



“The voice of crafts and SMEs in Europe”

SMEs welcome Circular Economy Package despite shortcomings

Package provides positive framework, while role and specificities of SMEs are only partially recognised

Brussels 2nd December 2015 – UEAPME welcomes the EC’s communication on the new Circular Economy Package but emphasises that SMEs need to be fully on board to successfully transition from a linear to a circular economy. The European Commission presented its new Circular Economy Package today, including an action plan for the circular economy, legislative proposals on waste, packaging waste, landfill, and electrical and electronic waste, plans to further develop the Eco-design directive. In order for SMEs to move forward with this transition, the following measures – only partially accounted for in the new package – are required: an SME-friendly legislative framework, awareness raising actions, technical assistance at local level, improved access to finance, capacity building for SME organisations, and upgrading of employees’ skills.

The action plan for the Circular Economy lays out factors to preserve and maintain the value of products, materials and resources in the economy for as long as possible, while minimising the generation of waste. UEAPME particularly appreciates that the European Commission (EC) examines options and actions for more coherent policy in different strands of the circular economy. Instead of increasing the regulatory burden emanating from one specific aspect of product policies such as the eco-design directive, UEAPME calls on the EC to ensure greater coherence and consistency by analysing all existing product policy instruments including inter alia the Eco-design, Energy label, Ecolabel, Green Public Procurement and EMAS from a holistic perspective.

Indeed, **UEAPME Secretary General Peter Faross** highlighted that *“while many SMEs operating in the building or in the maintenance and repair sector are already living and supporting a circular economy on a daily basis, the regulatory framework, technical assistance and support at local level need to ensure that all SMEs are enabled to partake in such an economy. Announcements for improving access for SMEs to innovative technologies and finance are made with the new Circular Economy Package, now concerted action and effective implementation needs to follow the announcements”*.

However, the communication also foresees elements which would increase the regulatory burden for SMEs, such as extending producer responsibility. *“Instead of increasing regulatory burden by extending producer responsibility, we should endorse the “Think Small First”, “Once Only” and “Proportionality” principles and subject regulatory proposals to independent ex ante and ex post impact assessments”* further stressed Mr Faross.

The report highlights some aspects UEAPME has always supported, such as the reference to technical assistance as a key measure to support SMEs. UEAPME also welcomes better access to finance through bundling of small-scale projects particularly in the framework of European Fund for Strategic Investments (EFSI) and the European Structural and Investment Funds (ESIF) to scale up improved technologies and innovative industrial and production processes, develop infrastructure and increase cooperation between actors of the value chain.

Since the Action Plan on the Circular Economy sets out which initiatives will be taken out in the period 2016-2017 and beyond, the outcome very much depends on the exact content of the upcoming proposals and how they are to be implemented. However, as of today, it is clear that SMEs (i.e. 99.9% of all European businesses) need to be on board if the transition towards the circular economy is to be a successful one. SMEs need a clear, lean regulatory framework and the above-mentioned measures on a local and regional level to implement processes and business models where the values, materials and resources of products are maintained as long as possible.

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EDITORS’ NOTES: UEAPME is the employers’ organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 80 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information please visit <http://www.ueapme.com/> or follow [@UEAPME](https://twitter.com/UEAPME) on Twitter.

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