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# COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

# **GREEN ACTION PLAN FOR SMEs**

**Enabling SMEs to turn environmental challenges into business opportunities** 

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#### **Introduction and context**

The March 2014 European Council highlighted that Europe needs a strong and competitive industrial base, in terms of both production and investment, as a key driver for economic growth and jobs. Resource efficiency<sup>1</sup> is one of the main drivers of companies' competitiveness since, reportedly, European manufacturing firms spend, on average, 40% of their costs on raw materials, with energy and water pushing this to 50% of total manufacturing costs, to be compared to a share of 20% for labour costs.<sup>2</sup> The European Council further called for sustained efforts to moderate the energy costs borne by energy end-users, in particular through sustained investment in energy efficiency and demand-side management all along the value chain and at the R& D stage.

Resource efficiency improvements do indeed require combining a value chain approach with the implementation of complex technical solutions at company level. It is estimated that resource efficiency improvements all along the value chains could reduce material inputs needs by 17%-24% by 2030<sup>3</sup>. Moreover, in the EU, currently, 60% of total waste is not recycled, composted or reused,<sup>4</sup> which indicates an enormous leakage of valuable resources and significant business opportunities for small and medium-sized enterprises (SMEs)<sup>5</sup> that can apply and sell green products, services and solutions. Business opportunities can also be created from integrating more circular business models and green technologies into existing and future SMEs across all sectors, including services.

The Europe 2020 Strategy outlines the EU's priority to become a sustainable economy and set ambitious objectives for climate action and energy efficiency. The Small Business Act (SBA)<sup>6</sup> highlighted that the EU and Member States should enable SMEs to turn environmental challenges into opportunities. The Green Action Plan (GAP) gives a clear direction and framework for how the EU, in partnership with Member States and regions, intends to help SMEs exploit the business opportunities that the transition to a green economy<sup>7</sup> offers. This initiative concretely presents a series of new or revised SME-oriented actions proposed at European level. The GAP aims to (1) improve resource efficiency of European SMEs, (2) support green entrepreneurship, (3) exploit the opportunities of greener value chains, and (4) facilitate market access for green SMEs.<sup>8</sup> It is

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<sup>&</sup>lt;sup>1</sup> Resource efficiency means using the Earth's limited resources in a sustainable manner while minimising impacts on the environment while allowing economic growth (through relative decoupling of material use).

<sup>&</sup>lt;sup>2</sup> "Guide to resource efficiency in manufacturing: Experiences from improving resource efficiency in manufacturing companies". Europe INNOVA (2012)

<sup>&</sup>lt;sup>3</sup> Meyer, B. et al (2011) "Macroeconomic modelling of sustainable development and the links between the economy and the environment". Study for the European Commission (DG Environment), available at <a href="http://ec.europa.eu/environment/enveco/studies\_modelling/pdf/report\_macroeconomic.pdf">http://ec.europa.eu/environment/enveco/studies\_modelling/pdf/report\_macroeconomic.pdf</a>
<sup>4</sup> Eurostat waste statistics (2011)

<sup>&</sup>lt;sup>5</sup> See the SME definition at http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index en.htm

<sup>&</sup>lt;sup>6</sup> For more information: http://ec.europa.eu/enterprise/policies/sme/small-business-act/index\_en.htm

<sup>&</sup>lt;sup>7</sup> The "green economy" is a model that "secures growth and development, safeguards human health and wellbeing, provides decent jobs, reduces inequalities and invests in, and preserves biodiversity, including the ecosystem services it provides (natural capital), for its intrinsic value and for its essential contribution to human well-being and economic prosperity". (Definition from Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 'Living well, within the limits of our planet').

<sup>&</sup>lt;sup>8</sup> The Green Action Plan for SMEs focuses on resource efficiency in general, without any particular focus on

presented in complementarity with the Communication *Green Employment Initiative*. – *Tapping into the job creation potential of the green economy*, which proposes a roadmap for supporting green jobs creation across the EU, and with the Communication *Resource Efficiency Opportunities in the Building Sector* as well as with the Circular Economy Package and Waste Target Review.

