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Communication from the Commission
to the Council and the European Parliament

The SLIM Initiative

Report of the Commission on

the SLIM Pilot Project

Simpler Legislation for the Internal Market

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The SLIM Initiative

1. The SLIM initiative (Simpler Legislation for the Internal Market) was launched in May 1996. With strong encouragement from Internal Market Ministers, it was targeted to identify ways in which Single Market legislation could be simplified. It forms part of the Commission's Confidence Pact for Employment. Simplifying legislation can contribute to the Pact's objectives of enhancing the competitiveness and employment-creating potential of business. It can also help to make the workings of the Union more transparent and effective, without endangering necessary protection for the citizen. The "Better Law-Making" report to the European Council at its Dublin meeting in December 1996 will provide an overview of Community action on simplification.

In small SLIM Teams, four or five experts from Member State administrations worked together with the same number of representatives of users of the legislation. Each Team was chaired by a Chairman personally nominated by the Commissioner responsible for the legislation in each of the four sectors that had been chosen for the first phase of the exercise: Intrastat (the system for collecting intra-Community trade statistics); construction products; the recognition of diplomas; and the ornamental plants sector. Member States were invited to submit their views in writing. The Commission's report on the first phase is annexed to this communication.

Recommendations of the SLIM Teams

2. The nature of the SLIM Teams' recommendations and the degree of simplification or improvement that might result varies from sector to sector. In the case of Intrastat, specific simplifications have been recommended that can be implemented in the short term with more radical options as the basis for future consultation and action. The other Teams have put forward recommendations or options that will be of great help to the Commission in coming to a view on the way forward. In the case of construction products, the options considered could contribute to opening up a vitally important sector where the proper functioning of the Single Market has so far remained blocked.

3. Each SLIM Team identified a number of avenues towards simplifying or improving the legislation. Their reports are available on request.

(i) The outcome of the Intrastat exercise reflects the in-depth studies that had already been undertaken. The recommendations include simplifying, or no longer collecting, certain data from 1 January 1998; a substantial reduction in the number of subheadings in the nomenclature from 10,500 at present to approximately 6,500 - 7000; and adjusting the collection system or introducing a new one to reduce the burdens on business. This could involve more use of sampling, a two-tier system reducing the frequency of detailed returns and/or use by a group of Member States of the single flow system, based only on export data.

The Commission's response - Steps are already being taken to implement some of the recommendations on reduced data requirements. The Commission supports the idea of using a simplified nomenclature which still reflects the majority of user needs without

increasing the burden on enterprises also involved in external trade transactions. This simplified nomenclature should not exceed 7.000 positions and should be operational on 1 January 1998. It also agrees with the SLIM Team that the different frameworks for the collection of statistics should be examined. In particular, the Commission has to be prepared to adapt legislation to allow Member States who wish to introduce the single-flow system for intra-Community trade statistics to do so. The Commission will initiate studies of the two-tier approach and possible application of sampling for completion by 1999.

(ii) The **construction products** team put forward three options, with its views on the pros and cons of each. These ranged from improving the working procedures of the Commission and the European standardisation bodies to the radical option of abolishing the compulsory link between the application of the Construction Products Directive and the availability of harmonised standards. A third option, in two stages, was also considered.

The Commission's response - The Commission will come forward with proposals along the lines of the report of the team. It intends to pursue the suggestion consisting of a combination of short term measures which are likely to accelerate the implementation of the Construction Products Directive and longer term measures, providing a new basis for future achievements with regard to a complete and coherent system for the construction sector as a whole.

(iii) The **diplomas** Team favoured the retention of sectoral directives for individual professions where they already exist; however, a majority proposed that the Commission re-examine the question of a transfer of the professions covered by these directives to the General System for the recognition of diplomas following the 1999 review. The Team also suggested streamlining aspects of the legislation, particularly in relation to the operation of the advisory committees concerned and the criteria governing education and training.

The Commission's response - The Commission will come forward with proposals in 1997 to streamline the working of the Advisory Committees and to simplify the updating of lists of diplomas eligible for automatic recognition. It intends to pursue the suggestion that a more output-oriented approach to the definition of education and training requirements should be introduced in the context of a review of the education and training requirements of the nurses' directive. The Commission will also undertake an examination of the possible transfer of the professions concerned to the general system following the 1999 review of that system.

(iv) The **ornamental plants** Team was sharply divided on the question of whether there should even be any Community legislation in this field. If retained, that legislation should be clarified and simplified. For example, there should be differing forms and degrees of control at different stages of the production/distribution process and the list of species covered should be determined at least by reference to their economic importance, the regime governing imports from third countries should be reviewed and further efforts made to achieve better coincidence with Community plant quarantine controls.

