

# Small Business Act for Europe

[http://www.ueapme.com/docs/pos\\_papers/2007/071214\\_pp\\_SBA.pdf](http://www.ueapme.com/docs/pos_papers/2007/071214_pp_SBA.pdf)

► Useful links - Background documents

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You are (optional)



A citizen



A company



A national business association



A European business association



A non-profit organisation



A public authority / Governmental body



Other

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What is your main sector of activity (optional)

In which country is your company/organisation based? (optional)

Do you agree on publishing or mentioning your contribution in the final report? (optional)



Yes



No

## GENERAL QUESTION

What are the most important problems that European SMEs are facing and which prevent their growth? How to tackle them? (optional)

1. Small enterprises have much higher compliance costs per output unit for most of all regulations in place than large companies.  
=> think small first - better regulation / simplification
2. SME depend on external finance and have more and more problems to get access to debt instruments to finance riskier projects like start ups, innovation, transfer, internationalisation. On the other side, smaller companies have no access to private equity (below 2 Mio no market exists). Furthermore, in some Member States tax rules and state aid schemes provide negative incentives even for internal finance by own profits.  
=> SME finance will not sufficiently work without public intervention - clear case of market failure in all areas (debt, mezzanine and equity) - new instruments are needed (guarantees for mezzanine, support for quasi equity and quasi debt instruments, micro-credit schemes has to become more practical, ...)
3. SME have still problems with access to the internal market and third country markets - services, public procurement, tax barriers,  
=> measures - see below
4. Complexity and inflexibility of labour laws
5. Lack of qualified workforce
6. Difficulties to recruit in some sectors
7. Non respect of entrepreneurs by authorities, clients,...
8. Late payments (especially public authorities)

The following list of policy areas has been developed to get more specific feedback on a number of issues. However, it does not prejudge the structure of the future "Small Business Act" for Europe, nor is it exhaustive.

**Comments:** UEAPME has drafted in December 2007 a position paper "UEAPMEs expectations on the proposal for a European Small Business Act". See:

[http://www.ueapme.com/docs/pos\\_papers/2007/071214\\_pp\\_SBA.pdf](http://www.ueapme.com/docs/pos_papers/2007/071214_pp_SBA.pdf)

This position paper is still valid and has been drafted after a wide consultation of all UEAPME member organizations and reflects the opinion of all our member organisations. As such it has to be considered as the main contribution of UEAPME. The responses to this questionnaire are only additional comments. In UEAPMEs opinion a lot of the questions asked have already been answered in the past through consultations. Therefore we refer to all our position papers on specific topics send to the Commission. They are all available on our web-site: [www.ueapme.com](http://www.ueapme.com)

## 1. BETTER REGULATION FOR THE BENEFIT OF SMES

The Commission has an ambitious strategy for better regulation and has set the target of reducing administrative burdens arising from EU legislation by 25% by 2012. However, SMEs still bear a disproportionate regulatory and administrative burden in comparison to larger businesses. In this context:

1.1 Is the current EU SME definition an obstacle to targeting support for SME growth in the right way? (optional)

Yes                       No                       Don't know

The widening of the definition of SMEs, i.e. increasing the actual thresholds is unacceptable and would lead to an emptying of any SME policy. Stating that making SME issues a key priority for both EU and national policy-makers is an empty statement if you want to widen the definition. SMEs have specific problems due to their size. 250 is already a quite big enterprise in Europe. Due to this already wide definition real SMEs are missing European support: In FP7 around 6 billion Euros has been reserved for SME, of which around 5 billion for participating of SME in "cooperation/thematic programmes" (15 % of the budget for this programme). Experience with FP6 teaches us that the Commission takes only "the 250 employees" criterion into account which implies that very often small research institutions were considered as SMEs, while UEAPME is of the opinion that the 15% rule should only cover commercial enterprises.

1.2 In addition to the systematic application of the subsidiarity and proportionality principles in legislation (see question 6.2), could differentiation regarding the way legislation is elaborated and applied according to the size of the company be useful (e.g. lower fees, fewer reporting requirements, thresholds or longer transition periods)? (optional)

Very useful                       Not very useful                       No opinion  
 Useful                       Not useful at all

Comments: Distinction has to be made: lower fees, fewer reporting requirements (or better: reporting requirements adapted to the possibilities and practices of SMEs) are more than necessary. Longer transition periods for SMEs than for other enterprises are unacceptable. What we need are transition periods that are realistic and agreed with the business organisations.

