



NÆRINGS- OG HANDELSDEPARTEMENTET

*Norwegian Ministry of Trade and Industry*

STATUS REPORT 2003

# Streamlining and Facilitation for Trade and Industry

The Government's Action Plan for Simplifying Norway



# Simplifying the Everyday Life of Businesses

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Value creation in trade and industry is the foundation for all public and private welfare. The Government's vision is for Norway to be one of the most innovative countries in the world. Resourceful and creative businesses and people shall have good scope for developing profitable ventures.

The simplification effort is an area of commitment for the Coalition Government. The goal is to develop a regulatory framework that requires the minimum possible trade and industry compliance resources. Simplification is at the core of the Government's modernisation effort, and forms an important part of the comprehensive innovation policy. The Simplifying Norway-effort renders concrete, and expands on, the Innovation Plan's chapter on improved general conditions for trade and industry.

As an Appendix to this Status Report, we present the current status as regards the 122 measures set out in last year's plan. The status reflects good progress and participation on the part of several Ministries in a number of individual areas. However, there is still room for improvement. We now need to pursue the implementation of all 108 measures included in the revised Plan of Measures, and to encourage public administration and decision-makers at all levels to pay heed to the simplification principles in all their work.

The Government believes that it is important to maintain a constructive and close dialogue with trade and industry organisations in pursuing this work. In going forward, we have chosen, in line with the advice given by the organisations themselves, to retain both the original principles underpinning the simplification work and the priority areas identified in last year's plan. Our joint challenge ahead will be to identify the good measures. Generally speaking, the obvious simplification measures either have been completed, or are under implementation. It will be more demanding to identify new ones, as witnessed by feedback from both trade and industry itself and from the Ministries. The challenge now facing us is to reduce the overall burden on each individual business.

The Government will present a new Status Report in one year's time. In the meantime, we would very much like to receive feedback on what is good, what is poor, and on new measures that may simplify the everyday life of businesses.

10 November 2003



Ansgar Gabrielsen  
Minister of Trade and Industry

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The Appendix, the Plan of Measures (including reports on the status of all measures) is available at [www.nhd.no/forenklings](http://www.nhd.no/forenklings).

# 1 Background

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The Government's Action Plan for Simplifying Norway: *Streamlining and Facilitation for Trade and Industry* was presented in October 2002. Streamlining and facilitation form part of the work on the *Modernisation Programme: User-Orientation, Efficiency, and Simplification*.

The Ministry of Trade and Industry has principal responsibility for coordinating the modernisation and simplification effort as against trade and industry. The work on the Action Plan represents a concretisation of the Government's ambition of facilitating a good regulatory framework, simple reporting routines, and a public sector that offers good services to trade and industry.

The 2002 Action Plan was a first step in the effort to evolve a unified strategy for this area. In addition to principles and a strategy, the Action Plan comprised 122 different measures, addressing the five different subsidiary goals defined under the strategy.

The Government has recently presented a plan for a comprehensive innovation policy. Said plan is a first step in the effort to develop and implement a comprehensive innovation policy. The plan addresses five areas in particular, of which general conditions for trade and industry is one area. The Simplifying Norway Action Plan renders concrete, and expands on, parts of said area.

Simplification has a high priority on the international agenda as well. Under the EU Lisbon Strategy, simplification is one of the measures for stimulating increased value creation within trade and industry. OECD has presented a review on regulatory reform work in Norway<sup>1</sup>. The international simplification effort, wherein Norway is an active participant, is discussed in more detail in a Supplement to this Status Report (see at the back of the Report), which complements and updates Chapter 3.5 of the Action Plan.

<sup>1</sup> OECD Reviews of Regulatory Reform: Norway. *Preparing for the future now*. OECD 2003. [www.oecd.org](http://www.oecd.org).

# 2 Principles governing the simplification effort

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Most Norwegian business ventures are small. Consequently, a general principle guiding the design of regulatory frameworks, reporting systems and other administrative services must be adaptation to the requirements and capabilities of small businesses. This will also result in the simplest possible regulatory structure for larger businesses.

The Government has defined certain basic principles to guide the work on streamlining and facilitation for trade and industry, in terms of the redrafting of regulatory frameworks, the reduction of reporting burdens, and the provision of the best possible public services.

## 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 or will be 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

A modern and complex society requires regulatory frameworks. We need certain services from the public sector. However, regulatory frameworks and other public policy instruments shall only be used where there is a real need to do so. Deregulation and privatisation will, for example, often give rise to new needs for regulation, hereunder to ensure competition. Certain rights also have to be safeguarded through a regulatory framework. Consequently, it is in certain areas neither realistic nor desirable to abolish regulations. There may nevertheless be a huge potential for coordinating, simplifying, and modernising both regulatory frameworks and public administration practises. Within other areas, detailed government regulation and control should be scaled back.

In an ever-changing society, the simplification effort will never be “completed”. We can always do much better.

Five subsidiary goals have been defined for the work on improving general conditions for Norwegian trade and industry:

1. Easily accessible regulatory frameworks
2. Improved foundation for making decisions on government measures, reforms and regulatory frameworks
3. Reduction of the burden imposed on trade and industry by various reporting duties
4. Improved regulatory frameworks within certain areas
5. A business-friendly public sector

# 3 Achievements 2002-2003

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## 3.1 The Plan of Measures - Status

The status of the work on the 122 measures may be summarised as follows:

86 of the 122 individual measures, i.e. 70 percent, are either completed or on schedule as per the original timetable. The remainder of the measures are in progress, and will be completed somewhat behind the original schedule.

There is cause to be reasonably satisfied with these achievements. None of the measures have been terminated without achieving their objective. The completion of many of the measures requires elaborate processes, such as, for example, legislative amendments or budget appropriations, or coordination with other simplification measures. To ensure the best possible final outcome and to coordinate with other work, it has been important and necessary to adjust the measures somewhat along the way. This may apply to both goals, descriptions and timetables.

The most important measures within the priority areas are discussed in Chapter 3.2. Reports on each individual measure are set out in the Appendix (the Plan of Measures). Responsibility for such reporting lies with the relevant sectoral Ministries.

## 3.2 The priority areas

The Action Plan makes it clear that responsibility for following up on the various measures lies with the relevant Ministries. However, the Government identified five areas where it saw a special need for follow-up. As the coordinating Ministry for the work on simplification for trade and industry, the Ministry of Trade and Industry has kept a special focus of following up on said areas.

### 3.2.1 Impact assessments

Impact assessments, hereunder assessment of consequences for trade and industry, shall always be undertaken in connection with government surveys, regulatory amendments and measures. The requirements applicable to such assessments are set out in the Instructions for Official Studies and Reports. Experience indicates that current impact assessments are of highly variable quality, and partly inadequate. There are several reasons for this, and the 2002 Action Plan concluded that there was a need for various follow-up efforts, in particular efforts to change attitudes and disseminate information within public administration, to encourage the building and development of competence, and to develop methods for the design and quality assurance of such assessments. It was also concluded that this is a long-term effort, with a primary objective being the adoption of a pro-active approach to avoid the need for reactive measures in future.

