

**Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions — Small, clean and competitive: A programme to help small and medium-sized enterprises comply with environmental legislation’**

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(2008/C 211/09)

On 8 October 2007 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

*Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions — Small, clean and competitive: A programme to help small and medium-sized enterprises comply with environmental legislation.*

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 27 March 2008. The rapporteur was Mr Chiriaco.

At its 444th plenary session, held on 22 and 23 April 2008 (meeting of 22 April 2008), the European Economic and Social Committee adopted the following opinion by 109 votes with 7 abstentions.

## 1. Conclusions and recommendations

1.1 The EESC welcomes the Commission's initiative setting up a programme specifically designed to help SMEs comply with environmental legislation, given both the complexity of the legislation and the economic and social importance of SMEs within Europe's economy. In this context, however, the EESC points out that particular attention should be given to micro-businesses, given the structural difficulties that make them more vulnerable.

1.2 Aware of the complexity of environmental legislation, and hence of the difficulties faced by SMEs in complying, the EESC welcomes the development of instruments designed to make it easier to understand. Although over the last decade there has been increased attention on matters social, and particularly environmental, corporate responsibility is not yet perceived across the business world as contributing to a company's competitive edge.

1.3 The EESC feels that the Commission's initiative setting up a programme to help SMEs comply with environmental legislation represents a very important first step.

1.4 The Committee believes that the Commission needs to develop a proactive approach towards SMEs by establishing a structured system of cooperation for companies at local level. In this context, particular attention must be given to cross-border cooperation.

1.5 In particular, it is essential to:

- establish the uniformity of environmental legislation — given its highly complex nature — harmonising it at national level, with a view to greater legal consistency;

- simplify and enhance the legal framework by, inter alia, making laws simpler and clearer;

- cut red tape and reduce administrative burdens;

- develop *tailor-made*, sectoral environmental management schemes, making them more accessible to SMEs;

- build expertise, particularly through SME bodies, by training local experts to provide professional assistance to SMEs;

- restructure the programme's financial resources towards greater simplicity and effectiveness; and

- improve communication and information, particularly in terms of circulating the results of best practice.

## 2. Gist of the Commission Communication

2.1 Helping small and medium-sized companies (SMEs) use energy and resources efficiently is the aim of the Commission communication <sup>(1)</sup>. It does this by providing a legal framework and measures that reinforce existing policies and initiatives in line with the particular characteristics of smaller companies. To this end the communication proposes to create a programme to help SMEs implement European environmental legislation. The programme will channel financial resources towards support networks, simplify access to environmental management systems, and promote greater awareness of environmental issues among these companies.

<sup>(1)</sup> COM(2007) 379 final.

2.2 While each individual SME employs fewer than 250 people, in total, there are some 23 million SMEs in the European Union, representing about 99 % of all EU enterprises and 57 % of the Union's total economic added value. Being responsible for such a large percentage of the EU economy's turnover, the impact of SMEs on the environment is significant.

2.3 Many companies are not aware of the impact their activities have on the environment and a majority actually think that their activities have little or no impact. SMEs also tend to believe that they are complying with legislation unless told otherwise. Under such circumstances the activities of SMEs may pose increased health and safety risks to workers as well as a significant threat to the environment. By not integrating environmental considerations into their economic activities, SMEs could also lose out on the economic benefits presented by better environmental management and eco-innovation.

2.4 The Environmental Compliance Assistance Programme proposed by the Commission is a set of measures that aim to ensure that SMEs minimise the environmental impact of their activities and to facilitate compliance with existing legislation. The programme intends to reduce the burden of compliance by designing instruments and policies to integrate environmental concerns into the core of SME activities.

2.5 The measures presented in the communication also cover the dissemination of information specifically targeted for SMEs, promoting support networks, and training activities that build local environmental expertise.

2.6 Funding for the programme's measures will come from the LIFE+ budget (EUR 5 million for 2007-2013) with additional funds to be made available through the Competitiveness and Innovation framework Programme (CIP) and the Structural Funds.

2.7 A website providing information on EU environmental policy for SMEs is already available in seven languages and guides on energy efficiency, air emissions, waste production and emissions of pollutants into water and soil are planned. A handbook on funding opportunities will also be published.

2.8 The new network in support of business and innovation will participate in implementing the programme from 2008. This and other SME support networks will play an important role in helping SMEs translate European environmental policies into operational measures.

2.9 The staff working document attached to the communication presents a selection of case studies and examples of good practice implemented by SMEs across Europe and the world.

### 3. General comments

3.1 The EESC welcomes the Commission's programme, particularly for its recognition of the importance and value of SMEs to the economy and European society.

3.2 In view of this, the EESC stresses the importance of the decision of the Feira European Council of 19 and 20 June 2000 <sup>(2)</sup> to endorse the European Charter for small enterprises <sup>(3)</sup> and its statement that '*small enterprises are the backbone of the European economy*' and that '*they are a key source of jobs and a breeding ground for business ideas*'. One of the priorities of the Charter is to enhance the growth and competitiveness of business, not only at local level, but also in the context of a globalised market.