1.3a Do you consider that directly applicable EU-level legislation in certain areas creates a disproportionate and unnecessary administrative burden on SMEs? (optional)

Yes                       No                       Don't know



It is not because EU legislation is directly applicable, that it is burdensome. All depends on the content of the legislation, being it direct applicable or not. Nevertheless, direct applicable legislation avoids the danger of gold-plating and does not create additional barriers for cross border activities caused by different rules.

But EU level legislation has to respect the specificities of small enterprises. For a list of legislation that has to be simplified, we refer to UEAPME's position paper:

[http://www.ueapme.com/docs/pos\\_papers/2005/050720\\_Simplification.pdf](http://www.ueapme.com/docs/pos_papers/2005/050720_Simplification.pdf)

1.3b Would excluding SMEs from such direct application of EU legislation be a solution? (optional)

Yes                       No                       Don't know

Comments: This question is rather absurd and demagogic. In an Internal market we need legislation that is applicable to all players.

As a general rule UEAPME is even against exemptions for SMEs, as SMEs are not the exemption but the rule and legislation has to be made for the majority. Exemptions for SMEs could give the (false) impression to consumers, clients, employees and society as a whole that they are less protected, getting less quality in SMEs. Legislation has to be adapted to the characteristics of SMEs. Exemptions in legislation (as they are by definition limited) make legislation also more complex.

What is necessary is the application of the real "think small first principle", the only-once principle and the proportionality principle.

1.4 Would the introduction of common commencement dates for all SME-relevant legislation coming into force and/or publication of an annual legislation statement be useful for SMEs? (optional)

- Very useful       Not very useful       No opinion  
 Useful       Not useful at all

Comments: The principle to be adopted should be that the commencement date has to be agreed on with the different stakeholders, especially the representative SME organizations. This allows the SMEs to prepare , to be informed. One common commencement date can lead to a situation that SMEs are overwhelmed at the same moment by a lot of new legislation and that they are not able to tackle all the new problems at the same moment.

1.5 Do you think additional focused measures to alleviate the administrative burden on SMEs would be useful? (optional)

- Yes       No       Don't know

If yes, in which specific areas or topics?

- Standardisation;
- Accounting
- Statistical and reporting requirements in general;
- Food-labeling, CE-marking;
- See also our position paper on simplification:

[http://www.ueapme.com/docs/pos\\_papers/2005/050720\\_Simplification.pdf](http://www.ueapme.com/docs/pos_papers/2005/050720_Simplification.pdf)

1.6 Would you suggest any other obstacles or additional issues to address? (optional)

-Policy has to keep in mind that different national legislation (i.e. VAT, company tax, accounting,...) resulting from subsidiarity or gold plating creates serious barriers for doing cross-border business for SMEs.

## 2. PUTTING SMEs AT THE FOREFRONT OF SOCIETY

## Ensuring full recognition by society of the role of entrepreneurs


An important remaining obstacle to more competitiveness and growth in Europe has been identified in the lack of entrepreneurship and in particular in the ability of small businesses to grow. EU SMEs' role in society as a major source of employment, of economic growth and innovation needs to be better understood and recognised. Surveys which show that 45 % of Europeans would like to become their own boss compared with 61 % in the US prove that more needs to be done to encourage entrepreneurship as a career choice. In this context:

2.1 Do you see a need for additional measures in the Member States or at EU level to stimulate entrepreneurship through education? (optional)

Yes                       No                       Don't know

2.2 Is entrepreneurship sufficiently reflected in school curricula? (optional)

Yes                       No                       Don't know

 If not, how could the situation be improved? (optional)

Scholars have to visit enterprises and to meet entrepreneurs;  
Owner managers of SMEs have to be invited to give lectures;  
Realistic business situations should be used during school lessons;  
Introduction of a European programme that supports cooperation between SME-owners / SME organizations and schools.

