First assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP)

Final report

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1 Introduction

This is the final report for the first assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP) (hereafter, the 'Project'). The report is submitted by AEA and Ecologic Institute, the consultants appointed to conduct this evaluation. For this project the lead firm from within the consortium is AEA Ltd.

1.1 Purpose

The purpose of this report is fourfold:

1) Task A - Analyse compliance assistance actions undertaken under the ECAP programme. It is intended principally to assess the effectiveness and the usefulness of a series of actions that have been undertaken by or on behalf of the European Commission in order to fulfil the objectives of ECAP.

2) Task B - Analyse the results of the DG Enterprise study in assessing the contribution of SMEs to environmental problems and propose areas for future study to better understand the issue.

3) Task C - Establish a process that will capture and evaluate information on how compliant SMEs are with environmental legislation.

4) Task D - Review of information from Parts A-C and compile findings and recommendations on the future development of the ECAP programme.

1.2 Study method

The study method followed a basic but coherent structure. A literature review was undertaken to analyse the tasks and achievements till date. The literature review was complemented with an expert survey as well as stakeholder interviews. The evaluation approach differed for each task and sub-task. More details on the methods used are provided in the individual chapters for each task. The stakeholder consultation process is described in the Annexes to this study.

This report is structured as follows:

- Chapters 2, provides intervention logics for the ECAP programme;

- Chapters 3 to 14, evaluate Task A ECAP actions;

- Chapter 15 presents our analysis on the contribution of SMEs to environmental problems based on the DG Enterprise report - 'SMEs and the Environment';

- Chapter 16 looks at the various methods used to analyse SME compliance with environmental legislation and available data on compliance rates; and

- Chapter 17 provides overall conclusions and recommendations on the future of the ECAP programme.

2   Intervention logics

2.1   Purpose of this chapter

This chapter provides intervention logics for ECAP (as it relates to the terms of reference of this assessment). The intervention logic will assess all the actions in comparison with ECAP objectives, and the actions carried out under ECAP so far in comparison with the activities foreseen in the 2007 Communication[1]. It should be noted that the intervention logics are set out on the basis of the evidence available at the time of the 2007 programme. Some of the evidence base has been updated subsequently and reflected in various chapters throughout the report.

The 'logic models' that underpin ECAP are summarised below:

1.   Legislative background;

2.   Problems that the Programme was designed to address;

3.   Objectives:

4.   Any legal basis and purpose;

5.   Scope;

6.   Management arrangements;

7.   Provisions/components/actions;

8.   Harmonised standards;

9.   Conformity assessment procedures; and

10. Enforcement.

Aspects of the intervention logic	Elaboration
The problem that the ECAP programme was designed to address	
Clarity	The problem was clear. SMEs struggle to comply with legislation and improve their environmental performance. Tools and information to address such problems are varied, complex and poorly communicated to the SME audience. ECAP was designed to address this issue. Background to the problem: *Low level of understanding and compliance with environmental policy* Most SMEs do not have an environmental policy or energy management system in place. The protection of the environment and a more sustainable use of energy are often still perceived as a series of bureaucratic burdens imposed by public authorities. There is a lack of proactive attitude in this field. It is fundamentally a cultural problem: this means that minimising the impact on the environment/rationalising energy consumption is a concept which is not integrated systematically in business decision making. *Low level of understanding of and efforts to address environmental impacts* Most importantly SMEs are in most cases not aware of their environmental impacts and lack the expertise to manage such issues. However, SMEs, similarly to large companies, can exert considerable pressures on the environment. This is not necessarily through individual pressure but through their combined total impact across sectors (although in some cases individual effects of SMEs on the environment can be very important within local or regional communities). At the time of the ECAP communication (2007), SMEs were responsible for up to 70% of all industrial pollution in the EU[2]. More

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[1] http://ec.europa.eu/environment/sme/pdf/com_2007_379_en.pdf
[2] ENTR, Public Policy Initiative To Promote The Uptake Of Environmental Management Systems In Small And Medium-Sized Enterprises – Final Report Of The BEST Project Expert Group, 01/2004.

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Aspects of the intervention logic	Elaboration
	recent evidence, as provided in Chapter 15, suggest that SMEs account for approximately 64% of the industrial pollution in Europe. Sector variations are generally within the 60% to 70% range.
Nature	The subject of the ECAP Communication is the assistance of SMEs to comply with environmental law and to improve their environmental performance.
Magnitude	There are three preparatory documents on the ECAP website relating to the magnitude of the problem prior to ECAP. These documents are: Environmental Compliance Assistance for SMEs: Analysis for specific initiatives at national and local level and identification of best practice (IEEP, 2006)[3]; Comparative Analysis of the Environmental Management, Performance and Innovation of SMEs and Larger Firms[4] (Labonne, 2006) and a policy assessment of EU Member State approaches[5] (EcoTech, 2000). The issues regarding compliance in fact have not been explored systematically. Data on environmental compliance are not available at EU level. There is no systematic definition of environmental compliance. Penalties and legal action also vary considerably across EU. Quality and consistency of data at member state level is varied therefore measurement of magnitude of problem presents practical difficulties. However, the impact assessment contains some data on the lack of take-up of environmental management systems and provides estimates of SMEs tackling some environmental issues.
Trends	There is no systematic collection of trend data at an EU level on the problems that ECAP was designed to address. Small and Medium-sized enterprises, SMEs, defined as companies with fewer than 250 employees[6], make up an extremely important part of Europe's economy. There are some 23 million SMEs in the EU providing approximately 75 million jobs (66% of private employment and up to 80% in some industrial sectors such as textiles, construction or furniture) and representing 99% of all enterprises (57% of value added). SMEs are also a major source of entrepreneurial skills, innovation and economic and social cohesion. Trend information on SMEs is difficult to collect as Indicators for environmental performance of SMEs are inconsistent and variable across member states and are typically not collected by size class. There are some high level trends on SME environmental performance and compliance at a global and country wide level and the drivers behind environmental performance improvement of SMEs. We are not currently aware of data on trends at EU level. However the DG Enterprise study "SMEs and the environment" was an attempt to assess the environmental impact of SMEs and could be the basis for data for future trends.
Treaty and the legal base to act in the area	

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[3] IEEP (2006) http://ec.europa.eu/environment/sme/pdf/ieep_en.pdf
[4] Labonne, J (2006), http://ec.europa.eu/environment/sme/pdf/final_report_sme_en.pdf
[5] EcoTech (2000) http://ec.europa.eu/environment/sme/pdf/smestudy.pdf
[6] The definition includes also a threshold of an overall turnover of 50 million Euro and/or an annual balance sheet of 43 million Euro.
Recommendation on the SME definition (2003/361/EC) of 6.5.2003.

Aspects of the intervention logic	Elaboration
Treaty/ policy context	This programme was envisaged in the Sixth Community Environment Action Programme that proposed the establishment of a "compliance assistance programme, with specific help for small and medium enterprises"[7]. Such a compliance programme was considered as one of the strategic approaches to achieve the objectives of the Action Programme and implement the principle that environmental action should be related to the nature and magnitude of environmental problem rather than the size of the enterprise.

Restrictions and limitations to EU level action	There are many member state variables with regards to what is regarded as environmental compliance. There are different regulations and implementation of laws at member state level with regards to environmental legislation and what constitutes compliance varies from state to state.
	
	There is no compulsory legislation in place that mandates SMEs implementation of environmental management systems although there are incentives within some regulatory structures for implementation of EMS.
	
	There are circa 23 million SMEs in the EU.
	    A direct relationship between the EU level and SMEs is practically impossible.
	    Many SMEs are off the radar of the EU, of national and regional authorities
	
	Given the different contexts (e.g. difference in laws, environmental infrastructure, of environmental support services) in MS it is difficult to design EU-wide solutions.
	
	The EU has shared competence with MS on environmental issues. Influence on MS environmental legislation is therefore limited

The objectives of the programme	
General objectives	The EC intends to pursue the following objectives with ECAP • Increase compliance with environmental legislation; • Increase the eco-efficiency (energy, resources) of SMEs by using proper environmental management systems and other tools; • Increase the cost-effectiveness of environmental policy, reducing administrative costs for SMEs and thus freeing resources to increase compliance; • complement existing regulations, existing SME-initiatives, and general policy initiatives, and need not set an additional legislative burden; therefore it is in conformity with Better Regulation principles. • Increase the eco-innovation of SMEs and their competitiveness.
Targets, benchmarks or milestones	First assessment foreseen in 2010. The objectives were not expressed quantitatively; one output of this project will be to provide some qualitative and quantitative data for ECAP.
Key aspects of the intervention process of the ECAP programme	
Scope of application	
The main components	The ECAP Communication provides: ***Better Regulation in design of and implementation of policies:*** Clearer and simpler provisions in legislation, minimising administrative burden (reduce the need for information requests from SMEs, using IT solutions and sampling techniques, etc.), cutting administrative costs, links to concrete projects like the BEST-project and IMPEL, involvement of SME stakeholders in policy making.

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[7] Art.3.5 of the Decision No 1600/2002/EC of the EP and Council of 22.07.2002.

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Aspects of the intervention logic	Elaboration
	More accessible tailor-made environmental management schemes for SMEs Environmental Management Systems (EMS) are understood to be an effective voluntary tool to integrate environmental considerations into the management of SMEs, constituting a reliable alternative for inspections. A useful variety of EMS for different needs is required. EMAS is being revised: EC will promote and support PPP (consortia or coordinating bodies) and other initiatives to encourage the use of EMAS in industrial clusters or districts of SMEs. EMAS-Easy will be further developed and applied on a larger scale. Full EMAS registration to be more easily feasible in small and micro-companies. ***Focused financial assistance and a multi-annual financial programme for sustainable production in SMEs*** Specific incentives to spread the use of BAT and innovative technologies and practices. For this type of investment SMEs need specific public incentives and help with participation in research programmes or other programmes in support of innovative environmental technologies. For the period 2007-2013 specific funding has been designed for SMEs and environmental policy. Life+ Regulation foresees €5 million for the period 2008/13. Also new instruments of the Cohesion Policy 2007/13 allow substantial funds for MS for investments in environmental protection especially for SMEs. A large part of the environmental funding comes from the Structural Funds. In particular one of the priority categories of expenditure for the new European Regional Development Fund and the Cohesion Fund refers to "assistance to SMEs for the promotion of environmentally-friendly products and production processes. Also the European Social Fund is a source for founding as well as the programme JEREMIE. The Competitiveness and Innovation framework Programme 2007/13 (subsection: Entrepreneurship and Innovation) facilitates access to finance for the start-up and growth of SMEs and includes €430 million for investments in eco-innovation activities. The sub-programme on Intelligent Energy Europe (IEE) also includes €727 million for energy efficiency and renewable energy projects. A new handbook for funding options was announced by the EC. ***Building local environmental expertise for SMEs*** Capacity building seminars: build wherever necessary a network of environmental experts in business support organisations to help SMEs. Focus of the workshops will be on where to find information, presenting both the legal requirements and the benefits of improved environmental performance, including a training module on how to provide assistance to SMEs (reactive approach) and how to involve SMEs in environment policy beyond compliance (proactive approach). Former EICs (now Enterprise Europe Network) are designed as partners in the implementation of the programme (helping SMEs to take advantage of the programme, to comply with environmental legislation, to increase their eco-efficiency and eco-innovation capacity, providing environmental information to SMEs). ***Better communication and more targeted information*** Commission will establish a new multilingual website, linked to the SME portal, and designed to become a main source of information for SME support networks on EU environmental policy and SMEs, with a related awareness raising campaign. Website will contain info an existing and forthcoming environmental legislation affecting SMEs, but will focus in particular on matters of interest to SMEs like implementation, management

Aspects of the intervention logic	Elaboration
	tools available, funding opportunities, and selection of good practices by sector and geographical criteria, etc. The EC will develop some operational guidelines to accompany SMEs step-by-step in addressing their main environmental impacts. These toolkits will take a gradual approach, increasing the level of sophistication according to the sector and the size and needs of the company.
The effects anticipated	*Although these do not appear to have been quantified at the outset it is possible to highlight the main areas where beneficial effects were anticipated.* *Better regulation in design of and implementation of policies* Minimising the administrative burden on companies, reducing administrative costs *More accessible tailor-made environmental management schemes for SMEs* More SMEs integrating environmental concerns into their businesses and thereby improving their environmental performance. *Focused financial assistance and a multi-annual financial programme for sustainable production in SMEs* Building up of local know how, SMEs taking advantage of funding/ financing to improve their environmental performance and expertise. Increased availability of funding for SMEs and environment. *Building local environmental expertise for SMEs* Regional and national networks have higher capacity to support SMEs in environmental performance. Regions not covered by environmental support develop capacity to support SMEs in environmental performance. *Better communication and more targeted information* Improved communications to SMEs and SME support organisations on environmental issues.
Mechanisms for measuring effects	To date there have been a number of output indicators from actions including number of organisations attending workshops, qualitative feedback from workshops. Website data such as number of members and downloaded information. Forum and helpdesk data. Take-up of LIFE+ funds for ECAP implementation. Future: SMEs reached, environmental impact data and savings data in the framework of the EEN projects.
Impacts anticipated	Increased environmental performance and compliance of SMEs.
Learning processes	Assessment on the performance of ECAP to feed into recommendations for amendments to delivery or revision of programme.
Pre-conditions for the ECAP programme to be successful, risks and assumptions	
Preconditions for success	Participation of member states in the ECAP programme Participation of SME support organisations in the ECAP programme

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Aspects of the intervention logic	Elaboration
Critical assumptions underpinning the Programme, and risks	The effectiveness and impact of the ECAP is reliant upon: Effective training sessions delivered to SME support organisations are taken up and used and passed on to SME businesses. Enough SME support organisations per Member State would participate in training sessions/ become aware of the programme Information disseminated to SME support organisations is up to date. Information provided through the ECAP website is used by SME support organisations. SME support organisations will take a proactive stance, participate and present projects for the implementation of the programme. Member States will design ECAP action plans and will allocate resources to the implementation of the programme. The Enterprise Europe Network has the necessary environmental capacity to support the implementation of the programme. EMAS Easy will be sufficiently known to constitute a "natural" EMS tool for SMEs. Sufficient resources are allocated at EU level.
The rationales underpinning the intervention at the EU level	
EU added value	The added value arose because many MSs don't have dedicated SME initiatives and don't actively seek to cooperate with other MSs, exchange best practices and coordinate at EU level. • There is uneven implementation and enforcement of environmental legislation; there is little coordination and exchange of good practices at EU level on SME compliance issues. • SMEs also have low level of environmental awareness and substantial disparity between their environmental aspirations and their environmental performance. A 1999 study[8] for example, suggested that the typical owner/manager suffered a low standard of eco-literacy and poor environmental awareness and that while SMEs commonly expressed pro-environment attitudes they often experienced difficulties translating these ideals, aspirations and values into actions. • The success of the new SME policy depends predominantly on actions in the Member States which retain the main competence in enterprise policy and environmental policy at company level. The aim of ECAP is provide a Community policy framework to provide support and an added value of coordination and facilitation in respect of the subsidiarity principle. • The opportunity for an exchange of best practises and "know-how" on environmental compliance assistance among different European regions or Member States constitutes a clear added value for ECAP.
A need for common action	Common action was required to ensure consistent application of EU legislation across the European Union and the contribution of SMEs to sustainable production.
A need to improve policies and practices	There is evidence that SME environmental compliance and policies regarding SMEs and environment are not uniform across the Member States
A need to	SMEs across the Union have uncertain and probably different levels of

[8] Tilley, F. (1999) 'The Gap between Environmental Attitude and Environmental Behaviours of Small Firms', Business Strategy and the Environment 8: 241

Aspects of the intervention logic	Elaboration
harmonise policies and practices	compliance and understanding, necessitating an exercise to harmonise approaches across the Union.

An illustration of the main delivery mechanisms and responsibilities for the implementation of the Programme is given in Table 2.1. We will develop the further during the course of the study after reviewing the wider literature and stakeholder consultation on the main components of the programme.

Aspects of the intervention logic	Elaboration

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Table 2.1 Main delivery mechanisms and responsibilities for the implementation of the Programme

	EU level	National level	Industry level
Better Regulation in design of and implementation of policies	Dissemination of best practices, involvement of IMPEL (as planned), SME Test, Better regulation agenda (as implemented)	Take-up of better regulation practices	
More accessible tailor-made environmental management schemes for SMEs	EMAS Easy. A more accessible method for the implementation of an environmental management system designed specifically for SMEs Revision of EMAS including provisions to make it easier for SMEs to adopt the system. Best practice exchange on locally/regionally/nationally recognised step-by-step systems conceived for SMEs.	Providing national/regional level tools, financial support and expertise; participation in EU coordination and best practice exchanges.	Increased take-up of environmental management systems (SMEs), choosing the best option available for specific SMEs, projects for the implementation of EMAS Easy or other SME specific EMSs (support organisations)
Focused financial assistance and a multi-annual financial programme for sustainable production in SMEs	Providing funding through LIFE+, CIP, the Structural Funds and FP7; providing a favourable framework for State Aid	Integration of the priority in their operational programmes for the implementation of the Structural Funds, providing further resources (e.g. through the State Aid framework or through other channels, or providing complementary funding)	Absorption of available funding for improving environmental performance.
Building local environmental expertise for SMEs	The Euro Info Centres network (from 2008 called Enterprise Europe Network) supports the efforts of the Commission in creating the adequate local expertise. Expertise by (a) promoting partnerships with public or private organisations, SME associations, (b) working proactively with SMEs to explain existing or new environmental legislation affecting them, using the most effective means, including on-site visits, websites, newsletters, to raise awareness about environmental impacts and the benefits of environmental management systems. Providing capacity building trainings for SME support organisations Offering targeted funding to create/ enhance capacity to provide environmental support to SMEs.	Contribute to increasing capacity of SME support organisations to enable enhanced environmental support to SMEs.	Creating environmental capacity in SME support organisations (capacity building trainings, pilot projects, EEN project, targeted funding) – SMEs taking advantage of the capacities created.

	EU level	National level	Industry level
	Provide opportunity for best practice exchange on environmental tools to improve SMEs' environmental performance.		
Better communication and more targeted information	Website designed for ECAP programme. Accessible in 7 languages covering 80% of EU SMEs. Delivers information on environmental management tools, latest news, access to a forum and helpdesk mainly targeted at SME support organisations.	Provide national and EU level environmental information filtered to SMEs needs.	Use information to improve environmental performance.

3 Task A1: Assessment of Environmental Compliance Assistance Programme (ECAP) capacity building seminars

3.1 Introduction

ECAP capacity seminars were organised to build local environmental expertise in the Member States (MS). The seminars were organised between 2007 and 2009 and covered all MS - the principle was "one workshop per Member State".

There were two strands of seminars. The first strand followed a fairly uniform seminar programme and focused on MS which have a larger number of small and medium enterprises (SMEs). The second strand in 2009 which addressed the remaining MS, was more flexible in the programme design.

The objectives of the action were to:
- raise awareness of the ECAP among SME support organisations in all MS;
- provide relevant information focused on the needs of SME support organisations in order to address the problems they face regarding environmental compliance and the improvement of their environmental performance (i.e. by explaining the new ECAP website and the financial instruments for ECAP);
- build SME capacity on ECAP and environmental services, especially in MS where there is a gap in such activities;
- promote co-operation between SME support organisations within the MS and throughout the EU;
- build an informal network of ECAP experts throughout the EU; and
- obtain feedback on the ECAP and inputs on the specific situation and needs within each MS.

3.1.1 Approach to the research and assessment

In order to assess the ECAP capacity seminars the following steps were taken:

1. The programme of the seminars was judged and assessed in an abstract way, assessing whether the programme as proposed was coherent and reasonable with regard to the overall aims of ECAP and with regard to the objectives that the seminars themselves promised.
2. The participants (mostly SME support organisations) of the capacity seminars in all Member States were contacted with the help of an online survey tool and asked whether the seminar was useful for their purposes. The questions asked reflected key criteria such as relevance, utility, efficiency, etc.
3. Another key pillar of the assessment was the review of existing projecting reports that summed up the views of seminar participants toward the success of the seminar (the project reports were provided to the team by the Commission).

3.2 Findings from the assessment of the seminars

3.2.1 Abstract compatibility of the seminar programme with the objectives of ECAP and the seminars' general objectives

Compatibility of the programme of the workshops with the general ECAP objectives

The programmes of the workshops of the first and second series were not uniform in all aspects but all concentrated on presenting and/or elaborating upon the following issues:

- Fundamental objectives of the ECAP;
- Background information on environmental legislation applying to SMEs;
- Available options for SMEs to obtain financing for investments in environmental protection;

- Tools and instruments to raise SME's compliance and environmental performance;
- Presentation of best practice cases with a view to improving environmental impacts from 3 SMEs (videos used)
- Building environmental expertise locally (presentations of networks relevant for the specific MS where they existed (not in all seminars));

Figure 3.1 Example of a seminar programme (Germany)

**Morning session**	_**Afternoon session**_
9.00-9.45: Greetings and Programme presentation	**14.00-14.15:** Learning from practice: presentation of a short video on EU case studies
9.45-10.45: Background information on environmental law	
10.45-11.15: EU financial support for SMEs for investments in environmental protection	**14.15-16.00:** Finding the answers, providing the solutions. Building local environmental expertise
Coffee Break	**Coffee Break**
11.30-13.00: SME compliance and environmental performance: tools and instruments. Q&A session and guided discussion	**16.15-17.15:** Learning from practice: presentation of a case study. Q&A session and guided discussion
	17:15-17:30 Evaluation questionnaire
Lunch	_End of the seminar_

In the following section, the abstract likelihood of the seminars contributing to ECAP objectives is assessed.

The ECAP communication and the ECAP revolve around a series of actions concerning:

1. Better regulation in design and implementation of policies. The aim is to facilitate and minimise the administrative burden of compliance for SMEs and free up their resources in order to improve compliance;
2. More accessible tailor-made environmental management schemes. The aim is to integrate environmental concerns into the core business activities of SMEs in a coherent and cost-effective way;
3. Focused financial assistance and a multi-annual financial programme. The aim is to promote and support initiatives by public authorities or business support networks focused on improving sustainable production in SMEs;
4. Building local environmental expertise for SMEs. The aim is to overcome the lack of know-how at company level;
5. Improved communication and more targeted information. The aim is to address specific information gaps.

The seminars were the basic starter to familiarise SME support organisations with the ECAP and the different instruments available to help them improve their environmental impact. This included the presentation of ECAP news dissemination tools (such as the ECAP website) and how to obtain financial assistance. As such, the seminars directly contributed to the sub-aspects 4-5 of the ECAP by giving clear information on ECAP including:
- focused financial assistance (e.g. the LIFE+ Programme, the CIP Programme);
- how to build local environmental expertise for SMEs; and
- how to improve communication and targeted information to address specific information gaps (e.g. in the tools and instruments session).

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Compatibility of the seminar programme with the specific seminars' objectives

The capacity building seminars were designed to directly meet the objectives listed in section 3.1.

1. By giving a general overview of the implications of the ECAP, the seminars **raised awareness of the ECAP among SME support organisations in all MS**.

2. The seminars were carefully designed in order to provide relevant **information filtered to the needs of SME support organisations.** This would help SME support organisations to address the problems they face regarding environmental compliance and improving their environmental performance (i.e. by explaining the new ECAP website and the financial instruments for ECAP). The seminars included focused presentations on how to obtain financing for investments in environmental protection, particularly for the second strand of seminars. The features of the ECAP website were presented on many occasions to audiences, as were real world examples of SMEs improving their environmental impact.

3. Another objective of the seminars was to **build SME capacity on ECAP and environmental services, especially in MS where there is a gap in ECAP-related activities**. Given that the seminars gave a broad overview of the different aspects of ECAP, included local information relevant for ECAP and the participants of the seminars were predominantly SME support organisations, the seminars were well suited to contribute towards this objective. The capacity building seminars were however only a first step in a series of events (i.e. were followed by pilot workshops and one-the-job trainings/study tours) and therefore could only provide an initial foundation on which to build local capacities on ECAP.

4. Given that the workshops provided a forum for SME support organisations to exchange ideas, opinions and worries about ECAP-related issues, they directly targeted the objective of **promoting cooperation between SME support organisations** within the MS and throughout the EU. It also marked the beginnings of **building an informal network of ECAP experts throughout the EU**.

5. The questions and answers sessions in the SME compliance sections directly allowed attendees to give **feedback on the ECAP and inputs on the specific situation and needs in their MS**.

> **Conclusion:** the (abstract) programme of the seminars was closely aligned with general ECAP objectives and the concrete objectives formulated for the seminars. As such it was suited to promote these objectives.

3.2.2 Views of participants after the seminar

At the end of each capacity building seminar in each MS the participants had the opportunity to fill in a questionnaire and provide their feedback. The questionnaires considered the following:

Figure 3.2 Evaluation questionnaire distributed to participants at the end of the seminar

Items (from Evaluation Questionnaire)		Areas
1	Before attending the workshop the information that you received about its goals were:	Prepatory activities/Communication
2	The workshop fulfilled your expectations	Workshop performance
3	The trainer was clear and effective	
4	The trainer has been able to adapt the whole workshop to the local realities	
5	According to you the workshop clearly presented the strategies defined by the EU within the ECAP programme	
6	In particular, the workshop clearly presented the EU's strategies related to the intermediary associations	
7	The workshop was successful in clarifying the role the intermediary associations must have within the ECAP program	
8	The workshop clarified the role of the environmental expert network	
9	The presented best practices clarified the importance of creating an environmental experts network within intermediary associations	
16	The training methodology (frontal lesson, video, case studies analysis, role play) was effective	
9	The presented best practices clarified the importance of creating an environmental	Other aspects (Networking/Website/Best practices)
10	The best practices presented during the workshop showed examples of activities that can be put into practice in your countries	
11	The ECAP website presentation was good enough to understand how to get hold of Information	
12	The website is easy to use	
13	The best practices clearly showed how it is possible to improve the environmental performance also through the environmental compliance	
14	The best practices clearly showed how it is possible to improve enterprises' competitiveness through innovative tools such as the use of the Environmental Management Systems customized for SME's	
15	The seminar in its whole created a proactive climate among participants	
17	This workshop gave you the opportunity to create future co-operations with other participants in order to widen your SME support network	

The responses to the survey above were largely positive, although some concerns were raised:

Belgian seminar: despite participant's interest, there was a low participation in the discussion sessions. Also, most of participants were civil servants from national, regional and local representation offices of EU MS in Brussels and are not directly involved in the activities at national level with SMEs. Despite this, the seminar was considered an interesting networking event and many participants said that they intended to promote the seminar in their regions.

Estonian seminar: some participants felt that the materials were not completely transferable to the Estonian level of compliance with environmental issues. Participants were particularly concerned that the presentation was too general, and while they understood that this is the nature of EU pilot projects, they felt that it should have been adapted and tailored to put it in more of an Estonian context. They did appreciate the practical information given in presentations on the implementation of European programmes on the local level, such as ETAP and EMAS-Easy, as it helped them realise the importance of environmental initiatives. The Estonian best practice cases were met with great interest and enthusiasm as they provided a great example for their country which still doesn't meet these standards and levels of environmental performance.

French seminar: some of the participants questioned the transferability of the best practice initiatives presented at the seminar to their own regions and highlighted differences of the local environmental policies. In response to this, the representatives of the regional authorities present at the workshop proposed to launch another stream of seminars, as a second phase of the project, which would be run simultaneously in all regions and include examples of best practice taken from each specific region.

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Greek seminar: participants had doubts about the effectiveness of the networking element of the seminar. They felt that best practice cases coming from other countries would be difficult to implement in Greece, as the country currently lags behind in tackling environmental issues and complying with relevant legislation.

Hungarian seminar: participants highlighted the fact that the ECAP website is only available in English is problematic. Despite the trainer showing in detail how to navigate the website, the audience found it incomprehensible and feel that it should be translated into Hungarian. Participants also had doubts about how the networking experience would work in their country, as the network of sectoral enterprise associations is in its infancy and the national financial support does not meet all needs.

UK seminar: participants were concerned about the information they received on how to enhance the environmental performance of SMEs through compliance, as well as improving their competitiveness using innovative tools (i.e. Environmental Management Systems). This may be explained by the participants' scepticism regarding the European Commission's tools and policies that, at times, clash with pre-existing ones. It was suggested that the ECAP website be linked with the UK government's main web-based portal which provides support and advice for businesses.

Cypriot seminar: as in Greece, participants had doubts about the effectiveness of the networking element of the seminar. They felt that best practice cases coming from other countries would be difficult to implement in Cyprus, as the country currently lags behind in tackling environmental issues and complying with relevant legislation.

Danish seminar: participants felt that examples of best practice should show how to improve SME competitiveness through innovative tools with realistic time and money to invest. Also, the participants felt that they had insufficient time to interact and to establish a network with other participants due to the tight timetable and the lack of participating SME companies.

Finish seminar: participants had insufficient opportunities to interact and to establish a network with other participants because of the tight timetable. The participants had more informal discussions between the lunch and the coffee breaks.

Latvian seminar: feedback indicated that participants expected more concrete answers as to how to implement environmental requirements (this came particularly from participants representing SMEs). Also the opportunity to creating networks was not realised by all participants.

Lithuanian seminar: as with the Greek and Cypriot experiences, some Lithuanian participants had doubts about how they would directly implement best practice examples from other countries in their own country.

Slovenian seminar: some participants criticised the lack of opportunity to network with other participants and start establishing networks.

> **Conclusion:** the capacity building seminars were largely appreciated by the participants, who recognised the value of the information provided and the teaching methods applied. Some participants were however concerned about the transferability of best practice examples from other countries to their own, while others felt that there were insufficient networking opportunities. The issue of transferability was fulfilled only to a very limited extent largely because of national differences and participants not being able to apply best practice examples to their country.

3.2.3   Stakeholder Survey

A stakeholder survey was organised involving the participants of the different seminars in February 2011, i.e. between 18 months and four years after the events had happened. The answers cannot be used to assess the specifics of each seminar, but should be interpreted as broad indications of the overall appreciation of the programme.

The number of participants answering each question significantly differed. As such, the answers received only provide an indication of the level of satisfaction of those participants who took the trouble to respond. The respondents' views on the criteria used to assess the seminar are summarised below:

Clarity of the programme / focus of objectives
43.8% of respondents felt that the ECAP capacity building seminar explained the programme "very well", 34.4% said "well" while 21.9% said "sufficiently". The amount and depth of information included in the seminar was commended, as was the overall programme and individual trainers by some respondents. The presentations were said to convey the intentions of the programme well, and one respondent commented that the local and EU officers were very informative and had a clear understanding of what the ECAP is about.

86% of respondents felt that the seminar programme had a clear focus, while 14% said that there was not an adequately clear focus (from 15 answers). Those respondents who felt that the programme lacked focus commented that the issues covered were too general, and regional features had not been sufficiently taken into consideration.

Targeting problems
65% of the respondents said that the programme was "somewhat successful" at addressing SMEs' problems of limited financial and human resources for dealing with environmental compliance and 29% said it was "very successful". 3% were very critical saying that the seminar was "not at all successful" at this. 3.2% had no opinion. One respondent said that the answers given in the seminar on the problem of financing human resources for environmental protection were limited and traditional, while another felt that no concrete options for solutions were given. Another respondent defended the seminar saying that it could just be the starting point for further debates.
More funding to EEN, chambers of Commerce, Regions and other intermediate institutions should be taken into account to solve the problem. Another person complained that the seminar was not focused on addressing SME's problems but without saying why he thought so or what he concretely missed.

Provision of ideas for SME support organisations on how support organisations could address these problems
Five out of 13 people who replied stated that no ideas were provided, one did not give an evaluation, and other answers were neutral (e.g. respondents were already aware, "big ideas do not count", the practice makes the difference). Of the eight more positive responses, they mentioned dissemination activities, networks, common programmes and projects. One person said that the seminar showed the range of support organisations that were available. As a negative point, one respondent said that not enough SME support organisations were present at their seminar.

Specific views of SME support organisations
69% of SME support organisations answering said that the programme of the seminar **raised awareness** in their organisations as to how to assist SMEs in problematic fields of compliance with environmental law. 31% said that the seminar did not achieve this. Among the explanations why awareness had not been raised, one respondent said that that they had completely different support and legislative circumstances from the example given; for example a German experience could not be implemented in their country (11 respondents).

77% of respondents felt that the seminar raised engagement of SME support organisations to help micro and small businesses in their daily activity to comply with environmental legislation, while 23% found that it did not. One respondent said he wanted more funding, while another wanted an enhancement of co-operations via online forms (13 respondents).

83% of respondents considered that the seminar was a good way to build environmental expertise in their support organisation, while 17% disagreed. One respondent said that the seminar affirmed that direct meetings between technical experts and SMEs would help rather than panels made up of public sector officers who do not dealing with SME's on a regular basis (12 respondents).

Awareness of other actions (all respondents)

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58% of all respondents said that they were aware of other actions (e.g. conferences, seminars) undertaken in their countries that pursue the same objectives as the capacity building seminars. 42% were not aware of any such action (33 respondents). Examples of actions included:

- The SPIN Project;
- Green of Polonia;
- Yearly forum on Waste management in Lithuania;
- EU FP7 events;
- Network of Austrian programmes for environmental consultancy for companies;
- EcoCompass seminars and netpages;
- EcoStart activities
- Certain structural funds dedicated for SMEs environmental and/or industrial problems;
- Meeting of ACFCI (Assemblée des Chambres Françaises de Commerce et d'Industrie).

Facilitating knowledge of and access to adequate environmental information, tools and training
When asked whether the seminar facilitated knowledge of and access to adequate environmental information, tools and training, 6.3% said it did to a "very satisfactory" extent, 87.5% to a "satisfactory" extent and 6.3% to an "unsatisfactory" extent. Among the reasons given why the seminar only satisfactorily or even unsatisfactorily dealt with this were that the participants had pre-existing knowledge or that the programme was too general (11 respondents).

Information on EU financial support
87% of the respondents said that the seminar offered a useful introduction into EU financial support to SMEs for investments in environmental protection, 13% felt that it didn't (13 respondents).

Enhancement of actions already taken
When asked whether they could indicate whether actions that had already been taken by support organisations regarding the ECAP have been enhanced by the SME support organisations after the seminar, three people answered giving the following examples:

- Increased knowledge in this field, which is highly helpful when consulting SMEs.
- National networking

One respondent stated that the Chamber of Commerce was a good example of a support group which enhances their funding without additional support from ECAP. An Irish respondent said there was funding made available at a national level, for example through Enterprise Ireland and schemes such as RX3 (Rethink Recycle Remake).

Establishing contact between stakeholders
80% of the respondents said that they kept in contact with other actors/stakeholders taking part in the action, 20% said that they did not (15 respondents).

Following up ECAP and references to other events
87% responded that they followed developments of ECAP (e.g. through website, e-alert, participation in subsequent actions, other) while only 13% did not. One respondent praised the e-alert as a good instrument to keep stakeholders up to date (15 respondents).

79% of the respondents said that during the seminar they were given references to other events or forums that would allow them to gain additional information on the issues dealt with in the seminar such as the NetRegs website or the website www.construction21.eu. 21% said the seminar did not do this (14 respondents).

Synergies / impacts with other policy areas and actions
Very few people chose to state whether there were positive or negative synergies of the seminar with other actions (6 respondents). Two respondents found positive synergies, for example due to better links between the organisations who spoke at or attended the event. Another focused more on negative synergies, but remained general stating that "all the different organisations responsible for various environmental aspects are still very complicated for SMEs to follow".

Satisfaction of the demand for capacity building
50% of respondents felt that the demand of support organisations for ECAP capacity building could be satisfied by the seminar in the respective country, with the remaining 50% disagreeing. Reasons for the negative assessment included that:

- The demand could not be satisfied by seminars but by constant work of EEN and Chambers of Commerce, maybe with additional funding;
- There is a demand for more varied and intensive actions, and more organisations must be involved in promoting this programme. Respondents particularly felt that more involvement by national governments is needed;
- More guidance and knowledge sharing between SME and support organisation is needed.

Correct targeting of the seminar
While some respondents felt that the seminar was correctly targeted and was of a good size, others felt that the audience was too big or too general, and others felt that the audience was too small for a national seminar.

Need for further actions?
Out of 13 respondents all agreed that there was a need for further actions. Reasons for this included:

- A need for better links and streamlining between the different support organisations;
- A need for more information.

General suggestions to improve ECAP seminars included:

- Improved focused on specific themes, more qualified experts in the panels, fewer/no politicians or civil servants;
- More SME case studies;
- More targeted on one subject and not more than three subjects.

3.2.4 Validity of the capacity building seminars according to basic criteria

The capacity building seminars are assessed against the general criteria outlined in the terms of reference for this study and developed in Annex 1. This provides a basis for the abstract evaluation of the seminar programme and the feedback from the stakeholders. The following criteria were used:

- Relevance
- Coherence
- Economy
- Effectiveness
- Sustainability
- Utility
- Consistency
- Allocation
- Acceptability

Relevance
As outlined above, the seminar programmes were much in line with the general ECAP objectives in that they raised awareness of the overall ECAP and its sub-objectives. Specifically, the programmes conveyed relevant information on:

- Basic tenets of the ECAP;
- Best practice cases to improve a company's/SME's environmental impact;
- Opportunities for additional funding in exchange for reducing their environmental impact.

The capacity building seminars were also a solid starting point to interlink stakeholders working in ECAP-related fields, increase communication on problems/successes and to create local capacity.

As a result, the ECAP capacity building seminars were highly relevant to ECAP objectives.

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Coherence
Both desk research and the stakeholder survey suggest that the ECAP capacity building seminars did not interfere negatively with other actions but, if anything, complemented them e.g. the NETREGs website. Given the clear focus of the ECAP capacity seminars, they have not created any unnecessary double structure or diluted the effectiveness of other actions. The first phase of seminars provided the basis for more specific workshops to follow.

As a result, the ECAP capacity seminars are coherent and in general complement similar actions at a national or EU level.

Economy
Under the overall term "economy", the dimension of the action, the timing and the budget spent is discussed.

Size and format of seminars: the demand of stakeholders for the seminars was satisfied and no interested person or institution needed to be excluded from the seminar. In theory, the seminars were open for about 100 participants, so there was still a margin for accommodating additional participants. As the ECAP capacity building seminar was intended provide a general overview of ECAP, although some participants criticised it as being too general, it did meet with the objective and was suited to a broad audience.

Timing: the ECAP capacity building seminars kicked off in a timely manner; very soon after the ECAP communication was adopted. As such it served as the starting point for a series of ECAP-related actions moving from general issues into specific issues (contained in the pilot actions and study tours/on-the-job trainings see below).

Budgeting: in order to achieve the best value for money, one seminar was organised in each country. This favoured a coherent diffusion of ECAP in the EU27 based on the principle of "one country one seminar". Of course, the diffusion could even be improved by organising more than one event in big MS but having one event per country seemed to be the fairest compromise to promote ECAP as coherently as possible.

The economy-related criteria have therefore been fulfilled.

Effectiveness
The effectiveness of the seminars is measured by two indicators:
- The number of addressees having taken advantage of the seminars;
- The opinions of the participants as to whether the seminars were perceived as useful.

Regarding numbers of participants, for the big MS the seminars were planned for 60-100 people and around 20 for the smaller ones. Numbers of participants obviously varied from country to country but never exceeded 75 persons. For many medium and large MS, the number of people participating was between 40 and 60. For a few big MS such as Germany and the UK, numbers between 20 and 40 were disappointingly low. In general, however, the information contained in the seminars could be diffused in a satisfyingly broad way, even though the full potential of the seminars (up to 100 participants) was not realised.

Both the seminar reports and the stakeholder surveys suggest that the participants were on the whole satisfied with the seminars and that the main messages of the seminars were understood. The main criticisms targeted the fact that best practice examples would not be sufficiently transferable.

The effectiveness of the seminars could certainly have been even greater by having more participants. The issue of transferability could be dealt with by presenting more examples in specific regions, but also by encouraging participants to consider carefully how they might apply best practice in their own countries.

Efficiency
A fixed sum of money has been devoted to the seminar series by the EC. There is no obvious conceivable way for the Commission to procure seminars or other information diffusion events in a way that would be decisively cheaper. Thus, the seminars were efficient.

Sustainability

The capacity seminars triggered the creation of further workshops and seminar series commissioned by the EC (e.g. pilot workshops 2009 and on-the-job trainings/study tours 2010) and thereby serves as a baseline. Consequently the "sustainability" aspect was met by the EC via carrying on creating workshops and training opportunities. Apart from this, no "national" action replicating the capacity building seminars has been reported.

Stakeholders responding to the survey said they had largely kept contact with stakeholders they met at the seminar. The seminar thereby facilitated contacts between stakeholders within a country, which will favour exchange of experiences, problems and successes with ECAP-related issues. The seminar has certainly intensified networking and knowledge gathering/exchange on national level between the interested actors.

The presentation of the ECAP website and provision of the e-alert has triggered some participants to get more involved with ECAP-relevant issues on a regular basis.

Apart from the above-mentioned issues, there are no current plans known to repeat the capacity building seminars on national level by national or regional institutions or to transform the seminars in an ongoing process.

The sustainability of the seminar series has therefore been realised through raising long-term awareness of ECAP and interlinking stakeholders that could exchange problems, experiences or solutions.

Utility

Most participants viewed the seminars as useful for overcoming problems. However, some individuals complained that the approach was too general; there were too few SMEs or SME support organisations present and too many politicians or representatives of authorities. This would have impeded finding adequate solutions for specific SME problems.

As a result, the seminars have been useful for the majority of participants but the aspect of practicality and transferability of best practice cases should always have a high priority in the seminars.

Consistency

Participants found that the ECAP integrated well with other policies and the seminars were consistent with other programmes.

Allocation / distributional effects

The distributional effects of the seminar series is assessed with regard to two different aspects:

   a.) Was additional effort focused on those SMEs (sector wise) with the largest environmental impact?

The capacity building seminars were designed to generally inform participants about the ECAP and specific related issues such as financing, general good practice cases and local capacity building. Thus, the focus of these seminars was not on any specific sector however great its environmental impact. The focus of the capacity building seminars was general, while a sector-specific focused seminars followed on from this (actions to cover specific highly polluting sectors and find solutions there to improve the environmental impact (see below EEN projects)).

   b.) Was effort focussed on geographic location of SMEs, considering that those in less well developed EU states may have a worse track record regards environmental pollution?

No geographic focus was taken in organising the seminars, one seminar was organised per MS.

As a result, the intent of the capacity building seminars was to give the basic and general information related with ECAP to SME support organisations. Thus, distributional effects were taken into account when the decision was made to have **one seminar per country**. This afforded the stakeholder of each country one chance to participate in a seminar without the need to travel too far. Dissemination effects were also taken into account by the decision to target the seminar to SME support groups

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instead of SMEs themselves as this would have involved many more participants. Consequently, SME support groups have been trained to spread the information gained in the seminar to SMEs ("training the trainer" principle).

As a result, allocation/distribution effects have been well observed.

Acceptability

The seminars were acceptable to the stakeholders. No extremely negatives opinions were notified to the interviewers.

3.3   Conclusions and recommendations

The ECAP capacity building seminars constituted a good starting point for involving stakeholders in Europe in assisting SMEs to comply with environmental law and improving their environmental performance. The seminars had SME support organisations as target group, thereby enabling them to act as multipliers and transfer useful information from the seminar directly to SMEs. The seminars were organised as "national" events, i.e. one seminar per MS. This offered SME support organisations of each MS the opportunity to participate in a seminar and give also country-specific feedback.

The seminars conveyed basic information on the ECAP and basic tools as well as best practice cases to help SMEs improve their environmental performance. This information was further strengthened by demonstrating ECAP's "news diffusion tools", e.g. the ECAP website and the e-alert. Furthermore, the seminars covered the issues of financial assistance to SMEs and the creation of local capacity for ECAP.

From the stakeholder survey and responses to questionnaires at the events it appears that the seminars were appreciated by the vast majority of participants. In particular they succeeded at pointing out the basic tenets of ECAP, raising stakeholders' awareness of ECAP, ECAP-related news (via website and e-alert) and interlinking stakeholders that could work together to develop the ECAP further. It also resulted in attendees attributing more importance to assisting SMEs in improving their environmental performance.

The seminars were intended to introduce stakeholders in ECAP-relevant issues and were a starting point for the study tours or on-the-job training which followed. As such they had to be designed along general themes that could not focus too specifically on certain issues or sectors. Although this point was criticised, it was logical and well advised to start the ECAP dissemination actions with such a broad focus and audience. The more sector/instrument specific events that followed the pilot workshops in 2009, the study tours/on-the-job training (e.g. visiting specific industrial areas or analysing EMAS Clubs) and the EEN environmental services projects in 2009 and 2011 were been designed to cover specific SME sectors (such as metalworking or waste). The development of programmes undertaken by the EC (see following chapters) progresses from initially general and abstract seminars to more specifically focused and targeted events, which makes the capacity building seminars coherent with the following actions.

With a view to network building, the seminars could only serve as an initial forum for the different stakeholders (SME support groups) to meet. While a one-day event could not produce a solid network, this was the objective of follow-up trainings (e.g. the on-the-job trainings).

4 Task A2: Assessment of Best Practice Transfer Workshops

4.1 Introduction

Three best practice transfer workshops were organised in 2009 and were followed by a final conference. The objectives of the workshops were to:
- Test the effectiveness of the method for the transfer of best practices between MS and SMEs;
- Inspire projects, following on from the first series of seminars;
- Help close the gap between MS who have environmental services for SMEs and those where they are not available, or are only available to a limited extent;
- Provide a follow-up to the first series of ECAP capacity building seminars;
- Contribute to the development of the informal ECAP network;
- Transfer knowledge acquired through the project to representatives of the Enterprise Europe Network (EEN).

4.2 Approach of the research and the assessment

The assessment of these best practice transfer workshops included a targeted questionnaire sent to all participants. The main criteria to be assessed are:
- **General interest** (were the examples presented general enough to be interesting and insightful to participants or were they too focused on a specific sector / situation?)
- **Practicability** (were the tools and best practice examples presented in a practical way so that they could be adopted by interested parties?)
- **Transferability** (were the examples presented general enough so that they could be transferred to other regions or sectors?)
- **Opportunity of building networks and cooperation** (did the workshops promote / facilitate participant networking?)
- **Follow-up** (did the workshops encourage participants to set up projects / initiatives modelled on / inspired by their themes?)
- **Environmental capacities** (did the workshops contribute to building environmental capacities within the participants' organisation?)

Sub-criteria for the assessment were adapted to the focus of the workshops. The assessment concentrates on:
- Whether the workshops were sufficiently practical (i.e. were practical tools presented?);
- Whether these workshops were considered an appropriate tool to build expertise on local environmental in SME support organisations; and
- Whether any follow-up actions have been organised (project element) and contacts maintained with other participants (network element).

4.3 Workshops assessed – Brussels, Rome and Budapest and final conference

The team evaluated existing evaluation reports of the capacity building workshops. The participants of the workshops were overwhelmingly SME support organisations, although there were representatives from other organisations present at each workshop.

For each workshop one questionnaire was developed and directed at the participants.

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4.3.1   Brussels workshop

General issues
There were 11 participants consisting of representatives from the Chambers of Commerce and other SME support organisations (20 in total including the people presenting best practice cases).

The objective of the workshop was to:
- Facilitate the exchange of knowledge and transfer of good practice between ECAP stakeholders active in each MS;
- Enable support organisations to form partnerships in order to widen and improve their services to SMEs for the improvement of their environmental performance;
- Discuss and network around proven and useful regional concepts;
- Learn from cross-sector best practices and identify their European transfer potential;
- Establish what initiatives would encourage European SMEs to increase their uptake of environmental management systems (EMSs).

The focus of the Brussels ECAP workshop was **simplified EMSs**. It presented a multitude of initiatives created in different European countries, targeted towards the local context and specificities of the SMEs.

Evaluation based on the participant questionnaires filled in directly after the workshop
The results of the workshop evaluation questionnaire show that the participants largely responded positively to the event.

However two out of 16 respondents found that the information provided was not presented in a way that to allow it to be used in "their regional contexts". A further two participants were not interested in identifying partners to design future programmes on regional approaches to improve SMEs environmental performance.[9]

Evaluation based on stakeholder questionnaires sent in February 2011
Only one participant (a public sector SME support organisation who presented best practice at the workshop) answered the questionnaire. They stated that the workshop had definitely helped them in identifying ways to improve their services to SMEs. They also found the workshops very interesting and clear, with very practical best practice examples given. They were less positive about the transferability of examples and networking opportunities of the workshop with a view to building an ECAP network.

Given that only one person replied these answers cannot be considered entirely representative of the opinions of all participants.

4.3.2   ROME workshop

General issues
There were six participants (excluding those representing best practice cases; 12 participants in total). The audience was made up of SME support organisations, private consultants and representatives from ministries and universities.

The objective of the Rome workshop was to facilitate the exchange and transfer of good practice between ECAP stakeholders active in different MS. Such transfers should enable interested stakeholders to:
- Establish partnerships in order to widen and improve SME services and their environmental performance;
- Help SMEs to interpret and achieve compliance with environmental law.

Good practice examples were focused on:

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[9] In both cases one person did not reply to the question, the other person expressly negated transferability of cases and interest in designing future projects.

- Informative tools, websites and online audit tools to make environmental information readily and easily accessible for SMEs, e.g. to help SMEs better understand environmental legislation;
- Initiatives to improve regulation in the design and implementation of policies to minimise the administrative burden of compliance on SMEs;
- Enforcement activities to improve the application of environmental legislation in Europe (e.g. the European Union *Network* for the Implementation and Enforcement of Environmental Law (IMPEL)).

Evaluation based on the participant questionnaires filled in directly after the workshop
The results of the workshop's evaluation questionnaire show that the participants were generally very satisfied with its content. Only one participant complained about general issues (invitation, moderation, etc) but no one said that the examples presented would not be transferable to other regions.

Evaluation based on stakeholder questionnaires sent in February 2011
There was very limited attendance at the workshop. The questionnaire was only answered by two people who presented best practice examples, but overall they were very satisfied with the event. They praised the general themes, with one respondent particularly appreciating the exchange of information, know-how and best practice. The examples given were regarded as very practical and transferable to other regions. They also found the opportunity to make contacts was good, although one respondent said that it was not enough to create a proper ECAP network. Follow-on projects from the conference were not relevant given that the respondents already engaged in projects and approaches that they had presented (e.g. EMS according to the EMAS Regulation (1221/2009EC).

4.3.3   Budapest workshop

General issues
The objective of the Budapest workshop was to discuss and identify environmental support services for SMEs in public and private networks.

The Budapest workshop was attended by 23 people, with one representative from EU DG Environment (unit G2 Industry and Environment), five from the organisation partners, 11 who presented their best practices and six participants. In total they represented 10 EU countries.

Evaluation based on the participant questionnaires filled in directly after the workshop
The workshop evaluation questionnaire showed that the participants of this workshop were generally very satisfied with its content. Only one participant complained that the issues were not suited to their regional context, while another two thought that the results of the workshop would not feed into their regional strategies. One participant said that were not interested in identifying partners to design future programmes on regional approaches to improve SMEs environmental performance.

Other comments included:
- More time needed to create networks and interact with other participants;
- Compliance support for SMEs should be clearly defined (regulation or no regulation? No addition to existing rules);
- Opportunity to have the workshop over two days instead of one.

Evaluation based on stakeholder questionnaires sent in February 2011
No-one replied to the questionnaire sent in February 2011.

4.3.4   Final conference

At the "Green Recipe for Small Business" final conference around 70 participants from SME support organisations, from 20 EU MS, including ex-workshop participants and representatives of the EEN drew together the conclusions of the project and discussed the way forward.

The objectives were to:

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- Facilitate enhancement of specific knowledge and competencies on governance models developed at local, national and European level within the frame of improving environmental services for SMEs (environmental legislation improvement, environmental management systems, networks, etc...) by SME support organisations;
- Facilitate the exchange and transfer of good practice among ECAP stakeholders active in different MS;
- Encourage the ECAP stakeholders to set up European networks and partnerships through sharing national background and expertise, in order to widen and improve their environmental services to SMEs.

The presentations included:
- A description of the Sustainable Production and Consumption Action Plan that targets better products, smarter consumption and leaner production;
- A description of ECAP focusing on better regulation, targeted information, tailor-made EMS and targeted funding, building local expertise;
- Cohesion Policy for the environment 2007-2013: SMEs are a top priority for cohesion policy (€27 billion is directly targeted at SMEs), some projects funded by the *European Regional Development Fund* (ERDF) were presented;
- LIFE+: focus on the sub-programmes LIFE+ Environmental Policy and Governance and LIFE+ Information and Communication (priority 13.1);
- CIP Eco-Innovation Initiative;
- LIFE+ Project ECCELSA: cluster approach to improve legal compliance. Clustering means defining and implementing a policy and governance approach aimed at rooting legal compliance among SMES and other organisations part of a cluster. Organisation maps are designed that include the definition of cluster rules, the selection of critical environmental rules for clusters and the detection of strategic policies and targets to be pursued through the cluster approach;
- EEN network: an overview of the network and its seven projects were presented (task A4);
- Results from the three best practice sharing workshops.

Evaluation based on the participant questionnaires filled in directly after the workshop
The results of the seminar's evaluation questionnaire showed that the participants in the ECAP conference evaluated all the aspects of the event in a very positive way. Participants particularly appreciated the way the conference was organised, the speakers' contributions, the networking possibilities and the origin of participants, representing a very large spectrum of stakeholders from all over the EU. In addition best practice presentations and brainstorming exercises were seen as very practical and useful; stimulating creative discussion and potential partnerships. With the exception of one respondent, more than 50% of the 35 respondents gave completely positive feedback.

The evaluation questionnaire offered the possibility to provide further comments and possible suggestions. Many participants highlighted the need to extend the duration of this kind of event, in order to allow even more networking and opportunities to exchange information.

Evaluation based on stakeholder questionnaires sent in February 2011
13 stakeholders present at the conference responded to the questionnaire.

Four respondents stated that the conference had greatly helped **to improve awareness** of the need to support SMEs in improving compliance with environmental law and reducing environmental impacts. Nine replied that it only somewhat helped. This was, however, mostly due to stakeholders being already aware of the issues.

Eight respondents said that the conference very **clearly communicated** the objectives and potential of ECAP. For five respondents these were only fairly clearly communicated (no further assessment or reasoning was given).

Eight respondents said that the conference had given a **good overview of ECAP's services**. Four said that the overview was fairly good. One respondent was critical saying that the overview was not good at all (with no further comments given).

Eight respondents had made **lasting contacts** with other stakeholders at the conference, while five had not.

Seven respondents said that no **specific follow up projects** were triggered by the conference. One person did not answer this question. One respondent said that the results of the conference were relevant for daily work in the field of services of targeted environmental information and environmental support services. The EU Eco-Management and Audit Scheme **(EMAS III)** was of a particular importance.

Another respondent said that the conference led to the implementation of EMASEasy for farmers, the launch of a study for a Wallonian Regional Label (EMS) and the launch of the ECOTips 2.0 project in Bulgaria, Belgium, Estonia and Slovenia. Two respondents said that EMS-related projects were triggered, for example one in Tuscany which looked to create a regional network of specific industrial areas "Aree Produttive Socialmente et Ecologciamente Attrezzate". This was intended to serve as an exchange forum for SMEs in these areas (see the Prato Study tour in Chapter 3).

Five respondents did not find that the examples presented in the conference motivated them to consider **adopting similar approaches** in their MS, and four did not answer this question. Three respondents said it motivated them to create targeted environmental information services, two to set up EMSs and another three to set up environmental support services.

Seven respondents said that the examples of EMS and help tools were explained in a "very **practical"** way, and four said in a "somewhat practical" way. Two respondents were very critical saying that the explanations were not practical at all (one said he did not have recollection of any such explanations).

Regarding the **transferability of examples**, seven said that the examples could be transferred to a limited extent to other MS, four said to a large extent and two did not answer. One respondent said that in some countries SMEs do not like to engage with third parties for support, or do not wish to pay for support as they do not see any value in it. It was also stated that while it will always be difficult to transfer concrete examples due to the differences in laws and culture, what should be transferred is the **culture** underlying certain initiatives improving the environmental impact of SMEs. Indeed it is evident that no real transfers were initiated largely because of national differences and participants not being able to apply best practice examples to their own country. Two people did not answer this question.

All respondents found that the conference enabled people to **network** and make contacts with partner organisations. However two respondents stated that there was insufficient time to discuss experiences and get practical help.

Eight respondents considered that the conference facilitated fairly good **networking** and **helped to establish the basis of a European ECAP** network. Only four respondents said that the conference contributed to these objectives very well. One person did not respond.

Only one person stated that projects are being developed in their MS on the basis of the information gained from the conference.

Many participants felt that it was a shame that there was no follow-up to this conference. One commented that a more technical approach was needed, with more high level experts in panels and fewer politicians and public officers.

4.3.5   Validity of the Best Practice Transfer Workshops according to basic criteria

The Best Practice Transfer Workshops are assessed against the general criteria outlined in the terms of reference for this study and developed in Annex 1. This provides a basis for the abstract evaluation of the workshops and the feedback from the stakeholders.

Relevance

First assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP)

The workshop programmes were in line with the general ECAP objectives in that they raised awareness of the overall ECAP and its sub-objectives. Specifically, the workshops and the final conference conveyed relevant targets on the following:

- Provided information on best practice cases to improve a company's/SME's environmental impact, especially on environmental management systems (EMSs)
- Build up a network of environmental experts in business support organisations.
- Discussed and present funding possibilities for ECAP-relevant projects.

The Best Practice Workshops focused on an exchange of experience between different member states and establish partnerships between different ECAP stakeholders, especially support organisations. With this the targets and content of the workshops and the final conference were in line with the ECAP objectives.

Coherence
The content of the workshops included information that was partly gathered by interested people and from the ECAP homepage, i.e. information on better regulation and environmental management systems.

Economy
Under the overall term "economy", the dimension of the action, the timing and the budget spent is discussed.

Size and format of seminars: the demand of stakeholders for the seminars was satisfied and no interested person or institution needed to be excluded from the seminar. The workshop concepts foresaw a number of participants between 10 and 20.

In practice, a lower number of participants were counted (from 5 to 10 participants not including speakers and organisers). For this kind of pilot workshop the number of participants was acceptable. However with such few participants, networking opportunities are limited. The participants missed in some cases the relation to their specific regional context.

The final conference reached the expected number of participants. The feedback of the participants was in general very positive. Many participants suggested that the events could be much longer to ensure more networking opportunities and exchange of information.

Timing: The Best Practice workshops are in line with the other EU ECAP workshops. The general workshops for capacity building were in 2007 and 2008. These workshops followed in 2009, with a more specific focus.

Budgeting: The budget for the workshops was invested in an efficient way. There is no obvious possibility to reach the objectives of the workshops/conference (information, awareness raising, networking) in a way that would be decisively cheaper.

The economy-related criteria were fulfilled. The workshops did not reach a sufficient number of participants to reach an effective networking with a wide spread over different member states.

Effectiveness
The effectiveness of the seminars was measured by two indicators:

- The number of addressees having taken advantage of the seminars; and
- The opinions of the participants as to whether the seminars were perceived as useful.

Regarding numbers of participants, the three workshops comprised between 5 and 10 participants plus speakers and organisers. The workshop concepts had between 10 and 20 participants and demonstrated good discussions and networking opportunities. The final conference was attended by 70 participants.

The questionnaires from the workshops and the conference and the stakeholder survey show that participants largely responded positively to the events. The workshops helped the participants to improve their service for SMEs. A limited number of participants gave the feedback that the

transferability of the best practice examples was limited, due to the low number of participants at the workshops the limited networking opportunities.

The participants at the final conference gave a very positive feedback on networking possibility, the basis for establishing an ECAP network, origin of participants and speaker's contribution. They got a good overview of ECAP's services and that the examples are transferable to a large number of Member States. They also suggested that the duration of the event could be extended to have more possibilities for exchange of information and experience between the participants.

The effectiveness of the seminars could certainly have been even greater by having more participants. The issue of transferability could be dealt with by presenting more examples and specific information in specific regions. In addition, participants should be encouraged to think carefully about whether there are elements of the examples provided that could be applied to their country.

Efficiency

The delivery of general knowledge of ECAP could be more effectively disseminated using the ECAP homepage. The workshops were good, when they showed very specific information, examples, etc. The workshops were also helpful for discussing the problems faced by SMEs.

Sustainability
The workshops further developed the capacity building seminars commissioned by the EC. "Sustainability" is promoted by the EC ensuring that further workshops and trainings opportunities (on-the-job trainings/study tours 2010) are carried out. No other national action has been reported.

Stakeholders responding to the survey said they took advantage of the opportunities to network at the conference and the workshops. The events enabled networking between stakeholders of different countries, allowing ECAP experiences, problems and successes to be shared. The seminar has intensified networking and knowledge gathering/exchange between stakeholders of different member states. Follow up projects were mentioned by a limited number of stakeholders.

The sustainability of the seminar series has therefore been realised through raising long-term awareness of ECAP, interlinking stakeholders for exchanging problems, sharing experiences or solutions and a limited number of follow up projects.

Utility
Most participants viewed the seminars as useful for overcoming problems. However, some individuals complained that the transferability of the best practice examples were limited for their regional context. Furthermore the ability for networking is lowered with the smaller number of participants. Also the networking activities should be given more time in the schedule of the event.

As a result, the seminars have been useful for the majority of participants but the aspect of practicability and transferability of best practice cases should always have a high priority in the seminars. Also there should be scheduled time for networking activities during the event.

Consistency
Participants found that the workshops were integrated well with other activities and workshops.

Allocation / distributional effects
The distributional effects of the seminar series is assessed with regard to two different aspects:

a.) Was additional effort focused on those SMEs (sector wise) with the largest environmental impact?

The workshops and conference were designed to transfer best practice examples between Member States and SMEs and to develop an informal ECAP network. The events did not focus on sectors with especially large environmental impact. The workshops should address support organisations in general, not sector-specific organisations. The focus was more the exchange between different countries.

b.) Was effort focussed on geographic location of SMEs, considering that those in less well developed EU states may have a worse track record regards environmental pollution?

Every workshop took care about a special topic and then was open for stakeholders from all member states. Because of the limited number of participants only organisations from some member states participated at the workshops.

Acceptability
The seminars were acceptable to the stakeholders. No extremely negatives opinions were notified to the interviewers.

4.4 Conclusions and recommendations

The best practice and networking workshops in 2009 were designed as initial pilot events which would contribute to the development of an ECAP network where the exchange and transfer good practice between stakeholders in different MS would take place. It would also enable stakeholders to form partnerships in order to widen their services to improve SMEs' environmental performance. This pilot project was designed to explore the effectiveness of organising workshops for SME support organisations, hence follow-up activities and evaluation were deemed of special importance.

Considering the levels of participation at the workshops and the feedback given, particularly the workshop on better regulation and on private and public networks, it seems that they did not arouse too much interest. Participant numbers ranged between five and 10 persons when not including the speakers and organisers. The workshop on simplified EMS attracted only a little more interest with 11 participants. Yet, it should be taken into consideration that organisers only foresaw 10-20 participants attending, in order to allow for interactivity between participants and for the presenters of the best practice cases to exchange their experiences.

The feedback from the questionnaires one year after the workshops was scarce (this is in contrast to the training workshops which are discussed in Chapter 3). It can be assumed that the themes of the pilot workshops were too abstract or too specific to attract significant interest from SMEs or SME support organisations and leave a lasting impression. Another reason for the lack of interest could be that the issues of simplified EMS or the tools of better regulation are already treated by specialised websites like ECAP's. Abundant information is available and special workshops may no longer be necessary or of interest.

By contrast, the final conference concluding the pilot scheme succeeded in attracting some 70 participants. The conference included a very varied programme and dealt with a multitude of issues. It could therefore be seen as a general information event aimed at a broader audience, with more possibilities for networking.

To rank the pilot workshops according to the **assessment criteria** given in section 2.2, the following assessment can be given:

Were the workshops practical enough?
The workshops were likely not practical enough in the sense that interested parties could learn new things i.e. things that could not easily be learnt by self-training, or of interest for them to be put into practice directly. The low participation rate is indicative of this. Yet, the representatives of the different best practice cases could exchange their experiences among themselves and with other participants.

Were the workshops considered an appropriate tool to build local environmental expertise in SME support organisations?
The low attendance rates also indicate that the workshops have failed in considerably helping to build local environmental expertise in SME support organisations that did not previously have such expertise. The concluding conference however was an opportunity to build environmental expertise.
Have any follow-up actions been organised (project element) and contacts maintained with other participants (network element)?
The conference in particular provided an opportunity for networking and has given some participants concrete ideas of projects. The workshops could only facilitate networking to a limited extent given the

low attendance. From the workshops as a whole, no follow-up actions in MS (e.g. regional/local level) have been reported.

The workshops have shown how to raise awareness of best practice in compliance assistance and networking possibilities. They can also be replicated at local/regional level. Thus, as a pilot project they have fulfilled their purpose despite the lack of evidence of uptake at national/regional/local level.

In order to have been as successful as the training discussed in Chapter 3 it is recommended that the workshops and conference should have:

- Dealt with practical issues of interest to a broad audience of SMEs and SME support organisations;
- Concentrated on issues/facts which cannot be easily be found or read online (on specific websites e.g. ECAP);
- Included discussions with best practice practitioners and "on-site" demonstrations designed to convey lessons that can be put into practice directly by SMEs;
- Allowed greater time for networking.

5 Task A3: Organisation of on-the job training in the support of the ECAP (pilot project)

5.1 Introduction

The on-the job training was intended to:

- Test the effectiveness of the method for the transfer of best practices between SME support organisations and SMEs;
- Inspire projects, following on from the first series of seminars;
- Help close the gap between MSs who have environmental services for SMEs and those where they are not available, or only available to a limited extent;
- Provide a follow-on to the ECAP capacity building local environmental expertise workshops;
- Contribute to the development of the informal ECAP network.

The project comprised two on-the-job training sessions, two study tours and one final conference.

5.2 Approach of the research and the assessment

A questionnaire was developed and sent to the participants. The project report completed by *BIO Intelligence Service* formed a basis for the assessment. This focused on:
- Whether the on-the-job training triggered follow-up projects, facilitated contacts and the subsequent exchange of information between participants;
- Whether they were considered an appropriate tool to build local environmental expertise in SME support organisations;
- Whether the programme and the tools presented were practical enough and presented in sufficient depth to allow the transfer of best practice.

The main criteria to be assessed are:

- **General interest** (were the examples presented general enough to be interesting / insightful to participants or were they too focused on a specific sector / situation?)
- **Practicability** (were the tools and best practice examples presented in a practical way so that they can be adopted by interested parties?)
- **Transferability** (were the examples presented general enough so that they could be transferred to other regions or sectors?)
- **Opportunity of building networks and cooperation** (did the training promote / facilitate participant networking?)
- **Follow-up** (did the training encourage participants to set up projects / initiatives modelled on / inspired by their themes?)
- **Environmental capacities** (did the training contribute to building environmental capacities within the participants' organisation?)

5.3 Method

This task included a review of the project reports and feedback from the participants after the training events. In addition, the participants were sent a questionnaire in March 2011 to collect further feedback.

5.4 Findings

The on-the-job training and the study tours were met with considerable interest given the fact that each event was attended by between 20 and 50 participants. This implies that it was of higher practical interest than the pilot workshops organised in 2009 (see Chapter 2).

The "EMAS Club Barcelona" on-the-job training had the highest interest and achieved the most positive feedback of the questionnaires returned.

In the following chapters, the four different training events are explained and assessed according to the assessment criteria given in section 3.3 and the information given in the stakeholder questionnaires (see Annex 8).

5.4.1 First study tour: Prato

The first study tour undertaken in June 2010 took place at the "1st Macrolotto" industrial park in Prato, an internationally recognised Ecologically Equipped Productive Area (EEPA).

CONSER is a service consortium company for the "1st Macrolotto" industrial area, comprising 380 SMEs. CONSER has transformed this industrial area into an internationally recognised EEPA and manages different environmental services, e.g. water recycling plant, energy supply, laundry service, mail distribution, etc. The tour concentrated on highlighting the practical advantages of having centralised management services for the whole industrial area (e.g. water management, energy management systems, rational road planning). CONSER is for example promoting "no-cost" solar photovoltaic (PV) systems, which are to be installed on the roofs of each SME.

CONSER aspires to promote a single environmental managing entity in every European industrial area, and to connect all of them in an integrated European network. This could potentially be coordinated by an office included within either the European Environment Agency (EEA) or in the DG ENV of the EC (see Annex 2).

Evaluation based on the participant questionnaires filled in directly after the tour (as in the BIO/RSO project report)
According to the evaluation reports based on the 17 participant questionnaires, the participants found the ECAP training initiative to be very valuable. They particularly appreciated the organisation of the workshop, the "on-the-job" methodology and the usefulness of information provided. 66% of respondents gave more than 50% positive feedback, with the less positive feedback focusing on the limited opportunities for interaction among participants and the difficulty of reproducing best practice examples in their own countries.

The evaluation questionnaire also gave participants the opportunity to provide further comments and suggestions. Several participants stated that it would be useful to organise other on-the-job training initiatives in different contexts, more adapted to their specific country's needs.

Both the selection of host organisations and the variety of training themes throughout the event, both traditional and practical was appreciated by the participants. One stated that the training was a "very well designed and formatted initiative. The modules included met my expectations and even went beyond them. It was a very good set-up incorporating theoretical, best practice exchange and practical parts. All of them will be very useful for planned future collaborations and project initiatives").

Evaluation based on stakeholder questionnaires sent in February 2011[10]
The feedback from the stakeholder survey included five responses all from SME support organisations.

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[10] The results of the stakeholder consultation are aggregated here. The full results are included in Annex 3.

First assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP)

General interest
In the evaluation following the training directly[11], the participants praised the usefulness of the information provided. In the questionnaires sent in February/March 2011, it became clear that the industrial park represented a specific situation. Some participants said that the tour did not provide information on measures that could be used for SMEs who are not grouped together in this way. As such, any measure depends on whether it is possible to bringing SMEs together in an industrial park at a given time and place.

Practicability
The stakeholder consultation showed that the respondents viewed the examples given in Prato as practical only to a limited extent. The main problem seemed to be that the measures explained cannot be taken up at the level of a single SME. The measures are therefore only practical in certain circumstances.