The Green Action Plan aims to contribute to the re-industrialisation of Europe as advocated by the European Industrial Renaissance Communication (COM (2014) 14) and supported by the European Council, by enhancing SMEs competitiveness and supporting green business developments across all European regions, notably in view of the fact that, at this stage, significant differences in resource efficiency exist between sectors and Member States.

The Action Plan builds on the Eco-Innovation Action Plan (EcoAP)<sup>9</sup>, which provides directions for eco-innovation policy and funding under the umbrella of the Europe 2020 strategy. A number of actions and instruments of the EcoAP are highly relevant for SMEs. Examples are the European Innovation Scoreboard, the Eco-innovation Observatory, the European Forum on Eco-innovation, European Innovation Partnerships and financing instruments for eco-innovation under Horizon 2020. The actions featured in the Green Action Plan and the EcoAP are, therefore, complementary and generate important synergies. Throughout the implementation stage proper coordination will be ensured between the EcoAP and the Green Action Plan.

The Green Action Plan focuses on European level actions which are designed to fit in with, and reinforce existing 'green' initiatives to support SMEs at national and regional levels. <sup>10</sup> It was drafted through consultation with, and will be implemented in cooperation with actors in the Member States that are active in this area. Most Member States and many regions have dedicated organisations and instruments not least through Regional Policy funding that provide support to SMEs in the areas that are the subject of this Action Plan. Such actions include provision of information, capacity building, promoting cooperation and networking, direct financing, facilitating access to finance, etc.

The Green Action Plan sets out a series of objectives and lists actions that will be implemented at European level within the framework of the Multiannual Financial Framework 2014-2020.<sup>11</sup> All the actions are either new or revised versions of previous actions that now take into account the potential for business of resource efficiency and access to green markets.<sup>12</sup> The actions also take into account the results of the public consultation on the Green Action Plan that took place during the fourth quarter of 2013.<sup>13</sup>

energy efficiency or renewable energy generation, which have already been the subjects of specific Commission Communications and legislative proposals.

<sup>9</sup> http://ec.europa.eu/environment/ecoap/index\_en.htm

<sup>&</sup>lt;sup>10</sup> For example the EU will support actions relevant to the GAP through Cohesion Policy. Member States have agreed to allocate more than EUR 100 billion from the European Regional and Development Fund to invest in SMEs, the low carbon economy and research and innovation.

<sup>&</sup>lt;sup>11</sup> Actions foreseen in the Communication have no budgetary impact on EU budget over and beyond the appropriations already foreseen in the official financial programming of the Commission.

<sup>&</sup>lt;sup>12</sup> The accompanying Staff Working Document provides a list of the actions with indication, where appropriate, of the timescale for their implementation during the 2014-2020 period.

<sup>&</sup>lt;sup>13</sup> Link to the report on the results of the public consultation: http://ec.europa.eu/enterprise/policies/sme/public-

Concrete information on the actions that appear in this Communication, with reference to the programmes that support them, such as the European Structural and Investment Funds, COSME, Horizon 2020, Erasmus +, LIFE or the Partnership Instrument, will be punctually uploaded on the website of the European Commission, Directorate General for Enterprise and Industry<sup>14</sup>:

http://wcmcom-ec-europa-eu-wip.wcm3vue.cec.eu.int:8080/enterprise/policies/sme/public-consultation-green-action-plan/index en.htm

# I. Greening SMEs for more competitiveness and sustainability

Improving resource efficiency in SMEs offers enormous potential for the reduction of production costs and for productivity gains. A better use of resources is calculated to represent an overall savings potential of €630 billion per year for European industry. Too few SMEs in Europe are aware of this potential. Moreover, SMEs are not sufficiently supported in their efforts to realise potential cost savings through better resource efficiency. This may not only lead to a widening productivity gap in Europe between companies who make resource efficiency improvements and those who do not, but also weaken the overall competitiveness of European firms as well as the chances of many SMEs to position themselves in global value chains.

