the contaminants left in-place must be supported by a site-specific, quantitative risk assessment. The risk assessment must conclusively demonstrate that the levels of contaminant left in place do not pose a threat to human health and the environment. Because the preparation of a risk assessment involves numerous complex and time-consuming tasks, the Department recommends that owners and operators not enter into this process without fully considering all alternatives, including application of alternative types of technology to meet the recommended cleanup standards.

The Department offers owners and operators a third option, exposure prevention management, which relies on recognition of the lack of exposure pathways inherent to a site, or alternatively, recognizes and relies upon the construction of man-made barriers (such as asphalt or concrete pavements) to effectively eliminate existing exposure pathways. This option is viewed as a temporary (non-permanent) cleanup option since the potential does exist for the evolution of exposure pathways in the future and because barriers to exposure pathways are not permanent.

Compliance assistance in the US

Compliance assistance is a tool EPA uses to improve a regulated community's compliance with environmental regulations. EPA partners with compliance assistance providers to develop and deliver compliance assistance resources such as Web sites, compliance guides, fact sheets and training materials[62].

The National Environmental Compliance Assistance Clearinghouse[63] was developed by the EPA and its partners. It provides a guide to compliance information with quick access to compliance tools, contacts, and planned activities from across the EPA as well as other compliance assistance providers. It also allows the users to interact with the EPA and others through all of the interactive features on the homepage.

The Clearinghouse contains links to public and private compliance materials. The users can find information they are interested in by topic categories located on the left hand column of the homepage or through the search function. Users are encouraged to enter their compliance information into the Clearinghouse by adding their own information. The website contains a series of directories, including a range of

[62] http://www.epa.gov/compliance/assistance/
[63] http://cfpub.epa.gov/clearinghouse/

compliance assistance tools (checklists, electronic reporting, guidance documents, frequently asked questions, etc) and information by industry and government sectors. The sector information leads the user to compliance assistance centers. There is also an Electronic Compendium of Compliance Assistance Tools.

Each compliance assistance center delivers information in many forms: Internet Web sites, telephone assistance lines, fax-back systems, and e-mail discussion groups. For example, the Paint and Coatings Resource Center (PCRC) is maintained by the National Center for Manufacturing Sciences. The PCRC has created an extensive array of information and tools, which includes both unique internal resources, and links to useful information found on the Internet. The tools include educational features, reference materials, calculators, searchable databases and interactive resources.

The US, therefore, exhibits a wide range of web-based compliance assistance tools. There have also been studies of their effectiveness. For example Stump[64] has examined the benefit/cost ratio of the Small Business Stationary Source Technical and Environmental Compliance Assistance Program (SBTCP) in Kentucky, which provides assistance in meeting obligations under the 1990 Clean Air Act. Interestingly, there is concern that the performance of SBTCPs has been focused mainly on outputs rather than outcomes, so Stump developed an outcome-based approach. With this the benefit/cost ratio of the operation of the Kentucky program was 3:1, with benefits averaging about $3 million per year. This demonstrates that such compliance assistance programmes not only can bring significant benefits to small businesses, but also that these outweigh the costs of implementation.

Conclusions and lessons for EU Member States from US cases

Simplification initiatives in the United States have become embroiled in heated debates over the role of the state, deregulation, etc, to the point that it can be difficult to determine the exact nature of costs and benefits of individual proposals. The EPA initiative to reduce reporting requirements has potential merit for analysis in the EU. This results from an analysis of what information is useful in reporting from businesses. Community groups oppose any reduction in the information available to them. However, it is unclear from them what information is useful and what is redundant. Simply keeping reporting obligations because they are there is not justified. At EU level reporting obligations are currently increasing with the introduction of the obligations of the PRTR Protocol of the Aarhus Convention compared to the earlier EPER requirements. Later analysis of what is and is not useful in the reporting process would be beneficial, both for businesses and authorities.

The example of risk-based decision-making is included to illustrate how widespread risk-based approaches are in the US. The particular case illustrates the need to take such approaches when authorities are faced with large numbers of activities to regulate.