Transferability/Applicability
The same considerations apply to transferability/applicability. The transferability is restricted by the fact that the examples of common services explained in Prato depend on the existence of an industrial park and not a single SME.

Opportunity of building networks and cooperation
The ability to networking was regarded as successful by all respondents of the event, who said that they had remained in contact. However they felt that this still did not allow them to identify new solutions to environmental problems.

Follow-up
There have not been any follow-up projects from the training. However, different elements of the study tour seem to have aroused specific interest. In particular the installation of solar PV panels on the roofs of the industrial park, and the financing models behind this, have been reported by one participant to their regional government.

5.4.2   First on-the-job Training: EcoBusinessPlan Vienna

EcoBusinessPlan Vienna is an integrated support initiative (semi-public) which is helping local SMEs to implement a variety of environmental projects. It is based on voluntary participation but SMEs have to pay if they want to take advantage of the initiative. SMEs can receive tailored consultancy at favourable conditions for them. The main programmes offered are Ecobonus, Ecoprofit, EcoQuality, Label for tourism, ISO14001, EMAS consultancy or help on Registration, Evaluation, Authorisation and restriction of Chemicals (REACH) implementation.

Evaluation based on the participant questionnaires filled in directly after the tour (as in the BIO/RSO project report)
The results of the 13 evaluation questionnaires received indicate that the participants of this initiative evaluated most of the event in a very positive way. They particularly appreciated the organisation of the workshop, the "on-the-job" style, interactions among other participants and the usefulness of information provided. Seven of the nine training themes were given more than 50% of completely positive feedback, while the less positive responses centred on the attractiveness of working documents and the difficulties of reproducing best practice examples in their own countries.

The evaluation questionnaire also gave participants the opportunity to provide further comments and possible suggestions. The on-site training approach was commented on positively, one respondent stated that there was a "very good combination of best practice usefulness and applicability in other countries and situations. There were many opinions to be shared and the presentations were comprehensive and well-focused". Others highlighted the usefulness of the best practice examples and their broad applicability.

Evaluation based on stakeholder questionnaires sent in February 2011

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[11] Five out of 28 people who took part in the training responded (17.9%)

The feedback from the stakeholder survey comprised of four responses, all from SME support organisations[12].

General interest
As with the questionnaires that followed the training, the responses in February 2011 also stated that they found the training very interesting. The database was cited as particularly useful.

Practicability
Respondents largely agreed that the examples were practical; some respondents stated they were practical only to a limited extent. Concrete reasons for the criticism were not given.

Transferability/Applicability
Respondents felt that the examples given by EcoBusinessPlan were transferrable to other countries and sectors, e.g. via the Chambers of Commerce. Yet, transferability is always restricted by different administrative and structural circumstances in each country.

Opportunity of building networks and cooperation
Networking was only possible to a limited extent for all respondents of the questionnaire. Due to time constraints, the networking which took place only partially helped participants to discuss experiences and find solutions to problems.

Follow-up
Some follow up projects have occurred e.g. one involving data collection with EcoLighthouse in Norway, modelled on the EcoBusiness data base example.

5.4.3   Second on-the-job training, Club EMAS Barcelona

The second on-the-job training session was carried out in Barcelona, Spain on 4th October 2010, with the associations of EMAS Registered Organisations of Catalonia, a private, not-for-profit association. This is made up of EMAS registered companies, and it exercises its influence in responding to common needs relating to the EMAS system.

In its almost five years of activity, the Club has brought together organisations of all sizes from all business sectors. Today it brings together 57 EMAS-registered companies, almost all SMEs, to promote the exchange of experiences and encourage SMEs to work together to improve the environmental impact of their organisations.

The Club has been successful in inciting the cooperation and collaboration among EMAS registered organisations in order to develop projects and initiatives of common interest, as well as the collaboration between public administration and EMAS organisations.

Evaluation based on the participant questionnaires filled in directly after the tour (as in the BIO/RSO project report)
Participant feedback directly after the training was generally positive for every item of the questionnaire. All questions, except the one on interaction among participants, received more than 50% of completely positive feedback. The less positive responses centred on transferring best practice examples to the participants' own countries, while the most appreciated items related to the organisation of the workshop, the "on-the-job" style and the usefulness of information provided.

The evaluation questionnaire offered participants the opportunity to provide further comments and possible suggestions. Among these, the "on-site" training approach and "learning history" methodology were appreciated. Some participants would have appreciated even more time to spend in working groups, eventually with a permanent moderator for each of them. Certain participants appreciated the training session as a positive opportunity to interact with other participants: one found it to be an "excellent opportunity for establishing partnerships". Others would have appreciated "more occasions for meeting other participants". Another participant stated that "the Club EMAS experience is really very impressive and valuable" and praised its broad applicability: "I hope the representatives of

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[12] Four out of 29 people responded (13.7%)

competent bodies from countries where EMAS is not well known can learn from the best practice examples provided by Club EMAS Catalonia"[13].

Evaluation based on stakeholder questionnaires sent in February 2011
The feedback from the stakeholder survey comprised of 10 responses all from SME support organisations (7 SME support organisations, 1 public authority, 1 consultant, 1 SME)[14].

General interest
The event was useful and interesting to almost all respondents, which is understandable since EMAS is relevant to SMEs. The idea of creating a club was considered interesting. The issue of communicating EMAS is important for SMEs, and this was considered during the event.

Practicability
The activities of the EMAS club were deemed to be very practical by the vast majority of respondents, and at least "somewhat practical" by the remainder. No one complained that the training lacked practicability.

Transferability/Applicability
While the issue of setting up an EMAS Club was said to be an appealing idea, many MS said that in some regions there are not enough EMAS certified organisations to set up such a club. Thus, an alternative would be to launch a working group in order to improve on EMAS-related issues involving the existing EMAS companies and public institutions.

Opportunity of building networks and cooperation
The opportunity to network was provided although for a slight majority only to a limited extent. This may be due to the fact that the training programme had a full schedule and thus did not leave much time to discuss practical problems and to identify solutions.

Follow-up
Interest has been reported by a few Spanish regions who intend to follow up the EMAS Club experience, perhaps on a smaller scale, e.g. by setting up a working group. EMAS Clubs have been set up in Italy prior to the event.

5.4.4   Second study tour: Paris

The second study tour was carried out in Paris, on October 11th and 12th 2010, at ACFCI, the French Assembly of Chambers of Commerce and Industry. ACFCI is the umbrella organisation of 148 local and 21 regional Chambers of Commerce and Industry (CCIs) and 115 French CCIs abroad (CCIFE), representing a total of 1.8 million companies.

The French 123 Environment and ENVIOL approaches were presented. These approaches address the following issues:
- Access to ISO 14001 and EMAS has to be facilitated;
- Governmental incentives should be created for companies to achieve ISO14001 or EMAS accreditation;
- A certification/labelling scheme appropriate for very small companies should be created.

Evaluation based on the participant questionnaires filled in directly after the tour
The results of the 12 evaluation questionnaires show that the participants of this study tour evaluated most of the aspects of the event in a very positive way, particularly appreciating the workshop's moderator, its organisation, and the information received prior to the event via phone or mail. Six out of nine training themes received more than 50% completely positive feedback, with the less positive responses centring on transferability of the best practice examples to the participants' own countries and towards the attractiveness of working documents.

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[13] From the Project report, Pilot actions in support of the Environmental Compliance Assistance Programme for SMEs (ECAP) – best practice Exchange, p. 65f.
[14] 10 out of 46 participants (22%)

The evaluation questionnaire also offered the possibility to provide further comments and possible suggestions. Among these, a global appreciation of the event was expressed: "it was perfectly organised"; "very successful and with good added value". Some participants also made helpful suggestions e.g. "increase the significance of the on-site visit" to be taken into consideration for future events.

Evaluation based on stakeholder questionnaires sent in February 2011 (as in the BIO/RSO project report)
From the stakeholder survey, only three people replied (three SME support organisations)[15].

General interest
In general, the issues covered by the study tour were at least to some extent useful to the respondents.

Practicability
The respondents agreed that the examples given were only somewhat practical but did not give concrete indication on what was lacking in practicality.

Transferability/Applicability
The study tour rather focused on typically French approaches. Therefore, from the few answers that were received, the majority said that the examples given were only somewhat applicable to other countries. The same applies for the issue of transferability.

Opportunity of building networks and cooperation
In general, the study tour provided an opportunity for networking at least to a limited extent. Also to a rather limited extent the study tour helped to discuss specific problems and find solutions.

Follow-up
Some participants remained in contact with each other. There are no direct follow-up initiatives. One respondent mentioned rather vaguely an initiative for a partnership for climate protection, energy efficiency and innovation.

5.4.5 Validity of the on-the job trainings and study tours according to basic criteria

The on-the-job trainings and study tours are assessed against the general criteria outlined in the terms of reference for this study and developed in Annex 1. This provides a basis for the abstract evaluation of the training and study tour programme and the feedback from the stakeholders.

Relevance
The focus of the on-the-job trainings and study tours was to raise awareness of ECAP and the tools/services available to reduce the environmental impact of SMEs. The objectives of the trainings and study tours were to:
- Provide best practice cases to improve a company's/SME's environmental impact;
- Explore possibilities to develop an informal ECAP network; and
- Initiate follow-up projects.

The on-the-job trainings and the study tours were thus relevant to ECAP objectives.

Coherence
The findings from the desk research and the stakeholder survey indicate that the ECAP on-the job trainings and study tours did not overlap with other ECAP actions. The on-the-jobs trainings and study tours complement other ECAP actions.

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[15] R out of 21: (14,2%)

First assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP)

Economy
Under the overall term "economy", the dimension of the action, the timing and the budget spent is discussed.

Size and format of seminars: the study tours and trainings attracted between 20 and 50 participants, which met the expectations of the organisers. The format of the study tours and trainings was positively received by the participants. Some participants suggested that more time for networking and in-depth discussions of their experiences would have been very helpful. Some stakeholders found the training at Prato as somewhat unsatisfactory, as the example was not related to SMEs but to a concept for an industrial park. It was concluded that the topic for the trainings and tours should not be too specific.

Timing: The on-the-job trainings and study tours followed the capacity building projects and the Best Practice Transfer workshops, so they are in line with a series of ECAP-related actions moving from general issues to more specific issues.

Budgeting: The trainings and study tours offered a lot of activities during the two days. It can be concluded that the budget was used effectively and alternative cheaper options to achieve the objectives were not available.

The economy-related criteria have therefore been fulfilled.

Effectiveness
The effectiveness of the trainings and study tours were measured by two indicators:
- The number of addressees having taken advantage of the trainings and study tours; and
- The opinions of the participants as to whether the trainings and study tours were perceived as useful.

The number of participants varied between 20 and 50, which indicates that a satisfactory number of stakeholders attended the trainings and study tours.

Both the questionnaires filled in directly after the tours and trainings and the stakeholder surveys suggested that the participants were on the whole satisfied with the trainings and study tours. The only criticism was made in respect to the study in Prato. The example of an industrial park was not transferable to many of the SME related stakeholders. Also the Club EMAS event was attended by many participants, but such a Club is only feasible if there are enough interested SMEs in the region.

The effectiveness of the events was very high. The information was positively received and examples were highly relevant to the stakeholder.

Efficiency
The sum of money allocated to the training events was invested efficiently. The two day events delivered a lot of activities and practical information. The examples were very concrete and relevant to the business of the participants. It was not possible to recommend an alternative way to procure study tours and on-the-job trainings or disseminate the information at a lower cost.

Sustainability
Stakeholders responding to the survey said they had kept contact with stakeholders they met at the trainings, in particular the study tour in Prato. The events have certainly intensified networking and knowledge gathering/exchange between the interested actors of different MSs.

Follow up projects were undertaken after the on-the-job training in Vienna. A number of different activities took place after the trainings and study tours. Two examples were the dissemination of information on the measures to reduce environmental impacts and the realisation of a EMAS club. These activities were of a smaller scale compared to the training events and more similar to a working group.

The sustainability of the training events has therefore been realised as it helped to raise long-term awareness of ECAP, and enabled interlinking of stakeholders and follow up projects and initiatives.

Utility
Most participants viewed the training events as useful for overcoming SME related problems. However, some reported that the best practice example did not fit with their individual circumstances; especially the study tour at the industrial park which was only useful for SMEs located in an industrial park. When selecting the destination for a study tour it is important to consider the transferability of the best practice example. The participants also mentioned that there was a very limited amount of time for networking activities.

It can be seen that the training events and study tours have been useful for the majority of participants but the practicality and transferability of best practice cases should always have a high. Furthermore there should be more time for individual discussions between the participants, which would help participants to consider carefully whether there are aspects of the best practice examples that could be applied to their country.

Consistency
The study tours and trainings are very consistent with other workshops and programmes. The events addressed specific issues which are highly relevant to ECAP.

Allocation / distributional effects
The distributional effects of the training events are assessed with regard to two different aspects:

a.) Was additional effort focused on those SMEs (sector wise) with the largest environmental impact?

The trainings and study tours were designed to inform participants about specific best practice examples. The focus was on available examples; specific sectors with large environmental impact were not the focus of the assessment. Within the trainings and study tours, experienced participants from best practice on-the-job training projects were brought together with less experienced participants in knowledge exchange exercises. However the exchange was not always successful because of the best practice examples were mainly suited to individual national circumstances. As a result no real transfers were actually initiated as the participants found it difficult to address the national differences with the best practice examples.

b.) Was effort focussed on geographic location of SMEs, considering that those in less well developed EU states may have a worse track record with regards to environmental pollution?

The different trainings and study tours focussed on specific topics and were open to participants of all MSs. Moreover, there was one event per topic for the whole of EU. Attempts were also made to provide the trainings in different EU regions: one in Central Europe (Vienna), one in South-West (Barcelona), South (Italy) and West (Paris).

Acceptability
The training events and study tours were acceptable to the stakeholders. There were no overtly negative opinions reported to the interviewers.

5.5   Conclusions and recommendations

The study tours and on-the-job training sessions were successful at raising awareness of ECAP and identifying possibilities to improve SMEs' environmental impact. The attendance at the events was good with between 20 and 50 people at each event. They therefore raised more interest than the pilot workshops described in Chapter 2.

The interest and the rate of satisfaction that the events aroused, however, clearly differed depending on the type of event.

In general, all events have been of interest to the participants responding. None of the events seemed to have been too specific or off topic. However it must be considered that the case of the industrial

park in Prato was only of interest to SMEs located on an industrial park. This training did not contain measures to be applied to individual SMEs.

In terms of **practicability**, the biggest interest seems to have been generated by the EMAS Club Training, which was positively assessed in nearly every aspect. This training seems to have provided practical advice on how to improve the uptake of EMAS and address specific problems. The Prato tour got a lower rate of positive responses in terms of practicability as the example only applied in specific circumstances. Also the EcoBusinessPlan training and the Paris study tour examples were only to a limited extent regarded as practical. However no specific reasons were given what could be improved in practicability.

The programmes were in general reported to have been rather practical, although some of the information given was not interesting for every participant. Yet, individual projects and initiatives allowed the transfer of best practice experiences.

Responses from the survey have, however, made it clear that it was important that the examples chosen were interesting for a broad SME audience. The excursion to Prato was seen by many as too specific, and it made this example less interesting for individual SMEs who are not situated on an industrial park.

For **transferability and applicability**, there were problems with the Prato tour which applied to SMEs based on industrial parks. Also, the French study tour was said to have only included French examples which may not have universal applicability. EcoBusinessPlan examples seemed transferable to other countries and sectors, e.g. via the Chambers of Commerce; although transferability would be restricted by different administrative and structural circumstances in individual countries. Similarly the EMAS Club example cannot be transferred to areas in which few EMAS certified companies/organisations exist.

In general all events provided an opportunity for **networking**, however time was limited and as a result bilateral discussions on specific problems and finding solutions were only somewhat possible.

With regard to **follow up projects**, it is too early to take stock of numbers given that the training only took place during 2010. From the answers received, it seems that the training has provided a foundation for some ideas for projects, but these have generally not come to fruition yet.

The on-the-job training and study tours generally facilitated the development of contacts and subsequent exchange of information between participants. However it was noted that, given the nature of 1-2 day training courses, they did not leave much time outside of the official programme for networking. As a consequence, they have helped people get to know each other but have not worked as a forum to discuss specific problems and find solutions.

Also, the training and tours did not necessarily trigger new projects. However, they gave participants new ideas for projects or to modify approaches they already had in place. In some cases, for example with the EMAS Clubs, such initiatives are planned in a few regions on a smaller scale than a club. Certain elements of the EcoBusinessPlan Vienna have also been taken up, for example, constructing a database.

General recommendations for successful trainings and study tours could include:
- Easy to implement and widely accessible examples should be selected, to allow as many SMEs as possible to adopt them without them having to engage with third parties. The examples should not be too specific, so that a sufficient number of stakeholders can be attracted.
- Best practice examples which are easily transferable to other sectors and Member States or regions should be chosen.
- Provide and plan for more networking in the schedule of the event.

6 Task A4: Building environmental expertise in the Enterprise Europe Network

6.1 Introduction

The actions analysed in this chapter are the result of the cooperation of DG Enterprise (lead partner, policy link: Small Business Act) and DG Environment. The seven projects constituting the Enterprise Europe Network (EEN) action are all ongoing at the present. All projects have started with a study which screened the situation in Member States with regard to existing support and advice programmes. This screening is intended to prevent the set-up of any double structures of local environmental support. After the study, implementation of environmental actions begins (trainings, workshops, individualised environmental advice, all targeted at SMEs). The projects will run for two years. Another wave of similar two-year projects will begin in 2011.

6.2 Approach of the research and the assessment

The assessment in task A4 involved a survey whereby the project co-ordinators in the Enterprise Europe Network (EEN) were contacted by email with questionnaires designed specifically for their projects. The main questions related to what the co-ordinators expect as the major output of the actions, and how they see the role of the EEN in the area of environment and SMEs and if they see a margin for improvement.

6.3 Method

As the projects have only recently begun, the analysis of the projects in this project report is based on the subjective assessments and expectations given by the co-ordinators of the project. Their written responses to the questionnaires are the main basis for the assessment.

All coordinators responded to the survey except one (six out of seven)[16]. The survey was divided into a general survey section that asked about the current and possible future role of the EEN in ECAP and a project-specific section that asked about concrete expectations of project leaders with regard to the results of the projects and the added value.

6.4 Findings

Seven projects funded through a EUR 5.75 million EU contribution and involving 55 different EEN partners are going to provide pro-active services to help SMEs turn environmental challenges into economic opportunities. These two-year long projects started in March and April 2010 and cover eight different sectors and industrial activity: food, chemicals, beverages, metal processing, textile, surface treatment, electronic components and building materials.

The main actions planned under the projects are:

- Preparatory regional studies, which aim to identify existing support programmes, identifying Environmental Service Providers (ESPs) as well as target SMEs;
- The establishment of local cooperation agreements with ESPs
- The development of regional service concepts;
- The organisation of workshops;
- Mediation activities between SMEs and ESPs;
- Environmental service provisioning

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[16] The response rate was thus about 85%.

First assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP)

It is expected that the network partners will deliver services to about 7.500 SMEs in 55 territories for selected sectors of activity (eight in total), and sign cooperation agreements with more than 400 environmental service providers.[17]

Most of the services to SMEs started in 2011. SMEs in the region are welcomed to take part as participants in the events organised in the future, while SME support organisations active in the area are invited to participate within the framework of cooperation agreements with the EEN contact points involved.

6.4.1   General survey findings

In the following section, the core results of the survey are explained.

Role of the EEN in helping SMEs comply with environmental law and/or reduce their environmental impact

With regard to compliance with environmental law, the respondents agreed that EEN has and should have a role to play in informing SMEs on environmental issues. The EEN could, therefore, serve as a solid link between the EU Commission and the SMEs on the ground in order to make ECAP more tangible. The EEN as a very large network could reach a correspondingly large number of SMEs. In addition, the **Sector Group Environment** with at present 60 members (sub-group) was explicitly mentioned as already very active by one respondent.

One respondent, however, also clearly pointed out that currently EEN did not play a key role in the field of environmental law, because it is mainly the role of an association of category and consultant. In the future it could be important to train EEN staff specifically in order to inform SMEs on environmental law for specific sectors.

Role of the EEN in helping SMEs improve their environmental impact

As regards the role of the EEN in the field of helping SMEs improve their environmental impact, one respondent suggested there should be greater involvement from the EEN. SMEs need to be helped to assess their own processes and to think about appropriate means to comply with environmental law. EEN environmental experts could thereby also be an interface between private consultants (Environmental Service Providers/ESPs) and SMEs to help them to take up investment and succeed in the implementation of solutions.

Furthermore, companies with a positive environmental impact should also be trained and encouraged to use this as part of their marketing / sales / CSR strategy

The EEN role was defined as a bridge between SMEs and ESPs or research centres in order to identify the best way to improve SMEs' environmental impact. Again, respondents disagreed on the level of technical support and advice the EEN could and should provide (especially in competition with the Chambers of Commerce). Yet, it seemed that most respondents would stop short of replacing Environmental Service Providers.

Summary: The respondents agreed that the EEN was or would be a good intermediary between the ECAP programme and SMEs on the ground and would also have potential to intensify their services with regard to ECAP be it solely information and interpretation of environmental law and awareness raising or concrete training actions on e.g. EMAS Easy or analysing SMEs' environmental impacts. The estimation of the potential for an increase in engagement of EEN varied between respondents. All respondents agreed that in theory the EEN could make an important contribution to the implementation of ECAP.

Respondents agreed that there is a huge potential for EEN to counsel SMEs on the ground on how to improve their environmental impact. The EEN could for instance be a bridge among SMEs and ESPs or research centres in order to identify the best way to improve their environmental impact.

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[17] http://ec.europa.eu/environment/sme/een/een_en.htm (23 April 2011)

The EEN already provides relevant services for SMEs from information provision to funding advice to technology use, thus the Network can certainly contribute in a wide range of ways to helping SMEs improve their environmental impact. One precondition for the EEN to help improve SMEs' environmental impact would be to ensure that EEN staff are trained with a view to environmental issues/law and environmental impact reduction measures.

Current involvement of the EEN in ECAP

The stakeholders were asked to give their opinion on the current involvement of the EEN in ECAP.

The respondents agreed that EEN is a relevant factor in ECAP even though some said that its involvement could be improved. The EEN was seen as an interface between the European Commission and SMEs on the ground, thus the communication can be two-way. The EEN can transfer the Commission's policies to the local level and can provide feedback, including concrete complaints or requests from the SME level to the European Commission.

One respondent said that their experience of involvement of the EEN in ECAP differed very much from region to region and office to office. Some offices have less focus on environment while others are extremely focused (the Sector Group on Environment was mentioned as well as the Sector Group on Sustainable Energy). One suggestion was that ECAP should be encouraged via the EEN Steering and Advisory Group (SAG), which is the representative board for EEN.

Summary: The role of the EEN in promoting and implementing ECAP could be more important. So far, the involvement of EEN in ECAP depends much on the different offices and host organisations of the EEN, with some offices heavily involved and others not involved at all. Other respondents limited the EEN to a contact point or a body to diffuse information. It was, however, stressed that the EEN plays an important role as an interface between the Commission and the local SMEs and thereby help to communicate the activities of ECAP.

Level of satisfaction in cooperation between EEN and the Commission

Five out of six respondents answered that they were only somewhat satisfied with the co-operation while only one respondent qualified the co-operation as highly satisfactory. Thus, there is a margin for improvement.

Suggestions for improvement included:

- More round tables on specific topics;
- Communication could be improved;
- More information on ECAP should be given to EEN members via First Class communication systems (Circular Notes information).

Suggestions for improvement of the EEN contribution to ECAP

The addressees of the questionnaires were asked to give statements for any potential improvement on the contribution of the EEN to ECAP:

The suggestions included:

- Joint initiatives of ECAP and EEN such as training;
- Pilot measures for the implementation of ECAP could be implemented via the EEN, given sufficient funding;
- More funding for solving problems on the local level (EEN might manage such funds and programmes, acting as tutors or supervisors);
- EEN staff could share current obstacles which affect SME involvement on a regular basis
- Feedback from SMEs on their experience of using ECAP: EEN has a feedback mechanism, where information from SMEs can be fed into official information channels;

- EEN Staff encouraging environmental actions in SMEs: To improve SMEs' environmental awareness, EEN staff should be able to communicate approaches in the field of environmental compliance, EMS or eco innovation during workshops or interviews with SMEs. EEN could then go beyond this awareness stage continuing with some EEN individualized services to help SMEs to implement their EMS. These individualised services could encourage SMEs to use local private consultants to carry out environmental or resource efficiency-related measures.

Summary: ECAP could be used as a feedback channel where SMEs can communicate their problems and successes back to the EU Commission. EEN could thereby aggregate the common worries of SMEs and communicate it to the Commission. More concretely, the EEN could also launch pilot measures for the implementation of ECAP if sufficient financing is available. Joint actions of the EEN and ECAP Commission staff have been proposed. Other suggestions included letting EEN handle specific funds to solve environmental problems at the local level and act as tutors and supervisors. There was a request for a more intense contribution of the EEN to ECAP, saying that the EEN should also push SMEs in a targeted way to think about their environmental impacts and via specialised services could arrange the help of ESPs to implement measures to reduce their environmental impact.

6.5 Project specific findings

All stakeholders were asked the same series of questions regarding their projects including:

- What are your specific expectations of the project outcomes?
- What is the added value of the project to SME support?
- Will the contacts that you establish in the sector (stakeholders, ESPs) last beyond the project?
- In your view does your project complement other actions under ECAP?
- In your view does the project complement other actions under ECAP?
- Even though much care has been taken to prevent the creation of any double structures in local SME support, is there a risk that such double structure could still be created?

In the following sections, the project will be described and the answers given by the respondents will be summarised. The questions where only boxes needed to be ticked are summarized in a table in a separate chapter (see 7.5.7). The following chapters will focus on the concrete (subjective) expectations that the project co-coordinators have and the added value that they feel their projects have.

6.5.1 ENVISMART

Project Description

EnviSMART focuses on providing support to SMEs in three sectors, chemicals, production/processing of metals and surface treatment. All three sectors are characterised by an often negative impact in almost every environmental aspect. The overall goal is both to contribute to the reduction of SMEs' environmental impact through the provision of pro-active and state-of-the-art environmental services and to the profitable growth of their business in the targeted sectors through the transformation of environmental challenges into economic opportunities.

Specific expectation on the outcomes of the project and added value of the project with a view to SME support

The overall goal is both to contribute to the reduction of SMEs' environmental impact through the provision of pro-active and state-of-the-art environmental services and to the profitable growth of their business through the transformation of environmental challenges into economic opportunities. At present, many SMEs have a negative environmental impact but at the same time are unwilling or unable to implement measures to reduce this impact. The project endeavours to show that environmental protection can be a business opportunity and thus make a small contribution to the

growth, competitiveness and sustainability of some of Europe's SMEs, above all in regions where environmental protection measures are currently not a priority, e.g. for reasons of lack of awareness, lack of public support measures (e.g. funding) or lack of expertise (e.g. no or not sufficiently skilled service providers). The starting point of enviSMART is thus the recognition that there is currently an imbalance in the area of environmental services in the EU, between regions with a highly developed service offer and regions with little or no service offer and correspondingly higher environmental problems. As an **added value**, the project contributes to counteracting and "evening out" this imbalance.

6.5.2   EURESP

Project Description

EURESP (European Regional Environmental Services Platform) aims to support small and medium sized enterprises (SMEs) in different regions (regions in Italy, Germany, Spain, Poland, Slovakia) to improve their environmental performance. Small businesses will be supported with environmental consultancy, a series of workshops and seminars to help them to reduce their environmental impact and save money. The other central objective is to support and co-ordinate the environmental services sector in order to encourage growth and increase uptake of these services in each sub-region of the participant countries. The most important final objective of EURESP is to **create work relationships** between European Service Providers and SMEs as well as the participating regions throughout Europe so that the **sharing of tools, knowledge and innovative work practices** will continue despite the termination of the official project timeline. The targeted sectors of SMEs are particularly those specialized in food production, waste management and manufacture of building materials.

Specific expectations on the outcomes of the project and additional value of the project with a view to SME support

The current financial pressures on SMEs hinder the investment (financial or not) in environmental issues. Yet, willingness is still noted. To date, the most valuable use of project resources has been individual site visits to the SMEs.

The **added value** of this project would be increased environmental awareness, training opportunities and reduced environmental impact.

6.5.3   GECKOS

Project description

The GECKOS project – a fantasy name made up of letters turning up in the project partners' names - aims to facilitate the uptake by SMEs of methods and tools reducing their impact on the environment. Besides providing local websites or workshops to promote the most relevant know-how, the core of the GECKOS project encompasses the delivery of individual environmental services to SMEs, which should lead to the implementation of good practices by SMEs. This project will target mainly SMEs of the following three sectors: production and processing of metals, surface treatment and waste management.

Originally expected results are according to the project description:
- 22 cooperation agreements with ESPs
- Nearly 400 SMEs participating in the workshops;
- 70 SMEs receiving environment-related second level services.

Specific expectations on the outcomes of the project and additional value of the project with a view to SME support

The respondent answered on behalf of the different partners in the project.

First assessment of the Environmental Compliance Assistance Programme for SMEs (ECAP)

As regards the **CRCI** (Chambre Regionale de Comerce et Industrie) Lower-Normandy (FR): At regional level, GECKOS is a project that gives CRCI the opportunity to think about their practises to assist SMEs in environmental field taking the European level into account. Their expectations are:

- a better knowledge on the methodologies and practices used by CRCI's European partners to raise SMEs' awareness of environmental issues and to assist them to reinforce their environmental and energy performance;
- a transfer of best practices used by Geckos partners;
- an upgrade of skills and qualifications of "Geckos environmental experts" concerning European programs developed for SMEs;
- at least one SME per targeted sectors will implement solutions promoted by GECKOS to improve their environmental impact.

As regards AECIM (Asociación de Empresarios de Comercio e Industria de Madrid) they say that at regional level the project gives AECIM the opportunity to know in detail the status of the SMEs' environmental laws compliance and at the same time to compare with European SMEs involved with other GECKOS' partners in each country. As a result, it is useful for AECIM to design and/or provide new environmental services and solutions to specific issues or needs.

PARDUBICE REGION (CZ): they expect better knowledge about environmental law and approaches to deal with difficulties related to this[18] (feedback from SMEs on seminars and workshops), for SMEs services in a specific place (e.g. funding opportunities, law requirements, ESPs, etc.).

NADSME, the Slovak National Agency for the Development of SME said that the ECAP programme was locally implemented through environmental services provided by NADSME as a horizontal priority. Similar horizontal priorities and initiatives are transformed in all of the national, regional and structural strategies of Slovakia. The project Geckos is the pilot environmental project of NADSME and the first step on how to implement ECAP into services of NADSME by using the knowledge of fundamental environmental legislation and standards to build expertise, which feeds into counselling activities provided by staff of the Agency. The support of SMEs by this expertise in co-operation with relevant ESPs is next part of horizontal and vertical priorities of NADSME.

NORRBOTTEN CENTEK (SE): Main expectations are the development of practices to assist SMEs in the environmental field and taking the European level into account. SMEs in the targeted sectors will implement the solutions GECKOS promotes to improve their environmental impact. Cooperation with ESPs: the ESPs will use the promoted methods also after the Geckos project. EEN staff will improve their knowledge about environmental actions suitable for SMEs

With regard to the **added value of the GECKOS project** the project partners mentioned the following issues:

- new kinds of workshops "MODULE FOR ENVIRONMENT CORRESPONDENTS" specific to Companies in the Metalworking and Surface Treatment sectors,
- new specific support in the fields of environmental management, energy efficiency and carbon footprint;
- services made by ESP, specialised seminars and better knowledge in detail about local situation (thanks to the preparatory study);
- New methods to support SMEs in energy efficiency and other environmental actions. The methods could be used both by environmental consultants and EEN staff;
- NADSME provides SME-related services: workshops, basic environmental audits, energetic assessments of buildings and technologies and supporting services in conformity assessment of environmental standards for SMEs[19] from selected sectors. These practical services are the basis for the creation of further relevant projects as well as for the creation of basis of environmentally related knowledge and for awareness-raising regarding targeting SMEs and environmental issues.

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[18] Unclear: probably with compliance.
[19] Unclear, possibly assessment of SMES' conformity with environmental. Standards.

6.5.4 Green

Project description

The GREEN (GReening business through the Enterprise Europe Network) project starts from the need to improve the environmental performances of SMEs in Europe. The project supports the Enterprise Europe Network in providing environmental services to SMEs from the food industry and the manufacturing of building materials sectors. GREEN proposes a network of local systems to coordinate Environmental Service Providers (ESPs) in order to give SMEs access to free and low cost environmental services thanks also to the support of local administrations, SMEs associations and relevant stakeholders in the value chain.

In short, GREEN proposes a network of local systems to coordinate ESPs in order to give SMEs access to free and low cost environmental services, thanks also to the support of local administrations, SMEs associations and relevant value chain stakeholders.

Specific expectations on the outcomes of the project and additional value of the project with a view to SME support

The specific expectations are to strengthen the cooperation between first level service providers (EEN) and 2nd level service providers (ESPs) in environmental issues.

The **added value** would be more awareness raising, cooperation, information, training, assistance in environmental services.

6.5.5 ESMI

Project description

The ESMI (Environmental Services for Metal Industries) project will implement a study on the environmental impact from the metalworking sector and perceived needs for environmental management in order to ensure that actions fulfil the needs of the sector. The project will identify and contact potential metalworking industry stakeholders, who can communicate information on EM needs and operate as multipliers, build a comprehensive list of ESPs in the public and private sector, in a variety of fields and disciplines including ISO 14001, EMAS, Energy Saving Specialists, and Life Cycle Analysts. Consequently, professional services will be informed of all needs arising from metalworking companies and future EM training will be identified on the basis of feedback from companies, observations from ESPs and forthcoming legislation.

Specific expectations on the outcomes of the project and additional value of the project with a view to SME support

According to the project coordinator, ESMI will result in a number of concrete benefits for at least 50 participating SMEs (current expectations are that at least 70 will be direct beneficiaries) which will include reduced waste, reduced energy consumption etc. Equally importantly, there will be an indirect benefit as the information on ECAP has been forwarded to a large numbers of stakeholders for the metalworking industry and to other general business support systems. Over the medium to long term, this will result in an even higher uptake of environmental management systems. ESMI has very importantly carried out a number of trainings on ISO 14000, EMAS and will carry out training on Life Cycle Analysis for other EEN staff, ensuring that the network as a whole has a better understanding of environmental issues and how to help SMEs.

As regards the added value, the ESMI consortium has developed in a group that has gained a very high level of knowledge of environmental legislation, certification and management systems etc. Originally, the ESMI consortium included only two partners which had a very high level of knowledge of these issues. As a consequence, now all 10 partners feel able to provide a good level of assistance to SMEs and to understand the issues concerned. Furthermore, a further 30 EEN partner organisations have been trained to provide SMEs with assistance on various Environmental Management Systems, which will build the critical mass in the network.

6.5.6 SWITCH4FOOD

Project description

The "Services for Water and inTegrated teCHniques for FOODindustry" project aims to identify and analyse best practices and knowledge (technologies/methodologies) of SMEs in the food industry for water use and wastewater to allow their exchange and transfer among the involved countries. Best practices identified will be confronted with industries and environmental consultants (Environmental Service Providers, ESPs) and their adoption within the working processes of SMEs will be stimulated. Traditional and innovative technologies will be identified in each partner region and compared with each other so as to provide recommendations and guidelines for their application. Connected to water use and wastewater, two other fields will be thoroughly evaluated: wastewater reuse and energy recovery from solid wastes and wastewater.

Specific expectations on the outcomes of the project and additional value of the project with a view to SME support

The concrete outcomes of the Switch4food project are the creation of a club of SMEs that can share solutions in environmental aspects. Such a club is difficult to set up because usually SMEs consider each other as potential competitors, but the goal of the project is to change the point of view towards environment, in this respect it can be an opportunity not a cost.

As an **added value**, the project will support SMEs active in the food industry to identify the best solution for solving water management problems with the help of the support of environmental service providers and the collaboration with other SMEs having similar problems and sharing best practices. In addition they will be informed of the main activities in the sector in other EU regions and a common methodology will be implemented.

6.5.7   Overview of other answers to the survey (regarding all the EEN projects)

	ENVISMART	EURESP	GECKOS	GREEN	ESMI	SWITCH4FOOD
Will the Contacts that you will establish in the sector (ESP, etc.) be lasting	Yes	Yes	Yes	Yes	Yes	Yes
In your view does the project complement other actions under ECAP	Yes	Yes	Yes (project provides individual services, Geckos would be proactive and get in touch with companies directly by phone and/or company visits	Project is specifically targeted at Environmental Services[20]	Yes: Partners from ESMI have been able to assist organisations with e.g. information on Green Procurement and LMI, funding opportunities etc and will e.g. market direct legislation requirements to SMEs	It can be a complement for environmental law concerning water management
Even though much care has been taken to prevent the creation of any double structures in local SME support, is there a risk that such double structure could in fact still be created?	Low risk	Low	Medium to low	Low[21]	Medium, For example, EEN offices do not have a monopoly on provision of information on EMAS, which can be provided also by private consultants as well as by regional Business Links.	Medium risk (not specified)

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[20] By this, it can be said that the project complements other actions of ECAP.

[21]   Although competition in SME support bodies is natural in a free market economy, the quality and service level of EEN is on average higher than other similar competitors available in the market. Moreover, most of EEN members are already dealing with such services (i.e. Chambers of Commerce, development agencies, etc.) so the risk of overlapping is really low.

6.6 Conclusions based on survey findings

6.6.1 The role of the EEN in general for building local environmental expertise

This chapter has assessed the role of EEN in isolation of other activities and networks for implementation of ECAP.

With a view to the role of the EEN in ECAP, the EEN could be identified as a good and valid intermediary between the ECAP programme and SMEs on the ground and a suitable instrument to help the further implementation of ECAP. However, the role of EEN cannot be defined without considering the role of other SME support organisations and other business support organisations (e.g. Network of the European Chambers of Commerce, organisations representing SMEs, NGOs, support services set up by local governments, etc.). These organisations have been often offering "historically" environmental support to SMEs and are their natural point of contact – and are all valuable partners of the ECAP programme. Thus, the greatest added value could be obtained by ensuring cooperation between the EEN contact points and other SME support organisations operating in a given geographic area. This would reinforce the environmental services available to SMEs in the territory. ECAP could have a role in bringing these different networks together and fostering partnerships between them.

Furthermore, overlaying ECAP on top of or alongside mainstream EEN and SME support activities is seen as highly beneficial for improving the level of focused environmental advice and information routes to appropriate funding. Accordingly, the chapters below detailing the role of EEN contact points have always to be seen in relation to the role other SME support networks have in a region. Ideally, the role of EEN contact points and other SME support organisations should be always complementary and not competing.

With a view to the ideal future role of EEN in ECAP
The role of the ECAP as such an interface has immense potential to increase in the future, The EEN can intensify their services on ECAP, e.g. by providing information and awareness raising or concrete training actions on e.g. EMAS Easy, or analysing SMEs' environmental impacts. The survey showed that there was a huge potential for EEN to counsel SMEs on the ground on how to improve their environmental impact. The EEN, along with SME support organisations, could be a bridge among SMEs and environmental service providers or research centres in order to identify the best way to improve their environmental impact. One precondition of an effective role of the EEN in improving SMEs' environmental impact would be to ensure that EEN staffs are trained with a view to environmental impact reduction measures. The role of the EEN in promoting and implementing ECAP could be more important according to some respondents. So far, the grade of involvement of EEN in ECAP would depend much on the individual EEN offices and host organisations of the EEN, with some offices heavily involved and others not involved at all.

The EEN could be used as a feedback channel through which SMEs can communicate their problems and successes back to the EU Commission. EEN could thereby aggregate the common sorrows of SMEs and communicate it to the COM.

From an operative point of view, the EEN could also launch **pilot measures** for the implementation of ECAP if sufficient financing is available, **joint actions of the EEN and ECAP** Commission staff have also been proposed. Other suggestions included letting EEN handle specific funds to solve environmental problems at the local level and act as tutors and supervisors. One suggestion also pleaded for a more intense contribution of the EEN to ECAP, saying that the EEN should also prod SMEs to think about their environmental impacts and counsel them to consider concrete technical procedures to alleviate this impact with the help of ESP. Yet, there was no consensus on the grade of involvement that the EEN should take.

To sum it up, the EEN is certainly considered a suitable instrument and network to further the implementation of ECAP and should be employed as such to a larger extent in the future.

6.6.2   EEN projects

In the preceding sections, the different co-ordinators of six EEN-projects have given their expectations on the outcomes of the projects.

All share the expectation that their projects will have an additional value for SMEs in the environmental field. These added values include:

- Focused ECAP-relevant services for a specific SME sector and finding targeted solutions (e.g. identifying best solutions for solving water management problems in the food industry), exchange of experiences in the sector
- Helping and informing SMEs with a view to the specific local situation;
- Building networks where frontrunners can train other members e.g. in Environmental Management Systems or certifications;
- Additional awareness raising, co-operation, information, training done through the EEN in addition to other ECAP actions; and
- Achieving a reduced environmental impact in some regions from projects.

All project coordinators have been positive that the networks they set up with local Environmental Service Providers will last beyond the project duration.

If this turns out to be the case, the projects will have helped improve local capacities at least in some European regions. The risk that the EEN projects contribute to creating double structures which compete with each other has been declared to be rather low even though there is a risk of duplicating information about ECAP by both EEN and private consultants. This should not cause much harm. In order to avoid double structures competing with each other, there has to be good project co-ordination and knowledge of existing structures in the different regions.

7 Task A5: Set up and maintenance of the ECAP website

7.1 Introduction

The ECAP website was designed and set up to give information on the ECAP programme to SME support organisations and SME businesses. The website hosts newsletters, information guides and tools for SME environmental management, a forum and a helpdesk where organisations can get assistance on queries relating to ECAP.

The aim of this task was to assess the ease of use of the website, as well as the relevance of the content. It was intended that this would be evaluated in a number of ways including a test assessment of the website, a stakeholder survey, interviews with the website administrators and a comparison or similar SME sites. These exercises allowed us to examine how well used the site is, the way in which information is organised and accessed and the challenges presented in managing the site.

This section is split into the following headings:

1. Key findings
2. Methods used
3. Survey findings
4. Recommendations

7.2 Key findings

A summary of key findings from each stage of the assessment is provided below.

Test assessment

- The ECAP website looks professional, providing clear text in an appropriate style. The website contains good quality information and is objective in the tools, resources and information it offers.
- The website has a clearly defined purpose, and is aimed specifically at the SME audience. The language used is simple and appropriate, and information is organised in a logical format.
- All content is easily accessible, with the homepage providing access to all major sections of the website. The site navigation is generally easy to use, although it is not obvious why there are different styles of links in the left navigation panel with different colours; it would appear they are significant, but this is not clear to the user.
- The website appears to encourage continued use instead of single visits, through a variety of useful information and tools. The monthly email subscription service provides a method of informing subscribers when it has been updated.
- The ECAP website is a mini-site within the global branding of the European Commission website. However, the global branding can make it unclear as to where the ECAP website fits into the overall global EC website structure.

Survey

- Public authorities demonstrated the highest awareness of the ECAP programme with 84% [16/19] respondents saying they were aware of the programme. SMEs showed the lowest awareness with 61% [17/28] respondents stating they were aware of the ECAP programme.

- 84% [11/13] SMEs and public authorities agreed or strongly agreed that ECAP had been effective in supporting them to improve their environmental compliance compared to 62% [21/34] SME support organisations.

- 82% [38/46] stakeholders agreed that the ECAP website was easy or very easy to use.

- Greater awareness raising is needed in some Member States to increase uptake and participation by SMEs. Further training and workshops were identified as being necessary to help SMEs implement environmental improvements.

Interviews with web administrators

- The interviews with the web administrators revealed that there is a clear and structured system in place for the management and updating of the site. The various parties involved have defined roles and the system works effectively; however it the system could be simplified further if less organisations were involved. The web administrators agree that there are limitations to how the site is used and information is displayed. The main source of this appears to be the main EU site framework which the ECAP site sits within.

Website comparison

- When the ECAP site was compared with three similar sites it was judged to be quite comparable, in terms of the relevance and appropriateness of the content, and the functionality and appearance of the site. There are some elements of identity which could be improved such as using a clearer tagline and providing more accessible contact information.

7.3   Methods used

This task used four key elements to assess the overall effectiveness of the ECAP website:

1. *Test assessment* on ease of use and availability of information for SMEs using the parameters recorded in the 2009 ESN report alongside 2010 data.
2. *Survey* to gain feedback on the ECAP website. A general survey was launched using Survey Monkey. The survey contained questions on stakeholder awareness of the ECAP website, as well as effectiveness and ease of use.
3. *Interview* with ECAP web administrators to find out more about the management of the website.
4. *Website comparison* to compare the ECAP website with three similar SME focussed websites.

7.4   Survey findings

7.4.1   Test assessment

The website was assessed on ease of use and availability of information for SMEs using the parameters recorded in the 2009 ESN report alongside 2010 data. A number of users were guided through the website and scored different aspects of the site as shown in Annex 5. The table summarises the key findings of the test assessment.

In summary the assessment showed that users were clear on the objectives of the site and that information was accessible and well organised. The language used was also found to be easy to understand and acronyms were conveniently spelt out. Some confusion was highlighted with relation to the colour used for links as it was unclear as to the reason for these alternative colours.

In order to assess the content of the ECAP website, we have carried out a comparison exercise with three similar websites. Refer to Section 7.4.4 for more information.

Authorship

It is difficult to find out who the authoring organisation for the ECAP website is. The purpose of ECAP is explained in the 'About ECAP' section but this does not detail who is responsible for the website on behalf of the scheme – it could be the European Commission itself or an outside organisation.
It is quite obvious that the ECAP site sits within the wider European Commission site but the text within the 'About ECAP' section that explains this relationship is not entirely clear. It refers to an ECAP scheme put in place by the Commission but does not make a specific link to explain that that is the purpose of the website. The user can probably interpret this but it may be a little misleading.

Again, the contact details on the ECAP website are provided for the European Commission, but there are no direct contact details for the ECAP. Contact details of local contact points with different regions are provided, but the relationship between these companies and the website itself is not clear. It is not known to the user whether these companies are employed by ECAP, whether they charge for services or whether they have to obtain a specific level of service or standard before being included.

Purpose

The content of the website supports its purpose well with the information being clearly geared towards an SME. Particular examples of this targeting can be seen from the case studies, FAQs and toolkits. The primary objective of the website is to act as an information source. This is achieved with content which is clearly broken down into appropriate sections and is easy to find. The homepage contains links to the major sections of the website allowing the user to easily understand the key content areas. However, there is no introduction text to introduce and clearly state the aim of the website.

The website allows the user to access older content, such as publications, which means users will return for repeat visits over a period of time and topics are explored in depth providing a rich information resource. Overall, much of the content is dated for ease of reference and good use of keywords throughout the content which is important for search engines.

The FAQs provided on the website are thorough, although there does not appear to be a clear content distinction between the "About ECAP" page and the FAQs.

The outbound links from the website are appropriate for the website, but some clarity could be added to allow the user to understand whether any of the external websites are endorsed by the ECAP website; for example in the local contacts area of the site it is unclear what the relationship between them ECAP is. Further external links are shown the left panel under the navigation as image banners, but again it is not clear what these are, or why they are given prominent status on the website.

Coverage

The website claims to 'help SMEs' and states that it is taking action 'in a number of areas'. It therefore does not claim to be fully comprehensive on the topics it covers but rather provides key basic information and onward contacts. It does appear to cover all the main areas of environmental legislation you would expect and within these sections it provides appropriate coverage of the topic so that the user has enough information to identify onward sources of information on other sites.

The site therefore includes many external links, providing users with access to good coverage of the topic. In some cases it may be useful to add further information on these links as mentioned previously.

Update frequency

The information presented on the website does not always appear particularly up to date. For example the latest 'Highlight' profiled on the homepage is around 2 months old. The 'News and Events' section is also an area which a user might expect to find recent updates, but when this was first reviewed it did not contain any future events, with the most recent event having taken place several months earlier. However this was updated later in the review of the site with a series of upcoming events and current news added.

It is possible to see when individual pages on the site were last updated by an automatic field at the very bottom of the page. Some pages have been updated more regularly than others as would be expected, however some have not been updated since 2008 which may give the appearance of being a little out of date.

The search function on the website does produce a series of results when used but none of links for the pages listed work. Using a search term "Netregs", four results show up, but unfortunately none of the linked web pages in the search results work and instead they produce the error - 'The domain

name does not exist'. The same is true for any other such terms "environment" and "air". All other links tested appeared to work with the exception of the search results.

Objectivity

The site is very objective in its purpose and does not attempt to persuade the audience in one direction or another, but aims to provide a variety of external sources of information as relevant to the location or sector of the user. The site does not try to sell any particular service or product; it is simply an information resource. A very small number of associated sites are advertised on the site but this has been done in such a way that it does not detract attention away from the rest of the site. However it is a little unclear why the particular sites are promoted or linked to.

Accuracy

The ECAP website sits within the Environment section of the European Commission website and this can clearly be seen at all times, giving the user confidence that the information is reliable. The text displays good spelling, punctuation and grammar. Where appropriate, information has been referenced correctly and refers to the source of evidence and/or statistics.

User experience

The user experience encompasses many different aspects of how the user interacts with the web pages, how easy it is for the user to navigate, and how quickly information can be found.
A number of aspects of the website contribute to a good user experience, and these are listed as follows:

- A good font size is used on the pages for the main page content, although some smaller text, such as the "What's new" box on the homepage should be enlarged to be the equivalent of 12px or above.

- Hyperlinks in the page content are clearly defined with a hover-over state.

- The contrast between the colour of the page text and the white background is fully accessible to W3C standards.

- The traditional three column layout is used well to contain content areas where users would expect them, for example having the search and additional content in the right column, with navigation in the left.

Areas where the user experience could be improved are:

- The global header of the European Commission is not the same as the version used elsewhere on the EC website. This creates an inconsistent visual appearance which can confuse users.

- Inconsistent left navigation styling. There may be a good reason why some links are blue and others are green, but it is not immediately obvious. Consistent navigation structures and appearance can help users navigate faster and understand website structures quicker.

- Once a section is selected from the side navigation, there is no visual indication which section you are viewing. The absence of a breadcrumb trail (for the ECAP website) also means it is easy to get lost and not understand which section you are currently viewing.

- The Flash map used as a navigational tool on the Contacts page requires very good motor control with the mouse to select some countries. However, the country names as text underneath the map is excellent for accessibility.

- There is no "Home" link on the left navigation for the website. Clicking on the ECAP title takes you to the homepage, but this is not explicit to the user and there is no visual indication this is a link.

- The "Best Practices" page requires Javascript to function, which may mean this page does not show correctly for some web users.

- Signing up for the mailing list takes the user to another part of the global EC website. This provides poor continuity to the user, and there is no indication on screen it is related to the specific ECAP website.

Visitor Analytics

A limited sample of analytics was provided and a new analytics system was introduced in May 2010, so within this limited sample it is difficult to determine many definitive trends.

A general trend can be seen in the first year when a clear increase of visitors was recorded. Since the initial increase, the website has retained consistent unique visitor levels.

A decrease in visitors can be noted in the data for August in each year provided, but this is in-line with many other website visitor analytics where visitor numbers decrease over the summer period.

7.4.2 Stakeholder survey

A survey was designed and sent out to a total of 1770 ECAP users. Please refer to Annex 4 for the full questionnaire. This section discusses stakeholder responses to questions relating to awareness and effectiveness and ease of use of the website.

A total of 202 stakeholders started to complete the survey, and 146 stakeholders completed the survey (72.3%). This section presents some of the key findings relating to the types of stakeholders using ECAP, their perceptions of ECAP and their understanding of ECAP's effectiveness.

Figure 7.1 provides a breakdown of the percentage and category of respondents. The largest group of respondents was SME support organisations [50%] [60/119] followed by SMEs [25%] [30/119]. Public authorities [17%], academics [6%] and other organisations [14%] made up the remaining respondents.

Figure 7.1 Sector breakdown of respondents
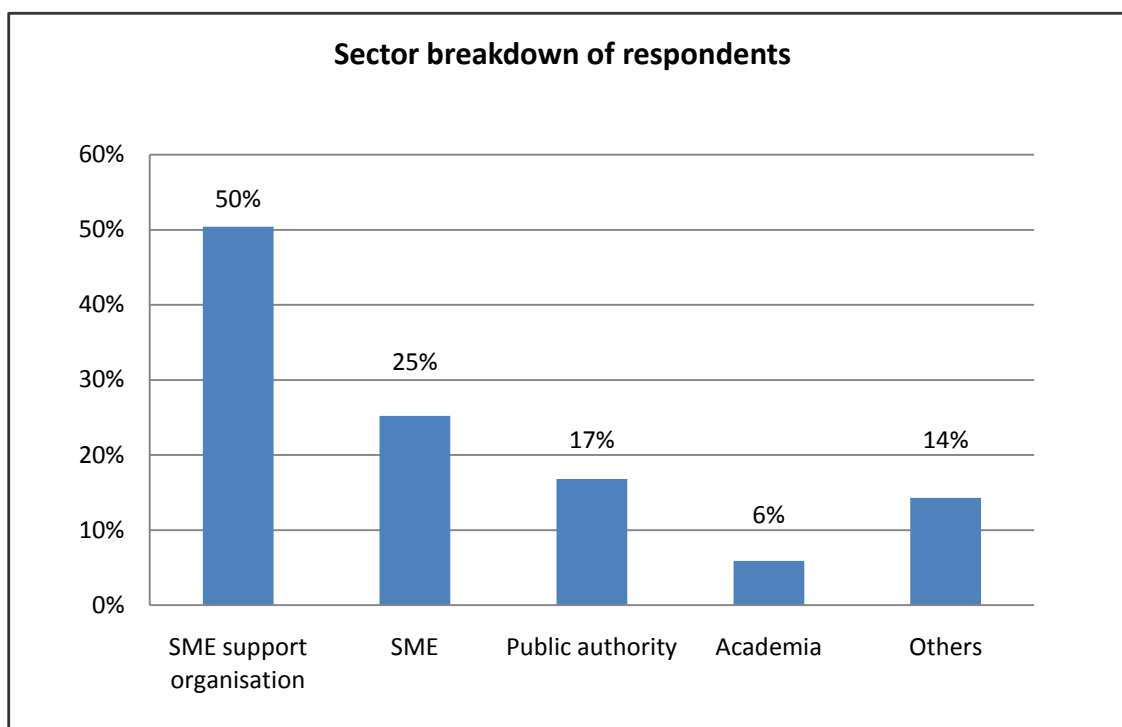
Respondents classed as 'other' included the following types of organisations:

- Consultants
- Institute for Sustainable Development
- International Associations
- Government bodies
- Chamber of Commerce

The breakdown of respondents in the 'other' category suggests that explicit definitions for each category should have been provided before launching the survey. For example, a number of consultants and public bodies have selected 'other' rather than 'private' or 'public'.

When interpreting the responses, it is necessary to keep in mind that the survey's addressees were people that were contacted or participated at least once in ECAP-related activities.

Ease of use

Six questions in the stakeholder survey related to the ease of use of the ECAP website. The responses received are presented below.

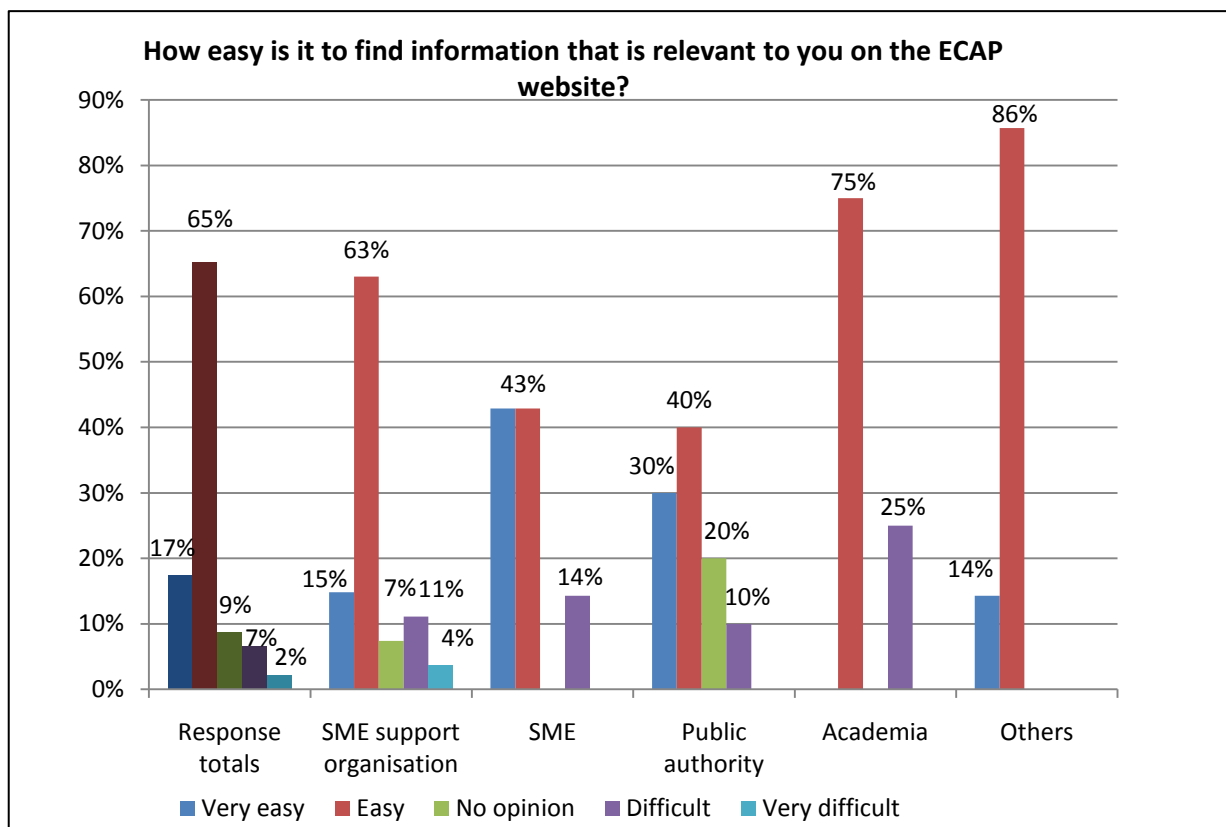**Figure 7.2 How easy is it to find information that is relevant for you on the ECAP website?**

Figure 7.2 illustrates the extent to which stakeholders find it easy or difficult to locate relevant information on the ECAP website. Overall, 82% of respondents said that it was easy or very easy to locate relevant information on the ECAP website. Only 9% said that it was difficult or very difficult to locate relevant information.

78% [21/27] SME support organisations said that it was easy or very easy to locate relevant information compared to 70% [7/10] public authorities and 86% [6/7] SMEs.

A very small number of respondents in each category found it difficult to locate relevant information [11% or 3/27 SME support organisations; 14% or 1/7 SMEs; 10% or 1/10 public authorities and 25% or 1/4 academics].

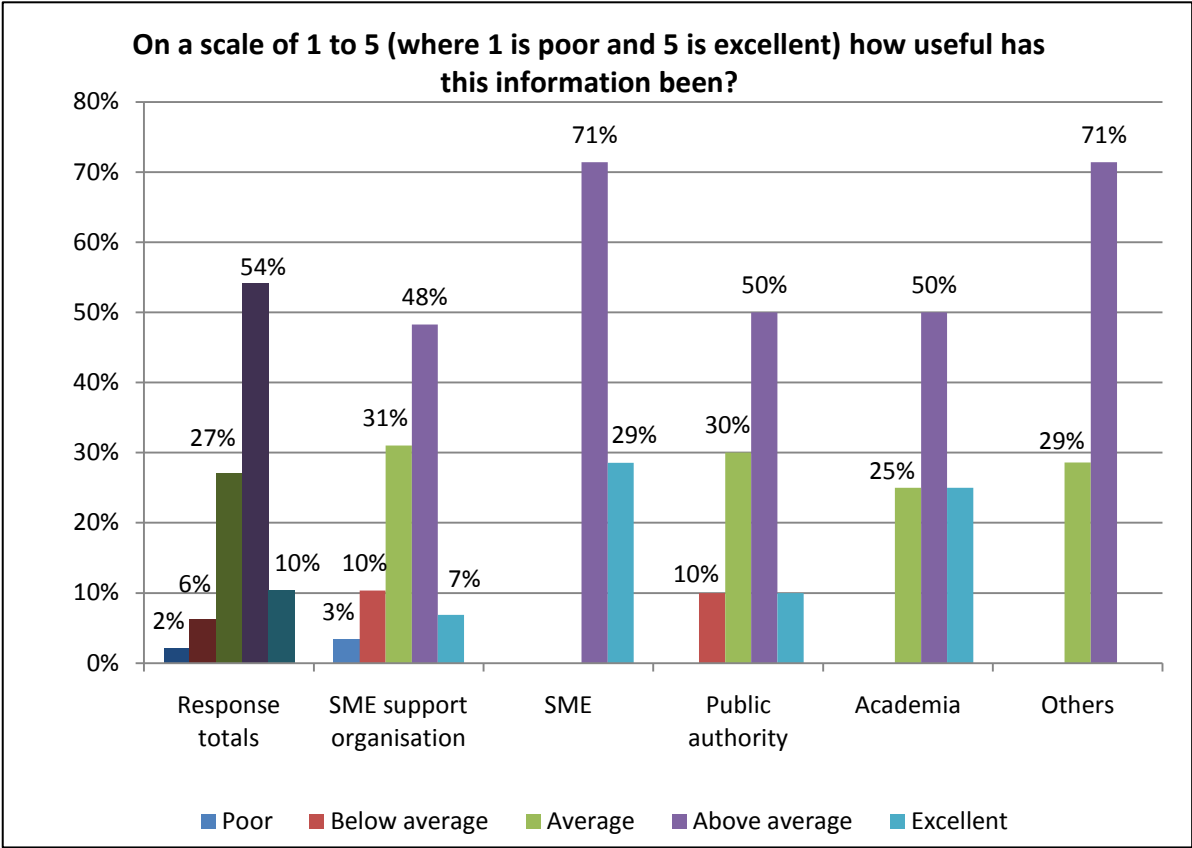**Figure 7.3 How useful has the information on the ECAP website been?**

Figure 7.3 shows stakeholder responses to the question 'how useful has the information on the ECAP website been?' Overall, 64% [31/48] ranked the information as above average or excellent on a scale of 1 (poor) to 5 (excellent).

SMEs scored the usefulness of the information most highly, with 71% [5/7] ranking it above average and the remaining 29% [2/7] ranking it excellent.

SME support organisations ranked the information less favourably. Only 55% [16/29] said that it was above average or excellent. 31% [9/29] rated it as average, while 13% [4/29] said that it was below average or poor. The only other respondents to rank the information negatively were public authorities [10% or 1/10 said it was below average.

Suggestions for improvements to the content of the ECAP site include:
- A wider range of best practice examples. At present they mainly refer to SME support organisations rather than industrial enterprises.
- Make toolkits available in a wider range of languages.
- Provide information on a wider range of Member States.
- Information on funding and legislation should be more specific. There is an overflow of information and it is difficult to select the valuable information from all the rest.
- Provide more regular and focussed news.
- Technical content should be more succinct to allow SMEs to develop straight forward action plans.

34 respondents answered the question "what information on the website is especially interesting or helpful?" 17/34 respondents stated that the provision of toolkits, publications, best practice and case studies was particularly helpful for convincing businesses to become involved and can help provide time-saving solutions for SMEs.

Three respondents stated that information on funding opportunities was most helpful. One SME support organisation stated that "SMEs are mostly interested in financial aid provided by the EU, when making their decision to improve their activities in this field."

Four respondents reported that information on events was especially helpful or interesting. Two others said that it was helpful to be able to access workshop materials on the ECAP website.

Other stakeholders commented on the provision of information on EMAS or EMAS Easy [2], environmental legislation [3] and information on open calls for proposals as well as the option to click on the country map and find information on ECAP in each Member State [3].

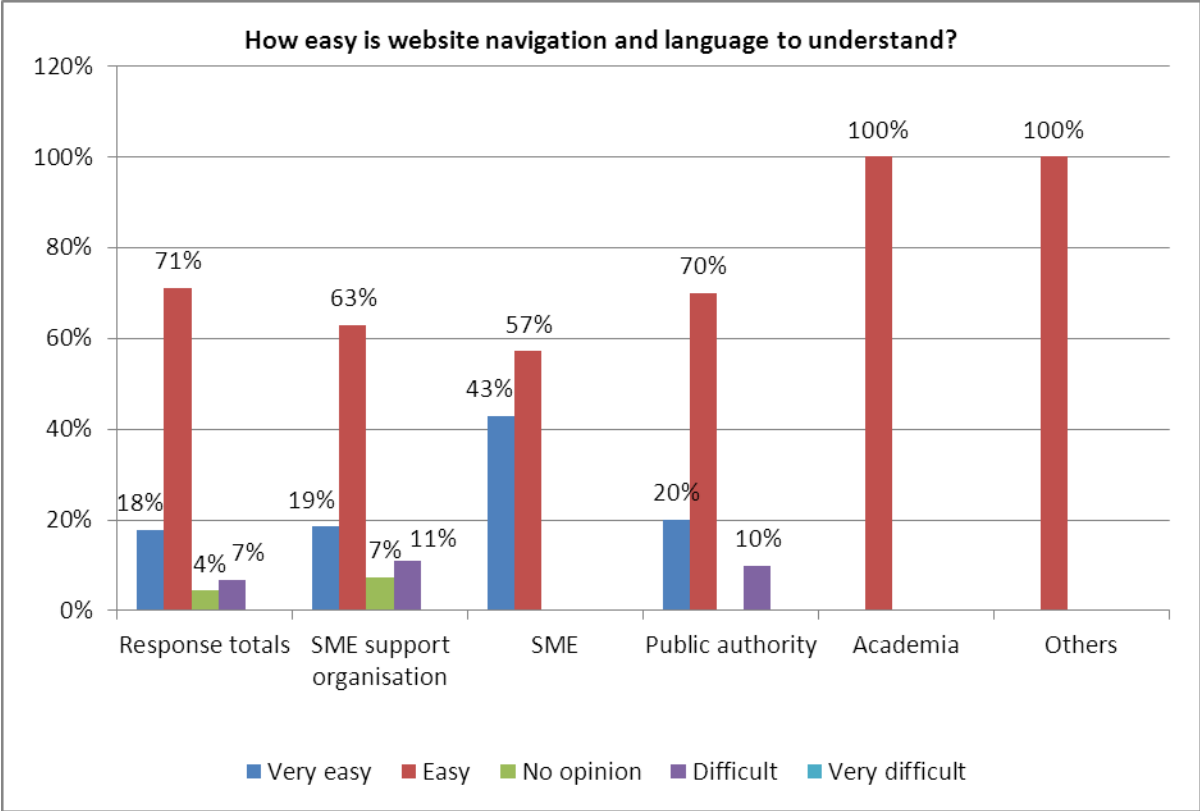**Figure 7.4 How easy is the website navigation and language to use?**

Figure 7.4 shows that overall, 89% [40/45] respondents found the ECAP website easy or very easy to navigate and understand. Only 7% [3/45] respondents overall said that the website was difficult to navigate or understand. Of these, 11% [3/27] were in SME support organisations and 10% [1/10] were in public authorities. No respondents said the website was very difficult to navigate or understand.

Of the SME support organisations responding to this question, 82% [22/27] found the website easy or very easy to use and understand. Even more SMEs found the website easy to use and understand, with 100% [7/7] rating it as easy or very easy.

Only five out of the 45 stakeholders that answered the question "how easy is the website navigation and language to use?" provided further reasoning. 2/3 respondents stated that there were too few languages on the ECAP website, including Lithuanian and Russian. Additionally, the text was reported to be too complex and it should be split into 'bite size' sections to make it easier to digest. One stakeholder reported that the tabs were misleading, and when you click on a certain link, less relevant pages are brought up.

7.4.3   Interview with web administrators

ECAP website administrators were interviewed to find out more about the management of the website, including content, approvals, styling, updates and promotion. This interview process allowed us to gain a greater understanding of the way in which the website is managed, incorporating both the practical

and technical aspects, and the lines of approval. This discussion provided background context and insight into the administrator's views on the 'back office' usability and management of the site. In particular it gave us an understanding of the some of the technical limitations of the site as well as the restrictions as a result of the Europa Information Provider Guidelines (IPG).

Website administrator roles

- Imola Bedo (European Commission) – responsible for suggesting content and final approval of content.

- Martina Solska (Biois) – responsible for suggesting content, coordinating translation, preparing content for review (including proof reading), and preparing approved content in CSS format.

- EC webmaster – upload of CSS HTML pages to ECAP site.

Summary of content and approvals processes relating to the ECAP site

A formal approvals process is in place for the creation of content for the ECAP website. This process involved the European Commission and Biois. Content suggestions are made by both of the parties but Biois are responsible for the coordination of this content (including any translation required) and the European Commission are responsible for the sign off.

The content is updated as and when required and does not follow a strict schedule or plan. However content updates do relate closely to the e-alerts which are distributed regular intervals as well as any urgent events or news items.

Both the European Commission and BioIS acknowledged that the site does have some limitations. Some of these limitations relate directly to the pre-defined structure of the EC site, which ECAP sits within, and some relate to resource availability.

Further detail of the interview conducted can be found in Annex 6.

Summary of technical processes relating to the ECAP site

Following the interview with the website administrators, further information relating to the technical management and processes on the site were provided by the EC webmasters.
The information provided suggests that best practice is followed in a number of areas, including the use of images and ALT tags, use of hyperlinks, and search engine optimisation (SEO).

7.4.4 Website comparison

There are a number of websites competing for SMEs attention. To inform the ECAP website assessment, three similar SME focussed websites were reviewed. The websites chosen for comparison were selected as they have similar content and service offering – that of advice and support for SMEs (often around legislation). An international site, national site and EU site were selected for comparison:

- EU: European portal for SMEs http://ec.europa.eu/small-business/index_en.htm
- National: Netregs, National British initiative
  http://ec.europa.eu/environment/sme/cases/cases04_en.htm
- International: EPA General Information on Environment for SMEs www.smallbiz-enviroweb.org

The websites were compared using the following criteria:

- Accessibility
- Identity
- Navigation
- Content

Summary of findings

The ECAP site is actually very comparable to the other sites reviewed. One of the common challenges across all the sites seems to be that they provide a vast resource of information and contacts, making it essential that the way in which the information is organised is logical and easily interpreted by the user. One of the best features of the ECAP site is its clear and simple left hand navigation which remains available wherever you are within the site. However the way in which the ECAP site visibly sits within the European Commission site is a little confusing at first.