# Why is this important for SMEs?

European SMEs are generally aware that being resource efficient is important given that 75% of SMEs in the EU have seen an increase in their costs of materials in the past five years. At least 93% of SMEs in the EU are taking at least one action to be more resource efficient which, in most cases, is a low-cost action. However, only 42% of SMEs that implement measures to improve resource efficiency has seen a reduction of their production costs. This indicates the necessity to provide guidance to SMEs on the cost-effectiveness of resource efficiency investments.

Moreover, there are large differences between the levels of resource efficiency in the manufacturing sector across Member States. Energy use and waste generation for a specific type of production differ considerably between manufacturing companies in the different European countries.<sup>17</sup>

Resource efficiency improvements require specialised knowledge usually not available in SMEs,

 $consultation-green-action-plan/index\_en.htm$ 

<sup>&</sup>lt;sup>14</sup> This information will include references to the dedicated financial resources for, and the effectiveness of, the actions as foreseen under the governance of the Green Action Plan.

<sup>&</sup>lt;sup>15</sup> "Guide to resource efficiency in manufacturing: Experiences from improving resource efficiency in manufacturing companies". Europe INNOVA (2012).

<sup>&</sup>lt;sup>16</sup> All figures in this paragraph come from Flash Eurobarometer 2013 on 'SMEs, resource efficiency and green markets':

ec.europa.eu/public\_opinion/flash/fl\_381\_eapdf.

<sup>&</sup>lt;sup>17</sup> Calogirou C., S. Y. Sørensen, P. B. Larsen, S. Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry. http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item id=4711

which thus need advice to spot the potential long-term benefits of innovating their processes and organisation to improve resource efficiency. Furthermore, SMEs seeking financing for large upfront investments for resource efficiency find, in some cases, that financial intermediaries consider this a high-risk domain. Therefore, it is important firstly to encourage SMEs to seek appropriate resource efficiency advice, through SME oriented business campaigns and, secondly, to provide them with such advice in their regions.

## The Commission has set several objectives to be achieved through the following actions:

# 1. Provide European SMEs with practical information, advice and support on how to improve their resource efficiency in a cost-effective manner:

- The European Resource Efficiency Excellence Centre, to be set up in 2015 building on proven experience in support of resource efficiency in the Member States, will advise and assist SMEs seeking to improve their resource efficiency performance, directly and through a network of partners across European regions, and become a reference point on the effectiveness and cost-efficiency of different types of resource efficiency improvements across the EU. The Centre will also provide information on, and, where appropriate, refer SMEs to national strategies, programmes and actions in the field of resource efficiency and SME support.
- The Eurobarometer on 'SMEs, resource efficiency and green markets' will assess resource efficiency trends amongst SMEs across Europe and the US, to guide further policy developments in this area.
- The Enterprise Europe Network (EEN)<sup>18</sup> will be encouraged to (1) organize a European Resource Efficiency Campaign with awareness raising activities (information on their websites, social media, presentations at (existing network) events, B2B events) to inform SMEs of the positive benefits and opportunities offered by resource efficiency and (2) provide resource efficiency advisory services to SMEs.
- Managing Authorities of European Structural and Investment Funds will be supported by the Commission in encouraging projects in the field of resource efficiency and in publicising the business opportunities of green markets, especially by showcasing successful examples and tools from across the EU.

