



## EUROCITIES response to the Commission consultation on a green action plan for SMEs

Cities are where Europe's economic and environmental strengths and challenges come together. As EUROCITIES, the network of major European cities, we are convinced that our SMEs are key to achieving the EU's economic and environmental goals. Greening SMEs can save costs and make them more competitive. Supporting SMEs that sell green products and services helps green innovation flourish in Europe.

The majority of SMEs are created and grow in cities. The tailored services that city governments are well placed to develop facilitate the emergence of a supportive 'ecosystem' for green entrepreneurs and small businesses.

### City support to make SMEs greener - and to support green SMEs

Many city authorities already support SMEs to become more resource efficient and save costs. They address issues ranging from energy and water efficiency to waste recycling, for instance through

- resource and/or energy efficiency audits that identify where improvements can boost business and help the environment at the same time;
- in some cases financial support where capital is needed to implement improvements, for example for more resource efficient installations and appliances;
- support to implement resource efficiency legislation and further efficiency measures;
- providing visibility for green SMEs, for instance through awards;
- using spatial planning to reduce transport distances between related businesses.

As the level of government closest to SMEs, local authorities are also very well placed to facilitate the design and implementation of green SME support through

- grants for green businesses where this is useful and compatible with national law;
- information on funding opportunities;
- support in reaching new markets;
- buying green products and services
- the city administration acting as a facilitator between businesses and research.

### EU legislation and guidelines for greener SMEs

To match SMEs' needs and capacities, resource efficiency support should be tailored to individual businesses and targeted where the highest return on investment (economic and environmental) can be delivered. For instance, environment and energy audits for SMEs should be simple and cost-efficient. EU guidelines on energy audits specifically for SMEs could be helpful.

Developing resource efficiency best practice guidelines at EU level would also be valuable, including

- for specific business sectors;
- for specific activities that are common across sectors, such as packaging or freight logistics.

The recent changes to EU public procurement legislation will give local and other public authorities more scope to include environmental criteria for procurement, instead of having to focus exclusively on purchase prices. This should also help focus on local or regional products where these have a better environmental balance sheet.

## More EU funding is needed to make SMEs greener

Funding for city to city learning on greening SMEs would help less advanced cities improve their green SME support. For instance, city business clusters could link up more across Europe to share good practices. The EU should also strengthen the Europe Enterprise network to raise awareness about resource efficiency and funding opportunities;

More direct funding for SME support actions would help all city administrations step up their actions, such as:

- **Providing more comprehensive support:**
  - City governments could better inform SMEs about funding opportunities, greening business practice, green business opportunities and resilience towards climate change and resource scarcity. They could help SMEs identify savings across all resources, including energy but also, for instance, efficient use of materials and choosing more environmentally friendly materials.
  - More city authorities could act as a broker between relevant stakeholders, including to facilitate networking between businesses and with educational and research institutions.
- **Ensuring change that lasts:** More city governments could not only help identify resource saving potential but also support the implementation of resource efficiency measures, including for instance continued advice throughout the process and funding for environmentally friendly infrastructures and appliances.
- **Reaching out to more SMEs:** Existing green business clusters and SME/expert networks could be enlarged.
- **Cooperation between businesses:** Cities could support feasibility studies on B2B opportunities for resource efficiency, for instance through industrial symbiosis.

## Continuous, long-term financing is important

While project funding is helpful to build capacity and start a process, the EU and member states should also put into place longer-term funding streams. City authorities need to promote business benefits of 'greening' over a long time to achieve lasting changes in business practices, and we need to continue engaging with new businesses as they emerge.

## Specific EU support for green SMEs

SMEs are innovation leaders in the EU, with a record 38.4% of SMEs in the EU introducing product or process innovation, and 40.3% introducing marketing or organisational innovations<sup>1</sup>.

There are numerous ways for the EU to support innovative entrepreneurship that would also help green SMEs develop and offer environmentally friendly products and services<sup>2</sup>:

- facilitate the expansion of green SMEs in the single market and beyond;
- improve access to finance, including through easily accessible financial instruments, and specifically for innovative green technology, products and services.