[64] Stump, K K 2005. Measuring Environmental Compliance Assistance Outcomes: A Benefit Cost Analysis of the Kentucky Business Environmental Assistance Program. University of Kentucky.

Australia: IT tools to help businesses

Australia has adopted various approaches to compliance assistance which are of relevance to the BEST project. Two are worth considering in more detail. This first is a general information tool for businesses which includes information on environmental regulation. The second is a more general environmental information tool which also includes business information.

Australian Government's Business Entry Point[65]

This site has been developed to provide an easy to use information source to a range government services for businesses in Australia. It aims to make it easier for business to find government information, to complete compliance processes and to identify suitable support or assistance programmes. The site covers resources from Commonwealth, State and Territory government agencies and a number of local governments and industry associations.

The site has four sub-headings under 'environment':

- Hazardous Waste;
- Waste Management: minimizing the hazards and costs of waste disposal;
- Environmental Impact (of a development or change in a business); and
- Hazardous materials.

These sections may each have further links, for example that of environmental impacts includes links on:

- Environmental reviews *which gives* suggestions on how environmental review documents might *be produced;*
- Guide to environmental impact assessment in Western Australia. Describes how new development proposals are assessed;
- Online databases; and
- Profiting from environmental improvement in business. Explains how businesses can improve productivity and save money by cutting waste and reducing environmental impacts.

EnviroEd (including Networks and Service Directories)[66]

EnviroEd is a national network of environmental education and information programmes, materials and publications for a wide range of interests, including business. There is a specific industry page which is a one-stop shopping for useful environmental links, including many forms of compliance assistance:

- Stakeholders such as the Australia/New Zealand Food Authority, the Plastics and Chemicals Industries Association, and the Water Services Association of Australia;

[65] http://www.business.gov.au/

[66] http://www.environment.gov.au/education/aeen/industry.html

- Commonwealth Government Initiatives such as the National Packaging Covenant, the WasteWise Construction Program, designed to reduce the amount of construction waste going to landfill, and Eco-efficiency and Cleaner Production, a page providing tools, resources, links and case studies to help companies implement eco-efficiency and cleaner production practices.
- Companies and Industry Associations involved in Environmental Management, including Australia's Environment Industry Directory and Greenhouse Challengers.
- Environmental Technologies, including the Australian Cooperative Research Centre for Renewable Energy and the Sustainable Energy Development Authority (NSW).
- National Legislation, including the Hazardous Waste Act and the National Environment Protection Measure (NEPM) on Used Packaging Materials.
- Networks and Service Directories, including the Australian Best Practice Environmental Management in Mining Program, the Australian Environmental Impact Assessment Network (EIA), the Australian Waste Database and EnviroNet Australia - Solutions to Australian Industry's Environment Protection Challenges.

Conclusions and lessons for EU Member States from Australian cases

The Austrialian tools are similar to those used in some Member States. However, neither are a single tool aimed at environmental regulation and business. Both have much wider contexts. This can be useful for businesses seeking the collation of information in one place or seeking wider information than the regulatory.

Japan: measures for compliance assistance

In Japan SMEs form an important part of the economy. There are, therefore a number of initiatives which provide some forms of compliance assistance for environmental regulation for SMEs.

Ministry of Environment website[67]: This website offers a wide range of information including the latest regulatory developments (administrative and legislative) and forthcoming developments. It also provides on-line electronic applications for enterprises to undertake administrative procedures on-line where these are addressed at national level. The website does assist SMEs in complying with environmental regulation in that it is a good communication tool. However, it does not provide information of a kind not seen in a number of web-based systems in EU Member States. Therefore, it is not recommended as a case study.

Environmental information and Communication Network[68]*:* This network was established to distribute environmental information from government bodies and other organisations. It primarily aims at public communication. However, it is a useful source of information for businesses and is, therefore, an SME compliance assistance tool. However, similar tools are available in the EU Member States, so this is not, therefore, recommended as a case study.