There is a particular need for more systematic assessment of the consequences to trade and industry of new/amended regulatory frameworks, government measures, etc. With that

in mind, the Government last year created the project group ORAKEL (Public sector reform, administrative consequences, simpler legislation), charged with contributing to improved evaluation of consequences for trade and industry (Measure 2.1). The project group has pursued the following goals

- To act as a competence centre and to offer guidance on methods for surveying and assessing the potential impact of government measures on the establishment and operation of business ventures.
- To assist public administration in preparing new regulatory frameworks and reforms, both at the planning stage and in terms of the actual development thereof.
- To offer active support in the preparation of proposals for new regulatory frameworks, reforms, etc., that may impact on trade and industry (in accordance with the Instructions for Official Studies and Reports).

Experience from the first year confirms that improving the management of trade and industry impact assessments is a long-term effort. It takes time to integrate the Orakel function in the public administration system, and it is a challenging task to disseminate trade and industry impact assessment competency throughout the public administration. Orakel has developed tools that are now being made available, and there is an increasing demand for training on the part of the public administration system.



Moreover, the Orakel effort has shown that it is very important to become involved in processes relating to regulatory frameworks and other schemes at the earliest possible stage. One has registered improvements in terms of both assessments and outcomes in a number of the cases where Orakel has been involved. This work demonstrates that there is a definite need for someone to take on the duties/roles currently assigned to Orakel. This is an important role for the Ministry of Trade and Industry, as this is the Ministry with the most contact with and knowledge of trade and industry in general. The Ministry sees this work as important, and will commit to further develop this functionality.

### 3.2.2 Electronic reporting

The Action Plan made it clear that the changeover to electronic reporting is the most important measure in the effort to reduce the reporting burden of trade and industry. The work is based on the eNorway 2005 objective that all government bodies should be able to receive trade and industry reports electronically by end 2004. The following areas of priority were identified:

- Conversion to more sophisticated forms of electronic reporting (more than just "digitised forms")
- Coordination of reporting formats to ensure that users do not have to handle many different solutions
- Use of common data definitions that ensure straightforward exchange and reuse of information
- Development of the AltInn Project

In February 2003, the Government presented an ICT strategy for the public sector. The reporting, reuse and accessibility of data are prioritised areas under the strategy. The objectives are to reduce the burden on trade and industry, to improve efficiency within public administration, and to establish user-oriented electronic services.

The AltInn Project (Measure 3.5) – a project to set up a joint Internet-based solution for the reporting of financial information from trade and industry to the Brønnøysund Register Centre, to the National Tax Administration, and to Statistics Norway – has been accorded top priority within this area over the last year. The work is progressing as planned, and the solution will be entered into use from November 2003. The project period ends in May 2004. The Government has in the 2004 Fiscal Budget proposed appropriations in the amount of some

NOK 23 million for a permanent organisation to administer the AltInn solution. This task will be assigned to the Brønnøysund Register Centre.



The report *Using IT to cut red tape – Electronic reporting as a streamlining measure for trade and industry*<sup>2</sup> was prepared at the behest of the Ministry of Trade and Industry. It offers a description of what we have achieved in terms of electronic reporting, and examines attitudes, expectations and potential consequences on the part of trade and industry. The report also presents a number of proposals as to what should be done, both by individual government bodies and in terms of general/coordinating actions, in order for electronic reporting to yield the expected positive effects on the part of trade and industry as users.

The report has been circulated widely for consultation. The consultation rounds shows that both public administration and trade and industry organisations agree with the factual description set out in the report, as well as, in the main, with its recommendations. This offers a good basis for the continued follow-up effort in relation to the report.

Apart from this, a number of smaller measures on electronic reporting and interaction with the public sector have either been completed or are in progress. The general impression is that there is considerable activity underway within this area. In particular may be mentioned Byggsøk, an electronic system for submitting and processing applications for planning permits, the development of which has been completed.

### 3.2.3 The HES area

In the 2002 Action Plan, the Government announced that one was planning wide-ranging simplification within the health, environment and safety area through, amongst other things:

- Development and simplification of applicable regulations (based on, amongst other things, the Confederation of Norwegian Business and Industry (NHO) Model), focusing, to begin with, on the fields of responsibility of the Ministry of the Environment and the Ministry of Labour and Government Administration
- Improved access to the regulatory framework through Internet-based solutions, etc.
- A review of government inspectorates

There are several large projects underway to simplify regulations. These are on schedule. See Measures 4.4 and 4.5 in particular.

There are also several projects underway that address access to regulatory frameworks, to administrative practise, and to information within the area. In particular may be mentioned the trial project headed by the Norwegian Pollution Control Authority (SFT), and the subsequent pilot project for the development of a new search engine for industry-specific dissemination of regulatory framework information, see Measure 5.15. This work is challenging in terms of both dissemination, interpretation and prioritisation, and, not least, cooperation between many government bodies. The pilot project is nearing completion.

The Report on government inspectorates was submitted to the Storting (Report No 17 (2002-2003) to the Storting) in January 2003 (Measure 5.18). A key objective of said Report was to prepare the ground for a strengthening of inspectorates to be accompanied by dynamic industrial development, and the Report discusses how to achieve this. The HES area, featuring some 20 different inspectorates, was discussed separately. The Report focused on those inspectorates that are relatively similar, and where the effects of specific changes now will be both more effective utilisation of government resources and a simpler everyday life for those subject to inspection.

The printed *Integrated Registration Form* runs to eight pages, with between 200 and 300 entries, and a 24-page user manual. May 2003 saw the introduction of the electronic alternative, featuring pre-completed dialogue forms and help texts for each entry. This solution results in fewer errors, fewer forms that have to be returned, and shorter processing time.

<sup>2</sup> *Using IT to cut red tape – Electronic reporting as a streamlining measures for trade and industry*. Prepared by Forvaltningsinfo AS, 2003, for the Ministry of Trade and Industry. The report is available from the Ministry of Trade and Industry, or at [www.nhd.no/forenkling](http://www.nhd.no/forenkling).

### **Pilot project – new search engine for industry-specific dissemination of regulatory framework information**

To make the regulatory framework more accessible to trade and industry, SFT has, in collaboration with other government bodies, developed an Internet-based pilot model. This allows businesses to find out, in a simple manner, what rules apply to their industry at any given time.



The Report focused, in particular, on the Norwegian Labour Inspection Authority, the Norwegian Petroleum Directorate, and the Directorate for Fire and Electrical Safety, as well as certain issues relating to the new Directorate for Civil Protection and Emergency Planning. In a simplification context it is of particular relevance to mention the proposal for converting the Norwegian Labour Inspection Authority to an inspectorate for working life, and the proposal for appointing certain inspectorates as coordinators for the inspection of certain types of businesses. The new Petroleum Inspectorate shall coordinate inspection of offshore petroleum activities as well as certain onshore facilities. The new Directorate for Civil Protection and Emergency Planning shall coordinate inspection of ventures characterised by a potential for catastrophic accidents, and the Norwegian Labour Inspection Authority shall coordinate the inspection of other commercial ventures.

The Inspectorate Report has been deliberated, and the work on strengthening coordination between the inspectorates and on creating the three strong centres for coordination of HES inspection in Norway is underway.