City authorities can facilitate and support most of these measures and should receive adequate financial support for action at local level, including to:

- develop export-readiness for green SMEs where applicable, and organise trade missions for green SMEs as well as receptions of international business visitors to local green SMEs;
- support dissemination and implementation of innovative green best practices;
- support green business networks and cluster development;
- reserve space specifically for green SMEs;
- provide targeted green business support services, including for instance ICT capacity building and advice on legal issues such as intellectual property rights;
- support R&D by SMEs, including through more cooperation amongst SMEs and research centres.

## City actions to make SMEs greener: example

[EcoBusinessPlan Vienna](#) has worked with almost 1,000 enterprises since 1998, implementing more than 11,000 environmental projects and actions and generating cost savings of about €113.6 million. The scheme includes eight different consultancy models for different sizes and types of SMEs. In all of them, an environmental check-up first indicates savings potentials and detects environmental weak points in the operation. Supported by tailored consultancy services and expert input, the company can then implement relevant strategies/changes.

[Helsinki's EcoCompass](#) programme targets SMEs with easy-to-use tools and tailored support for an environmental management system. The latest one of the EcoCompass tools is Energy Direction, a light energy audit for SMEs.

[Belfast's BITES programme](#) on Business Improvement Through Environmental Solutions and the [Manufacturing Efficiency Programme](#) help SMEs become more resource efficient and improve product design and process development.

---

<sup>1</sup> Innovation Union Scoreboard 2013, <http://bit.ly/11GyNly>, p.70

<sup>2</sup> For more detailed information, see our response to the consultation on the Entrepreneurship 2020 Action Plan at <http://bit.ly/UQDYKL>

The [Brussels Employment-Environment Alliance](#) creates jobs through an improved environmental management and focuses on construction, waste, water and food supply. Actions include a project call on how SMEs can group the selective collection of their waste to benefit from economies of scale, and developing a network for second hand materials for SMEs in the construction sector.

[Go Green Bristol](#) supports SMEs to improve their resource efficiency, while the [Bristol Green Capital Partnership](#) promotes voluntary green practices. The city is also a partner in the [West of England Carbon Challenge](#) network that gives members free access to an online energy monitoring programme to track their energy use and facilitates the implementation of energy saving measures.

[Berlin's GreenIT-BB](#) (Berlin-Brandenburg) public-private partnership promotes energy-saving information and technology. The network's GreenIT data centre benchmarking tool gives IT managers a detailed overview of how to optimise their systems. The yearly GreenIT Best Practice Award gives visibility to the most innovative approaches to improve energy efficiency, and the GreenIT Cockpit project develops an ICT energy efficiency management tool for companies and administration.

The [Greener Glasgow Tourism](#) project helps Glasgow based SMEs active in the tourism sector to become more resource efficient, using carbon audits and grants as well as workshops and seminars on issues such as renewables and lean management.

[Frankfurt saves electricity](#) not only provides energy audits to SMEs on a neighbourhood level and supports energy audits financially, but also rewards energy efficiency solutions with €0.10 (maximum 30% of Investment) for every kilowatt hour of electricity saved through investments in energy efficiency.

[Copenhagen](#) cooperates with SMEs to improve separation of recyclables, as well as to reduce littering, for instance by using more sustainable material for food packaging and reducing the amount of packaging.

[ECOPROFIT](#), the "ECOLOGical PROject For Integrated Environmental Technology", is a programme for sustainable economic development. Through a partnership between local authorities and businesses it provides tailored environmental management consulting to SMEs and facilitates networking between SMEs. ECOPROFIT has been implemented in over 15 cities across Europe and beyond, including for instance Bonn, Cologne, Essen, Frankfurt, Hamburg and Vienna.

## City actions to support green SMEs: examples

The [Birmingham Green Bridge Supply Chain Programme](#) offers grant support between £20 000 and £1 million for existing SME supply chain companies to help grow and diversify into the green sector. Between June and September 2013, the programme already attracted £25 million in private sector match funding to create 668 jobs and safeguard another 421. Once completed, the programme aims to deliver 1 200 new jobs while safeguarding 600.

Bristol is a partner in the [Low Carbon South West](#) partnership that supports the growth of green SMEs' through skills improvement, funding advice, promotion of internationalisation and collaboration between businesses and academia.