



# NO NET ZERO WITHOUT SMES:

## OECD WORK IN SUPPORT OF THE GREEN TRANSITION OF SMES

International Observatory on Energy Efficiency in SMEs:  
“Supporting SMEs in the net-zero age: from audits to savings”  
Brussels, 4 July 2023

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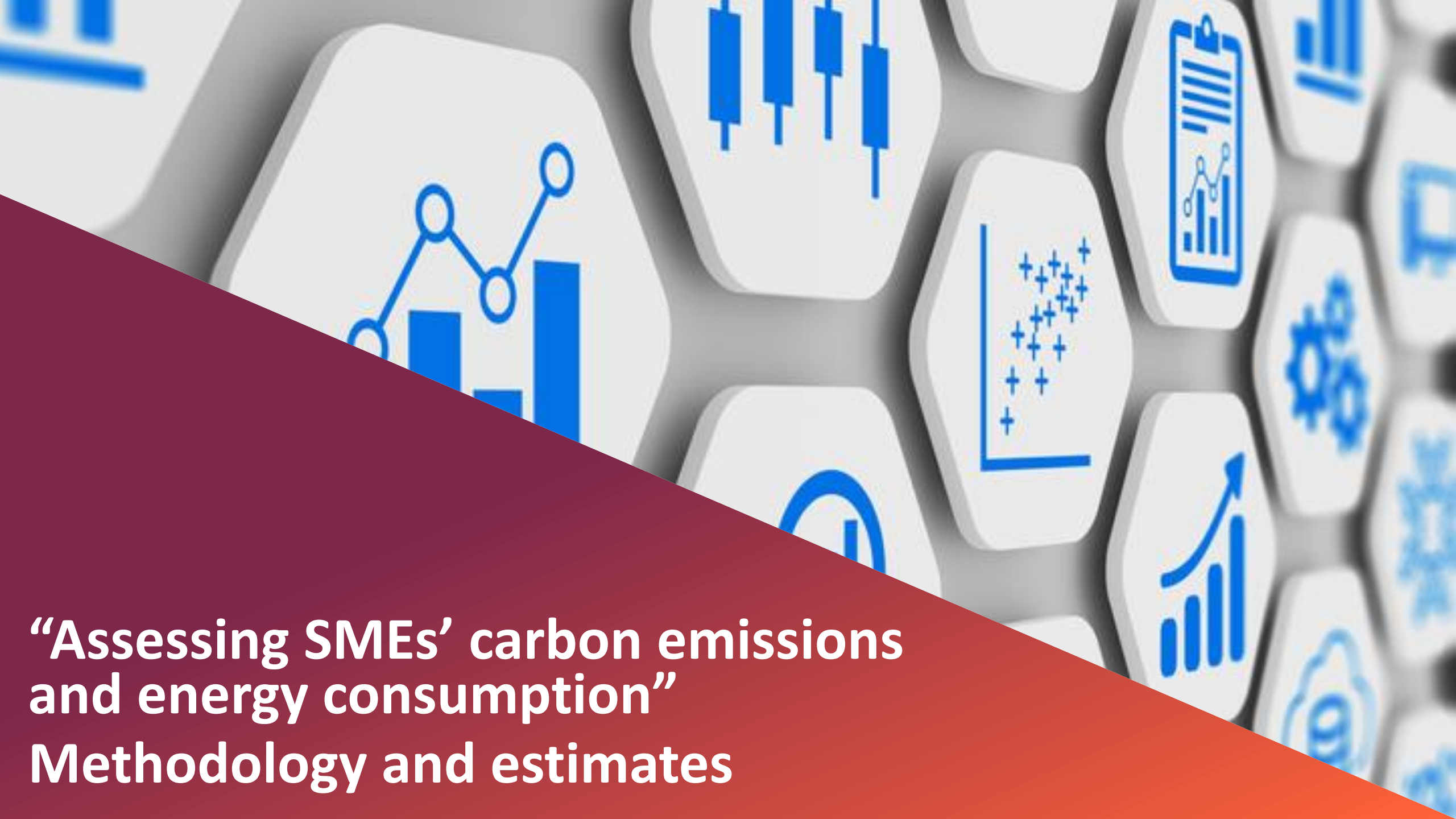
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# Overview of the presentation

- Assessing the environmental footprint of SMEs: Estimates from a pilot dashboard exercise
- SME policy responses to the 2022/2023 energy crisis
- Digitalisation for energy efficiency in SMEs (preliminary results)
- Next steps



**“Assessing SMEs’ carbon emissions  
and energy consumption”  
Methodology and estimates**



# Methodology and indicators at a glance

## Methodology

### What are they?

- Indirect estimates of the environmental footprint of SMEs (GHG emissions and energy consumption).

