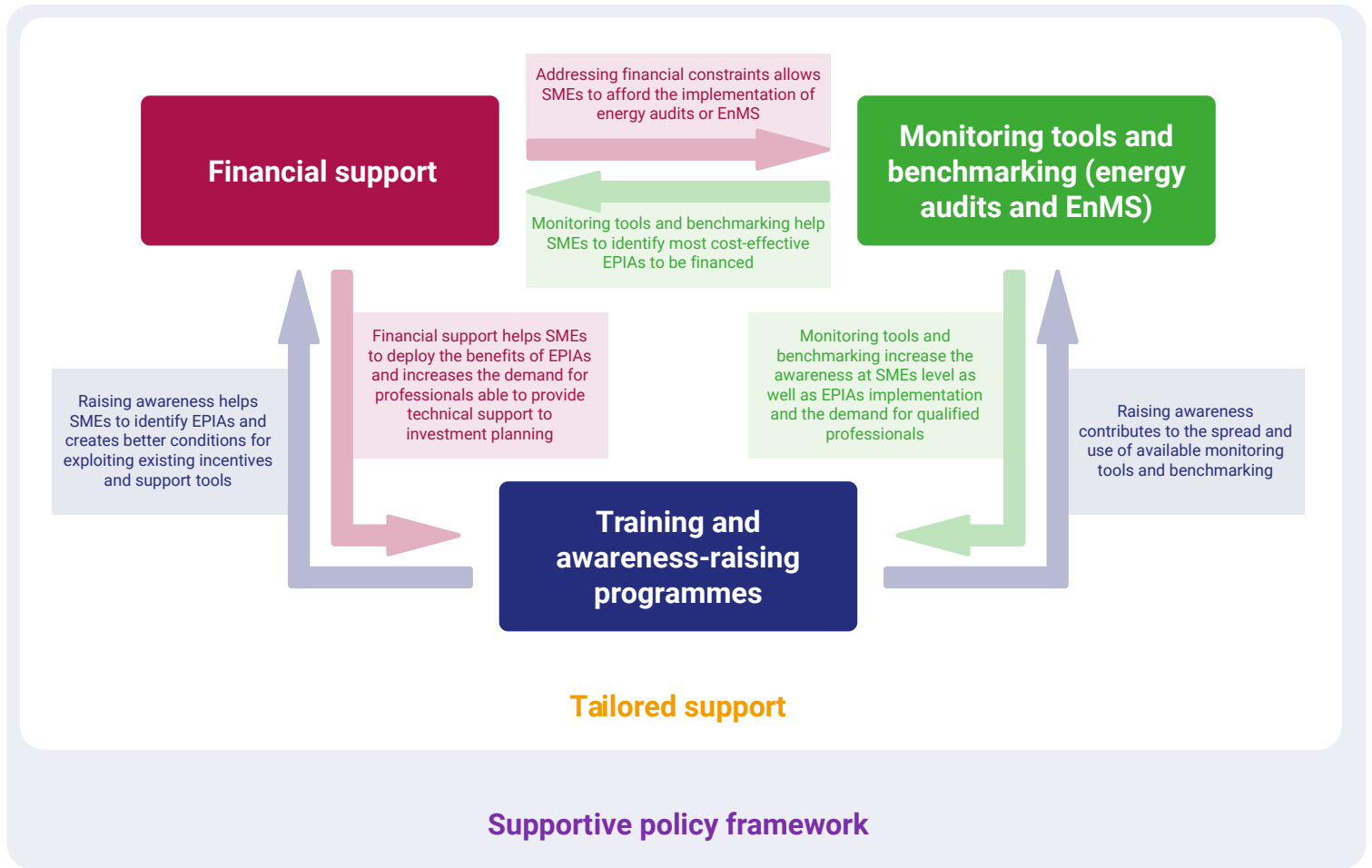


CHALLENGES

- Complex policy framework
- Lack of energy data
- Heterogeneity
- Lack of financial resources
- Lack of know-how and technical skills

PROPOSALS

- Permanent, stable, and predictable support
- Monitoring tools and benchmarking
- Tailoring policies by sector and size
- Financial support
- Training and awareness-raising programmes



Where these recommendations come from?

Some figures from LEAP4SME



9

National Energy Agencies as partners



173

Policy instruments analysed



43

Good practices identified



2

International observatories and 3 sessions in international events



30

National observatories involving more than 750 participants



>400

Literature contributions analysed



295

Answers to survey from organisations and SMEs from 27 countries



1. SMEs need technical and financial resources through comprehensive long-term support, stability, and simplification.

The policy framework must be supportive! How?

Energy efficiency policies for SMEs must be simple and part of a permanent, stable, and predictable regulatory framework.

