19 April 2011

MEETING BETWEEN JANUSZ LEWANDOWSKI, COMMISSIONER FOR FINANCIAL PROGRAMMING AND BUDGET, AND PHILIPPE DE BUCK, BUSINESSEUROPE DIRECTOR GENERAL

The EU budget must be reformed, reviewing and aligning all spending with Europe's 2020 Strategy in support of the most relevant competitiveness-enhancing policies for the single market.

Every policy area must be analysed from a "European added value" perspective and assessed as to whether objectives can be better achieved through financial or regulatory instruments. In line with the subsidiarity principle, EU funding should only be used where it can deliver greater results, where it best complements national and regional initiatives and where other available funding sources are insufficient to meet market needs.

Budgetary discipline on the EU level is self-evident in a time when all Member States have to undertake painful consolidation measures at the national level. European businesses therefore believe that the EU and Member States must restrict themselves to keeping the EU budget at its current level of around 1% and focus on efficiency measures.

Such principle should also be applied to annual budget negotiations while ensuring that previous commitments are appropriately met.

The EU budget is of limited size but of strategic importance. Its overarching goal must be to leverage investments and stimulate economic activity and competitiveness in areas of EU competence.

This can only be achieved through an overhaul of expenditure priorities in order to more effectively support innovation, adaptability, cross-border infrastructure developments and resource efficiency.

BUSINESSEUROPE defines five overarching goals for the EU budget:

i. Gearing up for a more innovative European Union
ii. Investing in the single market
iii. Promoting energy competitiveness
iv. Supporting the employability and adaptability of people
v. Unleashing SMEs growth potential

For these objectives to be reached, it is also necessary to have a greater recourse to market financing where appropriate, more effective management of the funds, increased flexibility and a competitive financing system. It is therefore paramount that public budgets at EU and national levels achieve leverage on private funding on a large scale. EIB

AV. DE CORTENBERGH 168
BE-1000 BRUSSELS
BELGIUM
VAT BE 863 418 279

BUSINESSEUROPE a.i.s.b.l

TEL +32(0)2 237 65 11
FAX +32(0)2 231 14 45
E-MAIL: MAIN@BUSINESSEUROPE.EU
WWW.BUSINESSEUROPE.EU

financial instruments, including the new initiative on EU project guarantees and Public-Private Partnerships are essential.

Increased accountability is necessary and policy-makers at all levels should bear political responsibility for successfully meeting the objectives of the Union. This requires a shift towards a more results-oriented allocation of EU funds, ensuring effective spending and respect for the EU added value principle.

The use of structural funds should follow this logic and demonstrate a real impact on regional competitiveness, with a special emphasis on economic development within and across regions. The reform of the Common Agricultural Policy (CAP) should be deepened and accelerated, in order to make it more market-oriented to stimulate competitiveness and more geared towards innovation, productivity, resource efficiency and climate mitigation.

Reforming CAP and cohesion policy progressively will allow a larger share of the EU budget to be devoted to growth and competitiveness for the benefit of the EU economy at large.

Simplification efforts are also badly needed to improve the efficiency of EU-funded programmes and improve participation of companies, particularly of SMEs.

The financing system of the EU budget must be supportive to growth and competitiveness, foster discipline and prevent upward pressure on taxation. On that ground, BUSINESSEUROPE rejects the introduction of any “EU tax”. Further options to improve EU’s financing system, reduce cumbersome negotiations and ensure the necessary stability of the EU budget should be further investigated.