The Commission's response - The Commission will come forward with proposals by May 1997. These proposals will be based on a thorough examination of the different options put forward by the SLIM Team.

Evaluation of the SLIM working method

4. The overall assessment of the SLIM approach is that it can work and has already borne fruit so far. The Commission has demonstrated its commitment to simplification in this first phase of SLIM. Therefore, the Commission intends to pursue the project and to come forward with an extension of SLIM into a second phase involving other sectors. However, for this to be feasible, the Council must show equal resolve by assuming its political responsibilities. It must, in particular, endorse the working method and it must commit itself to taking the necessary actions to achieve concrete results. This implies not only being ready to accept the proposals the Commission will present concerning Community legislation, but also that Member States devote equal attention to simplifying national legislation where necessary.

Drawing on the lessons of the first phase and the advice of Member States through the Internal Market Advisory Committee in conjunction with other appropriate fora, the Commission will identify the sectors for the next phase. The Commission will formulate the remit of each SLIM Team as clearly as possible, allow adequate time for the preparation of reports and ensure the fullest possible transparency vis-à-vis all Member States. During this second phase it will report to the Council on the follow-up to the initial group of sectors as well as progress on the second group. Further extension will depend on concrete results being obtained.

The role of the Member States

5. The Commission emphasises that Member States must demonstrate their own commitment to the challenge of simplifying legislation. The Commission's review of the Impact and Effectiveness of the Single Market concluded that the successful abolition of the "first line" of market-fragmenting measures has increased the importance of removing remaining national regulatory obstacles to cross-border transactions and that there is little sign yet that Member States are ready to observe the self-discipline in rule-making that they advocate so firmly for the Union. Only Member States can respond to this challenge and the Commission calls upon the Council to commit itself to that task to the fullest extent.

Report of the Commission on

the SLIM Pilot Project

Simpler Legislation for the Internal Market

1. **The Initiative**

1.1. Simpler legislation can improve the competitiveness of business and enhance its employment creating potential¹ and can also contribute to the transparency and effectiveness of Community action, while continuing to ensure a high level of protection for the citizen. The SLIM initiative responded to the growing call from business and professional circles for legislation that achieves its objectives while avoiding imposing unnecessary burdens. The Council formally endorsed the initiative in its resolution of 8 July on legislative and administrative simplification in the Internal Market and the European Council called on the Commission to report to the Council on the SLIM pilot project by the end of 1996. The initiative is to be viewed in the context of the Community's efforts to improve the competitiveness of business and its employment-generating potential, as indicated by its inclusion among the measures designed to promote competitiveness in the Commission's Confidence Pact for Employment.

1.2. The SLIM pilot project is a new phase in the efforts of the Commission to simplify and improve legislation so as to lighten the burden of regulation on business and the professions in the single market while still achieving Community objectives². It is based on a new working method, bringing together, in small Teams, four or five experts from national administrations and an equal number of representatives of the users of the legislation. Each team is chaired by a nominee of the Commissioner responsible for the sector concerned. Working against very tight deadlines, these Teams were asked to come forward with suggestions for simplifying legislation. Four areas were scrutinised: the Intrastat system of statistics for intra-Community trade, construction products, the recognition of diplomas and ornamental plants. The conclusions drawn by each Team would permit the Commission to decide what further action is called for. The Teams consulted the Member States which did not have an expert on the Team and received written submissions from interested parties.

1.3. The pilot project has yielded positive results. The Commission considers that, given the time constraints (only three to five working days were available) and the complexity of the issues confronting the SLIM Teams, the results validate the working method used and justify considering its extension to other areas of legislation under certain conditions, particularly with a view to encouraging innovation in Europe. For its part, the Commission intends to take action in each of the four areas. However, the Commission emphasises that the success of the initiative can ultimately be judged only in the light of the ability of Council and Parliament to accept legislative change in the interests of simplification.

2. **The working methods of the SLIM Teams**

2.1. Between June and early October 1996, each SLIM Team met for a total of between three and five days. In general, the limited number of participants and their familiarity with the sectors concerned facilitated an informal working atmosphere and a frank exchange of views. This enabled ideas to be discussed in a more open way than would have been possible in a more formal setting. The Teams displayed a willingness in many cases to include options for simplification or improvement in their reports

¹ See Commission Communication of 8 May 1996 on the SLIM pilot project (Simpler Legislation for the Internal Market) - COM(96) 204 final.

