

## **EUROCHAMBRES & SMEunited position on the Zero Pollution Action Plan**

We welcome that the Zero Pollution Action Plan aims to pursue a holistic approach to reduce air, water and soil pollution. The strong focus on international cooperation is also positive. European businesses are among the most efficient, cleanest and most innovative worldwide and we need others to follow on the same path. Supporting a healthy economic development is a prerequisite for Zero Pollution and to avoid the already ongoing movement of material and energy intensive production processes to other parts of the world. In this context, for businesses to continue the gradual transformation process and eventually deliver on the Zero Pollution ambition, the following points need to be considered:

- The implementation of the renewed targets and, therefore, stricter pollution thresholds must follow a cautious approach as it puts more pressure especially on material- and energy intensive industries, which are mostly already covered by the EU ETS and other regulation. EU companies already struggle to maintain their competitiveness in the absence of comparable international regulation. The EU ETS should act as the overarching instrument to regulate GHG emissions and any double regulation should be avoided.
- Any possible adaption of limit values, which should be realistic and offer a certain range of flexibility, must be agreed upon through an open, multi-stakeholder dialogue including national authorities and industrial representatives (in an improved Sevilla process) as well as other affected stakeholders, especially engaging with those who must eventually implement any new rules.
- Concerning the Industrial Emissions Directive, BAT conclusions need to be practical and realistic. The inclusion of further criteria in BAT assessments should be critically reviewed, especially against the background of the already lengthy Sevilla process. BATNEEC (Best Available Techniques Not Entailing Excessive Costs) would be a more appropriate approach for SMEs. The transposition and implementation of the rules should be harmonised across Member States.
- Sufficient renewable energy and zero- or low carbon gaseous fuels need to be available to business in order to decarbonise their manufacturing processes. This must happen when and where necessary and at affordable prices. It should also go hand in hand with demand-based infrastructure planning that is both resilient and flexible and can meet required future demands. Strategies for the promotion of hydrogen should also address decentralised solutions so SMEs can tap into the potential.
- The process of calculating costs and benefits of new initiatives by the Commission should be made more transparent and lay out how benefits of the Zero Pollution Action Plan are calculated or give guidance on how to do so.
- The Zero Pollution approach should effectively improve the competitiveness of EU businesses in combination with the recovery from the Covid-19 crisis and at the same time improve the situation for air, water and soil.
- The action plan notes that implementation and enforcement of the laws already in place should be improved. We agree that this alone could deliver positive results. Hence, the correct enabling framework should be in place at EU level to support businesses and particularly SMEs implement EU and national pollution control legislation, keeping administrative burdens to a minimum. Key components of this framework should be:
  - o SME oriented legislation at EU level from the very beginning by applying the “Think Small First” principle

- Specific sectoral information and exchange of best practices
  - Technical assistance to select and apply the most appropriate equipment
  - Improving access to finance and capital to shoulder the upfront investments required by more sustainable production processes
  - Subsidies and fiscal incentives in order to push businesses to consider the adoption of more sustainable equipment
  - Upskilling and reskilling of entrepreneurs and their workforce to new sustainable and digital skills as well as to the newest technologies applicable to their processes and products
- Organisations representing SMEs should also be provided with capacity building in order to turn them into one-stop-shops fostering sustainability in SMEs. This is necessary because SMEs turn first to their local associations for advice and information.
  - As a last point, the principles of technological neutrality and market driven innovations must be embedded in all measures and strategies.

Brussels, June 2021

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