### **3.2.4 Planning and building law**

The Planning and Building Act is one of the most controversial pieces of legislation, both in relation to the objective of a simple and accessible regulatory framework, and in relation to the objective of efficient service from the public sector. The 2002 Action Plan referred to the work of the two legislative committees within this area, the Planning Law Committee and the Building Law Committee.

The Government's proposed legislation on time limits for the processing of all planning matters has been passed into law, and entered into force on 1 July 2003. Furthermore, the Ministry of the Environment will propose certain legislative amendments in the autumn of 2003. These are aiming, amongst other things, to ensure that it is no longer possible to delay planning processes by filing complaints, etc., in respect of matters that have been ruled on in previous stages of the planning process.

As expected, the better part of the work carried out within this areas has been undertaken by the said two committees. The Planning Law Committee submitted its report to the Ministry of the Environment on 13 May this year, which report was then circulated for consultation. A part-report from the Building Law Committee was submitted on 13 October. See Measures 4.1 and 4.2.

The development of Project Byggsøk – electronic filing and processing of applications for planning permits (Measure 3.7) – has been completed, and has been put to use by some local administrations. It is available to all local administrations that wish to use it.

### **Streamlining of regulations on chemicals that are hazardous to health and the environment**

A particularly fragmented and unwieldy regulatory framework has been streamlined:

- 14 sets of regulations on hazardous chemicals and products have been brought together in one set of regulations
- 7 sets of regulations on ozone-depleting substances have been brought together in one set of regulations
- 6 sets of regulations on hazardous chemicals have been brought together in one set of regulations

### **Introduction of time-limits for planning matters**

From 1 July, there are common time-limits for the processing of all planning matters: 12 weeks for planning matters, 3 weeks for minor actions, 1 week for a permit for temporary use, and 2 weeks for a certificate of final completion.

### 3.2.5 Following up on the Administrative Regulations Cleanup Effort

The Administrative Regulations Cleanup Effort, a project for streamlining and simplification of administrative regulations, submitted its final report in the spring of 2002. The project proposed a number of follow-up measures to keep up the momentum and to ensure that future regulations become easy to access and understand. These included, amongst other things, increased follow-up examination of regulations, electronic proclamation of regulations, guidance in the drafting of administrative regulations, as well as a central competency centre for the drafting of administrative regulations.

In its survey of regulatory reforms in Norway (as discussed in the Supplement), the OECD has recommended, amongst other things, improved impact assessments and improved evaluations of existing regulatory frameworks. These recommendations relate to those measures within this area that impinge on the Government Evaluation Procedure Rules, and should be approached in that context. Some of these measures are somewhat behind the original timetable, in order to ensure the best possible revision of said Rules.

The legislative history of the amendment act on the correction of errors, etc., in existing legislation (Measure 1.7) includes a discussion of the drafting of legislation and quality. Amongst the potential measures discussed as suited to improve the quality of existing legislation are re-examination and time-limited validity.

We are still seeing results originating from the Administrative Regulations Cleanup Effort in certain main areas where initiatives got underway in connection with said Effort. Within the customs area, a project to streamline the customs regulations has been completed (Measure 1.8). Within the area of environmentally oriented health care, more than 400 local and central sets of regulations have been replaced by one set of regulation as from 1 July 2003 (Measure 4.45).

#### **Modernised regulations on environmentally oriented health care**

8 central and about 400 local sets of health and hygiene regulations, including, amongst other things, requirements applicable to businesses, have as from 1 July been replaced by one set of regulations. One has at the same time removed several approval schemes, replacing these by reporting schemes.

## 3.3 Summary and general assessment

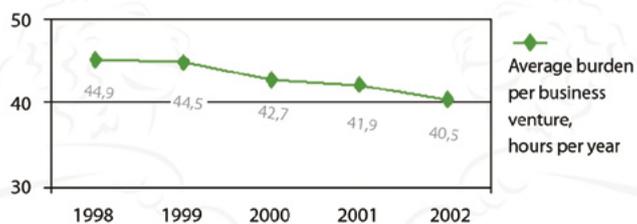
It is good that individual measures have been, to the extent registered thus far, implemented to plan. We are still facing some challenges within the priority area impact assessments, in terms of the dissemination of competency on the assessment of the impact of new measures on trade and industry. Besides, there remains some work on following up on the Administrative Regulations Cleanup Effort (re-examination, etc.). A lot of useful work is being carried out within the area of electronic reporting. An ambitious objective adopted by the Government, as part of eNorway 2005, is for it to be possible for all reporting from trade and industry to government to take place electronically by yearend 2004.

We know, moreover, that a lot of useful work is being carried out without being made visible through this plan, because the measures involved have for various reasons not been reported. This applies particularly, one may assume, to efforts relating to electronic reporting/processing, to the use of IT as an information tool, etc., and to measures adopted by various government bodies themselves. Besides, there are a number of measures that are implemented within such a short space of time that they never make it into a plan like this. Nevertheless, the Plan of Measures has an important role to play as a driving force behind the simplification effort, as a reminder, and as a disseminator of ideas, and to render visible both what processes are underway, as well as the fact that a lot of work is being undertaken within this area.

The principles underpinning this work are in part well established, and in part tailor-made. The 2002 Simplifying Norway Plan was the first time said principles were brought together in this manner. It is hard to say anything specific about to what degree the principles are adhered to in practise, as most of them are very difficult to measure. It is likely that implementation of the principles within the area of reporting has come the furthest, and these are also the ones that are the most specific (measurable). The specific contents of said principles, and the requirements imposed on public administration, are not static. Contents and the specific methods of implementation may change somewhat over time due to, amongst other things, technological developments.

In the first place, bringing these principles together in the Action Plan has made them better known, and they are in many places being applied in a more deliberate manner. The principles shall constitute a platform and a "checklist" for the work of the public administration. It is the clear intention of the Government that said principles shall be followed up.

**Chart 1. Change in the burden imposed by government reporting duties, per enterprise, estimated number of man-hours**



*Source: Register of Reporting Obligations of Enterprises/ Register of Business Enterprises/Ministry of Trade and Industry*

The Minister of Trade and Industry has remained in regular and constructive contact with representatives of a number of trade and industry organisations through the Contact Forum for Simplification. The Simplifying Norway 2002 Action Plan was presented to the Forum both prior to and after its completion. Specific topics have been discussed at subsequent meetings, hereunder government statistics and reporting duties, the HES area, and the Orakel effort. Moreover, the organisations have been given an opportunity to present their views on the need for

revision of the Simplifying Norway Action Plan, and on what should be the areas of priority ahead. Such general contact is additional to designated user fora, user groups, etc., within smaller areas, projects, etc.

# 4 Challenges and further work

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## 4.1 General remarks

The work on streamlining and facilitation for trade and industry is a long-term and multifaceted effort. A combination of many different measures, small and large, is needed. Moving ahead, it will be important to ensure good progress in implementing the measures, and for these to yield outcomes that amount to real improvements.

It is difficult to make international comparisons within the area of simplification. As an example, no other countries have data corresponding to those from the Register of Reporting Obligations of Enterprises, and there are few – if any – other clear indicators of the magnitude of the burden on trade and industry. It was stated in the 2002 Simplifying Norway Action Plan that the status in Norway may, generally speaking, be characterised as good. This is important because it offers an indication of what expectations one may realistically hold as to what it will be possible to achieve. There is nothing to suggest that the situation is any different at present.

