



"The voice of crafts and SMEs in Europe"

Green economy: SMEs need the right partners and the right rules

UEAPME speaks at Belgian Presidency conference on "How green makes money", featuring Van Rompuy and Jeremy Rifkin

Brussels, 19 November 2010 – The "green economy" is a significant business opportunity for SMEs, but they require reliable partners in financing their investments and the right legislative framework. This was the message brought forward by UEAPME at the European conference "How green makes money", which took place in Brussels yesterday (Thursday) and featured President Herman Van Rompuy, Minister Vincent Van Quickenborne as well as economists Jeremy Rifkin and Geert Noels. The event was organised by the Belgian Presidency of the EU and the European Commission in association with UEAPME and its Belgian members UNIZO and UCM. Speaking at the conference, Sustainable Development Director Guido Lena put forward a series of suggestions on how to improve financing opportunities for SMEs that want to "go green", including more awareness-raising initiatives towards banks as well as a better use and the simplification of existing EU, EIB and EIF funds. He also called for rules conducive to a greener economy and for more attention to the specific needs of SMEs in this respect.

"The ambitious goals set by the EU to reduce greenhouse gas emissions while increasing the use of renewable resources and improving energy efficiency will not be reached without the contribution of European crafts and SMEs. Some companies are already on the right track in this respect and are making profits in the process. However, many SMEs have difficulties in finding partners to finance their 'green' projects, while others are held back by red tape and complicated procedures. The vast majority of SMEs will require more attention if we want the 'green economy' to expand beyond niche markets in the months and years to come", said Mr Lena at the conference, before elaborating on the main UEAPME points.

Many SMEs are willing to invest in more energy-efficient systems and environmentally-friendly production processes, said Mr Lena. However, they often face obstacles in getting access to finance, with banks being reluctant to fund such investments and lacking the specialised staff needed to evaluate SME projects. Bank staff should be trained to objectively assess SMEs' investments projects and more awareness raising initiatives are needed, said Mr Lena. At EU level, the "SME Finance Forum" launched by Vice President Tajani would be a good venue to discuss financing for the green economy.

The existing financing opportunities created by the EU, the EIB and the EIF are a good starting point, continued Mr Lena. However, funding and granting mechanisms must be simplified. Moreover, these schemes must be made more attractive for decentralised financial intermediaries, which are the backbone of SME finance in many countries. Structural funds can and should also be used to promote investments in the green economy, although their potential has remained largely untapped so far due to difficult procedures and requirements. It is also necessary to foster alternative sources of funding for SMEs, such as risk capital, and to reinforce the use of guarantee schemes.

On the regulatory framework, Mr Lena stressed that the EU policy action in the field should be based on the Small Business Act and on the principles of subsidiarity, better regulation and "Think Small First". If legislation triggers deep and structural impacts on SMEs, specific measures such as guidelines, thresholds, longer and/or staged implementation periods, technical assistance and simplified procedures must be foreseen to avoid companies being placed out of the market. Commenting about the upcoming revision of ECAP, the EU Environmental Compliance Assistance Programme for SMEs, Mr Lena pointed out that the lack of ownership by Member States has been the biggest obstacle so far. The revision must therefore encourage national governments to act and better involve representative SME organisations in the process.

"In the next years, Europe will have to switch to a more resource efficient economy. Small entrepreneurs are willing to do their part and have fully understood that the 'green economy' is an opportunity and not a threat. However, SMEs need the right partners and the right rules to succeed, and they expect progress on both aspects", concluded Mr Lena.

**** END ****

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 85 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Guido Lena, Director for Sustainable Development Policy, Tel. +32 (0)2 230 7599, Email: g.lena@ueapme.com
Francesco Longu, Press and Communications Officer, UEAPME, Tel. +32 (0)496 520 329, Email: pressoffice@ueapme.com