Keidanren Voluntary Action Plan[69]*:* Nippon Keidanren (Japan Business Federation) is a comprehensive economic organization created in May 2002 by amalgamation of Keidanren (Japan Federation of Economic Organizations) and Nikkeiren (Japan Federation of Employers' Associations). Its membership of 1,647 is comprised of 1,329 companies including 93 foreign ownership, 130 industrial associations, and 47 regional economic organizations (as of June 21, 2005). In 1991, Keidanren announced the "Keidanren Global Environmental Charter" and declared its intentions to pursue voluntary and active efforts to preserve the environment. It announced the "Keidanren Voluntary Action Plan on the Environment" in 1997, through which it created an ongoing framework designed for the steady implementation of environmental measures at all levels of Japanese industry. The Keidanren Voluntary Action Plan is an effort in which each of the 41 participating industries and 142 industrial organizations has used its own discretion to improve the environment, without pressure from any government or regulatory framework. Underlying the plan is the assumption that industry accountability had to be increased through declaring specific objectives and conducting follow-up surveys each year, allowing 'incentives in the form of public promises' to work, and bringing to bear the maximum amount of voluntary effort. By making environmental efforts industry-wide, Keidanren hopes that it will mobilize action among all of Japan's citizens. The initiative is not compliance assistance in the strict sense, in that it does not concern regulatory issues. However, such voluntary efforts do raise awareness of compliance issues. However, similar voluntary action can be seen in other countries (eg the Netherlands) and, also not being focused on regulation, this initiative is not, therefore, recommended as a case study.

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[67] http://www.env.go.jp
[68] http://www.eic.or.jp
[69] http://www.keidanren.or.jp

*The conference for supporting revitalization of SME*s: The conference for supporting revitalization of SMEs, which has experts and advisors on the revitalization of SMEs, is established in each Prefecture. These conferences are sources of experts providing advice on the direction of SME growth and on issues affecting SMEs. This, naturally, includes environmental regulation. However, this is not focused specifically on environmental regulation and the simple giving of advice does not constitute a case study.

One-stop-shop advice centres: The Japanese government has established support centres that provide so-called "One-Stop" assistance services in terms of both funds and non-material areas such as human resources, information, and technologies in an attentive manner, to meet the diverse needs of SMEs on each of the national, prefectural and local levels. The support centres integrate and set up networks of local public entities and various existing private SME support organizations to offer information and advice on policy measures, as well as assisting with business and technological problems of SMEs in one place, by making the most of the skills and abilities of professionals in the private sector. These centres are at three levels:

- SME / Venture Business Support Centres: These Centers provide financial and technical assistance and high-level consulting services by experienced experts in management, finance, and legal matters. The Centre also supports the Prefectural SME Support Centres and the Regional SME Support Centres as the core of the SME support system in regional blocks;
- Prefectural SME Support Centres: These Centres, the core of the system of prefectural governments for support of SMEs under "the Small and Medium Enterprise Support Law", provide advice, implement projects for evaluating business feasibility, dispatch experts, and provide information to secure business resources such as human resources, technology, and information in response to the various needs of those who plan to start up businesses and SMEs. The Prefectural SME Support Centres hold seminars for SMEs to promote knowledge and education concerning energy conservation and with environmental issues such as compliance with the Containers and Packaging Recycling Law and the Household Appliance Recycling Law; and
- Regional SME Support Centres. This Centre is established in each broader municipal area of the country to provide local consultation services and various types of information as a supporting centre that is familiar and easy to use for those who plan to start up a business and to help small enterprises with issues such as business innovation.

Conclusions and lessons for EU Member States from Japanese cases

The type of support given to SMEs in Japan is similar to that in many EU Member States. However, the Japanese cases do illustrate the importance in bringing together support for SMEs covering a range of issues (not simply environmental) and of providing support at different administrative levels.