- Government bodies need to establish an enabling framework aimed at providing technical assistance and targeted information to support SMEs in adopting energy efficiency measures.
- After the identification of energy efficiency measures in an audit, support is needed for their implementation.
- Existing subsidies could be redesigned giving support to companies classified as green, according to taxonomy regulation.
- Simplifying the application processes and avoid overly strict qualification criteria in order to favour adoption by SMEs.
- Planning an appropriate level of support for SMEs during the application process, programme implementation and programme delivery to ensure SMEs stay engaged.
- Linking audits to holistic support programmes, which guide SMEs through the entire process from understanding what energy improvements can be made to accessing financing and completing the installations.
- Providing long-term policies and support programmes that ensure stability and give SMEs the confidence to invest in measures that may have long payback periods.
- Using capacity building and development of learning skills as part of a wider range of support, to ensure longevity of the policy and provide scientific evidence for policymakers.

2. SMEs often do not know their own energy consumption level and how they can reduce it.

Promoting and supporting consumption monitoring and benchmarking is crucial! How?

Energy consumption is rarely monitored by SMEs and monitoring systems are scarce.

- Promoting and financially supporting energy audits and EnMS (also in simplified versions).
- Monitoring should be tailored to the energy and resources profile of the business sector and done step by step, starting with minimal requirements.
- Introducing quality standards for auditors working with SMEs and set minimum requirements for monitoring of energy consumption.
- Supporting the adoption of EnMS could be effective in introducing continuous monitoring and to increase the implementation rate of EPIAs.
- Disseminating tools and data for sectorial benchmarking of energy consumption to make SMEs aware of the energy efficiency level of their processes and to compare it with the sector average.

3. SMEs are heterogeneous in size and sector.

Support for energy efficiency must be tailored! How?

The disparity in size and core business of SMEs, and the different incidence of energy and resources costs, requires specific support measures and energy audit approaches.

Tailoring by sector

- Energy efficiency support mechanisms should be based on sectoral approaches more than on general programmes.

Tailoring by size

- Micro SMEs could provide high potential savings but are more difficult to engage: simpler schemes could be applied to smaller businesses.
- Well qualified external energy consultants as a one-stop-shop for smaller companies could play an important role in delivering good energy audits and advice.

Tailoring the policy and regulation framework

- Including energy audits as an eligible cost in measures that support not only energy efficiency but also business innovation.
- Including Energy Management Systems (EnMS) in the requirements for private contracts or public tenders.
- Redesigning existing energy efficiency subsidies according to a future taxonomy regulation.

4. SMEs lack financial resources.

An effective programme must address financial constraints! How?

A support for SMEs with limited financial resources is needed to carry out audits and invest in energy efficiency measures not required by law.

- Tailored soft loan programs could be helpful to ensure better access to finance, finance new investments and business transfers for SMEs. It would also be beneficial to extend the payback period on loans.
- Risk sharing facilities among different funding bodies - such as guarantee and co-lending schemes – could be another effective solution help in sustaining energy efficiency investments.
- Vouchers can be used to support and motivate smaller enterprises to develop energy audits and, later on, introduce energy performance improvement actions (EPIAs).
- Encouraging the creation of business networks can help alleviate the lack of resources and better exploit energy efficiency opportunities, both in terms of technologies already available and in terms of access to incentives.
- Support measures addressing commercial benefits, such as installing PVs to reduce energy bills and help payback existing loans more quickly, could be a starting point to engage with SMEs.
- A mix of different instruments can be successful to engage and assist smaller companies.

5. **SMEs are often unaware of the benefits of energy efficiency and existing support measures due to technical skills, human resources, and time limitations.**

Awareness must be raised among companies and professionals and the culture of energy efficiency must be promoted! How?

SMEs' awareness on energy consumption, energy efficiency options and support mechanisms are a necessary precondition to plan and implement effective EPIAs.

- Training and information programmes could help to promote a culture of energy efficiency through SMEs.
- Policies should include information campaigns to make SMEs aware of which support measures are available as well as to constantly re-engage them. Providing instructions to managers and employees such as to how to apply for certain funds may also help.
- Disseminating information on the availability of public and private funds through business networks, trade bodies and relevant government agencies is fundamental.
- Special attention should be paid to inform and train SMEs, giving a clear idea of costs and benefits associated to energy audits and the implementation of energy efficiency measures.
- Event-driven interventions that involve local, well-established, and/ or trusted stakeholders may be particularly effective.
- Advisors and auditors should be clear on the technicalities and costs of energy efficiency measures for SMEs, and be able to translate the risks, alternatives, and if applicable, longer-term solutions.
- Develop strategies to meaningfully engage with SMEs to raise awareness of energy audits, by emphasizing both the energy-related and non-energy related benefits (water consumption, GHG emissions, company's image, etc.) to the business.
- Provide and require knowledge and awareness of energy efficiency issues as part of professional education, over and above production specific energy efficiency knowledge.
- Engaging SMEs, especially microbusinesses, in relation to their professional and personal priorities and values. External stakeholders and other intermediaries can use a values-led approach to engage and support SMEs, including early adopters.

