

# Position Paper

## UEAPME<sup>1</sup> position on Smart Regulation

### Introduction

UEAPME has warmly welcomed the proposal made by the European Commission's President Barroso in September 2009 for "smart regulation" as a new approach to European policy-making. UEAPME has also welcomed the Joint Report on the same subject by the Division for Better Business Regulation in Denmark, the Regulatory Reform Group in the Netherlands and the Better Regulation Executive in the UK on Smart Regulation.

The quality of the regulatory environment is key for the competitiveness of enterprises, especially small enterprises, for their growth and economic performance. Moreover, it is important for attracting foreign investment and it certainly contributes to closing the gap between citizens and the European institutions.

However, cutting red tape is not only a key priority for businesses. As UEAPME has stated for many years, and as confirmed by research, better regulation and the reduction of administrative burdens will also reduce costs for public administrations and lead to better enforcement. This finding is also clearly defended in the abovementioned Joint Report.

The culture of better and smarter regulation must be spread across all of the Commission's Directorates-General. Small businesses are not only affected by enterprise policy – they are concerned with a much wider range of decisions in issues such as social policy, taxation, environmental rules, consumer protection and trade policy, to name but a few. Therefore, UEAPME welcomed the decision recently made to bring the better regulation portfolio under the competence of the European Commission's Secretariat General.

More than half of the total burden of red tape, however, still comes from national legislation. When EU directives are transposed, Member States should resist the temptation to tinker with their contents as much as possible. "Gold plating", the practice of exceeding the terms of EU legislation and adding undue and unnecessary clauses, is one of the main sources of red tape. Member States can and should adapt EU legislation to the national circumstances, but must make sure that their action does not generate extra burdens for the national business community. All EU institutions and Member States must aim at the same objectives concerning the reduction of regulatory burdens in order to reach tangible and concrete results for SMEs.

### UEAPME answers to the questions contained in the Stakeholder Consultation

#### 1. Do you think that the Commission's approach to improving existing legislation is appropriate, or do you believe there are more effective ways of doing so? Could you give us practical examples?

The European Commission certainly deserves praise for its actions so far. In fact, it understood before anyone else the clear link between "better regulation" and the Lisbon agenda. How can Europe create more and better jobs if its businesses, 99% of which are SMEs, are crippled with unnecessary, disproportionate, over-complicated and, in

<sup>1</sup> UEAPME subscribes to the European Commission's Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](#).

President Barroso's own words, "absurd" legislation? It is thanks to the Commission that the mantra of "better regulation" became commonplace in Brussels, and it is after all the Commission that convinced reluctant Member States to adopt the symbolic goal to slash red tape by 25% in five years at the 2007 Spring Council. However, much remains to be done – even for the Commission.

The time has come to rethink the whole regulatory process; there is a need for a cultural shift, a new regulatory culture. Not only legislation and regulations create red tape and administrative burdens and are too complex, there is also a serious problem with the content: the claimed objectives are not clear or not reached, there is an imbalance between advantages and costs, the costs are unnecessarily high due to not adapted rules (no room for alternatives), the rules are not executable or enforceable. Better regulation is indeed more than simplification and/or reducing red tape. The transposition is equally important, not to mention the enforcement of the legislation. Better regulation is a package and cannot be achieved without dealing also with transposition (i.e. how directives are incorporated into national law) and implementation (i.e. how EU legislation is applied in Member States).

The high number of new pieces of legislation and certain qualitative shortcomings have reasons which cannot be solved by "simplification" initiatives only. The EU is confronted with many differences that can affect the quality of the legislation that originates in European directives:

- The fact that there are still at least two levels of legislators (the European and national level, which can become more in federal states, not to mention the local level), each of them having different priorities, culture, attitudes, legal environment, competences and problems, and each working in a different socio-economic context. Many problems are more prominent or acute in some Member State than in others.
- The many languages which can give rise to misinterpretation of the original version of European texts (not everybody speaks/understand legal English/French).
- The absence of a European citizenship and a European legal system.
- Different quality of the administrations and judicial systems across Member States.