Annex 4: Expert Group Members, project contacts and project team

1. National Experts: Best Project "Streamlining and Simplification of Environment-Related Regulatory Requirements"

Austria	**Ms Andrea Jungwirth** Federal Ministry of Economics and Labour Stubenring 1 1011 Vienna, Austria	Phone: +43 1711005811 Fax: +43 17142718 E-mail: andrea.jungwirth@bmwa.gv.at Website: www.bmwa.gv.at
	Ms Sylvia Paliege - Barfuss Federal Ministry of Economics and Labour Stubenring 1 1011 Vienna, Austria	Phone: +43 1711005815 Fax: +43 17142718 E-mail: sylvia.paliege-barfuss@bmwa.gv.at
	Mr Michael Pollak Ministry of Environment wpa Beratende Ingenieure GmbH Lackierergasse 1/4 1090 Vienna, Austria	Phone: +43 14036280 Fax: +43 4055716 E-mail: michael.pollak@wpa.at
Belgium	**Mr Johan De Beer** Legal Adviser Ministry of the Flemish Community Europe & Environment Division	Phone: +322 5538125 Fax: +322 5538165 E-mail: johan.debeer@lin.vlaanderen.be Website: www.lin.vlaanderen.be
	Ms Marianne Petitjean Ministry of the Walloon Region *«Direction de la coordination de l'Environnement»* Avenue Prince de Liège 15 5100 Namur, Belgium	Phone: +32 81335160 Fax: +32 81335122 E-mail:m.petitjean@mrw.wallonie.be Website: www.mrw.wallonie.be
Bulgaria	**Ms Vyara Andreycheva** Senior Legal Adviser Agency for Small and Medium-sized Enterprises Promotion 1, Sveta Nedelja sq., Sofia 1000, Bulgaria	Phone: + 359 2 9329279 Fax: + 359 2 9805869 E-mail: v.andreycheva@sme.government.bg Website: www.sme.government.bg
	Ms Gergana Tzareva Director Registering, Licensing and Control Directorate Ministry of Economy 12 Batenberg Str. 1046 Sofia, Bulgaria	Phone: +359 2 9407008 Fax: +359 2 9805041 Mobile: +359 887 891106 E-mail: g.tsareva@mee.government.bg
Cyprus	**Mr Costas Hadjipanayiotou** Environment Officer A, Environment	Phone: +357 22303854 Fax: +357 22774945

	Service Ministry of Agriculture, Natural Resources & Environment 1411 Nicosia, Cyprus **Ms Eirini Konstantinou** Environmental Attache Permanent Delegation to the European Union - Republic of Cyprus 2, Square Ambiorix, B-1000 Brussels, Belgium	E-mail: chadjipanayiotou@environment.moa.gov.cy Phone: +322 7353510 Fax: +322 7354552 E-mail: iconstantinou@environment.moa.gov.cy
Czech Republic	**Mr Vilibald Knob** Director Sustainable development of Industry Department Ministry of Industry and Trade Na Františku 32,Prague 1,CR Czech Republic **Ms Miloslava Tomikova** Ministry of Industry and Trade **Mr Jakub Zemlicka** Ministry of Industry and Trade	Phone: +420 22485 3431 Fax: +420 22485 3536 E-mail: knob@mpo.cz Website: www.mpo.cz Phone: +420 224853483 – Mobile: 737966026 Fax: +420 224853536 E-mail: tomikova@mpo.cz Phone: +420 22485 3431 Fax: +420 22485 3536 E-mail: zemlicka@mpo.cz
Denmark	**Ms Ellen Hvidt Thelle** Ministry of Environment Hojbro Plads 4 1200, Denmark **Ms Berit Hallam** Head of Section Ministry of Environment Danish Environmental Protection Agency Strandgade 29 1401 Copenhagen, Denmark	Phone: +45 33927476 Fax: +4532573577 E-mail: eht@mim.dk Website: www.mst.dk Phone: +45 32660434 Fax: +45 32660479 E-mail: beha@mst.dk
Finland	**Ms Elise Sahivirta** Senior Adviser Ministry of Environment Environmental Protection Department Kasarminkatu 25 P.O. Box 35 FIN-00023 Government **Ms Marianne Lindström** Finnish Environment Institute PL 140 00251 Finland	Phone: +358 9 1603 9638 Fax: +358 9 1603 9545 E-mail: elise.sahivirta@ymparisto.fi Website: www.environment.fi Phone: +358 940300458 Mobile: +358 503780920 Fax: +358 940300190 E-mail: marianne.lindstrom@ymparisto.fi
France	**Ms Delphine Dubois** Ministry of Ecology and Sustainable	Phone: +331 42191991 Fax: +331 42191467

