



The circular economy and SMEs

Peter Czaga
DG Environment –
A1 Eco-Innovation and Circular Economy Unit





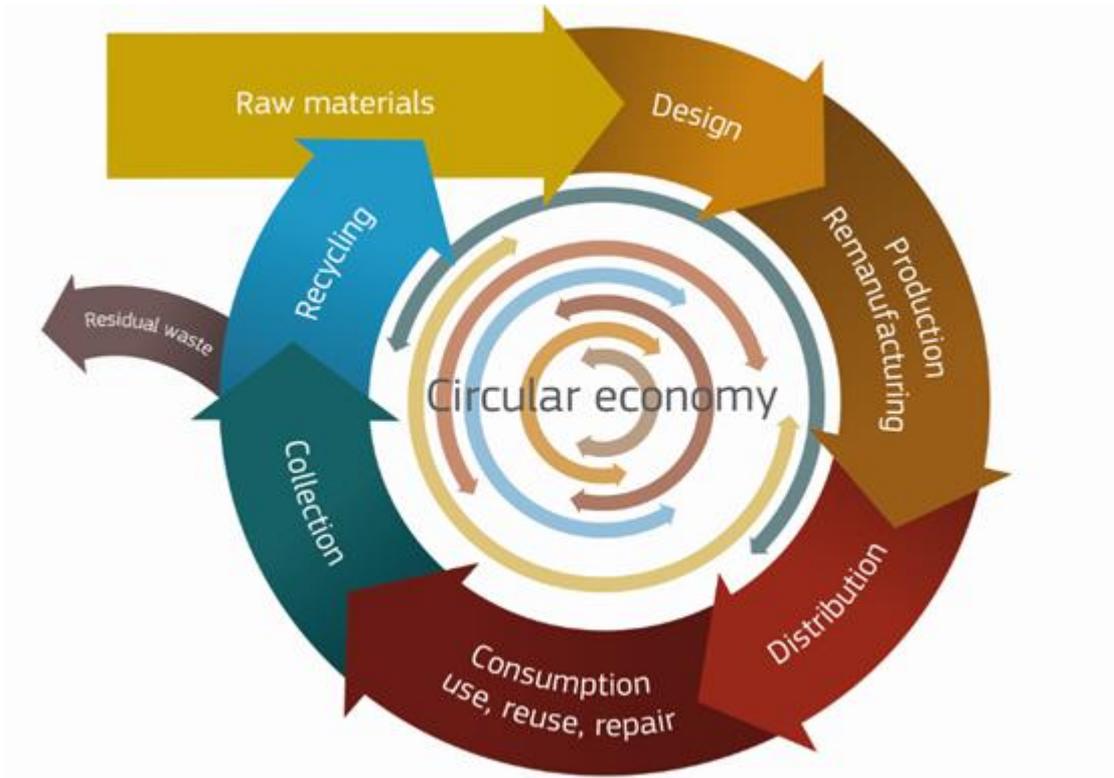
Forthcoming Commission communication (01 July):

"Towards a circular economy: A zero waste programme for Europe"

Two pillars:

1. Setting up an enabling policy framework for a CE
2. Modernising waste policy and targets

The CE aims to keep the value added in products for as long as possible and to cut residual waste "close to zero". It is a regenerative system, which retains the resources within the economy in contrast to the currently prevailing 'linear' model of extraction, manufacturing, consumption and disposal.



What needs to be done to bring in a circular economy system?

- *Reducing the use of energy and materials in production and use phases (efficiency);*
- *-Increasing the time products' deliver their service before coming to the end of their useful life (durability);*
- *Reducing the use of materials that are hazardous or difficult to recycle in products and production processes (substitution);*
- *Creating markets for recycled materials (based on standards, public procurement, etc.);*
- *Designing products that are easier to maintain, repair, upgrade, remanufacture or recycle (eco-design);*
- *Developing the necessary services for consumers in this regard (maintenance/repair services, etc.);*
- *Incentivising and supporting waste reduction and high-quality separation by consumers;*
- *Facilitating industrial clusters the clustering of activities that exchange by-products to prevent by-products them from becoming wastes (industrial symbiosis); and*
- *Encouraging wider and better consumer choice through renting, lending or sharing services or leasing*