### Methodology

- Based on the use of weights at two-digit sector level:
  - Output weight (i.e. SME % of value added)
  - Employment weight (i.e. SME % of employment) (in progress)

### Rationale

- Output weight: positive, although not linear, relation between production and emissions/energy consumption
- Employment weight: to better reflect productivity distribution across sector and introduce margin of error

## Indicators



**SME greenhouse gas (GHG) emissions**



**SME energy consumption**



**SME GHG emissions (carbon) intensity**



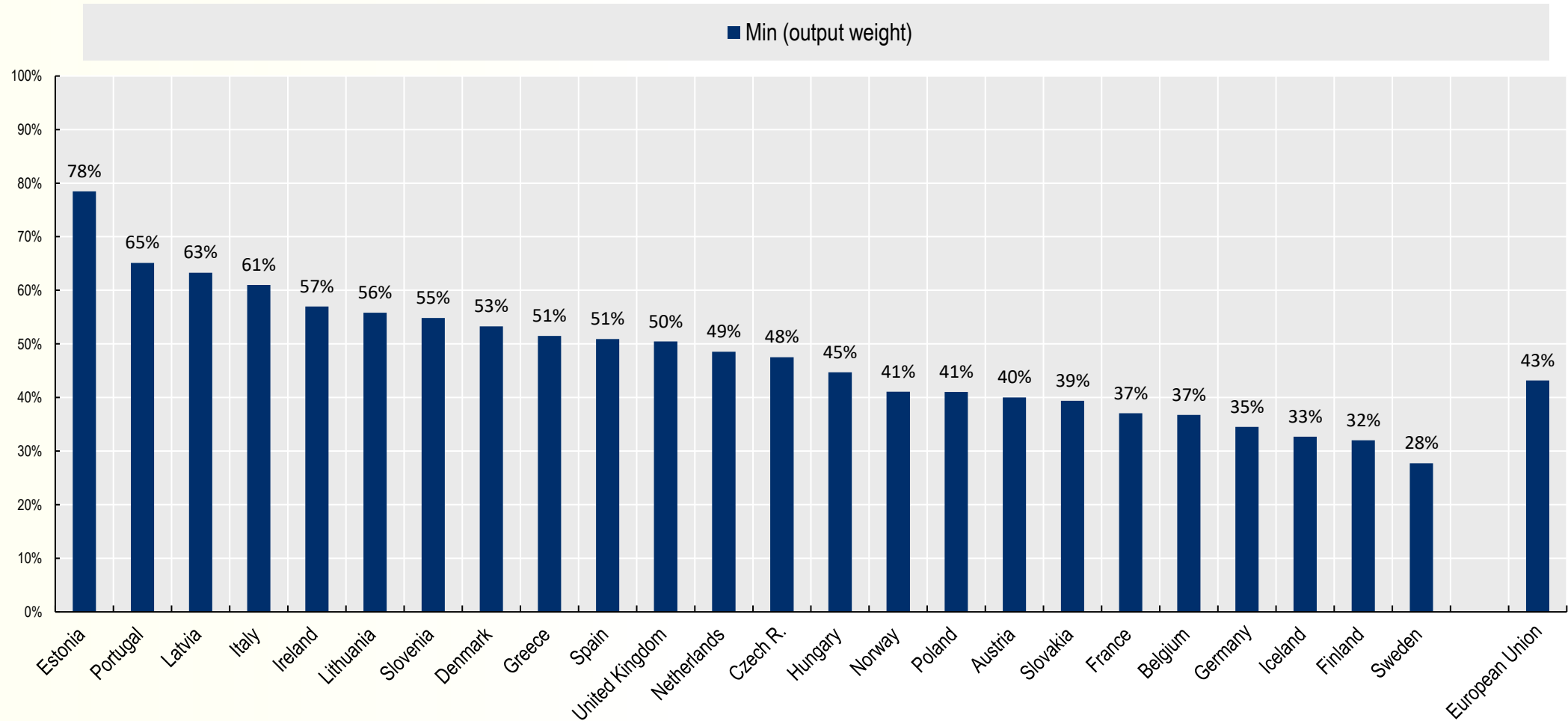
**SME energy intensity**



**SME energy price burden**



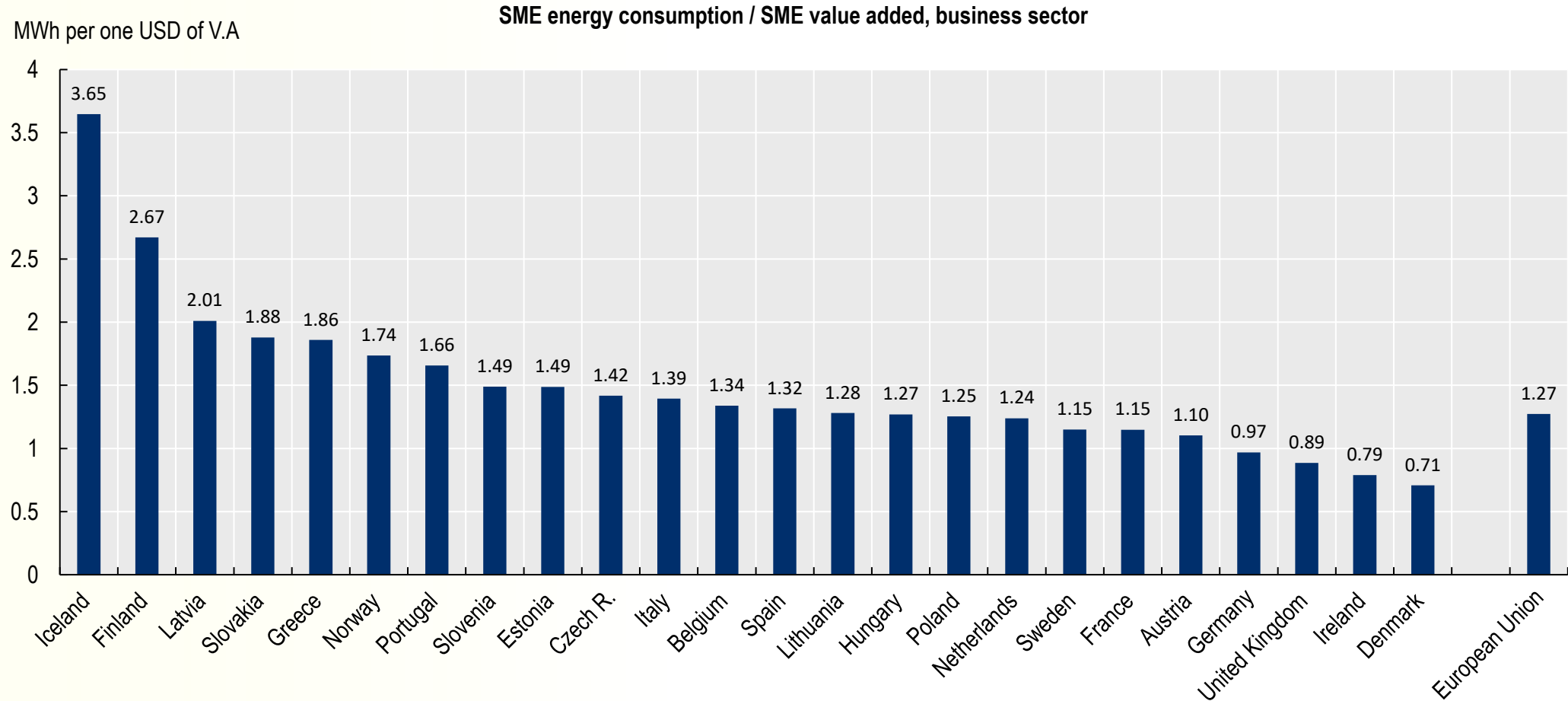
# SME share of energy consumption, business sector, 2018



Source: OECD elaborations based on Eurostat Structural Business Statistics and Energy Balances Accounts