#### 2. Support efficient technology transfer mechanisms for green technologies:

- The commercialisation of green technologies is of high priority for SME growth in the green economy. Therefore, the technology transfer database of the Enterprise Europe Network (EEN), with more than 23,000 profiles, will continue to update the classification of keywords describing resource efficiency and climate related technologies to better match supply and demand among SME clients.
- Moreover, EEN partners will be invited to ensure close cooperation between the different sector groups dealing with resource efficiency to facilitate the exchange of information and

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<sup>&</sup>lt;sup>18</sup> For more information: http://een.ec.europa.eu/

transfer of best practice.

# 3. Facilitate the access to finance for resource-related improvements and energy efficiency in SMEs

- Several SME-oriented websites of the European Commission will be updated to better feature available environmental information, EU funding available for resource efficiency improvements as well as non-financial support available for SMEs.
- The European Investment Bank (EIB) will provide financing through financial intermediaries for resource efficiency improvements linked to ecosystem services and climate change adaptation with the Natural Capital Financing Facility (NCFF).
- Private Finance for Energy Efficiency instruments (PF4EE) can support SMEs and mid-cap larger companies, among others, undertaking small energy efficiency investments, and which are capable of using energy savings to repay up-front borrowing.
- A network and community of public and private financiers and investors that support ecoinnovation will be established.
- The European Regional Development Fund (ERDF) and the European Maritime and Fisheries Fund (EMFF) for the period 2014-2020 will support SMEs competitiveness, including improving their energy efficiency and use of renewable energy sources as well as resource efficiency as these are listed as investment priorities. Therefore, such investments might be selected by Member States and regions for ERDF and EMFF funding.

# II. Green entrepreneurship for the companies of the future

Preventing and correcting environmental damage and moving towards a low carbon economy is a societal challenge which also offers new business opportunities for enterprises. Yet, 'eco-innovation', just like any other types of innovation, needs a fertile ecosystem to flourish and green innovators depend on support to develop their ideas and on access to finance to implement them. The development of green entrepreneurship benefits from the proximity to knowledge institutions as well as from the availability of skilled labour and industrial relationships that facilitate cross-sectoral cooperation, conditions which enable the emergence of eco-innovative clusters.

# Why is this important for SMEs?

SMEs need a favourable business environment, in which green ideas can be easily developed, financed and brought to the market. 'Green entrepreneurship' should already be addressed in (higher) education, to prepare the mind-set of future green entrepreneurs. 'Green entrepreneurship' should also be encouraged by helping potential entrepreneurs in identifying business opportunities resulting from the move towards a resource efficient, low carbon economy, including through new creative forms of cooperation between businesses and academia. All forms of innovation that foster green entrepreneurship should be supported. Indeed, green entrepreneurship is also fostered by new business ideas that combine resource efficiency with creativity, such as the new phenomenon of 'upcycling' combining recycling with design. Further

to that, more needs to be done to capitalise on green technologies that are developed by research and that have successfully demonstrated their feasibility. In this context, it is essential to support SMEs to explore the scientific or technical feasibility and the commercial potential of eco-innovative business ideas, since many SMEs do not have the necessary resources to do it on their own.

#### The Commission has set several objectives to be achieved through the following actions:

# 1. Promote all forms of eco-innovation, including non-technological eco-innovation:

- The SME Instrument under Horizon 2020 will help SMEs explore the scientific or technical feasibility and the commercial potential of highly eco-innovative ideas in order to develop concrete new businesses. A positive assessment of its business feasibility will allow for funding for demonstration activities. SMEs can already apply for this support under specific calls focusing on eco-innovation and supply of raw materials, eco-innovative food production and processing, and innovation in a low carbon and efficient energy system.
- In Horizon 2020, actions under the societal challenge "Climate Action, Environment, Resource Efficiency and Raw Materials" are supporting the objectives of the Green Action Plan, in terms of increasing resource efficiency through a systemic approach towards eco-innovation and the setting up of a circular economy. All forms of innovation are covered. Different types of activities going from research to demonstration, to market uptake, coordination and networking are addressed.
- The European Regional Development Fund (ERDF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) for the period 2014-2020 will support SME competitiveness, targeting energy efficiency and use of renewable energy sources. These are identified as investment priories to be pursued by Member States and regions through their operational programmes.