In addition, we are confronted with the problem of "gold plating". The European decision making process that has been elaborated in the Treaty of Rome sought to find a balance between the powers and competences of the EU institutions and those of Member States, which has led to the use of mainly directives, especially for the creation of the internal market. Although directives allow for compromise and take the national situation better into account, they often "encourage" for the practice of "gold plating". This is also often due to lack of political correctness, as every political level wants to play its role and show its power. The Commission has neither the means nor the resources to check the transposition and implementation of EU law in a rapid and systematic way. This is even more the case for assessing gold plating, as there is no instrument to do so.

"Smart regulation" therefore implies that when transposing directives into national legislation, care should be taken to avoid adding undue complications. "Gold Plating" should be resisted and eventually eliminated. Meanwhile, it should be made clear when additional provisions are being made. These should be identified and evaluated separately. In fact, regulatory impact assessments on the transposition of EU legislation should also be carried out at national and regional level.

Moreover, the use of regulations instead of directives should be more considered. Indeed, it is not because EU legislation is directly applicable that it is burdensome. All depends on the content of the legislation, regardless of whether it is directly applicable or not. Directly applicable legislation, that respects the specificities of small enterprises avoids the danger of gold plating and does not create additional barriers for cross-border activities caused by different rules<sup>2</sup>.

<sup>2</sup> UEAPME response to the European Commission's questionnaire on the Small Business Act for Europe:  
[http://www.ueapme.com/docs/pos\\_papers/2008/080331\\_questionnaire\\_SBA.pdf](http://www.ueapme.com/docs/pos_papers/2008/080331_questionnaire_SBA.pdf)

In addition, training at national level should be given to administrations, politicians, business organisations on the principles of better lawmaking and on the European legislative process. The national units responsible for the negotiations on European legislation should also be responsible for the transposition, as these persons are the best place to know in which context compromises have been concluded.

The European Commission is certainly on the right track with the three strands, mentioned in the discussion paper (cutting red tape, ex-post evaluation, and a more comprehensive action in policy sectors with a complex and fragmented regulatory framework). However, to improve even more the outcome of this approach, it would be appropriate to take into account the four key elements that are central to smart regulation for the next phase of reform recommended by the Joint report of Denmark, the Netherlands and the UK.

One of the key elements is to keep end users in mind during policy making. UEAPME cannot agree more on this point, as it has been for decades the main concern in our policy papers. The “Think small first” principle is also a concrete application of this approach. The real “Think small first” principle<sup>3</sup> means that the starting point for all legislation (new and revised) should be the smallest enterprises, i.e. the overwhelming majority of enterprises, instead of making exemptions for them or excluding them. This principle should be used consistently and with more ambition throughout the whole regulatory and implementing process. Rules written for a small business can be easily scaled up to cover bigger enterprises, while the contrary is terribly complicated. Applying this principle will reduce the need for exemptions for SMEs and will dramatically ease administrative burdens. The principle is extremely important but the result is heavily depending on how it is interpreted in the regulatory or implementing situation. The principle should be openly addressed throughout the regulatory process at all levels: European, national, regional and local.

The consultations, hearings and draft proposal stages should all include the question of what would be the best solution according to the “Think Small First” principle. Addressing it throughout the regulatory process could improve the actual regulatory outcome and encourage discussions on whether the solutions chosen can actually be considered to meet this fundamental principle. To improve the situation, it is also necessary to introduce the reduction target of 25 % of the administrative burdens as a net target. Furthermore, the Action Programme for Reducing Administrative Burdens should be extended beyond 2012. Apart from targeting SME sectors, it should be extended to new priority areas and further legislative acts (REACH, waste...) on the basis of the consultation of the representative stakeholders and ex-post evaluations.