# SME energy intensity, business sector, 2018



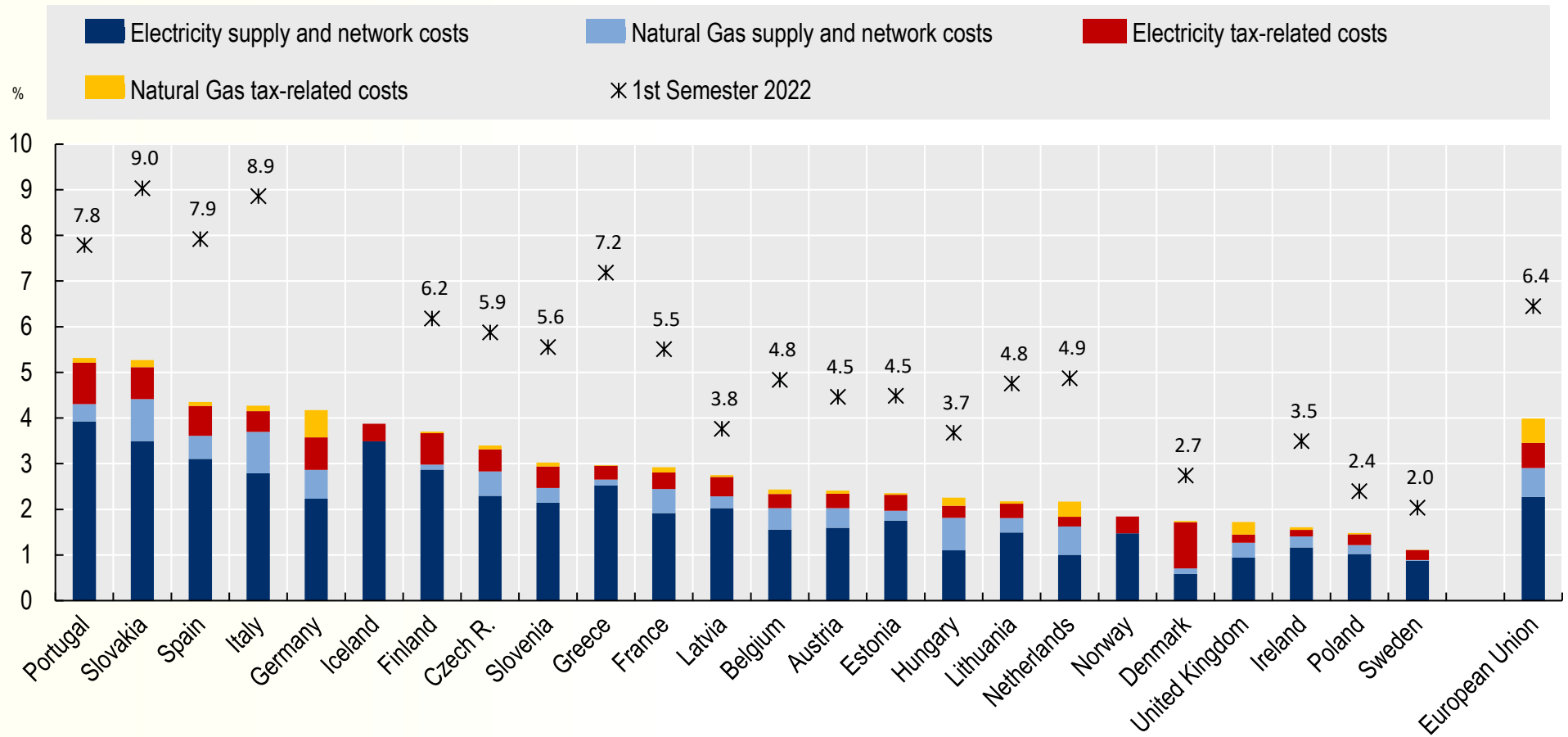
Source: OECD elaborations based on Eurostat Structural Business Statistics and Energy Balances