# 2. Facilitate business partnering, skills and knowledge for green entrepreneurship:

- The Communication *Green Employment Initiative*. *Tapping into the job creation potential of the green economy* proposes a comprehensive roadmap for skills development for the greening of the economy.
- The provision of high quality information on eco-innovation and eco-innovative SMEs will be encouraged to boost confidence and reduce investment risks, through initiatives like Environmental Technology Verification (ETV) currently being implemented as an EU pilot programme.
- New business models for resource and energy efficiency in SMEs will be supported through the LIFE programme.
- The European Enterprise Promotion Awards will recognise the efforts to support green entrepreneurship by rewarding public bodies and public-private partnerships that support the development of green markets and resource efficiency.

### 3. Exploit better the role of clusters in support of eco-innovative SMEs:

Resource efficiency will become a specific topic in the trainings under the Cluster Excellence Programme (COSME 2014-2020) aimed at making cluster managers fully aware of the potential actions that can be launched in their clusters to further boost eco-innovation and resource-efficiency within and between their SME members.

# III. Opportunities for SMEs in a greener value chain

Re-manufacturing, repair, maintenance, recycling and eco-design have a great potential to become drivers of economic growth and job creation while, at the same time, making a significant contribution to addressing environmental challenges. Through innovation and the redesign of products and of production and business models companies can reduce the use of expensive primary raw materials and create less waste. The 60% of total waste in the EU which is not recycled, composted or re-used, offers economic opportunities for SMEs to capitalise on cross-sectoral value chains that make more efficient use of resources.

The 'circular'<sup>20</sup> or 'symbiotic'<sup>21</sup> economy enhances resource and cost savings by maximising the time that resources, products and components are used. Making better and more efficient use of resources by reducing waste and converting waste into new goods and services requires eco-innovation, new intermediaries and brokerage services. SMEs and entrepreneurs need a supportive environment to engage in new industrial relationships enabling them to move towards a circular economy.

# Why is this important for SMEs?

Despite evidence demonstrating the benefits of innovation that reduces waste and of cross-sectoral value chain collaboration, a combination of regulatory, institutional, technical and cultural obstacles represent systemic barriers that still hinder more effective action and networking among companies and thereby also higher resource efficiency. For example, currently, 44% of large companies in the EU sell their scrap material to another company, while only 24% of SMEs do so<sup>22</sup>. As it often requires specialised knowledge and networks, SMEs frequently find it difficult to develop and share knowledge on waste reduction and management and to exploit the potential of avoiding waste and re-using products, materials and waste as part of different value chains. High transaction costs and initial high investment costs may further reduce the interest to enter into transactions related to reuse and recycling of resources, in particular as the potential benefits are difficult to determine ex-ante given the lack of experience and uncertainties linked to variations in quality, specifications or delivery times. Furthermore,

<sup>&</sup>lt;sup>19</sup> Eurostat Waste Statistics (2011)

<sup>&</sup>lt;sup>20</sup> A circular economy keeps the value added in products for as long as possible and eliminates waste. Resources embedded in products are kept in productive use when the product reaches the end of its life, providing further value.

<sup>&</sup>lt;sup>21</sup> Symbiotic economy is based on the practice that the by-products of one company or sector (including energy, water, logistics and materials) are used by another.

<sup>&</sup>lt;sup>22</sup> Flash Eurobarometer 2013 on 'SMEs, resource efficiency and green markets': ec.europa.eu/public opinion/flash/fl 381 eapdf.

exchanges within the value chain may pose technological challenges as transformations and adaptations of the 'waste as by-products' may need to be done before they can be reintroduced into the value-chain.

