



NÆRINGS- OG HANDELSDEPARTEMENTET

*Ministry of Trade and Industry*

Simplifying Norway Action Plan 2005–2009

# Streamlining and Facilitation for Trade and Industry





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## Preface



The value we create within trade and industry forms the main basis for public and private welfare. Businesses should therefore spend as few resources as possible on administrative burdens, and more time on creating value. In order to attain such objective, it is necessary to pave the way for an uncomplicated and not unnecessarily costly regulatory framework, and for good public services. Streamlining and facilitation for trade and industry is therefore a key feature of the Government's modernisation effort, and a chief industrial policy concern for the Government.

Since the Action Plan for Simplifying Norway was launched in 2002, the Government has completed a large number of large and small simplifications to regulatory frameworks and schemes affecting trade and industry. I can promise that those measures which have not yet been implemented are being pursued by the relevant Ministries, and we will prepare a status report for these measures already this autumn.

I believe that now is the time to look ahead and focus on some overarching goals for the coming four-year period. This Action Plan therefore sets out more general areas of commitment, with specific objectives and milestones for follow-up.

We need to achieve reductions in the costs of trade and industry that really make a difference to businesses. The Government therefore defines a goal for the simplification effort of reducing the administrative costs incurred by trade and industry in complying with regulatory frameworks by 25 percent within the end of 2012. The Government thereby signals that it is both necessary and possible to carry through an all-out effort within this area.

The internationally recognised Standard Cost Model renders possible a detailed mapping of the administrative costs of trade and industry. This method will assist us in identifying better and more targeted simplification proposals, and in measuring the outcome of our efforts, hereunder in relation to those of other countries.

Several surveys conclude that trade and industry sees the changeover to electronic reporting as an important simplification. We will build further on the success achieved by Altinn as a tool for reporting from trade and industry to the public sector. Altinn shall by the end of 2008 be where trade and industry can find all services from the public sector - electronically.

An ever-increasing part of our regulatory framework is internationally based. The Standard Cost Model enables us to make comparisons which can offer us useful suggestions for measures we can implement in Norway. This plan therefore provides a broad-based review of international efforts. The objective must be for Norway to retain its position in the upper echelon internationally in terms of having the most well-adapted regulatory framework possible, which requires the minimum compliance resources possible on the part of businesses.

Oslo, 16 June 2005

A handwritten signature in black ink that reads "Børge Brende". The signature is written in a cursive, flowing style.

**Børge Brende**  
Minister of Trade and Industry

# Contents

<b>1. Introduction</b> .....	5
1.1 Overarching objective.....	5
1.2 Status and challenges .....	7
1.3 Goal of the effort.....	8
<b>2. Altinn – trade and industry’s gateway to public services</b> .....	11
2.1 Introduction .....	11
2.2 Status and challenges .....	11
2.3 Goals .....	13
2.4 Measures.....	14
2.5 Further development of Altinn .....	15
<b>3. Good basis for decision-making</b> .....	19
3.1 Introduction .....	19
3.2 Status .....	19
3.3 Goals .....	20
3.4 Measures.....	20
<b>4. Well-targeted simplification measures</b> .....	23
4.1 Introduction .....	23
4.2 Status .....	23
4.3 Goals .....	25
4.4 International network .....	26
<b>5. Systematic user participation</b> .....	27
5.1 Introduction .....	27
5.2 Principles governing user participation .....	27
5.3 A continuous process.....	28
5.4 User participation in practise.....	29
<b>6. Simplification in an international perspective</b> .....	31
6.1 Introduction .....	31
6.2 The effort to reduce administrative costs .....	32
6.3 Simplification of the EU/EEA regulations .....	32
6.4 The EU’s ”tools” in designing a new regulatory framework .....	33
6.5 Norwegian contributions to simplification of the EEA regulations .....	34
6.6 Norwegian participation in the regulatory simplification efforts of the EU and the OECD.....	34
<b>Supplement</b> .....	37
Overview of the simplification effort within some specific areas	

# 1. Introduction

## 1.1 Overarching objective

The goal of industrial policy is to facilitate the highest possible value creation within the Norwegian economy. Thereby is provided a good basis for welfare in Norwegian society. Norway as a nation is facing considerable challenges in coming years in terms of maintaining its present level of welfare. Expenditure on public services is on the increase. Government revenue from the petroleum sector will decline in the long run.

Industrial policy needs to be comprehensive and adopt a long-term perspective. One aspect of this comprehensive approach is the Government's effort at streamlining and facilitation for trade and industry, to free up businesses to devote as much of their time as possible to developing and creating value. Regulatory frameworks and reporting requirements shall not be perceived as a barrier to starting up or developing business ventures. This enables us to protect and continue to develop our current welfare society.

The Government's objectives within this area remain the same: Norwegian regulatory frameworks shall require the minimum possible compliance resources, and shall represent a competitive advantage to businesses based in Norway. Favourable and predictable conditions for business provide a good basis for innovation and value creation.

Streamlining and facilitation requires a complex and long-term effort. There are many pieces that fit together, and which need to be included for us to achieve good overall results. The effort of streamlining and facilitation for trade and industry will be pursued tirelessly. *We can always get better.* This is therefore a continuous effort on many fronts – large and small.

The objectives of this Action Plan are to

1. improve trade and industry's encounter with the public sector; and
2. free up resources on the part of trade and industry as a result of a more user-friendly and streamlined public sector.

We will in this Action Plan accord priority to certain main areas for the effort ahead. These are areas within which there is a need for an overarching drive; for coordination and cooperation across the public administrative structure and across regulatory areas. These needs have also been emphasised by users.

The Action Plan must be read in the context of *Modernisation for Welfare – The Government's Action Plan for Modernisation 2005-2009*, of the *eNorway Plan 2009 – The Digital Leap*, and of the *Status Report on the Government's Innovation Policy*, which will all be launched in the summer of 2005.

### **Previous efforts at streamlining and facilitation for trade and industry:**

*Making it Easier to Start Up and Run a Business in Norway.* The Government's Action Plan for Small Businesses 1999 – 2002 (1998)

Objectives were, *inter alia*:

- Cutting red tape.
  - Improving conditions for the recruitment and use of manpower.
  - Making public sector information more user-oriented and more accessible.
- About 48 different measures. Semi-annual reporting.

*The Simplifying Norway Programme* (1999/2000)

Objectives were, *inter alia*:

- Making it simpler for individuals, as well as trade and industry, to interact with the public sector. Modernising public administration.
- Streamlining rules and administrative regulations, with a special emphasis on rules which affect trade and industry. Unnecessary details and overlapping regulations to be eliminated

About 105 individual projects/measures.

*Streamlining and Facilitation for Trade and Industry.* The Government's Action Plan for Simplifying Norway + Plan of Measures (2002)

122 measures, and 5 priority areas:

- Impact assessments
- Electronic reporting
- The HES area
- Planning and building law
- Follow-up of the Administrative Regulations Cleanup Effort

*Streamlining and Facilitation for Trade and Industry.* The Government's Action Plan for Simplifying Norway – Status Report 2003, including a new Plan of Measures and Report of Achievements (2003).

Continued the areas of commitment from 2002.

*Streamlining and Facilitation for Trade and Industry.* The Government's Action Plan for Simplifying Norway – Status Report 2004, including a new Plan of Measures and Report of Achievements (2004).

New areas of commitment:

- eServices for trade and industry
- Measurement of the burdens imposed by regulatory frameworks
- User participation



## 1.2 Status and challenges

What is the goal?	What has been done?	What are the challenges now?
A well-structured and accessible body of statutes	The Legislative Structure Committee. Lovdata available free of charge. Consolidated regulatory framework. Norway at the forefront internationally	
A well-structured and accessible body of administrative regulations	Administrative Regulations Cleanup Effort. Cleaning up Lovdata. Lovdata available free of charge. Competency centre for administrative regulations to be established in 2005. Increased follow-up examination, use of "sunset clauses" in regulatory frameworks	<ul style="list-style-type: none"> <li>• Major restructuring measures underway – need to be completed</li> <li>• Rule that administrative regulations not published through Lovdata cannot be invoked against someone: to come in 2005</li> </ul>
Uniform identification of legal entities	The Central Coordinating Register for Legal Entities. From 1 July 2005, all government bodies required to use data from the Central Coordinating Register for Legal Entities	<ul style="list-style-type: none"> <li>• Ensure best possible use of organisation number and basic data</li> </ul>
Reducing the burden of reporting from trade and industry to the public sector	<ul style="list-style-type: none"> <li>• Overview and coordination of overlapping reporting: The Register of Reporting Obligations of Enterprises</li> <li>• Simplified reporting (electronically): Altinn</li> <li>• Reducing the burden on trade and industry from filling in central government forms by an average of 60 person-years annually</li> </ul>	<ul style="list-style-type: none"> <li>• Develop Altinn further</li> <li>• Central government ICT coordination</li> <li>• Reducing the burden on trade and industry from filling in central government forms by at least 60 person-years annually</li> </ul>
Map all consequences for trade and industry of proposed government measures, reforms, regulatory frameworks	The Instructions for Official Studies and Reports, setting out rules on consultation rounds, etc. Establishment of Orakel and expert panel.	<ul style="list-style-type: none"> <li>• Training and competency building</li> <li>• Promoting attitude change</li> <li>• Develop Orakel further as a competency centre</li> <li>• Use the expert panel</li> <li>• Active user participation: genuine user participation at all stages of the process</li> </ul>
A simpler regulatory framework	The Commercial Law Committee – in operation for 12 years. A number of proposals/measures completed/underway. Simplifying Norway-Plans of Measures, etc.	<ul style="list-style-type: none"> <li>• Identifying the useful/correct measures; those that are best suited to reducing the administrative costs of businesses</li> <li>• Influence international regulatory frameworks</li> </ul>
A business-friendly public sector	Service declarations with processing targets. Some electronic services. Increased reporting via Altinn	<ul style="list-style-type: none"> <li>• Time-limits for the processing of cases within several areas</li> <li>• Electronic, coordinated services: Altinn as a fully-fledged service portal</li> </ul>
Norwegian regulatory framework to be perceived as a competitive advantage on the part of businesses located in Norway	Systematic effort over many years; have useful and internationally unique tools to assist the simplification effort	<ul style="list-style-type: none"> <li>• Maintain position in the upper echelon internationally</li> </ul>



### **1.3 Goal of the effort**

The goal of the Government's effort at streamlining and facilitation for trade and industry is to reduce the administrative costs incurred by trade and industry in complying with regulatory frameworks by 25 pct. by the end of 2012.