Accessibility

The ECAP site scored very similarly to two of the other sites for accessibly. The site loads quickly and has a comparable text to background ratio, although for all of the sites this could probably be improved upon. The ECAP site lacks the recommended ALT tags for images but only one of the other sites reviewed actually seemed to practice this. One of the aspects which could have improved the ECAP score relates to use of Flash technology. The interactive map used on the site is in flash format which may not be accessible to all users and was slightly small making it difficult to select countries. The highest scoring of the comparison sites was the European portal for SMEs, having an uncluttered and simple homepage, ALT tagged images and easy to read fonts.

Identity

In this area also, the ECAP site scored well but not highest. It is clear that the site is aimed at SMEs although it possibly does not have a clear a tagline as some of the other sites. The site which scored highest was Netregs, with a very clear tagline, and easy to access information about the organisation and contact details. When looking at the ECAP site it is a little confusing that the site visibly sits within the environment area of the European Commission site rather than linking off to a new page. As a user coming directly to the ECAP site the navigation buttons could be confused with the European Commission site navigation, and once you have left the site it quick difficult to relocate the ECAP site.

Navigation

Aside from the issues mentioned above relating to the positioning with European Commission site, the navigation of the ECAP site is very user friendly. As you would expect the main navigation areas are located on the top and left hand side of the site. In comparison, the Netregs site has a good navigation at first sight but becomes less user friendly as you navigate through the site. Clicking on a navigation button on the Netregs site often opens up long list options and the original navigation is no longer visible.

Content

The ECAP site scored second highest for content, being relevant and well organised. It also appears that common best practices such as using relevant HTML pages names, inserting links as part of the text and placing ads at the bottom of the page are followed. It seems that many of the sites have news and events sections but there do not necessarily seem all that well updated – perhaps this is because the majority of the information on the sites is static and does not need to be updated as often.

7.4.5   Validity of the website according to basic criteria

The website is assessed against the general criteria outlined in the terms of reference for this study and developed in Annex 1. The following criteria were used:

- Relevance
- Coherence
- Economy
- Effectiveness
- Sustainability
- Utility
- Consistency

- Allocation

These criteria are assessed using the findings from a four-stage assessment which gathered evidence from the following exercises:
- Test assessment
- Stakeholder responses to the survey
- Interview with web administrators
- Website comparison

Relevance
The ECAP website is in line with the focus of ECAP, which is to assist SMEs to comply with environmental law and to improve their environmental performance. The website provides newsletters, information guides and tools for SMEs (as well as a forum and helpdesk addressed in tasks A6 and A7). Relevance to Member States could be increased by providing a wider range of best practice case studies in different languages.

The website provides key basic information and onward contacts, providing appropriate coverage of topics so that the user has enough information to identify further sources of information. Feedback from stakeholders highlighted a need for more specific information on legislation, for example at Member State level.

Coherence
One of the common challenges across all the sites reviewed is that they provide a wealth of information and contacts. This makes it essential that the way in which the information is organised and presented is logical and easy for the user to interpret. One of the best features of the ECAP site is its clear and simple left hand navigation which remains available wherever you are within the site. In the website comparison, the ECAP site scored second highest for content, being relevant and well organised. It also appears that common best practices such as using relevant HTML pages names, inserting links as part of the text and placing ads at the bottom of the page are followed. 82% of stakeholders said that it was easy or very easy to locate relevant information on the ECAP website. Only 9% of stakeholders said that it was difficult or very difficult to locate relevant information.

Economy
Here the ECAP website is assessed according to sufficiency of action, dimension of action, focus on ECAP objectives and depth of information provided.

Sufficiency of the actions: can the demand be satisfied?
The ECAP website is the ideal mechanism for reaching large numbers of stakeholders. Even with growing demand for more widely relevant tools and best practice, the clear and structured system put in place by the web administrators means the website should be able to satisfy this demand with relatively low financial and time inputs.

Dimension of the actions: are the actions correctly targeted or too small / big for the demand?
Feedback from the stakeholder survey suggests that the actions of the ECAP website are too small and narrowly focused for the current demand. There is demand for more specific information on funding and legislation, as well as best practice and tools applicable to different sectors and Member States. With more targeted awareness raising, it is likely that demand for this information will increase and ECAP will need to address this accordingly.

Were resources focussed on achieving the ECAP objectives?
A fixed sum of money was devoted to the ECAP website and tools. There is no obvious alternative the European Commission could have used to provide information on funding and legislation, as well as tool kits and best practice, to such a large audience in a more cost effective manner. The budget for the website was used to create web instruments such as the e-alert and best practice database. These tools contribute to ECAP's objectives to improve SMEs environmental performance and compliance.

Effectiveness

84% SMEs and public authorities agreed or strongly agreed that ECAP had been effective in supporting them to improve their environmental compliance compared to 62% SME support organisations. This demonstrates that the ECAP website has successfully focused on the problems that stop SMEs complying with environmental legislation and improving their environmental performance. The effectiveness of the website would perhaps be even greater with more awareness of the site. Transferability of information across Member States could be increased by providing a wider range of best practice examples.

Sustainability

The upkeep of the ECAP website is dependent on future funding and resourcing. It is clear that the website is a useful resource. The presentation of the ECAP website and provision of the e-alert has triggered some participants to get more involved with ECAP-relevant issues on a regular basis. To this end, it is considered a worthwhile investment of effort and money to update and refresh the website in light of stakeholder feedback.

Utility

In terms of usefulness, 64% of stakeholders rated the information on the ECAP website as above average or excellent on a scale of 1 (poor) to 5 (excellent). 17/34 respondents stated that the provision of toolkits, publications, best practice and case studies was particularly helpful for convincing businesses to become involved and can help provide time-saving solutions for SMEs. Other features noted as particularly useful were information on funding opportunities, information on events and information on EMAS and EMAS Easy.

Consistency

There were a few elements of the ECAP website which were identified as being inconsistent and creating the potential for confusion and overlap. Firstly, the website comparison identified inconsistency in the branding: the global header of the ECAP site is not the same as the version used elsewhere on the European Commission website. This creates an inconsistent visual appearance which can confuse users. In addition, it is difficult to identify the authoring organisation for the ECAP website.

Secondly, some of the website styling was identified as inconsistent: for example, the left navigation panel comprises blue and green links with no immediately obvious reason why. Consistent navigation structures and appearance can help users navigate faster and understand website structures quicker. Thirdly, there is some overlap with other European Commission sites, such as the European Portal for SMEs and Your Europe Business. ECAP should work with these sites to share good practice. Indeed there are features of the SME portal and Your Europe Business site that would address the recommendations for the ECAP website (see below).

Allocation / distributional effects

Greater awareness-raising is needed in some Member States to increase uptake and participation by SMEs. Further training and workshops were identified by stakeholders as being necessary to help SMEs implement environmental improvements; however this is clearly a resource intensive option.

Geographically, stakeholders suggested that toolkits should be made available in a wider range of languages, and information should be provided for a wider range of Member States.
At a sectoral level, the ECAP site should target specific sectors. One stakeholder identified the need for best practice examples targeted at industry and not just SME support organisations.

Acceptability

The ECAP site is very comparable to the other sites reviewed. The website was well received by stakeholders and no negative views were received from the stakeholder survey.

7.5   Recommendations for the website

The following recommendations are based on the findings of the test assessment, interviews, survey and website comparison.

Navigation

- Refine the navigation to make it clearer and remove inconsistent styling. Adding a "Home" link would aid navigation.

- Ensure the website fully works without Javascript required in all sections

- Review the search function so that the results returned can be accessed, which currently they cannot.

Identify

- The identity of the site could be made clearer. Whilst it is possible to identify what ECAP is, this is not immediately clear on the initial viewing of the homepage. The tagline could be more explicit in explaining what the website is or another area on the homepage could explain this.

- Change the global website header for the European Commission to match the header used elsewhere on the European Commission website to provide a visual continuity of the brand. Alternatively, ECAP website could be merged with the SME Portal and Your Europe Business

- Clarify the relationship between the website and all organisations which it links to.

Content

- Add an introduction paragraph on the homepage of the website to state the aim of the pages and introduce new visitors to the content.

- Content should be updated on a more regular basis if possible. This applies particularly to areas such as 'News and Events'. Visitors will expect these sections in particular to be frequently refreshed. This may require smaller but more frequent changes to website.

- If the "News and Events" page only contains past events, it would be better to change the title of the section to reflect this.

- Due to the volume of content on the website, text can appear dense and difficult to read. More spacing between paragraphs or an increase in individual line-heights would increase the readability of the website.

- In the section 'Find out where to get more information close to me', the map of Europe should provide details of SME support organisations and not just EENs. This will provide an additional source of local, objective and reliable information for SMEs.

Structure

- An error exists in the meta-tags in the page HTML source code meaning the meta keywords will not be fully understood by automated robots used by search engines and other online services. This error should be corrected.

- Larger clickable areas on the Flash map (e.g. covering both Greece and outlying islands) would be better for users with poor motor control and would make the map easier to use.

Overall

- The ECAP website is recognised as a useful resource, but more awareness raising amongst SMEs and SME support organisation would be beneficial. It would be useful for SMEs and SME support organisations if the ECAP website provided a wider range of best practice examples in multiple Member States and languages. The website could also provide more focused and specific information on funding, legislation and news.

- There is a duplication of information between the European Commission sites: ECAP, SME portal and Your Europe Business. There are features of the SME portal and Your Europe Business site that would address the recommendations for the ECAP website. For example on

the Your Europe Business site, there is an interactive map of Europe which can be selected to provide specific information on the chosen Member State. The SME portal is an interactive site which contains the latest policy and industry news for SMEs.

- It is recommended that ECAP works closely with these sites and adopts some of the features highlighted in the recommendations section. This would increase efficiency and reduce potential conflicts of interest. It would also help to create a strong brand identity which the ECAP website was in some ways lacking, thus avoiding confusion amongst users.

8 Task A6: The ECAP Forum- building local environmental expertise / ECAP network

8.1 Introduction

The objective of this task was to evaluate to effectiveness of the ECAP online forum in providing a discussion space for SMEs with questions relating to environmental legislation. The forum was set up to allow SMEs and SME support organisations to network and post queries and information on SME environmental support. The forum should provide SMEs with the opportunity to raise questions and issues on various environmental issues and to receive feedback either from other SME forum users or from the ECAP team itself.

This task assessed the ECAP forum for user accessibility and gauged SME interest in the forum. A test assessment was carried out by AEA's IT department. The stakeholder survey included three questions relating to the ECAP forum.

This section is split into the following headings:

1. Introduction
2. Key findings
3. Methods used
4. Overall findings
5. Recommendations

8.2 Key findings

Overall the forum provides a user friendly discussion space which has been appropriately organised and labelled. Predefined topics have been set-up to provide the user with a good framework for finding existing discussion topics as well an understanding of where to post their own topics. However some of the functionality in actually posting or replying to a topic is not as easy to use. Less familiar forum visitors may find the editing options challenging and possibly off-putting. The registration process also appears to have problems with the setup which creates uncertainty for a new user.

In terms of content and usefulness of discussion, the forum appears to contain a reasonable amount of information across a range of topics. Topics receive significant viewing by users also the extent to which replies are posted is much less. In addition, of the three top level sections that the forum is organised into, one of the sections receives almost all activity with the other two sections being marginalised.

The stakeholder survey revealed that the majority of stakeholders in each category (SME support organisation/SME/private/public and public authority) had not used the forum. However of those who had used the forum they had found it to be a useful tool to aid knowledge learning and sharing of best practice to support SMEs on environmental issues.

8.3 Methods used

There were two elements in this task:

1. Test assessment for user accessibility. This involved performing a test visit to the forum as an SME user would to review its functionality and ease of use.
2. Stakeholder survey which contained six questions relating to the ECAP forum.

8.4 Overall findings

8.4.1 Test assessment for user accessibility

A test assessment was carried out in order to review the Q&A sessions on the ECAP forum, examine the variety of posts and topics discussed. A dummy run of the forum was also carried out to assess the criteria shown in Annex 5. Each criterion was classified high, medium or low.

The forum takes a familiar format, allowing users to post or reply to topics in a number of preset areas. These are defined as 'Discussing ECAP', 'Environmental Issues' and 'How do I use this forum?' Each of these sections has a summary paragraph which outlines its intended use and content. Once within a section, each is further broken down into topic areas and sub topic areas. It may be difficult to distinguish which section (between 'Discussing ECAP' and 'Environmental Issues') to use when posting a new topic. The lack of posts in the 'Environmental Issues' section suggests that this is the case, with only one current topic as opposed to 64 in the 'Discussing ECAP' section. The third section – 'How do I use this forum?' is also very quiet in comparison, although this would be expected in any forum.

Within the 'Discussing ECAP' section the forum seems to be updated and used fairly often, with updated posts within the last couple of weeks. A large number of posts come from the ECAP admin account but some are from other users also which shows that it is stimulating engagement of visitors.
In terms of usability the 'How do I use this forum?' section is a useful option. It is immediately visible upon logging in and should aid anyone new to the forum if they have difficulty knowing where to go or how to use the forum.

Whilst most of the functionality of the forum is good and it is easy to navigate between sections and view posts, it becomes more difficult when a user wants to post and edit a new topic. For less familiar forum users it may be difficult to understand or use the editing buttons. An example of this would be the 'URL' button which allows a user to insert a link but the way in which this works may not be immediately obvious. There are also additional options on the editing page such as 'Disable BB Code' which may not mean anything to a less technical user. This is also true of replies. The option to save a draft of a post is useful in theory but could discourage a user from following up on this.

8.4.2 Survey findings

The general survey which was sent out to ECAP users contained three questions on the ECAP forum. The survey aimed to gather information on how many SME support organisations use the forum as well as stakeholder feedback on the forum. The responses to these questions are presented below.

Figure 8.1 Breakdown of respondents who have used the ECAP forum and helpdesk
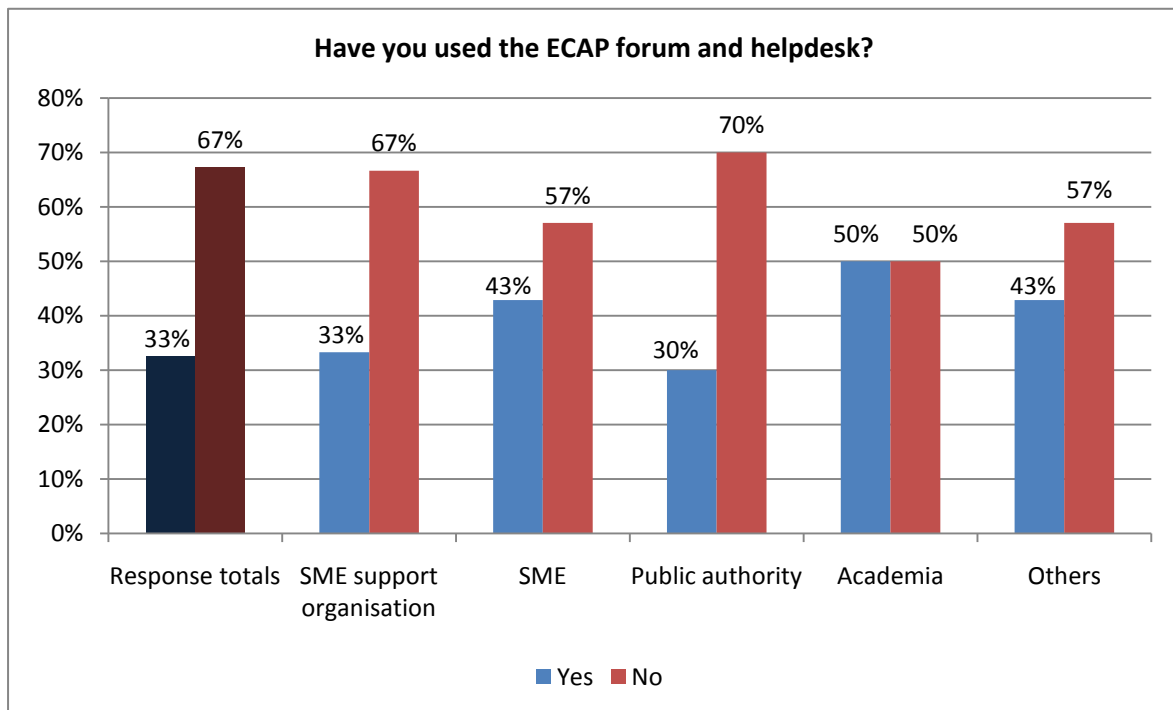

Figure 8.1 shows that the overall two thirds of respondents have not used the ECAP forum and helpdesk. Most notably, only 33% [9/27] SME support organisations and 30% [3/10] public authorities said they had used the ECAP forum and helpdesk. Slightly more SMEs [43% or 3/7] had used these resources.

Figure 8.2 Usefulness of ECAP forum to aid knowledge learning and sharing of best practice
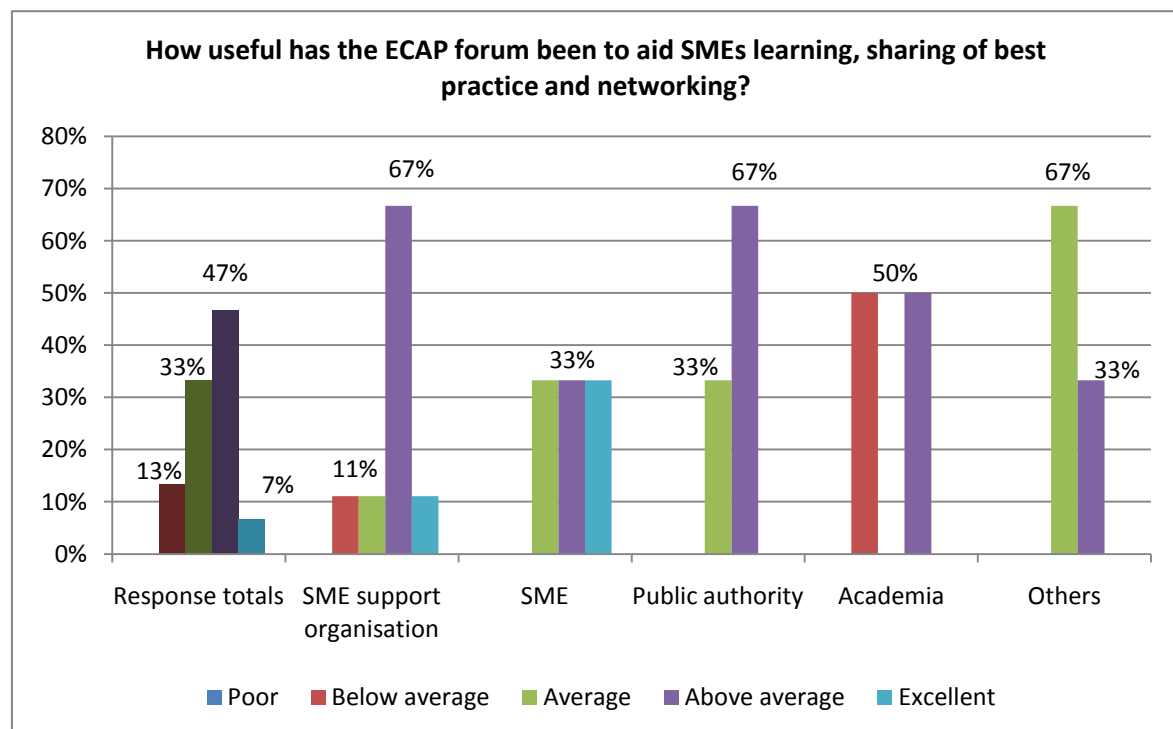

Figure 8.2 shows that the just over half of all respondents [54% or 8/15] rated the ECAP forum as above average or excellent as a tool to aid knowledge learning and sharing of best practice to support SMEs on environmental issues.

SME support organisations rated the ECAP forum most favourably, with78% [7/9] rating the ECAP forum and above average or excellent in terms of helping SMEs to aid knowledge learning, sharing of best practice and networking.

No respondents rated the ECAP forum as poor. Only 13% [2/15] overall respondents said the ECAP forum was below average.

Of the seven stakeholders that rated the ECAP forum average or below average, six stakeholders provided justifications including that there is not enough discussion on the forum or they have not used it as often as they wanted to. One stakeholder reported that the Forum is a good initiative and it would be good if it was promoted and used firstly by public authorities. SME public agencies could use it to publicise their national or regional initiatives and perhaps then national and regional SME business support organisations would also use this tool. Another stakeholder suggested there could be email notifications of forum discussions and a monthly digest of relevant stories.

8.5   Recommendations

The stakeholder survey asked for suggestions on how the ECAP forum and helpdesk could be improved. The following table shows responses to this question.

Table 8.1 Suggested improvements for the ECAP forum and helpdesk

	Number and type of stakeholder responses
A) in terms of coverage	Four stakeholders agreed that the ECAP forum and helpdesk could be improved in terms of coverage. One SME suggested that best practice examples should be provided for all EU27 Members States, with a balance between North-South East-West.
B) in terms of content	Six stakeholders agreed that the ECAP forum and helpdesk could be improved in terms of content. One SME suggested dividing the topics into different sections (networking, finances, EMS, legal) and proposing at least one article on innovative approaches per topic. One other stakeholder suggested including more case studies.
C) in terms of service	Three stakeholders agreed that service could be improved on the ECAP forum and helpdesk but only one suggestion was provided and this related to receiving email updates.
D) Any other	Two stakeholder provided further suggestions for improvements: • The main target should be to make the ECAP a useful and practical programme and then the use of the forum and helpdesk will automatically increase. ECAP is seen as a European programme and it is important to try to bring it close to the SMEs at local, regional and national level. • Create an instant messaging function such as MSN Messenger or Skype, in order to facilitate continual interaction.

Based on the assessment of the forum and the survey findings, the following recommendations have been made:

- Account registration emails should be sent out in a timely manner. During the test run, an email was received saying that the application had been received but the follow up email notification of account activation was never received. This is likely to affect the number of activated accounts: if people sign up and do not have their access confirmed they are unlikely to follow this up.

- The forum would benefit from being publicised on the main ECAP website to encourage more discussion. Many of the discussions do not have recent posts and there were no users online during the test assessment. This would help to keep the content up to date.

- The ECAP website would benefit from automatically generated updates rather than manual updates.

9 Task A7: Helpdesk evaluation

9.1 Introduction

The helpdesk was set up in 2008 to assist SME support organisations in responding to questions from SMEs relating to EU environmental policies. It was set up primarily as a web-based helpdesk. This task aimed to assess the effectiveness of the ECAP helpdesk in fulfilling this role. The assessment looked at the accessibility and ease of use of the helpdesk, response time and level of professionalism. In addition to the survey questions on the ECAP helpdesk and forum outlined in Task A6, a test assessment was carried out.

This section is split into the following headings:

1. Introduction
2. Methods used
3. Key findings
4. Recommendations

9.2 Methods used

A test enquiry was sent to the helpdesk. The enquiry submitted was written as if from a UK based SME seeking help on environmental legislation for the printing sector. The response was evaluated using the following criteria:

- Accessibility of helpdesk
- Simplicity and suitability of online form
- Response time following enquiry submission
- Understanding of original enquiry
- Professionalism in response
- Level of detail and quality of advice in response
- Alternative sources of information and advice offered
- Follow-up support offered
- Personalisation of response and contact details (as an individual or generic helpdesk)

9.3 Key findings

9.3.1 Test assessment

The service provided by the ECAP helpdesk was very professional and efficient. The information provided matched closely with the service provided by the website itself – specific details on legislation were not provided but the most relevant external information points were suggested. Again this closely mirrors the way in which the website operates – providing relevant signposting to specific organisations and legislation rather than holding all the legislation information on the site.

Aside from the relevance of content provided in the enquiry response, it was also provided in a very timely fashion and in a personalised way. The user feels that they have received a carefully considered response from a member of the helpdesk team and that they could follow up the initial response with any further questions. This is enhanced by the provision of the helpdesk representative's telephone contact details. Findings from the helpdesk review can be found below in Table 9.1.

Table 9.1 Criteria and assessment of helpdesk

Criteria	Assessment notes
Accessibility of helpdesk	The helpdesk is accessible from any area of the website as a link is provided on the right hand side navigation of the site. This available to users at all times when they are viewing any page on the website.

Simplicity and suitability of online form	The online form is clear and simple, enabling the user to quickly submit an enquiry. Minimal information is required as mandatory, namely email address, company name and question. It is slightly unclear whether the two final fields 'any additional information provided by the company' and 'source of information and/or person already contacted' are intended to be completed by the user or helpdesk staff. It is assumed that these are for the user as they would not be available otherwise, but the way in which they have been written makes this unclear.
Response time following enquiry submission	Following submission of the test enquiry to the helpdesk, a response was received in less than one hour.
Understanding of original enquiry	The response provided was original, appropriate and relevant, indicating that the enquiry had been clearly understood. In particular the representative responded to the fact that we were a UK-based company by suggesting UK-based resources.
Professionalism in response	The response received was very professional in both content and presentation. In particular the standard of written English was high, despite the helpdesk being EU-based.
Level of detail and quality of advice in response	The quality of advice received was good. Appropriate contact details and resources were suggested and it seems these would be useful sources of information. The level of detail provided was limited, focussing solely on the use of other in-country support services. The response stated: "*Unfortunately the ECAP Helpdesk is unable to provide tailored guidance on legislation for SMEs in different EU Member States. However, at the link below you will find a list of contacts that may be able to provide you with the information you seek.*" This reflects the objective of the helpdesk as set out on the website – to redirect SMEs to their closest contact point, while other organisations such as EEN members, Chambers of Commerce etc can be given more specific advice.
Alternative sources of information and advice offered	Suitable alternative information sources were offered in response to the enquiry. This is a key element of the ECAP service – to direct SMEs to useful and appropriate external information sources.
Follow-up support offered	The helpdesk representative offered to answer any further questions that we might have.
Personalisation of response and contact details	The response provided came from an individual and named contact, which gave the impression that care and responsibility is taken when responding to enquiries.

9.3.2   Stakeholder survey

The survey which was sent out to ECAP users contained three questions on the ECAP helpdesk. The survey aimed to gather information on how many SME support organisations use the helpdesk as well as stakeholder feedback on the forum. The responses to these questions are presented below.

Figure 9.1 How useful has the ECAP helpdesk been, as a tool, to aid environmental compliance?
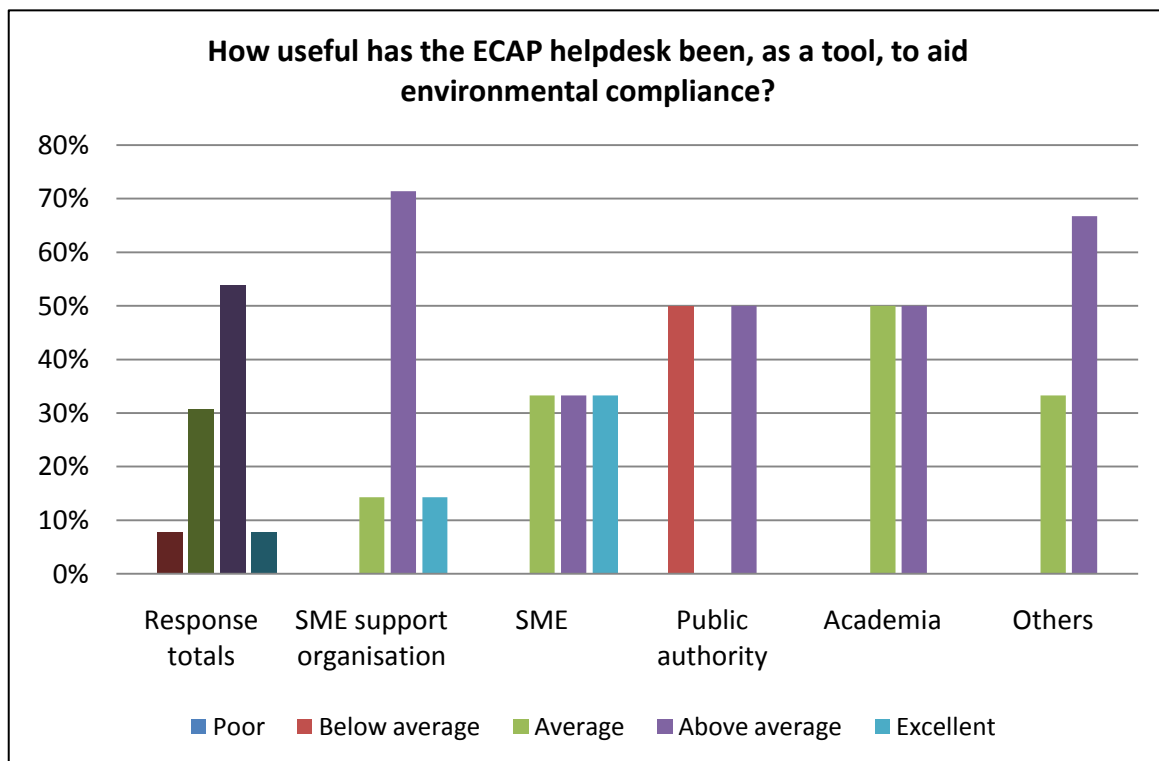

Figure 9.1 shows that overall, 62% [8/13] respondents rated the ECAP helpdesk above average or excellent in terms of aiding environmental compliance. All SME support organisations, SMEs, academics and other respondents rated the ECAP helpdesk as an average, above average or excellent tool to aid environmental compliance.

Most notably, 71% [5/7] SME support organisations said that the helpdesk was above average in terms of aiding environmental compliance. The remaining 28% [2/7] rated it as either excellent or average.

No respondents rated the helpdesk as poor, and only 8% of respondents overall [1/2 public authorities] said that it was below average.

Of the five respondents who scored the helpdesk 3 or less, four respondents provided reasoning. Three stakeholders had never used the helpdesk. The other stakeholder reported that while they have told their SME member organisations that they can use the ECAP helpdesk, they have not received any feedback from them regarding the helpdesk.

9.4 Recommendations

The helpdesk has not been used much by the respondents to the survey. However, based on a test assessment of the helpdesk carried out by the study team, we have made the following recommendations. Telephone contact details for the helpdesk should be provided on the website. Whilst these were provided following the initial enquiry to the helpdesk, there is no telephone contact information detailed on the website. When users have very technical queries, they might prefer to get in touch via telephone rather than email. This should increase the number of helpdesk users.

ECAP should consider setting up ECAP national helpdesks to provide national and regional information on environmental legislation. The helpdesk could be hosted by national governments and coordinated by ECAP.

Overall, greater publicity of the ECAP helpdesk is necessary in order to increase its use.

9.5 Validity of the ECAP forum and helpdesk according to basic criteria

The ECAP forum and helpdesk are assessed against the general criteria outlined in the terms of reference for this study (see Annex 1). These criteria are:

- Relevance
- Coherence
- Economy
- Effectiveness
- Sustainability
- Utility
- Consistency
- Allocation

These criteria are assessed using the findings from the test assessments and the stakeholder responses to the survey.

It is important to remember that there has been a relatively low uptake of the ECAP forum and helpdesk. To this end, the conclusions drawn here are based on limited stakeholder feedback and test assessments of the services.

Relevance and coherence
The stakeholder survey identified that the ECAP forum could be made more relevant to ECAP objectives by dividing the topics into different sections and proposing at articles on innovative approaches per topic. One stakeholder suggested including more case studies. It was suggested that the relevance of the forum (and helpdesk) would increase as awareness of ECAP increased.

The test assessment of the helpdesk highlighted relevant and coherent responses provided in a timely and personalised manner. The user feels that they have received a carefully considered response from a member of the helpdesk team and that they could follow up the initial response with any further questions. This is enhanced by the provision of the helpdesk representative's telephone contact details.

Economy
Here the ECAP forum and helpdesk are assessed according to sufficiency of actions, dimension of action and focus on ECAP objectives.

Sufficiency of the actions: can the demand be satisfied?
As with the ECAP website, the forum and helpdesk are effective mechanisms for promoting information sharing and networking amongst large numbers of stakeholders. Should demand for/uptake of these services increases, ECAP will have to provide more helpdesk staff in order to maintain the efficient response rate.

Dimension of the actions: are the actions correctly targeted or too small / big for the demand?
In contrast to the ECAP website, demand for services from the forum and helpdesk is low. This is most likely as a result of the low awareness of services available. ECAP should carry out targeted awareness-raising in order to increase demand. Growing demand will require some changes to the way the forum and helpdesk are run. For further information refer to the appropriate recommendations sections.

Were resources focussed on achieving the ECAP objectives?
There was a fixed budget for the ECAP website and web tools between 2007 and 2010. The forum was created in 2009 as a tool to promote knowledge sharing amongst users. Resources will need to increase in order to meet future demand for the forum and helpdesk as identified during this study (e.g. national helpdesks, e-alerts of new forum discussions, instant messaging function). All of these improvements would help achieve ECAP objectives, but only if sufficient funding is provided to maintain them.

Effectiveness

A number of stakeholders who rated the ECAP forum average or below average reported limited discussion on the forum. This suggests the effectiveness of the forum in contributing to ECAP's actions was low. Email notifications of forum discussions and a monthly digest of relevant stories would be simple enhancements to increase the forum's effectiveness.

In terms of the helpdesk, the online form is clear and simple, enabling the user to quickly submit an enquiry. However, stakeholders reported limited uptake of the helpdesk service therefore it is difficult to measure its effectiveness.

Sustainability

Over half of all respondents rated the ECAP forum as above average or excellent as a tool to aid knowledge learning and sharing of best practice to support SMEs on environmental issues. This suggests that the forum is a tool which can continue even if the intervention is terminated. Additionally, it shows that the action is being enhanced by SMEs and their support organisations. With regards the helpdesk, this could continue at a national level with little intervention needed from ECAP.

Utility

The forum and helpdesk are recognised as useful tools to help meet ECAP's objectives of improving environmental performance and compliance, however there is no evidence of how useful they have been due to limited uptake. Further additions such as an instant messaging function could facilitate continual interaction thus increasing utility.

Consistency

The ECAP forum and helpdesk appear to be unique at the European level, providing environmental advice to SMEs. At the national level, there are many similar tools which ECAP is able to signpost SMEs and SME support organisations to. This is a key element of ECAP's approach to helping SMEs improve environmental performance and compliance.

Allocation / distributional effects

Greater awareness-raising is needed in some Member States to increase uptake of the ECAP forum and helpdesk by SMEs and their support organisations. Stakeholders suggested that ECAP should be brought closer to the national and regional level, for instance, by creating national helpdesks. On the forum, Member State specific discussions would help reach a wider audience.

Acceptability

The ECAP forum and helpdesk were well received by stakeholders. Just one stakeholder said the helpdesk was a 'below average' tool to aid environmental compliance and just two stakeholders said the ECAP forum was below average. However, uptake of these tools was very limited so it is difficult to draw meaningful conclusions on acceptability, as with other criteria.

10 Task A8: Assessment of the EMAS III and EMAS Easy

10.1 Introduction

Different initiatives have been taken to alleviate any administrative burden that the introduction of EMAS might present to SMEs. One action envisaged by ECAP is the establishment of "more accessible tailor-made environmental management schemes (EMS) for SMEs to integrate environmental concerns into the core business activities of SMEs in a coherent and cost-effective way."

In the ECAP Communication, the Commission emphasized the importance of the European Eco-Management and Audit Scheme (EMAS) and other EMS that have been developed in recent years, which have likely a much more positive influence on the environmental engagement of organisations than a single inspection or compliance check. Due to its strict requirements and transparency, EMAS is particularly useful to provide a reliable picture of an organisation's environmental performance and ensure legal compliance, especially to the responsible public authorities. However, the Commission stressed the need for improvements of EMAS to attract more SMEs.

Therefore, the latest revision of the relevant EMAS Regulation[22] (EMAS III Regulation) in 2009 responded to the challenges that SMEs generally face in the context of an EMAS registration.
In this chapter, the EMAS III Regulation and EMASeasy – a tool which is supposed to make EMAS more accessible to SMEs - will be analysed as regards their usefulness to SMEs. It will be assessed whether the new design of the EMAS III Regulation and the EMASeasy approach have a positive impact on the acceptance of EMAS with SMEs.

10.2 Approach of the research and the assessment

EMAS III and EMAS Easy were analysed as regards their usefulness to SMEs. The means of analysis was a legal text study and consultation with stakeholders (SME and SME support organisations) on the basis of a questionnaire. Results of pilot projects/studies of EMAS Easy were taken into account for the analysis as well as the study on the costs and benefits of EMAS registration[23] The Commission study on how to attain EMAS verification starting from other environmental management systems (most of which are local, step-by-step systems conceived for SMEs) was taken into account as well.[24]

10.3 Main findings

10.3.1 Introduction to EMAS

EMAS is a voluntary, 3rd party verified EMS for all kinds of organisations. EMAS is designed to enable organisations to evaluate, report and improve their environmental performance. By their registration, organisations can profit in various ways. For example, they can gain acknowledgement by the public and thus win costumers. Checks and inspections by the public authorities will likely be less frequent, thus it has the potential to reduce administrative costs. Moreover, if the organisation improved its environmental performance by optimising materials and energy use, it will likely reduce costs.

EMAS was first adopted in 1995. In 2001, the scheme was made eligible for all economic sectors including public and private services. It was recognised as an important instrument in the framework of

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[22] Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC, OJ L 342, 22.12.2009, p. 1–45.
[23] Report available at http://ec.europa.eu/environment/emas/pdf/news/costs_and_benefits_of_emas.pdf.
[24] Results available at http://ec.europa.eu/environment/emas/documents/kit_en.htm#stepUp.

the 2008 Sustainable Consumption and Sustainable Industrial Policy Action Plan of the European Commission.[25]

The Commission is obliged to review the EMAS regularly.[26] Accordingly, an evaluation was carried out in 2005 to identify the strengths and weaknesses of the scheme, and this especially with a focus on the low registration of SMEs with the EMAS scheme. The most recent revision of the EMAS Regulation[27] (EMAS III) came into effect on 11 January 2010 and was intended to improve the attractiveness of EMAS for SMEs.

According to Article 1 of the EMAS III Regulation, the objectives of EMAS now are

- the promotion of continuous improvements in the environmental performance of organisations by the establishment and implementation of environmental management systems by organisations,

- the systematic, objective and periodic evaluation of the performance of such systems,

- the provision of information on environmental performance, and

- an open dialogue with the public and other interested parties and the active involvement of employees in organisations and appropriate training.

If a private or public organisation decides to register with EMAS, it is obliged to observe a number of steps and procedures. In a first step, organisations have to conduct an **environmental review,** which is an initial comprehensive analysis of environmental aspects, environmental impacts and environmental performance related to an organisation's activities, products and services. Based on the results of the review, the organisation needs to establish an effective **environmental management system** that has to comply with a number of requirements laid down in Annex II of the Directive. Subsequently, another **internal audit** has to be carried out. Moreover, the organization must issue an **annual environmental statement** of their environmental performance. Finally, the environmental review, the management system, audit procedure and the environmental statement must be **verified** by an environmental verifier. This verifier must also **validate** the environmental statement. The validated statement needs to be forwarded to the EMAS Competent Body for **registration** and made publicly available. In return, the organisation is eligible to use the EMAS logo.

10.3.2   SMEs and EMAS

In 2007, only 6% of all SMEs had an EMS (whatever kind, also including EMAS) in place.[28] The result of recent analysis - executed on behalf of the European Commission - has been that 2,634 SMEs in the European Union had an EMAS registration in 2009.[29] Compared to 20 million SMEs in the European Union, that is 0.013 %.

SMEs are often not fully aware of the environmental impacts of their activities, especially when compared with large organisations. However, the total number of SMEs - on the whole - is a source for considerable environmental impacts, which the single organisation may underestimate. Projections say that SMEs account for approximately 64% of the industrial pollution in Europe.[30]

From experience, SMEs face certain challenges when they aim to register with EMAS compared with large companies. To register, organisations have to carry out a comprehensive number of activities. It is reported that for this in many cases no in-house staff with environmental expertise is available. The small and medium organisations generally have no or little expertise with handling organisation or management systems. There is a lack of information; both regarding costs and benefits as well as exemptions for SMEs when implementing EMS in general and in particular for EMAS registration. There is often no incentive from the consumer/customers' side to register with EMAS, since customers in general are also unaware of the EMAS registration and the meaning of EMAS. SMEs often do not know that EMAS is applicable to them and not just for large companies. At the top management level

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[25] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan, COM(2008) 397 final.

[26] See Article 15 EMAS II Regulation; Article 50 EMAS III Regulation.

[27] Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC, OJ L 342, 22.12.2009, p. 1–45.

[28] Communication from the Commission: Small, clean and competitive - A programme to help small and medium-sized enterprises comply with environmental legislation, COM(2007) 379 final, page 3.

[29] Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry, Technical Annex, page 2.

[30] Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry, page viii.

– which is responsible for defining the organisation's environmental policy in the context of the EMAS registration – often only short-term planning prevails as well as a lack of willingness to deal with the organisation's environmental performance. Most importantly, the costs for the implementation of EMAS are much higher for SMEs in relation to their size and turnover compared with large companies, where the necessary structural mechanisms to implement management systems are often already in place. All in all, the introduction of EMAS is perceived as huge step by a great number of SMEs, since it entails time and money resources.

To some extent, SMEs implement non-formal, regional and more accessible EMS adapted to SMEs, which can set the conditions to implement EMAS more easily in a future step (like Ökoprofit, Green Key, 123 environment, Bayrisches Umweltsiegel). In turn, SMEs often hesitate to choose EMAS, due to the concerns listed above. Most importantly, companies have to meet relatively high requirements in order to obtain an EMAS registration.[31] The high formal standards generally discourage SMEs from aspiring to an EMAS registration.

Though the former EMAS II Regulation (2001) has already contained certain exemptions for the registration by SMEs, the number of new registrations has declined over the last two years. Also, official reviews have revealed that the business community is particularly critical about the lack of external incentives as well as of the unbalance between costs and benefits; in particular for SMEs.[32]
In response to this, special tools – especially **Ecomapping** and **EMASeasy** - were developed to support SMEs in order to get started with environmental management systems and – in a longer term - to make EMAS accessible to them. The tools are part of a so called EMAS toolkit for Small Organisations. This is a collection of tools developed and tested for and by SMEs, which is available online.[33]

Ecomapping is a tool to assess environmental issues within a company in a simple and inexpensive way. It is meant to be starter kit for SMEs to implement any environmental management system by scanning the company's environmental impacts, problems and practice in a participatory learning process. Ecomapping employs a visual format, focusing on water, energy, soil, waste and air. The process is meant to be easy: the company basically needs to be mapped for the assessment. In the maps, the environmental impacts of the company are visualized. It is a very straightforward way to start with an environmental assessment, and thus very suitable for SMEs with little experience.

The next step is the transformation from Ecomapping to EMS, especially EMAS. Here the EMASeasy tool could come into play. EMASeasy is a tool to implement EMAS in a more simple and inexpensive way in comparison to the normal procedure. It makes EMAS more accessible to SMEs, **without derogating from the high environmental standards**. Only procedures to gain registration are simplified, especially by using the visual approach as used in Ecomapping.

10.3.3   Objectives of EMAS as given in ECAP

The second out of five actions presented in the ECAP Action Plan deals with the establishment of more accessible tailor-made environmental management schemes for SMEs. In the ECAP, the Commission considered EMSs to be an adequate tool to improve environmental performance of private and public organizations. It concluded that EMAS – due to its strictness and transparency – is the most suitable instrument to incorporate EMS: However, the Commission suggested improvements to the scheme in order to attract more SMEs, but on a more general level also welcomes the existence and creation of simpler EMS that are eligible for SMEs. The proposed actions regarding EMAS are:

- *"The Commission will promote and support public-private partnerships (consortia or coordinating bodies) and other initiatives, to encourage use of **EMAS in industrial clusters or districts of SMEs**, using specific cluster or supply chain approaches. These approaches reduce consultancy and audit/verification costs for participating SMEs, and facilitate additional knowledge-sharing and experience exchange amongst participants, encouraging a coherent environmental policy in the cluster."*

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[31] See Annex II of the EMAS III Regulation: Firstly, they have to meet the formal EN ISO 14001:2004 standard, which is an internationally acknowledged and well-known EMS standard. It entails a core set of EMS requirements which are meant to be incorporated into any EMS. It was published for the first time in 1996 by the International Organization for Standardization and adopted by the European Committee for Standardization as European standard. Secondly, companies have to meet a number of requirements going beyond EN ISO 14001:2004.
[32] Report from the Commission to the Council and the European Parliament on incentives for EMAS registered organizations, COM (2004) 745, S. 3ff.
[33] Accessible at http://ec.europa.eu/environment/emas/toolkit/.

- *Existing tools for the implementation of EMAS in SMEs, such as EMAS-Easy, will be further developed and applied on a larger scale with projects in all EU Member States. A pilot phase of EMAS-Easy has already been run in new Member States and showed that full EMAS registration is easily feasible in micro-companies.*

- *As part of the revision, the Commission intends to further reduce the administrative burden of EMAS, which will be particularly beneficial for SMEs. EMAS should be made more accessible, more understandable and more effective, with less red-tape but maintaining the excellence of the scheme. Also its "visibility" should be increased through enhanced promotion by the Commission and Member States, which would also make it an interesting marketing instrument for registered SMEs. It is also planned that Member States will be encouraged to offer incentives to registered SMEs."*

10.3.4   Assessment of relevant studies on SMEs and EMAS

A number of official studies were conducted to assess the relation of SMEs and EMAS. The results are examined in this section and further considered at the end of this chapter.

EVER study

The EVER study[34] was carried out in 2005 on behalf of the European Commission to provide recommendations for the revision of two voluntary schemes managed by the European Commission, namely EMAS and the EU Eco-label.

The EVER study revealed the main barriers for achieving the first EMAS registration: the cost of implementation (including the consultant), the lack of human resources and competence and the difficulties in involving and motivating the internal personnel.[35]

Regarding SMEs, the study proposed two specific actions: Firstly, **SMEs should be targeted** by the scheme. The specifications for SMEs should be improved to make it easier for companies that are suffering from lack of human, technical and economic resources, to take up the scheme. Secondly, a **'cluster approach'[36]** should be enabled and promoted. In a convoy/cluster registration, a certain number of organisations share the efforts and costs for registration with EMAS. As part of a convoy or cluster, organisations have the chance to share the administrative burden and receive assistants from their partners. The networking among companies and with other public or private 'collective' actors is understood to be effective in promoting and supporting EMAS implementation, especially for smaller companies.[37]

Study on the Costs and Benefits of EMAS to Registered Organisations

This study was conducted in 2009 on behalf of the EU Commission. The aim of the study was to draw conclusions regarding the costs and benefits to organisations of EMAS registration, as well as the incentives and barriers confronted by potential new registrants. Based on these conclusions, recommendations for strategies were designed to attract new organisations into the scheme, to minimise the barriers to registration and to provide targeted assistance to new organisations.

Regarding SMEs, desk research and an online survey revealed that **costs** associated with certification and registration is a key barrier to EMAS registration to organisations of particular relevance to SMEs. Other general external barriers for all organization sizes were a lack of consumer awareness, poor feedback, and a lack of recognition by public institutions. Internal barriers include a lack of human resources, specific skills and capacities, and low motivation.[38]

The report concluded inter alia that registering as part of a **convoy/cluster[39]** (especially for smaller organisations) would help minimise the costs and maximise the benefits of EMAS. In order to facilitate

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[34] IEFE et al (2005): EVER: Evaluation of EMAS and Eco-label for their Revision.

[35] IEFE et al (2005): EVER: Evaluation of EMAS and Eco-label for their Revision. Executive Summary, page 4.

[36] Clusters have been officially defined in the European Commission Final report of the expert group on enterprise clusters and networks, page 9: "Clusters are groups of independent companies and associated institutions that are: collaborating and competing; geographically concentrated in one or several regions, even though the cluster may have global extensions; specialised in a particular field, linked by common technologies and skills; either science-based or traditional. Clusters can be either institutionalised (they have a proper cluster manager) or non-institutionalised. The cluster has a positive influence on: innovation and competitiveness; skill formation and information; growth and long-term business dynamics"

[37] IEFE et al (2005): EVER: Evaluation of EMAS and Eco-label for their Revision. Executive Summary, page 11

[38] Milieu et al (2009): Study on the Costs and Benefits of EMAS to Registered Organisations, page xvi

[39] Clusters have been officially defined in the European Commission Final report of the expert group on enterprise clusters and networks: "Clusters are groups of independent companies and associated institutions that are: collaborating and competing; geographically concentrated in one or

registration, the authors suggest promoting the convoy/cluster approach to registration through the provisions of EU guidance and seminars to share best practice between competent bodies. The convoy/cluster approach would mean additional support and incentives for registration, with the costs of registration lowered as a result of them being shared. Regarding the competent bodies, the study concluded that offering **financial assistance** seems particularly relevant to SMEs, who face high costs in the first year of EMAS registration.[40] Financial support would serve to reduce the costs associated with this step and reduce the overall costs of EMAS registration to SMEs.

Pilot projects/studies of EMASeasy

A number of EMASeasy capacity building workshops have been conducted in all Member States since 2004. More than 150 consultants have been trained in EMASeasy all over Europe since the beginning of the workshops.[41] The objective of this programme - whose results were presented in 2010 - was to provide training and enable environmental management system professionals to implement EMAS in a lean, quick and participative way in order to lower transactions costs for consulting and auditing for SMEs. It was generally concluded that the potential of the EMASeasy tool has been recognised as powerful and as the suitable way to go.

However, some general challenges have been identified. These include the fact that EMASeasy does not exempt from the general requirements under the EMAS Regulation, i.e. the comparatively high standards and costs that have to be met for the EMAS registration. That is one of the reasons why a number of companies dropped out of the capacity building programme.[42]

"Step up to EMAS": Study on Guidelines for Transition from Non-Formal EMS and ISO 14001 to EMAS

The study "Step up to EMAS" is meant to support the so called step-by-step approach. This implies helping SMEs to move from a non-formal EMS to the formal EMAS registration. [43]

Therefore, the study analysed a great number of existing – to a great extent only non-formal, regional, local or industry specific - EMS from various Member States (for instance Bayrisches Umweltsiegel, BS 8555, e+5, ECOPROFIT, EcoStep). To SMEs, the registration with those simplified EMS can be more attractive at first sight. Registration can generally be achieved with fewer costs and efforts compared to EMAS, which is known for its strict requirements. Moreover, the consumer awareness of the registration with the simplified EMS might be higher in the region where the SME is situated compared with EMAS (e.g. by coverage by the local and regional media, local and regional events).

However, the Commission aims to improve the registration with the formal EMAS by SMEs. It generally argues that EMAS stands out due to its strict requirements and its transparency. The acceptance of EMAS by public authorities is a reliable alternative to checks or inspections. This might reduce administrative burdens; which is of special importance to SMEs.

The implementation of the strict EMAS helps SMEs to ensure their legal compliance with existing environmental legislation. The legal certainty can be another cost reducing factor. Moreover, the registration with an international EMS such as EMAS is capable of attracting costumers beyond the local or regional borders. EMAS also helps to make the environmental performance of SMEs comparable among each other including those from different Member States.

Therefore, the "Step up" - study is meant to encourage organisations to implement the premium standard EMAS once they have achieved the implementation of the simplified standard. It, thus, focuses on SMEs that have already a registration with a non-formal, regional or local EMS. SMEs shall be incited to make use of their EMS in order to pursue an EMAS registration. Therefore, the study provides information on the pros and cons of a number of available EMS and the

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several regions, even though the cluster may have global extensions; specialised in a particular field, linked by common technologies and skills; either science-based or traditional. Clusters can be either institutionalised (they have a proper cluster manager) or non-institutionalised. The cluster has a positive influence on: innovation and competitiveness; skill formation and information; growth and long-term business dynamics"
[40] Milieu et al (2009): Study on the Costs and Benefits of EMAS to Registered Organisations, page xvii
[41] INTERNATIONAL CONFERENCE ON EMAS: TOWARDS A RESOURCE EFFICIENT ECONOMY, BRUSSELS, BELGIUM, 25 NOVEMBER 2010, Available at http://www.emas.de/aktuelles/meldungsordner-2009/meldungsordner-2010/meldungenderemas-redaktion10-2010/international-conference-on-emas-2010/
[42] Eco-Conseil Enterprise (2010): EMAS for small and medium-sized enterprises: Capacity Building in 8 Member States. Final report. Page 3.
[43] Available on: http://ec.europa.eu/environment/emas/documents/kit_en.htm#stepUp)

similarities/differences with EMAS. For each EMS, a fact sheet and brochure has been prepared. The interested SME can assess with little effort, which steps are missing to upgrade from the non-formal EMS to EMAS.

Study "SME and the environment in the European Union"

The study "SME and the environment in the European Union" was prepared on behalf of the European Commission (DG Enterprise) and published in 2010. It assessed the environmental impact of SMEs in Europe as well as the administrative burdens stemming from EU environmental legislation. Moreover, the study is completed by a web-based toolkit to assist policy-makers and SMEs in developing environmental improvements. Another part of the study has been the establishment of database focusing on the environmental impact of SMEs by size, class and sector. Among the most relevant findings, the study concluded that SMEs' contribution to industrial pollution in Europe is about 64%.[44]
The research has also covered the EMAS registration by SMEs. It concluded that SMEs, especially small and micro enterprises, face difficulties in implementing a formal EMS such as EMAS. This includes the language and terminology of formal EMSs as well as the formal, documented structure of the registration procedure that usually is not familiar to SMEs. Furthermore, some external certifiers for EMAS as well as EN ISO 14001 often have little or no experience in dealing with EMSs to be implemented in SMEs. This might result in higher certification costs for smaller companies, compared with the standardized procedures in large companies.

The study concludes that EMAS generally has proven to be too costly and complex for most of the micro and small enterprises. Moreover, the public (authorities or costumers) show little or no interest. If the application of a standard is rewarded or demanded, it will be rather ISO 14001 systems or an industry specific system. Therefore, EMAS and EMASeasy seem to be better suited to medium-sized and large enterprises and companies with a high environmental impact. Therefore, the report suggests that systems like EMAS and EMASeasy should be targeted more exclusively to those companies. Generally, the certification costs should take into account the size, number of employees and turnover of the company. For SMEs with a low environmental impact, very simple, low cost and informal schemes for reducing environmental impact should be promoted. External auditing should not be necessary, since this adds extra costs and burdens to the company.[45]

10.3.5   Assessment of EMAS III Regulation and EMASeasy

EMAS III Regulation – a short overview

Facing decreasing registrations after the adoption of EMAS II Regulation in 2001, the Commission undertook a review of EMAS in 2003. This included inter alia a report on incentives used in different Member States for EMAS registered companies[46] and an evaluation of the EVER study (see above). The results of the review were taken into account in the revision of the EMAS Directive.
The revised EMAS III Regulation took effect in January 2010.

The formal scheme of EMAS and the general requirements for participation remain basically the same as under the former Regulation. The revised EMAS regulation is supposed to strengthen the scheme by increasing its efficiency and its attractiveness for organizations, especially to increase the number of organisations applying for the scheme. Special attention is, consequently, paid to the needs of SMEs (which are named "small organizations" in the Regulation, see Article 2 (28) EMAS III Regulation).

A precise analysis of the different legal provisions of EMAS III can be found in Annex 8.

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[44] Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry, page 173.
[45] Ibid., pages 176ff.
[46] REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON INCENTIVES FOR EMAS REGISTERED ORGANISATIONS, COM(2004) 745 final.

Evaluation

While the former EMAS II Regulation was completed by a set of guidelines by the Commission[47], the new Regulation has taken on all approved provisions and conflated them into one document. Therefore, the number of articles increased from 18 to 52. In turn, the combination of all relevant articles in one document will likely make the application of the scheme more manageable.

The former Regulation has already considered the specific needs of SMEs with regard to the EMAS registration.[48] Exemptions from the audit cycle for SMEs have been provided by a Commission Decision as requested in the EMAS II Regulation.[49] The Regulation *inter alia* stipulated that Member State shall promote organisations' participation, especially of SMEs, by facilitating access to information, establishing or promoting technical assistance measures and ensuring reasonable registration fees. National authorities were asked to provide - in participation with industrial associations, chambers of commerce and interested parties - assistance in the identification of significant environmental impacts. Member States were encouraged to design programmes to the participation of SMEs, such as a step by step approach.

The new EMAS III Regulation clarifies and strengthens these derogations on SMEs, especially regarding the audit and verification cycles. Moreover, environmental verifiers are obliged to take into account specific characteristics of small organisations when carrying out verification and validation activities. Member States are obliged to encourage national authorities to make cluster application and step-by-step approaches possible.

However, the majority of advantages for SMEs are not new but have been already pursued under the former EMAS II Regulation. Moreover, the implementation of these provisions is still to a great extent left to Member States. Therefore, the effect of these measures on the participation on SMEs in the scheme will depend on their execution by the Member States as well on the efforts of the national authorities.

EMASeasy

EMASeasy is a tool that was designed to make EMAS accessible to SMEs. It is designed to simplify procedures, lower the barriers to knowledge as well as consulting and certification costs. It is based on the Ecomapping tool. EMASeasy is supposed to map an SME within ten days with ten people on ten pages.[50] From this mapping stage, a full EMAS registration can be achieved via further steps. All in all, thirty steps have to be taken. Depending on size and complexity of the SME, EMAS registration based on EMASEasy can be achieved within four to nine months as opposed to 15 to 18 months for the standard EMAS registration.[51] The steps to be taken are explained for laymen and laywomen in a brochure that can be downloaded in a number of languages at the EMAS webpage.[52] More information is available in the online EMAS toolkit for Small Organisations, though it has been so far not updated to reflect the EMAS III Regulation. EMASeasy assists SMEs by preparing EMAS registration. However, it does not exempt SMEs from the registration procedure and from compliance with all EMAS regulation requirements.

In a first general step of EMASeasy, the environmental impacts of the organisation are identified with the help of maps. For that, a map of the site, seen from above, including car parks and other surrounding environment has to be drafted. Then, several so called ECOmaps are prepared, focusing on water, energy, soil, waste and air. In these maps, the various possible environmental impacts are

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[47] Commission recommendation of 7 September 2001 on guidance for the implementation of Regulation (EC) No 761/2001 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS); 2006/193/EC: Commission Decision of 1 March 2006 laying down rules, under Regulation (EC) No 761/2001 of the European Parliament and of the Council, on the use of the EMAS logo in the exceptional cases of transport packaging and tertiary packaging; 2001/681/EC: Commission Decision of 7 September 2001 on guidance for the implementation of Regulation (EC) No 761/2001 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS); the latter one was repealed the EMAS III Regulation.
[48] Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), (EMAS II Regulation) see Article 3 (3), 11.
[49] Article 3 (3), Annex II (2.9) EMAS II Regulation in conjunction with Commission Decision of 7 September 2001 on guidance for the implementation of Regulation (EC) No 761/2001 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

[50] http://www.emaseasy.eu/downloads.html
[51] http://ec.europa.eu/environment/emas/pdf/newsletter/september_06_en.pdf
[52] http://www.emas-easy.eu/downloads.html

visualized by circles and lines. The staff of the organisation should ideally be involved in the identification of environmental impacts. The ecomapping procedure is meant to generate the necessary information on environmental facts, data and measures. This data constitutes the basis for a formal EMS. Figure 10.1 shows how the environmental impacts are set and substantiated with data, objectives and measures.

Figure 10.1 EMAS eco-mapping

Source: EMAS: EMAS "easy" for Small and Medium Enterprises, page 24.

This visual approach makes the environmental impacts easy to understand. Moreover, the "EMAS toolkit for Small Organisations" offers a range of helpful information and means. To secure the success of the environmental programme, it is important to define responsibilities and ensure communication and documentation of the environmental efforts of the organisation. Moreover, certain monitoring and measurement actions have to be implemented. For this, the EMAS toolkit provides a so called "Quick check" tool and control panels. For documentation, there is a so called "EcologBook" available.

Finally, the organisation has to carry out the general steps leading to an EMAS registration as laid down in the EMAS III Regulation (environmental review, EMS implementation, internal audit, environmental statement, verification and validation by verifier).

Assessment

As a conclusion, the main advantage of EMASeasy is the simple nature of the approach. It is meant to assist SMEs on their way to an EMAS registration. The brochure and tools are very easy to understand, especially due to the visual communication. No higher environmental education is necessary to implement it. No comprehensive instructions have to be read. The procedure is known to be lean and straightforward. This finding is also true for the documentation that much less elaborated than that in any other system. Depending on the size and complexity of the SME, the entire registration with EMAS takes between 4 and 9 months applying EMASeasy instead of, more typically, 15 to 18 months.[53] There are possibilities to share documentation and procedures with other organizations in a cluster. Thus, the costs can be considerably reduced. The entire process was already linked to the EMAS registration and EN ISO 14001:2004 respectively, which generally saves costs.

There have been considerable efforts to support EMAS registration of SMEs by using EMASeasy. The similarities of other non-formal EMS compared to EMAS have been assessed in the "Step up to EMAS" study in order to facilitate the upgrade from the other EMS to the formal EMAS registration. A number of capacity building workshops have been conducted to improve EMASeasy application. The revised EMAS III Regulation obliges Member States to support step-by-step approaches leading to an EMAS registration which includes the EMASeasy approach (Article 27 (2) EMAS III Regulation).

As explained above, the material requirements to gain an EMAS registration set out in the EMAS III Regulation are as strict for SMEs as they are for large companies. Exemptions only concern the procedural (formal) rules (such as the audit and verification cycle, cluster application). EMASeasy is meant to make EMAS more accessible to SMEs – but without prejudice to the strict requirements and procedures laid down in the EMAS regulation.

Reliable figures on the extent of the usage of EMASeasy by SMEs are not available. Therefore, no statement on its actual acceptance and effectiveness can be made from literature. In September 2007, there were about 20 SMEs, in France, the Baltic States, Belgium and Hungary, that applied EMASeasy in order to register with EMAS or certified against EN ISO 14001:2004.[54]

Stakeholder Analysis

From the analysis of the stakeholders, it turned out that only about two thirds of respondents said to be aware of EMAS III Regulation and EMASeasy, whereas about half of the SMEs responding said not to be aware.

Effects of EMASEasy

With a view to whether EMASeasy has been successful in convincing SMEs to take up EMAS, out of 29 respondents, 9 admitted to having no opinion whereas four said that EMASeasy was not successful at all. Seven said that it was somewhat successful. 6 respectively three said that it was successful or very successful. What can be deduced from this is that EMASeasy had some impact but does not convince everyone. Also, it would need to become more known. The main reason why EMASeasy was not viewed as successful was that the EMAS system as such is still too difficult to implement for small organizations, that SMEs are still not sufficiently aware and that other assistance tools such as the EMAS club could be a more valuable instruments to implement EMAS ("right partners"). Also, other EMS are preferred to EMAS e.g. in the UK and Sweden.

ECAP and EMASEasy

On the other hand, approximately 50% of the respondents supported the view that ECAP has contributed very considerably to promoting the uptake of EMASeasy. 36% ranked the contribution of ECAP to the uptake of EMASeasy rather low. 11% attribute a rather "mild" contribution to ECAP. The respondents having given rather critical votes, basically say that they are not aware of any promotion of EMASeasy through the stakeholders or are not aware of ECAP.

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[53] Heinz Werner Engel (2007): Eco-efficient SMEs: Environmental management, eco-label and green public procurement as a driver for structural changes, Abstract to the report by Marcel van Meesche for the European Open Days of the Committee of Regions (9th of October 2007) page 15.
[54] Ibid.

There is a strong convergence of opinions that the European Commission could and should do more to promote EMASeasy as a simple way to take up EMAS (about 72%). Only approximately 15% disagree here.

Role of SME support organisations in promoting EMAS Easy

When asked how SME support organisations could further encourage the use of EMASeasy, respondents answered in general that the concerned stakeholder groups should promote EMASeasy by awareness raising campaigns, dissemination of information, good experience and good SME practice. Helpdesks and continuous consultation facilities were also mentioned. The economic advantages also need to be accentuated. SME support organizations should be trained in counselling on EMASeasy and become certified EMASEasy assessors. Other comments from the UK pointed out that other EMS like BS 8555 and ISO 14001 exist to choose from and that therefore EMAS was not so attractive. Other comments said that SME support organisations needed guidelines coming from their Governments. They need to be considered as valid counterparts and have a permanent platform with their Governments or other EMAS-related bodies at national and regional level.

Effects of the EMAS III Regulation

As for EMAS III Regulation, approximately 45% of the respondents, among which SMEs themselves, said that the EMAS III Regulation has been successful in reducing the administrative burdens on registration for SMEs. Still 20% rated EMAS III Regulation as poor in this respect, followed by 12% giving a rather poor assessment thereto.

The main reasons for the bad assessments were that EMAS in general is not known or attractive to SMEs thus the easing of requirements did not help much. Thus, familiarity with EMAS seems to be a main problem. Another respondent pointed out that the administrative requirements were not the main problem of EMAS. Still EMAS would be expensive and time consuming. Other respondents said that it was too soon to evaluate EMAS III Regulation. When asked whether EMAS III Regulation would motivate SMEs to take up EMAS, 35 % of the respondents said not to have any opinion while 53% said that EMAS III Regulation would somewhat motivate. About 4% said not at all while 7% said a great deal. Given this picture, EMAS III Regulation does not seem to have convinced stakeholders that it would be a strong instrument in motivating SMEs to take up EMAS.

Contribution of EMAS III and EMAS Easy to making EMAS more attractive/visible to SMEs

Asked whether EMAS has become more visible and attractive after EMASeasy and EMAS III Regulation, 33% had no opinion while 7% and 33% strongly agreed or agreed respectively. 22% or 11% disagreed strongly or simply disagreed. As a consequence, EMASeasy and EMAS III Regulation seem to have convinced a part of stakeholders of its positive effects but a major part remains either sceptical or unaware.

When asked to provide comments what else could be done to promote EMAS and to motivate SMEs to take up EMAS, respondents said that incentives would be needed to take up EMAS. Incentives could be a simplification of legal compliance controls, fewer taxes (on water, waste), fewer documents to fill in (waste reporting), relief for certain reporting requirements, financial subsidies, "real advantages" like priority in procurement for EMAS-certified companies simplify the audits for Article 9. The economic benefits of EMAS-certification need to be made clearer.

Importantly, general awareness of EMAS needs to be improved. In order to improve EMAS Easy and EMAS III respondents said to teach the competent body and auditors on the concept, so all the auditors understand the methodology and do not ask for more administration and paperwork only to show the seriousness of the system. Training and capacity building should be provided for consultants and SMEs.

10.4   Conclusions and recommendations

Implementation of ECAP

Generally, the implementation of the actions with a view to EMAS outlined in the ECAP Communications can be considered to be complete.

- The promotion of the cluster approach to attract registration by SMEs and other organisations has been implemented in **EMAS III Regulation**.

- The **EMAS III** Regulation provides the regulatory framework to attract more SMEs. For instance, there are derogations for SMEs regarding the audit and verification cycles. Environmental verifiers are obliged to take into account specific characteristics of small organizations in order to avoid unnecessary burden for them. Member States are obliged to promote the participation of SMEs by means of information, proportionate fees and technical support. They are asked to encourage national authorities to enable the application of the cluster and step-by-step approach.[55]

- EMASeasy capacity building workshops in all Member States showed that EMASeasy is already a powerful tool to make EMAS accessible to SMEs. The workshops themselves have potentially helped to use EMASeasy on a larger scale. The tool stands out due to its simple and straightforward approach. The visual approach allows a very easy identification of the organisation's environmental impact as well as appropriate measures to reduce it.

Potential for improvement

Based on the results on the analysis, it can be doubted that the new EMAS III Regulation has a considerable potential to attract more SMEs to take up EMAS. The majority of amendments are not substantially new, but have been present in the EMAS II Regulation as well. From experience, the former regulation was not adequate to encourage SMEs to register with EMAS. Though the new Regulation is more specific, with a transparent and clear stance as regard to SMEs, SMEs are often still not aware of the scheme as such and of its applicability to SMEs. This has been confirmed in the studies assessed as well as in the stakeholder consultation.

On the other hand, it might be true that there is only little potential for improvements of EMAS at all when it comes to SMEs. Different target groups of SMEs have to be taken into account. These have different needs and interests regarding the dimension and standard of EMSs. There are small SMEs, mostly small and micro SMEs with a small environmental impact (for instance from the service sector instead of industry). On the other hand there are medium, industrial SMEs with international operations, also integrated in international supply chains. The latter group has more incentives and externally imposed needs to implement an EU-wide recognised, 3rd party verified EMS, as their customers are more likely to demand. The former group of SMEs would gain more from the implementation of a regional or informal EMS, as these are more adequate to their network while the latter group is more eligible and receptive to EMAS including its specific requirements for SMEs.

Key barriers and obstacles

EMASeasy has proven to be a powerful tool to make EMAS more accessible for SMEs. However, the strict substantive requirements that have to be met for the EMAS registration seem still to be a barrier for SMEs, especially small and micro SMEs. EMAS is still relatively difficult to implement. This conclusion can also be drawn from the assessment of the studies above and from the stakeholder consultation. Moreover, there is still a lack of awareness on the scheme as such or its benefits.

Recommendations

Therefore, it can be recommended to target the EMAS – a very high-standard, EU-wide acknowledged EMS – only to large companies and larger as well as medium-sized SMEs in general, as it has also been recommended in a recent SME study.[56] In addition, SMEs should be targeted that have to comply with EMAS because they are integrated in a supply chain where the end of the supply chain requires all parts of the supply chain to be EMAS-certified. In turn, for SMEs with a low environmental impact, rather simple, low cost and informal EMS should be promoted.

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[55] The effect of these requirements will certainly depend on whether MS take seriously these requirements of the Directive.
[56] Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry, page 173

11 Task A9 Targeted funding – Life+, Eco-innovation, CIP, FP7 and Structural Funds

11.1 Introduction

A series of financing instruments for ECAP-related questions exist. The most important sources of financing sources are Life+, CIP Eco-innovation, FP7, Structural Funds and the European Regional Development Fund (ERDF).