² The Commission's work on simplification and related matters has been the subject of reports to the end-of-year meetings of the European Council in 1993, 1994, 1995 and June 1996. The report entitled "Better Law-Making" will be presented to the European Council at its Dublin meeting in December 1996.

which were not favoured by all members. This has been reflected in the reports, in some cases with an indication of the positions of individuals. The meetings were supplemented by written exchanges, particularly with regard to the finalisation of the reports. The secretariat was provided in each case by the Commission department responsible for the sector.

2.2. The Teams consulted all Member States: the INTRASTAT Team on the basis of some 30 individual "proposal sheets", the diplomas Team on the basis of a short consultative document, the ornamental plants Team and the construction products Team by a simple written invitation. Many representative organisations also made written submissions³. The written submissions were of considerable assistance to the Teams and were taken into account in drawing up their reports.

3. **Summary of results of the pilot project⁴**

3.1. INTRASTAT

3.1.1. Background - The Intrastat system was introduced in 1993 to allow the compilation of statistics on intra-Community trade in the absence of data formerly collected at borders. The information is collected from about 430,000 firms (some two thirds of firms are exempt).

3.1.2. Problems - The system is costly both to enterprises and to administrations. The statistics produced at EU level are not of sufficient quality and become available too late. Efforts have been made to overcome these problems, but all proposals for simplification are confronted with a conflict between the desire of firms to be relieved of reporting burdens and the demands of users of the statistics for detailed information.

3.1.3. Key points of the SLIM Team report - The proposals for simplification aim at:

- reducing the data requirements to the minimum needed to produce intra-Community trade statistics;
- using a simplified goods nomenclature, which covers the majority of users needs;
- adjusting the collection system or introducing a new one to reduce the burdens on business;
- support measures to ease the introduction of the revised system.

The SLIM team recommends that from 1 January 1998, a number of data elements should either be simplified or should no longer be collected, especially those of limited interest. These should be announced to business as a single package in order to minimise the costs of adaptation.

The SLIM Team also recommends a substantial reduction in the number of subheadings in the nomenclature. Using the Harmonised System 6-digit level as a basis, a number of subheadings from the existing Combined Nomenclature (CN) could be added. This would bring the number of commodity codes down from 10.500 to approximately 6.500 - 7.000. A joint committee should be established to consider the justifications for these additional subheadings. The new nomenclature, HS6+, will be

³ Lists of the contributions received have been appended to the individual reports of the Teams.

⁴ These summaries of the issues confronting each SLIM Team and the recommendations or options put forward by them has been prepared by the Commission. More details are provided in Annex 1. However, reference to the individual reports, which are available from the Commission, is essential to a full appreciation of the work of the Teams and in particular to an understanding of the underlying arguments and of the varying degrees of support from Team members for the recommendations and options.

optional for the declarants, who may continue to use the CN. The detailed results on intra-Community trade will, however, be made available according to the HS6+ detailed level.

Regarding collection systems, the SLIM team supports the idea of introducing systems in the future that will involve fewer enterprises or otherwise substantially reduce the overall declaration burden on business, while being acceptable from the point of view of the quality of statistics. Four frameworks for the collection of statistics have been considered, some of which could be combined. However, these suggestions require further study before any proposals can be made.

The introduction of the simplification initiatives should be accompanied by continuing actions on the modernisation of collection and compilation systems and the return of statistical results to data providers. The EDICOM project, which promotes the use of electronic data interchange for statistics and computerised tools, will contribute to these activities and its continuation should be approved without further delay.

3.1.4. Commission Response - The Commission is already taking steps to implement some of the recommendations regarding reduced data requirements. It supports the idea of using a simplified nomenclature which still reflects the majority of user needs without increasing the burden on enterprises also involved in external trade transactions. This simplified nomenclature should not exceed 7.000 positions and should be operational on January 1, 1998. It also agrees with the SLIM Team that the different frameworks for the collection of statistics should be examined. In particular, it has to be prepared to adapt legislation making it possible for Member States who wish to introduce the single-flow system for intra-Community trade statistics to do so, and will initiate studies of the two-tier approach and the possible applications of sampling to be completed by 1999.

3.2. CONSTRUCTION PRODUCTS

3.2.1. Background - The construction sector represents 9% of GDP within the Union and involves 2 million enterprises. Construction products legislation at Union level is unique in the sense that all construction products are regulated through a single Directive (the CPD), Directive 89/106 of 21.12.1988 on the approximations of laws, regulations and administrative provisions of the Member States relating to construction products⁵.

3.2.2. Problems - Regulating such a large sector of the economy through a single Directive was known from the beginning to be quite ambitious and its implementation to date has been unsatisfactory. The functioning of the Single Market through this Directive requires adoption of Technical Specifications, either Harmonised Standards or European Technical Approvals or recognised National Technical Specifications. Eight years after the adoption of the CPD, none of these are available, so that the Single Market in this sector has yet to become a reality.