Such a reduction allows the private sector to devote less time and resources on gathering information and reporting to the public sector concerning its activities. This will again free up resources that can instead contribute to increased value creation within the private sector.

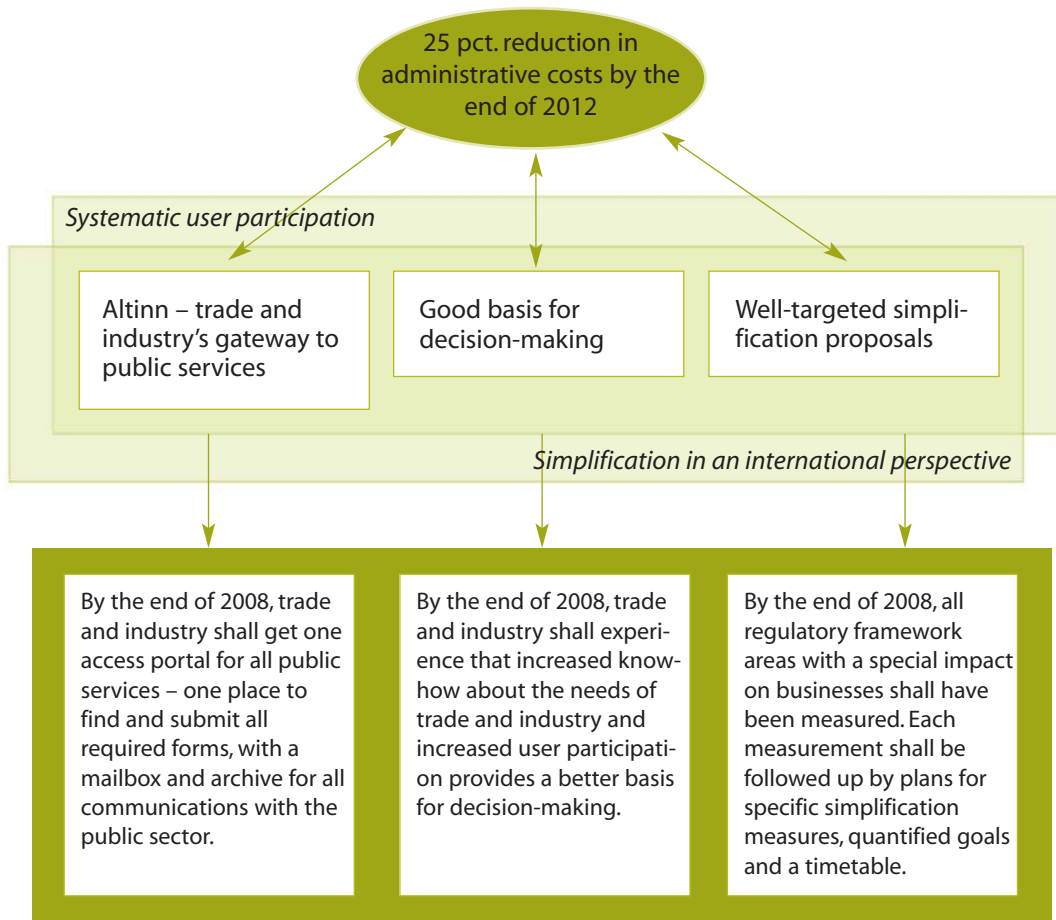
Analyses carried out at the behest of Dutch authorities show that a corresponding reduction in administrative costs could increase GNP in the Netherlands by about 1.5% in a 15-year perspective, as a result of increased innovation, competitiveness and production on the part of trade and industry.

There is in Norway a considerable potential for reducing the time and resources spent by businesses on complying with the government regulatory framework. This is demonstrated by, amongst other things, the surveys that have been carried out of the regulatory framework (Value Added Tax and excise duties), the introduction of electronic reporting and the Orakel effort.

The Standard Cost Model is a method enabling us to measure the administrative costs incurred by trade and industry, and to identify particularly burdensome regulatory framework areas. The method is well tested internationally, and the findings will be used in the effort to develop specific simplification measures and as a basis for quantifying the benefits from the implemented measures.

Trade and industry is governed by regulatory frameworks that differ from each other both in scale and complexity. The size of the simplification potential, and how much of a reduction can be expected within each regulatory framework area, will vary, also for the reason that a number of measures and administrative simplifications for trade and industry have already been implemented. The quantitative goal of a 25 pct. reduction in administrative costs refers to compliance with the overall regulatory framework governing trade and industry.

Main aspects of the Action Plan for Simplifying Norway 2005-2009:



## PRINCIPLES GOVERNING THE SIMPLIFICATION EFFORT

Most Norwegian business ventures are small. Regulatory frameworks, reporting systems and other administrative services must be designed such as to be *suitable for small businesses*. This will also result in a simple regulatory structure for larger businesses.

### **Principles governing the redrafting of regulatory frameworks**

- All costs imposed on trade and industry by the regulatory framework shall be justifiable in terms of the benefits to society
- Regulatory frameworks shall at all times be updated and reflect real needs
- Regulatory frameworks shall be designed to make it feasible for trade and industry to comply, both with individual regulations as well as with the overall regulatory burden

### **Principles governing the reduction of the reporting burdens on trade and industry**

- Government shall never request more information than what actually is used
- Businesses shall never have to report the same information more than once
- Government shall offer the simplest possible method of reporting
- There shall be a reasonable balance between government's benefit from such reporting and the burden placed on the business in question

### **Within the public sector we shall aim for**

- trade and industry to experience public administration as well-organised and non-bureaucratic, and Norwegian provision of public services as a competitive advantage internationally
- the best possible cooperation in the interaction between the public sector and trade and industry

### **Principles governing user-orientation**

- The public administration shall know who users are, and as early as possible in the process involve those who are particularly affected
- Users shall experience that they get heard in cases of consequence to them

## 2. Altinn – trade and industry’s gateway to public services

– a strategy for good and user-friendly governmental electronic services for trade and industry

### 2.1 Introduction

The Government’s vision is for Norway to be at the forefront internationally when it comes to offering electronic services from the public sector. User-friendly electronic services directed at trade and industry contribute to simplifying the everyday existence of businesses in a number of areas. They improve the interaction between the private and public sectors, and free up time for value creation on the part of businesses. Users can initiate the required interaction with the public administration *when* it suits them and *where* it suits them.

Trade and industry shall get a joint portal for electronic services from the public sector. This shall be developed on the basis of the current Altinn ([www.altinn.no](http://www.altinn.no)). Altinn shall be developed further as a tool for realising the objectives of electronic communication between the public sector and users, and efficiency and coordination benefits on the part of both the public and the private sector.

The strategy encompasses electronic services from the public sector to trade and industry, from both the central and local government sectors. The Norwegian Association of Local and Regional Authorities (KS) is actively pursuing a coordinated and swift development of local government electronic services. Moreover, it is a joint objective of the Government and KS for local government services directed at trade and industry to be available via Altinn as soon as possible, in addition to being available via the website of the relevant municipal administration.



The goals of an overarching *strategy* for the development of electronic services directed at trade and industry are to ensure coordinated services, to keep up the pace of development, and to ensure that developments are in line with the wishes and needs of businesses. In order for users to elect to make use of the solutions, these have to be user-friendly and adapted. Only then will the effort bring pay-off in the form of efficiency gains on the part of the public sector and simplification on the part of trade and industry.

### 2.2 Status and challenges

Much has happened within this area recently. The most important example is Altinn, the joint reporting channel from trade and industry to the public sector. The large influx of users to Altinn demonstrates that setting it up was the right thing to do, and that it is important to develop it further. Just over one year of operation has seen almost 4 million transactions being submitted through Altinn by trade and industry.