UEAPME also advocates for a wider approach, which means focusing on the full regulatory burden instead of just the administrative burdens. Without a net target, an improvement in one area will continue to be consumed by increased burdens in other areas and SMEs will not notice any improvement even if the figures look better<sup>4</sup>. The systematic screening of the existing legislation (codification, recast, revision or repeal) is already an important contribution and should become regular and systematic, as good public management requires, to ensure the sustainability of the smart regulation approach. In particular, initiatives with a direct impact on SMEs must be prioritised.

For example, the summing up of several consumer rights directives into one single directive is in principle sensible because differences in these directives which were created over time can be eliminated. However, the concrete proposal (COM(2008)614) does not provide a balanced approach, thus creating heavy burdens for SMEs.

<sup>3</sup> UEAPME position on the review of the “Small Business Act for Europe”: [http://www.ueapme.com/IMG/pdf/100705\\_pp\\_SBA2010\\_final.pdf](http://www.ueapme.com/IMG/pdf/100705_pp_SBA2010_final.pdf)

<sup>4</sup> Ibidem

**2. What can be done to ensure that businesses feel the benefits from simplification and administrative reduction programmes? Do these programmes focus on the right issues? How can stakeholders, including SMEs, better indicate which pieces of legislation should be simplified? Could you give us practical examples?**

The European Commission plays a very active role in the promotion of regulatory management and simplification in the Member States and in implementing it in its own policies. Recent studies show that entrepreneurs feel that the burden of red tape on their shoulders is always the same, even in countries which are notorious for their simplification efforts. So it is clear that the whole process is moving too slowly, which means that the credibility of politicians is at stake.

UEAPME and its member organisations have advocated for many years the use of consistent reviews: individual regulations and their impact need to be considered as part of a whole rather than as stand alone pieces of legislation to gauge their level of interaction and indirect levels of administrative burden on SMEs. In order to ensure concrete benefits, the programme for reduction of the administrative burden should contain a net target for the reduction of regulatory costs and burdens and regular and solid assessments should be carried out to assess the reduction in combination with regular consultations of the stakeholders. In order to identify those pieces of legislation which are relevant for SMEs, the European Commission should take into account the proposals made by the representative SME organisations so far and should actively approach them. For concrete proposals and priorities on simplification, we refer to UEAPME's specific position papers on this issue.<sup>5</sup>

With regard to the application of EU projects, unnecessary reporting and information obligations for enterprises should be reduced within single EU programmes and reporting and information obligations should be applied in a coherent way in the different EU programmes (FP7, Cohesion Policy, CIP...). For further concrete proposals we refer to UEAPME's position paper<sup>6</sup>. The planned reform of the Financial Regulation should enable the further reduction of unnecessary reporting and information obligations (see also UEAPME's Position Paper <sup>7</sup>on the EC "Review of the Financial Regulation").

**3. Which good practices of ex-post evaluation in the Member States or elsewhere do you consider that the Commission should use in developing the evaluation approach? For example, is there a way to improve the involvement of Member States and stakeholders in the evaluation exercise?**

- The Standard Cost Model should be consistently applied also in the ex-post evaluation, to quantify incurred administrative costs and burdens. The benefits of this model include: bringing clarity about possible differences in procedures followed by the EU institutions and different Member States; facilitating cross-country or cross-policy area comparisons, benchmarking and the development of best practices; offering economies of scale in terms of data collection and validation;
- The expansion of the current Impact Assessments process to cover all legislation having an impact on SMEs, to be more transparent and to include more detailed cost/benefit analysis (see [Question 5](#) for more details);
- The need for greater levels of consultation between regulators and business;

<sup>5</sup> UEAPME proposals for simplification , March 2008 and July 2005: <http://www.ueapme.com/spip.php?rubrique54>

<sup>6</sup> UEAPME proposals for simplification measures of the administrative rules and the financial management of structural funds : [http://www.ueapme.com/IMG/pdf/100316\\_pp\\_simpl\\_admin\\_en.pdf](http://www.ueapme.com/IMG/pdf/100316_pp_simpl_admin_en.pdf)