Note: Do not include transport sector



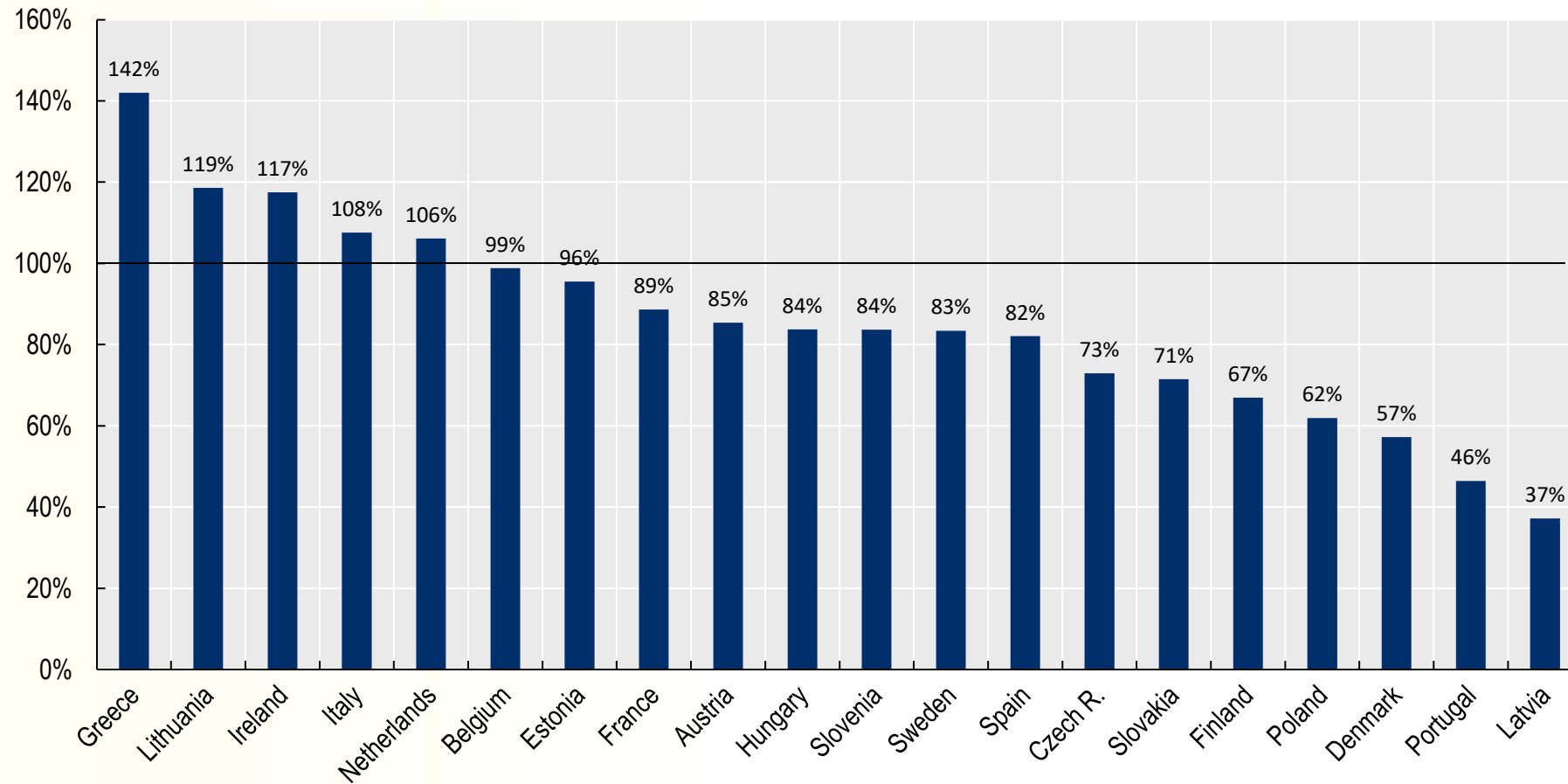
# SME energy price burden, business sector, 2018

SME price burden (over SME turnover), business sector, 2018 vs 2022 1st semester





# Variation in the SME energy price burden, 2018 and 2022 (1<sup>st</sup> S.)







**SME policy responses to the energy crisis**



## Main take-aways (I)

- Coverage of SMEs was limited in the first phase but has increased since last summer.
  - Through lower energy consumption threshold to benefit from support & micro firms included in programs meant for households.
- Untargeted price-caps have been the most common policy; targeted (large) grants have mostly been used for energy-intensive and trade-exposed sectors.
- Programmes, esp. price caps, have been generally short-term (2-12 months) to adapt to global energy prices (i.e., estimated costs at 5.3% of GDP at EU level).



## Main take-aways (II)

- Not all OECD countries have been impacted the same way, which has influenced the extent of policy responses.
- Current policy responses, esp. untargeted price support, conflict with other major govt. objectives, such as taming inflation and fostering the green transition.
- Going forward, different objectives will have to be balanced, but price support is not a long-term solution.