The OECD report confirms that a lot of useful work is being undertaken in Norway, but also that one needs to work more and better on impact assessments. This work is underway. The OECD further stated that the Simplifying Norway effort is a programme that has had a real impact, and that has resulted in improvements on the part of trade and industry.

Nevertheless, there is still room for improvement in the effort to promote streamlining and facilitation for trade and industry. We must keep up our effort to make the entire public administration “think simple”. This means, in other words, to focus on user-orientation, and on the consequences of new and modified regulatory frameworks, reforms, forms, services, etc., at the earliest possible stage of the relevant processes. This is a long-term effort, which requires certain competencies and attitudes at all levels.

Experience from the Simplifying Norway effort shows that appreciation of why these issues are important is on the increase within the public administration.

It is a considerable challenge to identify the good measures. Generally speaking, the “obvious” simplification measures either have been completed, or are underway. It will be more challenging to identify new ones. The feedback from trade and industry is increasingly that it is the overall burden (the sum total of all regulations and requirements) that is the problem. One of the challenges is to analyse specific regulatory areas across the entire public administration.

The Ministry of Justice, the Ministry of Finance and the Ministry of Trade and Industry have initiated a joint project to review trade and industry legislation from an innovation perspective. It is hoped that this effort will yield considerable benefits. The

**The Norwegian Patent Office, in a letter of August 2003 to the Ministry of Trade and Industry on the Simplifying Norway effort:**

*“We are supportive of the intention behind the Simplifying Norway project. We acknowledge that the measures that have been (and will be) implemented within our area in the wake of this project, show that simplification has improved the quality and accessibility of regulatory frameworks. This is a distinct benefit to our customers, and will also facilitate our administration and handling of the regulatory framework that we are in charge of.”*

objectives are both to determine which regulatory frameworks, schemes, etc., impede or stimulate innovation and value creation, and to gain experience of new working methods that may be employed elsewhere as well.

The public administration makes use of a number of different tools in pursuing its work, an increasing number of which are IT-based (hereunder various types of registers). Ensuring good interaction, an optimal division of labour, and joint use of such tools between the various players, both within and outside the public administration, is a considerable challenge.

The simplification effort must be pursued through cooperation between the public administration and users, i.e. trade and industry and their organisations. This applies, in particular, to the challenge of identifying good and important simplification measures. The Government attaches considerable weight to keeping up the collaborative effort pursued through the Contact Forum for Streamlining for Trade and Industry.

## 4.2 Priority areas

Responsibility for following up on the individual measures set out in this Action Plan will continue to remain with the various sectoral Ministries. In addition, the Government has identified certain prioritised areas that the Ministry of Trade and Industry, as the coordinating Ministry for the simplification for trade and industry effort, will keep a special focus on. These prioritised areas cut across the five subsidiary goals that the individual measures are categorised under.

The Ministry has discussed the selection of priority areas with trade and industry organisations, and their clear recommendation was to keep to the same areas as last year. These are broad areas, which need to be focused on over time in order for more comprehensive changes to be implemented. The Government has therefore chosen to rely on this recommendation. These priority areas will be discussed in more detail below, with special priorities being identified within each area.

### 4.2.1 Impact assessments

The work on enhancing the quality of impact assessments in general, and those relating to trade and industry in particular, is a long-term effort. Therefore, the Government will continue to strengthen the impact assessment effort. The main challenges are: To influence attitudes and disseminate information. To lay the foundations for an improved appreciation of what trade and industry are, and of how regulatory frameworks have consequences for both small and large businesses.

- Competency building and development. Training of executive officers and others involved with impact assessments/surveys
- To develop methods for performing impact assessments
- To develop quality assurance methods and systems for impact assessments (for example various business panels)

Based on the experience gathered over the last year (see the discussion under Chapter 3.2), the Ministry of Trade and Industry will keep up and strengthen the Orakel effort. More resources will be allocated to Orakel, in order for it to step up training activities whilst at the same time having sufficient resources to become involved in other important cases as and when these arise. One of the main challenges is to become involved in relevant cases from the very outset. Assessments of consequences need to form part of the deliberations throughout the administrative process, from the very beginning, to ensure the best possible end result. There are also challenges to be met in terms of evolving the Orakel function, in particular with regard to its role as a competency centre for other parts of the public administration. Orakel will step up its engagement as far as training and competency-building efforts are concerned.

Collaboration with trade and industry (through organisations and businesses) will be pursued and reinforced.

The Ministry of Labour and Government Administration is preparing a revision of the Instructions for Official Studies and Reports, and is in the process of setting up an economic analysis unit. The unit shall, amongst other things, assist in the preparation and quality assurance of financial impact assessments, in particular those adopting an economics perspective rather than an accounting perspective. This will contribute to increasing the general focus on impact assessments, as well as the competency relating thereto.

See Area 2 of the Plan of Measures for further details.

#### 4.2.2 Electronic reporting

The changeover to electronic reporting will also this coming year be the most important measure in the effort to reduce the reporting burden on trade and industry. An all-out effort is now needed to realise the eNorway 2005 objective that all government bodies should be able to offer trade and industry electronic reporting by yearend 2004.

The main challenges in the coming year will be:

- to ensure good future operation, development and expansion of the AltInn solution
- to ensure the best possible user-orientation and coordination of interfaces, registration systems, log-on and filing routines, etc., for all electronic reporting
- to evaluate and follow up on the recommendations of the report *Using IT to cut red tape*
- to follow up on the recommendations of the ICT Strategy for the Public Sector as to standardisation work concerning the exchange of data to secure internal communications within the public administration, as well as between the public administration and users
- to assess the need for measures within the local government sector – relationship to trade and industry

See Area 3 of the Plan of Measures for more detailed information.

#### 4.2.3 The HES area

The Government is still focusing on the health, environment and safety area. A lot of useful work is underway here. Follow-up will be essential to ensure favourable results.

This applies to both:

- Restructuring and coordination of the regulations pertaining to this area, and
- Access to regulatory frameworks via Internet-based solutions

In addition, it will be important to ensure swift and appropriate implementation of the Inspectorate Report's proposals for coordinated supervision within this area. This work is ongoing.

For more detailed information see, in particular, Measures 3.13 – 3.15, 3.23, 4.4 – 4.7, 5.14 - 5.16.



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#### Internet-based reporting to the Employer Register

All employers must submit a number of details respecting their employees to the Employer Register of the National Insurance Administration. An Internet-based reporting solution was inaugurated in October 2003.

#### Extension of the deadline for businesses to file their self-assessment

It has been proposed that the deadline for business enterprises to file their tax-return be postponed from end February until 31 May for those filing their tax-return electronically. Gives trade and industry more time to complete tax assessment forms, is better attuned to the deadlines for completion of accounts, and is coordinated with the Tax Administration's solutions for electronic filing of self-assessments.

**mattilsynet**

interimorganisasjonen

#### Proposal for a new Food Production Act

A new Food Production Act will replace 13 existing acts. Administration of the Act will fall under the auspices of the new and integrated Food Inspectorate

#### **Proposal for a simplified regulatory framework within the pollution area**

To new sets of regulations – one set of Product Control Regulations and one set of Pollution Regulations – will replace about 40 existing regulations. In addition, one is proposing to repeal three sets of regulations that are “date-expired”.