## Usage of Altinn:



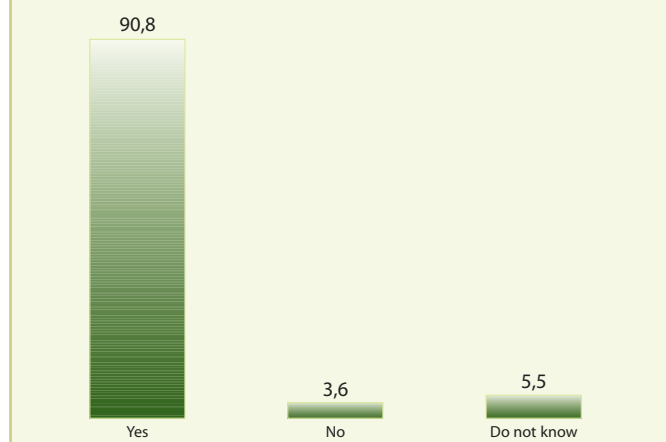
Total number of forms/filings from trade and industry: almost 4 million forms:

- Shareholder Register Form 2005: 62 pct. (as compared to 36 pct. in 2004)
- VAT Return, first period 2005: 46 pct. (increase each reporting period)
- Tax Return for businesses: approx. 40 pct. in 2004 – target of 60 pct. for 2005

Trade and industry needs different forms of electronic services in its interaction with the public sector, and the strategy therefore encompasses a wide range of different electronic services. A coordinated and user-friendly range of services for trade and industry calls for all of these types of services to be seen in context, to be coordinated, and to be made available through Altinn.

One important area of services is electronic reporting pursuant to statutory reporting requirements, such as income tax, VAT, etc. We have achieved a lot in this area through the current Altinn solution, but challenges still remain, particularly when it comes to making all forms available electronically and establishing a joint user interface. In addition, there are a number of other types of electronic services, such as electronic application forms, replies to applications, decisions, overview of the information registered about the business in public sector registers, etc. All these services shall feature two-way electronic communication. A third important type of services is electronic information services, hereunder, but not limited to, information concerning various subsidy schemes, general information regarding the public administration and regulatory framework information. Updating and quality assurance of such information must be effected in one place.

### Should it be possible to report all required forms through Altinn?



*A user survey shows that 9 out of 10 business executives who have used Altinn wish to submit all government forms there. The survey was carried out on behalf of Altinn, in December 2004, across 2,000 businesses.*

The development of new electronic services happens quickly, both because of technological development and because needs change within both the private and public sector. Consequently, a strategy within this area must be under constant development in order to accord with the need of the various players and the technical scope for new services.

To be able to provide user-friendly electronic services, the public sector needs to maintain a close dialogue with users throughout all phases of the development of electronic services. User participation is ensured through various existing user fora and designated workshops, and will continue to be emphasised when moving forward.

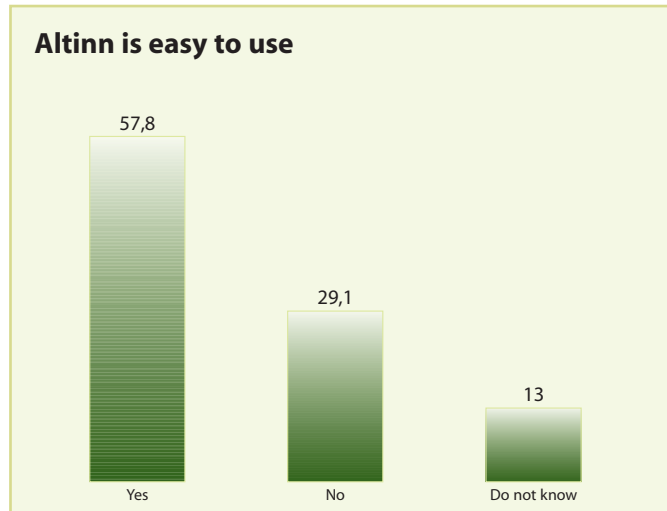
The strategy assumes that the joint public sector security portal is in place by the end of 2005. Certain public services require PKI-technology. The security portal shall offer a joint cost-efficient service for PKI-based log-on/authentication, electronic signature, etc., and ensure a coordinated roll-out of e-ID/e-signature within the public sector. The security portal will be an "invisible" portal for PKI-based log-on/authentication and, if applicable, signing for services offered through service portals, the websites of government bodies/municipal administrations, etc.

One will focus on cost-benefit analyses of potential savings from electronic dialogue between trade and industry and the public sector. These would have to demonstrate the consequences on the part of both trade and industry and the public sector. The main responsibility for carrying out such analyses lies with each government body. Joint solutions like Altinn and the Security Portal have a special responsibility for always offering services that are useful to both the public sector and to trade and industry, and for rendering these visible.

One of the main challenges, which may also give rise to the greatest savings, is the establishment of services across the current borders between different government bodies, relating to, for example, professional tasks within the business and coordination/integration with, for example, payment services. A prerequisite for such useful and cost-efficient cross-sectoral measures is that the public sector's ICT systems are able to interact with each other and with the internal IT systems of businesses. The pre-project report *Architecture for electronic interaction in the public sector* (June 2004), marked the launch of an important effort to ensure such interaction.

### **2.3 Goals**

- In 2008, 75 pct. of all reporting on the 15 most used forms shall take place electronically to the public sector
- In 2008, at least 30 pct. of the target group for other available electronic services shall make use of the electronic form of communication
- In 2008, 70 pct. of businesses shall be very satisfied or satisfied with governmental electronic services. User satisfaction surveys shall be carried out regularly



*The chart shows user satisfaction amongst a sample of business executives who have used Altinn. The survey was carried out on behalf of Altinn, in December 2004, across 2,000 businesses.*

#### **2.4 Measures**

- By the end of 2008, it shall be possible to complete all filing pursuant to statutory reporting requirements electronically via the Altinn solution

Milestones: By the end of 2006, 50 pct. of all forms shall be available via Altinn  
By the end of 2007, 75 pct. of all forms shall be available via Altinn

- By the end of 2008, all electronic services which require written communication between the public sector and trade and industry (such as application forms, etc.) shall be available via Altinn
- By the end of 2008, all businesses shall be offered the option of having replies to applications, decisions, etc., sent to an electronic mailbox at Altinn
- By the end of 2008, all information serving the needs of trade and industry for knowledge of public sector schemes, regulatory frameworks, etc., shall be adapted in a user-friendly manner for easy web-based search/retrieval. The information shall be unified and coordinated to enable trade and industry to easily locate updated and quality-assured information. General information shall be available at Altinn. Other information shall be accessible via good references/links from Altinn
- Electronic signature/e-ID shall be adopted in respect of all relevant electronic services
- Governmental electronic services shall to the extent possible be adapted and adjusted to the needs of each user, and hereunder be integrated with the internal specialised systems of users
- By the end of 2008, all forms from the public sector shall be based on a joint user interface. Guidelines for such a joint user interface (the Elmer principles) shall be developed in 2005

- Suppliers of existing electronic services shall regularly consider special measures to stimulate increased usage, such as, for example, extended time-limits for filing, swifter processing, lower fees, feedback in the form of statistics, etc. Such measures shall always be considered upon the introduction of new electronic services
- All electronic services shall, where possible, be pre-completed with basic data from the Central Coordinating Register for Legal Entities and utilise joint metadata from the Register of Reporting Obligations of Enterprises
- Information services shall to the maximum extent possible feature direct links to reporting services, application forms and other electronic services
- Relevant regulatory frameworks shall be reviewed to facilitate, to the maximum extent possible, efficient electronic interaction

## **2.5 Further development of Altinn**

In order to realise the overarching goals of Altinn as a user-friendly access portal for all electronic services directed at trade and industry, Altinn shall be developed further in the following manner:

### General requirements

- Both trade and industry as users and government bodies shall to the maximum extent possible achieve value added from using Altinn
- Trade and industry shall through Altinn receive, in a simple and convenient way, relevant and timely information regarding rights and obligations pertaining to each individual business
- The services offered through Altinn shall be presented in such a way that users do not need to know how the public sector is organised to locate and make use of the services
- Altinn shall facilitate access by users to information registered about them in government registers
- Altinn shall to the maximum extent possible facilitate easy access to supplementary services which are logically associated with the electronic services

### Measures promoting increased reuse of data

- Altinn shall facilitate the reuse of basic data. Users of Altinn shall be able to change basic data at the Central Coordinating Register for Legal Entities from all electronic services where basic data are used, provided that the user has been assigned the relevant role at the Register
- Altinn shall facilitate the reuse of information already in the possession of the public sector concerning a specific business (hereunder by pre-completion). The confidentiality of the information provider shall be ensured when information is reused, in relation to both third parties and non-authorised personnel at the company



- Altinn shall, when there is a need, facilitate distribution by trade and industry of electronic government certificates/documents (e.g. Certificate of Incorporation, Tax Certificate) to business associates, etc.

#### Secure and user-friendly functionality

- Altinn shall ensure that the user only needs to identify herself once to get access to all relevant services from Altinn
- Altinn and government bodies shall facilitate the issuance of reminders to businesses, through Altinn, in respect of all relevant time-limits for reporting
- Altinn shall develop the archive functionality further in line with the wishes of users. All filings via Altinn shall as a main rule be stored in the archive functionality
- Altinn shall facilitate the submission of questions directly to the responsible authority, and the electronic issuance of replies
- All services offered through Altinn shall state at least one point of contact for direct contact with the relevant responsible authority
- Altinn shall facilitate user-friendly help functions. In the longer run, the help functions should offer, amongst other things, direct and targeted guidance by linking data and telephone systems to cut response time and resource use for each enquiry
- Altinn shall be able to serve users in those languages in which forms are available: Norwegian (Norwegian Bokmål and Norwegian Nynorsk), Sami and English

#### **www.regelhjelp.no**

The website will convey industry-specific regulatory information to small and medium-sized businesses, from the Norwegian Labour Inspection Authority, the Norwegian Pollution Control Authority, the Directorate for Civil Protection and Emergency Planning, the Norwegian Industrial Safety and Security Organisation and the Norwegian Food Safety Authority. The website will be launched for ten industries in September 2005, and shall include 50 industries by the end of 2007.

