



GreenEcoNet Annual Conference

“Connecting SMEs for a green economy”

Brussels, CEPS, 25 June 2014

Background of the GreenEcoNet project and priorities during the second project year

Summary of discussion held

The GreenEcoNet project coordinator, Mr Corrado Topi (Senior Research Fellow, University of York – Stockholm Environment Institute), presented the project’s background and achievements during the first 12 months. The main achievements have been: mapping of SME stakeholders in partner country, a classification of potential users of the platform as well as of actors, practices and initiatives towards the green economy, collection of best-in-class case studies and other information to populate the website, and development of the website to be launched today. He furthermore highlighted that during the second project year the GreenEcoNet team will aim to extend the stakeholder engagement, consolidate the web platform using stakeholders’ feedback as well as collect data and information on costs, benefits and financing of green solutions in order to make them available to the users of the platform.

Thematic topic 1: Governance for SMEs: How can policies help ‘green’ entrepreneurs

Summary of discussion held

The chair (Wytze van der Gaast, Senior Expert, Joint Implementation Network) introduced the topic of governance for SMEs and pointed out that identifying the right policies for SMEs is a complicated task as solutions need to be cheap, often small-scale and tailored to the specific needs of SMEs. Thereafter, Ms Rosa Solanes (Advisor for Sustainable Development, UEAPME - The European Association of Craft, Small and Medium-sized Enterprises) stressed that the 7th Environment Action Programme with its few SME references and the Small Business Act with its Principle IX “Enable SMEs to turn environmental challenges into business opportunities” support SMEs in greening their operations. She emphasised that decision makers would need to better collaborate with the intermediaries and SME associations. In this

respect, Ms Solanes highlighted the example of the Network of SME Envoys which regularly brings together representatives of European business, European policy makers and national SME Envoys. Ms Solanes furthermore pointed out the importance of training policy as, in practice, there is often a mismatch between available and required skills for greening SME operation. She went on to say that it is important to foster Vocational Education and Training (VET) governance with a strong involvement of social partners and notably employers. VET can be important for the adoption of the green concepts by small businesses. Regarding the availability of and search for funding European/national banks should better collaborate with small/cooperative banks that are more familiar with SMEs. Mr Koen Miseur (Account Manager, Enterprise Flanders - Agentschap Ondernemen) followed up this presentation by providing an overview of the policy instruments in Flanders in support of greening SMEs. Although there is no specific policy on green economy in Flanders, the government has put forward various measures in the field of the green economy as part of a more comprehensive policy framework for the society as a whole, named "Flanders in action". Mr Miseur showed the most relevant policy support instruments, such as subsidy schemes, for companies to become 'green' or more resource efficient. These instruments are part of a public database, which is available on the website of Enterprise Flanders and can be openly consulted by companies, including SMEs. Enterprise Flanders also offers tools to enterprises for scanning the costs and benefits of green investment options.

Key messages

- The transition to a green economy requires the appropriate governance structure to address market barriers and provide solutions for green investments, with the engagement of all relevant actors, including SME intermediaries.
- SMEs often feel reluctant to green their business operations as this requires taking a number of hurdles (administrative, financial and technical) which are difficult to take given the usually small scale of SMEs.
- Next to governance, greening SME operations also strongly relies on the extent to which consumers demand 'green' products. As consumers generally put most emphasis on product prices, consumer demand is currently an insufficient pull factor for SMEs to make a 'green' transition. This implies that there is a need for effective policies to inform society about the benefits of the green economy.
- SMEs often need the right fiscal incentives in order to apply a "green solution"; for example in some cases they prefer to have tax deductions (e.g. VAT) in order to change their equipment.
- The GreenEcoNet platform can provide to the users a range of different sources of information that can address different barriers (e.g. financial) as well as illustrate areas where governance support is needed.
- While it was acknowledged that SMEs often focus on their regions, GreenEcoNet can be complementary to off line, more regionally oriented networks. The complementarity benefit could be to show similar cases in different countries from which SMEs could learn. However, this requires that the information is available in a familiar language.