## **BYGGSØK**

#### **Electronic processing of planning cases**

A system for Internet-based information, for electronic filing via the Internet, and for planning applications, has been developed for use by all local governments.

#### **Simplification of customs and excise rules**

2002: The investment tax, the air passenger tax, and close to 1200 customs tariff rates on manufactured goods, repealed

2003: About 130 customs tariff rates on agricultural goods repealed. Number of administrative regulation rules on excise duties reduced from 350 to 125.

2004: Proposal for about 40 customs tariff rates on agricultural goods to be repealed

#### **4.2.4 The planning and building law area**

The streamlining and facilitation effort within this area will continue. The report of the Planning Law Committee is being circulated for comments, and will be followed up on, together with the part-report from the Building Law Committee, during the coming year.

The Government will propose amendments to the Planning and Building Act, in order to make the planning system more efficient, flexible, and easier to use, both for local administrations and private parties. The part-report from the Building Law Committee, as submitted on 21 October, will be followed up on, with a view to assessing the scope for more joint processes for dealing with planning and building cases.

For more detailed information see, in particular, Measures 3.22, 4.1 and 4.2.

#### **4.2.5 Re-examination of regulatory frameworks**

The Administrative Regulations Cleanup Effort, a project for cleaning up and streamlining administrative regulations, proposed a number of follow-up measures. These are being followed up on by the relevant Ministries in charge, in particular by the Ministry of Justice. There will in the coming year be needed a special focus on follow-up measures relating to increased re-examination of regulatory frameworks.

The work on the Government Evaluation Procedure Rules is scheduled to conclude during the first half of 2004. Statskonsult has embarked on the preparation of a re-examination manual. These efforts are being coordinated with follow-up work on the OECD-review (see Measure 5.56)

See Area 1 of the Plan of Measures for further details.

### **4.3 Government measures**

The Plan of new initiatives/measures offers, like last year, an overview of all the measures, organised within the five subsidiary goals for this work. These are described in more detail below.

There are a total of 108 measures to be implemented in coming years. 25 of these are new measures, whilst the others are carried over from the previous plan. The measures are described in the Appendix (the Plan of Measures).

The Plan of Measures is extensive, and extremely varied. It illustrates both how complex streamlining and facilitation for trade and industry is, as well as how wide-ranging such effort is – and has to be. We also refer to Chapter 4.1 on striving to identify the good measures.

Issues concerning the tax system, the level of direct and indirect taxes, the scale and scope of schemes administered by the policy instrument system, etc., are not covered by this plan. However, certain measures concerning, for example, tax have been included to provide context. This is an area where simplification forms an important part of ongoing work.

In addition to said measures, the Ministry of Trade and Industry is committed to pursuing cases raised by individual businesses, trade and industry organisations, and others, with the Ministry, whether these are individual cases (e.g. unreasonable reporting requirements) or cases involving matters of principle.

#### 4.3.1 Easily accessible regulatory frameworks

In order for regulatory frameworks to be well functioning, users must be aware of the rules and understand their meaning. The public sector is facing the challenge of developing regulatory frameworks that are understandable to users in terms of their form, structure and language, and that are easily accessible by users both in their original form, and through necessary information/guidance.

In 1992, the Legislative Structure Committee presented a complete proposal for an improved legislation structure. The Committee performed a complete review of existing acts, and proposed that 332 acts be repealed in their entirety due to obsolescence, etc. This was implemented in 1990. The more far-reaching proposals as to the systematisation of Norwegian legislation are being followed up, as proposed by the Committee, in the context of major legislative reform projects. The Committee also proposed a cleanup effort as far as administrative regulations are concerned.

The Administrative Regulations Cleanup Effort, a project for cleaning up and simplifying the system of administrative regulations, was carried out from 1999 until 2001. The project addressed nationwide and local administrative regulations introduced by central government bodies, but not administrative regulations introduced by local administrations. The purposes were to repeal regulations that were "date-expired" and to improve the structure of remaining regulations, in order to make regulatory frameworks more readily understandable and user-friendly. A final report, setting out the outcomes achieved and proposals for additional measures, was submitted to the Ministry of Justice and the Ministry of Trade and Industry in the spring of 2002.

The conclusion from the project was that we have come quite far in simplifying and cleaning up administrative regulations. During the relevant period, the number of nationwide administrative regulations was reduced by about 10 percent (a reduction of about 420 sets of administrative regulations). In addition, a number of central government regulations with a local scope were repealed or amended. Many individual sets of regulations were simplified, formal errors were rectified, and unpublished regulations were published. A number of training sessions and seminars were held on drafting and preparing rules. The Administrative Regulations Cleanup Effort has resulted in enhanced knowledge of the preparation of regulations on the part of public administration employees, and has led to an increased appreciation of how important it is to have user-friendly regulatory frameworks. The project proposed a number of follow-up measures to keep up interest and to ensure that regulatory frameworks are easy to access and understand.

Several large simplification projects are still ongoing within the area of administrative regulations. Some of these projects are also addressing the materiality of regulatory frameworks, in which case they are classified under Area 4, Improved regulatory frameworks within individual areas, or touch on access to regulatory frameworks/public sector information, and have for that reason been classified under Area 5, A business-friendly public sector.

The measures: See Area 1 of the Plan of Measures, at [www.nhd.no/forenking](http://www.nhd.no/forenking).

##### Number of laws and regulations in Norway

2000: approximately 710 Acts of the Storting and approximately 11,400 sets of regulations

2001: approximately 715 Acts of the Storting and approximately 11,500 sets of regulations

2002: approximately 740 Acts of the Storting and approximately 11,200 sets of regulations

All of these are available for free at [www.lovdato.no](http://www.lovdato.no).

### 4.3.2 Improved foundation for making decisions on government measures, reforms and regulatory frameworks

An improved foundation for making decisions results in better decisions. For that reason it is a requirement, in respect of all government evaluations, regulatory amendments and measures, that all financial, administrative and other important consequences be assessed in advance. The consequences for trade and industry are to be assessed hereunder.

Norwegian trade and industry is characterised by a very high number of small businesses. A government reform or a regulatory framework will often require relatively more compliance resources on the part of small businesses than on the part of large ones. This is caused by, amongst other things, a dearth of specialist competency and administrative capacity. Consequently, it must be a general principle in the design of regulatory frameworks, reporting systems, and other administrative services, for these to be adapted to the requirements and capabilities of smaller businesses. This will also imply that the scheme in question is appropriate for larger businesses.

Impact assessment requirements are set out in the Instructions for Official Studies and Reports, adopted on 18 February 2000), as well as in various guidelines. The Instructions define what to evaluate, who is responsible for doing so, who to include in consultations at various stages, etc. The relevant sectoral Ministry is responsible for ensuring that all consequences are assessed.

To ensure that the impact on trade and industry is assessed thoroughly, the Ministry of Trade and Industry has created to the *Orakel* competency centre.

See Area 2 of the Plan of Measures for details on individual measures, at [www.nhd.no/forenkling](http://www.nhd.no/forenkling).

