

Policy Webinar Series

SMEs and Climate Action

Output 1st Webinar: “The less than 1% Club”: How to reach all SMEs?

🌟 About:

This 10-part webinar series provides a platform for researchers and policy-makers to share experiences and explore new policy approaches to engage Small and Medium Enterprises (SMEs) in the path towards climate-neutral economies. The series is jointly hosted by the [Austrian Institute for SME Research](#) and the [Zero Emission Enterprise \(ZEE\) Network](#). The webinar series runs from November 2023 until February 2025.

📺 1st webinar 27 November 2023

Speakers: [Kevin Mole](#) & [Vicki Belt](#) [Enterprise Research Centre](#) (UK)

Topic: “The less than 1% Club”: How to reach all SMEs?

Kevin Mole and Vicki Belt from the Enterprise Research Centre presented their latest findings on UK business support programmes designed to enable SMEs to achieve the UK Government target of reaching net zero by 2050. Their recent study shows that existing business support programmes for net zero reach less than 1% of the total SME population. In the webinar, we discussed how policies can be designed to reach the remaining 99%. [See presentation slides](#)

Discussions / Links to relevant initiatives (Output Padlets):

How do the results compare to the situation in your country? Are you aware of any evidence?

- ▶ Quite similar to be honest; a small subset of enterprises are aware of and willing to use net-zero or even sustainability initiatives in the Netherlands. Promoting the availability of these instruments and communicating HOW to use these instruments in understandable, pragmatic terms seems to be a main bottleneck.
- ▶ I worked on the SiE ERDF programme at Nottingham Trent - we did our own side along research and marketing. Case studies on the NTU website
 - <https://www.ntu.ac.uk/about-us/news/news-articles/2022/10/SiE-project-hits-milestone-of-supporting-over-200-locals-SMEs>
 - <https://www.ntu.ac.uk/study-and-courses/academic-schools/nottingham-business-school/study-at-nbs/personalisation-at-nbs/sie-case-study-millward>
 - <https://www.ntu.ac.uk/business-and-employers/case-studies/sustainability-in-enterprise-backlit>

- ▶ In some regions in the UK, business support for net zero has focused on eco-innovation (as opposed to energy efficiency), and these projects reach far fewer SMEs, by definition. For instance I know that in Wales and in London, ERDF money was exclusively used for innovation. The issue is that the 000,000s of SMEs in these areas lost out on support for emissions reductions
- ▶ I know in the West Midlands there is a programme that emphasises energy efficiency
- ▶ Germany: Local guilds and institutions as middle actors
 - I'm working on a piece of guilds and craft associations in Germany as key catalysts in diffusing decarbonisation measures and innovations. One finding is that the community of practice discourses and social networks within guilds can be conducive in diffusing practices and innovations in decarbonisation among craft SMEs. I don't have own quantitative data, unfortunately, to fathom how far programmes reach SMEs.
 - wehden@mcc-berlin.net
- ▶ Re Sam Hampton's point on the sectors represented in the 1% - some sectors are bound to be more interested in the net zero offer than others. I'd suggest: 1. High energy users or businesses with a big environmental impact 2. Businesses which are public facing such as retail where there is a lot of reputational risk 3. Businesses in public sector supply chains where certain management standards are often required as part of the procurement process
- ▶ Finer-grained differences? Quick comment on the 1% figure from an ongoing UK project, GoZero. We have seen evidence of higher levels of support activity in particular places and (initiated by) particular sectoral organisations, but it's patchy, sometimes also relatively short-term, and leaves lots of gaps in support provision, so looks compatible with the ERC's low overall percentage figure. Difficult to track this over time, but would be useful, particularly on a comparative basis.

Business support measures / initiatives for net zero that have reached a large number of SMEs - add relevant links

- ▶ Mittelstandsinitiative Energiewende und Klimaschutz: Hosted by Central Association of German Crafts; directed their support programmes to the most energy intensive trades, working together with their association to develop best practices; happy to chat about it: wehden@mcc-berlin.net Link: <https://www.mittelstand-energiewende.de/index.html>
- ▶ Decarbonisation Net Zero Programme: <https://www.businessgrowthwestmidlands.org.uk/business-support/decarbonisation-net-zero-programme/>
- ▶ In my sample of artisan bakeries in the UK Covid recovery grants and loans were very popular generally. A couple used them for upgrading to more efficient equipment. The interest rates were very low, everyone knew about them!
- ▶ My research suggests that the most successful initiatives are the ones which have been around the longest, and/or have links to existing business networks. One example is in Buckinghamshire, where the 'Low Carbon Workspaces' project benefitted from being linked with 'Bucks Business First', and their >15k members. The challenge for new projects is raising awareness for a new brand etc, and often they only last 3 years or less, meaning that a disproportionate amount of effort is spent on marketing
- ▶ 100% grant! The Dept for Culture Media and Sport are just about to launch a £25m Energy Efficiency Fund in the UK, for charities and non-profits. I suspect that demand will be very high, because they're not requiring any matched-funding
- ▶ East Midland Chamber, local council initiatives using Shared Prosperity Fund, accessing their own members for NTU to do audits on. ERDF SiE really helped create the momentum and proof of concept.

Your suggestions for future webinars - What I would be interested in

- ▶ The communication issue would be good to cover
- ▶ Also some case studies where there has been deep organisational change
- ▶ Assessment criteria being used for net-zero support instruments for SMEs: which frameworks are being used and how to make them understandable for SMEs
- ▶ Experimental research design: I'd like to know what sort of evidence there about 'what works' for environmental business support. Have there been any examples of control group / RCT style studies?
- ▶ Energy Technology Lists: What is best practice for these? The idea is to promote independently validated better performing commercial equipment UK's seems to be of extremely limited value at the moment.

Interesting research / policies / initiatives

- ▶ Like the idea of identifying sectors and developing solutions across sectors, so we come with some solutions ahead of meeting the businesses
- ▶ Building Blocks of Behaviour Change Approach
- ▶ I wondered if this approach could help with promoting good practice in policy/programme development?. There's a recent article about this (below). Mundaca, L., et al. (2023). "Hard-to-reach energy users: An ex-post cross-country assessment of behavioural-oriented interventions." Energy research & social science 104: 103205.