11.2 Approach of the research and the assessment

In analysing the practical use of the financing instruments, the most important projects financed in the last years will be identified on the basis of the different programmes' databases. This is completed with data from existing literature regarding SMEs benefitting from these funds to improve their environmental performance. A distinction is made based on whether the projects directly or indirectly reference ECAP actions and measures. The analysis will, as far as the data available allows, analyse the following aspects:

- the amount of targeted funding/financing available;
- the amount of targeted funding/financing absorbed;
- the amount absorbed by SME support organisations for environmental support services to SMEs;
- the number of SMEs benefiting from the targeted funding/ financing;
- the obstacles specific to SMEs in benefiting from targeted funding/financing

The latter aspect as well as the aspect of awareness of funding possibilities will be treated by interviews with stakeholders.

11.3 Competitiveness and Innovation framework Programme (CIP)

The Competitiveness and Innovation framework Programme (CIP) funds projects on competitiveness and innovation with a special direct or indirect impact on SMEs. One aim of the CIP is to strengthen SMEs in Europe. The CIP has the following subsections: the Entrepreneurship and Innovation Programme (EIP), the Information and Communication Technology Policy Support Programme (ICT-PSP) and the Intelligent Energy-Europe Programme (IEE).

The Entrepreneurship and Innovation Programme (**EIP**) has the target of promoting competitiveness and innovation of small and medium sized enterprises and provides financing for this. All forms of innovations should be boosted with the programme, but there is a special focus on eco-innovation. The **EIP** can be divided into "**Financial Instruments"** and "**Competitiveness of SMEs**". The eco-innovation programme is especially relevant for **ECAP** because of the focus on SMEs and eco-innovation, and in particular the greening business priority.

The **Information and Communication Technology Policy Support Programme** (**ICT-PSP**) aims to aid the development of a sustainable, competitive, innovative and inclusive information society. The aim of the programme is to stimulate innovation and competitiveness through best use of ICT by citizens, governments and businesses. The ICT-PSP alters the main topics of its work programme every year. It is indirectly relevant to ECAP as by taking up innovative ICT solutions, the environmental impact of SMEs is improved.

The **Intelligent Energy-Europe Programme** (**IEE**) provides for three main actions: 1: to promote energy efficiency and rational use of energy, 2: to support new and renewable energy sources and diversification of energy and 3: to promote energy efficiency and new and renewable energy sources in the transport sector. Also the IEE programme will be shortly analysed in this chapter. The whole programme is ECAP-relevant, because one target of the programme on the rational and sustainable

use of energy (i.e. energy efficiency, better use of renewable energy and specific focus on transport sector). This helps SMEs to improve their environmental performance.

11.3.1   Amount of targeted funding/financing available

The CIP comprises an overall budget of € 3,621 million in total and runs from 2007 to 2013. The split of the budget between the three components is shown in the following figure.

Figure 11.1 CIP Budget

CIP Budget 2007-2013, in million Euro

IEE; 727
ICT-PSP; 728
EIP; 2166
EIP non- Eco-innovation; 1733
Eco-innovation; 433
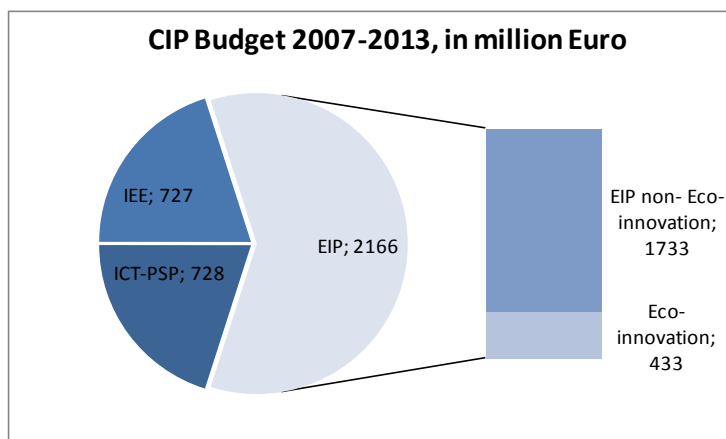
Data source: adapted from European Commission 2007

Table 11.1 reflects the amount of money foreseen for the different streams as well as the budget committed.

Table 11.1 Budget for the different programme subsections (with a specific view to Eco-innovation)

	Amount (in Mio. €, for 2007)	Budget committed (2007)	Amount (in Mio. €, for 2008)	Budget committed (2008)	Amount (in Mio. €, for 2009)	Budget committed (2009)
EIP – Financial Instruments (Eco-innovations)	145.3 (23.0)	100 %	151.27 (26.0)	99,9 %	160.4 (29.0)	100 %
EIP - Competitiveness of SMEs, innovation (Eco-innovation)	123.7 (0)	98.3 %	140.05 (27.85)	98.3 %	154.7 (32.2)	98.0 %
ICT-PSP	65.5	96.8 %	44.58	99.8 %	114.5	98.9 %
IEE	58.9	100 %	70.93	99 %	90.8	100 %
Total	**393.5**	**98.8 %**	**406.83**	**99.2 %**	**520.5**	**99.2 %**

Source: European Commission (2008a); European Commission (2009a); European Commission (2010a)

In the following sections, the CIP-related programmes and instruments with a specific view to SMEs and the environment, thus at least indirectly contributing to ECAP, will be analysed.

The **Entrepreneurship and Innovation Programme (EIP)** contains following parts and instruments:

- Access to finance for SMEs through "CIP financial instruments"
- "Enterprise Europe Network", a transnational network for improving innovation policy,
- Support for improving innovation policy:
- Eco-innovation pilot and market replication projects and
- support for innovation and SME policy-making through contracts and grants.

Out of these five parts of the EIP the **Eco-innovation** programme and parts of the "**Access to finance"** are especially oriented at SMEs with an environmental focus.

The two major instruments to support eco-innovation in SMEs of these programmes are:
- the financial instruments: High Growth and Innovative SME Facility (GIF) and the SME Guarantee Facility (SMEG)
- the first application and market penetration projects under the EIP –Competitiveness of SMEs-Programme (also named as eco-innovation projects, with 20 per cent of the EIP budget).

The **High Growth and Innovative SME Facility (GIF)** is one of the CIP financial instruments, which has a specific eco-innovation objective and only supports SMEs. The aim is to support the supply of equity for innovative SMEs. It has existed since November 2007. By the end of 2008, 14 deals with venture capital funds had been approved, with an amount of about € 153 million of EU investments. Three of the funds invest in eco-innovative SMEs with EU commitments of around € 34 million. Until the end of 2009 18 venture capital funds had been approved and more than € 204.9 million of EU investments were committed via this instrument. Four of the venture capital funds invest in eco-innovative SMEs, supported by EU commitments of more than € 50 million. (European Commission 2010a, European Commission 2009b, European Commission 2010b)

Figure 11.2 Amount of GIF (total and Eco-Innovation)
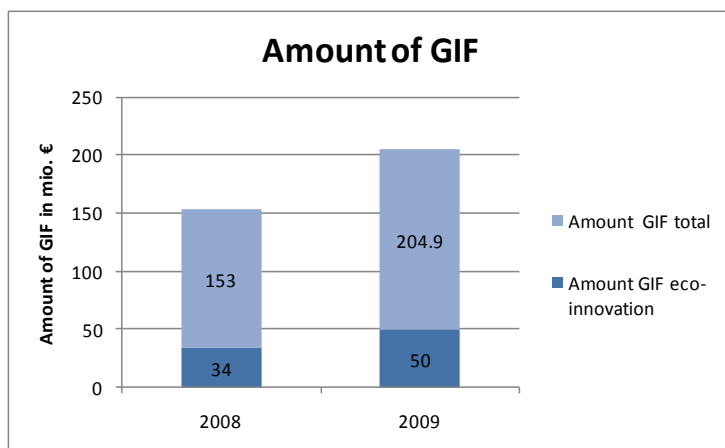
Data Source: adapted from European Commission (2010a), European Commission (2009b), European Commission (2010b)

The SME Guarantee Facility (SMEG) supports guarantee schemes and provides direct guarantees to financial intermediaries. SMEG has been operational since September 2007. By the end of 2008, 12 deals with financial intermediaries had been approved. From both the 2007 and the 2008 EU budget, € 110 million for guarantees or counter-guarantees were committed. Between 2007 and 2009 the SMEG supported SMEs with 64,327 loans. For the SMEG no specified data on environmental focused guarantees and loans could be found. (European Commission 2010a, European Commission 2009b).

The **"Competitiveness of SMEs" sub programme is one part of EIP, which promotes innovation in enterprises.** One very important ECAP-relevant issue under this programme is the Call for Eco-innovation projects. The Call for projects is clearly oriented towards SMEs, but also other institutions are able to apply for funding. The aim of these projects is to bring research results in the phase of practical application and to increase the market penetration of eco-innovation. The total budget for eco-innovation projects was 27.85 million € in 2008. In 2009 32.1 million € were earmarked for pilot and market replication projects. In 2010 the budget for these projects was 35.0 million €.

The call for proposals for eco-innovation pilot and market replication projects was published in April 2008 for the first time. 134 proposals were submitted. The Recycling sector had the highest share with 34 %. Followed by Green Business (23%), Buildings (20%), Food and Drink (12%) and other sectors, with some proposals from metal and textile (11%). The requested total budget was € 111 million Euro by 444 participants and 74 % of the participants were SMEs. 44 projects were funded with a total committed budget of € 27.85 million. Data on how many SMEs are involved in the 44 funded projects

was not available. (European Commission 2009b, European Commission 2010a, European Commission 2010b).

Figure 11.3 Sectors funded by the eco-innovation calls 2008-10
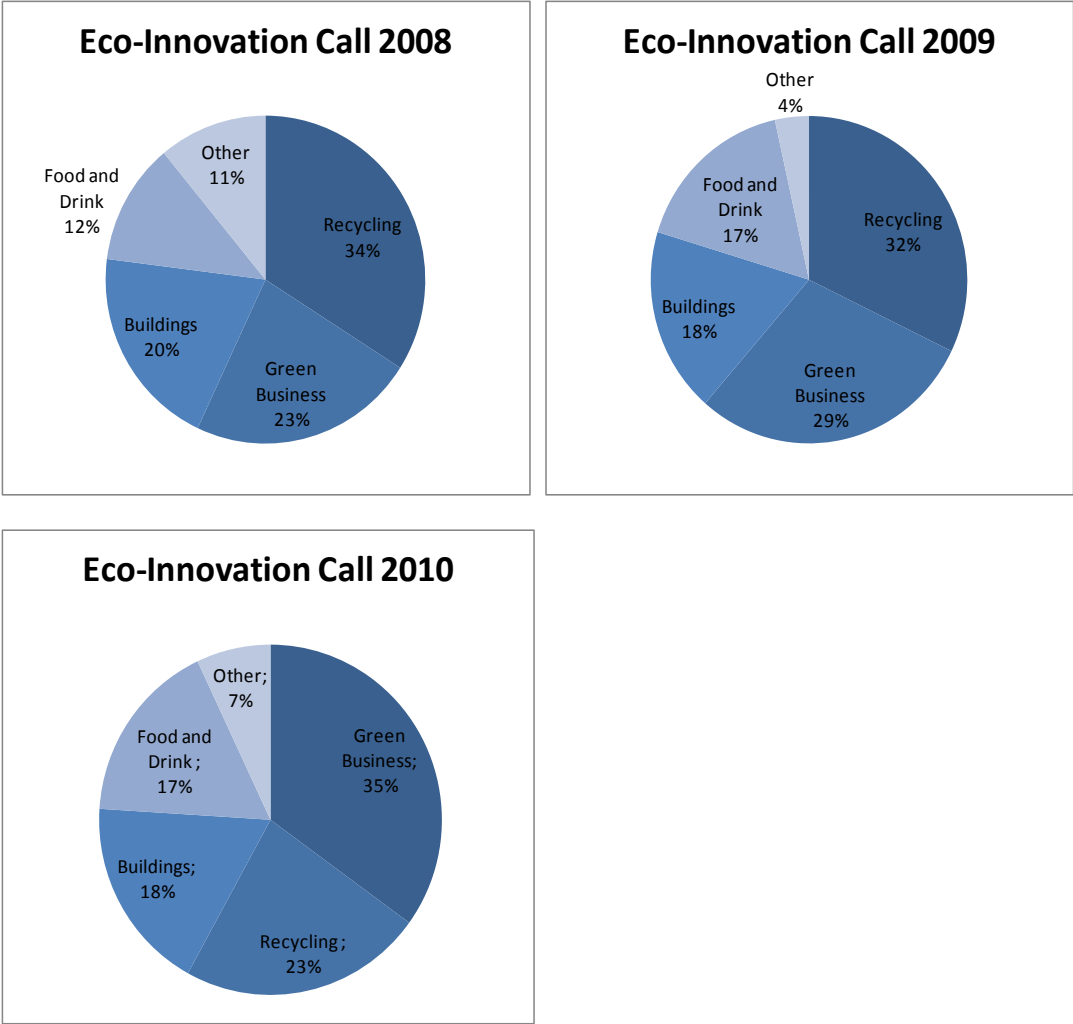
In the Call on eco-innovation projects in 2009 202 proposals have been submitted with a requested funding of 150 million €. Compared with the Call 2008 there is an increase of almost 40%. The most proposals were received in the following sectors: Recycling (32%), Green Business (29%, Buildings (18%) and Food and Drink (17%). In 2009 46 eco-innovation projects with a total EU funding of 32 million EUR were supported. 24.3 million of the total EU funding went to SMEs. (DG Environment 2009, European Commission 2010b)

The 2010 eco-innovation project call showed again an increase of submitted proposals. 287 proposals were handed in; 42 per cent more than in the 2009-Call. The requested funding was about 265 million €, which is a 76 per cent increase compared to 2009. In the submitted proposals 895 participants took part of which 66 per cent were SMEs. The Green Business sector had the highest share with 35%, followed by Recycling (23%), Building (18%) and Food and Drinks (17%). The Green Business proposals could be divided in two groups "Clean Production Projects" (11%) and on products and services focused projects (24%). Data on funded projects is not published until now. (European Commission 2010e)

All strands have a role in ultimately improving the environmental performance of participating SMEs. 'Green business' is especially important, as it gives support to innovative approaches to managing

environmental performance, with long-term effects (integration of environmental aspects into SME decisions). . It can be seen that the share of the 'Green Business' strand, has been increasing every year within the Call and is already the sector with the highest share of submitted proposals.

11.3.2   Amount of targeted funding/financing absorbed

As for the total CIP budget, there is no differentiation between SMEs and bigger enterprises. For the total CIP-budget 99.2 per cent were committed. For the EIP-Financial instrument which target eco-innovation, 100 per cent were absorbed. For the EIP-Competitiveness of SME projects 98 per cent were committed.
For all three Calls of eco-innovation projects under the EIP-Competitiveness of SMEs Programme a lot more funding was requested than budget was foreseen. In 2008 111 million € requested funding to compared 27.85 million € amount of budget. Compared to 2008, in 2010 the amount of requested funding more than doubled (265 million €) but the offered budget changed only to 35 million €.
For 2009 more detailed data is available.
The requested funding was € 150 million, but just a volume of € 32 million could be financed.
The result of the review of the proposals was that 10 further projects were considered worth funding but could not be funded because of the limited budget. The Call has a strong emphasis on SMEs, so it is believed that in the 10 further projects SMEs were involved, but specified data could not be found.
The funds are highly requested and an increase of submitted proposals can be seen in the last years. The interest in this type of funding is high. If possible the funding should be sustained or extended.

11.3.3   Number of SMEs benefiting from the targeted funding/financing

The EIP-parts with the most relevance to environment and SMEs are the financial instrument High Growth and Innovative SME Facility (GIF) and the eco-innovation projects under the EIP – Competitiveness of SMEs-Programme.

The High Growth and Innovative SME Facility (GIF) supported 82 innovative SMEs with potential for high-growth. From the 82 SMEs 16 SMEs got loans via the venture capital funds which invest in eco-innovation (until the end of 2009). (European Commission 2009a, European Commission 2010a)

For the 2009 CIP-Call on eco-innovation projects 202 proposals applied. Around 70 per cent of the participants are indicated to be SMEs. During the 2008 Call 74 per cent of all 444 participants were SMEs (European Commission 2009a, European Commission 2010a).

As regards the **types of projects funded**, the eco-innovation call contains different funding priorities. Because of its clear focus on an environmental management approach "Green Business" is the most relevant funding priority for ECAP. Through including environmental aspects in the management and control of SMEs the environmental impact of these companies will be reduced in long-term.

In the Green Business projects SMEs are involved as partners in 11 of 13 funded projects (funded between 2008 and 2010). Four of the projects have also a SME as project coordinator. Further four projects were managed by public research organizations or non-profit/non-governmental organizations.
Yet, all of the projects have a focus on SMEs in their project targets and are so very important and relevant for ECAP. The 13 projects got an EU-funding of € 7.3 million. The total project budgets were € 13.6 million, so almost 50 % of the project budget is EU-funded.
The "Green business" projects can be divided into three groups:
• market entry projects, which enable companies to bring their project on the market,
• monitoring and control system projects, which promote monitoring and/or control systems for environmental impacts of companies (energy efficiency, resource efficiency, water usage, etc.) with the target to optimize the production process to achieve low impacts and
• EMAS and certification-oriented projects, which have the goal to promote EMAS or other certification systems, like Eco-label or FSC.

The analysis of the project database shows that at the moment one market entry project, four monitoring and control projects and eight EMAS and certification oriented projects are funded.

The objective of the market entry project is to change production processes and to establish a market share for optical disc made out of the biopolymer polylactid acid (PLA). Both of the participants in this project are SMEs and the EU-funded amount is € 665,246.

Table 11.2 Project types

| Type of project	Number of projects	Number of SMEs in project team	percent of participants SMEs	EU-Funded Project Budget (in Euro)	Total Project Budget
Market entry projects	1	2	100%	665,246	1,330,490
Monitoring and control system projects	4	7	50%	1,629,010	2,999,583
EMAS and certification oriented projects	8	15	31%	4,974,929	9,434,842

Data Source: DG Environment (2010d)

The four monitoring and control projects focus on software tools and technical measurement systems to monitor corporate environmental impacts, e.g. in an industrial park or to manage flows in biogas plants. The SME-beneficiaries are 7 out of 14 different project partners. The EU funds amount to € 1,629,010 for all the four projects together.

Half of the certification projects focus on EMAS in specific sectors and regional clusters, for example printing industry or regional tourist products or services; the other half on different certification schemes, e.g. the promotion of the Ecolabel and Ecolabelled products, or to develop a certificate for recycled plastic to ensure the product quality. In eight projects 15 different SMEs are involved. These are 31 per cent of all participants in the projects. In the four projects to take forward EMAS ten SMEs participate in the project teams (in total 20 participants are involved).
The EU-funding amounts to almost € 5 million.

The **Intelligent Energy-Europe Programme (IEE)** aims to support sustainable development in the energy context with an efficient use of energy and greater use of new and renewable energy. The main objectives are security of energy supply, competitiveness, and environmental protection. The programme has four action areas which all concentrate on energy efficiency and renewable energy and because of this are ECAP-relevant.

The IEE Work Programme 2009 funded proposals in which 663 participants were involved. 46 per cent of the beneficiaries were SMEs. The 2008 work programme funded 500 participants of which 50 per cent were SMEs. For 2007, 57 per cent of the beneficiaries were SMEs. At total 706 participants were counted. Data on the amount of funding for SMEs could not be found but according to the number of funded SMEs also an important amount of the budget went to SMEs.

Figure 11.4 Participants at IEE Calls
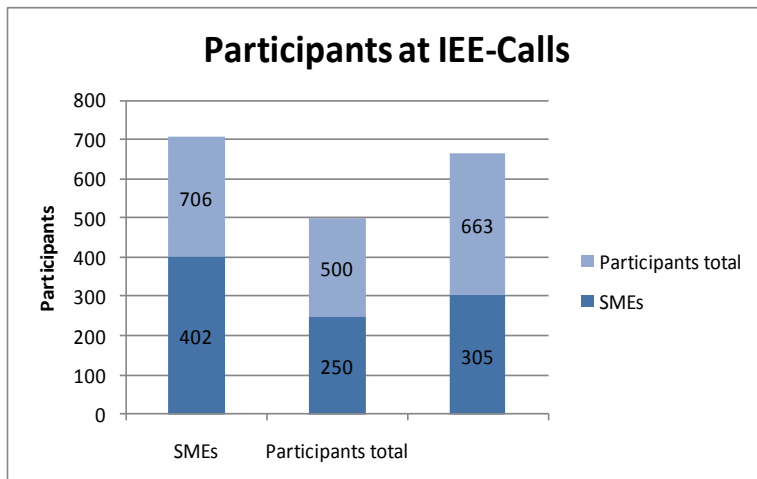
Source: adapted from European Commission (2008b), European Commission (2009c), European Commission (2010c)

In the IEE project database 133 projects are mentioned which have a relationship to SMEs. The most (approximately 33 per cent) have the objective to give guidance to SMEs and also support organisations about energy efficiency. A lot of projects want to increase the awareness-raising and develop and implement trainings, workshops or databases on energy efficiency regulations and possible activities. To build up local networks with local authorities to guide companies and other stakeholders on energy-efficiency is the aim of ca. 15 per cent of the projects. Here the project CHANGE can be named, which developed a European network of Intelligent Energy advisors at Chambers of Commerce.

Another 15 per cent of the projects will push the implementation of energy management system or certification of energy-efficient products and processes. And also approximately 15 per cent of the IEE projects focus on the design of energy efficiency policies on regional and national level. Market entry projects for energy efficient products and technologies are just 10 per cent of the projects.

All in all, the SMEs got via the Eco-innovation programme of EIP in 2009 € 24.3 million because of the Call for eco-innovative projects. This is 75 per cent of the total budget which the Call addressed. With "Green Business" a sector of the eco-innovation programme quintessential to ECAP was analysed in more detail. The results show that the most projects have a focus on the promotion of different certification systems or EMAS. These projects were funded with almost € 5 million. 15 SMEs were directly involved in the project teams.

Also an important part of the funding via the IEE Work Programmes goes to SMEs. For the three Work Programmes 2007, 2008 and 2009 between 33 and 50 per cent of the beneficiaries were SMEs. A quantification of the resulting funded budget for SMEs was not possible.

11.4   LIFE+

LIFE+ is an EU funding programme supporting environmental projects. The funding form LIFE+ includes projects like e.g. environmental management, industry and production, urban environment and quality of life. The programme has three components
- Life+ Nature and Biodiversity:

- Life+ Environmental policy and governance

- Life+ Information and Communication

The component Environment Policy & Governance co-finances innovative or pilot projects that have the objective to implement European environmental policy and to develop innovative policy ideas, technologies, methods and instruments. It also helps monitor pressures on our environment. One area funded through the Calls in this programme is to implement the Environmental Compliance Assistance

Programme for SMEs. With this focus the Environment Policy & Governance component is directly ECAP-relevant.

LIFE started in 1992 and to date three phases of the programme have been completed. At the moment the fourth phase runs from 2007 to 2013. During the period 2007-2013, the European Commission launches one call for LIFE+ project proposals yearly.

11.4.1   Amount of targeted funding/financing available

The total funding of Life+ amounts to 2.143 billion € between 2007 and 2013. At least 78 per cent will be spent for the co-financing of project action grants, i.e. Life+ projects. And at least 50 per cent of this amount is reserved for nature and biodiversity projects. Therefore up to 22 per cent will be used for operational expenses of DG Environment. 50 percent of the total eligible project costs is the maximum EU co-financing rate for the projects. As an exception, LIFE+ Nature proposals that focus on concrete conservation actions could get a co-financing rate of up to 75 percent of the total eligible costs. (Source: http://ec.europa.eu/environment/life/about/index.htm)

In the following section, the Life+ Environment **Policy & Governance component** and funded projects with a direct (ECAP explicitly mentioned or its goals very tightly related) or indirect (relevant for improving SMEs' environmental performance) relevance to ECAP are analysed.

Under the Environment Policy & Governance component of Life+ in the first year of the current funding period, 2007, LIFE+ funded 72 Environment Policy & Governance projects with an EC-budget of 82 million €. The funding contained two projects directly relevant to ECAP (with a funding of 1.1 million €). Three projects of indirect relevance to ECAP were funded with 1.1 million € (European Union 2008; European Commission 2011).

In 2008 under the LIFE+ Environment Policy & Governance programme 99 innovation projects with 90 million € of EC-funding were supported. None of the funded projects directly refer to ECAP; two projects with EC-funding of 2.2 million were indirectly relevant for ECAP (European Union 2009; European Commission 2011).

In 2009, the European Commission has approved funding for 116 environmental innovation projects under the LIFE+ Environment Policy & Governance programme with a funding of 112 million €. According to the assessment of the Commission that LIFE+ funded in 2009 five projects which are directly ECAP-relevant (6.1 million €) and three projects indirectly (2.9 million €) (European Union 2010; European Commission 2011Excel).

Figure 11.5 Total budget of LIFE+ policy and governance Programme – direct/indirect ECAP relevant funding

Total EC-budget of Life+ Environmental policy & governance programme

Directly/indirectly ECAP relevant funding of Life+
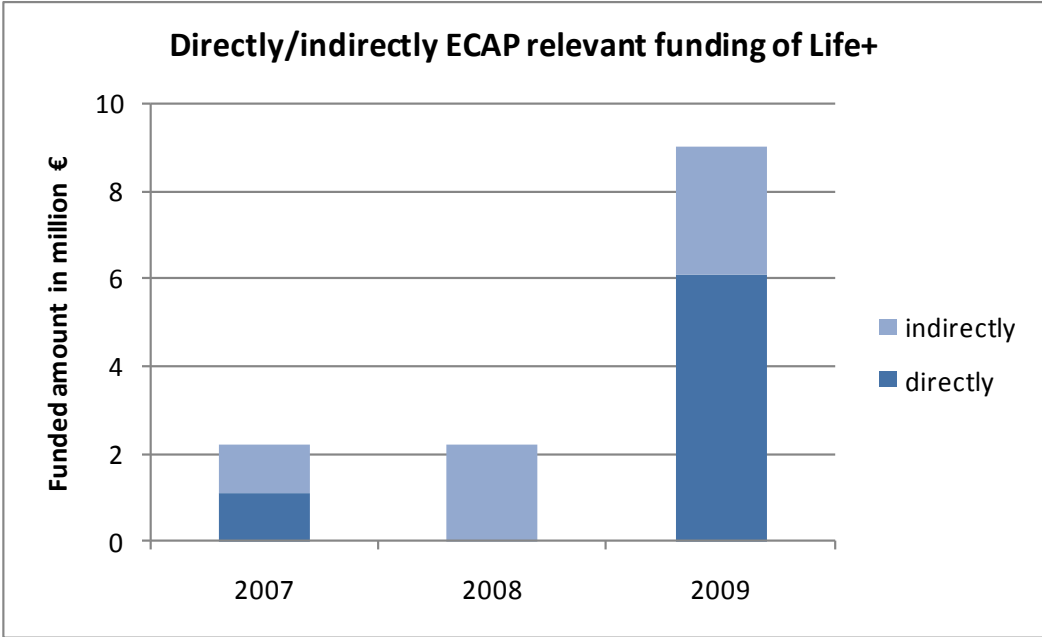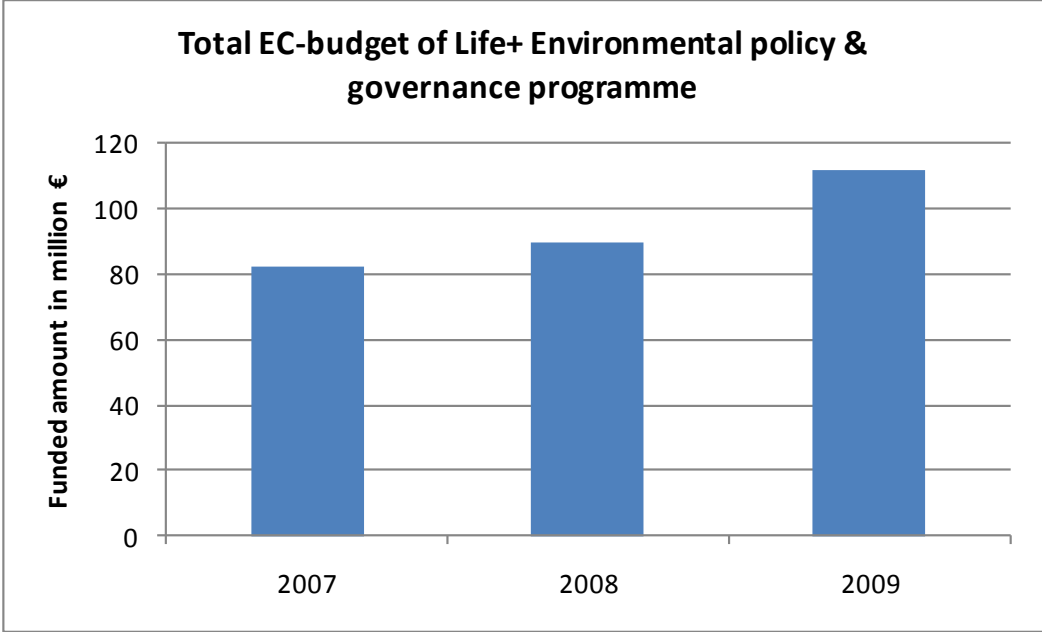
Source: adapted from European Commission (2011), European Union (2008), European Union (2009), European Union (2010)

Amount of targeted funding/financing absorbed

In the ECAP-Communication (COM (2007) 379 final) is mentioned that € 5 million should be invested for ECAP via LIFE+ between 2008 and 2013. In 2008 and 2009, via the ten ECAP-relevant projects (analysed in the next chapter) already € 22.9 million has been funded. This is more than four times of the planned budget.

Number of SMEs benefiting from the targeted funding/financing

Out of the LIFE+ database just the project coordinators of the projects can be identified. This was done for the ECAP-relevant projects in the next chapter. The results show that four local and one regional authority lead the ten projects analysed in detail. One of the analysed projects is led by an enterprise association.

11.4.2   ECAP-relevant projects financed

The following table shows the ECAP-relevant projects from the Life+ Call 2007- 2009 (Environment Policy & Governance component):

Table 11.3 ECAP-relevant projects from the Life+ Call 2007 and 2009 (Environment Policy & Governance component):

Projects	Call	Total Budget in Euro	EU-funded Budget in Euro	Project coordinator
Sustaingraph	2009	1,383,813	691,906	Association of enterprises
E.N.A.	2009	3,000,199	1,500,099	Local authority
Eco-Cluster	2009	934,967	466,358	Park-Reserve authority
SSCM4ECAP	2009	1,717,395	856,777	Local authority
iGreen	2009	5,272,074	2,597,037	Regional authority
esymbiosis	2009	1,763,295	878,047	Local authority
carbon 20	2009	2,114,200	1,050,925	Local authority
eta-beta	2009	1,950,500	975,250	Development agency
CleEn - 21	2008	1,170,741	585,370	Professional association
eurocopter	2008	3,576,266	1,624,588	No data.

Key

Direct ECAP-relevance

Indirect ECAP-relevance

Source: Excel-Sheet on Life+ from European Commission, European Union (2009), European Union (2010).

All projects deliver guidance for SMEs to improve their environmental impact.

Different **project-types** include:

- adaptation and promotion of information,

- implementation of environmental management model and accreditation,

- monitoring of environmental impact of products and

- developing and establishing a model for Public-Private-Partnerships (PPP).

The biggest part of the ECAP-relevant projects is to **adapt and promote information** especially for SMEs. These are five of the nine projects analysed. These information and guidance projects can be more differentiated into projects, which have their main focus on workshops and trainings to disseminate information; and into projects that develop new information tools, for example a web-based platform for Industrial Symbiosis.

One project is **"E.N.A.",** which has the objective to improve the environmental performance of SMEs in the naval sector of the Italian region Marche[57]. In this project more than 300 companies will be informed about the Eco-Design Directive (2005/32/EC) and their requirements for energy-using products, the way to calculate their carbon footprint and the possibilities for environmental management systems in the nautical industry. The aims will be reached by workshops and trainings.

Two projects focus on the **implementation of an environmental management model** in SMEs, i.e. with the goal of EMAS or Acorn accreditation. One project has the objective to **monitor the environmental impact** of products throughout their life-cycle and develop an eTool for this purpose. A

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[57] http://facultas.wordpress.com/2010/07/23/news-eu-approves-e250-million-funding-for-new-environmental-protection-projects-under-life/

framework model for Public-Private-Partnerships is developed, applied and demonstrated in another project. The guidance brings together local authorities and SMEs in these cities.

Seven of the nine projects are led by an SME support organisation as project coordinator. These are regional and local authorities, a Park-Reserve authority and a Development agency for an Italian region. The remaining two projects have an association of enterprises as project coordinator.

It can be summarized, that between 2007 and 2009 two to eight per cent of the total Environment Policy & Governance component of Life+ was invested directly or indirectly in ECAP-relevant projects with an increasing trend. Most of these funded projects had the aim to develop new information tools or to adapt information on special branches or clusters and to raise awareness through workshops and trainings.

11.5   Research Framework Programme 7 (FP 7)

11.5.1   Introduction

The FP 7 programme encompasses different strands of research activities. One strand is specifically adapted to SMEs. In comparison to CIP or LIFE+, FP7 focuses on scientific-technical demonstration projects.

The major initiatives that favour the involvement of SMEs include selection of SME-relevant topics are SME-dedicated calls, a budget earmarked for SMEs within specific calls and coordination and support actions across the themes. It should be noted that SME participation is not uniform across the themes. Particular attention has been paid to ensure enhanced SME participation within the various calls for proposals, particularly with regard to knowledge-intensive SMEs. Research in the interest of SMEs is promoted with an explicit reference to the expected impact upon SMEs. The expected results of these projects must be of interest and potential to SMEs, the consortia should have a significant share of the requested EC funding going to SMEs.[58]

Areas of particular interest to SMEs have been identified in individual work programmes. Financial and administrative procedures have been simplified and funding rates for the R&D activities of SMEs have been increased to 75%. There is also greater flexibility in choosing the appropriate type of project.

In the following tables, the share of projects aimed at SMEs financed in the field of environment is given:

Table 11.4 Percentage of funding going to SMEs.

Theme	Explanation	% of funding going to SMEs
HEALTH	Health Research	10,7
KBBE	Food, agriculture, fisheries and biotechnology	8,1
ICT	Information and communication technologies	14,3
NMP	Nanosciences, nanotechnologies, materials and production technologies	23,2
ENERGY	Energy Research	18,7
Environment	Environment Research (including climate change)	8,8
TPT	Transport Research (including aeronautics)	18,0
SSH	Socio-economic Sciences and Humanities Research	4,6
SPA	Space Research	12,1
SEC	Security Research	21,5
Cooperation all		14,5

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[58] http://ec.europa.eu/research/sme-techweb/index_en.cfm?pg=cooperation

ECAP-Relevant actions are primarily to be found in the Energy and Environment field but are also contained in other fields especially the FP7 funding stream "Research for SMEs".

11.5.2　ECAP-relevant projects financed by FP 7

The FP 7 Database has been searched for ECAP relevant key words including SMEs, environment, environmental impact, environmental management system, EMAS, ISO 14001, better regulation, compliance assistance, ECAP.

Approximately 180 projects have been screened for interest of ECAP. These derive from the different strands of the FP 7 research areas, including Research for SMEs, Environment, Energy, ICT, etc.

Many projects are of a highly scientific-technical nature and target very specific issues, e.g. improving certain production processes or inventing new technical equipment thereby opening markets for SMEs.

SMEs can be part of the consortia or the direct target group. Also there are projects that only mention as one aim among others to favour SMEs, e.g. by opening market or networking opportunities to them.

11.5.3　Not directly ECAP-relevant projects

The majority of **environmentally relevant projects** that involve SMEs as partners or direct/indirect beneficiaries are not **directly ECAP relevant as their** aim and focus are too specifically scientific-technical.

The following categorisation applies:

Projects improving technical processes (in production, distribution or service) in order to improve businesses' environmental impact. These projects can be rather broad or concern only a very specific issue.
- Some examples of such a project are FRISBEE - Food Refrigeration Innovations for Safety, consumer Benefit, Environmental impact and Energy optimization along cold chain in Europe (FRISBEE). New solutions for improving refrigeration technologies along the food chain
- Ecoefficient Biodegradable Composite Advanced Packaging (ECOBIOCAP) Development of biodegradable food packaging. Smart release of biocides in finishing materials for the sector of construction (AXIOMA)

Projects promoting networking, dissemination and international co-operation to improve uptake of knowledge and scientific results. Examples of this project type is
- A network of national contact points providing cutting-edge National Contact Point services to the knowledge based bio-economy research community (BIO-NET)
- Support of dissemination and exploitation of results obtained in research projects realized with the participation of the SME sector (USEANDDIFFUSE)

More **general environmental-related projects** with the inclusion of SMEs as partners of the project consortia. Examples include:
- Interactions between soil related sciences - Linking geophysics, soil science and digital soil mapping (ISOIL)
- Impact Monitoring of Mineral Resources Exploitation (IMPACTMIN)

Projects specifically **aimed at SMEs as users of the result and which help** certain branches of SMEs to develop more environmentally friendly products or processes **that they sell**, i.e. indirectly ECAP-relevant project examples include:
- Supporting the roofing SMEs in the development and use of a new generation of roofing materials applicable with fault tolerant procedures, reducing the use of petroleum-based products (NU-ROOF)
- The New Eco-friendly Advertising Tool Which Gives an Alternative Real-Time Outdoor Advertising Media for SMEs (ECOBOARD)

11.5.4   Relevant ECAP Projects

Unlike LIFE+ projects, FP7 projects do not specifically refer to ECAP. However in their scope and objectives they do contribute to ECAP goals, and hence the examples below are valid in their reference to ECAP.

The following projects are listed that deal with:
- Developing general suggestions for SMEs in general or for a specific sector to improve their environmental impact
- Compliance assistance projects
- Assistance with monitoring the environmental impact of SMEs
- Assistance with introducing EMS
- Networking and diffusion projects

The following sections list those projects which have been identified as most relevant for ECAP from the database search. This enlistment does not provide a complete enumeration of ECAP-relevant projects.

Projects involving suggestions for SMEs in general or of a specific sector to improve their environmental impact

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Case 1: Towards zero waste in industrial networks (ZEROWIN)

ENV.2008.3.1.3.1. Waste prevention: Industrial networking and zero-waste entrepreneurship

Project description

The project assesses the possibilities of a zero-waste entrepreneurship

The first work package will define a common vision on zero-waste entrepreneurship within the first 6 months. The mythos "Individual Producer Responsibility" will be investigated if it can become the all-healing-solution in electronics industry as well as how this concept can be applied to other industrial sectors. Research results attained in the project be formalised into an innovative production model for resource-use optimisation and waste prevention.

By concentrating on industrial networks in the automotive, construction, electronics and photovoltaic industries ZeroWIN will address nearly 3 million companies (of which 80% are SMEs) with more than 2,8 trillion turnover and a value creation of more than 800 billion with more than 20 million employees creating about 40% or more than 400 million tons of industrial waste using as much as 50% of all materials extracted from the earth´s crust generating about 40% of all energy use and about 35% of all greenhouse gas emissions.

Budget: EUR 6.16 million

Case 2: Integrated Approaches for Sustainable European Wine Production (SUSTAVINO)

Research area: SME-2 Research for SME associations

About 65% of the world's wine production is managed by European winegrowers. Wine production in Europe is traditionally performed by small and medium sized, family owned companies and co-operatives. Solid and liquid residues are not treated in an appropriate way resulting in a serious impact on the environment. Wine production is known to produce high amounts of wastewater with sometimes extremely high organic loads (COD 2.500-67.000 mg/L).This leads to shock loads to municipal wastewater treatment plants or to serious impacts on rivers and lakes, in case the vineyard is not connected to a sewer system at all. In addition, solid residues are also not handled properly, being in many cases deposed of in vineyards as compost or fertilizer, whose degradation leads to odour formation and ground water contamination and infectious diseases.

These treatment systems have been proven to be ineffective in complying with the legislative environmental requirements, disposal regulations, and safety restrictions for solid re-use. Moreover, the tremendous potential of the remaining high-value, biologically active substances and valorization activities are generally unused or unknown. In addition, environmental legislations and quality regulations become stricter and force vineyards to take measures to improve the environmental situation in wine production.

The associations are aware of this situation and want to initiate necessary R&D activities to offer technical assistance to their member SMEs. To cope with this challenge the wine producers need technical support. Therefore SUSTAVINO intends to help the European wine producers, to meet environmental regulations by providing an Environmental Quality Strategy for Sustainable Wine production (EQSW), which will encompass integrated approaches for treating and valorizing wastes in a cost-effective and ecological way, and carrying out comprehensive training and capacity building to the SMEs and SME-AGs.

Budget: EUR 1.1 million

Case 3: Environmentally friendly food packaging tray with lower carbon footprint (RPET-FC)

Project field: SME Research

RPET-FC will address the specific objectives of capacities research by supporting low to medium technology SMEs in response to an increasingly competitive European and international market.

It will achieve this through providing SME food-processing companies a new food packaging tray that will be lighter than the current market leader. This prototype will facilitate high-speed stacking, packing and safe transportation of a whole range of food products, with significant carbon footprint reduction, environmental impact and cost savings in materials.

The new prototype food tray will utilise 25% less material and will be made from 100% recyclable rPET. This project will facilitate greater cooperation between SMEs of different nations, research institutes and other enterprises, improving the SMEs strategic partnerships and networking for innovation. These SMEs currently have limited research capacity; however, this project will enable better access to the knowledge economy, R&D institutes and exploitation of the latest technological advancements.

Budget: EUR 1.46 million

Case 4: Improved Novel Eco-Friendly Bleaching System for Cotton Using Enzyme and Ultrasound Processes (COTTONBLEACH)

Research field: Research for SME associations/groupings

Cotton textiles undergo a toxic and costly bleaching process that weighs heavily on the quality, cost and environmental impact of textile manufacture. CottonBleach proposes the development of an improved cotton bleaching technology, more respectful with the textiles and the environment, to improve the competitive edge of European textile SMEs. Current bleaching methods use hydrogen peroxide (H_2O_2) and sodium hypochlorite (NaCIO, aka bleach), resulting in fabric damage, formation of toxic by-products and large amounts of water and energy to remove these chemicals.

This proposal also fulfils the objectives of FP7 collective research in that it will expand the knowledge base of large communities of SMEs and develop innovative technology that has potential applications in the broader bleaching industry.

Budget: EUR 2.37 million

Case 5: Development of an efficient technique for the reduction of waste in sheeting dough processing in the baking industry (REDUXDO)

Research type: SME Research

Current dough-sheeting process produces up to 30% of waste (The mass of waste is of 20% order of the end-product produced). The average cost of waste is 100/tonne (including landfill or incineration tax, administration, transport and raw material cost). Such high cost has burdened the industry greatly, and SMEs are particularly vulnerable to further increase of landfill tax. In response to the competitiveness of SMEs in this sector, our client is looking for an innovative technology to keep waste to minimum or ideally, zero.

The project aims to develop an efficient technique to reduce waste in sheeting, stamping or roller-cutting of dough processing in the baking industry by 25%. By using tessellated roller-cutter with features, morphology of dough can be manipulated. Pieces of hexagonal dough are reshaped into desired forms (round or oval). This process will be adaptable to current manufacturing plants and aim to reduce waste to less than 5%.

Budget: EUR 1.1 million

Case 6: The Development of a Novel Remote Stress Sensing System to Increase Safety, Efficiency and Reduce Environmental Effects in Fishing and Mooring applications (SMARTCATCH)

Research type: Research for SME associations

Project description

The EU fishing industry is a major source of employment and food providing more than 7.5 million tonnes of fish and employing over 526,000 people of which 88% work within the SME community. The European SMEs in this sector are under increased pressure to increase efficiency due to rising crude oil prices. In addition, there is the EU legislation on Total Allowable Catch or minimum landing sizes and the threat to close areas to fishing and aquaculture in order to recover stock, due to environmental effects of inefficient fishing which could have socio-economic effects on our community.

The project tenders the need for a technology that will enable fishers to preserve the quality and freshness of fish, reduce trawling times and avoid problems caused by overfull trawls. Trawls are the most commercially used fishing method. The proposed project will develop a stress monitoring system that will increase: efficiency in fishing, safety and life of fishing gear and mooring ropes.

Budget: EUR 2 million

Case 7: New agricultural practices for quality production of red fruits enriched in healthy compounds (QUALIREDFRUITS)

Research Type: Research for SMEs

The QualiRedFruits project deals with the competitiveness of raspberry production and market. This market is in constant evolution due to consumer interest in the health benefits of antioxidant molecules (AOM) in raspberry fruits and public requirement for new fruit production technology safer for the environment.

The aims of the project are therefore to identify raspberry varieties with higher quality in terms of AOM content and conceive innovative cultural practices respectful of the environment. The aims of the project are therefore to identify raspberry varieties with higher quality in terms of AOM content and conceive innovative cultural practices respectful of the environment. It brings together 5 SMEs and 5 RTD performers with high expertise level in this area to reach the project objectives.

Recommendations for quality production of raspberry to SMEs will be drawn. The new technologies developed in this project will have an important impact on the production of raspberry fresh fruits of higher quality by the SMEs involved and will also impact the frozen and processed fruit market. The results from QualiRedFruits will therefore be the driving force to obtain competitive advantages for these companies on the European and International market.

Budget: EUR 0.9 million

Compliance Assistance Projects

Case 1: Facilitating Implementation of the IPPC Legislation through a Web-Based Environmental Consultancy Toolkit **(ENVIRON-MENTOR)** Research type: Research for SMEs Companies falling short from meeting the IPPC requirements (i.e. having their industrial installations permitted according to BAT, risk penalties such as substantial fines. Unlike large enterprises, small and medium sized companies lack the necessary human resources and in-house technical knowledge to keep updated with such legislations. In order to abide by the law, these companies are obliged to seek assistance from environmental consultants. These services are very costly and time consuming, due to the extensive material required to compile IPPC applications. The ENVIRON-MENTOR project aims to assist environmental consultants in guiding their clients to implement environmental normative and standards in an efficient manner. ENVIRON-MENTOR will offer a web-based environmental consultancy toolkit (utilizing artificial intelligence techniques) to the participating end-user SMEs in order to help them in their daily activities. Apart from IPPC, ENVIRON-MENTOR will offer support on environmental management systems (EMS) and provides guidelines for EMS standards such as EMAS and ISO 14 000. ENVIRON-MENTOR will also target the Emissions Trading Scheme (ETS) by providing an automated platform for the trading of greenhouse gases. This will enable environmental consultants to offer an efficient emissions trading service to their clients. Guidance to these environmental normative and standards will be provided by using a knowledge-base expert system and multi-agent system targeted for this scenario. Four participating environmental consultants, an IT software company and three RTDs from eight different countries have joined forces to develop this system. Budget: EUR 1.22 million

Projects assisting SMEs in monitoring their environmental impact

Case 1: Ambient-intelligent interactive monitoring system for energy use optimisation in manufacturing SMEs (AMI-MOSES) Research area: ICT The main business aim of the project is to produce a leap forward in energy efficiency and cost reduction in manufacturing SMEs. The AmI-MoSES project will develop an (ambient) intelligent monitoring system for energy consumption, dedicated to manufacturing SMEs, to provide comprehensive information about the energy use, and knowledge-based support for improvements in energy efficiency. The services will, among other functionalities, interactively provide suggestions of the appropriate actions for problem elimination and energy efficiency increase. Budget: EUR 2 million

Case 2: Boosting Life Cycle Assessment Use in European Small and Medium-sized Enterprises: Serving Needs of Innovative Key Sectors with Smart Methods and Tools (LCA TO GO) Research area: Environment "LCA to go" develops sectoral methods and tools for bio-based plastics, industrial machinery, electronics, renewable energy, sensors and smart textiles. These sectors have been chosen, as the manufacturers show a high interest in making clear the environmental benefits of their products to

customers ("Green industries") and in prioritizing so they can reduce their environmental impacts. This is particularly the case for SMEs. Free web tools ("apps") will serve dedicated needs of these sectors, addressing the specific requirements of the technologies and implementing parameterised models, such as calculators for energy-break-even-point of photovoltaics, Product Carbon Footprints (PCF) based on technology parameters of printed circuit boards, and Key Environmental Performance Indicators (KEPIs) for smart textiles. Selected Product Category Rules will be developed to provide a robust LCA guidance for SMEs. Practically, the project website will provide an exchange of scientifically validated data templates, to assist SMEs to pass the right questions to their suppliers. Carbon Footprints are a perfect entry point for SMEs to LCA strategies. (...) The project will have a direct impact on sectors representing nearly 500,000 SMEs.

Budget: EUR 3.5 million

Projects assisting SMEs to introduce Environmental Management Systems

See above project ENVI-MENTOR

Networking and Dissemination Projects

Case 1: ERA-NET ON ECO-INNOVATION - Boosting eco-innovation through joint cooperation in research and dissemination (ECO-INNOVERA)

Project area: ERA-NEt

Eco-innovations (EI), i.e. 'green' technologies, processes, products and services have an increasing impact for the global competitiveness of European industry. To reach a worldwide leading position, the implementation of EI in industry needs to be boosted, especially in SMEs. The ERA-Net on EI will support research and dissemination in the field of EI. The success of EI is determined by criteria that will be promoted through multi-level and systemic approach, considering the social, economic, political and technological context.

To promote the development and implementation of EI in Europe, following activities will be performed: (1) Pooling of Europe's most relevant research and innovation programmes; (2) Developing a networking platform for information exchange on activities related to EI research in Europe and broadening the network, and (3) Creating a common research funding platform.

Budget: EUR 2 million

Case 2: ECOINNO2SME

SME-3 Coordination and Support Activities

ECOINNO2SME comprises 7 partners from 7 European countries (DE, EE; ES; HU, IT, SE, UK) all with long experiences in supporting SMEs in dissemination and exploitation of research results. The overall aim of the project is to reinforce the dissemination and exploitation of project results of SMEs in the areas Eco-Innovation in such a way that they are supported to bridge the gap between research and exploitation, hence expand their businesses and, accordingly, raise their competitiveness in the world markets. As ECO-Innovation is of crucial importance for the economic development and of high actual public interest in Europe, ECOINNO2SME will concentrate on this cluster.

The project will evaluate completed FP5/6-projects with the involvement of SMEs in view of identifying key success factors and good practices for dissemination and exploitation of results. By defining sub-clusters of ECO-Innovation (e.g. energy, waste, eco-products) the project will follow an interdisciplinary approach in order to support exploitation and dissemination of results in these clusters. Through different kinds of activities like interdisciplinary platform meetings (regional, EU-level) as well as through specific road shows in partner countries, SMEs will be able to exchange good practices and to meet strategic exploitation partners. Project results will be constantly assessed and disseminated via the project s website. A final assessment of the interdisciplinary approaches will be made and disseminated to other multipliers as well as to the EC in order to reach the outmost impact

on reinforcing the exploitation activities of SMEs in Europe and to contribute positively to the creation of a lead market for ECO-Innovation in Europe, too.

Budget: EUR 0.7 million

11.5.5   Structural Funds

The three main financial instruments of Cohesion policy are European Development Regional Fund (ERDF), European Social Fund (ESF) and Cohesion Fund. Together they allocate a total of EUR 347 billion; this is circa one third of the total EU budget. For the period of the current programme between: 2007-2013 € 27 billion are directly dedicated to SMEs. (European Commission 2011a, Fichter (n.d.))

Objectives	Financial instruments
Convergence	ERDF
	ESF
	Cohesion funds
Regional competitiveness and employment	ERDF
	ESF
European territorial cooperation	ERDF

Source: European Commission (2011a): General provisions ERDF - ESF - Cohesion Fund (2007-2013). http://europa.eu/legislation_summaries/agriculture/general_framework/g24231_en.htm.

The objective of the ERDF is to support economic and social cohesion in the EU by correcting imbalances between its regions.

The financing of ERDF is divided in four sections:

- direct aid to investments in enterprises to support the creation of sustainable jobs. The direct aids are especially focused on SMEs
- to research and innovation, telecommunications, environment, energy and transport linked infrastructures
- financial instruments (i.e. capital risk funds, local development funds), which strengthen cooperation between different cities and regions and encourage local and regional development and
- measures for technical assistance.

The ERDF concerns three objectives of the Regional policy of the EU: Convergence, Regional Competitiveness & Employment and European Territorial Cooperation. Convergence has a focus on environment. Regional Competitiveness and Employment focuses on innovation and knowledge-based economy, on environment and risk prevention and access to transport and telecommunications services.[59] (European Commission 2011b).

The ERDF has a strong focus on SMEs. The regulation of the ERDF from 2006 (EC 1080/2006) mentions SMEs as the main target group for direct aid investments, with the goal to support the creating and safeguarding of sustainable jobs. SMEs are also included in the regulation when the support for regional and local development is discussed. The objective of the ERDF is to support measures, which focus on enterprises or services for enterprises and especially SMEs.

The European Social Fund has the target to support employment and job opportunities in the EU. It intervenes in the framework of the Convergence and Regional Competitiveness and Employment

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[59] European regional development fund (ERDF). http://ec.europa.eu/regional_policy/funds/feder/index_en.htm.

objectives. The ESF includes actions i.e. in following fields: to support adaptation of workers and enterprises to new circumstances, i.e. via lifelong learning or to access to employment for job seekers. The objective of the Cohesion Fund is to support EU-member states with a weak economy. The target group are states which a Gross National Income (GNI) per inhabitant less than 90% of the EU-average. The aim is to stabilize these economies. It follows the Convergence objective. The two main areas of the Cohesion fund are to improve trans-European transport networks and to reduce the environmental impact, which also includes energy efficiency, use of renewable energy, support public transport[60].

Amount of targeted funding/financing available

Between 2007 and 2013, 105 billion Euros of the Structural and Cohesion Funds was dedicated to environmental-friendly activities. It is circa 30% of the total amount of the funds and double the amount if it is compared with the previous period. Half of this investment will be allocated to direct infrastructure investments with the main focus on water and waste treatment, refinish of contaminated sites, decrease of pollution and support for nature protection and prevention of risk. The other half is focused on indirect investments with an environmental impact on ECAP-relevant fields of eco-innovation and environmental management for businesses and also on transport and energy systems, urban and rural regeneration and eco-friendly tourism[61].

Especially for eco-friendly SMEs a budget of € 2.5 billion between 2007 and 2013 was foreseen under the title "Assistance to SMEs for the promotion of environmentally-friendly products and productions processes". With a view to a percentage by sector, eco-friendly SMEs receive approximately 10% of all SME support through the funds. The lion's share of the funding is given to SMEs for under the title technology & innovation (Fichter, slide 8).

Beside this share, the Structural Funds offers another amount for Research and Technology Development (R&TD), innovation and entrepreneurship, particularly in SMEs with another € 12.2 billion. € 5.6 billion out of that amount were for R&TD particularly for SMEs support and the other € 6.6 billion to stimulate research, innovation and entrepreneurship for SMEs. This includes but is not confined to environmental issues.

Figure 11.6 Share of support to SMEs within total Cohesion policy Funds per Member state
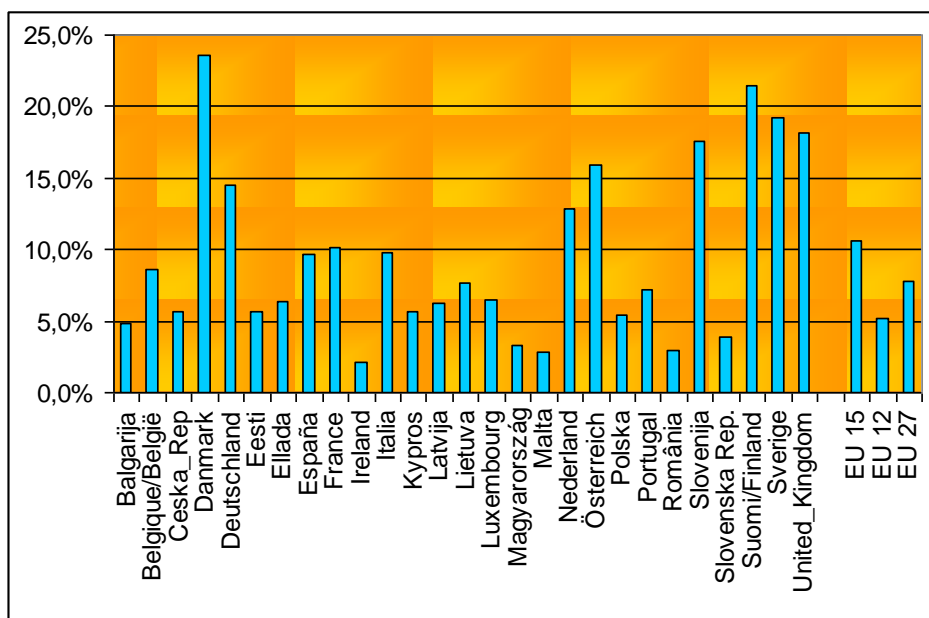
Source: DG REGIO (n.d.)

As showed in the graph above, the highest share of SMEs support in Cohesion funds is seen in Denmark, followed by Finland, Sweden and United Kingdom. Still a high share with around 15 per cent of supported SMEs show Slovenia, Austria, Germany and Netherlands. Around ten per cent is included for Italy, France, Spain and Belgium. Greece, Bulgaria, Latvia, Lithuania, Luxembourg,

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[60] Cohesion Fund. http://ec.europa.eu/regional_policy/funds/cf/index_en.htm
[61] Environment and climate change. http://ec.europa.eu/regional_policy/themes/environment/index_en.htm.

Poland, Portugal and Slovakia show a share around 5 per cent. The smallest share of SMEs of the Cohesion Policy Funds show Ireland, Hungary, Malta and Romania.

All this data is not especially on the funding SMEs on environmental issues. Yet, also from the general SME-support it can be deduced that SMEs in Northern and Western European countries have a better access to the funding. And a smaller number of SMEs are supported by the funds in Eastern and Southern European member states.

A more detailed analysis of the ECAP-relevant projects was not possible for the Structural Funds and the Cohesion Fund. The available EU project database only includes "examples" of projects funded under the Structural/Cohesion/Social Funds. A European-wide analysis of projects funded would not make sense as the management and implementation of funds happens in a decentralized fashion.[62]

This project confines itself to naming some ECAP-relevant example projects:

SPIN project: Sustainable Production through Innovation in SMEs

Its purpose is to develop and test tools/instruments/schemes facilitating the application of eco-innovations in SMEs. It aimed to connect 200 institutions in the field of eco-innovation in the Baltic Sea Region and set up a database of over 1000 best practice examples.

Lahti Cleantech cluster

Another project, however funded in a former funding period (2004-07) was the. This project aimed to encourage innovation and investment in environmental technologies by bringing together different stakeholders to 'Connect & Develop', including SMEs, large enterprises, education organisations and regional/local authorities.

11.6   Survey Feedback – Reasons for lacking uptake of funds

A survey was on the basis of a questionnaire that was sent to over 2,000 stakeholders. The answers provided by the respondents cannot be concerned as representative but convey some tendencies. With regard to awareness and knowledge of funds, it has to be taken into account that obviously "engaged" SMEs and SME support organizations answered, which has led to a very high awareness rate of the funds.

Knowledge of funds

About three fourth (72.5 %) organisations responding know some parts of the funding schemes for environmental improvement of SMEs. More than ten per cent (12.5%) say that they are familiar with a lot of or all funding possibilities. The remaining ten per cent do not know the funding schemes at all.

Half of the SMEs (50 %) interviewed and 80.8 % of the surveyed SME support organisations know the Life+ programme at least fairly well. Life+ is not known by a small group (3.8 %) of the support organisations, but by 25% of the questioned SMEs. The rest just hardly know Life+ (SME – 25%, SME support organisation – 15.4 %).

If you compare Life+ with the CIP Eco-Innovation programme with 87.5 % a lot more SMEs have at least some knowledge of the Eco-Innovation programme. The other 12.5 % do not know the programme at all. All questioned SME support organisations know the programme and 77.7 % of the SME support organisation have at least a fair knowledge about this programme. 22.2% of the SME support organisations interviewed hardly know about the Eco-Innovation programme.

Similar to Life+ and CIP Eco-Innovation programme 81.4 % of the surveyed SME support organisations know the FP7 programme fairly well. With 57.2% fewer SMEs know the FP7 programme

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[62] At the EU level the general priorities are established in the Community Strategic Guidelines (CSG). These set the conditions for all actions that can be taken using the funds. On this basis, each member state develops its own National Strategic Reference Framework (NSRF) laying down the priorities for each Member State on the basis also of national policies. Operational Programmes for each region within the member state are drawn up in accordance with the respective NSRF, reflecting the needs of individual regions. Thus, each MS has different priorities to let SMEs benefit from funds.

quite well. With 28.6 %, one fourth of the consulted SMEs stated that they knew the programme a bit and 14.3 % did not know this at all. In comparison to SMEs with 18.5 % less SME support organisations hardly know or don not know the programme at all.

With 71.6 % SMEs and 76.0 % of consulted SME support organisations almost the same amount of the two groups know the Structural Funds fairly or quite well. While all SME support organisations know about the Structural Funds, 14.3% of SMEs have not heard of this fund at all.

As a result, the SME support organisations achieve quite similar results as regards their knowledge of the different funding schemes. In the field of SMEs, knowledge is best regarding the CIP Eco-Innovation programme, followed by the Structural Funds and the FP7 programme. Just half of the SMEs surveyed know the Life+ at least fairly.

50 % of the questioned participants agree or agree strongly that there is a strong awareness of these funding streams. But 36.1 respondents say that there is not a strong awareness.

Improving awareness

The questioned participants point out that this lack of awareness of the funding streams could be decreased by more readily available information on the schemes, i.e. via one channel by which all funding streams are spread and thus are no longer fragmented. The European Commission should promote the funding streams directly in the countries and the dissemination should be done also through running ECAP/FP7 projects. Other stakeholders have said that the information should be more focused on the target group and the Chambers of Commerce could be included to promote the information to their members.

Stakeholders have also mentioned that the application procedure is too complicated for SMEs and SME support organizations.

With regard to information activities of the SME support organizations, 92 % of the responding SME support organizations have said to have already informed SMEs about these funding mechanisms.

Reasons of lacking uptake of funds

Among the reasons why SMEs do not apply for the funding schemes figure that
- that they have difficulties with application forms,
- lack the time and expertise to file proposals.

As a consequence, the whole administration burden is very high for SMEs. In many cases SMEs need an external consultant to assist them with the application and this is too costly for them. Another problem is that they are not sure that the projects will get funded. With the low success rate the success of application is too uncertain for the effort. And the funded percentage of the project budget is also not attractive for SMEs. Some specific proposals collected from stakeholders for the simplification of the application procedure are given in Box 11.1.

Box 11. Proposals to simplify the application procedure for funds

- Application procedure: Deadlines should be coordinated and work programmes should be published as early as possible.
- Evaluation procedure: Especially for SME related projects, the time between the deadline and the signature of the contract should be reduced to a maximum of six months and deployed by Commission internal experts, with the aim to speed up the process.
- Call procedure: There should be more calls per topic each year (two at least) and smaller scale projects, launched on a regular basis and based on a plan communicated in advance. All necessary information and participation conditions should be clearly stated from the beginning and there should be more time for application.
- A mix of 1-step and 2-step application procedures: Businesses, especially SMEs, would profit from a consistent implementation of "two-step applications" for more complex projects (where a longer time to contract is justifiable). The first step would involve a short project draft and the complex application requirements would be only necessary at the

Another point of weakness of the funding system is that the funds normally only co-fund projects. It is thus suggested that the funding for Eco-innovation should reach at least a rate of 75% of the budget so that the financing part of the SMEs themselves would become smaller.

11.7   Conclusions and Recommendations

Relevance of funding streams

It has been demonstrated that the different funding streams all fund certain projects that are directly or indirectly relevant to ECAP, i.e. help SMEs to improve their environmental impacts.

With regard to the priorities of the ECAP Communication, the Eco-innovation programme of CIP has a focus on financial assistance and includes a multiannual financial programme for SMEs improving their environmental impact. The most important ECAP-relevant projects targeted environmental management, i.e. pushing the dissemination of the environmental management scheme (EMAS) or supporting the establishment or promotion of certifications for environmental products and processes. The Enterprise Europe Network is also financed through the CIP programme. Thus, the programme contributes to objectives such as support to eco-innovation in SMEs, offering targeted environmental information and providing expertise.

The LIFE+ programme includes a multiannual funding scheme. The most important ECAP-relevant LIFE+ projects focus on guidance and dissemination of information to SMEs to help them to reduce their environmental impact. These projects include workshops, trainings and the creation of information tools, like information material or databases. Some of the projects also support the implementation of environmental management schemes and accreditation; others directly contribute to building local environmental expertise. With regard to the priorities of the ECAP Communication, LIFE+ aims at improved communication and more targeted information, to address specific information gaps and the introduction of EMS.

Structural/Cohesion Funds target different ECAP-relevant activities, e.g. information provision, networking and information exchange (e.g. by Interreg projects). An overall European analysis of ECAP-relevant projects funded by the Structural/Cohesion Funds was not possible in this project given that a full project overview is not available in the European database.

FP 7 projects are basically targeted at providing more targeted information for SMEs to improve their environmental impact but at times FP 7 has also funded projects on specifically tailored EMS systems for SMEs and networking/competence building projects.

Key issues affecting uptake

SMEs and their support organizations interviewed on the obstacles to the uptake of the funds pointed out that many SMEs were unaware of the funding streams. The lack of awareness of the funding streams could be decreased by better accessible information on the schemes, i.e. via one

channel/portal where all funding streams are summarized and thus the level of fragmentation is lowered. This could be an objective of ECAP. Also the information should be more focused on the target group and the Chambers of Commerce could be included to promote the information to their members.

One main obstacle for SMEs is that the application procedure is too complicated for SMEs and SME support organizations. SMEs do not have the time and expertise to develop very elaborate project proposals, so the whole administration burden is very high, too high for SMEs. As a consequence, simplification and support is also needed in this area.

Another problem is that SMEs are not sure that the projects will get funded. With the low success rate the success of application is too uncertain for the effort. Also the funded percentage of the project budget is often not attractive for SMEs. With the latter problem, ECAP will not be able to help, however a two-step application procedure might help to pre-select proposals at an early stage which will not have a chance to be funded.

Recommendations

One recommendation would be to still improve awareness of SMEs of the funding programmes available and suitable for them. This would need to be done by the SME support organisations (EEN and other support organisations).

In order to improve the success rate of proposals, it could be considered to introduce a two-step proposal procedure where in the first steps SMEs etc. outline their project ideas and a pre-check would be carried out to identify proposal outlines that are not/less relevant for the funding stream. Thus, SMEs could focus on proposals that have a higher chance of being funded.

The EU Commission could consider lowering the self-funding rate for SMEs to below 25% in projects so that the SMEs have a higher incentive to apply for funding.

Finally, the time of payment of funds could become subject to considerations for reform. The large share of funding is made available often after termination of a project so that the SMEs have to pre-finance projects. Due to their lack of resources, they shy away from applying for (co-)funded projects because they cannot engage money to pre-finance large projects. It could be considered to raise the rate of pre-financing from the Commission, where appropriate and relevant, to 50%.

12   Task A10: SME test

12.1.1   Introduction

An impact assessment is an analytical examination of the advantages and disadvantages of policy options to reveal the environmental, social and economic consequences of proposed policy initiatives. Impact assessments are a set of logical steps that are designed to help structure and develop policies. They identify and assess the problems at stake and the objectives pursued by the legislation proposed. Importantly they aim to identify the main options for achieving the objectives and analyze their likely economic, environmental and social impacts. In this framework, they outline advantages and disadvantages of each option and examine possible synergies and trade-offs.[63]

To put it briefly, impact assessments are an aid to political decision-making, not a substitute for it. The impact assessment informs the political decision-makers of the likely impacts of proposed measures to tackle an identified problem, but leaves it to them to decide on the concrete design and contents of the legislation.

There is no obligation to conduct an impact assessment for every policy initiative. Those policies that have to be accompanied by an impact assessment are identified on an annual basis. Moreover, the level of detail of the assessment varies with the type of the planned measure (i.e. non-legislative initiatives, communications, recommendations, white papers, cross-cutting or specific legislative measures).

The more specific the measure, the more detailed the impact assessment needs to be and *vice versa*. This is supposed to avoid unnecessary effort, since the actual impact can in most cases only be identified for a specific, binding measure. In line with this, the required level of detail is much higher for legislative measures and lower for non-legislative measures. The appropriate level of detail of analysis is determined at the beginning of the respective analysis. This decision will influence the whole process, such as the stakeholder consultation or the impacts that need to be examined. [64]
The procedure of impact assessments is determined in a set of guidelines adopted by the Commission (hereinafter Impact Assessment Guidelines), which were originally issued in 2005 and were last revised in 2009.[65]

Since the revision of the Impact Assessment Guidelines in 2009, the assessment of the impact of initiatives on SMEs has been improved. A so-called **"SME test"** has been included in the guidelines. The guidelines demonstrate how SMEs shall be taken into consideration in each of the analytical steps when carrying out an impact assessment. It shall be examined whether SMEs are disproportionately affected or disadvantaged in comparison to large companies by the planned measures. In this case, alternative mechanisms and/or flexibilities should be integrated into the measure to facilitate SMEs' compliance with the legislation.[66]

The SME test was established in order to implement the Commission's "Small Business Act", a political initiative to foster the role of SMEs in the economy of the EU. It aims to integrate a so-called 'Think Small First' principle in policy-making. Therefore, the Commission *inter alia* had committed itself to "rigorously assessing the impact of forthcoming legislative and administrative initiatives on SMEs ("SME test") and taking relevant results into account when designing proposals".[67]

In this chapter, the implementation of the "SME test" is assessed for a sample of proposals of legislative and other measures that:

- are related to environmental concerns and

- are relevant for SMEs.

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[63] http://ec.europa.eu/governance/better_regulation/impact_en.htm
[64] European Commission: Part III: Annexes to impact assessment guidelines, 15 January 2009
[65] European Commission: Impact Assessment Guidelines. 15 January 2009. SEC (2009) 92.
[66] European Commission: MEMO. The main changes in the 2009 Impact Assessment Guidelines compared to 2005 Guidelines
[67] Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: "Think Small First" - A "Small Business Act" for Europe, COM(2008) 394 final, page 8.