	Development 20, Avenue de Ségur 75302 Paris 07 SP France **Mr Marc Aviam** Ministry of Ecology and Sustainable Development 20, Avenue de Ségur 75302 Paris 07 SP France	E-mail: delphine.dubois@ecologie.gouv.fr Website: www.ecologie.gouv.fr Phone: +331 42191708 Fax: +331 42191754 E-mail: marc.aviam@ecologie.gouv.fr
Germany	**Mr Hermann Hüwels** German Chamber of Commerce and Industry at the European Union Avenue des Arts 19 A-D B-1000 Brussels, Belgium **Mr Andreas Wasielewski** Ministry of Agriculture, Environment and Rural Affairs of the Land of Schleswig-Holstein	Phone: + 322 2861664 Fax: + 322 2861605 E-mail: huewels.hermann@bruessel.dihk.de Phone: + 49 431 988 7261 Fax: + 49 431 988 7192 E-mail: andreas.wasielewski@munl.landsh.de
Greece	**Mr Giorgos Kapantaidakis** Secretariat-General for Industry Ministry of Development **Mr Dimitrios Komilis** Secretariat-General for Industry Ministry of Development	Phone: +30 210 6969261 Fax: +30 210 6969243 E-mail: kapantaidakisg@ypan.gr Phone: +30 210 6969247 Fax: +30 210 6969243 E-mail: komilhs_d@ypan.gr
Hungary	**Mrs Marta Hibbey** Department for Environmental Ministry of Economy and Transport Honved u. 13-15 1055 Budapest, Hungary	Phone: +36 1 4728605 Fax: +36 1 4728721 E-mail: hibbeyne.marta@gkm.gov.hu
Ireland	**Mr Fred Mc Darby** Senior Consultant Environmental Policy Unit - Enterprise Ireland Glasnevin, Dublin 9, Ireland	Tel. +353 18082655 Fax. +353 18082259 E-mail: fred.mcdarby@enterprise-ireland.com Website: www.enterprise-ireland.com
Italy	**Mr Fausto Santangelo** Ministry of Trade & Industry Via Grippo 8 85100 Potenza, Italy	Phone: +390 971476002 Fax: +390 971476002 E-mail: fausto.santangelo@tiscali.it
Lithuania	**Mr Jurgis Staniskis** Director Institute of Environmental Engineering Kaunas University of Technology Lithuania	Phone: +370 37300760 Fax: +370 37209372 E-mail: jurgis.staniskis@ktu.lt
Netherlands	**Ms Heleen Lobbe** Ministry of Housing, Spatial Planning and the Environment Project manager Re-assessing VROM	Phone: +31 703394042 Fax: E-mail: heleen.lobbe@minvrom.nl Website: www.minvrom.nl