#### **New virtual user portal for the policy instrument system**

The user portal shall be an interactive portal for policy instruments within research, trade and industry, regulatory frameworks, internationalisation and EU/EEA-related issues. It shall show users what sort of assistance they can get, without them having to know the relevant organisations or their focal areas. Has been proposed in connection with the reorganisation of the policy instrument system.

### **Bedin – business assistance for entrepreneurs and businesses**

www.bedin.no and its analogue sister service, the Narvik Business Hotline (800 33 840) are nation services available free of charge to entrepreneurs and businesses, intended to make it simpler to start-up and operate a business in Norway. Bedin/Narvik Business Hotline provide business-relevant and user-adapted information with links to primary sources. It also offers guides and document templates. The services is operated by VINN on behalf of the Ministry of Trade and Industry.

### **Spør OSS (“Ask US”)**

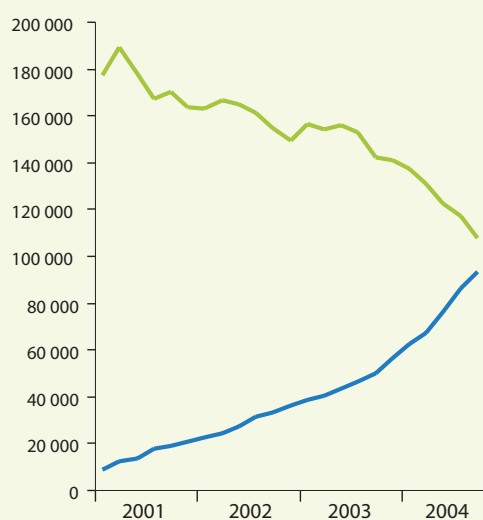
Spør OSS provides easy access to answers to difficult questions about starting and operating a business, with links to in-depth texts, statutory provisions and forms. The service is operated and updated by five central government bodies that are in frequent contact with trade and industry.

### **Lovdata**

The website www.lovdata.no provides access, free of charge, to updated laws, administrative regulations and new rulings from the Supreme Court and the Courts of Appeal. Also offers fee-based web-services for professional users, which provide access to regulatory frameworks, court rulings, decisions passed by various tribunals and committees, preparatory works and legal theory.

### **An ever-increasing number of businesses make electronic filings**

Number of submitted Value Added Tax Returns, on paper and electronically:



Kilde: Skattedirektoratet



## 3. Good basis for decision-making

– good decisions require a solid basis for decision-making, hereunder good impact assessments

### 3.1 Introduction

The Government believes that the major financial consequences of a proposal should always be satisfactorily explored. Thorough economic and administrative impact assessments shall form an important part of the basis for decision-making whenever new measures or regulatory framework are to be developed.

### 3.2 Status

When decisions regarding new regulatory frameworks and new services are to be made, it is important that those authorised to make such decisions are familiar with all aspects of the case. It has long been known that the assessment of economic and administrative consequences tends to be of varying quality. This is particularly the case when it comes to consequences for businesses and for the creation of value.



Insufficient assessment of financial consequences for trade and industry is not primarily caused by the absence of formal assessment requirements, but rather by actual compliance with such requirements not being entirely satisfactory. There are several reasons for this, but insufficient time, insufficient qualifications and insufficient demand for such assessments are important explanations.

This was the background against which the Government, in 2002, established Orakel<sup>1</sup> – a competency centre for impact assessments at the Ministry of Trade and Industry. The centre provides Ministries and other government bodies with assistance to ensure that the basis for making decisions about rules, measures and reforms is improved, and includes assessments of consequences for trade and industry. The centre provides factual information, guidance on methods, and contributes to the implementation of studies and analyses. The centre also provides training and makes presentations about the practical implementation of impact assessments, and develops tools for such use.

Several other Ministries have established competency and analysis units which have impact assessment work as their main remit. Moreover, in 2004 the Government appointed an interministerial expert panel for economic analysis; the Ministries' expert panel for economic impact assessments. The expert panel is a tool in the effort to improve the basis for decision-making in important cases, especially in cases where impact assessments require a high degree of professional economic competency, or the coordination aspect is of key importance.

<sup>1</sup> Orakel is an acronym for: Offentlige reformer - administrative konsekvenser - enklere lover ("Governmental Reforms - Administrative Consequences - Simplified Legislation").

The purpose of the expert panel is to strengthen the economic impact assessment work on the part of Ministries in connection with government reforms, amendments to rules and other measures. The expert panel shall be available to Ministries, and provide them with assistance. The offer of assistance from the expert panel is voluntary. The sectoral Ministries always remain responsible for the implementation of impact assessments. The core duties of the expert panel shall be to provide advice, guidance on approach and structure, quality assurance and referral to relevant specialists. It focuses on the correct application of specialist know-how and methods. The expert panel can also make contributions in the form of studies and analyses, but such contributions shall as a main rule be made on a limited scale.

The expert panel is not a measure targeted specifically at issues of business economics, but this general reinforcement of the competency of the Ministries concerning economic impact assessments is expected to be of considerable importance in increasing the quality of the analyses of the impact of regulatory frameworks and measures on trade and industry.

Increasing the effort devoted to studies aimed at improving the basis for decision-making in general, and the effort devoted to impact assessments regarding measures and new rules which affect trade and industry in particular, is in line with developments taking place internationally, not least within the EU. We refer to the discussion in Chapter 6.

### 3.3 Goals

By the end of 2008, all preparatory works and reports governed by the Instructions for Official Studies and Reports shall include necessary assessments of financial consequences for trade and industry. The Government will ensure that the principles stipulated by the Instructions for Official Studies and Reports are adhered to, and that certain minimum requirements are met.

**All impact assessments involving trade and industry shall, to the extent possible, include the following:**

- Clear specification of which groups within trade and industry may be affected
- Numerical specification of the scale of the affected interests
- Present key figures on the impact in terms of business economics, in order that these may be used, when possible, in the balancing of various societal concerns
- Explain whether user participation has taken place, and which methods have been used
- Clarify whether the use of alternative policy instruments has been considered

### 3.4 Measures

- **Apply the minimum requirements**

The minimum requirements for impact assessment (cf. above) shall be made known to all executives within all Ministries

- **Record of Official Studies and Reports**

A Record of Official Studies and Reports shall be developed and put to use, which Record should accompany all studies and other cases where an economic impact assessment will be required. The Record shall document which requirements for assessment and preparation have been complied with (hereunder early interministerial dialogue, user participation, presentation of alternative solutions, and analysis of the impact on affected parties). The Record of Official Studies and Reports forms part of the guidance notes to the Instructions for Official Studies and Reports, which are issued by the Ministry of Modernisation. The Record is a voluntary tool.

- **Develop Orakel further**

Orakel shall be developed into a competency centre with know-how and a special focus on rendering advice and implementing user surveys and impact assessments concerning trade and industry, in connection with the preparation of reforms, new regulatory frameworks and measures with a special impact on trade and industry. Orakel shall be able to swiftly provide useful advice based on a good description of the current situation. Besides, Orakel shall keep a sharp focus on becoming involved in cases at an early stage. This shall be achieved through a more systematic use of early interministerial dialogue, and the development of routines which support such focus. Orakel shall step up its networking, and participate actively in contact fora and training programmes where early interministerial dialogue, examination processes or impact assessment routines are key topics.

In addition to providing a better basis for decision-making and creating regulatory frameworks and measures which are better tailored to the needs of businesses, this shall also:

- Strengthen interest in the situation of trade and industry prior to and during assessment processes and the preparation of reforms
- Offer trade and industry increased participation in the process of preparing cases, through many businesses becoming involved and contacted in connection with user surveys, etc.
- Contribute to alternative policy instruments (other policy instruments than administrative regulation, such as, for example, economic policy instruments) always being considered during assessment processes

**([www.nhd.no/forenkling/orakel/foretaksstatistikk](http://www.nhd.no/forenkling/orakel/foretaksstatistikk))**

The Ministry of Trade and Industry (NHD) issues, in cooperation with Statistics Norway (SSB), key statistical information relating to Norwegian enterprises. Orakel's website presents statistical information on the number of enterprises, employment and the size of enterprises in recent years. The information is structured such as to clearly illustrate the diversity of trade and industry. The tables are intended as a simple introduction offering facts on trade and industry, and as a reference base for the use of statistics on Norwegian trade and industry. More sophisticated users will benefit from the access to information in SSB's StatBank Norway.

**Text box ([www.ssb.no/statistikbanken](http://www.ssb.no/statistikbanken))**

[www.statistikbanken.no](http://www.statistikbanken.no) is the website of Statistics Norway (SSB), where information is accessible to everyone. The information on Norwegian enterprises became accessible in 2002, and the service is undergoing constant development. It is currently possible to extract a lot of interesting statistical information on Norwegian trade and industry, participants and employees. SSB has established a contact forum to further improve this service, hereunder with people from employer and employee organisations and from the Ministry of Trade and Industry (NHD).