A sample of impact assessments has been examined in order to learn about the practical application of the "SME test". The effect on law-making i.e. whether the results from the impact assessments were considered in the final proposal or final act - has been also tested. The screening is carried out on impact assessments completed before and after the "SME test" was introduced to see whether an improvement was made.

However, the assessment is not representative. The authors have chosen a sample of impact assessments that seemed suitable for the purpose of this report. The impact assessments have been selected from the list of impact assessment reports that are published by the European Commission.[68] The authors have also taken the results from the stakeholder consultations into account where possible. However, unlike the impact assessment reports that are listed and published by the European Commission, the results from the stakeholder consultations are not provided in a consistent manner. Results of consultations are at times not public or are difficult to find. Moreover, they are not always referred to in the impact assessment reports. Therefore, the authors have indicated where it is unclear whether SME stakeholders have been consulted.

Eventually, this analysis aims to produce an approximate picture of the consideration of SMEs in the impact assessment before and after the revision of the Impact Assessment Guidelines in 2009.

12.2   Analysis of impact assessments

12.2.1   Impact Assessment Guidelines: the SME test

The annex to the Impact Assessment Guidelines contains further information on how to conduct a so-called "SME test". According to the Annex 8.4, the impact on SMEs has to be considered in each of the analytical steps when carrying out an impact assessment.[69] Thus, there is no obligation to conduct a formal "SME test" in the sense that it has to be presented in a separate section, though this option has been chosen in a number of impact assessment reports. The "SME test" laid down in the Impact Assessment Guidelines aims to examine whether there is a disproportionate impact on SMEs from planned legislation in comparison to large enterprises. Policy options should then cover alternative mechanisms or flexibilities to ensure that compliance with the potential legislation is feasible for SMEs.[70]

The annex contains more specific guidance on the following steps. These are:

1.   Preliminary assessment of businesses likely to be affected;
2.   Measurement of the impact on SMEs (cost/benefit analysis); and
3.   Use of mitigating measures, if appropriate.

Moreover, the other general steps of the impact assessment have to be conducted and tested on SMEs as well, such as such as stakeholder consultation. The further guidance on these steps ("SME test") – is presented in the following boxes.

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[68] Available here: http://ec.europa.eu/governance/impact/ia_carried_out/cia_2010_en.htm.
[69] European Commission: Annex to the Guidelines, page 31.
[70] European Commission. Impact Assessment Guidelines. 15 January 2009. SEC (2009) 92, page 40.

Box 12.1 Consultation with SMEs representatives

The following suggestions on how to consult SME representatives complement the general guidelines on the consultation of interested parties.

The 2005 Report on the consultation of stakeholders in the shaping of small business policy at national/regional level provides examples of good practices:

• *round table discussions with stakeholder*

• *test Panels of entrepreneurs to check new initiatives in flexible and quick manner*

• *specific committee*

• *use of IT tools (on-line consultations, forum)*

Other specific suggestions for consulting SME stakeholders with the support of DG ENTR:

• *if stakeholders hearings are organised, ensure that SMEs representatives are invited (DG ENTR SME services could help in this sense)*

• *the regular meetings between the SME Envoy team in DG ENTR and SME organisations can be a useful and relatively quick way of getting feedback from this sector*

• *the Enterprise Europe Network can be used to obtain direct feedback from SMEs from across the EU (DG ENTR unit E2 can be contacted for more information). The Network offers support and advice to businesses, especially SMEs, across Europe. It is made up of close to 500 partner organisations in more than 40 countries*

• *the European Business Test Panel (EBTP), although not explicitly focused on SMEs is also an alternative to consider (managed by DG MARKT)."*

Box 12.2 Preliminary assessment of businesses likely to be affected

"*During this stage, you should establish whether SMEs are among the affected population. You should identify the characteristics of the businesses / sector(s) likely to be affected. Relevant sources of information should be explored including SME representatives. A non-exhaustive list of elements to consider includes, when applicable*

• *number of businesses and their size (micro, small, medium or large enterprises)*

• *proportion of the employment concerned in the different categories of enterprises affected*

• *weight of the different kind of SMEs in the sector(s) (micro, small and medium ones)*

• *links with other sectors and possible effect on subcontracting*

If the preliminary assessment leads to the conclusion that SMEs are amongst the affected parties, further analysis should be carried out and – where appropriate – taken into account when defining the objectives and developing the policy options in the impact assessment."

Box 12.3 Measurement of the impact on SMEs

"The distribution of the potential costs and of the benefits of the proposals with respect to the business size, differentiating between micro, small, medium and large enterprises should be analysed qualitatively and, if possible and proportionate, quantitatively.

It is important to establish to which extent the proposal affects SME's competitiveness or the business environment in which it will affect their operations.

It is likely that an EU measure would have direct and indirect beneficial effects on SMEs. The direct benefits such as improved working conditions, increased competition etc. should (at some stage) be reflected in reduced costs to SMEs. Yet, these benefits may be offset by various <u>costs</u>, some of which may be disproportionately felt by SMEs, notably:

o *Financial costs – created by the obligation to pay fees or duties*

o *Substantive costs – created by the obligation to adapt the nature of the product/service and/or production/service delivery process to meet economic, social or environmental standards (e.g. the purchase of new equipment, training of staff, additional investments to be made)*

o *Administrative costs – created by the obligation to provide information on the activities or products of the company including one-off and recurring administrative costs (e.g. re-sources to acquire or provide information)*

Cost and impacts identified for SMEs should be compared with those of large enterprises. For this purpose, one can for instance compare the overall costs identified to the number of persons employed to obtain the average cost per employee. One could also compare the costs identified to the total overhead or turnover of the company.

In addition, it would be useful to consider the following additional elements:

• *possible loss of competitiveness due to external factors such as the availability of finance, tax regimes, access to resources or skills, etc.*

• *possible changes in the behaviour of competitors, suppliers or customers*

• *possible impacts on barriers to entry, competition in the market and market structure, for example in terms of possibilities for SMEs to enter markets.*

• *possible impact on innovation, understood as both technological and non-technological innovation (process, marketing, etc.)*

• *benefits, if applicable, coming from the proposal (burden reduction, improved productivity and competitiveness, greater investments or innovation etc.)"*

Box 12.4 Assess alternative options and mitigating measures

"If the abovementioned cost/benefit analysis shows that SMEs are facing a relatively higher burden, one might consider the use of SME specific measures in order to ensure a level playing field and the respect of the proportionality principle. When the analysis made under the previous section shows that SMEs are disproportionately affected or disadvantaged compared to large companies, one should consider using possible mitigating measures. The choice of specific measures to use will be made on a case by case basis. A non-exhaustive list of measures to be considered includes:

• *complete or partial size-related exemptions for SMEs or micro-businesses* *(Example: businesses below certain thresholds do not have to comply with certain specific obligations when this does not invalidate the original purpose of the legislation)*

• *temporary reduction or exemptions* *(Example: transition periods during which SMEs are exempted or longer intervals for certain obligations)*

• *tax reductions or direct financial aid* *to compensate costs incurred provided this is compatible with existing legislation (on competition or international trade).*

• *reduced fees* *(Example: when these fees are particularly high and/or represent a fixed cost that would be felt disproportionately by SMEs)*

• *simplified reporting obligations for SMEs* *(Example: in the area of statistics, explore possible synergies with already existing reporting obligations)*

• *specific information campaigns or user guides, training and dedicated help-desks/offices* *(Example: specific SME help-desks providing tailored information for small businesses)*

• *systematically consider general simplification initiatives which can particularly benefit SMEs* *(Example: possibility to use on-line facilities, simplified inspections)*

When assessing possible mitigating measures for SMEs, it is important that the costs this could produce are also fully considered and included in the final assessment."

12.4 Impact assessments after the introduction of the SME test

In this section, a collection of impact assessments is screened in order to examine the implementation of the SME test requirement and its effect on law-making. It has been described above that a sample of impact assessments with relevance for environment concerns (including energy and transport) and SMEs has been chosen. Out of 20 impact assessment conducted by DG Environment and DG Energy and Transport in 2009, six have been identified as relevant to SMEs and therefore have been examined in this study. Moreover, two out of nine in 2010 have been analysed. The analysed proposals vary in level of detail and stringency, providing information on the tendencies in the level of detail of SME Tests for different types of proposals.

12.4.1 DG Environment

Proposal of Regulation of the European Parliament and of the Council – Setting emission performance standards for new light commercial vehicles as part of the Community's integrated approach to reduce CO$_2$ emissions from light-duty vehicles

The initiative in question defines a limit value curve for permitted emission of CO$_2$ from new light commercial vehicles based on their mass.[71] It is meant to contribute to the EU climate and energy targets. During the impact assessment, a general stakeholder consultation has been conducted by an online questionnaire, though it has not be designed or analyzed from an SME perspective.[72] In the

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[71] Commission staff working document, Impact assessment, Accompanying document to the Proposal for a Regulation of the European Parliament and of the Council, Setting emission performance standards for new light commercial vehicles as part of the Community's integrated approach to reduce CO emissions from light-duty vehicles, SEC(2009) 1454.
[72] European Commission: Review of the EU strategy to reduce CO2 emissions and improve fuel efficiency from cars. Report on the Public Consultation June - August 2006. Available at http://ec.europa.eu/clima/documentation/transport/vehicles/docs/public_consultation_report.pdf.

context of a preliminary assessment of business to be affected by the potential legislation, the impact assessment report identified the impact on SMEs.[73] SMEs using light commercial vehicles could be affected by possible increases in the price of new vehicles and will benefit from reductions in their running costs that will result from the legislation. The results on the impact measurement on SMEs are presented in a separate section.[74] The report distinguishes between SMEs as manufacturers and customers of light commercial vehicles. In the capacity of the former, the report suggests that distortions should be avoided that could have a disproportionate impact on the vehicles produced by SMEs. Derogations should be provided for small manufacturers in the legislation.[75] Moreover, SMEs as consumers – as all other enterprises whatever size - stand to gain from the proposal. This could be shown in a cost-effectiveness analysis during the impact assessment.

In short, the SMEs test was completed as presented here:

1. Consultation of SMEs representatives: (-)
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The proposal has taken the results from the impact assessment into account. Thus, there has been an effect on law-making. The proposal suggests derogation from the specific emissions target for manufacturers with fewer than 22,000 new light commercial vehicles registered per calendar year.[76] The manufacturers must submit an application with the Commission to be eligible for this derogation.

Proposal of Regulation concerning the placing on the market and use of biocidal products

The Proposal for a Regulation concerning the placing on the market and use of biocidal products[77] is supposed to repeal and replace the current Directive 98/8/EC. The aim of the measure is to improve the functioning of the internal market in biocidal products. These products contain active substances that are used against harmful organisms. Since the products themselves can have side effects, the measure also aims to establish a high level of environmental and health protection. The current Directive successfully established a regulatory framework for authorization and placing on the market of biocidal products. However, certain issues needed improvement. The new measure aims *inter alia* to harmonize and simplify the applicable procedures in order to reduce costs and administrative burden to companies – especially SMEs - and authorities.

The impact on SMEs has been tested at various steps of the impact assessment of the new policy initiative. Notably, SMEs views were collected during a stakeholder consultation.[78] In the context of the problem definition (preliminary assessment), the impact of the foreseen measures on SMEs (by increasing prices) was highlighted.[79] Different policy options were tested on their impact on SMEs. Alternative options to decrease the harmful impact on SMEs were examined.[80] Especially fees that are charged before biocidal products are put on the market are considered to have a potential negative impact on SMEs. Therefore, the impact assessment assesses the option to reduce fees for SMEs.

In short, the SMEs test was completed as presented here:

1. Consultation of SMEs representatives: (+)
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The Commission adopted the recommendations from the impact assessment. The proposal on the new Regulation – which has not been adopted yet – rules that fees for the approval of new products to

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[73] Ibid., page 14.
[74] Ibid., page 20, 33.
[75] Ibid., page 26.
[76] Proposal for a Regulation of the European Parliament and of the Council setting emission performance standards for new light commercial vehicles as part of the Community's integrated approach to reduce CO2 emissions from light-duty vehicles, COM(2009) 593 final.
[77] Proposal for a Regulation of the European Parliament and of the Council concerning the placing on the market and use of biocidal products, COM(2009) 267 final.
[78] Commission staff working document, Accompanying document to the Proposal for a Regulation of the European Parliament and of the Council concerning the placing on the market and use of biocidal products, Impact assessment, SEC(2009) 773 final, page 9
[79] Ibid., page 11.
[80] Ibid., page 31.

the market shall be reduced for small and medium-sized enterprises. Therefore, there has been an effect on law-making.

Proposal for a Directive on control of major-accident hazards involving dangerous substances

This proposed Directive will *inter alia* align the legislation to changes in EU chemicals law and will clarify and update other provisions. It will amend Directive 96/82/EC on the control of major-accident hazards involving dangerous substances (Seveso II Directive).[81] During the impact assessment, a stakeholder consultation has been conducted.[82] There is no information on whether there has been a special emphasis on SME stakeholders. However, according to the summary report of the consultation, the impact on SMEs has been at least addressed during the consultation.[83] The impact assessment report addressed SMEs in the preliminary assessment of the business likely to be affected.[84] The impact on SMEs has been examined further in a separate section as well as in an annex.[85] The report concluded that the impact on SMEs of the revision would be rather limited. That is based on the fact that already the former measure has considered the negative impact on smaller, so called lower tier sides (which include generally SMEs). This has been implemented by a tiered approach of the Directive. Those operators with lower-tier establishments (that includes SMEs) only need to meet basic requirements. This approach will be continued with the new measure. Moreover, it has been concluded in the report that all other amendments of the Directive would be rather beneficial to SMEs or would only lead to moderate costs. Finally, the report emphasized that any new derogation would be of importance for SMEs.

In short, the SME test was completed as presented here:

1. Consultation of SMEs representatives: (+)
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): not appropriate, since SMEs have been already taken in account in the measure

The Directive has not been adopted yet. The proposal maintained the tiered approach which is especially beneficial for SMEs. As this tiered approach existed in the old version of the Directive, the Impact Assessment might only have contributed to maintaining it.

White Paper: Adapting to climate change: Towards a European framework for action

The White Paper on Adaptation was adopted in 2009 and contains a framework for adaptation measures and policies to reduce the European Union's vulnerability to the impacts of climate change.[86] The paper aims to prepare a comprehensive EU adaptation strategy in 2013 by *inter alia* developing a knowledge base on the impact and consequences of climate change for the EU. SMEs were considered in the impact assessment report, although only in a marginal way. Only in a preliminary assessment, the impact on SMEs was highlighted.[87] That is because – as explained above in the introduction - the required level of detail of the impact assessment of non-legislative measures such as white papers is rather low. According to the Impact Assessment Guidelines, the impact assessment should refrain from extensive work to work out all possible impacts in the context of non-legislative measure. This may be more appropriate for follow-up impact assessments.[88]

In short, the SMEs test was completed as presented here:
1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (-)
4. Assess alternative options and mitigation measures (if appropriate): (-)

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[81] Proposal for a Directive on control of major-accident hazards involving dangerous substances, COM(2010) 781 final
[82] Information on the consultation are available here: http://ec.europa.eu/environment/seveso/review.htm.
[83] Summary report of stakeholder consultation meeting on 10 November 2009, page 1.
[84] Commission staff working paper, Accompanying document to the Proposal for a Directive of the European Parliament and of the Council on the control of major-accident hazards involving dangerous substances, SEC(2010) 1590 final, page 9.
[85] Ibid., page 40 ff., 75ff.
[86] White paper: Adapting to climate change: Towards a European framework for action, COM(2009) 147 final.
[87] Page 16, 27.
[88] European Commission: Part III: Annexes to impact assessment guidelines, 15 January 2009.

The test on the effect on law-making is not applicable here, since no specific legal measure will be adopted based on this initiative.

Communication: A Community approach on the prevention of natural and man-made disasters

The aim of this initiative is to identify measures which could be included in a strategy for the prevention of natural and man-made disasters.[89] So far, there are a number of sector-specific initiatives, but no strategic approach. The impact assessment report[90] on this measure does not contain a SMEs test. Neither did the report consider SMEs in the other analytical steps.
That is again because the required level of detail of the analysis is rather low on non-legislative measures. This initiative in question only aims to identify the general and specific objectives.

In short, the SMEs test was completed as presented here:

1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (-)
3. Measurement on the impact on SMEs (cost/benefit analysis): (-)
4. Assess alternative options and mitigation measures (if appropriate): (-)

12.4.2   DG Transport and Energy[91]

Communication on Investing in the Development of Low Carbon Technologies (SET-Plan)

The initiative – which was adopted in the context of the EU Energy and Climate Package in 2009 - aims to accelerate the development and deployment of cost-effective low carbon technologies. [92] It is meant to be the technology pillar of the EU energy and climate policy and contains measures on planning, implementation, resources and international cooperation in this field. The measure focuses on the establishment of so called European Industrial Initiatives, in fields such as bio-energy, CCS, wind and solar energy. Through cooperation and a joint vision, innovation shall be boosted and deployment of low-carbon energy technologies shall be accelerated.
A stakeholder consultation has been conducted in 2007, though there has been no special emphasis on SMEs.[93] The impact on SMEs has been considered in some analytical steps of the assessment.[94] However, since it is a non-legislative measure, the required level of detail of the analyses is rather low. Therefore, the impact on SMEs was not assessed on detail.

In short, the SMEs test was completed as presented here:

1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (-)
4. Assess alternative options and mitigation measures (if appropriate): (-)

The test on the effect on law-making is not applicable here, since no specific legal measure will be adopted based on this initiative.

Report on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling

This measure suggests the use of sustainability standards by Member States for the energy-related use of biomass other than biofuels and bioliquids (i.e. solid and gaseous fuels in electricity, heating

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[89] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, , A Community approach on the prevention of natural and man-made disasters, COM(2009) 82 final
[90] Commission staff working document, Accompanying document to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Community approach for the prevention of natural and man-made disasters, Impact Assessments, SEC(2009) 202.
[91] Please note that the proposals in the following section originate from the period before DG Energy has been separated from DG Transport and Energy in February 2010.
[92] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Investing in the Development of Low Carbon Technologies, (SET-Plan), COM(2009) 519 final.
[93] Results available at http://ec.europa.eu/research/consultations/list_en.html.
[94] Commission staff working document, Accompanying document to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Investing in the Development of Low Carbon Technologies (SET-Plan), Impact Assessments, SEC(2009) 1297, pages 30, 42, 52, 53, 65,

and cooling) as required by the Renewable Energy Directive.[95] The EU aims to increase the use of biomass to produce energy in order to contribute to its renewable energy target, while a high standard of sustainability is maintained (such as the protection of biodiverse ecosystems as well as carbon stocks, such as those in forests).

The impact assessment report takes SMEs into account in the analytical steps of the assessment. A general stakeholder consultation conducted by an online questionnaire has been recently closed.[96] It is so far – prior to the publishing of the results - unclear whether SMEs have been addressed by this consultation explicitly.

In short, the SMEs test was completed as presented here:
1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

In the report, the Commission emphasized the impact on small commercial producers or small-scale producers, (both under 1MW of heat and/or electricity from biomass) in the final measure. Therefore it suggests that Member States apply sustainability schemes only to larger energy producers of 1 MW thermal or 1MW electrical capacity or above. Otherwise, there would be an undue administrative burden.[97] Thus, the impact assessment has had an effect on law-making.

Proposal for a Council regulation concerning the notification to the Commission of investment projects in energy infrastructure within the European Community and repealing Regulation (EC) No 736/96

The initiative aims to establish a common framework for the notification to the Commission of data on investment projects in energy infrastructure.[98] This shall provide transparency on the energy infrastructure in the oil, natural gas, electricity and biofuels sectors, as well as on investment projects related to the capture and storage of carbon dioxide produced by these sectors.
The report concludes that the impact on SMEs can be avoided by the integration of appropriate derogations (e.g. adoption of a less frequent reporting obligation for SMEs; the definition of thresholds below which notification of investment projects is not required; adoption of a "one stop shop principle", according to which companies are required to communicate the same information only once and not several times for different reporting obligations). It concluded generally, that the impact will be limited, if not outdone by the benefits to SMEs.

In short, the SMEs test was completed as presented here:

1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The proposal implemented generally the approach on SMEs as set out in the impact assessment report. The actual measure was adopted in June 2010.[99] It entails derogation for SMEs. It rules that – with a view to avoiding an un-proportionate administrative burden and minimise costs for small and medium enterprises – no notification of projects is necessary when the company has already notified the requested data pursuant to other EU legislation. Thus, the impact assessment has had an effect on law-making.

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[95] Report on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling, COM(2010)11 final.
[96] See http://ec.europa.eu/energy/renewables/consultations/20110329_biomass_en.htm.
[97] Ibid., page 9.
[98] Proposal for a Council regulation concerning the notification to the Commission of investment projects in energy infrastructure within the European Community and repealing Regulation (EC) No 736/96, COM(2009) 361 final.
[99] Council Regulation No 617/2010 of 24 June 2010 concerning the notification to the Commission of investment projects in energy infrastructure within the European Union and repealing Regulation (EC) No 736/96, OJ L 180, 15.7.2010, p. 7–14.

12.4.3   Summary

The majority of the impact assessments reports (five out of eight) that have been examined in this section assessed the impact on SMEs explicitly. Results were either presented throughout the impact assessment or in a separate, compact section in the impact assessment. Only three out of eight reports do not test the impact on SMEs. But those were non-legislative measure for which the required level of detail is – regarding the lack of specific measures with potential impact – comparably low.
In most cases – as far as it can be concluded from the impact assessment reports – the impact on SMEs was tested sufficiently. The preliminary assessment of businesses to be affected was conducted, including SMEs. The precise impact on SMEs – generally in a cost/benefits analysis – was measured. Alternative options were examined to lower the negative impact on SMEs.

Information on the consultation of SMEs has not been available in every case. Thus, it has been unclear in these cases to what extent a specific SME-consultation had been undertaken. Also in cases in which a stakeholder consultation has been carried out, it is not always clear that the impact assessment has taken it into account when drawing conclusions. Therefore, the authors refrain from making a general conclusion on the sufficient inclusion of SME stakeholders in the stakeholder consultations.

Based on the cases examined we can conclude that the consideration of impacts on SMEs influenced law-making. In five of eight cases, the Commission proposal/report included derogations or specific rules for SMEs.

The three remaining measures were non-legislative. In these cases, the impact on SMEs and eventual mitigation measures would be defined in ensuing proposals.

12.5   Impact assessments prior to the introduction of an SME test

Prior to 2009, there has been no specific guidance and emphasis in the Impact Assessment Guidelines on the assessment of the impact on SMEs. In this section, impact assessment reports from this period will be examined. It shall be analyzed whether the impact on SMEs was still considered during the analytical steps of the impact assessments. This might answer the question whether the "SME test" introduced in 2009 actually has brought about an improvement regarding the situation of SMEs.
Again, the examination is not representative. The authors identified a number of impact assessments from the year 2008 with relevance for the purpose and content of this ECAP assessment study, i.e. with relevance to environmental concerns as well as SMEs. Four out of 22 impact assessments conducted by DG Environment have been analysed in the following section, as well as three out of 17 by DG Energy and Transport. Another impact assessment report by DG Enterprise and Industry has been also analysed as it has been considered to be relevant to SMEs.

12.5.1   DG Environment

Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system of the Community (ETS Directive)

The measure aims to improve and extend the greenhouse gas emission allowance trading scheme of the Community.[100] It is part of the measures that are supposed to implement the EU's objectives on climate change and renewable energy for 2020 (Climate and Renewable Energy Package). For these measures, a joint impact assessment report has been prepared. There is no specific and comprehensive assessment of the impact on SMEs in this report, though at least the impact of the measure on small emitters – which will likely include SMEs - has been assessed. It was emphasised that the contribution of small and large emitters to the overall emissions covered by the EU ETS is uneven. Since only the comparably small number of large emitters is responsible for the majority of

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[100] Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading system of the Community, COM (2008) 0016 final

greenhouse gas emissions, the report suggests reducing the administrative burden for a large number of small emitters by extending the threshold.[101]

The so called "SME test" had not been introduced at that time. However, to compare the "before and after" situation, the conduction of the same steps are tested in this section as well:

1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (-)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The final legislative act contains a special provision on SMEs as well as for small installations.[102] All auctions of allowances shall be designed to ensure that *inter alia* operators, and in particular any SMEs covered by the Community scheme, have full, fair and equitable access. Moreover, the Directive provides for the exclusion of small installations subject to equivalent measures, which Member States can implement as an option. Therefore, there has been an effect on law-making.

Proposal for a Regulation on a Community Ecolabel scheme (Ecolabel Regulation)

The objective of the measure is to revise and improve the EU Ecolabel scheme, which shall enable consumers to distinguish and purchase so called "green" products. It aims to stimulate both the supply and demand of products that have a lower environmental impact. The scheme has been in place since 1992. The revision has been necessary since the scheme has shown to be unable to achieve its objectives as it suffered from low awareness and low uptake by industry resulting amongst others from bureaucratic processes and management.

In the impact assessment procedure and report, SMEs were considered in various analytical steps in the impact assessment report.[103] That is because – according to the report – ecolabels are typically taken up by SMEs. This would show the potential of the Ecolabel to support the development of SMEs. Therefore, a strong and efficient Ecolabel could boost EU industrial policy.[104] Thus, the report discusses several implementation measures on SMEs, such as reduced or no fees for SMEs for using the Ecolabel. A stakeholder consultation has been conducted. However, it is unclear from the report whether SMEs have been considered specifically.

In short, SMEs were considered as presented here:

1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The final legislative act followed the suggestions from the impact assessment report and eventually introduced reduced fees for SMEs.[105] Therefore, there has been an effect on law-making.

Proposal for a Regulation on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS Regulation)

The objective of the proposal is to strengthen the Community Environmental Management and Audit Scheme by increasing its efficiency and its attractiveness for organizations, especially for SMEs. The

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[101] Commission staff Working Document. Impact Assessment. Document accompanying the Package of Implementation measures for the EU's objectives on climate change and renewable energy for 2020. Proposals for Directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to improve and extend the EU greenhouse gas emission allowance trading system, Decision of the European Parliament and of the Council on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020, Directive of the European Parliament and of the Council on the promotion of use of renewable energy sources, SEC(2008) 85/3, page 18.
[102] Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community, OJ L 140, 5.6.2009, p. 63–87, see recital No 11 and 12, Article 10 (4) and 27.
[103] Commission staff working document accompanying the Proposal for a Regulation of the European Parliament and of the Council on a Community Ecolabel scheme IMPACT ASSESSMENT, SEC(2008) 2118, page 14, 19, 24, 31, 51.
[104] Ibid. page 19.
[105] Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel, OJ L 27, 30.1.2010, p. 1–19

scheme is a voluntary, 3rd party verified environmental management scheme which has existed since 1995. It is designed to enable organisations to evaluate, report on and improve their environmental performance. By their registration, organisations can profit in various ways. A revision has become necessary for a number of reasons, especially the low uptake of EMAS by SMEs.

SMEs were considered at various steps in the impact assessment report to the latest proposal.[106] Most importantly, SME stakeholders were consulted.[107] The report discussed relevant policy options, e.g. the reduction of the administrative burden of SMEs.
In short, SMEs were considered as presented here:
1. Consultation of SMEs representatives: (+)
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The proposal and the later adopted Directive integrated the results from the impact assessment. The final act includes a number of derogations for SMEs.

Proposal for a Directive on waste electrical and electronic equipment (WEEE Directive)

The proposal aims to tackle improper treatment of waste electrical and electronic equipment.[108] The former Directive 2002/96/EC has established the creation of collection schemes where consumers return their used e-waste free of charge. The schemes aim to increase the recycling or re-use of such products. The need for improvements became apparent, since the majority of waste still ends up going to landfills and to sub-standard treatment sites. Therefore, the Commission prepared the revision of the Directive in 2008.

SMEs were considered during the impact assessment report. In stakeholder consultations, SMEs were explicitly consulted in a so called "SME panel".[109] The impact assessment suggests a number of measures to improve the efficiency of the scheme, such as the requirement of interoperability and data-transfer between Member State producer registers. That would cut unnecessary costs paid by allowing one registration for all EU obligations, with harmonised requirements for reporting and processes, of which SMEs will have the biggest proportional benefit.[110]

In short, SMEs were considered as presented here:

1. Consultation of SMEs representatives: (+)
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The corresponding proposal was adopted in 2008. The measure has not been adopted yet.

12.5.2 DG Energy and Transport

Proposal for a Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products

The measure aims to recast Directive 92/75/EEC on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances, especially to

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[106] Commission staff working document accompanying the Proposal for a Regulation of the European Parliament and of the Council on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), Impact Assessment, SEC(2008) 212, pages 8, 21, 25, 27, 37, 42, 46, 48, 53.
[107] Ibid., page 6.
[108] Commission staff working paper accompanying the Proposal for a Directive of the European Parliament and of the Council on waste electrical and electronic equipment (WEEE), COM(2008) 810 final.
[109] Ibid., page 23.
[110] Commission staff working paper accompanying the Proposal for a Directive of the European Parliament and of the Council on waste electrical and electronic equipment (WEEE) (recast). Summary of the Impact Assessment, SEC(2008) 2934, page 8.

extend its scope. [111] The impact on SMEs is neither explicitly tested in a separate section nor in other analytical steps of in the impact assessment report.[112]

In short, SMEs were considered as presented here:
1. Consultation of SMEs representatives: (-)
2. Preliminary assessment of businesses to be affected: (-)
3. Measurement on the impact on SMEs (cost/benefit analysis): (-)
4. Assess alternative options and mitigation measures (if appropriate): (-)

Proposal for a Directive on the promotion of the use of energy from renewable sources (RED)

The measure's objective is the establishment of a common framework for the promotion of energy from renewable sources.[113] The impact assessment report does not consider the needs of SMEs comprehensively. However, it suggested introducing lighter authorisation procedures for smaller projects, which would also be automatically beneficial for SMEs.

In short, SMEs were considered as presented here:
1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The final legislation has been adopted in 2009.[114] The Directive directly addresses the importance and needs of SMEs. [115] In its recitals, it requires the Commission and the Member States to support national and regional development measures in regional and local areas, encourage the exchange of best practices in production of energy from renewable sources between local and regional development initiatives and promote the use of structural funding. However, it does not include any specific measures on the implementation of this target.

Proposal for a Directive on energy performance of buildings (Building Directive)

The measure aims to recast Directive 2002/91/EC to improve the energy performance of buildings, especially by clarification and strengthening its scope.[116] SMEs are not taken into consideration in other analytical steps of the impact assessment. [117]
In short, SMEs were considered as presented here:
1. Consultation of SMEs representatives: (-)
2. Preliminary assessment of businesses to be affected: (-)
3. Measurement on the impact on SMEs (cost/benefit analysis): (-)
4. Assess alternative options and mitigation measures (if appropriate): (-)

12.5.3   DG Enterprise and Industry

Proposal for a Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (Restriction of Hazardous Waste Directive)

The measure aims to restrict hazardous substances in electrical and electronic equipment so as to contribute to the protection of human health and the environmentally sound recovery and disposal of waste electrical and electronic equipment. The recast of the current Directive 2002/95/EC is necessary to establish a better regulatory environment and to extend the scope of the Directive.

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[111] Proposal for a Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products COM(2008) 778 final.
[112] Commission staff working document, Accompanying document to the Proposal for a Directive of the European Parliament and of the Council on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products, Impact Assessment, SEC(2008) 2862.
[113] Proposal for a Directive on the promotion of the use of energy from renewable sources, COM(2008) 19 final.
[114] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC, OJ L 140, 5.6.2009, p. 16–62.
[115] Ibid. recital 3 and 4.
[116] Proposal for a Directive on energy performance of buildings (recast), COM(2008) 780 final.
[117] Commission staff working document, Accompanying document to the Proposal for a Recast of the Energy Performance of buildings directive (2002/91/EC) Impact Assessment, SES(2008) 2864

The impact on SMEs is assessed and measured in other analytical steps of the impact assessment report.[118]

In short, SMEs were considered as presented here:

1. Consultation of SMEs representatives: no specific information
2. Preliminary assessment of businesses to be affected: (+)
3. Measurement on the impact on SMEs (cost/benefit analysis): (+)
4. Assess alternative options and mitigation measures (if appropriate): (+)

The proposal requires at different stages that the special needs of SMEs have to be taken into account during the implementation of the Directive. The final legislative act has not been adopted yet.

12.5.4   Summary

Although an SME test was not explicitly asked for in the Impact Assessment Guidelines prior to 2009, the impact on SMEs was still tested in many impact assessments that were examined in this section (six out of eight). "SME" is a standard term that has been used in almost all impact assessments to examine the impact of policy measures on small and medium enterprises. However, in two cases, the impact on SMEs has not been considered at all.

The effect on law-making has been noticeable. In the majority of cases (five out of eight), the recommendations on alternative and mitigation measures to reduce a possible negative impact on SMEs were taken up by the legislative measure. These are the ETS Directive, the Ecolabel Directive, the EMAS Regulation, the RED and the Restriction of Hazardous Waste Directive.

12.6   Conclusions

The introduction of the "SME test" in the Impact Assessment Guidelines aimed to emphasize the need to consider SMEs when preparing legislative initiatives.
The analysis in this study aimed to identify the status quo of the consideration of SMEs in the impact assessment procedure. Though only a sample of reports has been examined that does not provide representation of general, basic tendencies of the application of the SME test could be identified.

After the revision of the Impact Assessment Guidelines in 2009, the impact on SMEs was analysed in each of the impact assessments of legislative measures that were analysed for this study. Only in three cases the impact in SMEs was not analysed sufficiently. Those measures were non-legislative; in these cases the required level of detail in IA is lower and no direct, quantifiable impacts on SMEs could be identified.

Though most proposals have not been adopted yet, the Commission proposals included in the legislative measures analysed laid down derogations for SMEs. Thus, the effect on law-making can be affirmed.

The picture before the introduction of the "SME test" had been slightly different in the cases examined in this study. The impacts on SMEs had been considered in the majority of the impact assessments that have been examined, but not in all of them. Therefore, it can be assumed that the effect of these analyses on law making had not been so strong when compared to the reports prepared after 2009. Moreover, the examination of the impact has not been that organized compared to the situation after the revision of the IA guidelines, where the SME test is partly presented in a separate section in the IA report. It seems that the revised IA guidelines with its "SME test" facilitate any systematic assessment of the impact on SMEs by policy makers and their staff. Still, the impact on SMEs had also been considered in the majority of the cases before 2009 which were analysed in this report. Therefore, the improvement due to the revision of the guidelines has been rather marginal.

Furthermore, our assessments were very much dependent on the quality of this material. There was limited information available to provide a detailed comparison of the scope and depth of the

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[118] Commission staff working paper accompanying the Proposal for a Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recast), Impact Assessment, SEC (2008) 2930, page 35, 43, 52.

assessment before and after 2009. For instance, the impact assessment reports do not provide any information of the method of the SME test, they only briefly state the results.

As a conclusion, the state of the implementation of the "SME test" since 2009 has been good in the cases that have been examined for this study. It is assumed that the introduction of the test led to an improvement in the consideration of SME concerns, though the consideration of SMEs in IA carried out before 2009 has been satisfactory as well. It seems that the guidance on SMEs presented in the Impact Assessment Guidelines is of help to those that are carrying out the impact assessment and should be continued.

13 Task A11: Activities of the ECAP expert group

13.1 Introduction

The ECAP expert group is comprised of experts nominated by MS and has been set up to advise on ECAP policy, monitor the implementation of the Programme and to exchange knowledge and experience.

13.2 Approach of the research and the assessment

The assessment will describe and analyse the practical activities of the ECAP expert group. The aim of the analysis was be to find out whether

- the ECAP expert group has been helpful in further developing ECAP policy;
- the meetings have come up with substantial proposals for policy or for the potential improvement of concrete actions;
- the conclusions of the meetings have influenced the concrete shaping of the policy;
- the expert group facilitated coordination and the exchange of information/ best practices between MS;
- whether the ECAP expert group plays an important role in the implementation of ECAP

In order to guide the analysis, a questionnaire containing specific questions on the performance of the expert group so far and possible margins for improvement, has been developed and was sent to the members of the expert group.

13.3 Method

The analysis of the ECAP expert group is based on the minutes of the four expert group meetings that have to date taken place and questionnaires that have been sent to the members of the expert group. As only two members of the expert group answered the questionnaire, the questionnaires are not analysed statistically but the answers will be given, where appropriate, in the following sections.

13.4 Findings

The basis of the ECAP expert group is the ECAP Communication itself, which says that the ECAP programme and its implementation will be regularly reviewed by the Commission in collaboration with the Member States, "through a network of national "SME & environment" contact points to be nominated by Member States. During annual meetings the network will monitor the implementation of the Programme, exchange knowledge and experience, and guide the approach of the Commission for future initiatives in this field".

The ECAP expert group, with a membership of experts nominated by Member States started its activities in 2008. To this date, four meetings were held, where ECAP issues and policy orientations were discussed, and best practices and Member State activities presented.

The expert group consists of representatives of national ministries dealing with ECAP and representatives of industrial associations, i.e. SME support organisations. Currently not all MS have nominated ECAP experts to the expert groups.

The reason for this response is prioritisation. The Council did not issue conclusions or recommendations on the ECAP after its adoption and Member States don't have any legal obligations regarding the implementation of ECAP.

This also limits the role that the expert group can take in the implementation of ECAP. Most of the nominated members do not have ECAP-related tasks in their Member State, and no resources are allocated at Member State level to ECAP implementation. Equally, no Member State defined a

national ECAP Action Plan, which was one of the implementing actions foreseen by the Communication.

In the following passages, the factual role of the ECAP expert group is going to be analysed. The basis for the analysis is the ECAP Communication, which assigns the following tasks to the ECAP expert group:

- Monitoring the implementation of ECAP
- Exchanging knowledge and experience
- Guiding the approach of the Commission for future initiatives in this field

13.4.1   Monitor the implementation of ECAP

In the meetings, different aspects of ECAP implementation, i.e. through conferences, workshops and improvement of the financing instruments, have been discussed. Yet, in general the Commission or a consultant has given the presentation on the implementation progress to the expert group and the experts have had the opportunity to ask questions.

From the minutes of the meetings, no critical questions on the implementation of the programme from the expert group have become evident. Nor have the members of the expert group made far-reaching suggestions in how the implementation of the programme could be improved. In general, the experts limited themselves to listening to the presentations given by the Commission and giving a few comments but did not engage in a structured and coherent debate on which aspect of implementation should be improved, nor did they make any concrete suggestions saying exactly how, when and by whom the implementation should be improved.

At best single members of the expert group used the mandate they had as group members to raise awareness of ECAP in their home country/organisations and implement ECAP-like policies or instruments there.

13.4.2   Exchange knowledge and experience

The expert group mostly limited themselves to naming and describing national initiatives with a view to ECAP relevant issues and asking questions to the EU Commission on different policy issues, such as financing or awareness raising. No detailed exchange on single issues between the experts of the group has become evident from the meetings.

Yet, one can say that the issue of exchange of knowledge and experience is the requirement which the ECAP expert group fulfils the most, even if the contributions differ in intensity and precision among the Member States. On the other hand, the exchange is hampered by too few countries present at the expert group meeting. One view gained from a respondent to the questionnaire had it that the expert group was effective in identifying the environmental issues relevant for SMEs from different sectors and to exchange best practice and best regulation. The exchange, however, would fall short of sharing information on (a) the level of compliance currently being achieved by SMEs in each MS and (b) how non-compliant SMEs might be compelled to comply (especially in the absence of clear regulatory obligations (i.e. as opposed to best practice guidelines or an enforcement agency).

13.4.3   Guide the approach of the Commission for future initiatives in this field

The expert group has so far refrained from making substantial proposals on developing further ECAP policy.

In general the ECAP group has so far mostly been used like a stakeholder forum. Members have been asked to make suggestions on different issues but these suggestions seem to be rather superficial. Thus, concrete concepts or a clear design of policy have not been suggested. From the minutes, vague suggestions have been given but no consensus among the group e.g. via (informal) votes has

been searched, thus the suggestions have not really been followed up or debated one by one. Any votes would also be flawed by the fact that not enough representatives are present at the meetings.

In fact, the normal routine of the ECAP expert group meetings is once or at the most twice a year. Such a routine of rare meetings while in line with the ECAP Communication's provisions does not allow the expert group to consistently develop policy recommendations and discuss them accordingly. With a view to the meeting practice, the ECAP expert group cannot be supposed to produce far-reaching initiatives that the EU Commission could directly take up. One respondent to the questionnaire said that he was not sure of how the work of the Expert Group would ultimately influence or guide the approach of the COM in relation to future field. Another respondent said while the meetings were very informative, the conclusions of the meetings could not have affected the shaping of policy at all.

13.4.4   Excursus: Structural Weaknesses of the ECAP Expert Group

The basic structural weakness of the ECAP expert group is that the people showing up change from meeting to meeting and that expert group members or attendants do not seem to work with each other outside these meetings. Apart from this, only a part of experts turn up at the meeting.

Another problem mentioned by a respondent to the questionnaire is that DG Environment is normally not working with business support and therefore does not attract national experts that, in turn, would well attend meetings of DG Enterprise.

Also the fact that the meetings are held only once or twice a year was considered as an impediment for coherent work. One suggestion was to try to organise the ECAP expert group meetings back to back with other SME-relevant meetings, such as the ETAP annual conference or the SBA-conference. One respondent made the general suggestion that the work of the expert group could be merged with other programme implementation procedures, such as the CIP or the SBA processes.

13.5   Conclusions and Recommendations

The ECAP expert group had so far quite a limited role in further developing ECAP policy. The meetings have not come up with substantial proposals for policy or the potential improvement of concrete actions but have rather served the Member States to be informed by the EU Commission or consultants on different aspects of ECAP implementation

The conclusions of the expert group's meetings were not of the kind that they could have possibly influenced the concrete shaping of ECAP policy. At best the expert group's suggestions remained very vague and did not much go beyond proposals made by stakeholders in any consultation. Often not even these vague suggestions could be discussed given that the Commission has limited resources for ECAP as well.

The expert group did not much facilitate coordination and exchange of information/best practices between MS but exchanged experiences with national measures contributing to ECAP.

Recommendations

The ECAP Group has a specific role that corresponds to the overall scene and importance of ECAP. When ECAP is reviewed, the Council might take up ECAP and thereby the experts will have a strengthened role with clear mandates to negotiate issues relevant for ECAP. In this case, the number of meetings could be raised and more input from the experts could be expected given that they would then have a clear mandate from the Member States to develop ECAP policy further.

In another scenario where the political status of ECAP remains the same as today, the role of the expert group would need to be redefined in order that the group can work more effectively.

In this scenario and given the probably continuing lack of interest of some MS in ECAP, the ECAP expert group could be transformed from a representation of MS into a group of experts still open to all MS but that can and should also work if only a few experts are involved and engaged in the process and the current ECAP-related problems. Thus, also a core group of experts should be encouraged to work and advise on ECAP if needed. Such a core group would discuss more focussed issues and also

work and communicate between meetings. The Commission and the expert group itself could set targets for the expert group to deal with. Thus, fewer but more concrete issues could be treated on which a consensus should be sought even if formal votes do not seem appropriate. This could improve the concrete contribution of the ECAP expert group to ECAP policy development and better implementation and also satisfy the members of the expert group more.

14 Task A12: Actions at Member State level

14.1 Introduction

This task will identify to what extent ECAP as a European policy is replicated at the national level. For this purpose seven MS case studies have been completed. The task will also analyse the replication of the Small Business Act's 9th priority action ("turning environmental challenges into opportunities") at MS level.

14.2 Approach of the research and the assessment

The aim of this task is to identify national strategies or approaches that mirror ECAP on the national level. Basis for the comparison is the ECAP Communication.

First, it will be analysed if Member States have replicated ECAP in such as a way as they would have formulated ECAP Action Plans that create an extensive policy regarding assisting SMEs in improving their environmental impact.

Secondly, it will be analysed if the Member States have reported on the 9th Priority Action of the Small Business Act in the 2009 Lisbon implementation reports. The Small Business Act is a crucial milestone in the implementation of the Lisbon Strategy for Growth and Jobs. Its Ninth Priority of the SBA reads:

The EU and Member States should enable SMEs to turn environmental challenges into opportunities. They should provide more information, expertise and financial incentives for full exploitation of the opportunities for new "green" markets and increased energy efficiency, partly through the implementation of environmental management systems in SMEs.

All Lisbon implementation reports have been screened to find out if the Ninth priority of the SBA has been taken up and whether details have been provided as to the national implementation on this priority.

Thirdly, more detailed Member State case studies outlining the concrete policy approaches were completed for seven MS. The concrete MSs were selected based inter alia on the results of the screening of the Lisbon implementation reports and research of literature and websites available. Five Member States were chosen according to the high number of SMEs that are situated in these countries (Italy, France, Germany, Spain, and UK). In addition, Ireland and the Netherlands have been chosen as further examples because they report abundantly on their assistance to SMEs on environmental subjects. The case study cannot possibly be complete in listing all initiatives and policies relevant for ECAP. Thus, initiatives reported **can only be exemplary** and should convey a broad picture of the situation in the respective Member States. Initiatives are reported independently of whether they are specifically due to ECAP or have existed before or would exist anyway. If there is a clear causal link to ECAP, this will be highlighted.

14.3 Method

As said above, the reporting intensity on the 9th priority of the SBA has been analysed by screening the Lisbon implementation reports of all those MS reports available in English or French. They can be consulted at:
http://ec.europa.eu/archives/growthandjobs_2009/documentation/index_en.htm#implementation [119]

Apart from this and with a view to the national policies aimed at assisting SMEs to comply with environmental law and to improving their environmental impact have been assessed on the basis of the main actions of the ECAP Communication that revolves around the following main actions:

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[119] Member States' autumn 2009 reports on the implementation of their National Reform Programmes

- Better Regulation in design and implementation of policies, to facilitate and minimise the administrative burden of compliance for SMEs and free their resources for improving compliance;
- More accessible tailor-made environmental management schemes, to integrate environmental concerns into the core business activities of SMEs in a coherent and cost-effective way;
- Focused financial assistance and a multi-annual financial programme, to promote and support initiatives by public authorities or business support networks aiming at sustainable production in SMEs;
- Building local environmental expertise for SMEs to overcome the lack of know-how at company level;
- Improved communication and more targeted information, to address specific information gaps.

The method employed was literature and internet search focusing on the key actions comprised by the ECAP priorities.

The national initiatives have been described and analysed independently of whether they have existed before the ECAP Communication was adopted. Thus, this chapter will not assess whether the initiatives are due to ECAP. Only in the case that an initiative has been clearly taken because of ECAP, this will be highlighted clearly.

14.4   Findings

14.4.1   Development of ECAP national action plans

In the ECAP Communication the Commission has asked Member States, the European Parliament and the Council to:
- endorse this Programme and
- encourage its rapid implementation **through national implementation plans**.[120]

To date no Member State has developed a national ECAP implementation plan.

> Result: Member States have not sufficiently identified with ECAP to develop their own ECAP implementation plans.

14.4.2   Uptake of the 9th priority of the SBA in the Lisbon implementation reports

The Ninth priority of the SBA takes up the need to foster environmental management systems and energy efficiency in SMEs and is therefore relevant to ECAP

When reviewing the Lisbon Implementation Reports, only the UK and Luxemburg were specific on concrete measures with regard to the 9th Priority of the SBA:

Luxemburg reported that the Chamber of Professions (Chambre de Métiers) has created the "Plan d'action pour la Promotion de l'Efficacité Energétique" Here a web-page provides access to about 800 enterprises active in the field of renewable energies and energy efficiency. The label "Energie für die Zukunft" awarded by the Chamber of Professions rewards enterprises that have acquired knowledge via targeted training on the issues of energy efficiency and renewable energy.

UK actions included:
- Energy efficiency loan scheme: interest free loans for SMEs to encourage energy efficiency (budget: 100 million pounds)

- Support to encourage resource efficiency: Government funds available to help businesses to be resource efficient (budget: 57 million pounds)

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[120] ECAP Communication, p. 11.

Other MS also mention (mostly energy efficiency-related) actions relevant for greening SMEs in other chapters of their Lisbon reports, but do not connect these to the 9th principle. E.g. eco-efficiency programme in Belgium, special fund on energy efficiency for SMEs in Germany, encouraging SMEs in participating in the green economy in Greece, etc.

> Result: The 9th Priority of the Small Business Act is the anchor of ECAP in the SBA and the wider SME policy. Given the fact that only two Member States reported on this priority it becomes clear that this priority is in fact not sufficiently taken up in the Member States. Strengthening the 9th priority would make ECAP stronger in general SME policy.

14.4.3   Seven Country Studies

Germany

Better Regulation in design and implementation of policies

In 2006 the German government adopted the decision to reduce red tape in legislation and to improve the quality of legislation ("better regulation"). In order to do this, a "national control council" has been instituted that is supposed to control planned legislation with a view to whether it contains unnecessary "red tape", especially reporting and information obligations for companies. The costs of "bureaucracy", e.g. information and reporting duties for business, are calculated according to the standard cost model used also in the Netherlands and the UK.[121] In 2007, the Federal Government set itself the aim to reduce administrative costs for industry based on information/reporting duties by 25% at the end of 2011.[122] These initiatives do not focus specifically on SMEs and environmental legislation, but also cover it.

Different initiatives to relieve SMEs from red tape exist also at the Länder (regional) level. For example, the Land Baden-Württemberg has decided to introduce an SME check on the basis of which it examines new legislation to ensure its application is practical for SMEs.[123]

> **Comparison with ECAP Communication**: Germany features a broad set of initiatives at federal and Länder level to minimize administrative burden (also) for SMEs, especially in the field of abolishing unnecessary information requirements. These initiatives go much beyond the ECAP requirements and are much broader in focus. Concrete targets have been set to cut administrative costs for enterprises in general at national level.

More accessible tailor-made environmental management schemes

A variety of projects and actions have been carried out to implement simplified and tailor-made Environmental Management Systems in Germany. One project was carried out by the Deutsche Bundesstiftung Umwelt (German Environmental Foundation) on the applicability of EMAS Easy and ISO 14001 Easy in the specific German context[124]. Specific guidance exists from the Federal Ministry for the Environmental/Federal Environmental Agency on the application of Eco-mapping for SMEs.[125]

In Germany, much work has also been done to create simplified EMS for SMEs that do not attain the elaborate level of EMAS. A multitude of simpler and tailor-made environmental management systems exist for the different kinds of sectors/SMEs on national (e.g. Ökoprofit) and regional level (e.g. Umweltsiegel Brandenburg or QuH Bavaria).

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[121] http://www.bundesregierung.de/nsc_true/Content/DE/__Anlagen/Buerokratieabbau/2010-09-17-Kabinettbeschluss-April-2006,property=publicationFile.pdf/2010-09-17-Kabinettbeschluss-April-2006 (11 May 2011).
[122] http://www.bundesregierung.de/nsc_true/Content/DE/__Anlagen/Buerokratieabbau/2010-09-17-Kabinettbeschluss-Februar-2007,property=publicationFile.pdf/2010-09-17-Kabinettbeschluss-Februar-2007 (11 May 2011)
[123] National Reform Programme Germany 2008 – 2010, Implementation Report 2009, http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/de_nrp_en.pdf , p. 46
[124] http://www.dbu.de/PDF-Files/A-23575.pdf (15 May 2011).
[125] http://www.hannover.ihk.de/fileadmin/pdf/ihk/themen/umwelt_energie/ums.pdf (11 May 2011).

The pros and cons of these specific simplified EMS have been abundantly discussed on request by the Federal Environmental Agency and the Federal Environmental Ministry.[126] A study and a large conference on Environmental Management Approaches in Germany was organized in 2005.[127]

Comparison with ECAP Communication: the issue of EMS applied to the needs of SMEs has received much attention in the German political debate and abundant guidance is available for SMEs from the public authorities on the application of such EMS be it EMAS/EMAS Easy or simpler EMS that have been created for the needs of SMEs. Therefore, Germany not only is in line with the ECAP Communication's ambition but also goes beyond by not only concentrating on EMAS but creating tailor-made systems for SMEs.

Focused financial assistance and a multi-annual financial programme

Germany has specific national programmes designed to support SMEs financially in alleviating their environmental impact, especially by adopting measures to improve energy efficiency. For this purpose, the public bank "Kreditanstalt für Wiederaufbau" (KfW) manages different funds. Specific KfW-managed programmes subsidize SMEs which hire advisors on how to improve energy efficiency in their company.[128] This "Special Fund for Energy Efficiency in SMEs" covers up to 80% of costs for SMEs to receive professional advice in the area of energy efficiency to identify potential to boost energy efficiency in SME operations. Low-interest loans are available from the KfW to implement the measures suggested. Once the potential of energy efficiency improvements are identified, the SMEs can file for a favourable low-interest loan – here even more favourable conditions apply for "small" enterprises.[129]

Different specific SME support programmes exist on the Länder level.

Comparison with the ECAP Communication: Germany has instituted national and regional programmes to financially support SMEs that wish to alleviate their environmental impact. These programmes are institutionalized on a steady basis. The German approach is in line with the philosophy of the ECAP Communication.

Building local environmental expertise for SMEs

In many Länder there are concerted actions between the local Chambers of Commerce and Industry and the Länder Ministries that deal with the issues of SMEs and Environment. Different public agreements exist such as the Bavarian Environmental Agreement that e.g. foresees certain exemptions from administrative obligations for business/SMEs that take up EMAS.

A new project named climate change partnership was set up with regard to energy efficiency and climate change set up as a co-action between the Federal Ministries of the Environment and Economic Affairs as well as the German Industry and Commerce Chamber Association. Here a best practice group of enterprises is formed that will work to improve their performance with regard to energy efficiency and climate protection and will exchange good practice among the members.[130]

Also the Federal Environmental Agency and the Federal Ministry for the Environment much support the building of capacity with a view to helping SMEs to alleviate their environmental impact.

Comparison with the ECAP Communication: As reflected by the many initiatives enumerated above, Germany has created policy focal points in the Federal as well as in the Länder Ministries/Agencies that deal with the issue of SMEs and compliance assistance and has promoted expert groups. A high level of policy diffusion and environmental support has been attained given that

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[126] See for example the listing of German examples of local partnerships in Accompanying document (SEC(2007) 908) to COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS, Small, clean and competitive A programme to help small and medium-sized enterprises comply with environmental legislation, p. 45.
[127] http://www.ums-fuer-kmu.de/front_content.php?client=4&idcat=0&idart=0&lang=5&error=1 (11 May 2011).
[128] http://www.kfw.de/kfw/de/Inlandsfoerderung/Programmuebersicht/Energieeffizienzberatung/index.jsp (11 May 2011).
[129] http://www.kfw.de/kfw/de/Inlandsfoerderung/Programmuebersicht/ERP-Umwelt-_und_Energieeffizienzprogramm_-_B/index.jsp (11 May 2011).
[130] See for further information: http://www.klimaschutz-partnerschaft.de. (11 May 2011).

the chambers of commerce (obligatory membership system) also play an active role in this field (dissemination of information and hands-on support).

Improved communication and more targeted information

Given the different projects, conferences, guidance documents and websites presented, Germany has taken up the issue of SMEs and the environment and has taken many actions to improve communication and provide targeted information to SMEs to help them alleviate their environmental impact.[131]

Comparison with the ECAP Communication: A high level of communication and targeted information has been attained.

Italy

Better Regulation in design and implementation of policies,

In 2009 a law (Law 99/2009) [132] was voted that
- provides for the adoption of one or more decree-laws within one year that would be the basis for re-designing the compliance regulations for businesses with regard to planning and construction of productive plants and to carrying out business activity;
- contemplates the possibility of businesses to supply self-certification in place of official certifications for the purpose of securing authorizations or concessions and participating in publicly disclosed proceedings, and to authorize the public administration to procure any data needed directly from other administrations;
- the identification of the certifications that may be substituted by self-certification is left up to a special decree of the President of the Council of Ministers.

In March 2011, the Council of Ministers has adopted the "Regolamento per la semplificazione degli adempimenti amministrativi in materia ambientale" (Regulation on the simplification of administrative requirements in the area of the environment). This piece of legislation stipulates that in the case of the need for the renewal of a permit for waste water, the SME can submit a self-declaration ("autoautorizzazion") in case the circumstances have not changed. Moreover, for authorizations and permits in general, a one-shop principle is applied (sportello unico), i.e. the enterprise has to send all the documents needed to the authority ("one shop") in an electronic format. [133]

The Plan of Simplification 2010-2012 of the Italian government stipulates to apply the principle of proportionality of the administrative procedures with a view to the dimension of the enterprise, the sector in which the enterprise works and aspects of public interest. In line with the principle of proportionality, excessive or redundant administrative procedures for SMEs will be abolished or simplified, extending the possibility of self-certification and the use of technologies (e.g. in permitting procedures). [134]

Comparison with ECAP Communication: Italy features a series of initiatives at national level to minimize administrative burden (also) for SMEs, especially in the field of abolishing unnecessary information and authorization requirements. Thus, this policy issue is quite broadly covered in Italy and is at least as ambitious as the ECAP Communication. A specific SME test to evaluate possible effects on SMEs by new legislation is not foreseen in Italy.

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[131] For example on energy efficiency: http://www.eor.de/fileadmin/eor/docs/aktuelles/2010/Broschuere_Energieeffizienz_in_KMU.pdf; environmental information Bayern: http://www.stmug.bayern.de/umwelt/wirtschaft/index.htm

[132] Disposizioni per lo sviluppo e l'internazionalizzazione delle imprese, nonché in materia di energia, http://www.parlamento.it/parlam/leggi/09099l.htm

[133] Art. 5 of SCHEMA DI REGOLAMENTO AI SENSI DELL' ART. 49, COMMA 4-QUATER DEL DECRETO-LEGGE 31 MAGGIO 2010, N. 78, CONVERTITO, CON MODIFICAZIONI, DALLA LEGGE 30 LUGLIO 2010, N. 122 PER LA SEMPLIFICAZIONE DEGLI ADEMPIMENTI AMMINISTRATIVI IN MATERIA AMBIENTALE Le imprese presentano le istanze di autorizzazione, la documentazione, le dichiarazioni e le altre attestazioni richieste in materia ambientale esclusivamente per via telematica allo Sportello unico per le attività produttive competente per territorio, ai sensi del decreto del Presidente della Repubblica del 7 settembre 2010, n. 160.

[134] See presentation by the Minister of public administration in March 2011, http://www.confcommercio.it/home/SALA-STAMP/Iniziative/Cernobbio-3/Brunetta.pdf .

More accessible tailor-made environmental management schemes

Many Chambers of Commerce and Industry in Italy provide contributions to SMEs when they want to adopt EMAS or ISO 14001.[135] EMASEasy/Ecomapping is according to our research the only known simplified Environmental Management Scheme.

An EMAS Club has been founded in Emilia Romagna formed of EMAS-certified enterprises that exchange experiences with EMAS, raise awareness of the benefits of an EMAS registration and stabilize contacts with the local authorities.[136]

Apart from these initiatives, no major projects have been identified in Italy to develop more accessible tailor made environmental management schemes for SMEs. No informal or regionally applied EMS seems to exist. The province of Modena has taken part in a project to diffuse the Ökoprofit management system.[137]

An online instrument was developed in Emilia-Romagna to help SME adopt EMSs.[138]

In some Italian regions, incentives were introduced to encourage the adoption of EMSs, including regulatory relief tied to the existence of EMAS or ISO 14001. The number of registrations with these EMSs grew in these regions as a consequence.

In Emilia-Romagna waste fees are reduced by 30% for EMAS-registered companies and by 10% for ISO 14001 ones; times and costs of permitting under IPPC is reduced for them; and for EIAs the threshold is higher.

In Lombardia, they have recently started this process by mapping the expectations of companies and possible areas of intervention that have little impact on the local budget, reductions of the IRAP (regional tax on productive activities) and some procedural fees. In January an online tool will be launched to evaluate compliance with environmental legislation and relevant legislative texts.

In Tuscany action is focussed on a differentiated reduction of IRAP based on ISO 14001 and EMAS. This caused a significant raise in the number of EMAS registered companies in the region. Currently they are mapping further possibilities.

In Liguria they are providing incentives for the adoption of ISO 14001 and are at the very beginning of defining further incentives.

Comparison with ECAP Communication: There is some effort in promoting EMSs in SMEs, including software tools, EMAS clubs and trainings and providing incentives. Action on developing EMS tailored to the needs of SMEs is not much developed in Italy. The study could not identify any specific regional simplified EMS or training actions.

Focused financial assistance and a multi-annual financial programme

In Italy, the dominant instrument of giving financial assistance is calls for tender that invite SMEs to apply for a financial contribution in exchange for specific environmental improvements. This can concern the financing of the purchase of specific equipment, e.g. a photovoltaic installation[139] or the introduction of an EMS. These calls for tender are issued from time to time at national and at local level.

There are different regional initiatives and projects to subsidize SMEs which want to improve their environmental impact, especially in the field of energy efficiency.

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[135]   http://www.ascom.ra.it/index.php?option=com_content&view=article&id=590:concessione-di-contributi-alle-pmi-della-provincia-di-ravenna-per-ladozione-di-sistemi-di-gestione-ambientale-di-responsabilita-sociale-e-di-certificazione-di-prodotto&catid=70:credito
[136] http://emasclub.pcsemiliaromagna.it/?p=Iniziativa
[137] http://www.ecoprofit-interreg3c.com/news/Ecoprofitinglese.pdf
[138] http://microsga.pcsemiliaromagna.it/Home.asp?Page=1&id_gruppo=4
[139] See e.g. Bando (29 Gennaio 2007) del Ministero dell'Ambiente per la promozione delle fonti rinnovabili per la produzione di energia elettrica e/o termica tramite agevolazioni alle piccole e medie imprese, ai sensi del D.M. n. 337/2000, art. 5.

For example TREND (Tecnologia e innovazione per il Risparmio e l'efficienza ENergetica Diffusa) was a project in 2010 that foresaw co-financing for a closed number of SMEs (500) in Lombardy that intended to undergo a check of their potential for energy efficiency improvement. Ultimately it foresaw co-financing for 100 SMEs out of the 500 to implement these improvements. The project was carried out by the Centro per lo Sviluppo Tecnologico, l'Energia e la Competitività (CESTEC), which is affiliated to the region of Lombardy.[140]

The fondo regionale per l'assistenza tecnica e finanziaria a PMI operanti nel Lazio - Qualità e Ambiente co-financed the costs of the preparation of external certification of an SME or the evaluation of an EMS in the region of Lazio.[141]

The Emilia Romagna region has also activated regional programmes to support investments in technological innovation (SMEs), energy innovation (SMEs) and research, with €200 million of financing, and an extraordinary investment programme for research and experimentation in the farming sector.[142]

There are further examples in other regions.

In the framework of the National Reform Plan the Ministry for the Environment has reported to have financed incentives for renewable sources in SMEs for €26 million: some 260 projects are being co-finance with this programme.[143]

The "Industria 2015" programme constitutes another energy efficiency tender that covers subsidies on 30 projects involving 229 businesses and 90 proposing research entities, and the use of approximately €500 million of investments in research and development activities. The subsidised activities are diverse, going from the development of highly energy efficient household appliances to innovative materials for building and bioclimatic architecture, industrial engines with low energy consumption, the transformation of plastic waste materials into hydrocarbons for the production of electricity, innovations in wind energy, photovoltaic energy, and energy from biomasses and waste materials. Over 20 per cent of the investments will be made in southern Italy.[144]

Comparison with the ECAP Communication: Italy has instituted national and regional programmes to financially support SMEs that wish to alleviate their environmental impact. These programmes are not necessarily institutionalized on a steady basis but consist in programmes and projects with a determinate budget. Still, targeted financing exists.

Building local environmental expertise for SMEs, to overcome the lack of know-how at company level

The Chambers of Commerce mostly deal with the issue of SMEs and environment. A specific network of stakeholders developing the issue of assisting SMEs in improving their environmental impact could not be identified. No specific contact points in the ministries could be identified on ECAP-relevant issues.

Comparison with the ECAP Communication: Chambers of Commerce mostly fulfils the role of contact points for SMEs interested in environmental issues. It seems that the focus on these issues could be enhanced. Thus, not a very high level of ambition is reached in Italy as a whole but the level of ambition and local competencies change from region to region.

Improved communication and more targeted information, to address specific information gaps

There are no special websites on the issue of SMEs and the Environment in Italy. When searching for specific information on the issue, websites often refer to the European ECAP programme. The public authorities and the CCI in Italy seem to limit themselves to publishing calls for tenders for specific

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[140] http://www.cestec.it/ambiente/trend (11 may 2011)
[141] http://www.agevolazio.it/normative/89-fondo_regionale_per_l_assistenza_tecnica_e_finanziaria_a_pmi_operanti_nel_lazio___qualita_e_ambiente.html
[142] Italian Report on National Reform Programme 2008-2010, Implementation report and response to the economic crisis, p. 63, see: http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/it_nrp_en.pdf
[143] Italian National Reform Plan Agenda, 2009, http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/it_nrp_en.pdf, p. 63.
[144] Ibidem, p. 38ff.

financing programmes but do not spread information specific to the circumstances in Italy to assist SMEs comply with environmental law or alleviate their environmental impact.

A website with a slightly different focus is http://www.energieambiente.org that has been set up by le Camere di Commercio Italiane all'Estero (Italian CCI abroad). The websites inter alia brokers contacts for Italian SMEs with enterprises and institutions abroad to favour the implementation of modern environmental technologies in Italy.

Comparison with the ECAP Communication: Information dissemination on ECAP-relevant issues relevant for Italy is scarce in Italy, thus the level of ambition of the communication is not attained.

France

Better Regulation in design and implementation of policies

The programme "Assises de la simplification" has been established that aims at helping French business save 1 billion Euro by inter alia doing away with certain administrative obligations.[145]

With the aim to identify the most convenient possibilities to simplify administrative procedures, SME contact partners for the French state have been instituted by the Ministre de l'Economie. A row of interviews has been carried out by the Ministry to identify measures as well as to date 22 regional thematic meetings that have led to 700 proposals of simplification.[146]

While "burden due to environmental requirements" has not been an issue of its own, some concrete proposals contribute to alleviate the burden on SMEs. For example, certain reporting duties have been identified as redundant: while each industrial enterprise has to report their emissions on a yearly basis to the Ministry of the Environment, custom services demand another declaration on emissions released into atmosphere in order to calculate the Taxe Générale sur les Activités Polluantes (TGAP).
In this respect, France intends to create a one-stop-shop data collection system where enterprises enter their data once into the public systems and the authorities then share among themselves the data and use it for their various purposes. Such a one-stop shop will be put into a legal proposal and will in some ways be modelled on the Norwegian example that has already implemented a similar system.[147]

With regard to better regulation, a law adopted in 2009 stipulates that most laws have to be subject to an impact assessment that also evaluates the economic, social and environmental consequences as well as the costs and benefits of legislation. A specific SME test is not required by this legislation.[148]

With regard to make SMEs aware of environmental legislation and provide assistance in compliance a special report on environmental legislation targeted at SMEs has been published.[149]

Comparison with the ECAP Communication: There is a broad initiative by the Ministry for Economic Affairs in alleviating SMEs of administrative burden, which targets inter alia also environmental requirements, especially reporting duties but in its focus is much broader than the better regulation agenda proposed by ECAP, thus more ambitious than the ECAP Communication. A specific SME test for new legislation is, however, not foreseen.

More accessible tailor-made environmental management schemes

The issue of implementation of EMAS in SME is discussed in France on specialized websites.[150] The issue of EMAS Easy and ISO Easy has been taken up by the CCI and discussed in a series of studies.

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[145] http://www.pme.gouv.fr/simplification/actu-assises.pdf
[146] http://www.pme.gouv.fr/simplification/actu-assises.pdf
[147] http://www.pme.gouv.fr/simplification/mesures/fiche5.pdf
[148]

http://www.legifrance.gouv.fr/affichTexteArticle.do;jsessionid=6A50CA08E02818F3E82C15C0A4F67815.tpdjo11v_1?idArticle=LEGIARTI0000224 05347&cidTexte=JORFTEXT000020521873&categorieLien=id&dateTexte=20110517
[149] http://www.cci.fr/c/document_library/get_file?uuid=7ab13d13-3e8f-4f1f-88f7-3412f01166a7&groupId=11000

Specific EMS approaches have been created to accommodate SMEs' needs to take up an environmental management system step by step, allowing SMEs in specific cases also to attain an EMAS/ISO registration over the duration of a few years.

The Association of French CCI (Assemblée des chambres françaises de commerce et d'industrie), the French association of normalization (Association française de normalisation: www.afnor.org) and the Agency for the Environment and energy management (Agence de l'environnement et de la maîtrise de l'énergie: www.ademe) have come up with the approach **1,2,3 Environnement**. It allows to split the full EMAS/ISO audit into three steps that are all subject to certification (step 1, 2 and 3). The certification for step 1 and 2 is respectively valid for one year and can be renewed twice, by then the company has to proceed with the next step.[151] One problem is that not all Chambers of Commerce have staff trained in this specific approach.

In addition to 1.2.3 Environnement, a "lighter" alternative to ISO 14001 has been developed for very small companies. The project is called "EnVol" ("lift-off") ('engagement volontaire de l'entreprise pour l'environnement' - voluntary engagement of companies for the environment) and integrates the fundamental elements of an EMS. The approach is based on incremental improvement. However, there is no need for full formalization of the EMS according to ISO 14001 / EMAS. All SMEs with less than 50 employees are eligible for this programme.[152]

Apart from this, specific labels exist for specific sectors, such as IMPRIM'VERT for printing companies[153] and Itinéraire éco3 for the tourism sector[154].

> **Comparison with the ECAP Communication:** France has taken up broad initiatives to adapt EMAS/ISO 14001 to the needs of SMEs and has instituted concrete approaches to introduce step-by-step EMS in SMEs. French action mirrors the ambition of the ECAP Communication.

Focused financial assistance and a multi-annual financial programme

The Chambers of Commerce at least in some French regions provide financial assistance for SMEs that want to introduce an environmental management system. For example the region Rhone-Alpes covers up to 67% of the costs of an SME for introducing ISO 14001.[155] Another example is the region Midi-Pyrenées[156]. Thus, targeted finding exists, it could not be verified if this financing exists at all times in each region.