3.2.3. Key points of the SLIM Team report - The SLIM Team put forward three options:

- Improvement of working procedures of the Commission and the European standardisation bodies for delivering Technical Specifications in particular with regard to Harmonised Standards: this option, which would not require any modification of the Directive, aims in a short time perspective to improve the procedures for its implementation.

⁵ OJ L40, 11.2.1989, p.12

- Abolish the compulsory link between the application of the Directive and the availability of Technical Specifications. This would allow industry to be able to start to put their products on the market with the CE marking on the basis of independent certification without reference to Harmonised Standards, as in other "New Approach" Directives.
- A two-stage option: improve working procedures as at the first point starting immediately and, in parallel, developing an action to bring closer together national regulations on construction works. (A comprehensive system of common standards for products would be more easily supported by common rules on construction works.) In the light of the progress made, the situation could be re-examined with a view to aligning the CPD with the principles of the "New Approach" or repealing it.

The SLIM Team points out that the first option would have the advantage of being able to be applied without delay. The second option would have the advantage of re-instating, for standards, the role of independent support to regulations, as conceived in the "New Approach". They comment, however, that there is little confidence in construction circles in a system built on direct compliance to essential requirements. The opening of a procedure for formal amendment of the Directive could also run the risk of reopening discussion of the text beyond the initial intentions and result in a period of juridical uncertainty. Finally they point out that the third option provides a solution of short term measures which are likely to accelerate the implementation of the CPD while at the same time providing a new basis for future achievements with regard to a complete and coherent system for the construction sector as whole.

The Team comments that simplification of procedures, as envisaged under SLIM, and the thereby reduced burden on manufacturers, is probably more evident in the second and third options.

3.2.4. Commission Response - The Commission will come forward with proposals along the lines of the report of the team. It intends to pursue the suggestion consisting of a combination of short term measures which are likely to accelerate the implementation of the Construction Products Directive and longer term measures, providing a new basis for future achievements with regard to a complete and coherent system for the construction sector as a whole.

3.3. RECOGNITION OF DIPLOMAS

3.3.1. Background - Seven sectoral Directives governing doctors, nurses responsible for general care, veterinary surgeons, dental practitioners, midwives, architects and pharmacists, were adopted between 1975 and 1985. With the exception of the Directive governing architects, these Directives lay down minimum common standards of education and training for the profession concerned and contain lists of national diplomas which meet these common standards and as a consequence benefit from automatic mutual recognition. For architects, the Directive lays down certain criteria which must be met in order for a diploma to benefit from mutual recognition; however, Member States may continue to award diplomas in the field of architecture which do not meet these criteria and, as a result, fall outside the scope of the recognition provided for in the Directive.

3.3.2. Problems - The sectoral approach, which creates a certain European profile for education and training, obliged many Member States to amend national legislation governing access to the professions concerned and in some cases (for example, dentists in Italy and Austria) it required the creation of a profession which had not previously existed. The sectoral Directives may also impede reform at national level, when the changes envisaged would render national rules incompatible with the rele-

vant Directive. This was one of the reasons which led the Community to adopt a new approach to recognition of diplomas - the general system - which leaves to Member States the decisions as to the appropriate level and structure of education and training and the need for regulation. However, the general system, unlike the sectoral Directives, does not offer the migrant a guarantee of automatic recognition.

In addition, the need to keep the agreed common rules on education and training under review resulted in the creation, for each sectoral Directive, of an Advisory Committee. These committees, which are currently composed of 45 members, place a considerable administrative burden on the Commission. They issue recommendations and opinions addressed to the Member States and also advise the Commission as to whether amendments to the Directives are necessary; in practice, few of their recommendations for changes to the Directives have met with the approval of the Member States.

3.3.3. Key points from the SLIM Team report - The SLIM Team favoured the retention of sectoral directives for individual professions where they already exist; however, a majority of the Team proposed that it would be appropriate for the Commission to re-examine the question of a transfer to the general system following the 1999 review. They considered that the formulation of the education and training provisions of the sectoral directives should be re-examined with a view to moving to competency based criteria which place more emphasis on the outcome of the education and training than on rigid rules governing contents. The Team also put forward options for reducing the administrative burden and costs of running the system, currently 1.5 Mecu annually, through a streamlining of the Advisory committees concerned.