## 4. Well-targeted simplification measures

– better and more well-targeted simplification proposals through measurement of the administrative costs incurred by trade and industry when implementing regulatory frameworks

### 4.1 Introduction

The simplification effort shall be intensified and targeted through the new method - the Standard Cost Model - for surveying the administrative burdens carried by trade and industry in complying with government regulatory frameworks. The Government shall during the period make a concerted effort to reduce the administrative costs of trade and industry.

### 4.2 Status

The effort of surveying the administrative costs of businesses is already well underway. A measurement of the regulatory framework pertaining to Value Added Tax was completed in September 2004. The findings indicate that the annual administrative burdens amount to just over NOK 2,000 for typical businesses liable for VAT, but are higher for businesses that are governed by more complex parts of the regulatory framework. Overall administrative burdens imposed on trade and industry amount to about NOK 900 million at the societal level. In addition, there are the administrative costs resulting from compliance with the regulatory framework pertaining to Value Added Tax in relation to the importation of goods, which fell outside the scope of the measurement.

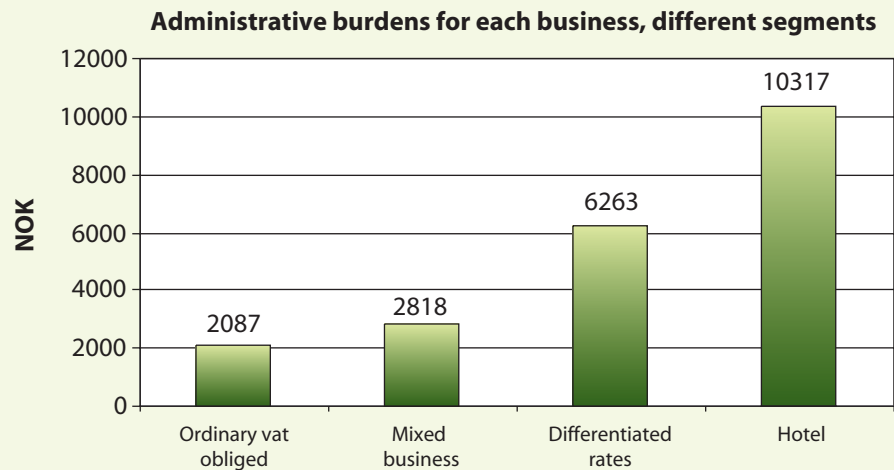
The report identified certain elements of the regulatory framework that were particularly burdensome. The main findings can be briefly summarised as follows:

- Typical enterprises which fall entirely within the scope of the system at the full rate of VAT do not find the VAT-system particularly burdensome.
- Differentiated rates create considerably higher administrative burdens.
- Mixed businesses experience considerably higher administrative burdens.
- Introduction and implementation of amendments to the legislation give rise to considerable administrative burdens.
- Special rules often give rise to administrative problems, such as, for example, special rules within the hotel industry which are administratively burdensome.
- There is a general need for reviewing the regulatory framework with a view to cleaning it up.

The analysis provides estimates of costs relating to individual elements of the Value Added Tax Act, and identifies which aspects of the regulatory framework are particularly burdensome to businesses. This offers a good starting point for making improvements.



The report has grouped those liable for VAT into different segments to bring out differences in administrative burdens between such segments. The chart shows administrative burdens in NOK per business in each segment. It can be seen that the average annual costs of a typical business liable for VAT are just over NOK 2,000 kroner. The costs are somewhat higher for businesses operating a mixed business in terms of Value Added Tax (both VAT-able and non-VAT-able activities). The administrative costs of businesses facing differentiated rates of Value Added Tax are considerably higher. Businesses within the hotel industry have even higher administrative costs.



The Ministry of Finance will follow up on the report with specific proposals for the simplification of the regulatory framework pertaining to Value Added Tax. One has, amongst other things, identified specific amendment proposals relating to the regulatory framework governing the appropriation between VAT-able and non-VAT-able turnover within the hotel industry. In addition, one will consider the coordination of time-limits for making payments under the legislation pertaining to direct and indirect taxes. Moreover, an extensive technical revision of the legislation governing Value Added Tax, as well as its appurtenant administrative regulations, is ongoing, and is expected to result in a simpler, more updated and user-friendly regulatory framework pertaining to Value Added Tax.

The system relating to Value Added Tax on imports shall be reviewed to assess the scope for simplifying this regulatory framework. This takes place in the context of, amongst other things, the Storting's deliberation of Document 8:57 on amendments to the rules on Value Added Tax on imports. Denmark has come a long way in pursuing simplification proposals, and has also, as one of a few countries within the EU, established a scheme for reverse charging of Value Added Tax upon the importation of goods. The Ministry of Finance will keep in contact with Danish authorities to get an overview over the Danish efforts to simplify the regulatory framework, and assess whether these may be of relevance to Norway.

The survey of the administrative costs imposed on businesses in relation to excise duties was completed in May 2005. The findings from this survey show that excise

duties impose annual administrative costs on trade and industry of just over NOK 73 million.

Both measurements have generated specific simplification proposals, and new measures intended to reduce the burden imposed on trade and industry by the regulatory framework are now in the pipeline. Moreover, a measurement of costs associated with the regulatory framework within the health, environment and safety area was initiated in March 2005. This shall be completed in autumn 2005.

### 4.3 Goals

- The administrative costs of businesses from all regulatory framework areas which particularly affect trade and industry shall be surveyed by the end of 2008
- The measurements carried out within the various areas shall be followed up on an ongoing basis, with specific simplification plans setting out quantified targets and timetables for implementation
- The measurements shall form the basis for following up on the objective of a 25 pct. reduction, by the end of 2012, in the administrative costs incurred by trade and industry in complying with regulatory frameworks

The Government has defined a goal of measuring all regulatory framework areas with a particular impact on businesses by the end of 2008. Regulatory frameworks that may be measured include, amongst others, those relating to customs, direct taxes, accounting and bookkeeping, competition, foodstuffs, control, labelling and pricing of products, planning and building, fisheries, agriculture, welfare benefits and pensions.

The surveys gather information from government bodies or registers as to which, and how many, businesses fall within the scope of the various parts of the regulatory framework. Information on how businesses handle the various information requirements in practise, and on how much time and resources are devoted to complying with the regulatory framework, is gathered through interviews with businesses. The information is thereafter analysed by experts. For a more detailed description of the method used in surveying the regulatory framework, please refer to the report *Streamlining and Facilitation for Trade and Industry, Simplifying Norway, Status Report 2004*.

The surveys offer improved prospects for balancing the costs against the benefits to society from the regulations, hereunder for assessing whether the objective of the regulatory framework can be realised in a less costly manner. The surveys also contribute to providing Ministries with detailed knowledge of what administrative procedures/tasks businesses actually perform in order to comply with the regulatory framework, which knowledge may subsequently be used for developing more well-targeted rules. When businesses experience the public administration actively making use of the information to make changes which ease the everyday existence of each one of them, this may contribute to a greater appreciation of society's need for imposing requirements, and may thus also result in increased compliance with such requirements.

The Government will follow up on the findings from the surveys on an ongoing basis, in the form of proposals for specific simplifications for trade and industry.

The simplification plan shall include specific simplification proposals, quantified targets for reducing the administrative costs incurred by businesses in complying with the regulatory framework, and a timetable for when the measures shall be implemented.

In addition to the surveys contributing to the identification of new simplification measures, the findings will also be used as a basis for assessing the costs to trade and industry when evaluating new rules or amendments to existing rules. One should consider, in connection with new regulatory frameworks, an evaluation system that facilitates, amongst other things, the tracing of developments in the administrative burdens on trade and industry over time.

The Ministry of Trade and Industry will coordinate the effort and report to the Government on progress and outcomes achieved. Nevertheless, responsibility for preparing simplification plans with specific measures contributing to reducing the administrative costs on the part of businesses will remain with the sectoral Ministries in the usual manner, once each area has been reviewed.

The model makes it easier to undertake, amongst other things, international comparisons of administrative burdens. By comparing findings from our measurements with those from corresponding measurements in other countries we can, amongst other things, identify alternative – and more cost-efficient - solutions that can be adapted to Norwegian circumstances.

#### **4.4 International network**

An ever-increasing number of European countries are applying the Standard Cost Model, and it is now in the process of becoming a joint European simplification tool. The Ministry of Trade and Industry participates in an international network for the measurement of administrative burdens through the use of this model. The network participants include, amongst others, Norway, Sweden, Denmark, the United Kingdom, the Netherlands and Belgium. The network has a steering committee and a secretariat, and Norway is represented in both of these. So far, the network has primarily focused on quality assurance of the method and on comparing the measurements carried out within the area of Value Added Tax.

This international network effort has contributed to equipping Norway with the know-how needed to perform its own measurements, and is a key information channel for the international simplification effort directed at trade and industry.

The group will also start work on setting up an international, web-based knowledge centre for the countries carrying out measurements. This is because many countries, and also the EU and the OECD, are planning or are in the process of carrying out measurements of the administrative burdens imposed on trade and industry. There is a considerable demand for feedback based on experience in applying the method, and there is a need for a joint information base. Besides, the knowledge centre will contribute to developing the method further, developing seminar and training materials, and act as a support centre for those using the model. Norway will participate actively in this ahead.

## 5. Systematic user participation

– for an improved basis for decision-making and user-adapted regulatory frameworks and public services.

