

# Make Green Deal Implementation fit for SMEs

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**“At best, the European Green Deal will become a success story for the planet, people and our SMEs”, said Andreas Brieger, SMEUnited’s Director of Sustainable Development after [the European Parliament’s decision to ratify](#) the political agreements reached with the Council on several major texts of the ‘Fit for 55’ package to fight climate change.**

The package includes the Carbon Border Adjustment Mechanism (CBAM), the revision of the ‘ETS’ system of greenhouse gas emission allowance trading, and the Social Climate Fund (SCF). Mr Brieger underlined that ambitious climate and energy goals can only work if they are feasible for SMEs. Besides, it is crucial that the upcoming implementation will be designed with the “Think-Small-First” principle in mind and establishes planning stability for SMEs.

The revision of the EU Emissions Trading System (ETS) aims to reduce greenhouse gas emissions in the sectors covered by the ETS (electricity and heat generation, energy-intensive industries, aviation and maritime) by 62% by 2030 and introduces a bonus-malus system to incentivise performance and innovation. The co-legislators agreed to launch the ETS2 in 2027 and phase out free allowances by 2034. The agreement also emphasises the accessibility of funds from the ETS ([Innovation Fund](#)) to SMEs.

The Carbon Border Adjustment Mechanism (CBAM) aims to create a form of import certification scheme that would lead importers to buy CBAM certificates for imports of certain goods based on their carbon content and thus address the risks of carbon leakage. The CBAM will cover iron and steel, cement, aluminium, fertilisers, electricity, hydrogen, indirect emissions under certain conditions and some downstream products such as screws and bolts as well as similar iron or steel articles. The CBAM will become operational from October 2023 and will be introduced gradually, in parallel with the phase-out of ETS free allowances

A Social Climate Fund will help Member States manage the socio-economic impacts of the entry into force of ETS2 in 2027. It will start in 2026, financed by ETS1, and from 2027 by ETS2. The Fund will be €65 billion for 6 years, with 25% national co-financing. It aims both at supporting micro-enterprises and tackling energy poverty. SMEUnited insists on comprehensive consultation with social partners on the management of the new fund.

Within the Council, the Permanent Representatives Committee (COREPER) is expected to approve the European Parliament’s first reading position on 19 April 2023, after which EU Ministers would formally adopt the final legislative acts on 25 April 2023.