3.3.4. Commission Response - *The Commission will come forward with proposals in 1997 to streamline the working of the Advisory Committees and to simplify the updating of lists of diplomas eligible for automatic recognition. It intends to pursue the suggestion that a more output-oriented approach to the definition of education and training requirements should be introduced in the context of a review of the education and training requirements of the nurses' directive. It will also undertake an examination of the possible transfer of the professions concerned to the general system following the 1999 review.*

3.4. ORNAMENTAL PLANTS

3.4.1. Background - The Community rules on the marketing of ornamental plant propagating material and ornamental plants are contained in Directive 91/682/EEC and implementing measures made thereunder. This Directive set out minimum quality standards and conditions at Community level with supporting accreditation procedures and documentary evidence.

3.4.2. Problems - Due to its hurried adoption at the end of 1991, there are various inconsistencies in the text which have given rise to problems of interpretation for Member States when transposing and implementing the legislation. Furthermore, several Member States had asked the Commission to review the Directive in certain areas as its scope was not clear, nor the extent of some of the exemptions. In an attempt to overcome these problems, the Commission issued an Interpretative Note to Member States in 1994 on those provisions which had caused most difficulty. However, this was not sufficient to ensure rapid and uniform implementation by Member States. Finally, due to the difficulties outlined above, the Commission has not been able to develop further implementing measures required by the Directive.

3.4.3. Key points from the SLIM Team report - While some members of the SLIM Team - those who were commercial growers - severely doubted the need for Commu-

nity measures in this sector, there was general agreement that the Directive could be amended to clarify it and to lighten the administrative burden on both suppliers and Member State authorities. The Team recommended that the scope of application of the Directive - in terms of who should be regulated by it - should be clarified and that there should be differing forms and degree of control at different stages of the production/distribution process. The list of species covered should be determined by reference to their economic importance, with a possibility for Member States to be released from having to set up an infrastructure for species they do not normally produce or market. The rules regarding the denominations of varieties under which material is marketed should be redrafted and clarified and the implementing Directive 93/78/EEC should be abolished. Efforts should be made to ensure more coherence between the Ornamental Plants Directive and the Plant Health Directive, and the concept of equivalence as applied to third countries should be reviewed.

3.4.4. Commission Response - *The Commission will come forward with proposals by May 1997. These proposals will be based on a thorough examination of the different options put forward by the SLIM Team.*

4. **The need for national initiatives on simplification and improvement**

The SLIM Teams in the pilot project found that, by and large, they were unable, in the time available, to focus on the needs for simplification at national level (although the national Intrastat systems had previously been evaluated on the basis of a detailed questionnaire). However, they were conscious of the importance of this dimension of the problem: the diplomas Team, for example, recommended that "the administrative and legal formalities with which some Member States surround the recognition procedure should be further investigated with a view to their removal or simplification and clarification". This serves to underline the view that has frequently been expressed by representatives of business in the Community, that the burden of legislation is felt to be greater at the national rather than at the Community level. While the Commission continues to strive for simpler Community legislation, action is needed in the Member States too. In keeping with the Council resolution of 8 July on legislative and administrative in the internal market, the Commission will be promoting exchanges of views within the Internal Market Advisory Committee on such national actions.

ANNEX 1A - INTRASTAT - Summary of SLIM Team recommendations

REDUCED OR SIMPLIFIED DATA REQUIREMENTS

The removal of the requirement to report certain information, such as net mass for selected products, mode of transport and certain data which at present is collected at the option of the Member States (e.g., port of loading/unloading, region of origin and destination etc); a change to more business-friendly ways of declaring some information; and an extension of the deadline for the INTRASTAT declaration.

NOMENCLATURE

Introducing the idea of Harmonized System-6+ as commodity nomenclature in Intrastat the SLIM team emphasises the need for a **substantial reduction in the present commodity nomenclature** allowing a limited number of subheadings to be introduced to cover specific user needs. This will bring the number of subheadings down from the present 10.500 to approximately 6.500 - 7000. The selection of these additional subheadings should be the responsibility of a joint committee with representatives of sectoral federations, Member States and Commission services. The use of HS6+ will be optional to the declarants, who may continue to use the CN. The detailed results on intra-Community trade will, however, only be made available according to HS6+. The HS6+ nomenclature would also allow comparisons to be made with the extra trade statistics and will cover international trade statistics recommendations. The SLIM Team also recommends reducing the number of updates to ensure stability.

COLLECTION SYSTEM FRAMEWORKS

The SLIM Team did not see much advantage in introducing sector or branch defined **thresholds**, and pointed out that a single EU threshold would cause problems because of the different economic conditions and business structures in Member States. Some refinement might be envisaged, however, for example, by allowing firms just over the threshold to report less frequently.

A **two-tier system** could be envisaged under which only aggregated data needed for balance of payments and key indicators on trade balance would be collected on a monthly basis, while more detailed data would be collected only quarterly or even less frequently. The SLIM Team recommends studying the implications of such a system for alleviating burdens on firms and its technical feasibility.

