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6 Boulevard Royal  
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7 April 2005

THE PRESIDENT

## **Competitiveness Council 18 April 2005**

Dear President,

Three weeks after the European Spring Council, it is time to turn the new focus of the Lisbon Strategy on growth and jobs into a reality. The Competitiveness Council should start now to proactively influence the new “integrated guidelines” which are currently being drafted by the Commission, especially as regards their parts on micro-economic reform. The European business community expects the Competitiveness Council to play its horizontal role as guardian of European competitiveness to the full in the new governance mechanisms of the Lisbon Strategy.

UNICE would like to draw your attention to three particular issues on the Council’s agenda:

### **Better regulation**

UNICE appreciates the continuing attention which the Council gives to the topic of better regulation. Political support from the highest level is essential for driving this issue forward and achieving results which benefit European competitiveness. The new approach of the Commission on better regulation for growth and jobs as set out in its recent Communication is a step in the right direction but more effort has to be made to achieve concrete results. It is vital to conduct impact assessments on all major policy-defining documents and legislative proposals, refocus the economic impacts to give greater attention to consequences for competitiveness, and more often present requests in monetary terms.

A common methodology for measuring administrative burdens, similar to the so-called Standard Cost Model currently used by an increasing number of Member States, should be incorporated in the impact assessments, to provide for a clear and transparent method for evaluation of business costs which can be applied in a coherent way at national level.

Despite the Commission’s intention to draw on external expertise to advise on the methodology of its assessments and technical issues and to reinforce quality control by Commission departments, we nevertheless repeat our position that the credibility of impact assessments would gain if they were entrusted to or verified by an independent body.

Concrete action plans to simplify existing red tape must be put in place with ambitious and quantitative targets, deadlines and controls, and UNICE appreciates the Council's contribution to this by establishing Council priorities for simplification. It is important that initiatives in this area are taken to ensure faster progress regarding the adoption of simplification measures and to encourage the participation of stakeholders.

**7<sup>th</sup> Framework Programme**

The 7<sup>th</sup> Research Framework Programme published on 6 April is an important step towards making research and development a responsible contributor to the competitiveness of Europe. UNICE supports the call by the Commission for increasing the means to be devoted to promoting research and development at the EU level. However, this support is conditional on increasing the efficiency and the effectiveness of the programme and on simplifying the rules of participation.

In particular we are pleased with the focus on the "cooperation" programme proposal, the implementation of which should reverse the documented decline in industry participation in the 6<sup>th</sup> Framework Programme. Industry, both large companies and SMEs, are catalysts for innovation and it is our hope that the new Framework Programme will result in renewed emphasis on stimulating research and innovation within industry itself. This requires that, in parallel, the general environment in Europe is made more attractive for innovation, as well as promotion of the concept of "knowledge for growth".

The 7<sup>th</sup> Framework Programme can only make a positive contribution if it stimulates the transition of research to commercially viable products and services. This can only be achieved if synergies between "frontier" and "applied" research are forthcoming. Promoting such synergy must be a key objective of the proposed European Research Council.

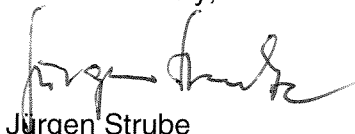
**Competitiveness and Innovation Framework Programme (CIP)**

Last but not least, UNICE is also pleased with the recently presented Competitiveness and Innovation Framework Programme and the simplification it brings. We appreciate that competitiveness is taken as the overriding theme to inspire and drive the three sub-programmes on Entrepreneurship and Innovation, ICT Policy Support and Intelligent Energy-Europe, and that Community financial instruments focus on growth and innovative companies.

Please find also our 6 April press release on the two programmes attached to this letter. Both the 7<sup>th</sup> Framework and the Competitiveness and Innovation Framework Programme are important elements under the "Competitiveness" heading of the Financial Perspectives 2007-2013. Sufficient allocation of resources to competitiveness-enhancing programmes should be the priority objective in the current discussions.

Thank you in advance for the consideration you and your colleagues may give to UNICE's views

Yours sincerely,



Jürgen Strube