

Executive Summary

UEAPME¹ framework position on Sustainable Development and SMEs

UEAPME's work in Sustainable Development comprises the environment and climate policies as well as the environmental aspects of energy policy that have an impact on SMEs. UEAPME endorses the principles of Sustainable Development that regard social, economic and environmental issues as inseparable and advocates for a regulatory and policy framework that strikes the right balance between environmental protection and the SMEs' competitiveness.

SMEs are important players in the transition towards a resource-efficient economy as they represent 99% of EU companies and contribute to 2/3 of private sector employment as well as to nearly 60% of the added value in Europe's economy. The new European Commission and the new European Parliament should place SMEs at the forefront of the major policies on growth and sustainability for the coming years, in particular in the implementation of the Europe 2020 Strategy and in the upcoming Circular Economy Package.

UEAPME regrets that in the ongoing revision of the Small Business Act principle IX "*Turning environmental challenges into business opportunities*" has been withdrawn, since this decision is not in accordance with the importance given to sustainable development at EU and international level, undermines the efforts to link economic growth and reduction of the environmental impacts and reduces the possibility to see sustainability as a business opportunity. In spite of this, UEAPME expects that sustainability will be granted an important role and will be embedded in the priority objectives of the revised SBA.

In order to reap the opportunities of the low-carbon and resource-efficiency economy, SMEs need:

- **a friendly regulatory framework** which is designed according to the "Think Small First" principle. Moreover, before adopting legislation, neutral and independent ex ante and ex post impact assessments must be conducted, including the SME-Test.
- **a comprehensive policy framework including, where appropriate, support measures** (awareness raising, technical assistance, access to finance, access to the right skills, etc) for SMEs. The Green Action Plan for SMEs² with its list of concrete actions is a good initiative in this direction. However, UEAPME and its member organisations are keen in being involved not only in monitoring the Plan's actions but also in their implementation.

¹ UEAPME subscribes to the European Commission's Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](#).

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions on the Green Action Plan for SMEs "Enabling SMEs to turn environmental challenges into business opportunities"(COM/2014/0440 final)

It is important to point out that **voluntary policy instruments, such as EMAS, the Eco-Label, the Product Environmental Footprint (PEF) and the Organisation Environmental Footprint (OEF)** , should maintain this character and not become *de facto* obligations due to legislative reference and/or pressure from the supply chain. To avoid this danger and allow SMEs to adopt them, it is of paramount importance that all these instrument are drafted on the basis of the Think Small First principle. In this respect, the participation of SMEs in the pilot phase of the PEF & OEF is not proving easy due to the long and technical documents circulated in the different pilots groups. It is important that the PEF and OEF methodologies are extensively tested on SMEs and that they are workable for them before they are put in place.

With regards to Green Public Procurement, the 50% target set in the 7th Environment Action Programme will be a challenge for SMEs. Small enterprises will find it difficult to fulfil the “green” criteria of public contracts unless procurement practices are improved (i.e. removal of administrative and financial burdens, pre-announcement of criteria, better information on the products, etc) and the different environmental labels such as those developed by professional organizations are taken into account in public tenders.

On Governance, UEAPME asks the EU institutions to better involve SMEs organisations in the decision-making process in general and in sustainability in particular. It is important that **the voice of SMEs is heard in the field of sustainability** at the highest political level. In this line, UEAPME would be keen in participating systematically along with the NGOs at the Informal Environment Councils. In this way, the EU institutions would grant SMEs their deserved importance in the transition to the resource efficiency economy. At technical level, UEAPME demands a fair representation of SMEs in consultative committees both at national and EU level, where the SMEs contributions must be supported and recognised.

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