<sup>7</sup> UEAPME position on the EC "Review of the Financial Regulation" December 2009: [http://www.ueapme.com/IMG/pdf/091217\\_pp\\_financial\\_regulation.pdf](http://www.ueapme.com/IMG/pdf/091217_pp_financial_regulation.pdf)

- The Law Commissions or Law Reform Commissions known in the Anglo-Saxon world are an example of good practices of ex-post evaluation. It could be an option to install such an institution at EU level, involving Member States and representative SME organisations.

- The Commission should encourage Member States to be more transparent and explicitly display in the transposition law which articles and paragraphs in the national legislation correspond to each paragraph in the directives when they are implemented. Furthermore, the Commission should encourage Member States to participate in the ex-post evaluation especially in order to identify and reduce gold plating. The involvement of Member States would also lead to the identification of discrepancies between national and EU legislation. UEAPME and its member organisations are committed to participating in the evaluation process.

#### **4. Which sectors do you think should be subject to a pilot policy evaluation?**

As SMEs are “the backbone of the European economy” and according to the “Think Small First” principle, it goes without saying that the SME sectors in general should be subject to policy evaluation, especially the labour intensive sectors which have a greater compliance cost with regulations, in particular employment, health and safety, the foodstuff sector (labelling), environment and transport.

SMEs need to be aware of the regulation process that impacts their business sector. In fact, it is more than a case of being aware, they actually need to appreciate, identify and manage their business risks in terms of employment, HR, health and safety and environment. They cannot be shielded from these. One could argue that this issue is greater than that of smart regulation. Not only does the regulation need to be smart, it needs to be managed such that all enterprises can follow up quickly the regulation requirements with practical guides, on-line resources and hands-on support. Smart regulation alone will not result in the required effects. SMEs need to be able to identify their business risks and to build these into their business strategy. They actually need a smarter way of dealing with these issues, not specifically smart regulation.

The minimum SMEs can accept is that all regulation is smart. The benefit is how it can be implemented and dealt with quickly and efficiently and how applying regulation can add value to the business, its employees, its customers and suppliers, the community, the environment and the stakeholders.

In addition, in a world of Corporate Social Responsibility, it is not just national and European legislation that requires adherence. More and more SMEs are required to prove that they have not only considered but also adhered to best practice and legislation to enable them to trade with larger companies and government bodies. SMEs should not be treated as junior members of the business community, their needs are different but they are not simpler.

#### **5. Within the integrated approach, where all relevant impacts are assessed side by side, are there any specific issues on which the Commission should reinforce its analysis? If so, why and how?**

Before even proposing texts, the European Commission should firstly reflect thoroughly on the necessity and opportunity of new legislation. More systematic consultation should take place with the representative SME organisations in order to avoid legislation that adds new administrative burden to SMEs. Furthermore, in the frame of an Impact Assessment, the existing legislation should be better taken into account in order to avoid overlaps and discrepancies between planned and existing legislation. In this regard, an early coordination between the relevant Commission Services and the member States must take place.

In an Impact Assessment particular attention should be paid to compliance costs, which do not only comprise administrative burdens but all the costs of complying with regulation (apart from direct financial costs and long term structural costs). The evaluation of the impact of legislation and administrative measures on SMEs and particularly

on small businesses (SME test) should be reinforced and become an obligatory part of the Impact Assessment. UEAPME would also like to see a transparent presentation of the impact of different alternatives and an open discussion on the pros and cons of different alternatives in terms of effectiveness (cost-benefit).

Consequently, UEAPME is of the opinion<sup>8</sup> that:

- The “SME test” has to be fine tuned in order to deliver the outcome for which it has been designed (it is at the moment only an indicator). This means that it should be done in the language of the SME, that background information on the content and aims of the questionnaire and enough time to respond should be given.