### 4.3.3 Reduction of the burden imposed on trade and industry by various reporting duties

The reporting burden is the work imposed on trade and industry by way of a number of obligations to submit standardised information to the public sector, typically in the shape of a form. It is no single form that gives rise to the considerable administrative costs and irritation on the part of individual businesses, but rather the sum total of regulatory frameworks, reporting and documentation obligations. This is an aggregation problem, and there is agreement between the public administration and trade and industry that the measures need to adopt a broad perspective in order to improve matters.

It is impossible to reduce this burden to nil. Society is getting ever more complex, and there will always be a need for regulations, for informational input when dealing with cases, for control, and for statistics. A well-designed and well-adapted form will, if it is at all necessary to obtain the information in question, normally save time on the part of both the user and the recipient. Consequently, the prime challenge is not to reduce the number of forms, but to design a reporting regime that imposes the minimum possible overall burden on trade and industry, both in terms of what information is required, the timing of reporting, and the reporting method used.

Four basic principles govern the effort to reduce the reporting burdens on trade and industry:

- Government shall never request more information than what actually is or will be 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

The effort to reduce the reporting burden imposed on trade and industry is divided into four main categories:

### **i. Simpler method of reporting**

The method by which reporting takes place, must be organised so as to impose the minimum possible burden on trade and industry. Electronic reporting of data will make this work more efficient on the part of both those reporting and those receiving such reports, and is an area of priority. In converting to electronic solutions, it is of particular importance for all government bodies to coordinate their systems to ensure that these are able to communicate with each other, as well as with businesses. The Public Sector IT Action Plan shall contribute to ensuring coordination and standardisation across sectors and administrative levels.

A user forum for electronic reporting and coordination has been set up, and is headed by the Brønnøysund Register Centre. The forum brings together participants from different government bodies (the Ministry of Trade and Industry, the Ministry of Labour and Government Administration, the Ministry of Finance, the National Tax Administration, Statistics Norway, the Directorate of Customs and Excise, and the National Insurance Administration), as well as from the large trade and industry organisations. The purpose of the forum is to strengthen coordination work in general, and electronic reporting in particular. Moreover, the forum is intended to promote and focus on good electronic reporting solutions. The forum is important to ensure that experience is shared between government bodies, between such bodies and the Register of Reporting Obligations of Enterprises, and as an arena where the Ministries can receive inputs relating to their areas of priority.

### **ii. Coordination and reuse**

The Register of Reporting Obligations of Enterprises plays an important role in the effort to reduce the reporting burden on trade and industry. The main role of the Register is to promote increased reuse and coordination of data. In order to ensure the maximum possible coordination and reuse of information reported by trade and industry, all government bodies have been ordered, in connection with the introduction of electronic reporting, to use the Register of Reporting Obligations of Enterprises metadatabase for their electronic reporting solutions.

The potential for improved coordination and reuse remains the greatest within the areas of financial data, basic data and personnel. Increased reuse of financial data on a large scale presupposes electronic storage of such information. This has been achieved through a project involving the Nation Tax Administration (System for Tax Assessment of Business Enterprises (SLN), etc.), Statistics Norway, and the Brønnøysund Register Centre (the Register of Company Accounts). The AltInn solution will entail a significant increase in the amount of electronically stored data. The work of reviewing the area of salary and personnel data has begun, and will be important ahead.

Coordination of basic data is important for purposes of identifying enterprises. Basic data are currently registered in the Central Coordinating Register for Legal Entities, using the organisation number as the key to identification. There remains a vast potential for simplification and streamlining for trade and industry, and for the public sector, in this area. Government bodies are obliged to use basic data from the Central Coordinating Register for Legal Entities. The Register is in the process of developing a Web-based solution for the exchange of basic data from the Register to government bodies (so-called web-service), which will offer a simpler and more cost-effective method for the reuse of such data.

### **iii. Amending regulatory frameworks**

All reporting obligations are directly or indirectly grounded on some regulatory framework (or other political decision). Consequently, efforts to cut down on reporting requirements also involve the simplification of rules, since we want to remove, as far as

possible, regulatory frameworks that give rise to unnecessary reporting duties. Regulatory frameworks that entail the imposition of reporting obligations must be re-examined on a regular basis from the perspective of simplification.

Regulatory frameworks are currently being re-examined within many of the areas identified by trade and industry as being the worst ones in terms of the burden imposed, hereunder the Planning and Building Act, internal control/HES, tax, accounts (see Area 4). These are important processes, also from the perspective of reporting.

The challenge is to be able to map out the consequences of new/amended regulatory frameworks, all the way down to a level that tells us something about what specific forms will need to be filled in by trade and industry. This is of key importance for the prevention of unforeseen increases in the reporting burden on trade and industry. The Orakel project of the Ministry of Trade and Industry assumes a special role in this context.

#### Shutting down registers

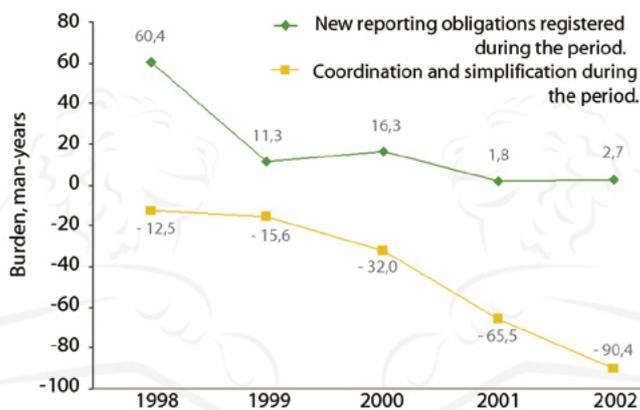
The register of business enterprises engaged in recruitment services and the hiring-out of workers has been abolished, thus relieving businesses of one reporting obligation.

#### iv. Changing attitudes

There is a need for government bodies to better appreciate the burden imposed on trade and industry, and on small businesses in particular, by reporting obligations. Government bodies need to acknowledge that their forms are part of a general problem, which must be taken into consideration in deciding how public administration shall perform its duties. This

can be achieved by, amongst other things, information about Norwegian trade and industry, the development of forms, and data gathering. The Register of Reporting Obligations of Enterprises plays a lead role in this regard. Orakel has prepared business enterprise statistics that offer a general overview of trade and industry, organised by number of active enterprises, type of legal entity, number of employees, and turnover. These statistics are a source of knowledge of Norwegian trade and industry, and is a tool that may be used by public administration to, amongst other things, specify/quantify the impact of various proposals.

Chart 2 shows progress achieved through the work carried out by various government bodies to streamline trade and industry reporting obligations, measured as annual change in the overall burden.



Source: The Register of Reporting Obligations of Enterprises

For details on individual measures see Area 3 of the Plan of Measures at [www.nhd.no/forenkling](http://www.nhd.no/forenkling).

#### 4.3.4 Improved regulatory frameworks within certain areas

A modern society needs a well-functioning regulatory framework. However, regulatory frameworks need to be updated at any given time, and must reflect real regulatory needs. Consequently, it must be systematically assessed whether there is a need for changes to existing regulatory frameworks. May the relevant regulatory need (either completely or to a sufficient extent) be met through the use of other policy instruments, may, for example, the relevant industry itself regulate the area in question by devising its own schemes, or is the area in question a candidate for deregulation because the need is no longer there? Here trade and industry needs to assume an active role in terms of identifying where change is needed.