	Regulations **Mr Caro Janssen** Ministry of Housing, Spatial Planning and the Environment Vocal Point administrative burdens **Mr Jan Teekens** Ministry of Housing, Spatial Planning and the Environment Coordinator Regulatory Policies	 Phone: +31 703394305 Fax: E-mail: caro.janssen@minvrom.nl Phone: +31 703393777 Fax: E-mail: jan.teekens@minvrom.nl
Norway	**Ms Hege Hammer Normann** Norwegian Pollution Control Authority Postboks 5250 Majorstua 0303 Oslo, Norway **Ms Tonje Johnsen** Norwegian Pollution Control Authority (SFT) PO Box 8100 Dep, NO-0032 Oslo, Norway	Phone: +47 22573640 Fax: +47 E-mail: hhn@sft.no Website: www.nho.no Phone: +47 22 573748 Mobile: +47 99 50 99 03 Fax: +47 22 676706 E-mail: Tonje.Johnsen@sft.no Website:www.sft.no
Poland	**Ms Ewa Florkiewicz** Ministry of Environment Department of Environmental Protection Instruments ul. Wawelska 52/54 00-922 Warsaw, Poland **Ms Anna Parol** Ministry of Environment Department for Environmental Protection Instruments ul. Wawelska 52/54 00-922 Warsaw, Poland	Phone: +48 225792778 Fax: +48 225792217 E-mail: ewa.florkiewicz@mos.gov.pl Website: www.mos.gov.pl Phone: +48 225792658 Fax: +48 225792217 E-mail: anna.parol@mos.gov.pl
Portugal	**Mr António Oliveira** Directorate General for Enterprise Director - Dep. for Sustainable Development Av.Visconde de Valmor, nº 72 1069 - 041 Lisbon, Portugal **Ms Sónia Costa** Ministry for the Environment, Spatial Planning and Regional Development Rua de "O Século", 51, 4º Andar 1200-433 Lisbon, Portugal **Ms Teresa Barros** Ministry of Environment	Phone: +351 217919100 Fax: +351 217965158 E-mail: antonio.oliveira@dgempresa.min-economia.pt Phone: +351 213232594 Fax: +351 213232504 E-mail: sonia.costa@gri.maotdr.gov.pt Phone: +351 213233593 Fax: +351 213232504 E-mail: teresa.barros@gri.mcota.gov.pt
Romania	**Ms Doina Constantinescu** Head of Environmental Protection Unit	Phone: +40 212129475 Fax: +40 213129669

	Directorate for Quality Infrastructure and Environment Ministry of Economy and Commerce **Ms Simona-Ioana Uglea** National Agency for SMEs and Co-operatives Department for Strategies and Policies for SMEs and European Integration Str. Poterasi nr. 11, sector 4 postal code 040263 Bucharest, Romania	E-mail: dconstant@minind.ro Website: www.minind.ro Phone: +40 213361451 Fax: +40 213353413 E-mail: simona.uglea@mimmc.ro Website: www.mimmc.ro
Slovenia	**Mr Peter Smitek** Ministry of Economy Kotnikova 5 – 1000 Ljubljana - Slovenia	Phone: +386 147 832 68 Fax: +386 147 833 94 E-mail: peter.smitek@gov.si
Spain	**Mr Desiderio Aranda Martín** Ministry of Industry, Tourism and Commerce Paseo de la Castellana 160, planta 12, Despacho 16 28071 Madrid, Spain	Phone: +3491 3494462 Fax: +3491 3494299 E-mail: daranda@mityc.es
Sweden	**Ms Asa Wiklund Fredstrom** Legal Advisor Swedish Environmental Protection Agency SE-106 48 Stockholm, Sweden **Ms Maria Sandqvist** Association of Swedish Engineering Industries P.O. Box 5510 SE-114 85 Stockholm, Sweden	Phone: +468 6981225 Fax: +468 6981480 E-mail:asa.wiklund-fredstrom@naturvardsverket.se Website: www.naturvardsverket.se Phone: +46 87820930 Fax: +46 87820900 E-mail: maria.sandqvist@teknikforetagen.se Website: www.teknikforetagen.se
Turkey	**Ms Ayla Yügrük** Ministry of Environment and Forestry Directorate General foe Environmental Management Eskisehir Yolu, 8.km.,Bilkent Kavsagi Ankara 06530 Turkey (copy of documents)	Phone : +90 312 287 99 63/4318 Fax : +90 312 285 34 63 E-mail Ayugruk@havayon.gov.tr Ayugruk@hotmail.com
United Kingdom	**Mr Richard Vincent** Department for Environment, Food and Rural Affairs - DEFRA Head of Industrial Pollution Control Branch Air and Environmental Quality **Ms Swati Khare-Zodgekar** DEFRA Better Regulation Unit 9 Millbank Area 4D, C/O Nobel House 17 Smith Square London, SW1P 3JR, United Kingdom	Phone: + 44 207 0828532 Fax: + 44 207 0828511 Email: Richard.Vincent@defra.gsi.gov.uk Website: www.defra.gov.uk Phone: + 44 207 2385763 Fax: + 44 207 2385990 Email: swati.khare-zodgekar@defra.gsi.gov.uk mailto:Richard.Vincent@defra.gsi.gov.uk