Summary of discussion held

The chair (Martin Hirschnitz-Garbers, Fellow - Coordinator of Resource Efficiency, Ecologic Institute) briefly outlined the history and scope of the circular economy concept and highlighted links to waste-as-resources in this context. In short, the circular economy refers to a regeneration system which retains the resources within the economy in contrast to the currently prevailing 'linear' model of extraction, manufacturing, consumption and disposal. Mr Peter Czaga (Policy Officer, European Commission - DG Environment) provided updates about major EU policies to be launched in July 2014 in the field of the circular economy: the Communication on the Circular Economy and the Green Action Plan for SMEs. He emphasised that the circular economy can deliver significant cost savings and business opportunities for SMEs, when they are supported by enabling framework conditions, as hoped to be put in place through these two policies. Following this, Mr Giulio Pattanaro (Research Programme Officer, European Commission - DG Research) presented main EU funding mechanisms in support of actions in the fields of the green and circular economy under the Horizon2020 Framework Programme for Research and Innovation. He highlighted the SME instrument as one key funding opportunities for helping SMEs becoming green(er). Ms Erica Russel (Head of Sustainability and Insight, BSK-Group CiC) illustrated the results of a survey on SMEs and the circular economy conducted in the context of the FUSION project. The survey findings show that SMEs are generally not very familiar with the term "circular economy". Furthermore, lack of time, staff, skills and funding are major barriers that prevent SMEs from maximizing the benefits of a green business model. Finally, Mr Tom Dugmore (Technical Liaison Officer, Green Chemistry Centre of Excellence - University of York) reported on potential business savings accruing to businesses from using production process wastes, such as orange peels, for novel products and thereby turning wastes into business opportunities.

Key messages

- SMEs are perhaps more familiar with the term "green economy" than with "circular economy". Resource efficiency is probably the most recognisable term.
- There are many different waste streams potentially available for businesses as resources; thus there is a need to have a case by case approach and to be able to implement the best available technology while setting and maintaining the right framework conditions to foster SMEs' capacity to innovate.
- Policy instruments should aim to address both the supply and demand side of the market.
- When approaching SMEs, it is important to use the right "language" as many businesses find the circular economy terminology complicated.
- According to the survey conducted in the context of the FUSION project, the lack of time, of skills and of access to information and funding are among the major barriers that prevent SMEs from implementing green business models, while economic benefits and supportive policy frameworks are among the most significant enablers.



GreenEcoNet Platform Launch Event

“Connecting SMEs for a green economy”

Brussels, CEPS, 25 June 2014

Launch of the GreenEcoNet Platform

Summary of discussion held

Following the introduction by the chair (Arno Behrens, Head of Energy and Research Fellow, Centre for European Policy Studies - CEPS), Ms Emily Benson (Project Manager, Green Economy Coalition - GEC) provided a first visual presentation of the GreenEcoNet platform and its various suite of instruments aiming to stimulate the green economy for SMEs. She stressed that the aim of the team was to prepare a platform that speaks the business language and can help SMEs become more competitive and innovative. Ms Benson also officially launched the platform by making it available to the public online. The presentation and launch of the platform was followed by comments by two experts in the field. Ms Julie Lenain (Project Coordinator, Impulse - GreenTech Business Unit), mentioned that the platform can provide answers to the new vision of economy and the development of new business models as well as boost the exchange of best practices. Additionally, it can provide a library of information that could centralise tools, methods and existing products and services. Ms Evelin Urbel-Piirsalu (Senior Expert, SEI-Tallinn), pointed out that based on her experience, various SMEs in the Eastern Europe would be interested in the tools offered by the platform, especially if the case studies are available in their native languages.

Key messages

- The GreenEcoNet platform could address the issue of benchmarking by providing case studies for sectoral benchmarking as well as indicators to monitor performance.
- The platform should possibly try to make a connection with the global eco label platform.
- Early adopters are very often economic facilitators to entrepreneurship and medium and big companies.

- Rather than creating new tools, the platform should aim to provide a pooling of existing tools and initiatives.
- The GreenEcoNet project team should assess ways to provide the right information to the users and keep them interested in the platform (e.g. newsletter).
- The team will consider the possibility of developing a GreenEcoNet app that could increase interest in the platform.
- As more content will be available in the future, the team will face the challenge of ensuring that all information can be easily accessed by the users.

SME best practice examples

Summary of discussion held

During this session three SMEs from different EU countries presented their innovative “green solutions” and their experiences from implementing the green economy. Mr Theo Giamakidis (Energy Manager, Green Air Energy) from Greece presented the compressed air systems offered by his small company that improve energy efficiency. Ms Lauren Milton (Salon Coordinator, Elan Hair Design) provided an overview of the various actions taken in the fields of waste, water and energy that enabled her hairdressing small company based in Scotland (Aberdeen) to reduce costs while increasing revenues. Mr Antoine Geerinckx (Founder, CO2logic) from Belgium illustrated how his small company helps other companies, including SMEs to calculate, reduce and offset their CO₂ emissions.

Key messages

- The main barrier for managing the transition to the green economy is the fact that SMEs generally see only the initial costs from implementing a “green option”; thus they need the right information about the benefits of “green solutions”.
- SMEs need easy-to-understand information about how to make the first step towards the green economy. After they start understanding the benefits, the transition process is simpler.
- Improving awareness among SMEs of the green economy issues and solutions could be one of the most important tasks for policy makers. Policy makers need to better understand the problems in order to then share them with the relevant industry sector.
- Although policy measures at EU and national level can be useful for SMEs, their actual implementation can take a very long time. Local councils can perhaps be more efficient in collecting local business information, understanding the problems and offering solutions adapted to local needs.