The Commission has set several objectives to be achieved through the following actions:

# 1. Address systemic barriers to cross-sectoral and cross-national value chain collaboration and business creation and cooperation, by facilitating the creation of service business models and the re-use of materials, products and waste:

• Analysis of the systemic barriers impeding the deployment of circular business models by SMEs, the efficient use of materials from waste streams and industrial symbiosis processes. This is crucial for developing the best possible actions at EU level to address these shortcomings and to promote the role of SMEs in the circular economy.

## 2. Facilitate cross-sectoral collaboration in view of promoting the circular economy:

- The forthcoming action on 'Cluster facilitated projects for new industrial value chains' under Horizon 2020 will allocate at least 75% of the total budget to support innovation in SMEs. It seeks to support cross-sectoral and cross-regional collaboration and innovation projects driven by SMEs by better integrating them into clusters and different value chains.
- The European Cluster Observatory will provide regions with a better mapping of geographic concentrations of competences in eco-industries as well as identification and analysis of cross-sectoral clustering trends, including cluster internationalisation and industrial transformation trends related to eco-industries.
- Model demonstrator regions showcasing systemic eco-innovative solutions will be identified.
- The LIFE programme will promote the take-up of the circular business models and showcase their benefits for SMEs.
- Establishment of an expert group to focus on a systemic approach to eco-innovation in the framework of Horizon 2020.

# IV. Access to the markets for green SMEs

The EU has a strategic interest to adequately tackle the major global environmental challenges such as climate change. With high economic growth and, in some cases, early stages of industrialisation, environmental depletion and emissions are growing at a high pace in many countries of the world. Assisting these countries in a shift towards a green economy will be crucial. At the same time, the EU has a leading role in green and low carbon technologies, which offer great possibilities for combining climate change and other environmental protection objectives with the development of trade, investment and business for European companies, notably SMEs, in these countries.

# Why is this important for SMEs?

The EU's international commitments in areas such as climate change cooperation or neighbourhood policies offers concrete scope for European SMEs with the relevant expertise to gain access to new markets for their technologies, products and services aimed at an efficient reduction of carbon emissions. The EU makes up roughly one third of the world market for environmental industries and is a net exporter. This world market is growing by 5% a year and is expected to triple by 2030<sup>23</sup>, thus offering important opportunities for EU businesses. However, few SMEs in the EU offer their green technologies, products or services in countries outside the EU. 87% of SMEs in the EU only sell in their national markets.<sup>24</sup> This lack of SME internationalisation is usually explained by the absence of a supportive framework that can help SMEs access foreign markets.

SMEs stand a better chance to enter global value chains by cooperating with other companies rather than by acting individually. Achieving better resource efficiency in Europe and helping SMEs to successfully integrate into global value chains requires more international cooperation. To compete internationally, SMEs in the resource efficiency field need to look for international partners not only to sell but also to source raw materials, and gain access to research, knowledge or skills along the value chain. Such cooperation is often facilitated by clusters which act as real "springboards" for SMEs to, on the one hand, access international markets and, on the other hand, enter into business cooperation and develop long-term strategic partnerships along and across value chains. Moreover, the international contacts and networks already established by multinationals, universities and other institutions in their clusters can also be exploited by SMEs.

#### The Commission has set several objectives to be achieved through the following actions:

# 1. Promote a greener European internal market:

 European Standardisation Organisations will be encouraged to take into account circular economy objectives when creating standards in order to continue the Commission's previous efforts to integrate environmental aspects into European standardisation.<sup>25</sup>

#### 2. Facilitate access to international markets for green entrepreneurs:

- Establishment of European Strategic Cluster Partnerships fostering alliances between clusters from different sectors, with a view to develop a joint strategy for internationalisation. Alliances in the field of green technologies and eco-innovation will be encouraged.
- International matchmaking missions will encourage cooperation in the fields of resource efficiency and eco-innovation, and be prioritised on a case-by-case basis, taking into account the specificities of the target country and the trading potential.
- The financial instruments under COSME will specifically support SMEs to internationalise, by promoting their cross border-development.