2.3 Do you see a need for the media to take a stronger role in fighting negative stereotypes towards entrepreneurship? (optional)

Strong need                       Not much need                       No opinion  
 Need                       Not needed at all

2.4 Would you suggest any other obstacles or additional issues to address? (optional)

In order to promote entrepreneurship and to make the future generation aware of an orientation towards self-employment, it is of utmost importance to teach about entrepreneurship already in the primary schools. So far, education is not very creative on this issue. Contact with entrepreneurship comes at a too late stage (if it comes...). parents and the school system take too few efforts to let young people know more about assessing economic risks and taking economic and social responsibility. The whole educational system should support the development of awareness and skills necessary for developing an entrepreneurial mindset and skills. Entrepreneurship (in the broad sense) training should be part of a school's curriculum, by e.g. getting entrepreneurs into the classroom. Also the image that is given of entrepreneurs in the school manuals is rarely positive and often caricatural. This should be changed urgently.

The education of its inhabitants in terms of the (social) responsibility of enterprises can avoid unjustified perceptions the people have towards the business world. The mobility of apprentices through the EU should also be encouraged and supported.

There is a strong evidence from the Global Entrepreneurship Monitor (GEM) study that people with more education are more likely to be involved in overall or opportunity entrepreneurship, but less likely to be involved in necessity entrepreneurship.

Given the international evidence that 50% of all high potential ventures are set up by people with a university or post-graduate degree, there is a clear and pressing need to encourage and motivate highly educated people to set up their own enterprise. The results indicate that for well-trained people this is not a natural career choice, while they are the ones most able to set up and develop high potential ventures.

More practically, despite recent improvements, including the implementation of the Services Directive by the end of 2009 which obliges Member States to simplify and streamline their procedures and formalities, setting up a new business or transferring an existing one may still be too complicated. EU SMEs need in particular the knowledge and core competences that are essential for the successful transfer of business ownership. It is also important to tackle the problem of bankruptcy and the stigma that it generates and to give a second chance to entrepreneurs who fail non-fraudulently. In this context:

2.5 Would it make a significant difference to further reduce the time and costs for registering a company? (optional)



Yes



No



Don't know

**Comments:** time and costs have to be reduced as much as possible, but for SMEs it makes no difference to be able to have a registration in 15 minutes or in 1 day. The reduction of the registration time has become a fetish. We also see that due to this the quality control of the registration has decreased or even disappeared. There is, in many countries, no control any more of the registration, which lead to the set up of fraudulent companies, mail-box companies etc. which will effect the competitiveness of honest SMEs. In the opinion of UEAPME, reducing time and costs for business start-ups is necessary, but even more important is to ensure and improve the quality of the start-ups, with the aim to prevent failure, provide sustainable employment and quality management and to avoid unfair competition.

2.6 Do you think it would be useful to propose additional measures to facilitate business transfer and tackle bankruptcy? (optional)



Very useful



Not very useful



No opinion



Useful



Not useful at all

2.7 Would you suggest any other obstacles or additional issues to address? (optional)

- The social situation families of small business owners in difficulties has to be addressed;
- Poverty amongst small business owners/retired business owners.
- Criminality towards small business owners.

**Helping SMEs acquire the skills they need**

Skills and competencies are key for SMEs and in particular for the craft sector. However SMEs are often negatively affected by shortages of skilled labour and do not benefit from the possibilities offered by cross-border mobility to enhance their skills potential. They suffer in particular from limited exploitation of information and communication technologies (ICT): they lack the necessary skills to use the new technologies and have difficulties coping with a plethora of business processes and ICT systems. In this context:

2.8 Do EU education systems deliver the necessary basic skills needed by entrepreneurs? (optional)

Yes                       No                       Don't know

2.9 How adequate are the existing measures for recognising qualifications at EU level? (optional)

Very adequate                       Not very adequate                       No opinion  
 Adequate                       Not adequate at all

2.10 Do you see the need for cross-border mobility programmes for entrepreneurs and apprentices? (optional)

Strong need                       Not much need                       No opinion  
 Need                       Not needed at all

2.11 Would the development of a programme to foster the e-skills of entrepreneurs at EU level be useful? (optional)

Very useful                       Not very useful                       No opinion  
 Useful                       Not useful at all

2.12 Would you suggest any other obstacles or additional issues to address? (optional)

- Entrepreneurs and their staff in small enterprises have difficulties to get access to formal training - therefore, recognition of informal gained competences and tailor made training offers;
- General lack of qualified workforce;
- Problems of access to and finance of Life Long Learning;
- Inadequate training offer for SME needs;
- Need for a better cooperation between SMEs and Universities/High Schools for improving management of SMEs;
- Lack of attractiveness of VET;
- Difficulties to recruit in some sectors.