The development and use of new technology has created a need both for new regulations and for changes to existing ones. The regulatory framework should facilitate, not impede, electronic trade and communication.

The regulatory frameworks governing certain areas are of particular importance to trade and industry. Some examples are competition rules, rules on direct and indirect taxes, employment rules, planning and building rules, and HES rules. It is of critical importance to trade and industry that the needs of businesses be accorded due consideration in preparing regulatory frameworks, etc., within these important areas.

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

For details on individual measures see Area 4 of the Plan of Measures at [www.nhd.no/forenkling](http://www.nhd.no/forenkling).

#### 4.3.5 A business-friendly public sector

The Coalition Government's vision for the modernisation programme encompasses, amongst other things: A public administration perceived by **trade and industry** as being well organised and non-bureaucratic, and with Norwegian public services provision being regarded as a competitive advantage internationally.

Within the public sector we are aiming for

- A public administration perceived by **trade and industry** as well organised and non-bureaucratic, with Norwegian public services provision being regarded as a competitive advantage internationally
- Interaction between the public sector and trade and industry to be characterised by the best possible cooperation

This implies that the simplification effort must adopt a comprehensive approach to succeed. Regulatory frameworks and reporting obligations must be judged in the context of how they are practised by the public sector. We are facing challenges in this regard. The public sector must be adapted to take better account of the needs of trade and industry, both in terms of services provision and in terms of the practising of rules.

The public sector must perform its duties in a manner that supports business enterprises, and refrain from unnecessarily retarding development. Users must be met with positive attitudes and useful knowledge. The time needed to implement the rule in question should, to the extent possible, be estimated beforehand. Users must experience equal treatment when it comes to decisions on applications, etc.

Technological development has given rise to new expectations concerning the public sector; expectations of new services, access to services on user terms, and services that are available 24 hours a day – as increasingly seen elsewhere in society. These expectations provide us with a good basis for development; something that needs a goal-oriented effort to be realised.

#### Opening hours

The Opening Hours Act was repealed effective 1 April 2003. Businesses may now decide themselves when to stay open, apart from Sundays and holidays.

#### New overtime rules

The Working Environment Act has been amended to offer increased flexibility in structuring overtime work.

#### Increased scope for temporary employment

The Government has proposed changes to the temporary employment provisions of the Working Environment Act, in order to offer businesses improved scope for adjusting to their manpower needs.

#### A trade and industry saving of more than NOK 30 million

The obligation to publish registered corporate information in the Official Norwegian Gazette has been replaced by electronic publication. More than NOK 30 million is saved on the part of trade and industry, and the public sector is made more efficient. The savings will be allocated to reducing the first-time registration fee of the Register of Business Enterprises by about 10 percent in 2004.

**A new complaints commission for domain names (.no-domain)**

Will make it simpler to resolve domain name disputes, without having to resort to an expensive and time-consuming court system. The new complaints commission will generate savings in terms of both costs and time.

The *Modernisation Programme: User-Orientation, Efficiency, and Simplification* ([www.modernisation.dep.no](http://www.modernisation.dep.no)) is the Government's effort to improve the public sector in general.

For details on individual measures see Area 5 of the Plan of Measures at [www.nhd.no/forenkling](http://www.nhd.no/forenkling).

# Supplement:

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## International simplification efforts

A lot of activity is taking place within this area in many countries, and it is a priority for Norway to participate in international efforts both to offer and to gather experience. Firstly, we participate in various forms of Nordic cooperation. Since the Nordic countries are very similar in many ways, we have included a brief description of the efforts pursued in Denmark and Sweden, as these are the countries with which we cooperate most closely. In addition, we participate on the OECD simplification effort (regulatory reforms), and we are also following the EU's work within this area.

### Nordic efforts

In Denmark, responsibility for simplifying rules is shared. The Danish Commerce and



Companies Agency (DCCA) and their "Centre for Quality in the Regulation of Commerce", has a special responsibility for streamlining and facilitation for trade and industry, and hereunder manages, amongst other

things, the business panels (test and focus panels) that assist in assessing the consequences of new laws and regulations. In addition, they run a centre developing IT solutions intended to make it simpler to operate business ventures in Denmark. Each year, the DCCA measures changes in the overall administrative burden. These measurements are based on interviews with approximately 1000 businesses – the so-called [model enterprises](#). Denmark aims to reduce the administrative burden by 25 percent by the year 2010.

In the autumn of 2003, the DCCA published an international survey of simplification efforts for trade and industry<sup>3</sup>. The survey is based on the experiences of 20 countries both within and outside the EU, and it aims to inspire and encourage efforts within this area, and to share experience. The survey also demonstrates that different countries have adopted very different working methods.

Furthermore, some time ago there was created a designated Modernisation Office within the Danish Ministry of Finance. The Ministry of Finance is in charge of the modernisation programme, which is concerned with citizens as well as with trade and industry. In August 2002, the Ministry presented the action plan "A Simpler Public Sector – the Government's Action Plan for Simplification of Rules and Reduction of Administrative Burdens", setting out a total of 198 different proposals. The objective is to reduce the administrative burdens imposed on citizens and businesses, and to repeal unnecessary public sector rules (central and local government). Denmark presented a status report and a new action plan on 28 October 2003. More information on these efforts is available at [www.eogs.dk](http://www.eogs.dk) and [www.modernisationsprogram.dk](http://www.modernisationsprogram.dk)

<sup>3</sup> International Study: Efforts to Reduce Administrative Burdens and Improve Business Regulation. Danish Commerce and Companies Agency, Denmark. August 2003. [www.eogs.dk](http://www.eogs.dk)

In **Sweden**, the Ministry of Industry, Employment and Communications has created a designated group, Simplex, which has been accorded special responsibility for simplification efforts for trade and industry. Simplex is primarily focused on examining *new* rules to map their potential consequences for trade and industry, and for small businesses in particular. Simplex is also charged with overseeing the simplification of existing legislation, but has thus far not been able to accord very much priority to such work. One intends to present an action plan in 2004.

Simplex is working to develop a good method for measuring the administrative burdens on trade and industry, and is now in the process of following up on a report it has commissioned on this issue. Information on Simplex is available at [www.naring.regeringen.se/fragor/naringslivsutv/regelforenkl](http://www.naring.regeringen.se/fragor/naringslivsutv/regelforenkl)

Norway, Sweden, Denmark and Finland have also set up a **network at senior government official level**, which meets once a year to update each other, exchange experience, and learn from each other. In addition, it offers Norway a good opportunity to be updated by Member Countries on the EU simplification effort.

A collaboration effort is also taking place through the Nordic Council of Ministers. In the spring of 2003, a Nordic conference on entrepreneurship and simplification of rules was held under the auspices of the Swedish Presidency. The conclusions from said conference formed the basis for a Nordic Action Plan for Increased Competitiveness, as adopted by the 29 September 2003 meeting of Nordic Ministers:

- Simple and appropriate rules represent a competitive advantage in an international context, both between countries and between regions. A conscious effort to simplify rules may thus benefit each of the Nordic countries, but also the Nordic region as a whole within an expanded EU/EEA.
- Important pillars underpinning national efforts to progress the simplification of rules are examination of the impact of new rules on businesses, a broad approach to reducing the administrative burdens imposed by existing legislation, as well as defining specific objectives and measures to guide the effort to reduce administrative burdens.
- It is important to increase knowledge of, and improve attitudes towards, businesses and their situation on the part of government officials, as well as to draw on the knowledge and experience of businesses.