3.3 Companies must integrate environmental impact assessments into their management system. Therefore, given that the majority of SMEs — and particularly small and micro-businesses — generally do not apply an environmental policy, it will be necessary to introduce integrated environmental management whilst ensuring that administrative burdens are kept to a minimum.

3.4 The first step is to increase awareness that these practices are not simply constraining or more costly but rather a means of improving a company's competitiveness and creating long-term added value.

3.5 SMEs that manage to continually monitor these activities, for example through environmental management schemes, are also able to expand the management areas subject to controls and coordinate into a single strategic plan both the relevant economic and financial data and that relating to the company's social and environmental impact <sup>(4)</sup>. In this way, besides the economic and environmental benefits ensuing from an efficient and rational use of resources, safety in the workplace is also safeguarded by changing the way work is organised.

3.6 The EESC therefore agrees that a long-term strategy needs to be adopted and rapidly implemented by the Member States.

### 4. Specific comments

*Comments on the measures proposed in the Commission's action plan*

4.1 Better regulation in design and implementation of policies: In this context, *better regulation* means increasing the involvement of SMEs in framing environmental policies that are based on best practice analysis. Best practices, when properly identified and promoted, represent the most economically efficient means of supporting the implementation of environmental

<sup>(2)</sup> [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/00200-r1.en0.htm](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00200-r1.en0.htm).

<sup>(3)</sup> [http://ec.europa.eu/enterprise/enterprise\\_policy/charter/docs/charter\\_en.pdf](http://ec.europa.eu/enterprise/enterprise_policy/charter/docs/charter_en.pdf).

<sup>(4)</sup> Cf. *A comparative analysis of the environmental management, performance and innovation of SMEs and larger firms based on the OECD database*, Julien Labonne, July 2006.

legislation. The aims of reducing administrative burdens and cutting red tape at EU, national and regional levels and increasing clarity must not only be envisaged in terms of possible new legislation, but must also be a consideration in any revision of the current rules.

4.2 More accessible tailor-made environmental management schemes: Integrating environmental concerns into strategic decisions with a view to growth and innovation will enable firms not only to comply with existing legislation, but also to pilot new, better practices taking account of both freedom of initiative and legal constraints to meet the specific requirements of small and micro-businesses. In particular, there is a need to encourage the adoption of environmental management schemes (such as EMAS or ISO). With regard to EMAS (*European Eco-Management Audit Scheme*), this could be achieved, for example, by inserting SME-friendly provisions into the relevant regulation, implementing the rules in line with the structure of SMEs <sup>(5)</sup>, and gradually reducing inspections and requests for information from registered companies. All of this would be intended as an incentive for SMEs to come on board, given that currently only Italy, Germany and Spain are seeing a substantial level of registration. The EESC hopes that the Commission will take account of these proposals and of the EESC's opinion on climate change and civil society of July 2006 <sup>(6)</sup>, particularly for the purposes of the current EMAS revision. Finally, the EESC calls on the Commission to seek useful elements within the various informal and non-codified instruments at local and regional level to expand the current environmental management schemes, as only the direct involvement of SMEs and SME bodies at local level can help change the current situation.

Brussels, 22 April 2008.

4.3 Focused financial assistance and a multi-annual financial programme: The sheer number of financial instruments available may be confusing and may mean that the instruments do not function effectively. The EESC therefore hopes that the Commission will publish as soon as possible its planned handbook setting out new funding opportunities for projects that support improved environmental compliance and performance among SMEs. Taking a long-term view, the Committee believes that all SME-related measures should preferably come under a single budget heading.

4.4 Building local environmental expertise for SMEs: Professional experts are needed to provide technical assistance to SMEs. To this end, the EESC would stress the need to involve local SME bodies and the institutions. Furthermore, costs must be set at reasonable levels for the services provided, and SMEs must be able to train and avail themselves of in-house consultants.

4.5 Improved communication and more targeted information: The planned new multilingual website, linked to the SME portal <sup>(7)</sup>, must become the main source of information for SME support networks on EU environmental policy and SMEs. The EESC considers it crucial to ensure immediate access to the information and direct contact between the EU institutions and SMEs.

4.6 The EESC welcomes the Commission's initiative in launching the Enterprise Europe Network — an important new European support network for businesses within the EU and beyond. The EESC considers it crucial that the EU continue to build up services to SMEs, particularly with regard to cross-border trade and investment; technological cooperation between SMEs and large companies; innovation; awareness of EU funding sources; and SME research programmes.

The President  
of the European Economic and Social Committee  
Dimitris DIMITRIADIS

<sup>(5)</sup> 'Guidance to verifiers on the verification of SMEs, particularly small and micro-businesses', in Appendix IV to the Commission Recommendation of 7 September 2001 on guidance for the implementation of Regulation (EC) No 761/2001 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

<sup>(6)</sup> NAT/310 — *Meeting the challenges of climate change — the role of civil society*.

<sup>(7)</sup> <http://ec.europa.eu/enterprise/sme/index.htm>.