Green growth opportunities for SMEs

2014/2209(INI) - 19/05/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 519 votes to 93, with 60 abstentions, a resolution on green growth opportunities for SMEs.

SMEs account for more than 98% of Europe's businesses and provide more than 67% of total employment in the Union and 58% of gross value added. **Employment in the environmental goods and services sector** in the years 2007-2011 grew by 20% in spite of the crisis.

Against this background, Parliament **supported the concept of green growth** and circular economy should be part of a wider strategy of promoting job creation and economic growth among SMEs. It called on the Commission to **establish a comprehensive policy framework, including concrete policy objectives** and better integrating and streamlining existing policy tools to ensure opportunities and participation of SMEs in the green and circular economy.

The EU needs to drastically **change its entrepreneurial culture** in order to contribute to economic growth by having more people starting up their own businesses and seeking more business opportunities, especially in green growth, and by accepting failure and risk-taking. Parliament emphasised the importance of **putting this issue at the centre of policymaking**. Moreover, the Commission should **include green services** in the ongoing negotiations on the Environmental Goods Agreement, as well as in bilateral trade agreements such as the Transatlantic Trade and Investment Partnership (TTIP).

Financing of green initiatives: Parliament stressed that apart from venture capital, **private investment and credit unions** should be assessed more clearly as alternative financing to classic bank loans. Potential financing opportunities should be explored through the European Fund for Strategic Investments.

The Commission and the EIB were asked to make sure that in the implementation phase of the ' Investment Plan for Europe' SMEs, including green and innovative ones, would be key beneficiaries of the support provided for under this proposal.

Stressing that there was no one-size-fits-all mode of finance, Parliament called on the Commission to take into account the interests of SMEs in all existing and possible future programmes, instruments and initiatives, especially for new business models in the green economy, ranging across equity, quasi-equity and debt instruments, and partnerships between banks and other operators involved in SME financing in order to support businesses in their start-up, growth and transfer phases. The Commission should assess the impact of a **tax shift** from labour to natural resource use.

Furthermore, entrepreneurs, SMEs, business associations and support organisations should be more **literate on financing possibilities** for more performing technologies, or for contracting services such as consultancy, coaching and training on eco-design, and availability of green technologies, products and services that could be beneficial for their business.

Knowledge management: the resolution stressed the importance of **knowledge transfers** and multi-stakeholder knowledge sharing, including cross-border, through informal networks, especially for SMEs and microenterprises to **raise awareness of existing and new innovative techniques,** best practices, ways to acquire proper financing, possible government support schemes and the relevant legislative frameworks entailing the least burdensome administration

Members supported the organisation of a **European Resource Efficiency Campaign** to inform SMEs about the benefits and opportunities offered by resource efficiency and how industrial synergies on recycling could be created.

Research, development and innovation, and skills: Parliament stressed the need to be more effective in developing basic R&D, to fully involve SMEs in this process and to actively support further transformation of basic R&D outcomes into further technological advances. It also noted the benefits which the unitary European patent confers on SMEs, particularly in the field of green technologies.

Stressing the need for an improved policy framework for the circular economy, Members called for:

- a **more stable regulatory framework and adequate financial schemes** in order to enable economic initiative and entrepreneurship and to limit the time to market of new products, services and business practices, notably in the green economy;
- including as part of the Circular Economy Package the **extension of the eco-design instrument** to include the resource efficiency dimension. Eco-design should address durability, reparability and recyclability of products, including standards for guaranteed minimum lifetime and disassembly.

(De)regulation as an engine for growth: Parliament called on Member States to avoid creating barriers to the internal market by gold-plating, to review their current regulatory regimes, to remove any superfluous or ineffective regulations which constitute market barriers, and to ensure consistent transposition into national legislation.

Whilst welcoming the Commission decision for withdrawing obsolete or overly burdensome legislative proposals, Members called on the Commission to come forward with a **more ambitious waste legislation proposal**.

Miscellaneous support measures: the resolution included several other important challenges:

- developing entrepreneurship skills, which should be included in basic and higher education systems, and also be promoted through extra-curricular activities and lifelong learning;
- helping microenterprises and start-ups in moving towards sustainable green growth;
- addressing unsustainable consumption patterns and promoting a change in consumer behaviour;
- speeding up pending trade agreements with our partners so as to facilitate European SMEs' access to new markets;
- fostering female entrepreneurship;
- identifying the sectors of European industry and geographical areas where the conditions are met for the creation of new clusters and hubs.

Lastly, the Commission, **under the umbrella of regional policy**, is called upon to draw up specific programmes which embody all relevant green growth elements for SMEs.