There have also been funds at national level – managed by ADEME – destined to provide financing to SMEs that want to introduce an EMS. Recently, one such fund expired in 2010.[157]

> **Comparison with the ECAP Communication:** France offers financing for financial assistance of SMEs that want to introduce an EMS.

Building local environmental expertise for SMEs, to overcome the lack of know-how at company level

The Chambers of Commerce have taken up the issue of counselling SMEs in introducing Environmental Management Systems e.g. via the French system 1,2,3 Environnement in directly introducing EMAS/ISO 14001.

At business level the French 'Pôle Eco-conception et Management du Cycle de Vie' (Eco-design Center and Life Cycle Management) can be mentioned. It is an association of industries which deals

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[150] http://www.techniques-ingenieur.fr/base-documentaire/environnement-securite-th5/environnement-ti800/evaluation-des-performances-environnementales-des-pme-g5100/implantation-d-un-systeme-de-management-de-l-environnement-en-pme-g5100niv10003.html
[151] See FAQ on 1.2.3: FAQ sur les dispositifs de management environnemental des PME « 1.2.3 Environnement » et « EnVol – Engagement volontaire de l'entreprise pour l'environnement »
[152] see BIO Intelligence Service, Report on Pilot actions in support of ECAP – best practice exchange – Intermediary Report, p. 43, see also above chapter on study tours.
[153] http://www.imprimvert.fr/ .
[154] http://www.itineraire-eco3.com/
[155] www.ain.cci.fr
[156] http://www.lot.cci.fr/imgmaj/P17.pdf
[157] http://www.aides-entreprises.fr/repertoiredesaides/aides.php?e=MjE2&id_ter=

with the diffusion of best practices in product development including the environmental and, more broadly, the sustainable aspects. The network has today 33 relay centres in France and in Canada.[158]

Regional actions exist to foster know-how. PBE+ is an initiative by the Brittany Regional Council and local authorities. It is operated in collaboration between the regional council, the local authorities, the employers, unions, the national agency of environment and energy savings (ADEME), the Chambers of Trade and Commerce, and Electricité de France (EDF).[159] PBE+ aims to create a critical mass of action on the environment by building networks and facilitating the exchange of experience among SMEs. More specifically, the initiative's goal is to increase awareness of the environmental impacts of industrial activity and promote environmental management. Its second aim is to make SMEs aware of clean technologies and remediation techniques to improve their environmental performances. Established in 1994, PBE+ offers hands-on assistance to SMEs to carry out environmental self-diagnoses. This includes free two-day training sessions, as well as advice on environmental queries (for example, on environmental legislation, ISO 14001 or clean technologies).[160]

Comparison with the ECAP Communication: France has clearly located competencies in the field of ECAP in the Chambers of Commerce and Industry and other industrial networks. Environmental advice and services are available to SMEs in several regions, but gap areas may still exist. The approach in France is in line with the intentions of the ECAP Communication.

Improved communication and more targeted information to address specific information gaps

A specific website exists targeted at SMEs in France operated by the Ministry for Economic Affairs but this website does not take up environmental issues.

Specific information on different legal issues (water, permitting, waste, etc.) in the form of a legal data base is provided at Enviroveille (www.enviroveille.com). An overview of different legal issues specifically relevant for SMEs is also provided[161]. .

Also the Chambers of Commerce and Industry offer a website with important information related to ECAP'-related topics such as introducing EMS, training services, (see http://www.cci.fr/web/developpement-durable). Another website is the site http://www.eco-entreprises.fr/ supporting networking of enterprises having attained a certain level of environmental performance.

Comparison with the ECAP Communication: In France a series information systems exists for many ECAP-relevant issues so that companies interested have access to information on legislation and tools to improve their environmental performance.

Spain

Better Regulation in design and implementation of policies

In Spain the Council of Ministers adopted in 2008 a decision for the development of an Action Plan aiming for the reduction of administrative burdens. It fixed the objective to reduce the administrative burden for enterprises by 20% by 2012. All in all 247 initiatives were adopted aiming at better regulation and the reduction of administrative obligations.

This programme does not have a focus on SMEs and environment. As regards its environment-related aspects, the programme does away with a few very specific obligations like shortening of maximum duration of Environmental Impact Assessments in permitting procedures of projects or the abolition of certifications for enterprises that produce fertilizers.[162]

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[158] BIO IS, Report on Pilot actions in support of ECAP – best practice exchange – Intermediary Report, p. 44
[159] http://ec.europa.eu/environment/sme/cases/cases07_en.htm
[160] http://ec.europa.eu/environment/sme/cases/cases07_en.htm
[161] http://www.cci.fr/c/document_library/get_file?uuid=7ab13d13-3e8f-4f1f-88f7-3412f01166a7&groupId=11000
[162] https://www.camaras.org/publicado/estudios/simplificacion_adm/4.5_acuerdo_%2878_medidas%29_17_abril_2009.pdf p, 18.

There is no routine impact assessment of law projects with regard to the potential impacts on SMEs of these laws in Spain.

Comparison with the ECAP Communication: Spain has launched an initiative to relieve business and also SMEs of administrative burden. This does not have a focus on SMEs and Environment, but also include this area. No obligatory SME test exists for assessing upcoming legislation.

More accessible tailor-made environmental management schemes

The approach of EMASEasy has been taken up in Spain, a few enterprises have satisfactorily introduced EMAS using the EMASEasy approach based on Ecomapping.[163]

A step-by-step approach to introduce Environmental Management Systems has been developed in Spain under the name "Programa e+5". This method promoted by the "Fundación Entorno" has been designed specifically for SMEs who are part of a supply chain and whose clients demand an improvement in the environmental impact. E+5 allows the documentation of this improvement without attaining the level of ISO14001/EMAS.[164] The e+5 methodology is based on the Norma British Standard BS 8555 adopted in 2003[165]

Another simplified EMS is EkoScan developed by IHOBE, a public organisation in the Basque country. The Ekoscan scheme responds to the need to define an objective and transparent system that acknowledges, through external assessment, the efforts to improve environmental practices made by organisations. It helps companies systemise environmental management and ensures compliance with the applicable environmental legislation. It also provides the possibility for participating companies to move on to EMAS.[166]

Comparison with the ECAP Communication: Spanish enterprises have taken up EMASEasy. Step-by-step systems to introduce EMS have been developed and applied in Spain like the Programa e+5 and Ekoscan. Thus, the issue of tailor-made environmental management schemes has been covered with the level of ambition that the ECAP Communication foresees, but variations between regions exist.

Focused financial assistance and a multi-annual financial programme

Table 14.1 Overview of regions providing financing in 2009 for the introduction of EMAS

Madrid	Orden 1109/2009 de 21 de abril de 2009, Consejería de Medio Ambiente y Ordenación del Territorio
Cataluña	Orden MAH/424/2008, de 22 de septiembre, Departamento de Medio Ambiente y Vivienda
Asturias	Resolución del 5 de junio de 2009, de la Consejería de Medio Ambiente, Ordenación del Territorio e Infraestructuras.
Cantabria	Orden MED/42/2008 de 30 de diciembre, consejería de Medio Ambiente
Canarias	Orden del 12 de agosto de 2008, Consejería de Medio Ambiente y Ordenación Territorial
Galicia	Resolución del 19 de febrero de 2007, de la Dirección de Calidad y Evaluación Ambiental

Source: Comunidad Autonomica de Asturias: http://www.asturias.es/medioambiente/publicaciones/ficheros/Promoci%C3%B3n%20de%20la%20Excelencia%20Ambiental.pdf, p. 186.
COMUNIDAD AUTÓNOMA BASES REGULADORAS

The activities eligible for financing vary from region to region and include the costs for consultants for a first audit as well as finally introduce EMAS including the environmental declaration.

Additional regional assistance programmes and projects including co-financed services are available. For example, the Camara de Comercio de Madrid is co-financing the implementation of energy-

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[163] http://www.asturias.es/medioambiente/publicaciones/ficheros/Promoci%C3%B3n%20de%20la%20Excelencia%20Ambiental.pdf, p. 206.
[164] http://www.asturias.es/medioambiente/publicaciones/ficheros/Promoci%C3%B3n%20de%20la%20Excelencia%20Ambiental.pdf, p. 207.
[165] Ibidem, p. 208.
[166] http://ec.europa.eu/environment/emas/pdf/StepUp/EMASGuidelines_BIO_FinalSummaryBrochure_Ekoscan.pdf

efficiency systems including monitoring for up to 20 SMEs from Madrid in 2010/11 (programme ETEREA II).[167]

It could not be verified if there is some sort of financing in every region.

> **Comparison with the ECAP Communication:** A few regions offer financing for SMEs that want to introduce an EMS. Additional regional assistance programmes exist.

Building local environmental expertise for SMEs, to overcome the lack of know-how at company level

The Fundación Entorno, the Council of Spanish Enterprises for Sustainable Development, offers ad-hoc assistance for enterprises (not specifically on SMEs) to develop projects enhancing sustainability and has published reference manuals for business on issues of sustainable development. Also high-rank meetings are organized on issues of sustainability in business.[168]

In general, the regional chambers of commerce and industry are the competent authorities to assist SMEs in environmental affairs. Additionally, special organizations have been created to concentrate specific knowledge on environmental issues and SMEs, such as the IHOBE corporation, which has a wide range of environmental support and services to SMEs (see below).

Further initiatives include an EMAS Club that has been founded in Catalunya that promotes the benefits of EMAS, keeps contact with the public authorities on issues of business and environment, training on EMS.[169]

> **Comparison with the ECAP Communication:** There are a series of institutions that provide environmental expertise and support to SMEs in some regions – however, some gaps do remain.

Improved communication and more targeted information to address specific information gaps

There are a few services at regional level to provide targeted information to SMEs or business in general on environmental legislation and other environmental issues.

One such information pool is **lineambiental.es**, which has been created by the Chamber of Commerce in co-operation with other partners. This portal provides information on different environmental issues and projects for enterprises including environmental legislation. This latter service is reserved to subscribers.

A regional service is the Basque **IHOBE.** IHOBE is a Public Corporation whose aim is to support the Department for the Environment, Spatial Planning, Agriculture and Fisheries of the Basque Government in developing its environmental policy and in spreading the culture of environmental sustainability in the Autonomous Community of the Basque Country.[170]

IHOBE provides information and expert advice for businesses from all sectors to help them improve their environmental performances. Services available are a telephone line (IHOBE-line), an environmental assessment service (IHOBE environmental assessment) providing tailored guidance, and a more in-depth consultancy that develops environmental management systems and certifies companies that meet a certain standard (Ekoscan). The phone line and assessment service are free, while companies receive 50% funding for Ekoscan.[171]

In general, the provision and targeted information could be more coherent at national level. EMAS-related issues seem to be very much a regional competence, thus the information is rather provided specifically to the respective region by public or private bodies in the regions.

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[167] http://www.lineambiental.es/lineambiental/LinkClick.aspx?fileticket=iZDSHeJqJwU%3d&tabid=343
[168] http://www.fundacionentorno.org/Proyectos/Proyectos,55.htm
[169] http://www.asturias.es/medioambiente/publicaciones/ficheros/Promoci%C3%B3n%20de%20la%20Excelencia%20Ambiental.pdf P. 196
[170] http://www.ihobe.net/Paginas/Ficha.aspx?IdMenu=ec61f281-8823-4c48-92d4-273ce80f988a
[171] http://ec.europa.eu/environment/sme/cases/cases01_en.htm

> **Comparison with the ECAP Communication:** Spanish institutions have developed quite a rich offer in information on the issues of SMEs and environment, but the availability of information varies between the regions. Offers at regional level dominate while the national level provides rather little information regarding ECAP-related issues.

United Kingdom

Better Regulation in design and implementation of policies

The Better Regulation Executive (BRE) is part of the Department for Business, Innovation and Skills (BIS) and leads the regulatory reform agenda across government[172]. BRE has made significant progress towards improving the design of new regulations and how they are communicated; simplifying and updating existing regulation and working with regulators to change attitudes to regulation so that it becomes more risk-based. The UK Government's regulatory reform agenda is very ambitious, wide-ranging and internationally recognised.

In relation to environmental regulation specifically, the Department for Environment in Northern Ireland launched a programme called "Better Regulation for a Better Environment"[173] in 2008. The vision of the Better Regulation programme is to "work closely with those we regulate to raise awareness of obligations and good practice, to simplify compliance and engagement with our regulatory teams and to reward thos organisations who actively identify and manage their risks to the environment." The Programme is based on the premise that regulatory bodies could and should do more to encourage compliance.

The Scotland and Northern Ireland Forum for Environmental Research (SNIFFER) carried out a study into better regulation for SMEs in 2009[174]. The study focused on informing the debate on better regulation and understanding reasons for compliance and non-compliance of SMEs with environmental legislation. The study also reviewed the effectiveness of environmental regulators' activities in different parts of the world.

> **Comparison with ECAP Communication**: The United Kingdom has established a national programme to simplify and update regulation for SMEs. At regional level, there is ongoing research into ways to improve environmental regulation. Therefore the issue of better regulation is at least as ambitious as the ECAP Communication.

More accessible tailor-made environmental management schemes

The Zero Waste Scotland Programme helps SMEs to develop and implement an environmental management system which can eventually become verified to ISO 14001 or EMAS. For example there is an EMS e-publication[175] which provides a step by step guide to setting up an EMS, from identifying environmental aspects to doing a management review. The Programme also runs free events to help businesses set up an EMS or to ensure that they are continually improving their environmental performance.

Business Link[176] is a national Government portal which provides step by step advice for businesses including SMEs on setting up an EMS. The site also provides case studies and top tips to illustrate how other businesses managed to implement their own EMS.

EMS Easy (including EMAS Easy) approaches are disseminated through the Global Action Plan[177].

> **Comparison with ECAP Communication**: The United Kingdom has some schemes designed to help SMEs implement an EMS. These are largely desk-based. There is only limited information on EMAS or EMAS Easy. The United Kingdom could do more to meet the ECAP Communication's ambitions.

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[172] http://www.bis.gov.uk/bre
[173] http://www.doeni.gov.uk/niea/ehs_better_regulation_programme_-_web_version.pdf
[174] http://www.sniffer.org.uk/Webcontrol/Secure/ClientSpecific/ResourceManagement/UploadedFiles/UKCC19%20Final%20Report%20web.pdf
[175] http://www.envirowise-scotland.org.uk/uk/Our-Services/Tools/Zero-Waste-Scotland-EMS-e-publications-wizard.html
[176] http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1079422683
[177] http://globalactionplan.org.uk/environmental-management-systems

Focused financial assistance and a multi-annual financial programme

The Energy Saving Scotland scheme provides SMEs with interest-free loans of between £1000 and £100 000 to invest in a variety of measures, including high efficiency electric motors, more efficient plant/machinery and a range of renewable-energy technologies. Before getting a loan, businesses receive an energy review which is carried out by an approved energy consultant. Any energy efficiency measures must pay for themselves in no more than 5 years - renewable energy technologies may take longer. The benefits include immediate and continual reduction in energy costs, significant savings compared to other forms of finance and no set up costs[178].

The Waste & Resources Action Programme often has grant schemes available to SMEs. In 2010, the Organics Capital Grant Programme[179] provided financial support to help SMEs development energy from waste schemes. Grants of up to 30% of eligible capital costs of new food waste processing capacity (either in-vessel composting or anaerobic digestion) were provided. Projects will be monitored for 5 years after becoming operational to ensure compliance with the scheme. The programme also encourages sharing of best practice between the sites.

The Waste and Resources Action Plan (WRAP), the UK Government funded resource efficiency programme, is currently inviting applications for financial assistance from the Wales SME recycling support grant scheme[180]. The scheme aims to increase recycling rates in Wales by providing financial support to organisations which are able to offer recycling services for Welsh SMEs. Welsh SMEs face a lack of business recycling infrastructure focussed due to the geography of Wales as well as an absence of critical mass of some materials. The Welsh Assembly Government has therefore identified the need to improve recycling services for SMEs, making them less costly and more attractive than landfill.

> **Comparison with the ECAP Communication**: The United Kingdom has created a large number of national and regional programmes to help SMEs improve their environmental performance. Programmes are updated regularly, thus the United Kingdom follows the philosophy of the ECAP Communication.

Building local environmental expertise for SMEs

The ENWORKS Partnership[181] was created in 2001 to ensure that high quality environmental business support is delivered in a co-ordinated way for SMEs throughout the North West of England. ENWORKS is funded by the Northwest Regional Development Agency and the European Regional Development Fund. Partners include the Cumbria Rural Enterprise Agency and Groundwork, an environmental charity. This regional programme focuses on facilitating knowledge transfer and sharing of best practice. The ENWORKS vision is for "an improved environment and economy for the North West, achieved through engaging business in environmentally sustainable business practice." There is a site dedicated to supporting SMEs to improve resource efficiency through free, specialist advice on meeting tendering requirements, complying with environmental regulations and minimising environmental risk.

The Zero Waste Scotland Programme[182] is sponsored by Scottish Government. It helps SMEs improve resource efficiency and identify cost savings. The website provides sector specific advice and signposts SMEs to further support and advice including a business recycling directory and information on industrial symbiosis. The site also contains information on news, events and a publications library.

The Green Business Partnership[183] is sponsored by various partners including Scottish Government, Scottish Enterprise and City of Edinburgh Council. The Partnership aims to make businesses including SMEs more profitable and resource efficient by providing free, hands-on support. The website

[178] http://www.energysavingtrust.org.uk/scotland/Scotland-Welcome-page/Business-and-Public-Sector-in-Scotland/Grants-loans-awards/Small-business-loans
[179] http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=practice.detail&gp_pk=7790&
[180] http://www.wrap.org.uk/wrap_corporate/funding/capital_grants/wales_sme_recycling.html
[181] http://www.getsupport.enworks.com/
[182] http://www.zerowastescotland.org.uk/
[183] http://www.greenbusinesspartnership.org.uk/index.php?page=home

provides focused information on free support available to businesses, events and funding. The Partnership offers SMEs a free environmental report, carried out by an experienced environmental business advisor. The report contains information on the businesses carbon footprint, water use and waste arisings. It provides a detailed action plan to help reduce these aspects.

Comparison with the ECAP Communication: The United Kingdom has a series of local and national government-funded initiatives for building local environmental expertise for SMEs.

Improved communication and more targeted information

The Waste and Resources Action Plan and Zero Waste Scotland are the most well-known resource efficiency advice programmes targeted at SMEs in England, Wales and Scotland. These programmes provide information to help businesses, many of whom are SMEs, to improve their environmental performance and compliance. The programmes rely heavily on one-to-one communication between environmental consultants and SMEs. Information is imparted by means of on-site visits, events and helpline advice. As discussed, there are numerous programmes in the UK that provide SMEs with specific environmental advice. These include the Green Business Partnership, Groundwork Environmental Business Service, ENWORKS Partnership and Business Link. The ability to tailor advice to an individual SME is a key strength of direct support.

The **Netregs website**[184] provides comprehensive English guidance on environmental regulations for the different sorts of businesses (guidance by business and by environmental topic). It also provides further guidance, including case studies on initiatives to improve the environmental impact of businesses (e.g. waste minimization).

Comparison with the ECAP Communication: The United Kingdom has achieved a very high level of communication and provision of environmental information to SMEs.

Republic of Ireland

Better Regulation in design and implementation of policies

The Lisbon Agenda for Ireland sets out a number of better regulation initiatives. For example the Irish Government has introduced a range of Better Regulation initiatives which aim to contribute to a 25% reduction in administrative arising from domestic legislation by 2012. The Irish Government's policies also focus increasingly on helping SMEs to understand their environmental obligations, e.g. through "SMEs access to skills and innovation, turning the environmental challenge into opportunities for SMEs and enhancing the EU SME Policy Principles".[185]

Comparison with ECAP Communication: The Lisbon Agenda for Ireland identifies a host of better regulation initiatives to help make regulation less of a burden to SMEs. Therefore the issue of better regulation is at least as ambitious as the ECAP Communication.

More accessible tailor-made environmental management schemes

Enterprise Ireland is a national government funded business support organisation that provides consultancy support for SMEs in the manufacturing or internationally traded services sectors to implement environmental management systems such as EMAS, EMAS Easy, ISO 14001 and BS 8555. Support is also available for high potential start-up companies. Support is also available for environmental auditing systems such as OSHAS 18001 that has clear benefits for reducing the environmental impact of a company[186]. Enterprise Ireland demonstrates that it is feasible for SMEs to implement an EMS. A maximum of EUR 900 per day is available towards the cost of hiring a consultant to help implement an EMS.

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[184] http://www.netregs.gov.uk/netregs/59045.aspx
[185] http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/ie_nrp_en.pdf
[186] http://www.enterprise-ireland.com/en/funding-supports/Company/Esetablish-SME-Funding/Implementing-Environmental-Standards.html#What%20is%20the%20maximum%20funding%20level%20and%20what%20costs%20are%20eligible

> **Comparison with ECAP Communication**: Ireland has made provisions to support SMEs financially and technically to implement EMS. The country is also promoting use of EMAS and EMAS Easy, in line with the ECAP Communication.

Focused financial assistance and a multi-annual financial programme

In 2001 the Irish Environmental Protection Agency launched the Cleaner Greener Production Programme[187] as a grant scheme to encourage Irish organisations to implement more environmentally friendly practices. The programme is based on the premise that prevention is better than cure and aims to help SMEs see the connection between environmental and economic performance.

Since the programme began, the EPA has committed over €7 million to 89 organisations that have received part funding for demonstration projects under this programme. Companies commit to developing projects that reduce their environmental impact and can be applied to the wider business sector.

Enterprise Ireland encourages eco-innovation through GreenTech[188] support which offers funding towards environmentally superior products. It also assists companies in the assessment of opportunities for environment improvement in their existing products or in a new product line, through a process of analysis, such as Life Cycle Analysis. GreenTech also provides support for carbon management and reduction, the use of eco-Labels NSAI and the EU environment Eco Label and EMS.

In order to increase credit flow to SMEs, the Irish Government introduced a number of measures, including a EUR 100 million Environmental and Clean Energy Innovation Fund[189].

> **Comparison with ECAP Communication**: Ireland has well-targeted initiatives at the national level (public and private) to support SMEs to implement environmental improvements. This is in line with the ECAP Communication recommendations.

Building local environmental expertise for SMEs

Enterprise Ireland subsidises Envirocentre.ie, an environmental portal which signposts businesses to news and events to increase understanding of environmental issues in Ireland. For example, the Enterprise and Innovation Week in the Roscommon region of Ireland includes a flagship half-day conference with guest speakers on selected topics of applied innovation concepts and approaches and development opportunities for micro-enterprises in the region. Other capacity building events include regional seminars on environmental topics, as well as signposting businesses to events across Europe.

Enterprise Ireland's new Green Offer is characterised by increasing levels of capability in and adoption of environmental business principles. Green Start is a programme designed to increase the level of environmental awareness relating to regulatory compliance and developments in companies who have no in-house expertise or exposure to environmental issues. Green Offer appears to provide site auditing services to businesses free of charge. Outcomes include compliance with regulations and an awareness of the economic and reputational benefits of improved environmental performance.

> **Comparison with the ECAP Communication**: Envirocentre.ie and Enterprise Ireland are two funded initiatives which help build local environmental expertise for SMEs. Enterprise Ireland successfully facilitates knowledge transfer to SMEs, thus providing a high level of national and regional expertise.

Improved communication and more targeted information

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[187] http://www.cleanerproduction.ie/
[188] http://www.envirocentre.ie/Content.aspx?ID=03953877-acc2-4852-81d7-2d5701a9341d&PID=5099d296-2c06-4262-a498-82608cbcfe99
[189] http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/ie_nrp_en.pdf

The Irish Environmental Protection Agency provides a news centre[190] containing up to date information on environmental developments relevant for all businesses including SMEs. Methods of communications include newsletters, press releases and RSS feeds.

Envirocentre.ie[191] is an environmental information portal funded by SME support organisation Enterprise Ireland. Envirocentre.ie is designed to enhance environmental awareness and improve performance in Irish industry, particularly amongst SMEs. The portal contains a legislation database which can be searched according to topic, e.g. air, water, waste. There are a wealth of publications to help SMEs improve their environmental performance, such as "a guide to running green meetings and events". The portal also contains best practice case studies to inspire SMEs to achieve positive environmental improvements. There is comprehensive coverage of the latest environmental news and research affecting SMEs.

> **Comparison with the ECAP Communication**: Ireland is working well towards improving environmental communication and targeted information for SMEs. These resources contribute to a better awareness of the need for environmental improvement and compliance in line with the ECAP Communication.

Netherlands

Better Regulation in design and implementation of policies

The Dutch government has taken action to further reduce the regulatory burden on businesses as a major means of stimulating the economy. Reducing the regulatory burden must reduce the costs incurred by businesses in complying with regulations, with the result that businesses will have more time for their business activities. The current economic crisis places even greater emphasis on the importance of reducing regulatory pressure. In addition to the current ambitious programme, the government is therefore taking additional measures to speed up the process, reduce the regulatory pressure further and improve services, as set out in the supplementary policy agreement entitled 'Working on Future'.[192] The objective of the government as far as administrative burdens are concerned is to achieve a net reduction of 25% in comparison with the benchmark as at 1 March 2007. By the end of the first quarter of 2009, a 10.5% net reduction in the administrative burden for businesses had been achieved according to plan. Work is also being done to reduce the burden of supervisory pressure, compliance costs, licensing and permit procedures and subsidies. In addition, the government aims to improve the services and information it provides to entrepreneurs and is working to reduce the pressure from legislation imposed by other governments and by Europe ('Better Regulation', and more specifically the EU action programme for reducing the administrative burden for businesses by 25%).[193]

This programme is broader than SMEs and Environment.

The Netherlands aim to adapt their rules on impact assessments for legislation to the European IA Guidelines. As part of defining the Dutch SME test, the Business Impact Assessment for the Dutch regulatory framework will take a more specific look at the consequences for the SME sector (information as of 2009).[194]

> **Comparison with ECAP Communication**: The Dutch approach to better regulation and simplification of administrative procedure is quite extensive including also licensing procedures and reducing compliance costs. Even if the focus is not on SMEs and environment, the initiative is in line with ECAP's philosophy of better regulation.

More accessible tailor-made environmental management schemes

No specific simplified or regional EMS have been identified in the Netherlands. The issue of simplified EMS including EMASEasy do not seem to have been discussed a lot.

Focused financial assistance and a multi-annual financial programme

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[190] http://www.epa.ie/news/
[191] http://www.envirocentre.ie/
[192] http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/nl_nrp_en.pdf, p. 58.
[193] Ibidem.
[194] http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/nl_nrp_en.pdf, p. 62.

The main financial instruments aimed at promoting eco-efficient innovation are the current environment and Technology Programme (ProMT) and two fiscal instruments, the Green Funds Scheme and MIA/Vamil. (p. 44).

VAMIL and EIA/MIA in the Netherlands are tax incentives led principally by the Ministry of Finance and the Ministry of the Environment (VROM). VAMIL offers accelerated depreciation on environmental investments from a list of technologies, and enables companies to determine the rate of depreciation. This leads to savings of between 3-8% on the investments made. EIA/MIA enables partial deduction of environmental investments from tax. The percentage of the investment that can be deducted is explicitly set out in the Environment List.[195] The Environment & Technology subsidy programme also promotes the development and application of new technology with a lower environmental impact for use in SMEs. € 5 million in subsidies are awarded each year, involving approximately € 15 million in investments. The Green Funds Scheme fiscal incentive encourages the market introduction of projects that have a positive effect on the environment. This tax advantage provides a total of € 7 billion in support for sustainable investments. The MIA/Vamil programmes offer tax advantages for expanding the market for sustainable processes. Investments of over € 1.5 billion are involved in the two programmes.[196]

The pilot project 'MKB Doe Mee', a joint initiative by Syntens and the Ministry of Housing, Spatial Planning and the Environment, aims to offer incentives for sustainable innovation in the SME sector. In the pilot project, 150 SMEs will be reviewed to identify opportunities for sustainable innovation. After a sustainability scan, businesses can take steps to integrate sustainable innovation more effectively in their business activities. Syntens provides support and guidance in that process, referring the businesses as needed to knowledge institutions, other businesses, SenterNovem and the Energy Research Centre of the Netherlands (ECN). The themes covered include eco-design, cradle to cradle (C2C), corporate social responsibility (CSR) and the sustainable innovation schemes offered by SenterNovem. (p. 45).[197]

> **Comparison with ECAP Communication**: Abundant financing programmes exist to improve SMEs' environmental impact in line with the Communication.

Building local environmental expertise for SMEs

With a view to introducing EMS in SMEs, the Dutch government has traditionally promoted the creation of policy networks dealing with the introduction of EMS including giving funds for this. The main role was foreseen for the trade associations. They had to convince their members (and possibly also non-members), help them actively by providing handbooks and courses, and use their position of authority and power to force them into environmental management. A second important category was formed by the Industrial Environmental Agencies (Dutch acronym: BMD). These organizations were set up especially for the introduction of environmental management in SMEs. They had a regional perspective and were mainly supposed to motivate and support companies. They were expected to deliver a kind of first aid. In cases of complex problems they were supposed to call in specialists (possibly an innovation centre or a consultancy firm).[198]

Another capacity building initiative is Stimular[199] which is an Independent Institute initially set up by the regional government and local business in 1990 as a result of a government initiative to stimulate environmental innovation in SMEs in the Rotterdam area. After three years it became a foundation and became increasingly independent from the government. It is now entirely funded through project funding. Together with SME entrepreneurs, Stimular develops new instruments for sustainable management building up knowledge and experience in the areas of waste and emission prevention, energy saving and environmental conservation.[200] One such new instrument for sustainable management for SMEs is the 'SMEenvironment barometer' which is designed to build up a picture of a company's total annual environmental achievements in terms of energy, water, refuse, sewage, air

[195] http://ec.europa.eu/environment/sme/pdf/doc_908_en.pdf , pg. 5
[196] http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/nl_nrp_en.pdf, p. 44f.
[197] http://ec.europa.eu/archives/growthandjobs_2009/pdf/nrp2009/nl_nrp_en.pdf, p. 45.
[198] De Bruijn and Lulofs: Promoting Environmental Management in Dutch SMEs, 2001, http://doc.utwente.nl/48278/1/De_Bruijn_Lulofs_EM.pdf, p. 4.
[199] http://www.stimular.nl/
[200] http://ec.europa.eu/environment/sme/pdf/doc_908_en.pdf, p. 9

emissions and transport. Furthermore, Stimular provides a database of instruments available in the Netherlands for helping SMEs improve their performance[201].

Set up by several regions and Gelderland Provincial Government, **Stichting kiEMT** (Foundation for Knowledge and Innovation in Energy and Environmental Technology) aims to create a breeding ground for Clean Technology in the Netherlands, in which innovation, new businesses and realizing climate change targets are intertwined. kiEMT is a network of more than 160 companies, knowledge institutes and regional and local governments. The organizational structure is still completely financed by companies and knowledge institutes, but local and regional governments are co-financing 3 projects. [202]

Comparison with ECAP Communication: Abundant fora and institutions exist in the Netherlands that gather the knowledge and competence relevant for ECAP-relevant issues. This reflects the level of ambition of the communication.

Improved communication and more targeted information

There are websites and institutions that have much improved communication and more targeted information for SMEs that wish to improve their environmental impact.[203]

Comparison with ECAP Communication: The issues of SMEs and Environment are communicated through specialized channels in the Netherlands.

14.4.4   Conclusions and Recommendations

Based on the research carried out so far, it has become clear that the EU Member States have not necessarily taken ECAP as a starting point to set up their own coherent ECAP-related policies. In many MS ECAP-related policies have existed before the ECAP Communication was adopted and continue to exist independently of ECAP.

To date no MS has taken up an ECAP implementation plan, which was wished for in the Communication but was not a legal obligation for the Member States to do.

Also the 9th priority of the Small Business Act does not seem to have a high priority on the agenda of Member States given that the 2009 Lisbon implementation reports only as an exception refer to it and add information on how they implement it.

The detailed case studies covered some MS having a high number of SMEs and/or identified as active in the areas covered by ECAP. This means in turn that there is a number of other MS not examined here that have also ambitious ECAP-related policies while still other MS have only very limited ECAP-related national policies or do not treat the issue at all.

The case studies on the Member States have demonstrated that there are MS who have dealt with ECAP-relevant issues at a very elaborate level whereas other Member States rather limit themselves to referring to the EU level (the ECAP Programme) and at best cover some basic issues related to ECAP (such as funding some steps of the introduction of EMS in SMEs).

With regard to the priorities, the following lessons were learnt from the seven detailed MS studies:

- Better Regulation: All MS analysed have some sort of red-tape cutting initiatives that shall relieve business in general of environmental burden. These initiatives are generally not focused on SMEs and environmental law, but also include this area in their scope and measures.

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[201] http://www.duurzaammkb.nl/page/instrumenten
[202] http://www.kiemt.nl/ ; http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=practice.detail&gp_pk=8354&
[203] http://www.stimular.nl/

- With regard to tailor-made EMS, some countries such as Germany, France or Spain have developed elaborate action here whereas other countries like Italy and the UK have not treated it as a priority.

- As regards financial support, most countries provide support for environmental improvements undertaken by SMEs, e.g. some sort of support is given for the introduction of EMS in SMEs or investment in energy efficiency technology. This support differs in intensity, target group and budget.

- Most countries have some sort of focal point for SMEs and the environment, mostly in the Chambers of Commerce and Industry. Environmental expertise and support is often offered through these structures, but also through local government structures.

- Most countries have established specialized websites facilitating improved communication and more targeted information.

As a basic recommendation, the EU Commission should urge MS to come up with national ECAP implementation plans. Such plans would make gaps existing in MS policies with regard to ECAP priorities transparent.

Furthermore, it would guarantee a more systematic implementation of measures to improve the environmental performance of SMEs. This way, the performance on MS level all across the EU could be much improved.

15 Task B: Data on the contribution of SMEs to environmental problems

15.1 Introduction

Reducing the environmental impact is a challenge to small and medium sized enterprises (SMEs) all over Europe. The pressure on SMEs for products and processes with a lower environmental impact will increase from the market place as well as environmental legislation in the coming years.

Data on the contribution of SMEs to environmental problems is not readily available. A recent report by DG Enterprise titled 'SMEs and the Environment in the European Union[204] looked at:

- Environmental impact of SMEs – by industrial sector and Member States,
- Compliance cost and administrative burdens, and
- Business opportunities for SMEs.

This chapter analyses the findings of the study on the contribution of SMEs to environmental problems and provides recommendations where possible for improvement that would fit the ECAP policy perspective and SME requirements for greater compliance with environmental regulations.

15.2 Approach to the research and analysis

The method to assess the data and findings on the contribution of SMEs to environmental problems was sensitive to:
- the fact that the environmental impact from SMEs has to be nuanced for sector and enterprise size class and Member State specific impacts, and
- the lack of EU-wide data on environmental impact of SMEs, thus the study main focused on energy use, air emission and waste data. This of course doesn't reflect full environmental impact such as land and water contamination due to the textile, chemicals and agricultural sector.

The Environmental Impact Database for SMEs (EIDSME) database has been analysed with a view to answering four questions:
1. What is the environmental impact of SMEs?
2. Where is the biggest and the smallest environmental impact?
3. What is the potential for reductions in environmental impact?
4. How should SMEs be prioritised according to environmental impact?

We examine the success of the report in addressing these questions, and make recommendations for improvements.

The report is the first attempt to estimate the share of environmental impact from SMEs. We acknowledge the efforts of the study authors to make progress, noting that the underlying data has complexities which preclude straightforward analysis. The following suggestions are intended to build upon and enhance the research; they should not be interpreted as criticism of the work that has been undertaken.

15.3 Main findings

Most European enterprises are SMEs. In 2006, Eurostat registered roughly 20 million SMEs, corresponding to 99.8% of all enterprises. A mere 0.2% of all enterprises have more than 250 persons employed. Approx. 92% percent of the enterprises employ fewer than 10 persons.

Figure 15.1 Enterprise size classes

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[204] http://ec.europa.eu/enterprise/policies/sme/business-environment/files/main_report_en.pdf

		Enterprise size classes			
	Total	Large *(250+ persons employed)*	Medium *(50-249 persons employed)*	Small *(10-49 persons employed)*	Micro *(1-9 persons employed)*
Number of persons employed	129 754 720	42 379 706	22 045 546	26 948 232	38 377 602
Number of enterprises	20 156 779	42 287	219 980	1 388 593	18 505 884
Percent of persons employed	100%	33%	17%	21%	30%
Percentage of enterprises	99.8%	<1%	1%	7%	92%
				SMEs	

The study's estimations suggest that SMEs account for approximately 64% of the industrial pollution in Europe. Sector variations are generally within the 60% to 70% range. There is little evidence on the actual impact from SMEs, and it would be too complex and burdensome for companies and public authorities to determine the detailed contribution made by the 20 million SMEs in Europe to pollution (e.g. air pollution) in terms of the environmental load from different types of pollutants (e.g. CO_2, SO_x, NO_x, etc.). Currently, statistical data are not collected by size class and individual sector in countries and at EU level. Furthermore, data is collected and compiled at EU level only regarding a limited number of environmental impacts (air pollution for different air pollutants, waste, energy use).

The report also found that a number of high impact sectors have a high impact because of the number of enterprises in the sector, while the impact from the individual company can be very low. One prominent example is the NACE code G sector - wholesale and retail trade; repair of motor vehicles and motorcycles - which in many countries can be considered a high impact sector but the contribution from each company within the sector is relatively low.

The report suggests that there is considerable variation in environmental impact from SMEs, and this differs:

1. ***Across EU countries*** - the variations across countries where the average environmental impact from SMEs can be as low as 51% in some countries, such as in the United Kingdom (with a relatively low share of persons employed in SMEs), or above 70% or even 80%, such as in Cyprus (with a relatively large share of persons employed in SMEs) where the estimated impact share is 84%.
2. ***Across sectors*** – this can range from 25% from EA-Electricity, gas and water supply to 86% in HA-Hotels and restaurant.
3. ***Within sectors*** – the impact by company size (turnover or people) differs considerably and this is not brought in a clear way than is possible given the available data.
4. ***By the environmental indicators analysed at sector and company level*** – again this differs considerably by sector/company. For some sector (by subdivision) only a few environmental indicators are important e.g. Mining of metal ores only has waste and hazardous waste whereas construction has all environmental indicators – air, waste, energy and hazardous waste.

Our initial review suggests that the complexity in reporting environmental impact from SMEs can be shown more clearly and intuitively using the EIDSME database. This is particularly important as the economic importance of sectors differs by country and the business opportunities and policy measures are specific to the type of environmental impact to be minimised. We suggest the following:

Overall, the report recognises that the analysis is imperfect, given the limited data available across EU Member States. However, a simple methodology has been devised which allows the trends in environmental performance of SMEs to be investigated and better presented. The conclusions are not, however, made clear and accessible to the casual reader. Much more emphasis could be given to the final results, rather than the steps taken to reach them. An overview of the findings of the report, and recommendations for improvements are discussed below.

15.4 What is the environmental impact of SMEs?

15.4.1 Overview of findings in the report

The European Environmental Agency (EEA) has identified a core set of 37 indicators from a long list of several hundred). However, only a limited number of indicators related to air emissions (including CO_2, GHGs, etc), energy use and waste were used in the study due to availability of data[205].

The report uses the number of employees as an indicator of the environmental impact of a company. Under these assumptions, authors of the SME report have enough data to estimate the environmental impact of all the sectors and for each country.

An overview of salient points is provided here:

- The number of employees in each enterprise can be used as an indicator of overall environmental impact. Thus, the environmental impact of an enterprise is calculated by multiplying the number of employees by the environmental impact per employee in each sector and country.
- Using employees as an indicator shows at an average of 64% of environmental impact originates from SMEs in the EU27 when looking at the four broad indicators (energy use; greenhouse gases; air emissions and waste or hazardous waste). This conclusion matches well with the literature figure of 60-70%.
- Turnover is an equally good indicator; however there is less data available.
- The impact from SMEs *per country* ranges from 51% to 86%. It is low where the proportion of employees in SMEs is small (e.g. the UK) and high in countries with a larger share of people employed in SMEs (e.g. Cyprus). This highlights the difference in SME "structure" between the countries.
- The impact from SMEs *per NACE subdivision level* ranges from 25% to 86%. This varies according to the average share of employees in SMEs per country.

15.4.2 Recommendations for improvements

The advantages of using number of employees as an indicator are that the data is consistently available, and the correlation between variables at the country level is usually strong. Use of a single estimator increases transparency, but also introduces certain limitations. In many sectors there is indeed a strong correlation between these two factors. However, some sectors show low correlation; for instance, sector DD (manufacture of wood and wood products) has low correlation coefficients for all indicators except CO_2.

It is also important to recognise that this indicator may not be valid when comparing across different sectors. For example, only a small number of people are required to operate enterprises in heavily automated industries, whereas other industries may have higher employment for a comparable environmental impact. It is clearly not appropriate to directly compare environmental impact per employees of, say, a power plant and a service-sector office. Number of employees is, however, the best indicator for which data is currently available. We recognise that in it is preferable to have analysis based on this indicators rather than no analysis at all.

Tables 30 and 31 (in the report) show the average environmental impact of SMEs respectively by country and by sector. As the number of employees has been used as a single indicator of environmental impact, this is taken to be equal to the average share of persons employed by SMEs in the country/sector.

It is not clear when looking at geographic or sector level data which type of environmental impact is more important. Separating the results into the different environmental impacts, in particular for sectors, would be helpful as measures to address the problem would differ by type of environmental impact and by sector. A suggested format is given in Figure 15.2.

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[205] The selection of environmental factors is detailed in Chapter 2 of the report, and has not been reviewed in this study.

Figure 15.2 Table 30 (and 31) could be modified to show environmental impact more clearly

Environmental impact could be split to show the contribution from different indicators

Table 30: The average environmental impact from SMEs in the EU27 – per country (*equals the average share of employees* in the SME size companies per country).

Average Environmental impact from SMEs in the EU27 – divided by country

	Waste and water	
	Energy	
	Air quality indicators	

AT 55% 15% 20% 20%
BE 59%
BG 62%
CY 86%
CZ 58%
DE 55%
DK 61%
EE 72%
ES 75%
FI 57%

Recommendations - What is the environmental impact of SMEs?	
Environmental impacts	A wider selection or more sector or company specific environmental impacts could be taken into account, in line with those identified by the EEA.
Indicators of environmental impact	The limitations of using employee numbers as the sole indicator of environmental impact could be stated more clearly, using example of situations where it might be misleading.
	Suggestions for other indicators should be made, where data may become available in the future. For example, value added at factor cost.
Better presentation of results: (e.g. Table 30 & 31 in the report)	In Tables 30 and 31, the environmental impact should always split into the different types (energy, emissions, waste) since the impact differs considerably across the sectors and countries
	The method for calculating overall environmental scores could be shown more clearly.
Clarity of method used	The method for calculating overall environmental scores can be shown more clearly. It is not clear when looking at geographic or sector level data which type of environmental impact is more important.

15.5 Where is the biggest and the smallest environmental impact?

15.5.1 Overview of findings in the report

The report provides a simple calculation method that can be used to define high impact sectors and companies based on their environmental performance. For instance, high impact companies are defined as those where the average environmental impact per company per size group is one standard deviation greater than the average impact across all countries and sectors for at least one of the environmental indicators. This allows the data to be divided into high and low impact areas, so that any trends can be investigated.

The report shows that:
- 57% of the sectors are low-impact sectors and 43% of the sectors are high-impact sectors
- Sectors can become high impact in one of two ways:
    1) The individual companies that make up the sector have **high impact** due to:
        a) The products produced;
        b) The processes used.
    2) The individual companies that make up the sector have **low impact**, but the overall impact of the sector is high because:
        a) There are many companies;
        b) The companies have high numbers of employees.
- In low impact sectors, the impact per company is high in only 4-9% of the sectors (within the low impact sector group)
- In high impact sectors, the impact per company is high in 50% of the sectors (within the high impact sector group).
- High impact sectors are (for most countries):
    o Mining and quarrying (89% of countries);
    o Manufacturing – food (93%), pulp (56%), printing (59%), chemicals (100%), rubber and plastics (74%), metals (85%)
    o Energy production (100%);
    o Construction (100%);
    o Wholesale (89%) and retail trade (78%);
    o Land transport (100%),water transport (89%) and air transport (59%); and
    o Business services (78%).
- In most high impact sectors, companies are also high impact, regardless of size
- Sectors where impact from individual companies is low, but the number of companies is large include:
    o Wholesale;
    o Retail;
    o Construction; and
    o Fabricated metal.
- Sectors where SMEs have high impact, but large companies do not:
    o Mining and quarrying;
    o Pulp and paper;
    o Recycling;
    o Fabricated metal

Overall, sectors are high impact for a variety of reasons, and there is a need to tailor different approaches to addresses these different issues.

15.5.2 Recommendations for improvements

The report has defined "high impact" based on standard deviations in environmental performance. Although this provides a useful starting point from which to investigate the data, it is recognised that the definition is an arbitrary one. It would be helpful to have more justification for the choice of definition used to identify high impact companies. A primary aim of the report is to determine where the high impacts are, and this definition has an important effect on the conclusions drawn from the analysis. High impact companies are those where the average environmental impact per company

per size group is one standard deviation greater than the average impact across all countries and sectors for at least one of the environmental indicators. Alternatives could equally be defined as those companies above the mean, or above two standard deviations. A sensitivity analysis would be beneficial.

It would be helpful if the environmental impacts were split into the different types (energy, emissions, waste) in **Figure 4** of the report, which has been reproduced below in Figure 15.3.

When reading the text around Figure 4 in the report, the significance of the data is not made clear. It appears that:
- Low impact sectors tend to be dominated (>90%) by low impact companies;
- High impact sectors show an even split between low and high impact companies; and
- This trend is seen for micro, small and medium sized companies.

Thus, one might conclude that most sectors are high impact because they are made up of high impact companies, rather than many low impact companies.

Figure 15.3 Reproduction of Figure 4 in the report
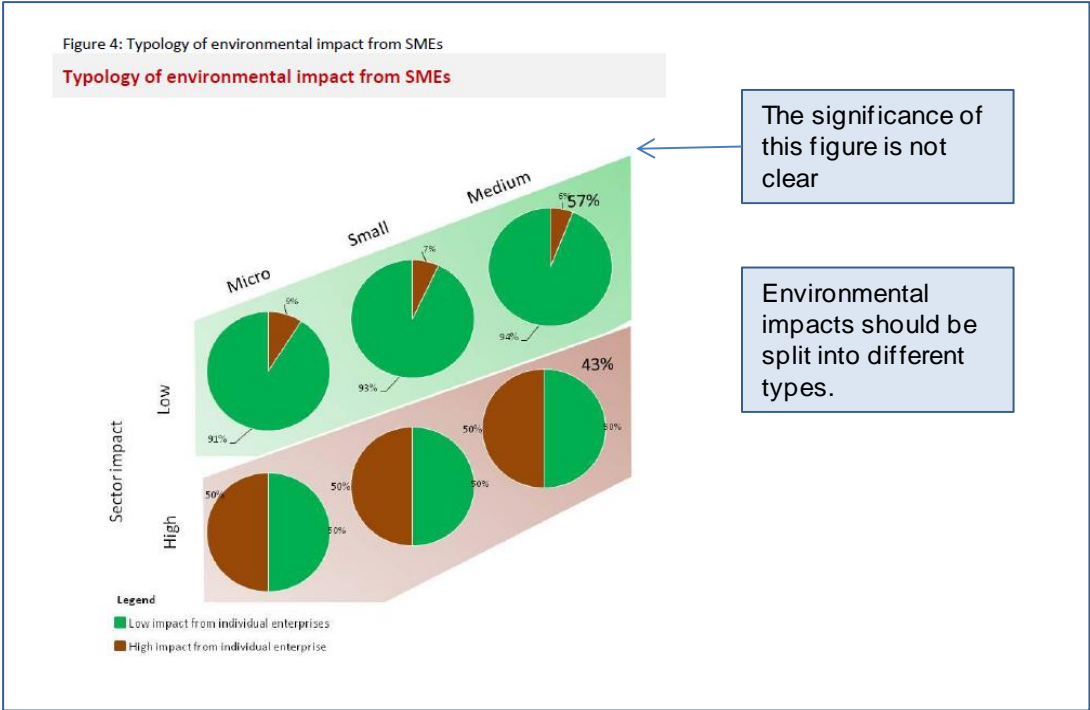
Table 32 would be more useful if it differentiated between the four environmental impacts, because the importance of each impact varies. For example, mining and quarrying have high associated impacts from PM_{10} and waste, whereas impacts from air transport are mostly concentrated in GHGs and NO_x.

Table 32 shows that the impact of the sector tends to be either high or low, regardless of the country in which they operate. This message is not stated clearly. Importantly, the overall score does not take into account the size of the sector in each country. For example:
- Why is the extraction of crude petroleum high impact in only 37% of the countries – is it because there are only a small number of companies, or are practices more efficient in these countries?
- Mining of uranium has a score of 0% - it is not clear whether this is because it is a low impact sector for that country, or because mining of uranium does not take place in that country.

Table 32 has been reproduced here in part as Figure 15.4.

Figure 15.4 Suggested amendments to Table 32 in the report

Environmental impacts should be split into different types.

This percentage score does not account for the size of the sector in each country.

Table 32: Overview of total sector impact per country

Overview of total sector impact

Sector by subdivision		AT	BE	BG	CY	CZ	DE	DK	EE	ES	FI	FR	GR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	Score
CA10	Mining of coal and li			1		1	1		1	1	1		1		1								1		1	1	1		44%
CA11	Extraction of crude pe			1			1	1	1				1		1							1			1		1	1	1	37%
CA12	Mining of uranium ar																												0%
CB13	Mining of metal ores				1						1														1	1			15%
CB14	Other mining and qua	1	1	1	1	1	1	1	1	1	1	1	1	1	1			1	1	1		1	1	1	1	1	1	1	89%
DA15	Manufacture of food	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	93%
DA16	Manufacture of toba																												0%
DB17	Manufacture of textil																					1			1				7%

In **Table 33**, the "environmental profile", the total score should be removed. The total environmental profile per sector is calculated by summing the score for each environmental indicator. It could be quite misleading to combine the environmental indicators in this manner, as the policies needed to mitigate these impacts will be different. Also, emissions of GHG and air pollution are related, so summing the scores in this manner leads to double counting.

If an overall score is required, some appropriate weighting should be applied. However, it is more useful to keep the environmental impacts separate, as the mitigation methods for each are very different.

The numbers should be removed from Table 33 for two reasons:
1) The combination of colours and numbers in the Table 33 is somewhat confusing. Darker brown shading indicates higher environmental impact; the numbers represent the number of countries in which the impact is considered to be high.
2) The number of countries in which a sector is high impact can be somewhat misleading, as it does not take into account the size of the sector.

Some effort is required to conclude that cells which are both dark brown and which contain high numbers are probably the most significant in terms of overall environmental impact.

Table 33 is shown here as Figure 15.5.

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Figure 15.5 Suggested amendments to Table 33 in the report

The number of countries in which the sector is high impact does not take into account the size of the sector in each country

Summing the scores in this manner leads to double counting.

Table 33: Environmental profile per sector

Environmental profile per sector

Sector by subdivision		TOE	GHG	Nox	Sox	PM10	NMVOC	Waste	Hazardous waste	Total
CA10	Mining of coal and lignite; extraction of peat	-	3	1	2	-	1	11	3	21
CA11	Extraction of crude petroleum and natural gas;	-	4	5	5	1	3	5	1	24
CA12	Mining of uranium and thorium ores	-	-	-	-	-	-	-	-	-
CB13	Mining of metal ores	-	-	-	-	-	-	4	1	5
CB14	Other mining and quarrying	-	-	-	-	21	-	14	3	38
DA15	Manufacture of food products and beverages	20	3	5	8	4	18	12	2	72

In **Table 34,** the shading is somewhat different to the colours used before; it is not clear whether this has any significance. Sectors with low impact are shown in green, and those with high impact are shown in brown.

The meaning of the numbers is not clear. Assuming they follow the convention of the previous tables, they depict the number of countries for which the sectors are high impact, but this time the data has been split by company size. For the reasons stated above, the number of countries in which a sector is high impact can be somewhat misleading, as it does not take into account the size of the sector. The interesting point to take from this analysis is that for some sectors, the larger companies have a smaller environmental impact. It would be helpful if these sectors were explicitly highlighted in the table to draw the reader's attention to them. For instance, sector CB14 is highlighted in the example, to show that SMEs in this sector appear to have a higher impact.

Figure 15.6 shows some suggested amendments to Table 34 in the report.

Figure 15.6 Suggested amendments to Table 34 in the report

The sectors of interest should be explicitly highlighted

The number of countries in which the sector is high impact does not take into account the size of the sector in each country

It is not clear what these numbers show; no explanation is provided in the report

Table 34: Overview of total sector impact – and impact per company

Overview of total sector impact and the impact per company

Sector by subdivision		Sector impact	pr size Micro	Small	Medium	Large
CA10	Mining of coal and lignite; extraction of peat	44%	14	14	15	14
CA11	Extraction of crude petroleum and natural gas;	37%	16	14	13	14
CA12	Mining of uranium and thorium ores	0%	1			
CB13	Mining of metal ores	15%	8	7	9	6
CB14	Other mining and quarrying	89%	24	24	22	13
DA15	Manufacture of food products and beverages	92%	3	1	2	

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Recommendations – Where is the biggest and smallest environmental impact?	
Definition of high impact	High impact companies are those where the average environmental impact per company per size group is one standard deviation greater than the average impact across all countries and sectors for at least one of the environmental indicators. Other definitions could be investigated.
Display of results: (e.g. Figure 4 in the report)	The explanatory text provided around the figure could be more helpful in allowing the reader to understand the significance of the figure.
	The environmental impact should be split into the different types (energy, emissions, waste).
Display of results: (e.g. Table 32 in the report)	Conclusions that can be drawn are not clear.
	The usefulness of the table is limited because it does not differentiate between the four environmental impacts.
	The percentage score does not take into account the size of the sector in each country.
Display of results: (e.g. Table 33 in the report)	Summing the scores leads to double counting, therefore the total score should be removed. If an overall score is required, an appropriate weighting method must be devised.
	The number of countries in which the sector is high impact does not take into account the size of the sector in each country. These numbers should be removed from the table.
Display of results: (e.g. Table 34 in the report)	The colour scheme should match the colours used in the rest of the report
	The meaning of the numbers is not explained.
	The sectors of interest should be explicitly highlighted.

15.6 What is the potential for reductions in environmental impact?

15.6.1 Overview of findings in the report

The report concludes that up to 24% of SMEs actively engage in actions reducing their environmental impact; 0.4% of SMEs use a certified Environmental Management System.

The potential for reductions in environmental impact is estimated using a measure of "eco-efficiency" and "eco-potential" in the report.
- **Eco-efficiency** is calculated by dividing the environmental impact of a sector by the value added at factor cost. Thus, a sector which uses large amounts of energy to earn one Euro has low eco-efficiency. A scale of 1-4 is assigned, where 1 is the highest eco-efficiency.
- **Eco-potential** is defined as the range between the maximum and minimum eco-efficiencies within a sector. A scale of 0-4 is assigned, where 4 is the highest eco-potential.

The eco-potential is used to determine which sectors have high potential for reductions in environmental impact. The key assumption is that companies within a sector operate in the same line of work, and therefore they should be able to achieve similar eco-efficiencies. Thus, a high eco-potential (large variation in eco-efficiency) within a sector indicates that the worst-performing companies could reduce their environmental impact to match the better-performing companies.

According to these assumptions:
- Most sectors appear to have potential for reductions in environmental impact (the average potential across all sectors for all indicators is 3.475, with a range of 2.5 to 4)

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- o 100% of sectors have a rating of 4 (maximum potential) for *at least one* indicator
  - o The following sectors have a rating of 4 (maximum potential) for *all* indicators: Other mining & quarrying; Manufacturing of textiles; Tanning & dressing of leather; air transport.
- Sectors with low eco-potential (small variations in eco-efficiency) may also be interesting to target, because the challenges faced by all companies may be similar. Any improvements in environmental performance might be applicable to the whole sector.
  - o Sectors with the lowest overall eco-potential were: Manufacture of non-metallic mineral products (2.5); land transport (2.75); Computer and related activities (2.63); Other business activities (2.88).
- Some of the most energy-intensive sectors also show the smallest eco-potentials. This is an intuitive result, because sectors with high energy use have an incentive to reduce energy costs through efficiency improvements. These include:
  - o Energy production;
  - o Basic metals; and
  - o Land transport.

Taking advantage of eco-potential may require changes in technology, organisation, infrastructure, competencies or frameworks; further evaluation is outside the scope of the study. Clearly, investigating the reason for this variation is an important next step.

The database does not provide explanations for the variations – again, this is an important area for further research.

15.6.2 Recommendations for improvements

The report provides a simple rating method that is used to identify areas according to their eco-efficiency and eco-potential. It serves as a useful tool to test where reductions in environmental impact might be made based on relative performance within different areas. The key advantage is that no additional data on the systems, processes or machinery is needed to perform this analysis. This approach is limited for the same reasons – there is no data on the processes in each sector, and therefore no recommendations can be made for practical solutions.

Table 35 shows the eco-efficiency and eco-potential for each of the environmental indicators, and allows the reader to compare the two values. In its current form, the reader's eyes must jump from one cell to another cell some distance away in order to make the comparison. This becomes very difficult and complex, particularly towards the bottom of the table which is a long way from the headings. It would be more useful to have the two numbers side-by side, so that comparisons could be made directly.

Figure 15.7 Suggested changes to Table 35 of the report
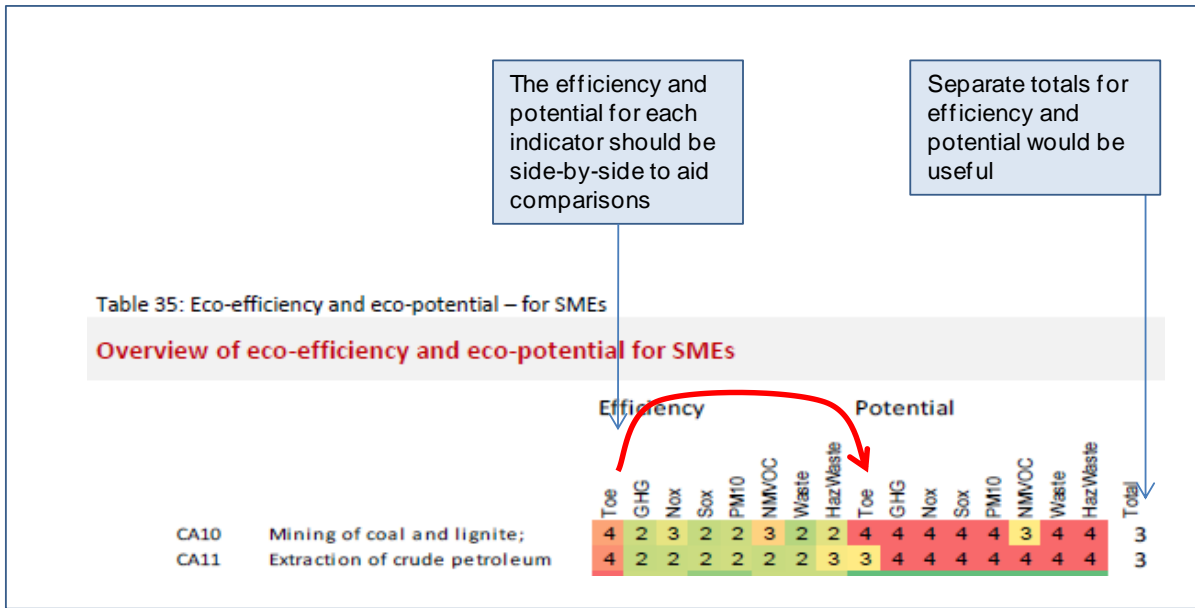
Alternatively, a graph layout could be more useful. One interpretation is shown in Figure 15.8, where a separate figure would be produced for each environmental indicator. A data point is given for each NACE sector. Note that the number of data points could be reduced to show only the sectors of most interest.

Figure 15.8 Eco-efficiency vs. eco-potential, single indicator
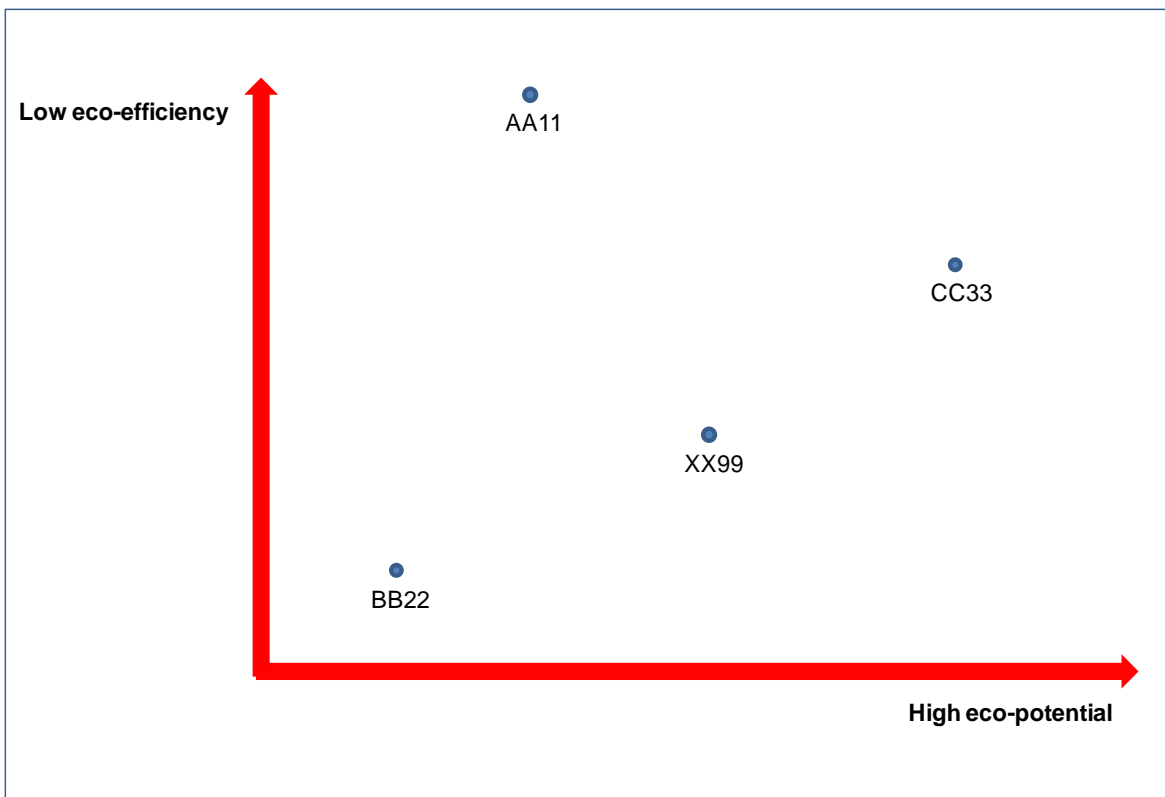
Note: example data

If readers wish to look at all environmental impacts, then they can look at the total number which is provided on the right-hand side of Table 35. It would be useful to have separate overall numbers for eco-efficiency and eco-potential.

Recommendations	
Evaluate how environmental reductions might be achieved in high eco-potential sectors	Sectors with high eco-potential have scope to reduce their environmental impact. The means of achieving this were outside the scope of the study. Further investigation should be carried out in this area.
Evaluate how environmental reductions might be achieved in low eco-potential sectors	Sectors with low eco-potential may also have scope to reduce their environmental impact. Similar environmental performance suggests any improvements could be applied across the whole sector. The means of achieving this were outside the scope of the study. Further investigation should be carried out in this area.
Display of results: (e.g. Table 35 in the report)	This table should be modified to make it easier to compare the eco-efficiency and eco-potential for each indicator. Suggested ways of doing this are: 1. Change the order of the columns so that the two numbers for each indicator are side-by-side; 2. Present data in a graph format.
	A total should be provided for eco-efficiency and eco-potential, rather than just a total overall score for both indicators.

15.7   How should SMEs be prioritised according to environmental impact?

15.7.1   Overview of findings in the report

Sectors are prioritised using a simple ranking procedure, which takes into account overall sector impact, impact per company, eco-efficiency and eco-potential.

The report concludes that:
- Ratings were assigned for environmental impact, impact per company, eco-efficiency and eco-potential. The highest mark is 4 for each factor, with a high mark meaning high negative impact.
- Priority sectors with are those with high environmental impact, a high impact per individual company, and large variations between countries within the specific sectors. These are listed below, with the overall rating shown in brackets:
    o Manufacturing of chemicals (3.13), basic metals (3.04), rubber and plastics (3.04), food (3.03);
    o Mining and quarrying (3.00);
    o Pulp and paper (2.99);
    o Coke (2.99);
    o Energy production (2.98);
    o Air transport (2.95) and water transport (2.95); and
    o Construction (2.95).
- However, most of these sectors are already among the most eco-efficient (average eco-efficiency of these sectors is 1.81), perhaps because there have already been many years of effort to reduce energy use in these sectors. This is a good example for the dangers of concentrating on a few environmental indicators: energy use is related to GHGs, hence the data give good ideas about this aspect. Hence these sectors might be eco-efficient in these areas, but not be in others, that couldn't be analysed because of lack of data.
- There could be other sectors where improvements are easier.
- Sectors with low overall impact, and low impact per company, but also with low eco-efficiency are:
    o Manufacturing; and
    o Office equipment.

Areas identified for further development are:
- Prioritising improvements in environmental factors: improvements in waste are currently weighted equally to improvements in energy use;
- More structural information could be added if data becomes available;
- More environmental indicators could be added if data become available;
- Lifecycle analysis could be added;
- Business potential could be added for sectors, taking into account the cost of future environmental regulation, the cost of action to reduce environmental impact, and the competitiveness of the sector;
- Other methods of prioritising sectors could be used, for example:
  - How best to improve the competitiveness of EU companies?
  - Where to improve living conditions for citizens of Europe?

15.7.2   Recommendations for improvements

Eco-potential is rated on a scale of 0-4, with 4 being high eco-potential. Given that most sectors score highly (i.e. most sectors have an eco-potential of 3 or 4, for all environmental impacts), it would be helpful to redefine the scale, or perhaps add a decimal point, so that the differences between the various sectors can be seen. Otherwise, eco-potential cannot be used to distinguish between sectors.

Table 36 is perhaps the most important table in this chapter, as it summarises all the work that has been done. It is displayed with the "most interesting" sectors at the bottom. These are sectors with:
- High environmental impact;
- High impact per individual company; and
- Large variations between countries within the specific sectors.

It would be helpful to have another table that orders the sectors according to different priorities. For example, the "most interesting" sectors could also be those with high environmental impact and high impact per company, but with low eco-potential (small variations in eco-efficiency). As stated earlier, sectors with low eco-potential may also be interesting to target, because the challenges faced by all companies may be similar. Any improvements in environmental performance might be applicable to the whole sector.

In Table 36 as with Table 35, the numbers should be grouped by environmental impact, so that ratings for total impact, impact per company, eco-efficiency and eco-potential are next to each other and can be compared directly.

Figure 15.9 Suggested modifications to Table 36 in the report
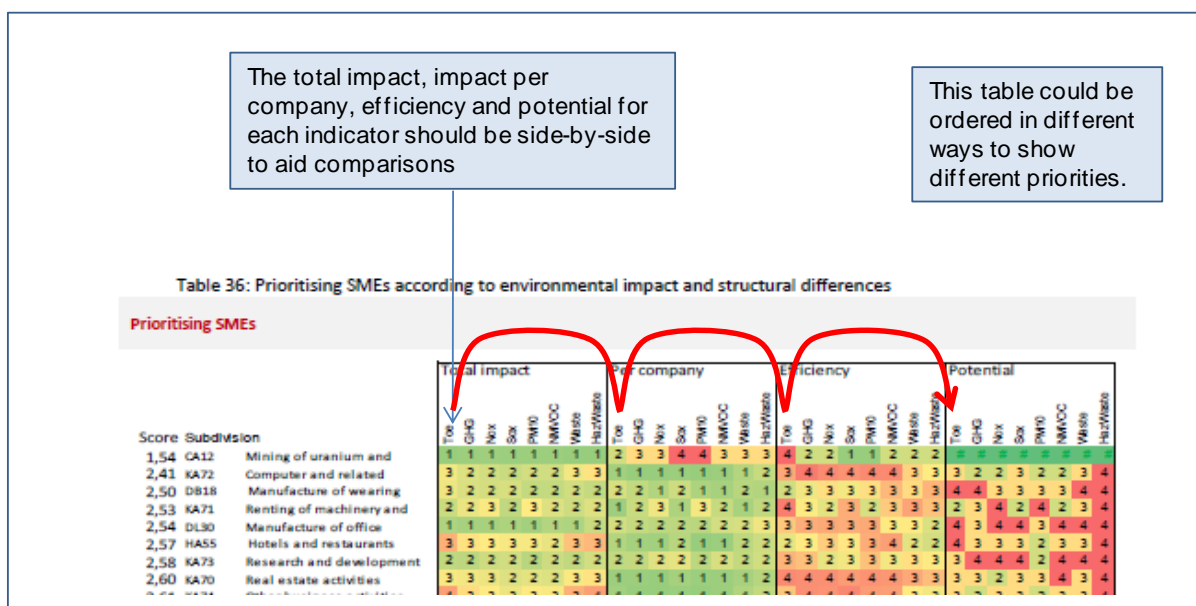
An alternative presentation could be a diagram that shows the relative impacts on only two dimensions at a time, as demonstrated in Figure 15.10. Ideally, a separate figure would be produced for each environmental indicator. A data point is given for each NACE sector, but the number of data points could be reduced to show only the sectors of most interest.