### 5.1 Introduction

The Instructions for Official Studies and Reports set out clear rules on consultation rounds, which are, in the main, adhered to in practise. General consultation rounds relating to committee reports work well. Consultation meetings, workshops, etc., are in some cases used as a supplement – but there is considerable scope for improving user involvement in regulatory framework processes. Users need to become more involved in work relating to regulatory frameworks, measures and reforms and in the development of public services. This particularly applies to the *early* stages of such processes.

The objective is to get the public administration to make user participation an integral part of all aspects of such work, in order to ensure the best and most user-adapted regulatory frameworks and public services possible. Public administration needs to think user-orientation when new measures are to be implemented, and otherwise to keep up a continuous dialogue on user needs – users know their own needs best. Good user contact can provide the public administration with new and useful knowledge within the area.

The Government's goal is for there to be, over the coming four-year period, *noticeable changes* in the practise of including users in preparing the basis for decision-making, particularly at the early stages of the process, and for this to become a permanent practise. Everyone working on regulatory frameworks and public sector schemes shall pursue an *active practise* of user participation in such cases, and a specific explanation has to be provided in case users have *not* been included.

The implementation hereof will in large part take place through training measures and increased awareness within the public administration in this area. These concerns still need to be emphasised in internal training, and in the Orakel effort in particular (see Chapter 3). Moreover, it is of course important to get, to the extent possible, users actively involved in the development and assessment of how user participation can be implemented.

The focus on increased user participation is in line with the effort pursued within the EU, where the Commission is working to improve its consultation mechanism through the increased involvement of users in the process of developing rules.

### 5.2 Principles governing user participation

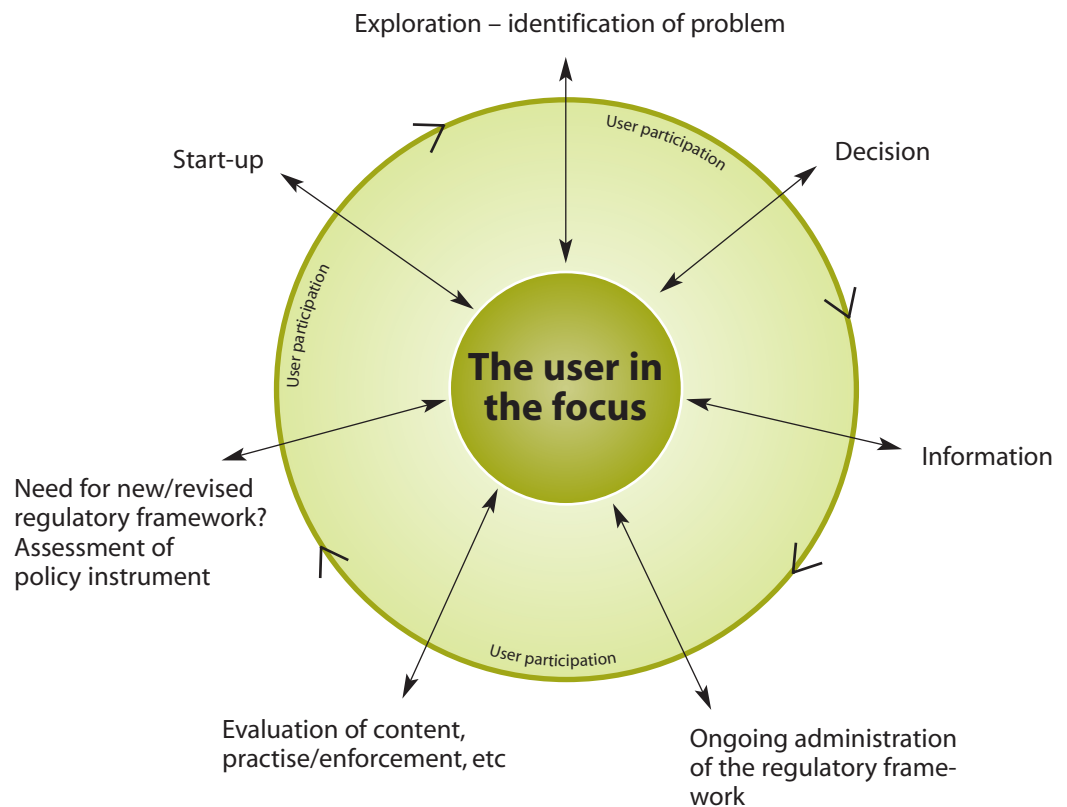
Principles governing the redrafting of regulatory frameworks, the reduction of the reporting burdens, and the promotion of a business-friendly public sector have been in place for a few years (see overview earlier in this plan). In addition, the Government now wishes to introduce the following principles for the public admin-

istration's assessments of *user participation* in all contexts (preparation of reports, regulatory framework efforts, design of services, drafting of forms, etc.):

- The public administration shall know *who* users are, and *as early as possible* in the process involve those who are particularly affected
- Users shall experience that they get *heard* in cases of consequence to them

### 5.3 A continuous process

There is a particular need for increased user participation at other stages of the public administration's working procedures than the general consultation round. The chart below illustrates the various phases of a regulatory framework process, and how important user participation is at all stages of the process. The same applies to all work on the preparation of reports, irrespective of whether these are addressing regulatory frameworks or other policy instruments.



The public administration needs to consider at what stages of the process it is useful to establish contact at any given time. It may be upon the identification of a problem, the assessment of a policy instrument, the choice and design of a policy instrument (regulatory framework and otherwise), information to users, enforcement, and the design and provision of services.

In the context of the Simplifying Norway effort, we are committed to ensuring that trade and industry, as a user group, gets heard. The public administration bears a responsibility for ensuring that other user groups get heard as well, and, more generally, to ensure that all different interests get heard and taken into consideration. Furthermore, it is important for all contacts and dialogues to take place as openly

as possible. It is particularly important, in relation to trade and industry as users, to facilitate the involvement of the smallest businesses, and to ensure that these get heard in such processes. It is not always sufficient to consult the organisations; the public administration also needs to consider, for example, mapping the views of individual businesses, both small and large.

The user participation effort must form part of the tasks planned and documented through the Protocol on Official Studies and Reports (see Chapter 3.4).

#### 5.4 User participation in practise

The involvement of users in regulatory framework processes can be expanded considerably, both in terms of time and in terms of the type of involvement. Here is a collection of examples of how user participation has been carried out in practise, beyond general consultation rounds, public committees with user representatives, etc.

The Ministry of Trade and Industry has launched the Simplification Channel ("*Forenklingskanalen*") website ([www.forenklingskanalen.no](http://www.forenklingskanalen.no)). Users can use this to submit feedback on, and suggestions for, the simplification effort. The Simplification Channel shall act as a forum where users can provide government authorities with information on problems from the perspective of the everyday existence of businesses. This enables users to make suggestions as to where changes are needed.



The Ministry of Trade and Industry's competency centre for impact assessments – *Orakel* – provides training in the practical implementation of impact assessments. The competency centre has made use of, amongst other things, business panels and user surveys where affected businesses are asked specific questions on how they perceive existing regulatory frameworks and what types of needs and wishes they have with regard to changes or new regulations. It is the experience of the competency centre that users adopt a very positive attitude towards being allowed to participate in such processes. However, to ensure the maximum possible benefit from such participation it is very important to involve users in the process at the earliest possible stage.

The Government's website, *Odin*, provides coordinated access to all matters in respect of which the Ministries have ongoing consultation rounds ([www.odin.no/odin/norsk/dok/hoeringer/bn.html](http://www.odin.no/odin/norsk/dok/hoeringer/bn.html)). Users are offered one digital gateway to all consultation rounds. Users are also offered a free e-mail notification service concerning new information posted on the site. This measure makes it easy for interested users, businesses, organisations, etc., to find out which cases are undergoing a consultation round, which organisations are being consulted, time-limits for submitting a comment, which comments have been submitted, etc.

An example of a statutory procedural rule on user participation is Section 93a of the Planning and Building Act. A pre-planning conference for more detailed clarification of the scope and contents of measures in respect of which applications and permits are required, can be held between the initiator, the municipal administra-



tion and other affected parties and bodies. Such pre-planning conference can be requested by the initiator or by the planning and building authorities.

Examples of ongoing legislation work where users have been actively involved in the legislative process are the preparation of a new Minerals Act and the evaluation of the Catering Act. The Ministry initiated the Minerals Act preparation process by inviting the industry and landowner organisations to present their perception of reality and their needs through a series of meetings. These meetings provided the Ministry with useful inputs for a draft bill, which was then subjected to a consultation round.

The work on evaluation and amendment of the Catering Act also showed that there is a lot to gain by involving users early in the consultation process. An enquiry to special interest organisations, employee organisations, municipal administrations, county governors, police, etc. in advance of the formal consultation round turned out to be highly useful, and generated much feedback. Similar results can also be achieved through the use of consultation meetings. The employee and employer sides may have very different perspectives, but these are not necessarily irreconcilable if one establishes a dialogue in advance of the legislative effort. In addition to providing a better basis for decision-making, cooperation with the industry during the process of preparing new legislation may also have a positive training effect on the part of users, and resolve any misunderstandings between the various players during the course of the process.

All central government bodies are required to carry out user surveys, in order to allow the systematic follow-up of user satisfaction. The Government will pursue this by, amongst other things, requiring the findings to be available to the general public. See also the discussion in the Modernisation Action Plan.