- As stated below (see 7), a better application of the “Think Small First” principle is necessary. This will be possible through a broader use of the consultation procedures and to an operative review of the Impact Assessment methodology, so that the latter will be finally, as requested by the Council in December 2008 and in December 2009, concrete, rigorous and independent.

UEAPME attaches great importance to effective and independent impact assessments to be carried out prior to all legislative initiatives. Impact Assessments, together with Stakeholder Consultation, are key pillars of the “Think Small First” principle of the Small Business Act and a priority not only for enterprises, but also for the European Council, which has insisted on its importance in several occasions. The European Commission should provide systematic, specific, real and independent Impact Assessment for SMEs, taking into account their diversity and the different categories of enterprises.

While the principle of Impact Assessment seems to be somewhat well established, we believe that more must be done on how to put this principle into practice<sup>9</sup>:

- 1) Impact Assessments should be drafted for **any** piece of legislation affecting SMEs. We believe that such studies (cost-benefits) should be undertaken systematically for all pieces of legislation affecting SMEs, as they tend to be over proportionally affected by red tape and administrative burdens coming from legislation whose impact has not been properly assessed.

- 2) Stakeholders should be involved from the very early stages. For instance, the feedback of stakeholders could be very useful to pinpoint the scope and the structure of the Impact Assessment, including questions if any. Interested parties should also be consulted when the First Draft of the Impact Assessment is available, so they can comment both on its structure and on its content. Such early involvement is crucial to avoid conclusions based on the wrong assumptions or on the wrong data. Impact Assessment and Stakeholder Consultation are two different processes as the first should be inherently objective while the second is inherently subjective. However, there is an interaction between both aspects that could be put to use to obtain better and more useful Impact Assessments as the end result.

- 3) The Commission should involve external experts in the process to ensure a rigorous, objective and neutral quantification of the costs and benefits for end users. This proposal has also been put forward by the governments of the United Kingdom, the Netherlands and Denmark in their publication on “smart regulation”. We believe that there is merit in this proposal and that the Commission should take it on board.<sup>10</sup>

Improved Impact assessments should allow policymakers to make an informed choice on the various policy options

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<sup>8</sup> UEAPME position on the review of the “Small Business Act for Europe” July 2010; [http://www.ueapme.com/IMG/pdf/100705\\_pp\\_SBA2010\\_final.pdf](http://www.ueapme.com/IMG/pdf/100705_pp_SBA2010_final.pdf)

<sup>9</sup> See for more details and proposals on Impact Assessments: “EUROCHAMBRES and UEAPME call for more and better impact assessments” [http://www.ueapme.com/IMG/pdf/090428-Impact\\_assessment\\_letter.pdf](http://www.ueapme.com/IMG/pdf/090428-Impact_assessment_letter.pdf)

<sup>10</sup> Joint report on Smart Regulation.

on the table, which is so far not the case as Impact Assessments do not contain quality cost-benefits analysis of the different political options. According to our information, the European Court of Auditors (ECA) reached the same conclusions<sup>11</sup>; UEAPME fully supports the ECA recommendations for improvement of the Impact Assessments.

**6. Do you have concrete ideas on how the Commission can improve its assessment of social impacts? Do you have examples of best practice in dealing with this issue in Member States or elsewhere?**

The existing integrated approach should be maintained and Impact Assessments in general should be improved. We refer to our answer on [Question 5](#).

**7. What concrete improvements could the Commission make to ensure that all relevant stakeholders are aware of and able to participate in consultations? Are there particular forms of consultation which you found useful when taking part in the Commission consultations (open internet questionnaires, stakeholder meetings, public hearings)?**

The Commission itself has rightly and repeatedly stated that it is necessary to make further improvements in stakeholder consultation. UEAPME fully appreciates the continuous efforts of the Commission to improve its consultation process. This call for feedback and to continue the discussion shows the Commission's willingness to reinforce the culture of consultation and dialogue.

