

# Position Paper

## UEAPME<sup>1</sup> position on the “Review of the Financial Regulation”

### 1 - Grants

#### **Question 1. Are you sufficiently informed about upcoming calls for proposals in a timely manner? What improvements would you suggest?**

No, and it is not only a problem concerning upcoming calls but also for published ones. Considering the amount of EU information, it is more and more difficult to have all the necessary information on time and the research of information requires more and more time.

Proposal: the Commission should be proactive in particular towards the organizations that have subscribed to the European Commission’s Register of Interest Representatives, introducing an e-mail alert and also by creating a new category entitled ” call for tender and call for proposals” only for the organizations that have registered.

#### **Question 2: should the rules be more flexible on co-financing requirements taking into account the type of actions and project managers? How could in-kind contributions best be dealt with, while adhering to the non-profit principle?**

For small projects and innovative projects, the non for profit associations should be allowed to introduce all the time spent by the persons involved in the project as well as the working costs.

Additional remark – « innovative » projects: Projects with innovative actions are actually not or badly covered by the current programmes and calls. The fact that they are innovative implies that their outcome is uncertain and thus their success cannot be fully guaranteed.

In order to support this kind of projects UEAPME proposes:

- to allocate to each DG a small budget allowing to finance new projects by direct financial allocation in case the project can not be associated to an existing call.
- to allow again for some important calls a “feasibility” allocation for the SME-organisations and the enterprises in order to allow them to prepare their application documents.

### 2 - The Commission’s handling of financial files

#### **Question 8: From your experience, what alternative solutions could be proposed for pre-financing payments while safeguarding tax payers' money?**

<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](https://ec.europa.eu/transparency/initiative/representatives/55820581197-35).

The question should be rather if this rule should be maintained. In reality more (non-paid) time is spent on projects than declared.

**Question 9: What mechanism, other than pre-financing guarantee, could be explored while ensuring adequate protection of community funds?**

This question rightly tackles the problem of pre-financing guarantees. Small enterprises, which are the majority of SMEs and the intermediary organisations, refrain more and more from participating in EU-financed programmes because of pre-financing guarantees which their low budget does not allow. For this reason, they are de facto excluded as beneficiaries of these programmes.

The conditions of pre-financing payments and guarantees have been conceived in function of the big enterprises and the major consultancy firms, who can, without any problem, ensure the necessary financial reserves.

**Question 11: How could the application procedure for both grants and contracts be further improved?**

The introduction of a kind of label system for organisations that have successfully carried out a project and/or contract has the risk that this would lead to the exclusion of new organisations.

To avoid this and to reduce red tape, the Commission should consequently apply the “only once” principle as proposed by the Small Business Act. UEAPME is also advocating for the introduction of more standardised information and documents. Indeed, nearly every DG or even unit is now requiring its own documents and information. In addition, a lot of red tape could be avoided by asking information and documents only if the project has been selected.

Brussels, 17<sup>th</sup> December 2009

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