Sampling could be used as a basis for collecting aggregated trade figures and could be used in conjunction with the other frameworks described.

A **one flow** system, based only on export data, could reduce the number of firms having to report from the present 430.000 to between 200.000 and 300.000. This radical solution would result in a significant reduction in burdens while making it possible to retain the present data elements, an advantage for users of the statistics. The one flow system could be combined e.g., with the two-tier system, and limited to the detailed figures, the aggregated figures still being collected in a two-flow environment. It could be envisaged, if confirmed by studies, that EU legislation should be adapted to offer the possibility of such a system being applied by only a group of Member States.

SUPPORT MEASURES

The increased use of **electronic declarations systems** should be actively promoted (adoption of the proposal to continue the EDICOM proposal would be a major contribution). Administration should provide as much **help and guidance** as possible for declarants. Statistical information based on their declarations should be returned to declarants to strengthen their interest in the exercise and improve the motivation of enterprises regarding compliance with statistical requirements.

ANNEX 1B - CONSTRUCTION PRODUCTS - Summary of SLIM Team recommendations

IMPROVEMENT OF WORKING PROCEDURES

The improvements envisaged include the **simplification of standardisation mandates** issued by the Commission to the standardisation bodies. One solution could consist in structuring the mandates in such a way that detailed technical elements which are at the moment contained in some mandates could be provided by standardisation experts. Such simplification is only possible if the **capacity of CEN to coordinate its work** and technical issues is reinforced. **Acceleration of procedures for producing mandates and standards** would result from the simplification of mandates, by making for quicker consultation of the relevant Committees. High priority should also be given to the completion of European test method standards. The **interim publication for information of European standards** on test methods adopted and part of future Harmonised Standards on the one hand gives greater visibility of progress made in European standardisation and, on the other hand, gives industry the possibility to start to use the results of the efforts they have made in participating in the work of standardisation.

ALIGNMENT OF THE CPD WITH THE CRITERIA OF "NEW APPROACH" DIRECTIVES

To achieve this objective the Directive would need two specific modifications in its main requirements: one **changing the status of Technical Specifications**, which would lose their role as the unique means of fixing the CE marking and another **giving the Interpretative Documents**, and possibly other technical elements retained in mandate which cover some characteristics given in standardisation mandates, **the equivalent status of essential requirements**. Under this option, industry would have the possibility of putting their products on the market with the CE marking, declaring conformity to standards or to parts of standards already published and, for characteristics not yet covered by standardisation, directly to the essential requirements.

This option would entail the eventual necessity to add new elements with regard to some aspects of the Interpretative Documents: a **global decision on attestation of conformity** covering the intended use of all the 40 families of products covered by the CPD and **adoption and publication** as Harmonised Standards of the **parts of standards requested by mandates available from CEN**. Such publication permits manufacture to make use of CE marking, combining conformity to European standards and direct compliance with essential requirements for characteristics not yet covered by standards.

Finally, the adoption of this option would allow, at the same time, a **re-examination of the field of application of the CPD**, to see whether it was possible to exclude certain products already mainly covered by other Directives

AN OPTION IN TWO STAGES

Through the development of Eurocodes and common regulations on fire issues, there is a good chance that in the future the **legal framework for construction works** could, to a certain extent, be harmonised for Member States. This would rely on the possibility of transforming the Eurocodes which are experimental standards (ENV) into European standards (EN). It also relies on the possibility of using, in practice, the Eurocodes as they are now, for construction works and civil engineering works. The adoption of the European systems of classification of products vis-à-vis the risks of reaction to fire and resistance to fire could also serve as the basis for common rules for buildings and support for common standards for products. However, these developments will both need time and the elaboration of test standards to support them. There is, therefore, the possibility that the basic rules for buildings could have a common basis between Member , which could permit the two-stage option described at the third bullet point in para. 3.2.3.

**ANNEX 1C - RECOGNITION OF DIPLOMAS -
Summary of SLIM Team recommendations**

GENERAL

The sectoral directives examined by the Team should be retained but the operation of the Advisory Committees linked to the Directives should be improved and simplified.

RECOGNITION ISSUES

The sectoral directives offer greater legal security to migrants than the general system and are easier for Member State administrations to operate. However, the general system, although implying more work for national administrations on individual cases, operates effectively once administrations have built up some experience in dealing with requests for recognition. A majority of the Team considered that **the Commission should re-examine the question of a transfer of the professions into the general system** following the review in 1999 of Directive 92/51.

The team emphasised its concern that the simple procedures for recognition provided for in the sectoral directives are frequently complicated by additional administrative and legal requirements at national level, which are time-consuming, expensive and confusing for the migrant. These should be reviewed with a view to their removal or *simplification and clarification*.