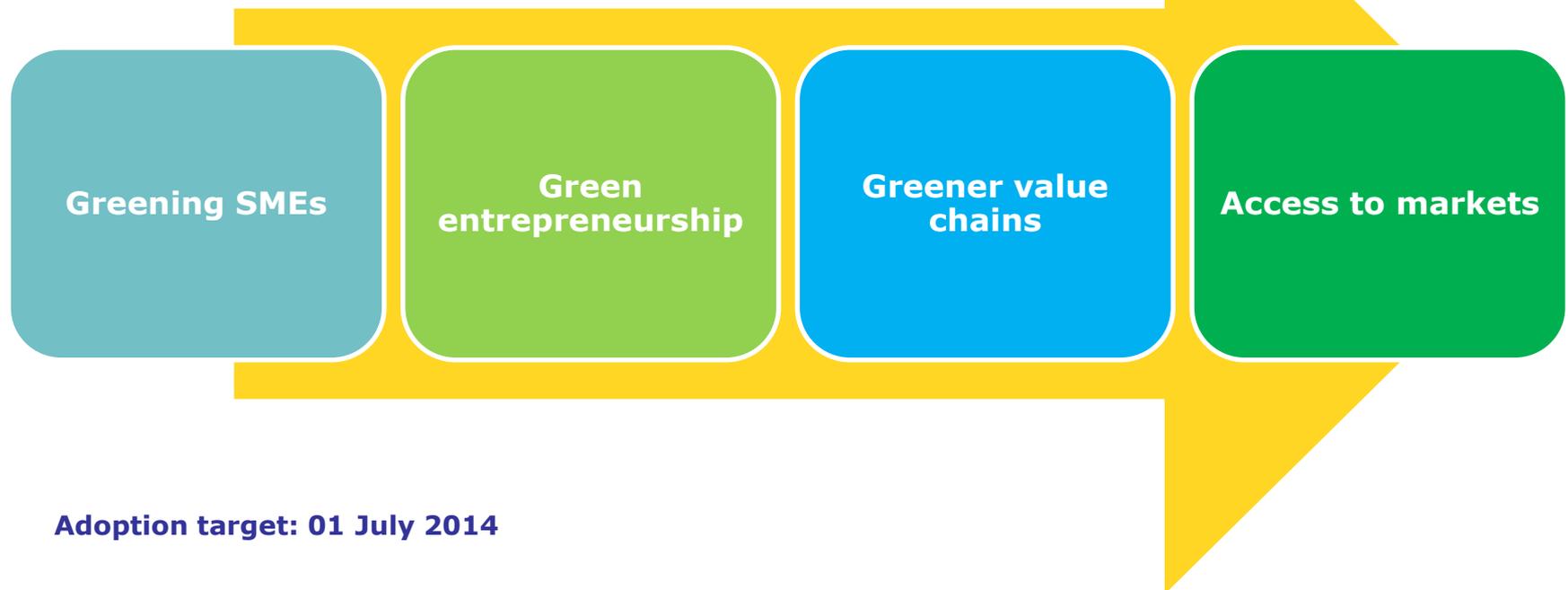


Why is a circular economy interesting for SMEs?

- *introducing CE solutions that deliver cost savings*
- *business opportunities in the transition for a CE*

Forthcoming Commission communication (01 July):

"Green Action Plan for SMEs"



Adoption target: 01 July 2014



Commission action on Capacity building:

- Establishment of a European Resource Efficiency Excellence Centre
- Reinforce the RE element the Enterprise Europe Network (EEN) (e.g. European Resource Efficiency Campaign, technology transfer database, etc.)
- Reinforce the RE element under the workstream on clusters , e.g. under the Cluster Excellence Programme (COSME 2014-2020), alliance building on internationalisation, etc.

Commission action on finance:

- Private Finance for Energy Efficiency instruments (PF4EE) can support SMEs undertaking small energy efficiency investments, A network and community of public and private financiers and investors that support eco-innovation will be established.
- Under Horizon 2020, the societal challenge "Climate Action, Environment, Resource Efficiency and Raw Materials" is supporting the increasing resource efficiency through a systemic approach towards eco-innovation and the setting up of a circular economy.
- The LIFE programme will promote the take-up of the circular business models and showcase their benefits for SMEs.
- The financial instruments under COSME will specifically support SMEs to internationalise, by promoting their cross border-development.
- 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 (NCF).



For any further information

http://ec.europa.eu/enterprise/policies/sme/index_en.htm

http://ec.europa.eu/environment/circular-economy/index_en.htm