Figure 15.10 Sector impact vs. efficiency and potential
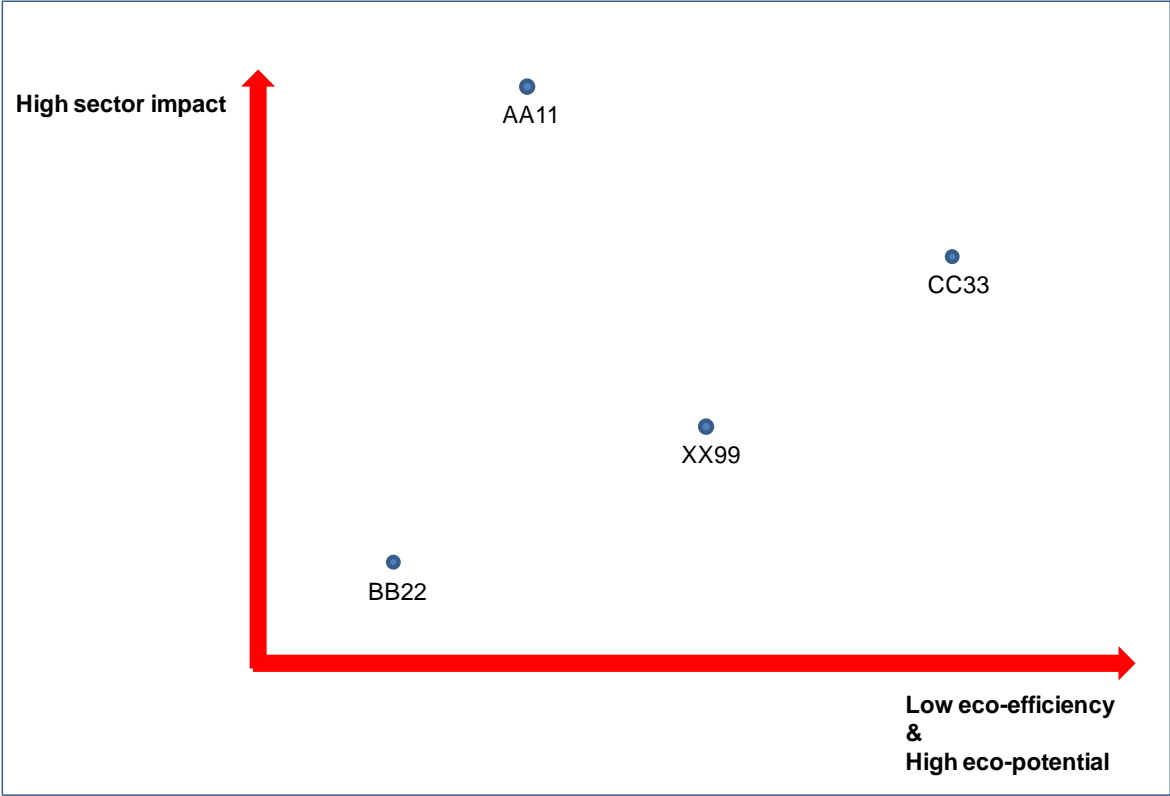
Note: example data

This is similar to the format suggested in Figure 15.11. However, the four factors could be combined in various ways to show different prioritisations. In this example, low eco-efficiency and high eco-potential have been combined on the x axis. Other combinations are possible.

A further alternative is shown in Figure 15.11, which may be possible if trends in each sector are observed. If sectors tend to cluster together, they could be grouped together on the graph.

Figure 15.11 Grouped results
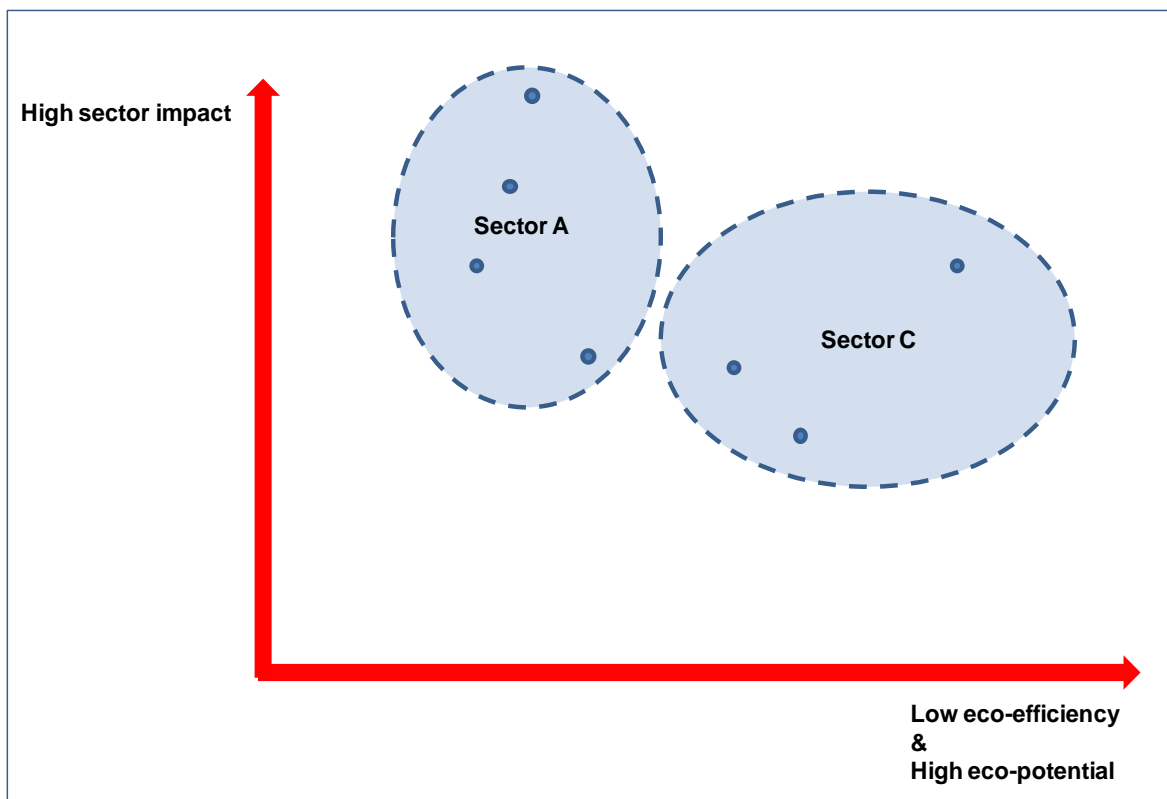
Note: example data

Overall, the analysis has provided a simple, yet complete method of categorizing SMEs according to their environmental impact. Much more emphasis should be placed on these final results in order to help decision-makers determine where best to focus their efforts.

Recommendations	
Refine the scale used to rate eco-potential	As most sectors have an eco-potential of 3 or 4, for all environmental impacts, it would be helpful to redefine the scale – or add a decimal point - so that the differences between the various sectors can be seen.
Display of results: (e.g. Table 36 in main report)	This table should be modified to make it easier to compare the total impact, impact per company, eco-efficiency and eco-potential for each indicator. It is suggested to either: 1. Change the order of the columns so that the four numbers for each indicator are side-by-side; 2. Present data in a graph format.
Provide different rankings for different areas of prioritisation	As stated earlier, sectors with low eco-potential may also be interesting to target, because the challenges faced by all companies may be similar. Any improvements in environmental performance might be applicable to the whole sector.
Place more emphasis on final results	The data in Table 36 summarises the work of the entire chapter. This should be emphasised and displayed in several ways to help decision-makers understand where they should focus their efforts.

16 Task C: Data on compliance rates of SMEs with environmental legislation

16.1 Introduction

The purpose of this task was to search for data on SMEs compliance with environmental legislation at the Member State level. From the stakeholders we engaged with, it is apparent that this data is not readily available thus we have explored possible methods to measure and monitor this in the future. The nature of this task is complex, therefore evidence gathered from the literature review has been supplemented and verified using evidence from expert surveys and stakeholder interviews.

The main reasons for this complexity relate to the difficulties of assessing environmental compliance. These difficulties, identified from the literature and stakeholder engagement, are:

- Permitting and compliance systems often have different procedures and rules creating a complex regulatory system across EU Member States.
- Level and quality of data available is not consistent or reflective of true compliance in each Member State.
- SMEs face greater resource shortages, in terms of money, time and environmental expertise.
- EU Member States have different levels of awareness of environmental compliance.

For example, in a Member State with a well-established compliance and enforcement system, there are likely to be more inspections and therefore more prosecutions for non-compliance. This could translate into more SMEs complying compared with a Member State where inspections are less frequent.

We have identified where baseline data exists on SMEs compliance at Member State level as shown in Table 16.1. Further detail on the availability of baseline data and procedures for enforcement, monitoring compliance and addressing non-compliance is provided in Sections 17.4 and 17.5.

Table 16.1 Overview of compliance data and procedures for measuring compliance and environmental performance in Member States surveyed during the study

Member State	Does the MS collect data on SMEs compliance?	Type of data available	Procedures to measure environmental performance	Procedures for monitoring compliance and dealing with non compliance
UK	Partially	Compliance rates of SMEs covered by permits or licences	ISO 14001, EMAS	Local authorities; Environment Agency for England and Wales, Scottish Environment Protection Agency, Northern Ireland Environment Agency
Ireland	Partially	Compliance rates of SMEs receiving grant funding from Enterprise Ireland	Enterprise Ireland grant funding; ISO 14001, EMAS	Local authorities; Environmental Protection Agency Ireland
Germany (Bavaria region)	Partially	Regional and national data on the number of SMEs validated and registered to EMAS	EMAS, ISO 14001	Lander are responsible for inspections, e.g. Bavarian Ministry of the Environment and Public Health
Hungary	Yes, from 1st January 2011 onwards	SMEs compliance rates will be available for 2011 onwards		Not reported
Bulgaria	No	Data on enforcement and inspections performed by the Ministry for Water and Environment	ISO 14001	There are 16 inspection authorities but enforcement for non-compliance is performed by Ministry for Water and Environment
Slovenia	No	Number of businesses prosecuted for non-compliance Number of businesses registered to EMS tools		Not reported
Lithuania	No	Environmental compliance of businesses is measured but there is no separate data for SMEs		Not reported
Poland	No	Environmental compliance of businesses is measured but there is no separate data for SMEs		Chief Inspectorates for Environmental Protection and Voivodship Inspectorates for Environmental Protection.

We also gathered information relating to methodologies that are currently employed, or could be employed, to measure environmental compliance of SMEs across Member States. Our recommendations for using each of these methods, based on the evidence gathering exercise, are presented in Section 16.7.

This structure of this chapter is as follows:

- Background
- Approach used
- Baseline compliance information
- Procedures for enforcement, monitoring compliance and addressing non-compliance
- Barriers to measuring SMEs compliance at Member State level
- Methodologies for measuring SMEs compliance with environmental legislation and Member State level
- Recommendations and conclusions

16.2   Background

There is a wealth of literature discussing the difficulties faced by SMEs in complying with environmental legislation compared to larger companies. Due to the vast number of legislative requirements they face, SMEs often find it hard to keep up to date. This can result in environmental impacts being treated as less of a priority even though cumulatively, SMEs have a significant environmental impact.

Similarly, there is a lot of information on mechanisms for measuring environmental compliance (IMPEL, 2001[206], IMPEL, 2011[207]) but very few of these relate specifically to SMEs. Measuring SMEs compliance with environmental legislation across EU Member States has not received much attention in recent years and since this is a new area of study, there is little in the way of best practice.
There are many benefits of measuring SMEs compliance, for businesses and Member States alike. SMEs will have an incentive to ensure they are legally compliant, which will result in an improved reputation and cost savings. For policy makers, understanding compliance rates can indicate the success of a particular piece of legislation and can lead to legislative reviews. Additionally, measuring SMEs compliance rates identifies which pieces of legislation SMEs are struggling to comply with, and highlights which SMEs are excelling. This can help to focus compliance assistance where it is needed (Enterprise Ireland, UK Environment Agency, Slovenia).

To ensure continued benefits for businesses and the environment, it is important to develop a methodology to measure SMEs legislative compliance across the EU:

> *'Given an increasing diversity in institutional quality among its members, for the EU to continue its role in improving environmental policy in the member states, it may be necessary to limit the role of purposive statements, and to shift emphasis to imposing measurable standards for implementation'.* (Pellegrini and Gerlagh, undated).

The purpose of evaluating environmental compliance is to monitor and assess rates of compliance with environmental law. It also allows the impact of laws, regulations, standards and policies to be assessed: are they effecting positive environmental change or are businesses struggling to comply? If so, what are the reasons for this lack of compliance and how can support be better directed? This assessment will identify trends of environmental quality and pollution in a given time and space as well as identify challenges in implementing environmental requirements (Ge *et al*, 2003).

SNIFFER (2009) discusses reasons for compliance or non-compliance with environmental legislation amongst SMEs. The main reason for non-compliance is the lack of assistance for SMEs. Time and money are focused on companies with the greatest ability to self-regulate. The findings stress the need for greater support for SMEs since they have limited resources and are less likely to be able to self-regulate. Regulatory assistance for SMEs is essential if they are to be able to monitor their environmental compliance (Lynch-Wood and Williamson, 2005; SNIFFER, 2009; Dimache, 2007).

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[206] IMPEL (2001) Best Practices in Compliance Monitoring [http://impel.eu/projects/best-practices-in-complinaces-monitoring]
[207] IMPEL (2011) Setting inspection targets and monitoring performance [http://impel.eu/projects/setting-inspection-targets-and-monitoring-performance]

Lynch-Wood and Williamson (2005) conducted a comparative study to determine the environmental support needs of SMEs in four European Member States: the United Kingdom, Ireland, Czech Republic and Greece. The study showed that the SMEs responded to environmental issues in similar ways. The study also concluded that whilst SMEs are driven by the need to comply with legislation, often they find it difficult to understand and keep up to date with. In many cases, SMEs are not aware of the legislation that applies to them. EU policy must focus on providing compliance assistance to SMEs, putting in place support mechanisms to address their compliance needs (Lynch-Wood and Williamson, 2005).

The literature study and stakeholder engagement exercise has shown that there is a lack of environmental compliance monitoring within SMEs. There is little baseline data on compliance rates; however there are many useful suggestions for rolling out a method to measure SMEs compliance at Member State level.

16.3   Approach used

Task C comprised three main approaches:

1. Literature review
2. Expert surveys
3. Stakeholder interviews

A literature review was undertaken as a first step to assess the current state of play with regard to compliance rates of SMEs with environmental legislation. This helped form an understanding of what is currently being done by Member States in terms of measuring environmental compliance. Please refer to Chapter 18 for the full list of references.

In order to verify and supplement the information gathered from the literature, an expert survey was sent to 36 stakeholders across the EU Member States. Six responses were received from stakeholders in Ireland, UK, Lithuania, Slovenia, Poland and Hungary, providing good coverage of the Eastern European Member States. Refer to Annex 10 for the expert survey questions.

Four in-depth telephone interviews were carried out with specialists in three Member States: UK, Germany (Bavaria) and Bulgaria. A fourth interview was held with a representative from Leeds City Council, England. Additional input was provided by the Regional Environment Centre (REC) and SME resource efficiency specialists within AEA. Again this provides good coverage of responses from Eastern and Western European Member States. Please refer to Annex 9 for the interviews questions.

The evidence in the following sections is taken from the literature, expert surveys and interviews.

16.4   Baseline information on compliance rates

16.4.1   What compliance data is available for SMEs at Member State level?

Of the eight Member States consulted during the study[208], none reported that they measure the environmental compliance of SMEs in their own right; instead data is collected as part of a wider inspection process. For example, Enterprise Ireland is an SME support organisation which provides funding to Irish companies in the manufacturing and internationally traded services sectors. In return for providing this support, Enterprise Ireland conducts environmental assessments of all companies using the following criteria:

*   Effluent: does the company have the appropriate licence, is it monitoring emissions, is it operating within emission limits values?

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[208] Eight Member States were consulted: Bulgaria, Germany, Ireland, Hungary, Slovenia, Lithuania, Poland and UK (two interviews and one questionnaire).

- Waste: is the company segregating/disposing of waste lawfully; do independent contractors have the appropriate waste collection/transfer permits?

- Atmospheric emissions: does the company have the appropriate licence; is there appropriate ventilation and extraction; are stack heights adequate?

- Storage: are hazardous liquids safely stored in appropriate containers e.g. solvents in flame-proof stores; are pollution prevention measures adequate, e.g. do storage vessels for fuels, hydraulics fluids comply with regulation/best practice guidelines? Is there adequate secondary containment?

- Noise.

For each company that receives grant support, Enterprise Ireland holds data on:

- Number of SMEs audited for environmental compliance (in 2010)

- Data on enforcement rates for non-compliance of legislation in SMEs

- Number of prosecutions for non-compliance for businesses across the country

- Number of businesses registered to a formal EMS such as ISO14001 or EMAS.

This method is also used to measure the environmental performance of SMEs. Data is captured by qualified assessors that visit companies in receipt of grant support that are considered to have issues relating to environmental legislation and best practice. The Irish Environment Protection Agency also inspects businesses that fall under regulated processes.

In the United Kingdom, the Environment Agency regulates a wide range of SMEs, possibly up to one million. However data on SME compliance is not readily available. For the SMEs that are regulated, the Environment Agency has a compliance scheme that measures the number of permit or licence breaches, as well as an incident database. Since most of the regimes that affect SMEs involve permits or registrations (e.g. IPCC Directive or Waste Management Licensing) the Environment Agency knows the number of SMEs applying for exemption licenses and this can provide an indication of how many SMEs are compliant or non-compliant.

In Bulgaria, there are no statistics for SMEs compliance rates. There is information on enforcement and inspections performed by the Ministry for Water and Environment but this data is for all companies and not just SMEs. The data collected includes numbers of sanctions and penalties issued in 2010 in Bulgaria, in response to environmental non-compliance.

Similarly in Germany, there are no statistics for command and control enforcement. The Bavarian Ministry of the Environment and Public Health have statistics from 1993 to present, on the numbers of businesses including SMEs which are validated and registered under the Eco-Management and Audit Scheme (EMAS)[209] in Bavaria and Germany. There are regional differences across Germany, for example, in Bavaria 270 businesses are EMAS registered. Of these, around 95% are SMEs and 5% are large companies. In the region of Baden Wurttemberg, approximately 400 companies have EMAS. In Germany as a whole, approximately 1,900 sites are EMAS registered (SMEs and other), mainly in the west of the country. In the new, eastern regions such as Sachsen, uptake of EMAS is lower but there are also problems with traditional enforcement due to lack of resources.

In Hungary, there is no standalone database recording the environmental compliance of SMEs only. However, the inspectorates that carry out assessments of environmental compliance of all natural and legal entities using the environment have a legal obligation from 1st January 2011 to specify whether an entity is an SME. So for the year 2010, there are no data available for SMEs.

Slovenia does not measure SMEs compliance specifically, but it does hold data on the number of businesses prosecuted for non-compliance and the numbers of businesses registered to EMS tools. This data is available in inspectorates reports which detail how many SMEs were audited and did not comply with environmental legislation.

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[209] This data has been collected since 1995. EMAS was introduced by European Regulation 1836/93 which has since been updated twice, when Regulation (EC) No 1221/2009 entered into force in January 2010.

In Poland and Lithuania, environmental compliance of businesses is measured but there is no separate data for SMEs. In Poland, data on environmental compliance of enterprises is gathered according to the formalised Polish Control System and is drafted in line with EU and Polish legal requirements. The level of data gathered does not differ depending on size of the enterprise.

One barrier to collecting data on SME compliance rates is that there is no legal requirement for Member States to do so. As described above, the new requirement for inspectorates in Hungary to record the size of the business will allow Hungary to gain insight into compliance rates amongst SMEs.

Another barrier identified by a stakeholder in the UK, is the absence of a system to hold compliance data. While data is available for all regulated sites which include a number of SMEs, it is not possible to cross reference the size of the organisation and it would take a long time to separate this information.

Additionally, employees within SMEs tend to fulfil multiple roles so ensuring environmental compliance and improving environmental performance might not be their only priority. This means there is a deficit of environmental legislation knowledge within SMEs.

16.5 Procedures for enforcement, monitoring compliance and addressing non-compliance

It is evident from the stakeholder engagement that SMEs compliance is measured on an "ad-hoc" basis, rather than using systematic, standardised approaches. Any new methodology to measure SMEs compliance with environmental legislation would have to take into account the variability in existing compliance monitoring procedures as discussed here.

16.5.1 Inspections and enforcement procedures

To standardise inspection and enforcement procedures across EU Member States, the European Parliament and EU Council adopted the Recommendation setting minimum criteria for environmental inspections in Member States (2001/331/EC). Additionally the EU Network for the Implementation and Enforcement of Environmental Law (IMPEL) has developed a reference book for environmental control[210].

Despite these actions, it is evident from the stakeholder engagement that enforcement procedures are variable from one Member State to the next. Indeed, enforcement procedures have been the subject of much research in recent years and IMPEL (2011)[211] examines tools to evaluate the performance of environmental inspectorates across the EU. It is necessary to consider these differences when developing a methodology to compare SMEs environmental compliance rates at Member State level. For example, we know that some Member States have lower inspection rates than others. But how can we establish a level playing field to allow for comparative analyses of SMEs compliance levels?

Most Member States appear to use a combination of enforcement by the local or regional authorities and the national environment agency. In the UK, environmental issues are devolved to the regions of Scotland, Northern Ireland, England and Wales[212]. The Environment Agency for England and Wales is responsible for enforcing water and waste regulations and Local Authorities are responsible for enforcing air quality and contaminated land regulations. In Ireland, SMEs that do not operate under an IPPC licence are inspected by the local authority. Enforcement of regulation is generally through inspections. These can be very infrequent, for example farms are visited once every 20 years (on average), whereas IPPC sites can be visited anywhere between one and four times a year.

Only SMEs covered by a permit or licence are routinely inspected in the UK. SMEs tend to fall under the radar and are not required to report on their compliance rates. Whilst data on SMEs' compliance is

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[210] IMPEL Reference Book for Environmental Inspection; Guidelines for implementation of control activity.
[211] IMPEL (2011) Exploring qualitative and quantitative assessment tools to evaluate the performance of environmental inspectorates across the EU
[212] In England and Wales, the Environment Agency is responsible for enforcing environmental legislation, along with Local Authorities. In Scotland, the regulator and enforcement body is the Scottish Environment Protection Agency and in Northern Ireland it is the Northern Ireland Environment Agency.

not readily available in the UK, there is a record of enforcement actions which have been taken (e.g. enforcement notices, prosecutions).

The enforcement procedures in the UK are in-depth and comprehensive and based on inspections. The Environment Agency has a system known as Compliance Classification Scheme and Enforcement and Prosecution Policy. Where non-compliance occurs, a period of time is normally given to allow the offender to resolve the non-compliance. If a significantly harmful incident occurs, enforcement action is taken in parallel with corrective actions.

The UK Environment Agency uses an intervention system for larger businesses using a risk-based approach to environmental damage: the greater the risk to the environment from non-compliance, the more frequent the intervention. The system assesses risk for all sites inspected by the Environment Agency. The lack of data on SMEs means that there is limited evidence about their levels of compliance or the factors that affect their compliance. Most information relates to the agricultural sector, where farmers' ability to understand regulations and their acceptance of them are key factors, alongside the costs of implementing regulations.

The UK Environment Agency states that initiatives for measuring (and improving) environmental compliance or performance of SMEs varies across regulatory regimes depending on the history of the regime and the perceived level of environmental risk from non-compliance. The main factor in achieving improved SME compliance is communication. However, at present there are very few initiatives designed to build the capacity of officers to regulate SMEs.

In Germany, the inspection process is also decentralised and the regions (Lander) are responsible for the administration and enforcement of environmental legislation. In Bavaria alone there are nearly 100 local authorities. The Federal Government is responsible for designing and passing most environmental legislation. In Germany, IPPC sites are normally inspected once a year or more frequently if the site has known problems. Sites that do not have hazardous potential are inspected less frequently. Inspections focus on compliance and reasons for non-compliance. Every company must be compliant, and if they continue to be non-compliant, they will be closed. The inspection allows the authority to have discussions with the company to see if the problem is simple or complex. In this context the economic situation of the company and employment issues are to be taken into account. The company will get some time (up to 6 months, if possible) to solve these problems. Then the necessary inspections will be carried out.

In Bulgaria, there are 16 enforcement authorities which monitor environmental compliance regionally. Control activity relating to environmental non-compliance is performed centrally by the Ministry of Environment and Water. This includes carrying out preventive, current and follow-up actions in accordance with the requirements stipulated in sectoral environmental law.

Hungary and Slovenia do not report having an inspectorate nominated for monitoring environmental compliance, nor do they have documented procedures for dealing with non-compliance amongst SMEs.

In Poland, data is collected at the regional level. Each of the 16 Voivodships (regions) has an Inspectorate of Environmental Protection which is responsible for the inspection and control of environmental compliance. The enforcement procedure captures data on number of inspections, which inspections detected non-compliance and the number of different post-control actions, including sanctions. This data is used to inform the general public on overall compliance with environmental legislation. It is also used to improve the legislation, as a frequent non-compliance might prove that the legislation has been wrongly drafted.

16.5.2 Proactive, "soft" approaches to promoting greater compliance rates

There are also proactive, "soft" approaches which are being used to reduce the number of incidences of non-compliance across EU Member States before they happen. This is also described as self-regulation. The UK suggested that the best way to ensure compliance is though promotion of

compliance and education. However, there is not enough resource or infrastructure in place at present for this to have a positive impact on compliance rates (SNIFFER and Manchester University, 2009).

Weigand (2009) suggests that regulatory innovation should involve more cooperation and less "command and control". It should be possible to encourage greater self-responsibility amongst industry and commerce without lowering environmental standards. Successful self-responsibility should be rewarded: for example, where an SME has taken responsibility for improving its environmental compliance, a reward should be given. National governments and the European Commission can assist by promoting better regulation, e.g. simplification of environmental law, to make it easier for SMEs to understand.

Weigand (2009) also recommends that the following aims and objectives must be met in order to establish effective self-compliance:

- To affirm a high priority to the development and implementation of innovative regulatory solutions to achieve increased levels of environmental protection.

- Establish partnerships between industry (including SMEs), government and SME support organisations.

- Promote regulatory efficiency (inspections, data collection) and encourage sustainable business practices.

Even with greater emphasis on self-compliance, there must be assistance to accompany any method for measuring environmental compliance amongst SMEs, to ensure the relevant knowledge, skills and expertise are available to SMEs (OECD, 2009).

In the UK, for example, the Environment Agency and local authorities are proactive in providing assistance and guidance to help SMEs comply with environmental legislation. The NetRegs website[213] is run by the Government and provides guidance on environmental regulation for all types of businesses. This is one area where stakeholder identified further assistance would be necessary to ensure SMEs understand their compliance duties.

Enterprise Ireland is an initiative which provides environmental support to businesses including SMEs. This support includes "how-to" guides, case studies, tools and databases which aim to increase the environmental performance/awareness (including the areas of eco-innovation and energy efficiency) of the SME sector, e.g. Implementing Environmental Standards[214].

The Business Innovation Fund[215] is an official government initiative established in autumn 2009 under the Danish Ministry of Economic and Business Affairs on the basis of a broad political majority in Parliament. The Business Innovation Fund is serviced by the secretariat of the Danish Enterprise and Construction Authority. The Fund is directed at SMEs working in the area of environmental management. About EUR 100 million has been allocated to the fund for the period 2010-2012. SMEs can apply for grants within three focus areas: innovation, market maturation and change-over.

There is an ongoing dialogue between the Business Fund and the different business associations in Denmark. Business associations are positive about the Fund, particularly given that 87% of all participants have fewer than 50 employees is regarded as a success[216]. Given that the Fund is a relatively new initiative, there are limited lessons learned.

The Bulgarian Ministry of Environment and Water has developed manuals and methodological guidelines for the implementation of Bulgarian environmental legislation in the fields of air quality, water quality, waste management, nature protection, industrial pollution and risk management, chemicals and genetically modified organisms. The Ministry supports the control activities of the Regional Environmental Inspectorate.

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[213] http://www.netregs.gov.uk/netregs/default.aspx
[214] http://www.enterprise-ireland.com/en/funding-supports/Company/Esetablish-SME-Funding/Implementing-Environmental-Standards.html
[215] http://www.fornyelsesfonden.dk/english/about
[216] Note that some of these businesses might have less than 10 employees and would be classified as "micro" organisations using the EU definition.

In Slovenia, there is no direct support offered to SMEs to help them comply. However there are several sectoral organizations including the Chamber of Craft and Small Business which offers free and/or subsidized advice on environmental issues, trainings, seminars and workshops on regional and local level.

In Poland, incentives have been introduced to encourage enterprises to join EMAS. These include free training sessions and counselling organised by the Ministry of Environment. Additionally, the Chief Inspectorate for Environmental Protection has prepared a webpage for SMEs containing information on environmental requirements.

16.5.3   How is data used to inform or change support for SMEs?

There is little evidence of how the data that is collected on SMEs compliance is used to influence the support provided to help SMEs comply with environmental regulation. This is likely to be due to the fact that data on SMEs compliance is not collected separately from other businesses compliance, therefore the effect is unknown.

In Ireland, however, compliance data is available for those SMEs that receive grant funding. Enterprise Ireland has found that in certain manufacturing sectors, e.g. machine engineering and metal fabrication, companies that are regularly assessed are more likely to comply with regulation and best practice guidelines than companies that are not regularly assessed.

16.5.4   Systems to monitor the environmental performance of SMEs

Environmental performance and compliance with legislation go hand in hand. If a company demonstrates good environmental performance, it is more likely that it will be compliant with environmental legislation.

The stakeholder survey suggested that there are very few systems in place to monitor the environmental performance of SMEs. ISO 14001 and EMAS are the main systems reportedly used to monitor the environmental performance of SMEs (UK, Germany, Ireland and Bulgaria).

In the UK, the number of SMEs registered to ISO 14001 or EMAS is not collated by the UK Government, but this information would be available for all Member States through the verification bodies, namely the International Organisation for Standardisation (ISO 14001) and the European Union (EMAS). It is reported that there are 775 organisations certified under ISO 14001 in Bulgaria. There are no EMAS registered organisations in Bulgaria at present[217].

In Poland, the Inspection for Environmental Protection has prepared a new system of control based on a recent project to improve the implementation and enforcement processes of environmental law in Poland[218]. The project aimed to determine suitable enterprise inspection frequencies using the Polish Integrated Risk Assessment Method. This method uses a risk scale for various criteria, which are connected to an enterprises environmental impact. The number of points (final risk score) is determined using a simple calculation and characterises the risk of enterprise's potential impact on the environment. This is used to establish the category of inspection frequency. SMEs are usually in category 3-4 and are inspected every 3-4 years or less frequently. Small enterprises which tend to have very little environmental impact are in category 5 and are only inspected if complaints occur. Environmental management systems within the enterprise influence the category and consequently the inspection frequency. Monitoring and reporting requirements are determined according to EU and national legislation and depend on emissions. All enterprises are obliged to deliver reports on waste generated. Data on environmental performance is sent to Marshalls and Voivodship Inspectorates for Environmental Protection, which is the regional level.

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[217] Only 47 Bulgarian SMEs were ISO 14001 certified by January 2006. The sectoral break down showed that most of these SMEs were construction, followed by food, chemicals, processing, textiles and public administration, as well as minerals, gas, plastic products, metals, transport and electronics. The average for all of the 12 NMS (including Bulgaria) is 517. Energy Agency of Plovdiv,
http://www.smefit.eu/IMG/pdf/Bulgaria_environmental_legislation_-_NCSC.pdf
[218] Project PL0100 "Improving the efficiency of Polish Environmental Inspection, based on Norwegian experiences"
[http://www.gios.gov.pl/pl0100/docs_eng.html]

There are no reported systems in place to monitor the environmental performance of SMEs in Hungary and Slovenia. EMAS and ISO 14001 would be useful systems to gather data on SMEs compliance and performance but at present these Member States are not considering using these as a tool.

In Ireland, SME support organisation Enterprise Ireland monitor the environmental performance of those SMEs receiving grant funding only.

16.6 Barriers to measuring SMEs compliance at Member State level

There are a number of challenges faced in developing a method for measuring compliance. Barriers can be split into five categories: regulatory, financial, personnel, social and political and logistical.

16.6.1 Regulatory

On one hand, it is suggested that unless there is a mandatory reporting requirement, SMEs will not be forthcoming with compliance data due to lack of time, resources and money. On the other hand, it has been suggested that the traditional command and control enforcement regime forces companies to comply and this is not always successful. Instead, it would be more effective to convince SMEs to comply, that is to make them understand their responsibilities in a more supportive manner.
In relation to this, it has been reported that a lack of pressure from local authorities for ISO 14001 or EMAS certification from companies applying for government projects is holding back achieving better environmental performance. This could be addressed by introducing "green" public procurement legislation[219].

16.6.2 Financial

In many Member States, businesses do not see the connection between environmental and economic performance. Most SMEs tend to concentrate on short term core business activities since they have limited financial resources. However there is some evidence to suggest that this is changing. A study by the Polish Environmental Partnership Foundation (2009)[220] showed that over 60% of Polish SMEs were willing to invest funds in technological or organisational environmental improvements as long as they generated financial benefits. Despite this, 67% of SMEs said that their businesses have little impact on the environment and 7% of respondents believed that they had no impact on the environment.

In two studies carried out by Danish Technological Institute[221], 1,000 and 900 Danish SMEs respectively were surveyed about their energy consumption and energy management. It was found that in companies where the energy bill is more than 20% of overall costs, 72% SMEs are attempting to reduce their energy consumption. This demonstrates awareness of the connection between environment and economic performance.

In Bulgaria, only 14% of SMEs meet all environmentally related requirements, but at the same time 73% of all Bulgarian companies are not making any environmental investments. If more companies were to invest, it is likely that compliance would be greater. As well as this, only 3.4 % of businesses understood the link between a socially responsible business and environmental protection[222].

16.6.3 Personnel and expertise

In many Member States, including Bulgaria and the United Kingdom, there is still tendency for managers to have a low understanding of EU environmental legislation requirements. Particularly

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[219] From Energy Agency of Plovdiv, Bulgaria: Bulgarian SMEs and environmental legislation.
[220] http://www.environmentalpartnership.org/ in Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry.
[221] Danmarks Vækstlag and Region Syddanmarks Vækstbarometer in Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry.
[222] Energy Agency of Plovdiv

amongst SMEs, personnel tend to fulfil more than one role. This means that someone responsible for health and safety is often also responsible for environmental compliance. Lack of time and environmental expertise are other common barriers in achieving good environmental performance and environmental compliance.

16.6.4 Social and political

Evidently there are numerous political and social differences between Member States. For example, what is a 'good' or 'acceptable' level of compliance and how does this vary from one Member State to another? There are also enforcement differences, including rates of, and approaches to, inspections (e.g. IMPEL, 2009). For example, higher inspections rates in the UK will result in more penalties for non-compliance. This could translate into more SMEs complying compared with a Member State where enforcement is less entrenched.

Indeed IMPEL (2009)[223] carried out a study to develop performance indicators for environmental inspectorates but it was found extremely difficult to define EU-wide comparable indicators: data variety and the range of answers was high. This reflects the difficulty that might be faced in using indicators to measure compliance amongst SMEs at Member State level.

In general, regulations are not designed around the size of businesses. Similarly regulatory regimes are designed around the level of environmental risk and not to address the particular needs or challenges encountered when regulating SMEs. Therefore, any new methodology for measuring SMEs compliance might require inspection and enforcement procedures to be adapted to take into account the number of SMEs and their needs.

16.6.5 Logistical

There are also logistical barriers in terms of collecting compliance data on SMEs at Member State level. For example, Italy has the highest number of SMEs of all EU Member States, with a total of 3,701,026, equivalent to 20.3% of all EU SMEs. Spain has the second highest number of SMEs (2,360,618 or 12.9%) followed by France (2,166,342 or 11.9%)[224].

The following section suggests ways to overcome this type of barrier to measure SMEs environmental compliance at Member State level. One way to simplify data collection would be to use an existing system such as EMAS or Companies House, which is the official UK Government register of UK businesses. Additionally, how can the quality of data and method of reporting be made consistent to allow for comparable results?

16.7 Methodologies for measuring SMEs compliance at Member State level

Based on the evidence gathered in this task, from stakeholders and the literature, this section explores four possible methods that could be developed to measure SMEs compliance with environmental legislation at Member State level. The four methods are:

1. Indicators
2. Surveys
3. EMAS
4. Voluntary agreements

Each of the subsequent sections provides a description of the method followed by a discussion of the advantages and disadvantages, requirements of the Member State and/or other administrations and any other useful suggestions provided by the stakeholders.

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[223] Developing performance indicators for environmental inspection systems [http://impel.eu/projects/developing-performance-indicators-for-inspection-systems]
[224] RSO SPA. Lot 2: Organisation of training seminars in Member States in support of the Environmental Compliance Assistance Programme for SMEs. 31 March 2008.

The evidence gathered during this task identified a number of recurring themes which should be central to the development of a method to measure SMEs compliance rates at Member State level. These themes are outlined as follows:

Data collection and analysis

It is also important to consider who will be responsible for collecting compliance data in each Member State. If data collection by Member States is voluntary (such as through use of voluntary agreements), it is suggested that trade bodies would be best to collect the data as they have a closer relationship with SMEs than governments. If data collection by Member States is mandatory, it should be done by a government regulatory body as they are already equipped to carry out inspections. In many cases, the regulator will already know which SMEs are non-compliant and they should simply specify whether the audited entity is an SME. For some methods, SMEs could be required to complete a self-assessment (e.g. surveys, indicators) whilst use of EMAS to monitor compliance would be overseen by qualified auditors.

It seems logical that Member States would submit compliance data to the European Commission for analysis. There are a number of benefits to collecting this data, including to inform future compliance assistance and to detect flaws in the design of environmental legislation. The European Commission could also use the data to set performance indicators and create a league table of all Member States. This might stimulate demand for innovative approaches to helping SMEs improve their environmental performance and compliance, as no Member State will want to be at the bottom of the league.

Ranking of legislation

Basic environmental compliance indicators will indicate how many SMEs are compliant or non-compliance within a given reporting period. While this provides a useful high level statistic, it would be more valuable to know which legislation SMEs struggle most to comply with and therefore where environmental compliance assistance should be focused, in terms of Member States and/or industries or sectors. This would also help SMEs to understand which legislation they are required to comply with.

Legislation could be ranked in terms of the level of harm caused to the natural environment and/or human health resulting from non-compliance. Are SMEs largely compliant with legislation that could result in severe harm to the environment or human health, e.g. Asbestos or Hazardous Waste but struggling to comply with the less harmful environmental legislation, e.g. Packaging Regulations? Legislation could also be ranked in terms of potential cost savings due to compliance (see Figure 16.1).

Figure 16.1 Ranking of legislation according to potential cost savings resulting from compliance and environmental damage/harm to human health due to non-compliance
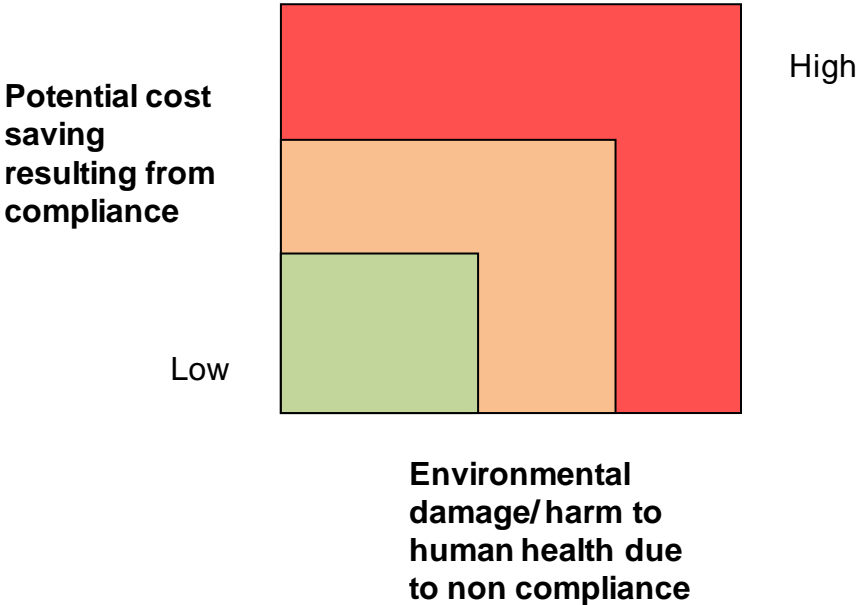
16.7.1   **Indicators**

Indicators provide easy to observe evidence on the state of an environmental system, making them an attractive option for measuring environmental compliance amongst SMEs. They provide a snapshot of information on compliance, but this data can also be used to inform future compliance assistance and policy direction.

Indicators can increase transparency and accountability towards environmental compliance, thus promoting trust and confidence in the performance of the company and improving their reputation. If used appropriately, indicators can also improve budget and resource control, ensuring compliance is achieved in a cost-effective manner.

Guidance produced for Eastern Europe, Caucasus and Central Asia (OECD, 2009) aims to improve performance measurement systems within the government authorities responsible for environmental regulation and compliance assurance. Indeed there is growing recognition that the fixed format of indicators can provide stakeholders with 'accurate, impartial, and easy-to-understand information' to allow governments to measure environmental regulatory compliance. This is seen as an advantage over the use of more subjective methods which utilise less well defined categories and are therefore less comparative.

Indicators should allow performance to be monitored, promoting a process of continual improvement whereby achievements and challenges are addressed. Indeed indicators can be used in parallel with environmental audits which are often conducted as part of an environmental management system (EMS). This would allow SMEs to measure the environmental, organisational and managerial performance of their EMS, including levels of legislative compliance. Indicators are a useful tool to help achieve continuous improvement of environmental performance and compliance (Biondi et al, 1998, OECD, 2009).

Figure 16.1 provides examples of indicators that are used to measure environmental compliance in EU Member States.

Of course there are challenges associated with the use of indicators to measure compliance. Underdal (2002) argues that measuring SMEs environmental compliance requires *judgmental assessment* rather than straightforward observation and measurement, depending on the policy or legislation in question. The difficulty lies in translating subjective assessments into a common scale to allow for comparison between Member State's SMEs. Numbers can generate scepticism and criticism which is

not provoked by descriptive assessments. Numerical scales are also more constraining. Additionally, a single set of indicators will not be applicable to all SMEs across Europe (Hall, 2005).

Mazur (2010) lists four OECD criteria that should be used to ensure environmental indicators are designed effectively: measurability, analytical, soundness and policy relevance. For each criterion, there are key challenges which include resource limitations for data collection, complexity of defining scope and accounting for the severity of violations (e.g. in designing compliance rates – refer to the section on ranking environmental legislation). Mazur argues that indicators are not comparable across different regulatory regimes (e.g. centralised inspections versus decentralised inspections). However it must be acknowledged that there are a wide range of regulatory procedures across EU Member States, and indicators can be used to reflect on the effectiveness of these to inform future compliance assistance support.

Figure 16.2 Examples of indicators used to measure environmental compliance in EU Member States

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Examples of indicators used to measure environmental compliance in EU Member States

Scotland and the UK
The Scottish Environment Protection Agency is responsible for enforcing environmental regulation. The six outcomes that SEPA achieves for Scotland's environment are:
- Minimised, recovered and well-managed waste;
- Good water environments;
- Good air quality;
- Good land quality;
- A respected environment: protected, informed and engaged communities; and
- Economic well-being.

For these six outcomes, SEPA has indicators which help establish its performance and thus Scotland's wider rate of compliance. Indicators include the weight of municipal solid waste produced per head of population; rivers classed as poor or seriously polluted; mass emissions to air from industry; and flood warning readiness.

SEPA's success at regulating is measured by the percent of operators who comply with the licence conditions set. Overall, SEPA aims to maintain the levels of operator compliance and operator performance at authorised installations. Specifically, SEPA aims to achieve 95 percent compliance with the Control of Pollution Act; 92 percent compliance in both Integrated Pollution Control and Air Pollution Control; and 90 percent compliance in Waste Management Licences.

In the UK, environmental performance indicators include number of serious breaches of permit conditions and number of incidents at site (Mazur, 2010). Data for these indicators is collected by the regulator and local authority officers. The method for collecting and recording data is simple and easily replicated across EU Member States; indeed many Member States already use this method.

Belgium
In Belgium, the Flemish Environment Inspection Section exists to prevent nuisance, damage and serious accidents; and to preserve the environmental quality and to improve it where possible. To achieve this aim, the Environment Inspection Section has drawn up strategic objectives and is implementing several processes, the key process being enforcement. At a time when governments are implementing huge spending cuts, Pareto's 80/20-rule is applicable to compliance monitoring: in many cases, 80 percent of the wanted effects can be obtained within 20 percent of the time (Bernaert, 2003). This idea should be kept in mind in the development of a method to measure environmental compliance amongst SMEs.

Netherlands
In the Netherlands there are about 600 pieces of environmental legislation in which the Inspectorate for Housing, Spatial Planning, and the Environment has a task to enforce compliance. To understand which task is urgent and how to enforce compliance in a smart way, the Inspectorate has developed a Compliance Strategy. This Compliance Strategy is based on risk and compliance indicators, as well as knowledge of reasons for non-compliance. The strategy can be seen as a way to make compliance transparent and to use the newly developed indicators for several purposes: doing the right things (priority setting), doing the things right ('smart' enforcement) and for accountability (Van Der Schraaf and Van Der Plas, 2003).

Hungary
In Hungary, indicators are used to measure environmental legislation compliance for organisations using the environment but these are not specifically for SMEs. There is an Official Register System where the data are captured.

Slovenia
In Slovenia, environmental legislation compliance is measured indirectly using more than 100 environmental indicators. These include waste indicators (e.g. municipal waste treatment), water indicators and air quality indicators (e.g. SO_X emissions). There is a potential logistical barrier around using such a large number of indicators to measure compliance.

In response to these challenges, Mazur (2010) suggests addressing specific sectors of the regulated community in measuring compliance rates, e.g. only those requiring a legislation permit or licence. There could be a focus on serious environmental violations (e.g. compliance with hazardous waste regulations) in defining compliance rates, indicators of re-offence and duration of non-compliance. Alternatively, it might be useful to concentrate on priority pollutants such as NOx and SOx. Ultimately the use of indicators should help to identify relationships between compliance rates and compliance assistance activities.

One stakeholder suggested that it is important for environmental performance indicators to feed into regional and national government targets. At the same time, these links must be communicated to SMEs so that they are aware of how their environmental compliance can help meet these targets. This can encourage SMEs to contribute towards ambitious regional and national goals. For example, the benefit of applying the waste hierarchy is that the SME will save money, as well as helping the Member State to meet its landfill target.

Figure 17.3 shows some indicators established by Dimovski and Zzhechov (pers. comm.). These indicators would be useful when exploring reasons why a Member State has a certain level of compliance or non-compliance. For example, assume 74% of SMEs in France were compliant with environmental legislation compared to 69% in Italy. This information needs to be supplemented to find out which sectors are less compliant, why there are differences in compliance rates and how compliance assistance can be targeted more effectively (by the Member State, European Commission or SME support organisations). Using indicators as shown in Figure 16.3 will allow this evidence to be collected for each Member State, thus informing policy and legislative change.

Figure 16.3 Indicators for use when examining reasons for compliance levels in each Member State

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Compliance assistance and promotion indicators
1 = environmental legislation is widely available through public sources.

2 = some basic compliance assistance is provided by environmental authorities directly or by sub-contracted agencies.

3 = regular compliance assistance programmes (training, dissemination of good practices, education through mass media, etc) exist.

4 = compliance assistance is tailored to different groups of the regulated community.

5 = information-based instruments (compliance rating schemes, pollution release and transfer registers, eco-labels, etc) are used to promote compliance.
(Source: Dimovski and Zzhechov, pers. comm).

Indicators have a very useful role to play in measuring SMEs compliance with environmental legislation at Member State level. They provide easy to observe evidence on the state of an environmental system, making them an attractive option for monitoring levels of environmental compliance amongst SMEs. Refer to Section 16.9 for an assessment of the use of indicators as a tool for measuring compliance.

16.7.2   Surveys

Surveys are described as one of the most valuable sources of information on the behaviour of companies and their implementation of, and compliance with environmental regulation. They are widely used to gather quantitative and qualitative evidence on environmental performance and management, as well as legislative awareness. In 2003 the Empirical Policy Analysis Unit of the OECD Environment Directorate conducted a survey of over 4,000 manufacturing firms in Canada, the US, France, Germany, Norway, Hungary, and Japan. Companies were surveyed on their environmental management practices, technical measures that been adopted to address environmental impacts and factors that influenced environmental policy and behaviour at the company. In 2003, the UK Environment Agency commissioned a study of over 8,000 SMEs. The survey divided firms into categories of micro (<10 employees), small (10-50) and medium (50-250) and investigated level of uptake of environmental management systems, implementation of environmental actions, level of legislative awareness, and sources of guidance or influence.

A drawback to using surveys to measure environmental compliance is that respondents may have an incentive not to reveal information truthfully in a survey, particularly in surveys conducted by regulatory agencies. For example, a company's reputation could be damaged if it has failed to comply with regulation in which case the company might not respond truthfully. This poses a risk that surveys might not provide a true reflection of compliance rates (Shimshack, 2007). In this case, it might be more effective to get SME support organisations to collect compliance data, since there is a stronger relationship between the SME and the support body.

As discussed, given the vast number of pieces of legislation across the EU, a ranking system would be essential to identify where most non-compliances occur (e.g. in which Member State and sectors?) Additionally, it would be important to establish a procedure for completion and submission of surveys. This is likely to require administrative assistance from the European Commission and the Member States in order to obtain a representative picture of compliance rates across the EU.

Consideration should be given to whether data submission is mandatory as this will affect response rates as well as helping to select the appropriate data collection method. The close relationship that typically exists between SMEs and SME support organisations could be used to promote high response and participation rates. By working with SMEs to obtain compliance data, SME support organisations will impart their expertise thus building knowledge and understanding of environmental compliance and performance within the SME. This was identified as important to stakeholders engaged with in this study.

One stakeholder suggested using surveys to measure SMEs compliance rates, based on a loose four stage process. Based on this suggestion and the wider evidence gathered from the literature and other stakeholders, Figure 16.4 illustrates how surveys might be used to monitor SMEs compliance at Member State level.

Figure 16.4 Four-step process to measuring SMEs compliance using surveys
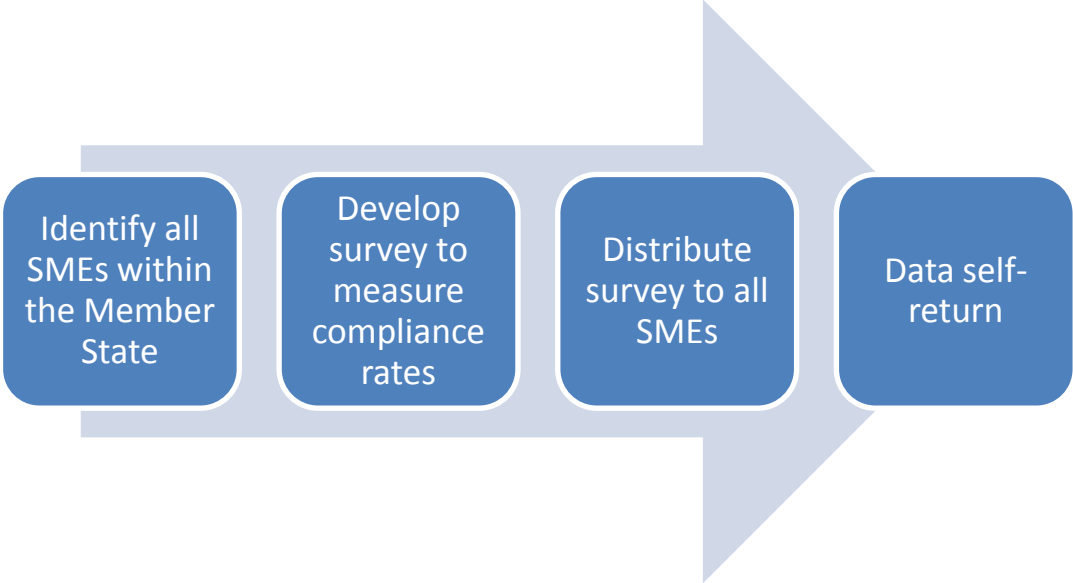
To be able to measure compliance rates, the first step is to identify how many SMEs exist within each Member State. This could be a major logistical barrier. However, most Member States have company registries, and in some cases Chambers of Commerce or similar bodies also hold this information.
The next step would be to develop a survey to capture data on environmental performance and compliance levels (one per Member State). The Member State would need assistance to market and distribute this to SMEs, and then require further help to gather and assess compliance data returns. This requires administrative support and would be very resource intensive.

It would be imperative to use a simple and consistent format due to the resource limitations facing many SMEs. The frequency of the survey issue and return could be once every one or two years,

depending on the capacity of regional and national governments, and the European Commission, to facilitate data collection and analysis.

Having developed a survey and distributed it to all SMEs within a Member State, the next step would be to collect and analyse responses and establish levels of non-compliance.

Surveys are described as one of the most valuable sources of information on the behaviour of companies and their implementation of, and compliance with, environmental regulation. They could be used in parallel with indicators to provide understanding of why some Member States SMEs are less compliant than others. Refer to Section 16.9 for an assessment of the use of surveys as a tool for measuring compliance.

16.7.3   Environmental management systems auditing

From the literature and stakeholder engagement, it is evident that environmental management systems, particularly EMAS, have a role to play in measuring SMEs environmental compliance. There is strong evidence that having an environmental management system in place positively influences environmental performance and management (Biondi et al, 1998; NIEA, 2009) however there is no requirement for ISO 14001 accredited companies to be legally compliant: they simply have to demonstrate that they understand which legislation they should be compliant with using the legislation register.

Given the growing raft of environmental legislation that SMEs have to implement, combined with fewer personnel and their cumulative environmental impact, it is essential that SMEs have an effective way to measure and monitor their compliance. There is strong emphasis on compliance monitoring (including SMEs) through EMAS. Article 4 of EMAS[225] states that compliance is mandatory and a company will not be registered if it is non-compliant. Registration is only possible if the auditor has confirmed the company's approach to compliance.

EMAS also promotes continual environmental improvement. To achieve EMAS registration, a business must adopt an environmental policy containing commitment both to comply with all relevant environmental legislation and to achieve continuous improvements in environmental performance. This requires KPIs to be set, thus providing a mechanism to monitor environmental compliance.

In addition, EMAS promotes self-regulation and can help to build SMEs knowledge and understanding of environmental management. It is possible that command and control procedures will become less effective for enforcing legislation given the growing shortage of resources facing Member States. It is therefore going to be increasingly important to build capacity amongst SMEs to be aware of their own environmental performance. One stakeholder suggested that is more effective to convince SMEs to comply by helping them understand their responsibilities, and then to reward them for doing displaying positive environmental behaviours. For example, IMPEL tries to influence this shift of paradigm by telling businesses that *cooperation is better than confrontation*. This idea of self-regulation demands even greater ongoing environmental compliance assistance from the European Commission, national and regional governments, as well as SME support organisations.

Chapter 11 discussed the challenges facing SMEs in implementing EMAS compared to a non-formal, regional and more accessible EMS. It also examined the benefits of EMAS to SMEs. It is recognised that there is still some way to go in promoting EMAS uptake in SMEs; indeed take-up of EMAS among SMEs is very low. The stakeholder engagement exercise (task A8) revealed that only two thirds of respondents were aware of EMAS III Regulation and EMAS Easy. Of this, about half of the SMEs responding said they were not aware. This suggests that EMAS Easy has had some impact but it has not convinced everyone.

Chapter 11 also considered the steps being taken by the European Commission to improve the accessibility of EMAS to SMEs. EMAS III, for example, has provisions specifically for SMEs, including proportionate fees for registration and promoting access to funding and expert information. EMAS Easy is a tool that was designed to make EMAS accessible to SMEs. It is designed to simplify procedures, lower the barriers to knowledge as well as consulting and certification costs.

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[225] Art. 4 Nr. 4 EMAS III: *Organisations shall provide material or documentary evidence showing that the organisation complies with all applicable legal requirements relating to the environment.*

The main barrier preventing SMEs from implementing EMAS is cost; in terms of money, time and skilled resources. More support is needed from the European Commission and Member States, as the advantages of EMAS are enormous. If there was partial or full funding to help implement EMAS, then EMAS would provide a useful vehicle for collecting data on SMEs compliance.

For example, the EcoBusinessPlan in Vienna is funded by national and local government and in partnership with private organisations and NGOs. The programme provides consultancy services to encourage businesses to adopt EMAS and other environmental improvement projects. Step by step schemes such as Ekoscan in the Basque Country and 1,2,3 Environnement in France also provide funding for SMEs until they gain EMAS registration

There is also an argument that the EMAS verifier cannot prove an SME is compliant with environmental legislation. However in all Member States the verifier is licensed and monitored by the State, so trust is high. In many ways, this can be more reliable than state enforcement as inspectors do not always see incidents of non-compliance, particularly given the lack of time and money to carry out inspections. However, Member States with a well-established centralised inspection system may have difficulty in seeing the potential of EMAS if they are not made aware of its benefits over the traditional approach.

In the Bavarian region of Germany, the Ministry for Environment engage with businesses, including SMEs, and use best practice and success stories to explain the benefits of EMAS certification. The Bavarian Ministry try to reward EMAS registered businesses with simplified and less frequent inspections and reduced permitting fees. This contributes to a more efficient inspection process.

The current incentives offered to EMAS verified businesses in Bavaria include:
- 30 % reduction of license fees for industrial installations with EMAS-registration
- 50% reduction of charges for water use for companies with EMAS-registration
- Reduction of charges for special waste control for companies with EMAS-registration
- Equal treatment of companies with ISO 14001 certification[226].

There are very few reporting requirements for SMEs at present and it was suggested by stakeholders that to measure compliance effectively there must be a legal requirement for SMEs to provide this data. For example, one stakeholder suggested that it would be beneficial if the next version of EMAS was legally binding.

It was also stated that if EMAS was written into every piece of European legislation, this would guarantee a more consistent approach to environmental management and compliance. If EMAS is not integrated in a cross-cutting way at EU level, there will be problems convincing Member States of its importance at national level. Of course, this would require significant administrative input.

EMAS is a very useful tool for measuring SME compliance with environmental legislation. It is well established, but there are barriers that must be overcome if uptake is to be increased. However, it has the advantage of increasing knowledge and understanding of environmental management within SMEs. The use of EMAS has clear benefits for SMEs as well as the European Commission and Member States. Please refer to Section 17.9 for an assessment of the use of EMAS as a tool for measuring compliance.

16.7.4   Voluntary agreements

Voluntary agreements exist between SMEs and Member State administrations, often at the regional level. They are widely recognised by stakeholders and in the literature as being useful mechanisms for improving environmental performance. Typically, SMEs will become a signatory to a voluntary agreement which commits them to improving their environmental performance.

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[226] Simplification and administrative incentives, Bavarian Environmental Agreement
ECAP Workshop - Better Regulation: Minimize the administrative burden and increase the voluntary agreements on environmental compliance.
June 12, 2009 in Rome, Italy[226]

Voluntary commitments must enable regional, national and/or EU targets to be met: there must be a tangible environmental benefit associated with such agreements, for example reducing waste to landfill or reducing CO_2 emissions. There is also the added benefit of using such commitments as a marketing tool, but this should not be the main benefit.

The Leeds Climate Charter is a voluntary agreement whereby the City Council signposts businesses of all sizes to advice and tools to help them improve environmental performance as well as reduce emissions and save money. The Charter also encourages businesses who have achieved environmental improvements to help others by providing a hub of like-minded businesses.

The Scottish Environment Protection Agency uses voluntary agreements and promotion of best practice to increase environmental compliance amongst SMEs. SEPA uses the promotion of voluntary agreements in areas such as agriculture, oil disposal campaigns, sustainable urban drainage, and in regulation of certain smaller organisations and premises. Specific approaches to communicating with SMEs on regulatory topics also promote the use of good practice in energy, water and waste. A series of initiatives such as waste minimisation, diffuse pollution and habitat enhancement are also dedicated to promoting best practice (Holden, 2003).

Businesses that go beyond basic environmental compliance are usually not rewarded by government or in the market place. The European Commission (2010)[227] states that companies need incentives and rewards as well as the threat of penalties in order to boost their performance. To this end, the European Commission plans to introduce environmental performance reward schemes for companies. This will identify and reward the companies whose environmental performance goes beyond compliance. Figure 16.5 presents a best practice example of an incentive-based voluntary agreement: the Bavarian Environmental Pact.

Figure 16.5 Bavarian Environmental Pact[228]

The Bavarian Environmental Pact is a voluntary agreement between businesses and the Bavarian State Government (Ministers for Economy and Environment) which has been running since 1995.The Pact is updated every five years and is now in its fourth cycle.

Under the Pact, there is a programme for consultants to help SMEs in particular to implement an EMS. After an audit, preparation of EMAS by an external consultant is supported. The Pact tries to inspire SMEs to install EMAS (benefits include funding from Government and cost savings from resource efficiency, avoidance of fines and reduction of fees).

The Bavarian Environmental Agreement provides a new incentive-based approach to environmental policy favoured by the Bavarian Government and industry. The Bavarian Environmental Agreement was first developed in 1995, with re-edited versions published in 2000 and 2005. SMEs pay a fee to participate in the Agreement. They are then required to commit to certain environmental objectives, with the agreement of public bodies, in order to improve environmental performance. Objectives are reviewed regularly and if a company meets its objectives, it will be given a subsidy or relieved of certain administrative duties. The Agreement aims to promote more effective environmental protection, with improved cooperation between the State and industry.

The Bavarian Environmental Agreement has proven its ability to deliver enhanced compliance with environmental legislation as well as improved environmental performance. The rate of achievement of objectives is high, with 98% of objectives being met between 2000 and 2005. The latest Agreement sees 136 projects and obligations being set and it is hoped that the success rate will be equally as high.

In order to be successful, the Agreement requires high levels of communication and trust, thus the new Agreement will have built-in training on communication and cooperative thinking for administrative personnel. It is hoped that the use of exchange programmes will enhance communication between SMEs and public administration.

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[227] European Commission (2010) Environment 2010: Our Future, Our Choice. 6th EU Environment Programme [http://ec.europa.eu/environment/air/pdf/6eapbooklet_en.pdf]
[228] Pers. comm.. Bavarian Ministry for Water and Environment

Voluntary agreements have potential for use as a compliance measuring and monitoring tool[229]. To be effective in increasing environmental performance and compliance, voluntary agreements must have clear objectives including meeting all legislative requirement. If properly designed, this can deliver environmental improvements in a rapid, cost effective way. If the agreement is incentive based, companies that fail to meet legislative environmental requirements will not receive their reward. However, it would be helpful to provide some assistance to understand why the SME was non-compliant and to help them avoid future non-compliances.

Using commitments to monitor SMEs environmental performance at the Member State level can help to sign post new businesses to areas where the infrastructure, knowledge and expertise is most likely to be available to them. It is recommended that the voluntary agreement contains a requirement for SMEs to consult best practice advice in order to improve their environmental performance and compliance. Similarly, SMEs could be encouraged to participate in knowledge transfer and best practice sharing, such as presenting at seminars or contributing to a monthly e-newsletter. Creating this supply of information will stimulate demand for high environmental performance and compliance.

Weaknesses of using voluntary agreements include difficulty attracting SMEs to cooperate and the reliability of data collected. Incentive based agreements also depend on financial assistance. To realise this method, training, additional knowledge, financial support should be offered by Member State or European Commission.

Voluntary commitments are recognised as useful tools for improving environmental performance and compliance. As well as helping reach environmental improvement targets for the city/region or Member State, voluntary agreements can yield cost savings for SMEs. Voluntary agreements should include incentives to encourage SMEs to go beyond basic compliance. Refer to Section 17.9 for an assessment of the use of voluntary agreements as a tool for measuring compliance.

16.8   Assistance to help measure SMEs compliance rates

The literature and stakeholder engagement indicate that whatever method is used to measure SMEs compliance, ongoing assistance will be essential to help SMEs improve their environmental performance and compliance. A review of international experience in Georgia on small businesses and environmental compliance (OECD, 2007) proposes five overarching actions to working towards improvement of SME compliance and means of assessment. These are:

1. **Supporting activities within environmental authorities** such as:(i) assessment of the environmental significance of SMEs and training staff to better understand the challenges that environmental regulation poses for SMEs; (ii) the development of specific tools to address this issue; and (iii) designation of a "small business ombudsman" who promotes the interests of small businesses within environmental authorities.

2. **Providing easy access to information and conducting regular dialogue**, including: (i) online access to laws and regulations; (ii) analysis and disclosure of information on environmental performance and the specific needs of SMEs; and (iii) seeking feedback from SMEs.

3. **Improving procedural aspects**, including: (i) guaranteeing SMEs involvement in the regulatory processes; (ii) further simplifying permitting approaches and procedures; (iii) establishing clear, SME-tailored self-monitoring requirements and integrating environmental reporting from enterprises; and (iv) simplified and more co-ordinated inspections.

4. **Providing compliance assistance and promoting excellence**, including: (i) development of reference materials for SMEs; (ii) promoting environmental management systems and cleaner production; (iii) facilitating the development of training programmes in environmental

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[229] Simplification and administrative incentives, Bavarian Environmental Agreement
ECAP Workshop - Better Regulation: Minimize the administrative burden and increase the voluntary agreements on environmental compliance. June 12, 2009 in Rome, Italy[229]

management systems and cleaner production specifically for SMEs; (iv) establishing mechanisms for improving contact with SMEs (e.g. direct communication during on-site visits and meetings, or by using IT-based tools); and (v) promoting public recognition of SMEs that are in compliance or go beyond compliance.

5. **Co-operating with non-governmental actors**, including: (i) creating conditions for third parties to serve as indirect enforcers; (ii) fostering thematic business-to-business networking; (iii) encouraging universities to establish academic curricula designed to increase local knowledge about environmental management, cleaner production, labelling, and other policy instruments.

One stakeholder suggested that it would be useful to talk to SME support organisations that already have an understanding of what sectors need support with compliance. This may help to identify different sector compliance rates. This highlights the added value of adopting a methodology to measure SMEs compliance, to focus attention on the sectors and Member States that need most assistance.

Three stakeholders reported that financial and technical assistance either from the European Commission or other Member States would be useful to encourage information exchange, organize training programmes in order that best practices, experiences and methods could be shared and adapted across EU Member States [Hungary, Ireland and Slovenia].

Another stakeholder suggested that assistance would need to be provided by the national regulators and local authorities. The advantage of undertaking compliance work locally is that officers are already familiar with the sites and issues. A national database would have to be established in order for this data to be input by local officers [UK].

16.9 Recommendations for monitoring SMEs environmental compliance

There is good coverage of the difficulties that SMEs face in complying with environmental legislation, but there is very little baseline information on their compliance rates. To this end, the need for measurement of SME compliance at Member State level is widely recognised, and the stakeholder engagement exercise has uncovered a number of useful suggestions for a methodology to do this. The methods discussed in this chapter were:

- Indicators
- Surveys
- EMAS
- Voluntary agreements

While there is an overall lack of evidence surrounding these methods, the stakeholders have suggested a number of opportunities and barriers for each of the proposed methodologies. We have discussed ideas and examples of best practice relating to how these methodologies could be used.
Each of the four methods has been assessed using seven criteria (Table 16.2) based on the complexities described previously. This assessment is summarised for each method in Table 16.3, and forms the basis of our recommendations for taking forward a methodology to measure SMEs environmental compliance at Member State level. These criteria have been selected based on issues raised during the stakeholder consultation and in the literature.

This assessment summarises the pros and cons of each method. It is unlikely that any one method will be suitable for use to measure SMEs compliance. The assessment matrix aims to highlight the strengths and weaknesses of each method, providing a starting point for further research.

Table 16.2 Assessment criteria for methods to measure SMEs environmental compliance

Score	Ease of implementation			Administrative burden			
	Time	Existing or novel method	Compliance monitoring	Cost to SME	Cost to Member State	Assistance required from MS	Assistance required from EC
High (++)	Method can be introduced quickly and easily	Method already exists and is widely used in Member States	Clear indication of how compliance can be monitored\n\nCan be used for all environmental legislation	Cost of set up and maintenance is low\n\nExisting infrastructure and personnel can be used	Cost of set up and maintenance is low\n\nExisting infrastructure and personnel can be used	Little assistance is required from the Member State government (national and regional)	Little assistance from the European Commission would be required to introduce and maintain the method
Medium (+)	Method would take approximately 2 - 3 years to develop.\n\nDevelopment process is open to delays	Method already exists and is used to a limited extent in certain Member States	Ability to monitoring compliance is likely to be easier in some Member States than others	Set up and maintenance would require some additional cost (infrastructure, personnel)	Set up and maintenance would require some additional cost (infrastructure, personnel, financial support)	Some assistance would be required to introduce and maintain the method	Some assistance from the European Commission would be required to introduce and maintain the method
Low (-)	Method would take over 3 years to develop and implement	Method is novel and would require significant effort to set up and maintain across Member States	May be difficult to measure compliance rates, lack of verifiable criteria	Set up and maintenance likely to require significant additional infrastructure and personnel	Set up and maintenance likely to require significant additional infrastructure and personnel	Significant assistance would be required to introduce and maintain this method	Significant assistance from the European Commission would be required to introduce and maintain the method

Score	Compliance and performance effect			
	Degree of self regulation	Compliance or compliance + performance effect	Informs compliance assistance	Number of parties who benefit from method
High (++)	Self regulation is central to the method. This increases SMEs awareness and capacity to respond to environmental compliance issues. Inspections occur infrequently	The method has many benefits for SMEs environmental compliance <u>and</u> performance	The method provides clear evidence on types of compliance assistance required and which Member States and industries/sectors this should be directed towards	The method has far-reaching benefits for all stakeholders: the SME, regional administration, Member State and European Commission
Medium (+)	Some self regulation is required in conjunction with scheduled inspections	The method has some benefits for SMEs environmental compliance and some benefits for environmental performance	The method will provide evidence on which Member States and sectors compliance assistance should be directed towards. It might need to be supplemented with another method	The method has some benefits for multiple stakeholders: including the SME, regional administration, Member State and/or European Commission
Low (-)	There is limited requirement for self regulation and the method is centred around inspections	The method has benefits for SMEs environmental compliance <u>or</u> performance	The method provides little evidence on compliance assistance and where it is needed	The method has benefits for only one stakeholder: the SME, regional administration, Member State or European Commission

Table 16.3 Assessment of each method (based on evidence from literature and stakeholder engagement)

Criteria	Indicators	Surveys	EMAS	Voluntary agreements
Time	+	+	++	++
Existing or novel method	+	+	++	+
Compliance monitoring	++	-	++	+
Cost to SME	++	+	-	++
Cost to Member State	+	+	+	+
Assistance required from Member State	+	+	+	+
Assistance required from ECAP	+	+	+	+
Degree of self-regulation	+	++	++	++
Compliance or compliance + performance effect	++	+	++	++
Informs compliance assistance	++	++	++	+
Number of parties who benefit from method	++	+	++	++
Total score (out of 22)	**16**	**12**	**17**	**16**

16.9.1   Indicators

The use of indicators to measure compliance scored favourably in the assessment shown in Table 16.3. Indicators provide easy to observe evidence on the state of an environmental system, making them an attractive option for monitoring levels of environmental performance and compliance amongst SMEs. They are also already used widely across EU Member States. Ultimately the use of indicators should help to identify relationships between compliance rates and compliance assistance activities.