	Mr Dominic Hutchings Modernising Regulation - EP Policy Environment Agency Rio House, Waterside Drive - Aztec West Almondsbury - Bristol BS 32 4UD United Kingdom **Mr Nazrul Mehag** Modernising Environmental Regulations Environment Protection Strategy - DEFRA Zone 5/F7 Ashdown House, Victoria United Kingdom	Phone: + 44 7775 817692 Fax: + 44 1454 284301 Email:dom.hutchings@environment-agency.gov.uk Website: www.environment-agency.gov.uk Email: Nazrul.Meah@defra.gsi.gov.uk
UEAPME	**Mr Guido Lena** Director for Environmental Affairs European Association of Craft, Small and Medium-Sized Enterprises - UEAPME R. Jacques de Lalaing, 4 B- 1040 Brussels **Ms Cristina Marongiu** Environmental adviser **Mr. Stephan Hirsch** ZDH Hohenzollernstr. 47-49 66117 Saarbrücken Germany	Phone: +32 2 230 7599 Fax: +32 2 230 7861 Email: g.lena@ueapme.com Email: ueapme@euronet.be Website:www.ueapme.com Phone: +32 2 230 7599 Fax: +32 2 230 7861 Email: c.marongiu@ueapme.com Phone: +49 681 5809 209 Fax: +49 681 5809 222 209 Email: s.hirsch@hwk-saarland.de Website:www.hwk-saarland.de
WWF	**Mr Tony Long** Director, European Policy Office 36 avenue de Tervurenlaan, Box 12 B-1040 Brussels, Belgium	Phone: +32 2 743-8805 Fax: +32 2 743-8819 Email: tlong@wwfepo.org j.shearn@wwfepo.org Website: www.panda.org/epo

2. Those contact during the work of the project (in addition to Best Expert Group members).

List of those who have provided input to the project through participation in meetings, interviews, telephone conversations, email responses, etc.

Name	Organisation	Contact details
Austria		
Franz Mochty	Federal Ministry for the Environment Austria	+43-1-515223536 Franz.mochty@lebesnministerium.at
Georg Kraxner	A.S.A. AG (waste management company)	+43-31629279119 Georg.kraxner@asa.at
Manfred Assmann	Österreichischer Wasser- und Abfallwirtschaftsverband (expert platform / association)	+43153557200 Assmann@oewav.at
Belgium		
Lutgard Fleurinck	Vlaamse Milieumaatschappij (Flemish Environment Agency)	
Serge Godfroid	Walloon Region Environment Department (DGRNE)	
Marc Vandenbosch	Flanders' Chamber of Commerce and Industry (VOKA)	
Dick Van Straaten	Flemish Region Environment Department (AMINAL)	
Canada		
Laverne Moskal	Saskatchewan Environment	LMoskal@serm.gov.sk.ca
Czech Republic		
Zemlicka Jakub	Ministry of Industry and Trade of CR	zemlicka@mpo.cz
Estonia		
Urmas Raute	Department of State Information Systems (RISO)	
Finland		
Marianne Lindström	Finnish Environment Institute	marianne.lindstrom@ymparisto.fi.
Germany		
Berthold Busch	Institute for the German Economy	Gustav-Heinemann-Ufer 84-88 D-50968 Köln Avenue des Arts 19 A-D B-1000 Brüssel