EDUCATION AND TRAINING

While the directives have made a positive contribution to education and training, the approach of setting out minimum requirements in the form of detailed lists of subjects was considered outdated by some members of the Team. The Team considered that the formulation of the education and training provisions of the sectoral directives should be re-examined with a view to moving to **competency based criteria** which place more emphasis on the outcome of the education and training than on rigid rules governing contents.

THE WORKING OF THE ADVISORY COMMITTEES

The **method of appointing Advisory Committees should be simplified**: instead of the appointments being made by the Council, they should be made by each Member State notifying their choice to the Commission. **The current three year term of office should be extended** to improve continuity. **The composition of the Advisory Committees** (45 members at present, which could become 75 after the next accession) should be re-examined. Finally, the Team puts forwards suggestions for *improving the working methods* of the Committees.

**ANNEX 1D - ORNAMENTAL PLANTS -
Summary of SLIM Team recommendations**

THE NEED FOR THE DIRECTIVE

The views of the Team were **sharply divided on the need for the directive**. Some Members of the Team felt that there was a need for the directive to secure free movement and ensure minimum quality standards throughout the Union. Others felt strongly that market forces and general consumer protection or private contract law were sufficient. At most, these Members would favour an **optional regime** which would give producers choosing to subject themselves to it the right to use an EC quality label on their material. However, there was general agreement that, assuming retention of the Directive, **the administrative burden should be reduced** on the lines indicated below.

WHO SHOULD BE CONTROLLED BY THE LEGISLATION?

There should be **differing forms and degrees of control at different stages of the production/distribution process**, depending on the likely potential of the supplier to influence the quality of the material. If this approach were followed, the definition of "supplier" would have to be amended.

LIST OF SPECIES

The list of species **should be determined by reference to their economic importance** with the possibility for Member States to be released by way of a Community procedure from setting up a control infrastructure for species not normally produced on their territory. For seeds, the schedule under Article 4 of the directive should be reconsidered to take account of the declaration in the Council minutes at the time of its adoption that **seeds would only be included if there was a meaningful connection between their quality and that of the other propagating materials** deriving from them.

VARIETAL AUTHENTICITY

Article 9 of Directive 91/682/EEC envisaged material being marketed with a reference to either the variety or group of plants to which it belonged. **The team was divided as to whether Article 9 should be retained**. Some were strongly in favour of keeping Article 9 (redrafted to be made more clear) and regarded it as essential in order to protect the consumer and to be used as a basis for labelling. Others were not in favour of retaining it but felt that if it were kept it should be simplified only to oblige the supplier to provide varieties which were true to name and true to type. So far as Directive 93/78/EEC (the implementing measure under Article 9) was concerned, there was a clear majority in favour of repealing it altogether. It was too prescriptive and the reference in Article 9 to "accepted international guidelines" was regarded as sufficient.

INTERRELATIONSHIP WITH DIRECTIVE 77/93/EEC (PLANT HEALTH)

Although there was no incompatibility between similar provisions in both directives and, indeed, considerable similarity, **further efforts should be made to ensure coincidence** whilst recognising that the aims of the two directives were different.

THIRD COUNTRY EQUIVALENCE

The provisions of the directive on the concept of **equivalence** as applied to third country imports should be reviewed.

Financial Statement

1. TITLE OF OPERATION

Simpler Legislation for the Internal Market (SLIM) Pilot Project (implemented by the establishment of working groups known as "SLIM Teams").

2. BUDGET HEADING CONCERNED

A 250: Meetings and convocations

3. LEGAL BASIS

Articles 3c, 7A, 100A of the Treaty

4. DESCRIPTION OF THE OPERATION

4.1. Objectives

The Pilot Project carried out from June to November 1996, resulted in concrete suggestions about ways in which legislation in four areas could be simplified. These are INTRASTAT, construction products, mutual recognition of diplomas, and ornamental plants. It is now proposed to continue the exercise in further sectors. The purpose of this simplification is to improve the competitiveness of business and its employment-creating potential by ensuring that over-complicated regulation at Community or national level does not impede its effective participation in the Single Market.

4.2. Duration

The next phase will be carried out in 1997, with the possibility of further phases in later years.

5. CLASSIFICATION OF EXPENDITURE/REVENUE

5.1. Non-compulsory expenditure

5.2. Differentiated appropriations

5.3. Nature of revenues: Not applicable

6. NATURE EXPENDITURE/REVENUE

6.1. Nature of expenditure

Meeting expenses for the +/- 40 members of the SLIM teams (10 per team): 6 one-day meetings per team in Brussels.