### 3. FACILITATING SMES' ACCESS TO MARKETS

## Supporting SMEs to go beyond their local markets and better use the Single Market

The Single Market guarantees access for enterprises to a wide common market operating according to a common set of rules. However, it is clear that SMEs do not use the potential that the Single Market offers. Only 8% of them report export activities. To tackle this issue, the European Commission will propose a “European Private Company” statute. But SMEs also lack information on business opportunities and applicable rules in another Member State. They also face difficulties when complying with taxation rules and when participating in, and benefiting from, European standardisation which helps to allow them to do business abroad and to innovate. In this context:

3.1 What are the areas where standards are not yet widely applicable and where SMEs would benefit from them? (optional)

SMEs are not well informed about standards in every area and do not consequently apply them extensively. This is mainly true for micro enterprises that would rather need simplified guides such as check lists instead of having to read, understand and interpret standards

3.2 Do you see a need to increase the participation of SMEs and their representative organisations in standardisation and improve the dissemination of standards? (optional)

- |   |  |                                     |
|---|--|-------------------------------------|
| <input checked="" type="checkbox"/> Strong need | <input type="checkbox"/> Not much need     | <input type="checkbox"/> No opinion |
| <input type="checkbox"/> Need                   | <input type="checkbox"/> Not needed at all |                                     |

3.3 Do you see a need for improving the situation of SMEs in the area of direct and indirect taxation; if yes, which measures would be the most significant? In particular, should VAT rules be further reviewed? (optional)

- One stop shop for all cross border provided services;
- Reduced VAT for local and labour intensive services has to become definitive;
- Direct taxation: strong need for common tax base for all companies (also in order to ensure fair competition with big business)

3.4 Which additional measures would you suggest to help SMEs to better use the potential of the Single Market including the EEA and Candidate Countries? (optional)

- Through the organisation of general and sector-specific transnational cooperation events in order to help small businesses find the right partners in third countries. This could be achieved by a re-uptake of an INTERPRISE-type programme and by the organisation and implementation of transnational cooperation events.
- A European Private Company Statute only targeting SMEs.
- A European framework for company law and accounting is essential to ensure sustainable growth of SMEs and enable small entrepreneurs to seize the opportunities of a Single Market.

## Facilitating SMEs' access to public procurement

The public procurement market in the EU is estimated to be worth around 16% of EU GDP, which represents a huge market. Some 42% of the value of public procurement contracts above the thresholds of the EU Directives already goes to SMEs. The Commission is convinced that while reserving procurement quotas for SMEs is not necessary, practical difficulties should be addressed to further improve SMEs' performance in public procurement. In this context:

3.5 Do you see a need to improve SMEs' access to public procurement? (optional)



Yes



No



Don't know

- Tendering of smaller lots;
- Qualification criteria has to be in relation to a concrete tender;
- Facilitation of consortia;
- Better training of contractors;
- Facilitate access to tender information.

3.6 Would increased transparency of EU procurement opportunities below the thresholds make a difference (e.g. through a voluntary database disseminating procurement opportunities, central databases in the Member States or a broader use of electronic platforms)? (optional)



Yes



No



Don't know

3.7 Would you suggest any other obstacles or additional issues to address? (optional)

Subcontracting is for SMEs an important way to participate in this market - but they are in a very weak position.

Standard contracts or minimum standards get a level playing field with main contractors would help a lot.