The work in pursuing the e-services strategy, as discussed in Chapter 2, has also shown that the user aspect is important. In April 2005, a workshop with representatives from government bodies, industry organisations and individual businesses was held to discuss the road ahead. The workshop generated much input for the further effort within this area. Existing user fora have also been used.

When developing the Altinn solution, a dedicated user forum, with representatives from various organisations, was established at an early stage of the project phase. After the solution had been put into operation, focus groups were set up to ensure direct contact with various user groups.

## 6. Simplification in an international perspective

### 6.1 Introduction

A more broad-based international approach in the simplification effort is important. Norway and Norwegian trade and industry fall within the scope of ever more regulatory frameworks that are internationally based. Norway must therefore participate actively in the international simplification effort within both the EU and the OECD, the two important arenas within this field. The EU's work based on the revised Lisbon strategy and the so-called *Better Regulation* effort, and the OECD's creation of the *Red Tape Scoreboard* for measuring the costs incurred by trade and industry in complying with regulatory frameworks, will be two main foci on the part of the Ministry of Trade and Industry (NHD) ahead.



Our goal is for Norway to be an attractive cooperation partner for other countries and international organisations in their regulatory simplification work. We intend to be at the forefront - "*look and learn from what Norway is doing*" should become a recurring phrase in simplification circles.

The importance of the international effort shows up clearly in the domestic effort, inasmuch as the experiences of other countries can contribute to simplifications in domestic regulatory frameworks and schemes. Increased focus on international regulatory framework efforts will therefore be an important area of commitment for the four coming years. In order to make progress in the regulatory simplification effort, and achieve results, the effort in Norway and those within the EU/OECD need to be seen in context. Experience and knowledge from one of these spheres must be of use in the other, and vice versa. Norway, on its part, is well underway with its regulatory simplification effort. But there is always something we can learn from others. The goal remains the same at all times: A better regulatory framework for trade and industry. Only thus can we realise the goal of the Norwegian regulatory framework requiring the minimum possible compliance resources, and being perceived as a competitive advantage for businesses based in Norway.

Our regulatory simplification effort is of course based on Norwegian rules and Norwegian circumstances. The goals and measures set out in this plan are tailored to Norwegian circumstances and challenges. Nevertheless, the work going on in other countries and in the EU/OECD forms a good base for making comparisons and an important source of inspiration for us. It is, for example, interesting to note that the EU, in its work on *Better Regulation* focuses on a better regulatory framework process where increased user participation and better impact assessments in relation to new rules are important measures. These are also focal areas within the Norwegian effort.



## 6.2 The effort to reduce administrative costs

Denmark and the Netherlands have defined ambitious goals when it comes to reducing the administrative burdens imposed on trade and industry.

Denmark aims to reduce administrative burdens by 25 pct. within 2010. By then, each individual Ministry shall reduce its burdens by 25 pct. Denmark shall carry out measurements of all of the most burdensome regulatory framework areas by the end of 2006, and shall thereafter undertake new measurements in 2010 to establish whether the goal has been met. The Standard Cost Model (see discussion in Chapter 4) is used for purposes of these measurements.

In 2002, the Dutch Government defined a goal of reducing the administrative costs incurred by trade and industry by 25 pct. within the end of its period in power. Each Ministry is responsible for reducing administrative burdens within its own area. The Netherlands has carried out measurements of those regulatory frameworks that are the most burdensome for trade and industry, and will carry out new measurements in 2007 to verify whether the goal has been realised. A specific action plan setting out measures which imply a reduction of at least 25 pct. has been approved by Parliament. The first version of the Standard Cost Model was developed in the Netherlands.

## 6.3 Simplification of the EU/EEA regulations

The work on *Better Regulation* and *less red tape* have prominence on the political agenda of the EU. The goal of fewer administrative procedures and simplifications within the regulatory framework will provide European trade and industry with a competitive advantage, leaving it with more time for value creation in stead of dealing with bureaucracy, which is a key objective of the Lisbon programme (a partnership for growth and employment).

The European Commission, with President Barosso at the helm, is pursuing two main approaches. Increased focus of the EU's own simplification effort, and national efforts to simplify national regulatory frameworks and national EU-based rules. The European Commission has proposed that the simplification effort should form part of countries' national action plans on following up on the Lisbon strategy. This includes impact assessment systems and simplification programmes.

The Norwegian work on the Action Plans for Streamlining and Facilitation for Trade and Industry - Simplifying Norway is a prime example of a systematic national effort to pursue regulatory simplification; an example to be copied by other countries.

EU Member Countries' review of regulatory frameworks, aimed at generating simplification proposals, forms the first important step in the simplification effort. In order to tackle the regulatory "black holes", the EU has singled out agriculture, the environment, health and company law as areas of commitment in the simplification effort. Moreover, the Commission aims at generating more and better simplification ideas by emphasising increased participation from users of the regulatory framework. Internet consultations are underway within several areas, and expert

groups have been established within, for example, the area of company law. Hopefully, this will result in useful simplification proposals.

Amongst the fifteen specific simplification proposals which are currently on the EU's simplification agenda are also Norwegian proposals for simplifications within the area of statistics. These proposals are now being followed up by the European Commission. One of the proposals will form part of one of the pilot projects for the EU's measurement of administrative burdens incurred in complying with regulatory frameworks. To actively pursue specific proposals has turned out to be a useful approach, which may benefit Norwegian trade and industry in the form of simpler rules.

#### **6.4 The EU's "tools" in designing a new regulatory framework**

It is an objective for a new regulatory framework to be designed such as to attend to the real need for regulation in the best possible manner, whilst being adapted to small and medium-sized businesses (the principle of *Think small first*).

In addition to simplifying the existing EU regulations, the Commission is pursuing the development of better impact assessments/analyses. Better impact assessments are important and necessary tools to generate the best possible basis for decision-making. *Revised guidelines for impact assessments* are being drafted, and will be important for work ahead in this area. This emphasis on impact assessments as tools in the simplification effort is in line with Norwegian priorities within this area.

The European Business Test Panel (EBTP) is used in the work on financial and administrative impact assessments of the internal regulatory framework. The Test Panel comprises a representative sample of (small, medium-sized and large) businesses from all EU/EFTA countries. Norway is represented through 102 Norwegian businesses in the sample, and also participates in the Panel's steering committee. The Test Panel aims to complete 6-8 business surveys a year. The Norwegian proposal for simplification within the area of statistics is one of the proposals to be deliberated by the EBTP.

Another measure/focal area in the regulatory simplification effort is increased use of evaluations that can provide the Commission with useful inputs for amendments to the regulatory framework. Norway will, due to the EEA regulations, draw considerable benefits from the EU's increased focus on evaluating its own regulatory framework. An evaluation process offers opportunities for pointing out where change is needed, and for submitting specific proposals for change. Norway must make use of such opportunities, as we have already done.

In order to reinforce the *Better Regulation* work, both nationally and at the EU-level, the Commission will by the end of 2005 appoint a group of national experts to guide the Commission in its effort ahead. One will also create an expert group which the Commission can consult on the technical aspect of impact assessments (choice of method, etc.). Each individual Commissioner shall also set up a website on *Better Regulation*, where anyone can submit their views on the regulatory simplification effort.

## 6.5 Norwegian contributions to simplification of the EEA regulations

At the national level, the Ministry of Trade and Industry has initiated a study of the scope for simplification of the EEA regulations, as part of its work to generate more simplification proposals that may, amongst other things, be passed on to the EU. All Ministries have therefore been requested to review their regulatory frameworks to identify potential simplification proposals. In addition to more general proposals, areas like the environment, transportation, working environment and safety, and medical equipment have been identified. The Ministry of Trade and Industry is now pursuing the proposals passed on to it, as against other Ministries and as against the EU.

There is a potential for simplification by ensuring better coordination and consolidation of directives. Insufficient coordination within the EU/EEA regulations creates problems upon their implementation into national law. Besides, these regulations are often highly detailed and "bureaucratic", which also contribute to complex regulations regarding their implementation. Within some areas, the method of regulation differ between comparable sets of regulations, often because such sets of regulations have been prepared by different Directorates General within the Commission. This renders them less accessible, and also presents an obstacle to user-friendly and straight-forward implementation into Norwegian law.

## 6.6 Norwegian participation in the regulatory simplification efforts of the EU and the OECD

### The EU

Norway is under an obligation, pursuant to the EEA Agreement, to implement the EEA-relevant legislative acts of the EU into national law. This applies to a large number of legislative acts. A significant part of the overall regulatory framework governing Norwegian trade and industry is prepared and adopted at the EU. Consequently, it is becoming ever more important to make use of the rights under the EEA Agreement to participate in the legislative process of the EU, e.g. in expert groups under the European Commission in the preparation of new regulations. Besides, networking with countries with which we have concurrent interests may result in Norwegian views having an impact.



Norway is actively following up on the EU's work within the area of industrial policy. Norway obtains, via the EU's MAP (Multiannual Programme for Enterprise and Entrepreneurship), suggestions on industrial policy matters relating to SMEs and entrepreneurship policy, access to various financial policy instruments, and the opportunity of having a Norwegian EIC (Euro Info Center) network. EICs assists Norwegian trade and industry with information and knowledge of market conditions and market opportunities within the EU/EEA.

Norway participates, through the European Commission's IMAC (Internal Market Advisory Committee), in measures aimed at making the internal market more efficient, such as, for example, problem-solving mechanism Solvit, regulatory simplification and various information-related measures. The development of the internal market is important to Norway because the main core of the EEA Agreement is to ensure Norway's access to the internal market of the EU.