6.2. Revenues

The pilot project is financed 100% by the Community budget.

7. FINANCIAL IMPACT ON THE OPERATIONAL APPROPRIATIONS

None.

8. ANTI-FRAUD MEASURES

Not applicable (apart from the verification of the expenses claimed for attendance at meetings).

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific quantifiable objectives, target population

- The pilot project aimed at making concrete suggestions about ways in which legislation in four areas could be simplified. The recommendations for simplification made by the SLIM Teams leads to a positive evaluation of the pilot project at this stage. Future SLIM reports will cover not only the sectors included in each successive phase but will evaluate progress in simplifying legislation which has been the subject of earlier exercises.
- Target population - The pilot project is targeted on the needs of businesses and professional people throughout the Community for clear, simple and proportionate regulation that allows them to exercise their Single Market rights without unnecessary restrictions or excessive expense. Small and medium-sized enterprises are particularly affected by compliance costs.

9.2. Grounds for the operation

9.2.1. Need for the budgetary intervention of the Community

- SLIM is designed to improve the operation of the single market by simplifying and improving some of the rules which govern it. The economic benefits to be expected from such simplification more than justify the intervention proposed.
- This action is to be seen in the light of the Commission's other activities with regard to the simplification and codification of legislation (see the report to the European Council of December 1995, "Better Law-Making").

9.2.2. Choice of the method of intervention

- The choice of the "SLIM team" approach, which brings together the Commission, a small number of Member States and representatives of those affected by the legislation in small working groups is dictated by the need to bring together the different perspectives of those involved with enforcing the legislation and those affected by it. The teams are deliberately small in order to facilitate a genuine exchange of views which may be more difficult in larger and more formal groups to facilitate rapid progress.

9.2.3. Main factors of uncertainty which could affect the specific results of the operation

- The size of the groups, the choice of members, the sectors chosen and the deadline imposed are all factors that may influence the outcome.

9.3. Monitoring and evaluation of the operation

9.3.1. Performance indicators

- See 9.3.2.

9.3.2. Methods and frequency of the evaluation foreseen

- For the pilot project, progress was reported periodically to a Group of Commissioners and the Commission may decide to continue this arrangement.

- Progress will also be reported to the Internal Market Advisory Committee and to the sectoral committees concerned.
- Within the Commission, the services responsible for the different SLIM teams and other interested services concerned will meet to review progress and compare experiences in the operation of the exercise.
- Reports will be submitted to the Internal Market Council and the European Council will also be informed of the results obtained.

9.3.3. Assessment of the results obtained

- The results obtained are the subject of reports to the Council, as mentioned above. The key element in the evaluation of the exercise is the degree to which it is possible to arrive at concrete recommendations and subsequent action on simplification by the Community institutions on the basis of these recommendations.

9.4. **Coherence with financial programming**

SLIM has not been specifically included in the Draft Budget for 1997 as it was not possible to pre-judge the results of the pilot project. It has proved possible in the case of the pilot project to finance the exercise from the envelope provided for the sectors in question. A specific provision for SLIM will be proposed for 1998.

10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)

The provision of the required administrative resources is dependant upon the annual decision of the Commission concerning the allocation of resources, taking particular account of the extra personnel and financial resources made available by the budget authority.

10.1. **Effect on the number of posts**

Type of post		Staff to be assigned to managing the operation		Source		Duration
		Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	1997
Officials or temporary staff	A	1		1		
	B					
	C					
Other resources						
Total		1		1		

10.2. **Overall financial impact of additional human resources**

	Amounts (ecus)	Method of calculation
Officials		
Temporary staff		
Other resources (indicate budget heading)		
Total		

The expenses related to human resources required for the completion of this action will be made available upon mobilisation of existing resources:

Officials (titles A1, A2, A4, A5): 100.000 ecus

10.3. Increase in other administrative expenditure as a result of the operation

Budget heading	Amounts (ecus)	Method of calculation
Total		

The number of SLIM Teams in any given year will depend on future decisions of the Commission. The following calculations assume 4 Teams per year.

The total expenses for 4 SLIM teams come to 180.000 ecus.

All expenses relate to **A 250 - Meetings and convocations** and will be met by the mobilisation of existing resources. They will be shared by the responsible services, each service covering the expenses of the SLIM Team for its area of responsibility.

The annual cost may be estimated as follows:

4 SLIM Teams x 6 one-day meetings = 24 meetings

• 24 x 5 government experts = 24x5x695 ecus (average cost) = 83,400 ecus

• 24 x 5 private experts = 24x5x804 ecus (average cost) = 96,480 ecus

TOTAL: 179,880 ecus,
say **180,000 ecus**