

2 August 2005

Mr José Manuel Barroso
President of the
European Commission
200 rue de la Loi

1049 Bruxelles

THE SECRETARY GENERAL

Dear President,

With great interest UNICE has taken note of the new internal Commission impact assessment guidelines. UNICE is very pleased about the continuing efforts of the Commission to improve the quality of impact assessments of EU legislation. It is vital that legislative proposals are properly assessed for their potential impact on Europe's competitiveness to ensure that they are consistent with the Lisbon objective and it is thus of great importance that the guidelines provide clear guidance on measuring administrative costs, on how to properly consult stakeholders at an early stage of the procedure, and on how to conduct a serious evaluation of alternative options, such as "no EU action", which should always be considered in an impact assessment.

UNICE will closely follow implementation of the new guidelines to see how this will enhance the meaningfulness of impact assessments in terms of achieving better regulation for growth and jobs in the EU but, considering that time is of the essence in this matter, it would like to already mention some specific aspects of impact assessments which in our view would help further in increasing the effectiveness and credibility of this tool:

- Although providing ample guidance on the need to assess the impact on growth, competitiveness and jobs, the guidelines stop short of setting out a **clear method of determining concrete and quantifiable results**. For example, regarding the need to measure administrative costs, UNICE is concerned about the Commission striving for a method which seeks also to take account of benefits such as cost savings or costs that would have been made anyway in the absence of proposed legislation. Such a method will involve speculative assumptions regarding entities' behaviour which would make the assessment of administrative costs unnecessarily complicated and unclear.

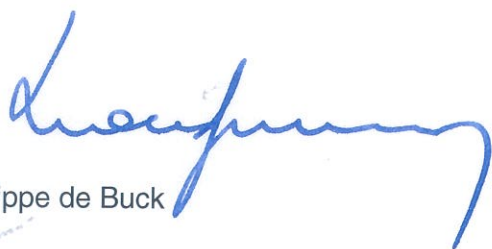
- Regarding the issue of **quality control and independence**, UNICE welcomes the Commission's intention to carry out a comprehensive independent evaluation of the impact assessment system. Similarly, drawing on independent external expertise for advice on methodology and technical issues and reinforcing quality control by Commission departments could be important steps towards achieving better regulation and reducing the risk of bias. The credibility of impact assessments would unquestionably gain if they were entrusted to, or verified by, an independent body, especially in view of the fact that the guidelines grant substantial discretion to the services in charge of developing a proposal for the assessment and evaluation of a large variety of impacts.

As stated, UNICE is very pleased about the increasing emphasis which the Commission is putting on better regulation as a crucial tool for promoting competitiveness and the considerable efforts that are being made in this respect. Substantial progress has been made in a relatively short period of time.

UNICE offers its input and know-how on how to best shape and implement policy in this area, especially with respect to the urgent need to agree a clear common methodology for measuring administrative costs, and it is ready to discuss this subject in more detail.

Yours sincerely,

Best regards,



Philippe de Buck