

SMEs and the circular economy package: A business perspective

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European Parliament SME Intergroup Meeting
Sponsored by Ecopreneur.eu
Brussels, 20 April 2016





Sustainable business associations representing 2000 companies - mostly SMEs - from...

Austria



France



Germany



Netherlands



Spain



Belgium





- **Founding press conference** in Vienna (01/2015)
- **Workshops** in Madrid and Barcelona for and with green start-ups
- **Guidelines** for green start-ups
- **Hearing of ITRE** regarding GAP (9.11.2015)
- Breakfast presentation in EP (2.12.2015)
- Event during **COP 21**
- Part of ACES, **Alliance for Circular Economy Solutions** via UnternehmensGrün (D) and De Groene Zaak (NL)

Opportunities for companies and a sustainable economy in Europe:

- CE could **make 3 million jobs by 2030**
- Up to **600 billion Euro** could be saved per year in EU
- CE can lead to resource resilience by **saving resources** and leave them in their natural base.
- CE leads to **Waste reduction** and reduced environmental impact



Circular SME and young company examples



peerby



Reet Aus



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Experience of CE pioneers – our member companies...

- are successful with CE products and services
- generate financial revenues, innovation, new business, open up new markets, new clients and new jobs

But experience two main barriers:

- Lack of demand pull for circular products and services, especially from public procurement
- Lack of transparency through the value chain

SME barriers for circular business

SMEs...^{1,2}

- Are strongly inward driven – experience mainly external barriers
- Experience the same barriers more intensely: lacking demand, chain partners, communication, regulation, awareness, knowledge etc.
- Extra barriers: access to finance, market rollout, meeting market demand, costs for additional obligations
- Enablers: flexibility, social media, crowd funding, support from foreign governments²



¹Rizos et al, The Circular Economy: Barriers and Opportunities for SMEs, CEPS, 2015

²Hekkert and Vermunt, Univ. Utrecht, to be published

What Ecopreneur.eu asks for in the Circular Economy Package:

1. Ambitious targets
2. Clear price incentives for producers (EPR) and consumers (VAT) and Mandatory Green public procurement
3. Enforcement of existing and new regulations
4. Minimum requirements for circularity in Ecodesign directive
5. An attractive research programme for companies, **including SMEs**
6. Keep red tape to a minimum

Response to CE Package proposal

Negative:

- No targets, no milestones, little enforcement, delays in implementation: **risk of being ineffective**
- Research: fundamental lack of access and attractiveness for SMEs, lack of systemic policy research
- Stop EU subsidies for incineration plants until recycling capacity in place

Positive: link with GAP for SMEs, Procurement, Extended Producer Responsibility, Recent VAT directive proposal, Ecodesign directive, Quality standards for secondary resource materials, European Resource Efficiency Excellence Centre, developing Monitoring KPIs

Our recommendations for the Green Action Plan for SMEs



1. Increase market potential for SMEs
2. Promote best practices (e.g. procurement, funding)
3. Facilitate European trade and market access for SMEs
4. Education & training
5. Concrete initiatives (Horizon 2020, CE Award)

Improve Extended Producer Responsibility

- Differentiate levies down to product and company level
- Ensure mandatory harmonized criteria
- Extend EPR to cover more and more products and sectors
- Mandatory investment of the EPR funds in circular economy
- Modulated fees may involve other considerations than waste management costs but should be transparent and based on internationally consistent criteria
- Boost ecodesign and secondary raw materials markets

Extend Ecodesign Directive to foster circularity

- Foster design for long-term value creation, economic opportunities, maximum positive footprint and business logic
- Use minimum requirements for ease of maintenance, reparability etc.
- Extend scope to all products and services
- Be careful with minimum secondary raw materials percentages
- Systems approach: cross-organisational, cross-sector, full cycle

Boosting Circular Design for a Circular Economy



November 2015
A joint report by De Groene Zaak and Ethica

This study was funded by the EU's Climate KIC Pioneers into Practice programme

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