<sup>23</sup> IDEA Consult, ECORYS, 2009. Study on the competitiveness of the EU eco-industry; Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, 2009, "Greentech - Made in Germany 2.0"

ec.europa.eu/public opinion/flash/fl 381 eapdf.

<sup>&</sup>lt;sup>24</sup> Flash Eurobarometer 2013 on 'SMEs, resource efficiency and green markets':

<sup>&</sup>lt;sup>25</sup> The Commission's previous efforts include the Communication "The integration of environmental aspects into standardisation" (COM (2004) 130 final) and the Communication 'A strategic vision for European standards: Moving forward to enhance and accelerate the sustainable growth of the European economy by 2020' (COM (2011) 311 final)

# 3. Facilitate the uptake of resource efficiency technology in partner countries through cooperation with European SMEs:

- A Low Carbon Business Action will provide technical assistance for the establishment of Cooperation Partnerships between EU businesses and clusters and businesses and other counterparts in middle income countries, and for the elaboration of joint bankable proposals<sup>26</sup> that reflect the interests of both parties while ensuring policy coherence for development.
- Building of new entrepreneurial activities based on green technologies in South Mediterranean countries through cooperation with European SMEs.

## V. Governance

The concept and outline of the Green Action Plan for SMEs as presented in public consultations on the future of SME policy and, notably, the Public Consultation on the Green Action Plan that took place during the fourth quarter of 2013, have received wide support from those Member State administrations and SME stakeholders that responded.<sup>27</sup> Also the Network of SME Envoys<sup>28</sup> has responded positively to the Plan appreciating its clear focus on the business case emanating from environmental challenges. It is therefore important to implement it thoroughly. This requires the full political commitment of both the Commission and the Member States.

### Why is this important for SMEs?

Only an efficient and effective implementation of the objectives and subsequent actions of this Action Plan will ensure an impact across Europe for the benefit of SMEs.

The Commission has set several objectives to be achieved through the following actions:

# 1. Ensure monitoring and updating of the actions set up by the Commission to support SMEs in this domain:

- The actions linked to this Green Action Plan for SMEs will be regularly monitored, including the dedicated financial resources, in dialogue with SME stakeholders, and the effectiveness of the programmes will also be evaluated. Updated information on the actions will be provided through the Commission website.
- The SME Performance Review<sup>29</sup> monitors and assesses countries' progress in implementing the Small Business Act on an annual basis, including their performance in relation to its principle 9 'enabling SMEs to turn environmental challenges into business opportunities', thereby complementing the Green Action Plan monitoring.

<sup>&</sup>lt;sup>26</sup>A bankable proposal is a project or proposal which is sufficiently underpinned both financially and conceptually to be potentially successful when applying for financing from institutional lenders.

<sup>&</sup>lt;sup>27</sup> Report on the results of the public consultation: http://ec.europa.eu/enterprise/policies/sme/public-consultation-green-action-plan/index en.htm

<sup>&</sup>lt;sup>28</sup> For more information: http://ec.europa.eu/enterprise/policies/sme/small-business-act/sme-envoy/index\_en.htm <sup>29</sup> For more information: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index\_en.htm

# 2. Coordination, cooperation and best practices exchange at European, national and regional level will be supported:

- The Small Business Act governance mechanism, which comprises the SME Performance Review and the Network of SME Envoys, will be used to provide a platform for best practice exchange among Member States on support for SMEs to help them turn environmental challenges into business opportunities. In particular, the Network of SME Envoys will be used to discuss implementation of such practices, results and obstacles.
- Coordination will be established with the EcoAP High Level Working Group in order to ensure the continuous flow of information, consistency and better exploitation of synergies between the various initiatives. Whenever relevant, coordination will also be sought with European level groups functioning in other policy areas, such as environment, employment, education, development cooperation, etc.