# Focus on electricity and gas price caps

- All price caps analysed in the paper are still in place, often until end-2023 (i.e., pass-through effects).
- There has been a progressive shift from full price caps into partial price caps.
- There are major differences in policy design (size- or sector-specific; consumption-based or price-based)
- An industrial policy tool with potential regressive effects on domestic competition?

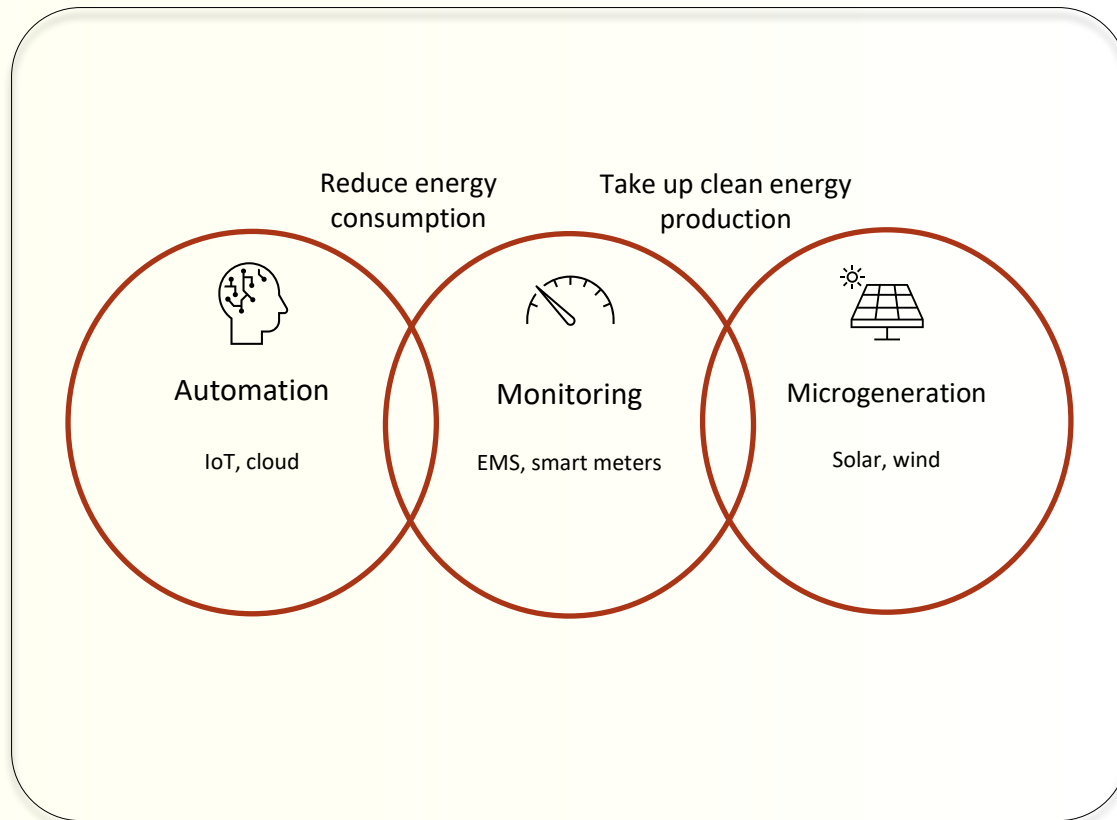


# Digitalisation and energy efficiency in SMEs



# Digitalisation and energy efficiency for SMEs: Approach and policy examples

- Different **types of digital technologies** can help SMEs to:



- **Methodology:** Gathering evidence on **policies** at the crossroads b/w digitalisation and energy efficiency (Questionnaire + Interviews):



Tailored energy advice programmes for small businesses



Support to the implementation of digital Energy Management Systems



Digital Applications and online calculators giving SME-targeted advice on energy savings



Support for energy-saving diagnosis projects in SMEs





**Next steps**



# Next steps

- Expand the coverage of the dashboard exercise (e.g., more countries and years, waste management and green entrepreneurship, etc.)
- Country-specific analysis of SME greening and green entrepreneurship policies (pilot project in Portugal with support from DG Reform)
- Finalization of the digitalization and energy efficiency paper





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