## Encouraging SMEs to tap opportunities outside the Single Market

Fast-growing markets both in the EU neighbourhood and beyond also present an untapped potential for many European SMEs. But they are not easy to access for SMEs. Complex regulatory and legal environments, linguistic and cultural barriers, lack of knowledge of potential market and difficulties in identifying the right partners need to be overcome. In this context:

3.8 In general, how can SMEs be helped to go global? Which countries/areas should be given priority? (optional)

Right trade policies are of high importance for EU SMEs wishing to go global. Currently, only 8% of EU SMEs are involved in export. This shows there is a clear need to promote the access of EU SME to third-country markets.

SMEs can be helped to go global:

- Through the guarantee of good market access conditions for EU SMEs on foreign markets. The EU should apply the reciprocity principle when EU SMEs do not enjoy good market access conditions in third countries.

- Through the design of trade defence instruments better adapted to SMEs needs. It is nowadays very difficult for SMEs to lodge a complaint due to the amount of information required to prove the damage suffered and the high costs involved. Specific assistance should be given to SMEs while preparing and filing complaints, deadlines for filing complaints should be extended and a more transparent procedure ensured. Moreover, EU SMEs should also be assisted when accused of dumping in third countries. At the moment only large enterprises can challenge anti-dumping accusations in third countries.
- Through the progress in bilateral and multilateral trade negotiations, which would further reduce tariff and non-tariff, tax and regulatory barriers to trade.
- Through the provision of information and qualified advice to SMEs considering going international, in particular, tailor-made first-hand information on fast-growing markets.

A good way of providing information would be through the setting up of efficient export tools or through the reform of the existing ones (i.e. Market Access Database). Efficient and user-friendly tools would offer SMEs tailor-made information about international markets. A good initiative in this direction was the launch of the Complaint Register at the end of 2007. Through the Complaint Register SMEs and their representative SME organisations are now able to report on trade barriers. However, dissemination of this tool among SMEs must be encouraged and facilitated.

The China IPR SME Helpdesk to be launched shortly is a first step towards the support of EU SMEs in third countries, in this case China. But in order for the helpdesk to reach out its target, advice on IPR protection and enforcement must not just focus on SMEs already active in China but also on SMEs wishing to start doing business in and with China. In other words, support to EU SME must be done as far as possible in the EU, through the organisation of training workshops in the different Member States and the active involvement of the EU SME representative associations in the different forums of the project.

- Through the organisation of general and sector-specific transnational cooperation events in order to help small businesses find the right partners in third countries. This could be achieved by a re-uptake of an INTERPRISE-type programme and by the organisation and implementation of transnational cooperation events.
- Through the participation of representative SME organisations in every advisory committee on international trade. They should also be officially represented within the Commission delegations in international missions and in international dialogue instruments (e.g. EU-China dialogue).

3.9 Is there a need to establish European Business Centres in some fast-growing countries? (optional)



Yes



No



Don't know

UEAPME supports the establishment of European Business Centres to support SMEs entry in particular to the main fast-growing markets (China, India, Brazil, Korea,...). The European Business Centres in third countries should work hand-in-hand with the national business centres and with the representative business organisations.

3.10 Do you see the need for new programmes supporting SMEs entering these markets, following the example of Gateway to Japan and the Executive Training Programme? (optional)

Yes

No

Don't know

Comments: Programmes supporting SMEs are always necessary. However, a “train the trainers-type programme” could be set up and addressed to all SME representative organisations. The new programme would maximise results and reach out a much bigger number of SMEs.

This type of programme would offer “*trade promotion officers*” at national and regional levels comprehensive trainings with updated information on a wide range of issues (e.g. IPR-related issues, business culture, trade defence instruments, partners in third countries, EU business centers, etc). These officers would then be able to offer first-hand advice and information to SMEs.

## 4. SUPPORTING SMEs’ ACCESS TO FINANCE AND INNOVATION

### Improving SMEs’ access to finance at EU and national level

Getting a company off the ground or expanding it requires money and raising the right kind of finance can be a major difficulty for Europe’s SMEs. On the one hand, risk aversion makes investors and banks shy away from financing start-up SMEs. On the other hand, SMEs would benefit from a better understanding of finance, and need effective support when accessing outside finance. The EU already provides support to SMEs which is available in different forms such as grants, loans and, in some cases, guarantees. Support is available either through the Competitiveness and Innovation framework Programme (CIP), or the Structural Funds (including the JEREMIE initiative). In addition to the many State aid instruments already available to support SMEs, the Commission is currently working on new State Aid rules to increase the possibilities to support SMEs and to simplify procedures (Block Exemption Regulation). In this context:

4.1 How could public policies and instruments to facilitate SMEs’ access to finance be improved (e.g. awareness, procedures, cost, or better adequacy of products)? (optional)

- need for new instruments to finance business start-up, innovation and transfer - classical loans will not be sufficient anymore - mezzanine
- CIP is not and cannot provide instruments for all SMEs - too small budget - more national initiatives are necessary
- current micro-credit schemes are not accepted by the market - new instruments needed

4.2 What are the main problems SMEs face in accessing various EU support programmes such as the 7th Framework Programme for Research and Development, the Competitiveness and Innovation Framework Programme (CIP) or the Structural Funds (including the JEREMIE initiative)? (optional)

There are some problems as regards access to FP7 - too complicate, too much forefront investments and not enough money for SME specific programmes. But SMEs don't have difficulties to access the instruments provided by CIP and JEREMIE - as long as it is implemented by national or regional institutions - the problem there is that some rules demanded by the COM or EIF are that impracticable that national institutions don't use them.

4.3 What are the main obstacles for SMEs in accessing micro-credit (less than 25000 euros)? (optional)

Such credits are not offered in many countries - not attractive enough for banks and not sufficiently supported by public.

4.4 Would you suggest any other obstacles or additional issues to address? (optional)

CIP rules for equity finance are too restrictive

## Encouraging a knowledge-based economy

SMEs need to become more competitive through strengthening their innovation potential when developing new products and services or to find more efficient ways to deliver existing ones. New ideas need to be properly protected if their originator is not to lose out, and SMEs need to be aware of how to do so. In this context:

4.5 Is there a need to help SMEs deal with IPR protection, to improve awareness and provide support services for SMEs to protect their innovation? (optional)

- |   |  |                                     |
|---|--|-------------------------------------|
| <input checked="" type="checkbox"/> Strong need | <input type="checkbox"/> Not much need     | <input type="checkbox"/> No opinion |
| <input type="checkbox"/> Need                   | <input type="checkbox"/> Not needed at all |                                     |

4.6 What are the most significant problems SMEs face in the use of patents? (optional)

For SMEs the protection of intellectual property rights is a very important issue. Patents are an essential instrument for this protection. Unfortunately, very often SMEs do not make the best of the use of patents. They have in fact several problems that do not allow them to have access to patents. First of all SMEs, even if interested in the use of patents, are not informed on them. Secondly costs and the risk of litigation are very high. To introduce a request for a patent it is necessary to refer to experts (legal and technical) and SMEs do not have financial instrument to defend their rights before a court nor to defend themselves in a procedure. Thus, there is an urgent need for the introduction of a patent litigation insurance scheme for SMEs and SMEs should be able to benefit from reduced fees. Thirdly, the necessity of translation makes the costs even higher.

4.7 Would you suggest any other obstacles or additional issues to address to further enhance the innovation capacity of SMEs? (optional)

- access to existing technologies
- access to qualified personal
- public support for business networks and clusters
  - ⇒ Member States have to use the possibilities within the R&D&I framework for state aid

whether the SMEs could really use the opportunities given by patents, they would be less afraid to make innovation and invest on it, as they could be assured that their rights cannot be easily infringed and anyway they could defend them.

## 5. TURNING THE ENVIRONMENTAL CHALLENGE INTO OPPORTUNITIES FOR SMEs

Climate change, scarcity of energy supplies and sustainable development are examples of key challenges for SMEs which have to adopt more sustainable production and business models just as larger companies do. But the demand for environmentally friendly products and services also opens the way for new business opportunities. However, lack of information, insufficient expertise and scarcity of financial and human resources create a specific challenge for SMEs in complying with environmental legislation and fully exploiting the opportunities for new “green” markets and increased energy efficiency. In this context:

5.1 How could SMEs best benefit from policy measures on a sustainable industrial policy such as voluntary standards for particularly environmentally friendly products? (optional)