The consultation time<sup>12</sup> accorded by the Commission remains a huge problem as it is considered too short for most of the consultations (whereby for Green Papers and White Papers the Commission applies a sufficient time to respond).

Although in the most cases (albeit not always) the Commission accords a 8 weeks period, this only applies for English speaking people (and sometimes also for German and French). Indeed, the majority of the language versions of consultation documents are rarely available from the beginning of the consultation period and sometimes even only after 4 weeks.

In addition, we can state that the minimum standards for consultation are rarely respected by the services of the Commission, as the minimum standards clearly state that "a consultation period longer than eight weeks might be required in order to take account of the need for European or national organisations to consult their members in

<sup>11</sup> ECA, Preliminary observations. "Impact assessments in the EU institutions: do they support decision making?" 11 February 2010, nr. 86.

[http://www.europaanu.nl/9353000/1/j4nvgs5kjg27kof\\_j9vvh6nf08temv0/vietdnvykyxu](http://www.europaanu.nl/9353000/1/j4nvgs5kjg27kof_j9vvh6nf08temv0/vietdnvykyxu)

*"the audit identified a number of weaknesses with regard to content and presentation of IA reports:*

*- IA reports do not easily reveal their key messages to the reader and comparing the impacts of the various policy options presented in an IA report is often impossible. This is the case for quantitative information but also for impacts assessed in a qualitative manner. The intervention logic of the proposals, which would describe how an intervention is expected to attain its objectives, is generally not made explicit.*

*- difficulties in quantifying and monetising impacts can be traced back to the availability of data. This is an area in which the Commission does not yet fully exploit either internal capacities or those of Member States.*

*- the assessment of implementation aspects is weak. Ex-post evaluations are not yet designed so as to provide relevant information on existing policies and programmes that could be used in the context of an IA (such as how EU legislation is transposed and implemented by Member States or whether the initial objectives have been achieved).*

*- enforcement costs ensuing from European legislation are only rarely quantified and the SCM is not used to assess potential administrative burdens, despite an explicit requirement to do so and in contrast with current practice in other IA systems in Member States. These aspects are, however, very relevant for decision makers at the European Parliament and the Council, in the Member States and among the wider public"*

<sup>12</sup> See also : UEAPME position paper on the Consultation document "Towards a reinforced culture of consultation and dialogue – Proposal for general principles and minimum standards for consultation of interested parties by the Commission"

order to produce a consolidated viewpoint”.

As UEAPME has to produce a consolidated viewpoint for all consultations, this standard is seldom respected. The same can be said about the extension of the consultation period due to main holiday periods. Here we see even a worrying tendency during the last years to launch more and more consultations during the summer holiday period (e.g. in July 2010 17 consultations were launched, while “only” 8 in June).

UEAPME therefore urges the Commission again to extend the normal consultation period to at least 12 weeks for all consultations, with the date of availability of all language versions as starting point, as it is also proposed in the Joint Report on Smart Regulation, **in order to ensure high quality and relevant feedback from stakeholders**.

UEAPME fully agrees with the Commission's position that good consultation helps to improve the quality of the policy outcome and enhances the involvement of the parties concerned. However, the Commission's approach to have broad open consultation of all interested parties and individuals, mainly through the Internet, is, in UEAPME's opinion, not the best means for good consultation. Good and efficient consultation requires, in the first place, consultation of the groups directly concerned and affected, and this should be done through their representative organisations according to focused consultation procedures.

More attention should be paid to the important role which representative horizontal and sectorial business organisations play as intermediaries between enterprises and the European institutions. Indeed, their role is not simply to register or collect the opinion of their members, but also to find a common position that reflects the opinion of the different countries or economic sectors. As such, their opinions are more than a simple sum of all the opinions from single enterprises. They are the result of a democratic consultation and decision-making process. It also means the application of the principle of subsidiarity. Regulations based on collectively agreed positions will also be more easily respected. Therefore UEAPME regrets that, except in the European Social Dialogue, the European and national representative SME organisations are still not recognised and even not treated by the Commission as the legitimate representatives of the enterprises. Both for consulting and information purposes, the Commission continue to elaborate parallel networks and consultation tools which do not reach the majority of the small enterprises (direct internet consultation, Europe Enterprise Network etc)

A culture of consultation and dialogue constitutes a compulsory part of the whole decision-making process, as well as the consultation and involvement of the parties concerned during the whole preparatory process.

