EC Consultation on Better Regulation

ecoDa's Response

4th February 2026

ecoDa supports the European Commission's ongoing efforts to advance Better Regulation, even though this objective is not new. For decades, European standards—through directives and regulations—have driven economic growth by replacing a patchwork of national rules with a single, unified framework. This regulatory convergence has been one of the European Union's key competitive strengths.

Today, however, these standards have multiplied and become increasingly complex, often hindering rather than supporting economic development. The cumulative effect of regulatory proliferation, growing technical complexity, and layered secondary legislation risks undermining the very advantage that regulatory convergence once provided. Instead of facilitating innovation and market entry, regulation may, in certain cases, delay or even prevent the successful transition from innovation to market adoption.

This challenge can be clearly illustrated through the lens of the "Valley of Death"—the critical phase in which promising ideas, technologies, and business models fail to reach the market despite being scientifically sound and technologically viable. In many cases, failure does not stem from a lack of innovation or investment, but from regulatory uncertainty, excessive compliance costs, fragmented requirements, and misaligned timelines between policy design and real-world implementation.

From this perspective, Better Regulation is not merely an administrative exercise, but a strategic lever to reduce systemic risk, support commercialization, and strengthen Europe's long-term competitiveness.

1. **How could the Commission better reconcile the need for evidence-based policies with the need for urgent action in the conduct of its Better Regulation activities?**

In cases where urgent action is required and clearly demonstrated, the European Union should have the flexibility to shorten (but not skip) consultation periods and rely more heavily on representative democracy through Member States and the European Parliament. In any case, this requires that overarching strategies be integrated into the long term and be sufficiently documented to ensure consistency and accountability, as they develop fast-track mechanisms based on a formal urgency assessment.

In general, to strengthen evidence-based policymaking:

- **Diversify evidence providers:** The Commission should avoid repeatedly relying on the same external consultants, as this risks methodological uniformity, potential bias, and limited critical scrutiny. Engaging a broader, more diverse set of providers enhances the robustness, credibility, and representativeness of evidence.
- **Prioritise quality over cost:** Using poor-quality external surveys can have serious consequences, including inefficient policy making, delays in legislating due to backlash against flawed survey results, and reduced predictability in policy outcomes. While efficiency and value for money are important, the cost of surveys and studies should not be the overriding criterion. High-quality evidence is essential to support policy action without compromising accuracy.

→ **Call to prioritize consortia:** Instead of primarily turning to consultancy firms, the Commission should favour consortia that involve the business community (including e.g. experienced board members), social partners, civil society, and academia. Such consortia provide practice-based insights and real-world evidence, enabling well-informed decisions.

2. **How could the Commission ensure a more holistic approach to stakeholder consultations, with a view to implementing a more efficient and effective way of gathering essential information, including possibly across policy fields?**

ecoDa places great value on expert groups involving external stakeholders, as demonstrated by the European Corporate Governance Forum (2004), the High-Level Expert Group (HLEG) on Sustainable Finance, and the more recent Platform on Sustainable Finance.

This approach enables the European Commission to draw on insights from leading thought leaders in business, academia, and civil society. Such engagement helps ensure that policies are forward-looking, innovative, and grounded in practical expertise. It also fosters richer exchanges of ideas, encourages diverse perspectives, and strengthens the legitimacy and effectiveness of EU initiatives in complex and rapidly evolving policy areas.

In addition, stakeholder consultations should be fair and unbiased, with questions designed to enable all stakeholders, including SMEs and participants from smaller and less mature capital markets, to share their views. This inclusive approach helps capture a full range of experiences and ideas, supporting better-informed and more predictable policy decisions. The use of digital platforms to facilitate broader dialogue could further improve the quality and representativeness of information collected directly from the field.

Impact assessments should also take into account the size and nature of companies. While listed companies face significant compliance obligations, proportionality should ensure that smaller companies are not unduly burdened, while also considering the risk that excessively onerous requirements could lead to delistings. The potential use of artificial intelligence in impact assessments, as well as in the validation of impact assessments and ex post evaluation methodologies, should be considered.

A systematic exercise to streamline and simplify existing regulation should be undertaken to ensure that all regulation, both existing and new, passes a "double test." If a regulation fails this test, it should not enter into force. The double test should assess whether:

- The regulation is effective and efficient, creating an enforceable framework with measurable and concrete impacts; and
- The costs and benefits for enterprises are appropriately balanced (including a practical test: can it be implemented without the need to hire external experts?).

Additionally, the European Commission should avoid siloed approaches across policy fields. Separate consultations and assessments for environmental, digital, health, and industrial policies often fail to capture interdependencies, resulting in overlapping reporting requirements and regulatory frameworks.

3. **What practical steps could be undertaken to make EU laws simpler and easier to implement in practice (for example, as regards legal instruments, the use of delegated and implementing acts, or the application of digital tools)?**

A key step to make EU legislation simpler and easier to implement would be to reassess the growing reliance on secondary legislation, in particular delegated and implementing acts.

While implementing acts are intended to set out technical implementation measures, delegated acts allow the Commission to amend, supplement, or delete non-essential elements of basic legislative acts.

Secondary legislation now represents the vast majority of EU legal acts adopted each year (around 80%), raising concerns about legal complexity, predictability, and institutional balance. This trend risks undermining the roles of the European Parliament and the Council as co-legislators and makes it more difficult for stakeholders to follow, anticipate, and comply with evolving regulatory requirements.

The procedures for adopting delegated and implementing acts remain complex and largely opaque for stakeholders.

→ **Call for reducing reliance on secondary legislation**: The Commission should aim to reduce the number of delegated and implementing acts by ensuring that essential and policy-relevant elements are addressed directly in the basic legislative act (ideally through EU Regulations). This would simplify the legal framework and enhance legal certainty for all stakeholders.

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About ecoDa: The European Confederation of Directors Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Through its 24 national institutes of directors (the main national institutes existing in Europe), ecoDa represents approximately 55,000 board directors from across the EU. ecoDa's member organizations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.

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