The European Charter for Small Enterprises is another arena for the exchange of industrial policy experience within the EU. The Charter recognises small businesses as an important driver behind economic growth, and the principle of *Think Small First* plays a key role. In preparing regulatory frameworks, reporting systems and other administrative services, the authorities shall adapt these such as to make them suitable for smaller businesses. That will also make them suitable for larger businesses.

The EU's and the OECD's projects on measurement of administrative burdens imposed by the regulatory framework

It is important to keep abreast of developments in those parts of the world that represent natural points of reference for us. Weaknesses in our own regulatory framework can often become more readily identifiable if we compare our own rules with those of others. It may also provide us with good ideas as to where we should make a concerted effort. This is why Norway participates in the large international projects.

The OECD is in the process of initiating a project - *Red Tape Scoreboard* – to measure and compare administrative burdens within the OECD countries. The project will be administered and implemented by the secretariat of the OECD's Regulatory Management and Reform Department, with assistance from those countries wishing to participate in the project. Norway participates with one representative in the steering committee, and contributes financial support to the project.

The EU has also launched an effort to develop a model for measuring administrative costs incurred in complying with EU regulations - *EU Net Administration Cost Model*. Work on three pilot measurements within statistics requirements, the environmental area and the area of building materials, respectively, have started up, and are to be completed this autumn.

The difference between the OECD's measurement project and the EU's measurements is that the OECD will carry out more broad-based measurements of larger regulatory framework areas in retrospect, whilst the EU will focus on the measurement of smaller regulatory areas, and also in advance of amendment proposals (as part of the financial and administrative impact assessments).



# Supplement

## Overview of the simplification effort within some specific areas

### 1. Lessening the statistical burden on businesses

Forms from Statistics Norway represent less than two percent of the overall estimated burden on trade and industry as a result of central government reporting duties. However, for some businesses, especially those that participate in many surveys over a longer period of time, the burden may at times be much larger than what shows up in the figures from the Register of Reporting Obligations of Enterprises. In addition, there is the fact that these duties are *perceived* by trade and industry as being highly burdensome. The Government is therefore taking the statistics burdens imposed on businesses seriously, and Statistics Norway sees the effort on streamlining and facilitation for trade and industry as an area of priority.

Statistics Norway is working in several ways to limit the burden imposed on trade and industry. One important measure is increased reuse of data. Statistics Norway attaches considerable weight to ensuring that information is only reported once to the public sector, and it therefore utilises more than 60 public sector data registers instead of asking businesses for the same information. Reuse of data is expected to expand in coming years, hereunder by way of an ever increasing share of reporting to administrative registers being effected electronically, also in the form of extracts from businesses' own computer systems. Important in this context is also a new provision in the Central Coordinating Register for Legal Entities Act which requires all public sector bodies, including municipal administrations, to utilise, from 1 July 2005 basic data from the Central Coordinating Register for Legal Entities.

Increased reuse of data reduces the reporting burden. An example of this is provided by the annual structural surveys, which now represent less of a burden on businesses due to the increased reuse of employment data. The reporting burden has also been reduced in respect of turnover statistics for the service industries, as the result of increased utilisation of data from the Value Added Tax system.

The transition to electronic reporting has for several years been a priority area for simplified reporting for trade and industry, and Statistics Norway is working to make all statistical forms available electronically through Altinn. The percentage electing to report electronically is increasing. As an example, almost 80 pct. of those required to report under individual studies in the short-term statistics for manufacturing industry, do so electronically. Furthermore, the amount of accounting data reported to the Tax Administration through Altinn has expanded significantly, and businesses using the electronic solution no longer need to report correspondingly to Statistics Norway.

Statistics Norway is working actively to establish systems for direct feedback to businesses, in order that they may draw specific benefits from the information gathered. This also contributes to eliminating some of the "hassle and annoyance" feeling on the part of many businesses when it comes to statistics. The feedback

will provide businesses with figures and comparisons which they may benefit from in their own work, as well as knowledge of what the information is actually used for.

Statistics Norway also gathers information from third parties, particularly in relation to the retail turnover index and the retail price index. Whilst it previously was a sample of individual shops within a chain that were called on to fill in forms, the head office of the chains now submit information on behalf of all shops within the chain. The number of chains reporting in this manner is increasing year by year, which has eased the burden on individual shops. Corresponding schemes are in operation in regard to the port authorities and Internet providers, and such routines are also being put in place in regard to a number of other industries.

International requirements imposed via the EEA Agreement, concerns relating to the national accounts, and wishes from industry organisations have contributed to some of the questionnaires being highly detailed. An effort has been initiated to reduce the level of detail in the forms, in order to reduce the reporting burden. The effort is partly directed at the EU's statistics office, Eurostat, with the aim of simplifying the EEA requirements, and partly at important domestic users.

## **2. Simplifications within the HES area**

### **a) Restructuring and coordination of administrative regulations**

In 2002, a project was initiated to simplify and combine the administrative regulations under the Norwegian Labour Inspection Authority and the Directorate for Fire and Electrical Safety (now the Directorate for Civil Protection and Emergency Planning), respectively. The objective is increased user-orientation and a reduction in the number of administrative regulations.

A proposal for a new and simplified structure for all the provisions included under the current administrative regulations has now been prepared, under which approximately 100 of the administrative regulations have been cut back to six. The proposed structure is being discussed with the two sides of industry, and one will thereafter decide on the further progressing of the project.

The Ministry of the Environment continues to pursue its work on improving the contents of its administrative regulations.

### **b) New Act within the area**

The Ministry of Labour and Social Affairs submitted a proposal for a new Act on Working Environment, Working Time and Employment Protection, etc. (the Working Environment Act) in February 2005, see Proposition No. 49 (2004-2005) to the Odelsting. It is intended that the Storting will deliberate the draft bill during the course of the 2005 spring session.

### **c) Information work**

The website [www.regelhjelp.no](http://www.regelhjelp.no) ("*www.regulatoryassistance.no*") will be launched on 10 September 2005, adapted for 10 industries. It shall include 50 industries by the end of 2007. The following bodies take part in the project: the Norwegian Pollution



Control Authority, the Norwegian Labour Inspection Authority, the Directorate for Civil Protection and Emergency Planning, the Norwegian Industrial Safety and Security Organisation and the Norwegian Food Safety Authority.

d) Coordinated HES supervision

From spring 2005, the Norwegian Labour Inspection Authority has taken over responsibility as the coordinating body for enterprise-directed HES supervision. The coordinating responsibility encompasses those bodies that are currently engaged in supervision pursuant to the HES regulations: the Norwegian Labour Inspection Authority, the Norwegian Pollution Control Authority, the Norwegian Industrial Safety and Security Organisation, the Directorate for Civil Protection and Emergency Planning and the Norwegian Radiation Protection Authority, as well as the Norwegian Board of Health as far as concerns supervision pursuant to the Gene Technology Act. This measure ensures that working life is handled in a uniform manner, and that businesses experience coordinated and, to the extent possible, streamlined supervision.

e) Surveying the administrative costs within the area

Measurement of the administrative costs imposed by the regulatory framework pertaining to HES (the areas falling under the auspices of the Ministry of Labour and Social Affairs, the Ministry of Justice and the Police, and the Ministry of the Environment). The project has started up, and is to be completed in the autumn of 2005.

### **3. Planning and building law**

In April 2005, the Storting passed legislation on development agreements, based on a draft bill submitted by the Ministry of Local Government and Regional Development (Proposition No. 22 (2004-2005) to the Odelsting), which was based on reports from the Building Law Committee and the Planning Law Committee.

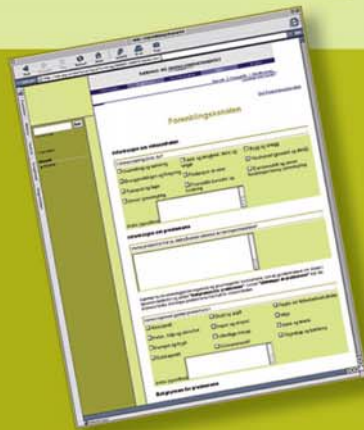
The Building Law Committee is to submit its final report on 28 June 2005. The Ministry of Local Government and Regional Development will then look at the reports of the Building Law Committee and of the Planning Law Committee together when considering legislative amendments.

The Ministry of the Environment is now working on a legislative amendment proposal concerning the planning aspect of the Planning and Building Act. This work is expected to be completed by the end of 2006.





## Kan hverdagen for din bedrift bli enklere?



For at regelverk og offentlige tjenester skal bli et konkurransefortrinn for norsk næringsliv må de utformes på en god måte. Vi trenger bedriftenes hjelp for å få til forbedringer og har derfor opprettet Forenklingsskanalen.

Ved å klikke deg inn på dette nettstedet kan du gi informasjon om hvilke problemer din bedrift støter på i hverdagen, og komme med forslag til hvordan dette kan utbedres. Jo mer informasjon som gis, jo lettere blir det for oss å få oversikt over området og slik se hva som bør gjøres for å få til forenklinger.

Det er først når konkrete eksempler er kommet på bordet vi kan starte arbeidet med å tilrettelegge bedre for de næringsdrivende. Her kan din bedrift bidra!

[www.forenklingsskanalen.no](http://www.forenklingsskanalen.no)



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