The Plan includes certain specific items on the simplification of rules and the easing of administrative burdens:

- Nordic cooperation on issues relating to the simplification of rules, through recurrent sharing of experience at senior government official level, with requisite reporting to the political level taking place within the respective countries.
- Active participation by the Nordic countries on issues relating to impact assessments at EU level, to ensure that new rules proposed by the Commission are followed by sufficient analysis of their consequences to businesses, and to small and medium-sized enterprises in particular, which analysis should take at as early a stage in the deliberation process as possible.

## European Union



The EU has in recent years focused increasingly on the reduction of administrative burdens and the simplification of rules, both in respect of its own regulatory frameworks and the regulatory frameworks of respective Member Countries. This has been a key issue in following up on the Lisbon Strategy. At the Spring 2000 European Council, the EU

Member Countries adopted a comprehensive strategy aimed at making the EU the most competitive and dynamic knowledge-based economy in the world by 2010. The Lisbon Strategy declares, amongst other things, that Europe needs to improve conditions for

trade and industry, because existing legislation is often so rigid and complex as to impede innovation and creativity.

The EU effort is based, amongst other things, on the "European Governance" White Paper, which formed the basis, together with the Mandelkern Report, for the Commission's own action plan for the simplification of rules<sup>4</sup>. The EU Commission is now in the process of implementing the measures set out in the action plan. In addition, the Commission has embarked on a review of the EU regulatory framework. The aim is for the overall volume to be reduced by one-third by 2005, by way of, amongst other things, consolidating the framework.

The various EU documents all include clear recommendations on efforts to reduce administrative burdens, both on the part of Member Countries and on the part of the EU itself. This effort keeps a special focus on the regulatory framework within the Internal Market, and is, because of the EEA Agreement, important to Norway as well.

The Commission has made use of various policy instruments to meet the Lisbon-objective, hereunder the Multiannual Programme for Enterprise and Entrepreneurship (MAP). Norway has participated in said Programme since July 2001. A key working method employed by the project under MAP is the identification and exchange of information on useful measures ("best practises") adopted by the various Member Countries. Improved legislation and regulation are amongst the areas focused on by the Programme, and in respect of which Norway files annual reports.

Norway also participates in the EU's European Business Test Panel. About 100 Norwegian businesses participate in the newly established Panel, intended to assist the EU Commission in assessing the potential impact on trade and industry of new and amended EU regulations.

## OECD



The OECD has for quite some time been working on measures intended to reduce administrative burdens, and has made considerable progress within this area. In 1995, the OECD initiated a broad programme on regulatory forms – the "OECD Regulatory Reform Programme". Norway participates in this work, hereunder through working groups/expert groups, seminars and other fora.

### The OECD's country review of Norway

On 2 June this year, the OECD presented a comprehensive review of regulatory reforms in Norway<sup>5</sup>. Said review forms part of a series of country reviews on regulatory reforms initiated by the OECD in 1998. Norway is the 18th country reviewed by the OECD. Finland was reviewed concurrently with Norway, whilst Denmark was assessed in 1999. The OECD has made recommendations on new measures and improvements, both in respect of the organisation of regulatory reform efforts within the public administration and in respect of the organisation of impact assessments. The report offers us a good basis for comparing our reform efforts with those of other OECD countries, and offers important inputs to further our efforts.

The OECD found that the petroleum revenues may make it difficult to demonstrate the need for regulatory reforms in Norway. The OECD further notes that Norway has adopted helpful macroeconomic policies, but should prioritise the strengthening of the onshore sector exposed to competition.

<sup>4</sup> Action plan: Simplifying and improving the regulatory environment. EU Commission, June 2002. COM (2002) 278 final.

<sup>5</sup> OECD Reviews of Regulatory Reform: Norway. *Preparing for the future now. OECD 2003.* [www.oecd.org](http://www.oecd.org).

The review of regulatory reforms included discussion and analysis of the following topics:

1. Overview of regulatory reforms and macroeconomic background
2. Government capacity to assure high-quality regulations
3. The role of competition policy in regulatory reform
4. Enhancing market openness (trade policy and foreign investment) through regulatory reforms
5. Marketisation of government services in state-owned enterprises, with a special focus on the hospital sector, recruitment services/labour market measures and civil aviation
6. Modernising regulators and supervisory agencies

In the press release relating to the report, the OECD pointed to the Simplifying Norway Action Plan as a programme that has a real impact, having resulted in improvements for trade and industry. Moreover, the OECD referred to the Brønnøysund Register Centre as an example to learn from for the other OECD countries – “best practise”.

The OECD report sets a number of recommendations and proposals for specific measures; we here mention some of those that relate to the work on assuring high quality regulations:

- Establish a comprehensive regulatory policy
- Organisational changes to public administration to improve coordination and management of regulatory policy
- Strengthen work on impact assessments
- Prepare government-wide criteria for good regulations, incl. requirements as to cost-benefit analysis
- Re-examination of regulations pursuant to the same principles as adopted for the preparation of new regulations
- Strengthen existing regulatory tools (e.g. enhancing the role of consultation processes, increase and improve use of the Brønnøysund Register Centre)
- More conscious use of alternatives to regulations
- Cost-benefit analysis also in the implementation of EEA regulations
- Ensure that competency respecting regulations is good enough at the local level as well

The challenge ahead is to follow up on the recommendations of the OECD. Many of these recommendations concern relatively broad structural changes, and will entail

considerable work. Consequently, it will take some time for all the recommendations to be assessed and, if applicable, implemented. Moreover, such work will be demanding in terms of cooperation and coordination within the central government administration. The various sectoral Ministries are responsible for following up and assessing recommendations within their own sector. The Ministry of Labour and Government Administration has, in addition to responsibility for ensuring progress in the work relating to all parts of the report, a special responsibility for the cross-sectoral recommendations.

**Best practise: The Register of Reporting Obligations of Enterprises at Brønnøysund**

Is unique in an international context, and was highlighted by the OECD, in its country review of Norway, as an example be copied by other countries.

# Simplifying Norway

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The Appendix to this Status Report sets out all the measures of Action Plan, as well as the status in respect of last year's plan, and can be read at [www.nhd.no/forenkling](http://www.nhd.no/forenkling)

The Ministry of Trade and Industry would very much like to receive views, suggestions and other input relating to the simplification effort. E-mail may be sent to [forenkling@nhd.dep.no](mailto:forenkling@nhd.dep.no).

*The Government's Action Plan for Simplifying Norway: Streamlining and Facilitation for Trade and Industry 2002 (K-0659 B)* may be ordered from the Ministry of Trade and Industry, or accessed on the webpage [www.nhd.no/forenkling](http://www.nhd.no/forenkling).

The plan is also available in English.

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Published by:  
Ministry of Trade and Industry  
PO Box 8014 Dep.  
NO-0030 Oslo  
Norway  
[www.nhd.no/forenkling](http://www.nhd.no/forenkling)

Publicationcode: K-0671 N

Design: Mediatekst DA