- The EU should set up a framework to inform SMEs, prepare them and support them in the transition to the new voluntary standards (for instance as a follow-up of the recently adopted programme to help SMEs comply with environmental legislation COM (2007) 379 def.);
- The EU Commission should set up a consultation scheme in the preparation of the new standards, which really puts SME organisations in the condition to react and give their contributions;
- Before their final approval, an analysis of the impact of these new standards on the competitiveness as well as the employment level of companies subject to them should be carried out; in particular the specific duration of the investment and innovation cycle in SMEs should be taken into account
- A sector/ activity approach should be privileged
- Specific exemptions, thresholds and simplified implementation schemes should be set up for SMEs subject to the new standards in order to cut bureaucracy and costs (for instance compliance should be ensured through self-certification with no use of third party certification).
- Incentives (such as reduced interest rates for investment in green technology, tax reduction, etc.) for SMEs -in particular small and micro business- should be foreseen
- SMEs tend to be very innovative and can adapt to new needs of products and production methods. Care should be taken that such standards

should be written with "think small first" priorities simple and easy to implement

5.2 Would Community support for energy audits in SMEs be useful? (optional)

- Very useful                       Not very useful                       No opinion  
 Useful                               Not useful at all

**Comments:** Community support for energy audit in SMEs can only be achieved either through programmes or structural funds. The EU intervention can only be linked to a wider scope than financing energy audits per se. This is only useful if the audit is the beginning of a process leading to a more energy efficient production process. With a view to this, the fact that the EU intervenes financially could be very useful to overcome the inertia which is typical of lots of SMEs for expenditures which do not have an immediate pay back.

5.3 Do you see the need for facilitated access to the European Environmental Management and Audit system (EMAS)? (optional)

- Strong need                       Not much need                       No opinion  
 Need                                   Not needed at all

**Comments:** EMAS, together with ISO (which is not European), is the only formal environmental management scheme on the market. Therefore, big companies can require it from SMEs if these SMEs want to work with them; It is more and more linked to existing or new pieces of legislation at EU level, which refer to EMAS as an instrument which give evidence of environmental excellence and avoids providing other paperwork; It is objectively complicated to implement for companies, such as most SMEs, with no environmental policy in place, which cannot go from "the bicycle to the Rolls Royce" with no support and help from the EU and MS.

5.4 Would you suggest any other obstacles or additional issues to address? (optional)

The implementation of ECAP (Environmental compliance assistance programme for SMEs) at European and national level should be as quick and as effective as possible. In order to ensure that priority actions are highlighted and that Member States do not the delay the implementation, UEAPME offers the European Commission the co-operation of its European network.

## 6. ENHANCING THE IMPLEMENTATION OF EU SME POLICY PRINCIPLES

The European Charter for small enterprises, the Modern SME policy and various Council conclusions established a number of principles that constitute the basis for SME policies both at European and national level which are now fully anchored in the Lisbon Strategy for Growth and Jobs. These principles, such as following a 'Think Small First' approach when elaborating and applying legislation, consulting systematically SME representatives, evaluating the impact of forthcoming legislation on SMEs or providing appropriate business support to SMEs, need to become irreversible and systematically applied both at Community and national policy level in line with the Growth and Jobs Strategy. In this context:

6.1 What is the right way to agree on principles of SME policy across the EU and to ensure their implementation at EU and Member States level? Is there still an untapped potential within the European Charter for Small Enterprises Process? (optional)

The creation of a legally binding instrument, containing principles and objectives, as mentioned in our position paper :

[http://www.ueapme.com/docs/pos\\_papers/2007/071214\\_pp\\_SBA.pdf](http://www.ueapme.com/docs/pos_papers/2007/071214_pp_SBA.pdf)

Charter: reintroduce the reporting on measures for small enterprises (according European SME-definition).

6.2 Would a systematic application of the subsidiarity and proportionality principles at EU level help to further strengthen the application of the 'think small first' principle? (optional)



Yes



No



Don't know

6.3 Would you suggest any other obstacles or additional issues to address? (optional)

See our position paper:

[http://www.ueapme.com/docs/pos\\_papers/2007/071214\\_pp\\_SBA.pdf](http://www.ueapme.com/docs/pos_papers/2007/071214_pp_SBA.pdf)