Direct consultation of businesses through the Internet can only be an additional way of consultation, as the results are not representative and are frequently biased. Small business owners do not have the time to answer complex executive questionnaires on planned new legislation and here representative organisations play the role of intermediaries. So far, the results of direct consultation of businesses were also biased by the fact that the EC website and documents are not available (or not at the same time) in the different official EU languages and are not written in “everyday” language. Furthermore the documents and questionnaires are often very detailed and written in a complicated, legal or very technical language. One needs a profound and detailed knowledge of the political developments in the respective area to be able to carry out a comprehensive evaluation. These surveys are often aimed at SMEs that do not have the capacity (in terms of time and personnel) to respond.

Internet consultations suffer from a lack of transparency as there is no possibility to check the information and the real identity of the individual respondents (nobody will check if the one who replies really represents or is what he pretends to be). In addition, these individual respondents are not accountable for their opinion. Moreover, so far there are no criteria to give a weight to the different contributions received through direct consultation. We still see that in the evaluation process the “opinion” of one respondent counts as much as the opinion, through a democratic decision process, of a representative European business organisation that represents millions of enterprises. Therefore, UEAPME request for clear criteria and rules to handle each comment and position.

Finally, there is an urgent need for an Impact Assessment throughout the consultation process, meaning that major changes during the decision-making process should automatically be accompanied by a renewed impact assessment.

Many measures which considerably affect SMEs are adopted in the frame of “comitology”, for example in the field of environment. The Impact Assessment Guidelines of the Commission (January 2009) foresee an Impact Assessment for implementing measures which are likely to have a significant impact. The Commission’s Legislative and Work Programme 2010 also underlines that an Impact Assessment should be carried out for all Commission initiatives with significant impacts (including delegated acts and implementing measures). The Commission should indeed systematically carry out such Impact Assessments involving the relevant stakeholders as indicated above. At this stage we would also like to react on the new **comitology** rules of the European Commission concerning delegated acts. It is in the autonomy of the Commission to adopt these acts. The Commission can set up expert groups or consulting expert group and can carry out different kind of preparatory work (e.g. studies, auditions, and analyses). UEAPME urges the Commission to involve into these kinds of expert groups the major stakeholders at European level and especially the representative SME organisations.

**8. Given that smart regulation can only be delivered if all institutions and Member States act together, what steps should be taken to ensure that this happens?**

There is an urgent need for a change of mind set of the local, regional, national and European authorities. MEPs, MPs, Commissioners and politicians in general should become more accountable. UEAPME reiterates<sup>13</sup> its demand to conclude an Interinstitutional Agreement in order to fully respect the key principles of the Small Business Act: “Think Small First”, “only once”, Impact Assessments and “proportionality”.

In addition, the Interinstitutional Agreement on common guidelines for the quality of drafting of Community legislation, the Interinstitutional Agreement on better law-making and the Common Approach to Impact Assessments must be reviewed and updated in accordance with the principles of “smart regulation”. Furthermore, UEAPME would like to conclude by stressing the need for concrete engagements from the Commission and the Council, with effective and realistic targets and deadlines.

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<sup>13</sup> Informal Competitiveness Council: speaking notes of Secretary General Andrea Benassi on the Small Business Act , June 2008, [http://www.ueapme.com/docs/pos\\_papers/2008/080718\\_AB\\_Versailles.pdf](http://www.ueapme.com/docs/pos_papers/2008/080718_AB_Versailles.pdf)