		Tel: +49 221 4981 762 Fax: +49 221 4981 597 Tel: +32 2 2 09 12 80 Fax: +32 2 209 1289 busch@iwkoeln.de www.iwkoeln.de
Norbert Salomon	German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety	[49] 1888-305-3974 norbert.salomon@bmu.bund.de
Ute Bellahn	German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety	00491883052423 Ute.bellahn@bmu.bund.de
Alexander Kessler	Federation of German Industries BDI	Rue du Commerce 31 B-1000 Brussels Tel. +32 2 548 9026 a.kessler@bdi-online.de
Thomas Leiber	Environmental Agency of the Land Baden-Württemberg	0049-721-56003174
Greece		
Costantinos Kapsouropoulos	Federation of Greek Industries - SEV	Tel: + 32 2 231 0053 Fax: + 32 2 280 0891 c.kapsouropoulos@skynet.be
Lithuania		
Valdas Arbaciauskas	Institute of Environmental Engineering, Kaunas University of Technology	Valdas.Arbaciauskas@ktu.lt
Netherlands		
Jan Groen	VROM	Jan.Groen@minvrom.nl
Pieter Roos	VROM	Pieter.Roos@minvrom.nl
Johannes Van Seters	DOW Chemicals	vanseters@dow.com
Poland		
Adam Pawelas	Environmental Utilities/ Środowisko Carlsberg Polska S.A., Bokserska 66, 02-690 Warszawa	tel.+4822543 15 68 Adam.Pawelas@carlsberg.pl
Sweden		
Monika Magnusson	Swedish Environmental Protection Agency	Phone: +468 6981190
United Kingdom		

Suzie J Baverstock	BP	suzie.baverstock@uk.bp.com
Paul Brooks	CORUS	Paul.Brooks@corusgroup.com
Anne-Gaëlle Collot	Chemical Industries Association	+44 (0) 20 7963 6740 +44 (0) 207 8234 8586 www.cia.org.uk
David Dowson	Unilever	David.Dowson@unilever.com
Tim Fanshawe	Environment Agency	tim.fanshawe@environment-agency.gov.uk
Mathew Farrow	Confederation of British Industry	Matthew.Farrow@cbi.org.uk
Danny Lawrence	Lafarge Cement	Danny.Lawrence@lafargecement.co.uk
EU-wide, etc		
Peter Botschek Manager Petrochemistry & Energy	European Chemical Industry Council CEFIC	Av. E. van Nieuwenhuyse 4, bte. 2 B - 1160 Brussels Tel: +32 2 676 7397 Mobile: 32 478 380 153 Fax:+32 2 676 7432 pbo@cefic.be
Lynette Chung	Eurometaux	Avenue de Broqueville, 12 B-1150 Bruxelles Tel : +32.2.775.63.12 Fax : +32.2.779.05.23 E-mail : chung@eurometaux.be
Patrick Clerens	European Power Plant Suppliers Association	Avenue de l'Opale 80 B-1030 Brussels Tel: + 32 2 743 2986 Fax: + 32 2 743 2990 p.clerens@eppsa.org
Nadia Fahsi	AGORIA	Diamant Building, Boulevard A. Reyerslaan 80 B-1030 Brussels Tel: +32 2 706 7960 Fax: +32 2 706 7966 gustaaf.bos@agoria.be
Vasco de Janeiro	Union of the Electricity Industry EURELECTRIC	Boulevard de l'Imperatrice 66, bte 2 Brussels Tel: +32 2 515 1044 Fax: +32 2 515 1049 vjaneiro@eurelectric.org
Astrid Volckaert	Cerame-Unie	Rue des Colonies 18-24, bte 17 B - 1000 Brussels Tel: +32 2 511 30 12 / 70 25 Fax: +32 2 511 51 74 tec@cerameunie.net

3. The project team

The project team which undertook the research for DG Enterprise and Industry and the BEST Expert Group consisted of the following:

Institute for European Environmental Policy (London):

- Catherine Bowyer
- Andrew Farmer (Project Manager)
- Martina Herodes
- Peter Hjerp
- Claire Monkhouse
- David Wilkinson

Institute for European Environmental Policy (Brussels):

- Samuela Bassi
- Patrick ten Brink
- Marc Pallemaerts

Ecologic (Berlin):

- Alexander Neubauer
- Anneke von Raggamby