To measure SMEs compliance at Member State level, a single set of indicators could be established by ECAP, in conjunction with EEN and DG Enterprise and the wider ECAP Expert Group. Data would have to be collected by the Member States (at a regional level) and fed back to ECAP for analysis. This method would be resource intensive up front, but once in place reporting by Member States could take place once every three years to start, and more frequently once the method has become established. Data gathered would provide a baseline which ECAP could use to set compliance and performance targets for each Member State.

16.9.2   Surveys

The use of surveys scored least favourably in the assessment shown in Table 16.3. One of the main barriers to using surveys is relying on SMEs to report truthfully on their compliance. Surveys also assume that SMEs understand what is legally required of them. Response rates are likely to be low unless the reporting requirement is mandatory. However this contradicts the ECAP priority for better, more simplified regulation.

Given the vast numbers of SMEs across Europe, surveys will be highly resource intensive. Introducing this method would require assistance from the European Commission and Member States, for example, to design the survey in a meaningful way to ensure data can inform future compliance assistance and policy design. Surveys might be suitable for use by very small organisations only, or in a sector/region/Member State identified as struggling to comply.

The compliance and performance effect of surveys is not completely clear, although it might act as an incentive for SMEs to improve environmental compliance and performance if they know they have to complete a survey, but again, only if reporting is mandatory. It could be useful to use indicators such as those outlined in Figure 17.4 (Dimovski and Zzhechov, pers. comm.) in the analysis to identify reasons for levels of non-compliance in Member States.

16.9.3   EMAS

The use of EMAS to measure SMEs compliance scored the highest in the assessment. EMAS helps SMEs to control their environmental performance, and allows compliance to be monitored. By carrying out annual updates of environmental policy targets and actions to implement and evaluate them, EMAS verified organisations continually improve their environmental performance and provide evidence that they comply with all environmental legislation that is applicable to them.

To achieve EMAS registration, a business must adopt an environmental policy containing commitment to comply with all relevant environmental legislation and to achieve continuous improvements in environmental performance. Environmental performance indicators must be set and this provides a mechanism to measure environmental compliance.

It is recommended that EMAS would be most useful pursued as a method to measure medium sized enterprises environmental compliance. For very small organisations, EMAS is unlikely to be cost-effective. Continued assistance by the European Commission and Member States to promote uptake amongst SMEs will be necessary if EMAS is to be used in this way.

16.9.4   Voluntary agreements

Voluntary agreements scored favourably in the test assessment. They are widely recognised as being useful mechanisms for improving environmental performance and compliance. Voluntary agreements would need to be set up at the regional level in collaboration with representatives from national government such as those sitting on the ECAP Expert Group. This would ensure a cohesive approach which could be overseen by ECAP and partners in DG Enterprise and EEN.

It is recommended that ECAP encourages the use of voluntary agreements by Member States and regions in order to promote positive environmental performance and compliance. In return for demonstrating improved environmental performance and compliance, there must be an incentive to encourage SMEs to go beyond basic compliance[230]. Incentives would need to be established by the European Commission in conjunction with Member States and their regions. Examples of best practice in the use of voluntary agreements include Enterprise Ireland and the Bavarian Environment Pact. The latter offers reduced EMAS registration fees for companies that can demonstrate compliance. Compliance data can then be fed back to ECAP.

16.10   Conclusions and further work

16.10.1   Conclusions

Baseline data on SMEs compliance rates and enforcement activity

This task explored the type of environmental compliance data available for SMEs at Member State level. We found that there was very little data available thus turned our focus to developing a method to monitor compliance rates in the future. We have discussed the advantages and drawbacks of four methods and provided examples of how these methods are currently used across EU Member States.

In most Member States, including the UK, Ireland and Germany, there is a limited amount of data available on SMEs compliance rates. In Ireland, data is collated through a voluntary agreement scheme, whilst in Germany (specifically Bavaria) data is obtained from EMAS verifiers. In other Member States, including UK, Poland and Lithuania, regulators collect data on SMEs that are covered by a permit or license, but this data is not separated from overall compliance rates. In Hungary, however, from 1st January 2011 inspectorates have a legal obligation to specify whether the audited entity is an SME. If all Member States adopted this approach, it would allow SMEs compliance to be monitored more easily. However it is likely that data would be erratic as it might only capture data on SMEs covered by permits or licenses.

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[230] European Commission (2010) Environment 2010: Our Future, Our Choice. 6th EU Environment Programme [http://ec.europa.eu/environment/air/pdf/6eapbooklet_en.pdf]

Developing a methodology to measure SMEs environmental compliance rates at Member State level

The literature review and stakeholder engagement highlighted that it would be useful to monitor SMEs environmental compliance rates at Member State level for a number of reasons.

1. Given the cumulative environmental impact of SMEs as discussed in Task B (Section 15), it is important to help SMEs to improve their environmental performance and compliance to reduce environmental damage.
2. Good environmental performance and compliance can save SMEs money. Indeed there is a growing understanding amongst SMEs of the connection between environmental and economic performance (e.g. Polish Environmental Partnership Foundation[231], Danish Technological Institute[232]). Ensuring environmental compliance also has benefits for the SMEs reputation and can increase demand for products or services from the SME.
3. SMEs environmental compliance data can also influence the future direction of compliance assistance provided by ECAP as well as at the Member State and regional level. Understanding which Member States and sectors are struggling to comply with environmental legislation will allow compliance assistance to be targeted more effectively towards these areas. ECAP and Member States should engage in discussions with SME support organisations about the types of support that would be most suitable for SMEs. Best practice can then be applied to Member States and/or sectors that are struggling to comply. SME support organisations and Member States should set up a platform and work permanently together with the aim to make sure SMEs understand and are aware of their obligations under environmental legislation and, consequently, improve SMEs environmental compliance and at the same time reduce the rate of SMEs' environmental impact.
4. Collecting data on SMEs compliance can inform the direction of environmental policy and legislation. For example, if SMEs in a large number of Member States are failing to comply with certain legislation, it is possible that there is a flaw in the design of that policy.

Based on the literature and stakeholder engagement, we explored the possibility of using four different methods to measure SMEs environmental compliance: indicators, surveys, EMAS and voluntary agreements. These methods were assessed using a number of criteria in order to summarise the ease of implementation, administrative burden and compliance effect. The following conclusions have been drawn regarding the methods:

- Indicators are a useful option for monitoring levels of environmental performance and compliance amongst SMEs. As with any method, some assistance will be required (particularly at EU and Member State level) to set up and maintain the indicators. However the compliance effect is positive: ultimately the use of indicators should help to identify relationships between compliance rates and compliance assistance activities.

- The use of surveys is likely to be resource intensive compared to the compliance effect that they can offer. It would be difficult to engage with SMEs and data provided is likely to be inconsistent. The use of surveys might however provide valuable information on environmental compliance amongst very small businesses.

- EMAS would be most useful pursued as a method to measure medium sized enterprises environmental compliance. For very small organisations, EMAS is unlikely to be cost-effective. Continued assistance by the European Commission and Member States to promote uptake amongst SMEs will be necessary if EMAS is to be used in this way.

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[231] http://www.environmentalpartnership.org/ in Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry.
[232] Danmarks Vækstlag and Region Syddanmarks Vækstbarometer in Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010) SMEs and the environment in the European Union, PLANET SA and Danish Technological Institute, Published by European Commission, DG Enterprise and Industry.

- ECAP should encourage Member States to use voluntary agreements at the regional level in order to promote positive environmental performance and compliance. In return for demonstrating environmental compliance, incentives and rewards should be offered to SMEs.

Based on these conclusions, we have made the following recommendations for further work.

16.10.2   Recommendations for further work

Set up a working group to measure SMEs environmental compliance

To establish a method to measure SMEs environmental compliance at Member State level, ECAP must ensure the necessary technical and administrative support is in place. The ECAP 'steering group' discussed above should be responsible for coordinating strategic input, for example advising on ECAP priorities and defining the scope of activity.

The ECAP 'steering group' could comprise organisations such as DG Enterprise, UEAPME, EEN, European Information Centre Network, IMPEL, Network of European Chambers of Commerce, Regional Environment Centre for Central and Eastern Europe, National Small Business Organisations and other SME support organisations.

The 'steering group' would be supported by the 'action group' which would take forward further research at the Member State level. The 'action group' will have direct contact with Member States, facilitating discussion on which methods would work best for their Member States. It is important that the 'action group' has heavy involvement from Member State SME support organisations who are best placed to liaise directly with SMEs.

The two groups should work together to share best practice from more advanced Member States and consider how this can be applied in least advanced Member States. It is important to note that SME support organisations have excellent potential to engage with SMEs. They can help SMEs to seek funding and help SMEs succeed in implementing effective environmental improvements.

Cost benefit analyses

This study has explored the benefits of four different methods for measuring SMEs environmental compliance rates. It is recommended that the next stage of research involves an assessment of the costs of implementing these methods. For example, a cost benefit analysis of EMAS was carried out on behalf of the European Commission in 2009. The study identified that registering as part of a convoy/cluster[233] (especially for smaller organisations) would help minimise the costs and maximise the benefits of EMAS. ECAP should endeavour to conduct similar assessments for each of the methods proposed here.

Ranking of legislation

As a starting point in developing a method to monitor environmental compliance of SMEs, it is recommended that legislation is ranked according to the level of harm inflicted on the environment and human health resulting from non-compliance. It could also be ranked in terms of the potential cost savings for the SME. Of course there are existing permit and licence systems which some SMEs already have to comply with. Ranking legislation using these two factors will help SMEs to understand which legislation they need to comply with, providing focus and direction to help them improve their environmental performance. This would also provide a system which the European Commission can use to record SMEs performance at Member State level, thus providing more meaningful data which can be used to set targets.

Continue to study European best practice

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[233] Clusters have been officially defined in the European Commission Final report of the expert group on enterprise clusters and networks: "Clusters are groups of independent companies and associated institutions that are: collaborating and competing; geographically concentrated in one or several regions, even though the cluster may have global extensions; specialised in a particular field, linked by common technologies and skills; either science-based or traditional. Clusters can be either institutionalised (they have a proper cluster manager) or non-institutionalised. The cluster has a positive influence on: innovation and competitiveness; skill formation and information; growth and long-term business dynamics"

This study has identified a number of useful best practice programmes for promoting positive environmental performance and compliance amongst SMEs, e.g. Bavarian Environment Pact which rewards businesses for demonstrating compliance through EMAS and Enterprise Ireland, where obtaining funding is conditional on achieving environmental compliance. There are numerous lessons to be learned from these programmes and others; therefore it is recommended that ECAP continues to study best practice examples to inform the design of a method for measuring SMEs environmental compliance. Additionally, best practice can be used to inform future compliance assistance programmes and help those Member States that are struggling to comply.

Continued promotion of EMAS

Based on the stakeholder engagement, it is evident that EMAS is a well-established, valuable tool for improving SMEs environmental performance, and for focusing SMEs on their environmental compliance. EMAS clearly has a role to play in helping the European Commission and Member States to monitor compliance rates. However it is most likely to be useful for medium sized enterprises rather than very small enterprises where it is unlikely to be cost-effective. The European Commission should continue to promote uptake of EMAS by raising awareness and providing financial support where possible. If uptake can be increased amongst SMEs across the EU, the European Commission should begin to consider working with Member States to implement a common approach to SMEs compliance monitoring using EMAS.

17 Conclusions and recommendations

17.1 Purpose of ECAP

The EU Environmental Compliance Assistance Programme was established by the communication "***Small, clean and competitive - a programme to help small and medium-sized enterprises comply with environmental legislation***" (COM (2007) 379 final of 8.10.2007). It was established because of recognition of the economic importance of small and medium sized enterprises (SMEs) in EU Member States and to environmental outcomes in EU countries.

SMEs make up a large part of Europe's economy, representing some 99% of all enterprises and 57% of economic value added. Representing such a large percentage of economic activity SMEs have a significant impact on the environment.

The problem identified in the communication was that it is not so much individual firms as the cumulative impact of SMEs that needs to be addressed. While there has been significant targeting of the impacts of larger companies through legislation and policy, less attention had been focused on the SME sector.

It was broadly understood that the SME sector has a much lower awareness of its impact on the environment and is relatively unlikely to have adopted environmental management systems or indeed be aware of the environmental impacts of their activities.

SMEs were understood to be missing out on the economic and reputation benefits of improved environmental performance. The main barriers facing SMEs with regard to making environmental improvements and understanding their legal obligations were understood to be:

- lack of awareness and knowledge of environmental problems, impacts and risks;
- lack of awareness of the link between economic and environmental performance, and the potential benefits of environmental management and lifecycle thinking;
- insufficient access to, and local availability of, adequate environmental information, tools and training;
- limited financial and human resources/expertise for dealing with compliance; and
- relatively short-term planning at company level.

There are two further elements related to environmental policy which act as obstacles for the integration of environmental concerns into SMEs' core activities:
- environmental behaviour is usually governed by regulation or public pressure; and
- limited market incentives/recognition for environmentally friendly behaviour.

The Environmental Compliance Assistance Programme (ECAP) was therefore proposed to:
- increase SMEs compliance with environmental legislation thereby reducing environmental impacts and improving the environmental performance of SMEs. This is turn would promote harmonised implementation of environmental legislation and a level playing field for SMEs in the Internal Market.
- increase the eco-efficiency (energy, resources) of SMEs by using proper environmental management systems and other tools;
- increase the cost-effectiveness of environmental policy, reducing administrative costs for SMEs and thus freeing resources to increase compliance; and
- increase the eco-innovation of SMEs and their competitiveness.

17.2 Overall conclusions

Broadly speaking ECAP has performed well in meeting its key objectives and targets to support SMEs in the problems that they face in complying with environmental legislation and improving environmental performance. An evaluation of the ECAP programme should first recognise that the

programme is very young. The programme has, in little more than three years, begun the process of providing SMEs with the support systems necessary to improve their environmental performance. The findings from this study (mainly Task A) indicate that participants in ECAP programmes and events, and users of ECAP web resources, have been provided with the opportunity and access to information, tools and skills to deliver the five key areas (Box 17.1) identified in the communication.

Box 17.1 Main components of the ECAP communication

Better regulation in design and implementation of policies, to facilitate and minimise the administrative burden of compliance
- Cutting administrative costs at EU, national and regional level
- Identification and dissemination of good/best practices in the EU
- Working with implementation authorities
- Involvement of SME stakeholders in policy-making and implementation.

More accessible tailor-made environmental management schemes for SMEs to integrate environmental concerns into the core business activities of SMEs in a coherent and cost-effective way
- Encourage use of EMAS in industrial clusters or districts of SMEs
- Develop existing tools for the implementation of EMAS in SMEs, such as EMASEasy.

Focused financial assistance and a multiannual financial programme for sustainable production in SMEs to promote and support initiatives by public authorities or business support networks aiming at sustainable production in SMEs
- LIFE+ Regulation a multiannual programme
- The new instruments of the Cohesion Policy 2007-13
- Priority categories of expenditure for the new European Regional Development Fund and the Cohesion Fund refers to "assistance to SMEs for the promotion of environmentally-friendly products and production processes"
- European Social Fund includes among its objectives training and information in SMEs on "eco-friendly technologies and management skills"
- Environmental investments under JEREMIE (Joint European Resources for Micro to Medium Enterprises)
- Guidelines for State aid for environmental protection allow Member States to grant transitional investment aid to help SMEs adapt
- The Competitiveness and Innovation framework Programme 2007-2013 (CIP)
- New or significantly revised EU financial instruments for the period 2007-2013
- Publish a handbook (in electronic and printed form) setting out new funding opportunities for projects that support improved environmental performance and compliance among SMEs.

Building local environmental expertise for SMEs to overcome the lack of know-how at company level
- Capacity-building seminars in the Member States
- The Euro Info Centres (EIC) Network, and from 2008 the new network in support of business and innovation, integrating the services of EICs and the Innovation Relay Centres (IRCs).

Better communication and more targeted information to address specific information gaps
- New multilingual website, linked to the SME Portal, and designed to become a main source of information for SME support networks on EU environmental policy and SMEs, with a related awareness raising campaign
- Operational guidelines to accompany SMEs step-by-step.

17.2.1   ECAP awareness and effectiveness

However, even although ECAP actions have been widely implemented, the effectiveness and success of the programme has been short of its original expectations. To be fair even this assertion is indicative and not conclusive due to the complex nature of evaluating ECAP's success. Collecting the

evidence to determine ECAP's success has been challenging particularly in relation to environmental compliance rates. This has made it difficult to measure the change brought about by the programme in any detail (Tasks B & C). Additionally Member States do not themselves have ECAP implementation plans (Task A12) and national policies on the issues that ECAP also covers are of considerable variability in levels of engagement and implementation across Member States.

The survey used in this study gathered stakeholder views on general awareness and effectiveness of the ECAP website. The responses received from the stakeholder survey are presented and discussed below.

Figure 17.1 shows that overall 72% [81/113] respondents were aware of the ECAP programme. Three categories had above average awareness of ECAP (SME support organisations, public authorities and others). Highest awareness was amongst public authorities [84%] and lowest awareness was amongst SMEs [61%].

Figure 17.1 Awareness of ECAP amongst different stakeholder groups

Figure 17.2 shows stakeholder responses to the question 'do you agree that ECAP has been effective in supporting SMEs to improve their environmental compliance?' Overall, 71% of stakeholders agreed or strongly agreed with this question. An above average number of SMEs [84% or 11/13] and public authorities [77% or 10/13 respondents] agreed or strongly agreed compared to a below average number of SME support organisations [62% or 21/34 respondents].

Only 10% of respondents disagreed or strongly disagreed that ECAP has been effective in supporting SMEs to improve their environmental compliance. Respondents that strongly disagreed were confined to the SME support organisation category [1/34 respondents].

Figure 17.2 Effectiveness of ECAP in supporting SMEs to improve environmental compliance
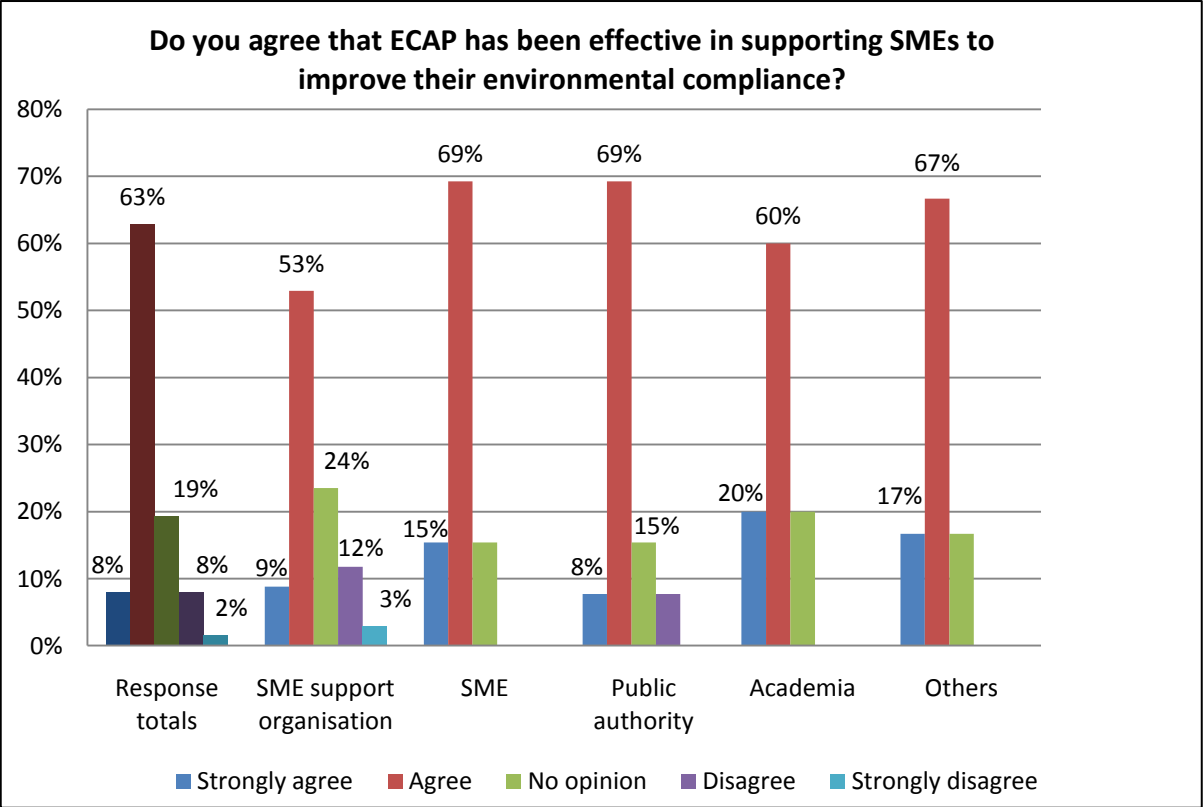
Figure 17.3 shows stakeholder responses to the question 'do you agree that ECAP has been effective in supporting SMEs to improve their environmental impact?' Overall, 69% of respondents agreed or strongly agreed and only 10% disagreed. No stakeholders strongly disagreed.

SMEs were the most supportive of ECAP in terms of its effectiveness at improving their environmental performance, with 90% [9/10] agreeing or strongly agreeing. The remaining 10% of SMEs [1/10] had no opinion.

SME support organisations showed less support, with a below average number [58% or 18/31] agreeing with the question and 16% disagreeing [5/31]. The remaining 26% [8/31] had no opinion.

Figure 17.3 Effectiveness of ECAP in supporting SMEs to improve environmental performance
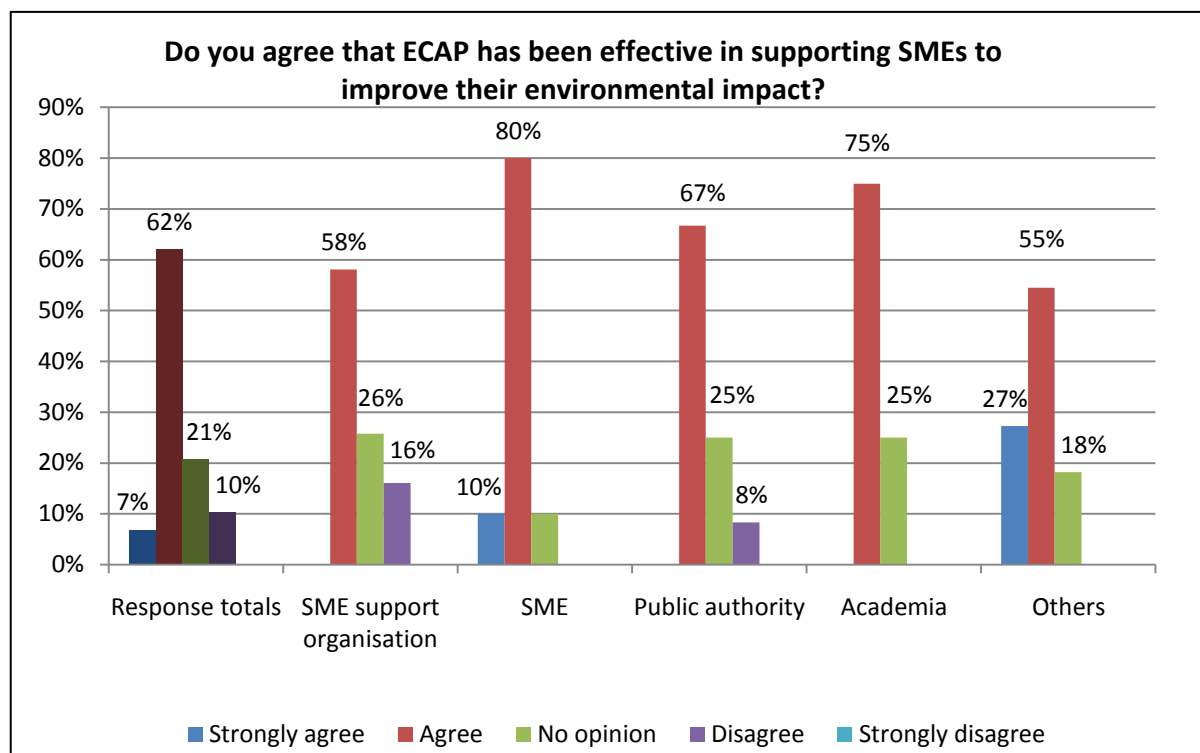
Table 17.1 outlines some of the responses provided by stakeholders in relation to this question. 22 responses were received in total.
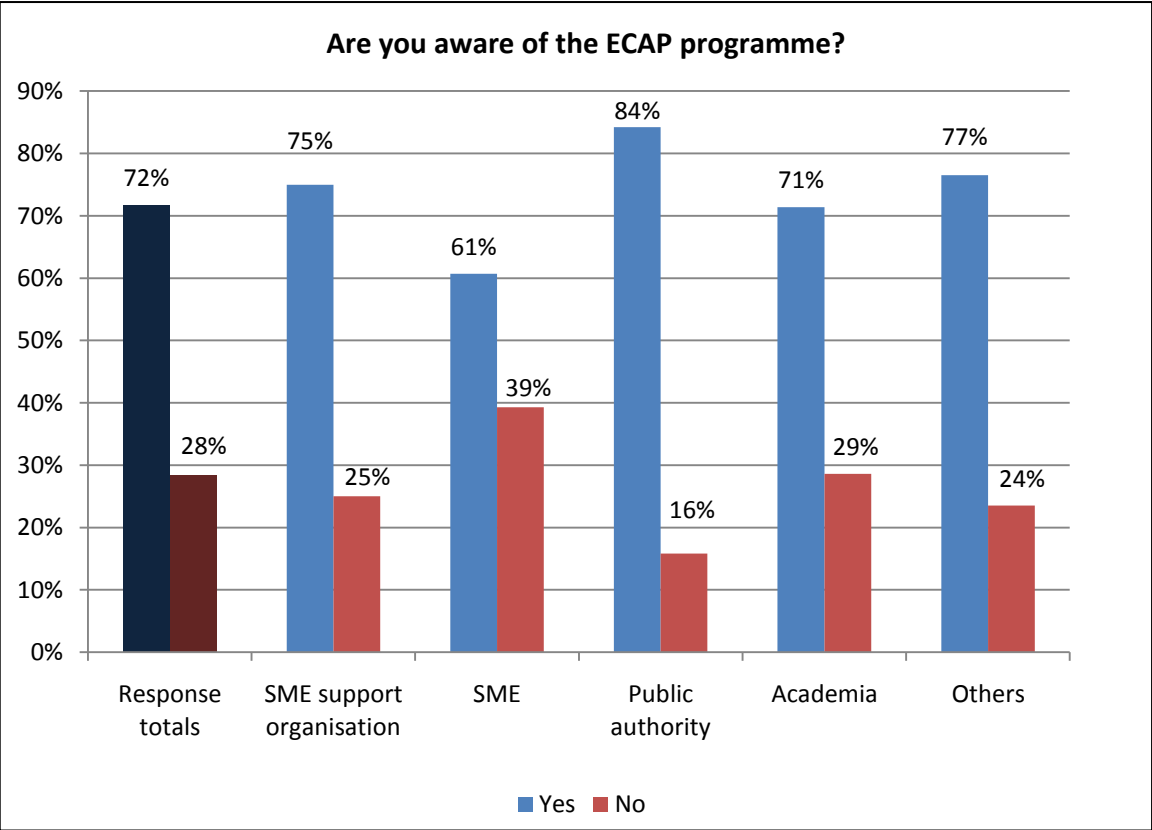
Table 17.1 Qualitative responses to the question 'do you agree that ECAP has been effective in supporting SMEs to improve their environmental impact?'

Stakeholder category	Responses
SME support organisation	• ECAP is a good programme but unfortunately it is not very known at national level (by public authorities or SME support organisations). When it is known, it is not implemented well enough and it remains a quite theoretical programme rather than a practical one. • I do agree that ECAP programme was effective in raising SMEs awareness, but I doubt that it was enough for most of SMEs to start real actions. • The tools and the intention are good, but it is not supported widely enough. Those who have been involved with the project have gained a lot. • We are not aware of ECAP's activities. • Concerning EU initiatives, every programme has to be disseminated and brought closer to SMEs, which is a really hard task. The ECAP programme has tried and continues to try to reach SMEs via local actors. This is the reason why I do not strongly, but agree with the effectiveness of the programme
SME	• More awareness is needed amongst SMEs.
Public authority	• ECAP has been very effective at drawing together the delivery organisations, but it is more difficult to obtain evidence to show the link between ECAP and actual reduction in environmental impact. Perhaps it would be better to focus on whether the intermediaries have changed their approaches, which in turn should result in business behaviour change.

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	• More awareness raising is needed amongst SMEs.
Academia	• The localised projects completed under the ECAP programme seem to be the best at helping SMEs improve their environmental compliance. This needs to continue to ensure environmental improvements within SMEs, as they need assistance.
Others	• ECAP provides an informative portal for legal compliance and resources that can be used to improve environmental performance and hence reduce impact. Furthermore, it provides details of funding opportunities. • The program has the potential to provide a lot of help to SMEs in their compliance and environmental performance. It is difficult however to assess the program [in Member States] where environmental compliance is not a priority. • Additional effort and funding is needed for projects and workshops for SMEs and their staff. These should be organised in support of ECAP and local consulting firms

A total of 42 respondents (including SME support organisations, SMEs, public authorities, academics and 'other') provided their views on the main features of ECAP. The following list summarises these key features:

- Network to support SMEs deal with environmental issues
- Help to reduce the administrative burden for SMEs in relation to environmental compliance
- Environmental legislation
- Environmental excellence and innovation
- Provision of training workshops
- Dissemination of research, initiatives and best practice
- EMAS Easy
- Helpdesk
- International events

This evaluation exercise, including survey findings, shows that the rationale for creating ECAP remains very relevant. It is true to say that three years of the ECAP programme has not resulted in a resolution to all of the difficulties envisaged in the original communication but that should not lead to the conclusion that the programme has been a failure.

In addition it is worth noting that many Member States and the European Commission are pursuing policies to reduce regulatory burdens (red tape) and this may create new drivers for reducing the burden of environmental regulation in the coming years.

Table 17.2 summarises the five actions from Box 17.1 , providing an assessment of the extent to which the programme met these key aims and identification of opportunities for further improvement.

Table 17.2 Summary of success of ECAP components

Key area	Overall assessment of success	Missed opportunities	Potential areas for further improvement
Better regulation in design and implementation of policies (A10, A11)	Progress has been made on providing tools and advice to allow for a reduced burden for SMEs but much work remains to be done in delivering this objective. Since 2009 the "SME test" (an initiative in the framework of the Small Business Act) has led to an improvement in the consideration of SME concerns when preparing legislative initiatives.	SMEs' environmental compliance is not consistently defined or understood across Member States. SMEs' compliance rates are generally not measured at Member State level The ECAP expert group does not sufficiently facilitate coordination and exchange of information/best practices between MSs. Greater political visibility for undertaking research on better regulation for SMEs, for example DG Research to include projects on better regulation in FP7.	Development of compliance assessment methodologies would help ECAP to measure SMEs compliance and inform the direction of future compliance assistance ECAP expert group can play a greater role in further developing ECAP policy ECAP should focus more on the issue of better regulation for SMEs in the field of environmental law. The legislation process must be adapted to the needs of SMEs; the think small perspective must be fully integrated in environmental legislation.
More accessible tailor-made environmental management schemes (A8)	EMAS Easy and EMAS III have started to make environmental management systems accessible to SMEs. This is particularly true for organisations with supply chain pressures for environmental management systems. The new EMAS III Regulation is more specific, with a transparent and clear stance as regard to SMEs. ECAP facilitated best practice exchange on other, locally recognised EMSs tailor-made for SMEs.	Rates of participation/uptake of EMS among SMEs remain low. The benefits of environmental management systems are therefore not being enjoyed by as many SMEs as might be expected as a result of ECAP actions. Small and micro SMEs with a small environmental impact would gain more from the implementation of a regional or informal EMS, as these are more adequate.	Promote the use of EMAS as a tool to monitor SMEs environmental compliance (most cost effective for medium sized enterprises). EMAS is still relatively difficult to implement due to strict and substantive requirements for EMAS registration. Promote the use of environmental management tools outside of formal systems in SMEs (e.g. Ecomapping)
Focused financial assistance and a multi-annual financial programme (A9)	Financial assistance has been provided to SMEs with a view to improving their environmental impact and greening their business (different projects via LIFE+, CIP,	Take up for such funds varies greatly across programmes. Take up has remained generally low	Address gaps in funding streams in coverage of ECAP priorities. Increase awareness of the funding

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Key area	Overall assessment of success	Missed opportunities	Potential areas for further improvement
	Structural Funds) to SMEs and SME to SME support organisations has been provided for building capacity among SME support organisations and SMEs.	due to administrative burdens associated with both application and administration of funds. Low success rate for fund applications is also a barrier. Funded share of the total project budget is generally small Information provided on funding streams on the website is not sufficiently practical to allow access to available funds. This information could have been developed into a real handbook.	streams with better accessible information on the schemes. Application procedure can be improved e.g. two-stage application system. Simplification of administrative requirements and adjustment of payment schedule according to SME needs, eventually starting with a "test" fund.
Building local environmental expertise for SMEs (A1-A4, A6)	ECAP training has had some success at linking up stakeholders and raising awareness of ECAP objectives. Feedback from the participants on paper was largely positive. Users found the ECAP forum to be a useful tool to aid knowledge learning and sharing of best practice to support SMEs on environmental issues. SME support organisations have built on their existing knowledge of the SME sectors. EEN along with SME support organisations has played an important role in implementing ECAP actions at the ground level.	The formation of an ECAP network institutionalized as such cannot be verified from the training actions. Number of participants taking part in the training was at times rather low. The different actions did not succeed in attracting a very high rate of participants. There are a limited number of toolkits offered at EU level. Operational guidelines could have been developed to accompany toolkits.	Improve MS and regional take-up of ECAP. This would enable the organisation of more specific trainings and best practice exchanges tailored to the needs of national/local actors. Promote better funding streams available to set up local environmental expertise structures for SMEs' benefit. Attendance and participation rates have to be improved, for example by organising trainings and awareness raising only about specific practical issues that are of proven relevance to a fair share of SMEs. It could be made easier to post and

Key area	Overall assessment of success	Missed opportunities	Potential areas for further improvement
			reply to topics, especially for less familiar ECAP forum users. Registration should also be made more user friendly.
Improved communication and more targeted information (A5, A6, A7)	ECAP web site and tools provide a valuable resource for SME support organisations and SMEs. The web site is widely used for information on legislation, funding and news. Users value the site as an easy to use resource which can help improve environmental performance and compliance. Forum is beginning to become more popular.	Helpdesk was practically unused. The forum could be better utilised. More awareness raising amongst SMEs and SME support organisation would have been beneficial.	Website tools and best practice should be relevant to wider range of MS. Information should be provided in more languages. Creation of a stronger brand identity and close working with sister EC sites Your Business Europe and the SME portal; this would also avoid duplication of information. It will be important to ensure greater visibility of the helpdesk.

The sections below explore the extent to which ECAP actions succeeded in delivering the activities that were envisaged and evaluates the effectiveness of the range of activities delivered under the programme.

Interaction with other European Commission information tools and websites

It is clear that ECAP has overlaps with a number of policies areas and programmes; indeed any policy area concerned with SMEs and environmental performance will inevitably have some degree of overlap. In this study we were able to identify areas of double provision, including duplication between the ECAP website, Your Business Europe and the SME Portal. ECAP should look at these sites for examples of how to improve the web tools and continue to collaborate with these programmes.

Opportunities for "horizontal integration" into all environmental policies

SMEs play a significant role in the economies of Member States but they are also the source of considerable environmental pollution (Task B). Understanding how SMEs respond to pressure for pollution control and assisting them to cost effectively do so are likely to be key components of future environmental policy. ECAP itself can be seen as a horizontal theme. This presents opportunities to explore more cross-sectoral approaches and more vertical integration within sectoral support measures. Indeed ECAP is well placed to collaborate with sister programmes to develop, implement and maintain methods to measure SMEs environmental impact and compliance.

ECAP Networking with European Enterprise Network (EEN)

Assessment of the seven ongoing projects delivered through the EEN showed the potential for EEN to take an important role in delivery of ECAP implementation (A10). Providing specific environmental services through the EEN is a relatively new action and EEN is still limited in its ability to implement ECAP actions.

EEN represents a useful intermediary because of their existing routes into SMEs. Overlaying ECAP on top of or alongside mainstream EEN and SME support initiatives and activities is seen as highly beneficial for improving the level of focused environmental advice, information routes to appropriate funding.

Critical to the future success of this relationship is the training and support given by ECAP to ensure EEN staff and host organisations are equipped to offer support. At present the reported value in this relationship depends to some extent on local priorities and interests and the opportunity for the future is to build and formalise these relationships.

It is also evident that the existing SME support organisations and networks are similarly beneficial for delivering environmental messages and support to SMEs. There is a risk of duplicating efforts, networks and services.

Therefore, it is crucial that ECAP is implemented in close cooperation between EEN and existing SME support structures to promote information sharing and set up common projects to aid environmental performance. The aim should be to use local SME support organisations and EU resources efficiently. Utilising effective local contact points and signposting available for SMEs would avoid duplication of efforts and maximise environmental support services already available to SMEs (e.g. with regard to compliance measurement – IMPEL, Small Business Europe, European Information Centre Network, and EUROCHAMBRES).

Developing the ECAP expert group

The role of the ECAP expert group is somewhat limited at present (A11). It represents MS ministries, but also local experts with interests and expertise in small business and environmental performance. To date much of the work of the expert group has been reactive, also due to the limited priority given to ECAP implementation at MS level. It may be useful to increase the mandate of ECAP experts to allow them a wider role in advancing ECAP measures and taking forward the actions identified in this

study. They could also act as single contact points at MS level for SMEs. This group could be known as the ECAP 'action group'.

An ECAP 'steering group' could build on the expert group, and include representatives from EEN and DG Enterprise, as well as organisations such as Small Business Europe, European Information Centre Network and the Network of the European Chambers of Commerce. The 'steering group' should provide direction on ECAP's future priorities and actions. Working with the 'action group' it will be important for the 'steering group' to establish key contacts at the Member State level, who can translate policies into action at the regional level. For example this will be important for implementing a method to monitor SMEs compliance rates.

What resources are needed for ECAP?

SMEs are a widespread and diverse group; the target audience is very difficult to reach. This lends itself to the belief that the successful delivery of ECAP is inevitably an expensive proposition. In the current economic climate, it might be even more difficult to gain the commitment that is needed from Member States to make the ECAP programme a success. Thus, there is an argument for exploring what actions to drop as well as how to expand provision.

Despite this, it is clear that the resources currently available to ECAP are not proportionate to the task in hand. In order for ECAP to work effectively, stronger resources must be provided at the EU and Member State level. Even though there are other parallel funding and policy initiatives, ECAP has to target around 23 million SMEs in the EU - comprising nearly 99% of all enterprises and one third of world market shares and yet causing 60-70% of the EU's industrial pollution[234] - with limited resources at its disposal.

The service contract for the operation of a website, web-based tools and a helpdesk and a series of training seminars in 2006 had a maximum budget allocation of € 146.000 and € 104.000 respectively. Almost no budget was spent for promotion of the website. Items such as newsletter for example have instead been budgeted under the writing part of the website. The service contract for the organisation of a series of workshops in 11 Member States on the Environmental Compliance Assistance Programme for SMEs (ECAP) and three best practice and networking workshops with participants of the 1st series of seminars – pilot project in 2008 had a maximum budget allocation €80.000 and €70.000 respectively.

ECAP can minimise its resource needs by exploiting existing relationships with SME support organisations – and endeavour to gain new contacts – through establishing a role as a knowledge transfer body. This way, ECAP can encourage members to share best practice from more advanced Member States and consider how these lessons can be applied to less advanced Member States. This role would require less labour and financial input from ECAP and its target audience, making it an attractive option in the current economic climate. In addition, best practice sharing can be tailored to individual Member States.

17.3 Specific ECAP action related conclusion and recommendations

17.3.1 Training projects

A number of training projects have been carried out by the European Commission starting with the basic **capacity building seminars** organised in all EU MSs. More focussed pilot workshops as well as on-the-job trainings and study tours dealing with one or two specific instruments to help SMEs improve their environmental impact (sustainable industrial areas, EMAS Clubs, specific semi-public consulting services for SMEs) followed. Finally, sector-specific projects managed by the European Enterprise Network (EEN) have been set up to identify the major environmental strains emanating from different industrial sectors and aimed at building local networks of local SMEs and Environmental Service Providers.

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[234] http://www.ffg.at/sites/default/files/03_neuwahl_ecoinnovation_infoday_wien_fn.pdf

Success of training actions to raise awareness on what ECAP can do and what stakeholders could do to promote ECAP's objectives

The training actions were successful in raising awareness on ECAP and its objectives. By targeting SME support organisations as multipliers specifically in the basic capacity building seminars, the stakeholders most suited to disseminate information and offer actions relevant for the implementation of ECAP have been addressed in the trainings.

Yet, as a general tendency, the different actions did not succeed in attracting a very high number of participants. For example, the capacity building seminars designed to receive up to 100 participants for the large Member States often managed only to attract 40-60 or at times even fewer. Thus, the output could have been broader.

Importantly, those stakeholders present at the meetings (especially the capacity building seminars and that responded to the participants' survey undertaken in this project), praised the clear messages and information they got on the objectives and the different priorities of ECAP. They were also instructed on how to stay informed of new ECAP-related developments (via the e-alert or the ECAP website). Many respondents to the survey said that they would use these instruments.

While the feedback from the participants on paper was generally positive, it could not be verified to what extent the SME support organisations had spread the messages provided at the trainings. Similarly, it is unclear to what level the SME support organisations keep themselves and their clients informed on ECAP-relevant developments.

The more focussed following pilot workshops in 2009 attracted only a small number of participants and in general were rather designed as an exemplary test on how information on compliance assistance, EMS models or networking could be compiled and disseminated. Thus, they were rather small actions.

The on-the job trainings and study tours were to a large extent appreciated by participants as useful actions to raise awareness and train stakeholders on specific instruments to further ECAP-priorities, such as an EMAS Club that would exchange good practice on EMAS issues or specific public-private consultancy services targeted at SMEs.

Success in forming an informal ECAP network and in triggering cooperation between stakeholders

One main objective of all the actions was to **interlink stakeholders** (most importantly SME support organizations and SMEs) among each other and to contribute to creating an informal ECAP network.

Those stakeholders present at the trainings (seminars and workshops) that responded to the project's participants' survey overwhelmingly said that they kept in contact with other stakeholders present at the trainings. Also, the trainings provided a forum for networking among the stakeholders present even though this aspect of the trainings was often not developed to the full as the trainings were limited to a one-day or at most two-day duration.

The EEN environmental services projects working on a sector-specific basis aim inter alia at establishing local networks between EEN/SMEs and local environmental service providers. Those networks are expected also to persist once the projects are finished. In addition to that, the EEN has been identified as a good intermediary between the EU Commission as "author" of the ECAP programme and SME support organizations/SMEs on the ground and could contribute to fostering cooperation between stakeholders and feedback on ECAP issues to the Commission.

While the trainings have surely contributed to networking and interlinking of the stakeholders, the formation of an **ECAP network** institutionalized as such cannot be verified from the training actions. The local networks as a likely result of the EEN projects might well represent local "ECAP networks" if they continue after the projects have ended.

A formalised ECAP network would provide more leverage to the implementation of ECAP by defining a clear role for the members of the network, strengthening communication between the EU and

members but also among members. It could also provide an opportunity to earmark funds for actions carried out by members of the network.

Criteria for the continuation of training at European level

The European level has financed the training actions mentioned above with a view to help build expertise and capacity at local level. In this respect, the European level can only carry out exemplary training actions and cannot provide trainings covering all parts of EU 27 territory. As a consequence, the Member States are the principal actors required to provide training actions on ECAP-relevant issues. These trainings can be done at national or regional level, for the larger MSs the regional level will often be most appropriate.

The European level can only play a very focussed and complementary role in training thereby supporting MS in their actions. In order to use budget in a reasonable and effective way, the European Commission could map MSs with a view to their performances in ECAP-relevant issues, considering whether national SME support organisations have programmes designed to support and advise SMEs on how to be compliant with environmental law and improve their environmental impact.

If specific gaps are identified in certain MSs, the European level should try to persuade the MS to improve their performance e.g. via training and awareness raising actions. If this is not successful, the European Commission could finance specific training and awareness raising programmes in specific MS focussed on the needs of the MS. The gaps and needs identified in the specific MS should be covered.

Thus, one reason justifying the need of continued training at European level is that certain MSs are identified as inactive in ECAP-relevant issues. In these cases, trainings should be targeted at stakeholders from these specific MSs.

Another motivation for EU training (EU wide or in certain MS) would be to increase the visibility of European projects or best practices that have proven to be good at improving SME environmental performance. These should be disseminated to all MSs.

Finally, training financed and/or organised by/at the European level is appropriate if certain ECAP-relevant issues common to a large number of SMEs (e.g. implementation of simplified or regular EMS, implementation of specific environmental legislation) are identified to be problems that need to be solved.

Format of European training

If it is decided to carry out trainings at European level then a key question is how to make training actions more attractive to SME support organizations from all Member States and how to increase visibility of projects/best practice regarding the improvement of SME environmental performance.

A good approach could be to categorise information into two categories:
- Information to be spread via the website only and
- Information to be spread via trainings (at EU or at MS/regional level).

In line with this, all self-explanatory projects, information and best practice already tested and discussed sufficiently among stakeholders should be spread via the ECAP website as general information only.

In turn, the European Commission should organize trainings and awareness raising only about specific practical issues[235] that are of proven relevance to a fair share of SMEs in the EU or in a specific Member State[236] as discussed above. Any solutions proposed to specific problems should be eligible to be taken up by a high number of SMEs throughout the EU. The issues presented and discussed need to be problem-oriented and have to be discussed at the meetings.

For example, the different simplified EMS approaches existing in Europe need not be discussed in a specific training as such information is too general. These EMS are already abundantly described in

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[235] read: should not be general awareness raising events on ECAP
[236] In the latter case, the training has to be organised only in this MS.

the ECAP website with contact points given. In turn, specific problems and the possible solutions for SMEs e.g. in the implementation of EMAS/EMASEasy need to be spread in the form of training.

The issues and projects proposed for discussion in trainings need to be carefully selected by involving a number of national SME support organizations providing input on what information would be needed to be spread and discussed in trainings. In addition to this, the trainings could also be organized as two-day-meetings to allow networking.

17.3.2   Website, forum and helpdesk

ECAP aimed to promote better communication and more targeted information, which would be achieved largely through a multilingual website. The ECAP website has successfully contributed to this aim, but there are a number of areas where ECAP could improve the impact of its web resources.

ECAP website

The ECAP website is a useful resource that has gained credibility amongst its users: 84% [11/13] SMEs and 62% [21/34] SME support organisations agreed or strongly agreed that ECAP had been effective in supporting them to improve their environmental compliance. 82% [38/46] stakeholders also agreed that the ECAP website was easy or very easy to use. However greater awareness raising is needed in order to ensure ECAP is the first port of call for SMEs and SME support organisations when it comes to environmental performance and compliance. ECAP should invest time and money into providing information on legislation, funding and best practice case studies for a greater number of Member States. Details of national SME support organisations should be provided as a source of local, objective and reliable information for SMEs. ECAP should also consider providing sector specific information.

ECAP forum

The ECAP forum was established as a tool to facilitate knowledge learning and sharing of best practice to support SMEs on environmental issues relating to SMEs and environmental compliance. There has been relatively low uptake of the forum to date, but uptake is increasing. In order to reach full potential of this tool, more investments would be necessary to create an instant messaging function to facilitate continual discussion. The E-alert could be expanded to provide updates of new forum discussions.

ECAP web-based helpdesk

The web-based helpdesk was set up to provide advice specific to Member States. The helpdesk was used very little by the stakeholders that took part in the study. Based on a test assessment of the helpdesk carried out by the study team, we recommend that telephone contact details should be provided to increase the number of helpdesk users. When users have very technical queries, they are more likely to want to talk to an expert in person rather than via email. In addition, ECAP should consider setting up ECAP national helpdesks to provide national and regional information on environmental legislation. The helpdesks could be hosted by national governments and coordinated by ECAP.

Overall recommendations

ECAP should work closely with sister sites the SME portal and Your Europe Business, to adopt some of the features highlighted in the recommendations section. This would increase efficiency and reduce potential conflicts of interest. It would also help to create a strong brand identity which the ECAP website is in some ways lacking. For example, the Your Europe Business site contains an interactive map of Europe which can be selected to provide specific information on the chosen Member State. The SME portal is an interactive site which contains the latest policy and industry news for SMEs.

The ECAP website, forum and helpdesk can play a central role in improving SMEs environmental performance and compliance. As well as providing information for SMEs, the website could be further developed to gather data on SMEs environmental performance and compliance. This should be considered in taking forward a method to measure SMEs environmental compliance (Task C).

17.3.3   Funding

The project team has analysed four European financing instruments targeted inter alia at business and the environment, which have also been mentioned in the ECAP Communication as quintessential for financing ECAP-relevant projects:
1. Competitiveness and Innovation framework (CIP);
2. LIFE+;
3. FP7 and
4. Structural Funds and Cohesion Fund

While the first three funding streams are well documented at the European level, the Structural/Cohesion Funds are managed in a rather decentralized manner and thus Europe-wide statistics and assessments are hard to find. As a result, while the Structural Funds/Cohesion funds are very important, they were not described in such a detail as CIP or LIFE+ due to the lack of Europe-wide data and statistics and complete project databases.

Different programme types with regard to ECAP

Within the **CIP programme structure**, the Eco-innovation programme of the Entrepreneurship and Innovation Programme (EIP) and the Intelligent Energy-Europe Programme (IEE) are the most relevant.

LIFE+ has three components, the environmental related projects can be found in the Environment Policy & Governance component.

In **FP-7** a specific strand of Research for SMEs exists that also finances environmental projects. In addition, the strand Environment (including Climate Change) and Energy includes projects relevant for ECAP-purposes. Different single ECAP-relevant projects are also contained in other research strands such as ERA-Net.

Budget provided for projects identified as ECAP relevant

The main ECAP related funding programmes are summarised in Table 17.3.

Table 17.3 Summary of ECAP related EU funds

Programme types	Relevant time period	Number of funded ECAP relevant projects	Amount in Euro (for funded ECAP relevant projects)	Explanatory Notes
CIP	2008-2010	13	7.3 million	
Life+	2008-2009	10	22.9 million	
Structural Funds and Cohesion Fund	2007-2013		2.5 billion	For eco-friendly SMEs (not specified for ECAP)
FP7	2007-2013	12	25 million	

The CIP Eco-Innovation Programme includes a Call for Eco-Innovation Projects. As the name implies, it is directly environment-related and has a highly ECAP-relevant project line constituted by the "Greening Business" strand. Between 2008 and 2010 13 projects were funded by an EU-budget of € 7.3 million and 24 SMEs were concerned.

In addition, the Intelligent Energy-Europe Programme (IEE) aims to support sustainable development in the energy context with an efficient use of energy and greater use of new and renewable energy. The main objectives are security of energy supply, competitiveness and environmental protection. The programme has four action areas which all concentrate on energy efficiency and renewable energy and because of this are ECAP-relevant; the concrete amount of budget ascribed to SMEs could not be identified for this funding line.

The High Growth and Innovative SME Facility (GIF) is one of the CIP financial instruments, which inter alia facilitates eco-innovative investments by SMEs. The GIF invested in eco-innovative SMEs via EU commitments of around € 34 million by the end of 2008. Furthermore, the instrument is focused on venture capital funds for eco-innovative SMEs. Until the end of 2009, EU commitments of more than € 50 million supported eco-innovative SMEs via venture capital funds.

The **LIFE+ programme** funded in 2008 and 2009 10 ECAP-relevant projects with a funding of € 22.9 million.

For the ongoing period, 2007 to 2013, Structural Funds (European Regional Development Funds; European Social Fund) and the Cohesion Fund support eco-friendly SMEs with € 2.5 billion.

12 projects have been identified as particularly ECAP-relevant under FP7. The project sums altogether amount to approximately € 25 million.

The number of ECAP-relevant projects including funding could not be identified for the Structural/Cohesion policy funds[237]. A total of € 2.5 billion is foreseen for the assistance to SMEs for the promotion of environmentally-friendly products and productions processes by the Structural Funds between 2007 and 2013.

Relevance of the funding programmes towards general and specific priorities for ECAP

European financing instruments	Relevance to ECAP's general and specific priorities
CIP financial instruments	The **CIP financial instruments** provided altogether almost € 90 million (between 2007 and 2009). The Eco-innovation programme of CIP has a focus on financial assistance and includes a multiannual financial programme for SMEs for environmental projects. The most important ECAP-relevant projects targeted environmental management, i.e. pushing the dissemination of the environmental management scheme (EMAS) or supporting the establishment or promotion of certifications for environmental products and processes. The EEN is also co-funded by CIP, thus contributing to the availability of local assistance to SMEs, including on environmental matters.
LIFE+	**The LIFE+** programme includes a multiannual funding scheme. The most important ECAP-relevant LIFE+ projects focus on guidance and dissemination of information to SMEs to help them to reduce their environmental impact. These projects include workshops, trainings and building up of information tools, like information material or databases. Some of the projects also support the implementation of environmental management schemes and accreditation; others directly contribute to building local environmental expertise. With regard to the priorities of the ECAP Communication, LIFE+ aims at improved communication and more targeted information, to address specific information gaps, the introduction of EMS, improving compliance and building local environmental expertise.
FP 7	FP 7 projects are more focused on inventing new procedures, products or processes. The programme has proven to be also relevant for ECAP given that sector-specific environmental improvement options have been studied and networking and dissemination projects have been of high relevance for ECAP issues. FP 7 projects analysed are targeted at providing more targeted information for SMEs to improve their environmental impact but at times also has funded projects on specifically tailored EMS systems for SMEs and networking/ competence building projects.
Structural Funds and the Cohesion Fund	For the Structural Funds and the Cohesion Fund separate information on the individual ECAP-relevant projects was not available. However, for eco-friendly SMEs the funds provide 2.5 billion Euros (for 2007-2013). It can be assumed that a certain amount of these funding will be/is invested in ECAP-relevant

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[237] The European databank provides only a selection of projects.

	projects. Furthermore, SMEs are supported via the Research and Technology Development (R&TD), innovation and entrepreneurship programme of the Structural Funds. This includes but is not confined to environmental issues. Obviously, the Structural Funds have a strong focus on SMEs, especially as the ERDF mentions SMEs as the main target group for direct aid investments. The Cohesion Fund shows a special focus on the reduction of the environmental impact. Also the fact that the funding is distributed via the Member States which helps to avoid linguistic barriers and is further suited to SMEs.

Both CIP-funding and LIFE+ funding was dedicated in part directly to **ECAP-relevant projects**, both programmes funded through 10 LIFE+-projects and 13 CIP-Eco-Innovation-projects almost the same number of ECAP-relevant projects , but the LIFE+ projects got a lot higher amount of funding. LIFE+ shows a higher funding per project compared to CIP-Eco-Innovation projects. But CIP also finances SMEs directly via their financial instruments.

Examples of ECAP-relevant projects

The **CIP-Eco-Innovation Programme** has one strong focus on introducing environmental management schemes in SMEs. One example is the **"EMAS Easy MOVE-it!"** project, which applies the EU Eco-Management and Auditing Scheme (EMAS) cluster certification to regional tourist products or services. The project clusters small and medium size enterprises (SMEs) of a region, which are all part of a value chain of tourism. The value chain and thus the cluster forms a competitive tourism service package, linking cultural, economic, ecological and social aspects with their respective added value. The pilot applications cover various types of destinations and clusters in 6 EU member states: Belgium, Germany, Spain, Bulgaria, Cyprus and Estonia. Also the **IMAGINE** (Innovations for a "Made Green in Europe") project focuses on the EMAS implementation in industrial clusters. Here four different clusters in Italy are involved. The created tools and models should be transferable to other European clusters and supply chains.

Another focus of CIP is on **market penetration projects for environmental technologies** trying to promote new technologies or products, which have a reduced environmental impact compared with other processes/products**.** The objective of the market entry **project PLA OPTICAL DISC** is to change production processes and to establish a market share for optical disc made out of the biopolymer polylactid acid (PLA).

In **Life+** all ECAP-relevant projects include clear references to ECAP objectives. Some projects should be named here as examples, because they reach a high number of SMEs and target different ECAP-aims.

- "E.N.A." is a project, which has the objective to improve the environmental performance of SMEs in the naval sector of a region. In this project more than 300 companies will be informed about the Eco-Design Directive (2005/32/EC) and their requirements for energy-using products, the way to calculate their carbon footprint and the possibilities for environmental management systems in the nautical industry. The aims will be reached by workshops and trainings.

- The second project is "carbon20" which aims at building local Public Private Partnerships (PPP) for climate solutions and the reduction of GHG emissions from private companies. With the focus of SMEs in the PPPs more than 100 companies and organization participate in the project and pursuing a binding GHG-reduction target.

- Two further projects focus on the implementation of an environmental management model in SMEs, i.e. with the goal of EMAS or Acorn accreditation. One project has the objective to monitor the environmental impact of products throughout their life-cycle and develop an eTool for this purpose. A framework model for Public-Private-Partnerships is developed, applied and demonstrated in another project. The guidance brings together local authorities and SMEs in these cities.

FP 7 projects often have a **sector-specific focus** to help SMEs to improve their environmental performance. For example, the project **ZeroWaste** assesses the possibilities of a zero-waste entrepreneurship defining a common vision on zero-waste entrepreneurship. The mythos "Individual Producer Responsibility" will be investigated and innovative production model for resource-use optimisation and waste prevention suggested. The project concentrates on industrial networks in the automotive, construction, electronics and photovoltaic industries. ZeroWIN will address nearly 3 million companies (of which 80% are SMEs). The project **SUSTAVINO** (Integrated Approaches for Sustainable European Wine Production) describes ways to make wine growing more sustainable. More general ECAP-relevant projects include **ENVIRON-MENTOR** (Facilitating Implementation of the IPPC Legislation through a Web-Based Environmental Consultancy Toolkit). This project aims at developing a web-based tool to help SMEs comply with IPPC legislation and can be labelled as a classical "compliance assistance project". Finally, the **ECOINN2SME** project aims to reinforce the dissemination and exploitation of project results of SMEs in the areas Eco-Innovation in such a way that they are supported to bridge the gap between research and exploitation hence expand their businesses and, accordingly, raise their competitiveness in the world markets.

As for the Structural Funds, while they have the highest budget for eco-innovative SMEs, it was difficult to identify concrete ECAP-relevant projects given that the European database included only a very limited selection of projects funded by these funds. The following ECAP-relevant project examples can be given (from other sources):

- **SPIN project: Sustainable Production through Innovation in SMEs**
  SPIN aims to develop and test tools/instruments/schemes facilitating the application of eco-innovations in SMEs. It aimed to connect 200 institutions in the field of eco-innovation in the Baltic Sea Region and set up a database of over 1000 best practice examples.

- **Lahti Cleantech cluster**
  Another project, however funded in a former funding period (2004-07) was the. This project aimed to encourage innovation and investment in environmental technologies by bringing together different stakeholders to 'Connect & Develop', including SMEs, large enterprises, education organisations and regional/local authorities.

Gaps in funding streams in coverage of ECAP priorities

The funding streams focus on different ECAP-objectives.

CIP covers the promotion of environmental management schemes for SMEs and market entry projects. There are also several projects on the improvement of monitoring systems as a first step to reduce the environmental impacts.

LIFE+ also supports projects to promote EMAS, but has a stronger focus on guidance and information to reduce the environmental impacts of SMEs, for example with the promotion of the Eco-design Directive. These guidance activities also build up a stronger knowledge base for local authorities.

FP 7 finances especially sector-specific projects and thereby provides specific knowledge to SMEs on how to improve their environmental impact.

All in all, the following priorities of ECAP are well covered:
- more accessible tailor-made environmental management schemes;
- improved communication and more targeted information, to address specific information gaps;
- building local environmental expertise for SMEs.

Few projects regard better regulations in the financing programmes revised in this study. So a gap is most evident in the field of better regulation. Another gap is also classical compliance assistance involving awareness raising of new European environmental requirements and guidelines or advice on implementation options including best practice.

The priority **focused financial assistance and a multi-annual financial programme** is fulfilled by the funding programmes but with a view to the budget provided for ECAP-relevant projects the amount of financing for specifically ECAP-relevant projects by CIP, LIFE+ and FP 7 is quite limited, so

a stronger focus of financial resources on ECAP-relevant issues could be helpful in these programmes. On the other hand, € 2.5 billion are foreseen for the assistance to SMEs for the promotion of environmentally-friendly products and productions processes by the Structural Funds between 2007 and 2013. Thus, the structural funds can be a strong anchor for the financing of ECAP-relevant projects. Yet, it could not be ascertained in this project how much money was taken up at national level for the aforementioned objective and for ECAP-relevant issues in general from the structural funds.

Uptake of funds by Member States

The analysed CIP-Eco-Innovation projects have participants from all parts of Europe. German stakeholders are involved in 7 of the 13 projects; this is followed by Spain and Belgium within three of the projects. Stakeholders from Bulgaria, Estonia, Cyprus, Greece, Italy or Turkey are involved in 1 or 2 projects.

Compared to the analysed CIP-Eco-Innovation projects the ECAP-relevant projects of the LIFE+ programme has a focus on countries of "EU-15". Three projects are led by Italian stakeholders.

FP 7 projects have quite a good spread of partners given that this is also a criterion for the assessment of project proposals.

Structural Funds cover all MSs, yet the MS have to a certain extent the power to formulate concrete priorities for projects to be funded including SME-related issues.

Role of ECAP to encourage projects in gap areas

ECAP should focus more on the issue of better regulation for SMEs in the field of environmental law. This issue needs to be put on the political agenda. If the issue is taken up at a wider level and SMEs as such also support the issue with concrete suggestions or demands, it will be easier e.g. for DG Research, to include projects on better regulation in FP 7.

Another point would be to file for additional projects in the field of "classical" compliance assistance. While a few projects have been identified (see above e.g. E.N.A and ENVIRONMENTOR), the number of these focused projects could be increased.

ECAP could also screen the different industrial or service sectors where SMEs are strongly represented with a view to where information on improving the sector's environmental impact is still scarce and no projects have been introduced. ECAP could propose sector specific projects that should be aimed at developing broad and conclusive suggestions for specific sectors on options to improve their environmental impact.

Obstacles to uptake of funds by SMEs

SMEs interviewed on the obstacles to the uptake of the funds pointed out that many SMEs were unaware of the funding streams. The lack of awareness of the funding streams could be decreased by better accessible information on the schemes, i.e. via one channel/portal where all funding streams are contained and these would no longer be fragmented. This could be an objective of ECAP. The European Commission should promote the funding streams directly. Also the information should be more focused on the target group and the Chambers of Commerce could be included to promote the information to their members. Thus, one additional goal of ECAP could be to inform SMEs in a very focussed and user-friendly way on the availability and the concrete targets and objectives of the funds that could be taken up to finance ECAP-relevant processes or projects. In short, the funds would need to be described in a simple way from a specific ECAP point of view. The approach must be result-oriented and fully focused on the end-beneficiaries.

A major obstacle for SMEs is the application procedure which can be too complicated for SMEs and SME support organizations. SMEs do not have the time and expertise to file proposals, so the whole administration burden is very high for SMEs. As a consequence, simplified procedures, flat rate payment methods and better reporting guidelines, for instance, would significantly reduce administrative barriers. There is clearly a need for more coherence and a harmonisation of the rules and procedures to access the sub-programmes of the CIP. The grouping of all SME support measures

under a cross-departmental programme would enable such simplification, leading to an increased efficiency and effectiveness in their administration as well as important efficiency improvements. The role of ECAP can be to signal these issues, but the final decision lies with the Commission services responsible for the funding programmes.

Another problem is that SMEs cannot be sure that "their" projects will get funded. Low success rate discourages further effort and is a barrier to uptake of funds by SMEs. Moreover, the funded percentage of the project budget is often not attractive for SMEs. With the latter problem, ECAP will not be able to help, however a two-step application procedure might help to pre-select proposals at an early stage which will not have a chance to be funded to limit any unnecessary and frustrating efforts.

On the other hand, the "timing" of payment of funds could become subject to considerations for reform. The largest share of project funding is made available often only after termination of a project so that the SMEs have to pre-finance projects. Due to their lack of resources, they shy away from applying for (co-)funded projects because they cannot engage money to pre-finance large projects. It could be considered to raise the rate of pre-financing from the Commission to 50%.

As regards the dedication of the structural funds/cohesion funds at national level, the MS have to a certain extent the power to lay down priorities regarding the use of the funds. ECAP should discuss with MSs to ensure that the priority of SME environmental performance and compliance is considered.

17.4   SMEs current environmental performance

17.4.1   Environmental impact from European SMEs

The DG Enterprise report 'SMEs and the Environment in the European Union' estimates on average that 64% of environmental impact originates from SMEs in the EU27 when looking at the four broad indicators (energy use; greenhouse gases; air emissions and waste or hazardous waste). Sector variations are generally within the 60% to 70% range. However, the environmental impact is not split into the different types (energy, emissions, waste) making it difficult to target policy or technical measures as these impacts differ considerably across sectors and Member States.

The environmental impact from SMEs *per country* ranges from 51% to 86%. It is low where the number of employees in SMEs is small (e.g. the UK) and high in countries with a larger share of people employed in SMEs (e.g. Cyprus). This highlights the difference in SME "structure" between the countries. The impact from SMEs *per NACE subdivision level* ranges from 25% to 86%. This varies according to the average share of employees in SMEs per country.

Other key findings from the study are given below:

- 57% of the sectors are low-impact sectors and 43% of the sectors are high-impact sectors;
- Up to 24% of SMEs actively engage in actions reducing their environmental impact; 0.4% of SMEs use a certified Environmental Management System;
- Most sectors appear to have potential for reductions in environmental impact (the average potential across all sectors for all indicators is 3.475, with a range of 2.5 to 4[238]);
- Some of the most energy-intensive sectors are also some of the most energy-efficient sectors in terms of value created per unit of energy. This is true for electricity, gas, steam and hot water supply (EA40), basic metals (DJ26) or land transport (IA60);
- Most sectors are already among the most eco-efficient (average eco-efficiency of these sectors is 1.81), perhaps because there have already been many years of effort to reduce energy use in these sectors. However, priority sectors (those with high environmental impact, a high impact per individual company, and large variations between countries within the specific sectors) are listed below, with the overall rating shown in brackets[239].

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[238] A scale of 1-4 is assigned, where 1 is the highest eco-efficiency.
[239] The highest mark is 4 for each factor, with a high mark meaning high negative impact.

NACE sub-divisions	No. of SMEs in EU-27	No. of employees in EU-27
Manufacturing of chemicals (3.13)	33,598	1,878,245
Manufacturing of Basic metals (3.04)	417,605	5,080,001
Manufacturing of Rubber and plastics (3.04)	64,941	1,749,428
Manufacturing of Food products (3.03)	307,995	4,640,672
Mining and quarrying (3.00)	17,840	257,482
Pulp and paper (2.99)	239,268	2,539,743
Coke (2.99)	1,302	170,046
Electricity, gas, steam and hot water supply (2.98)	22,239	1,227,922
Air transport (2.95)	3,432	392,320
Water transport (2.95)	19,005	232,424
Construction (2.95)	2,902,346	14,089,209

However, looking at the number of SMEs and employees in the priority sectors above suggests that **Construction, Manufacture of basic metals and Manufacture of food products** are the most important sectors.

17.4.2 Which are the key problem areas on which policies should focus (for ECAP and for other policies)?

Priority sectors identified in the study seem to be those where environmental issues are a key part of their business (processing, mining, energy production, transport etc.) This is probably why they are already the most eco-efficient. Given that most sectors score highly (i.e. most sectors have an eco-potential of 3 or 4, for all environmental impacts), it would be helpful to redefine the scale, or perhaps add a decimal point, so that the differences between the various sectors can be seen. Otherwise, eco-potential cannot be used to distinguish between sectors.

Policy should focus on sectors with low efficiency and high potential. Calculating these based on the difference between the two average ratings means that the most interesting sectors are shown below.

NACE sub-divisions	No. of SMEs in EU-27	No. of employees in EU-27
Manufacturing of Basic metals (3.88 potential - 1.38 efficiency = 2.5 overall)	417,605	5,080,001
Water transport (2.25)	19,005	232,424
Other Mining and quarrying (2.25)	17,840	257,482
Manufacturing of chemicals (2.125)	33,598	1,878,245
Manufacturing Pulp and paper (2.125)	239,268	2,539,743
Manufacturing Coke (2.00)	1,302	170,046

Given the high number of SMEs in **Manufacturing of Basic metals and Manufacturing of Pulp and paper**, these two sectors can be further prioritised for improving their eco-potential.

The report recognises that these are sectors with a high environmental impact, a high impact per individual company and perhaps also a high potential for increasing energy efficiency because there are large variations between countries within the specific sectors. Since most of these sectors are already among the most eco-efficient sectors; we agree that the observation of eco-efficiency and eco-potential is in conflict and may indicate that the potential is smaller and the variations are due to product types, technologies and so forth. A study by the Swedish Agency for Growth Policy Analysis

measuring companies' eco-efficiency concluded that in order to become more eco efficient sector specific measures are needed.

In general better data is needed to recommend polices to address some of the problems in the priority sectors. The SMEs and the Environment report acknowledge the data limitations for estimating the environmental impact of SMEs in Europe. It also outlines actions to improve environmental data quality that could be undertaken by the EU, by Member States and by SME organizations. Some of the suggested actions to improve the quality of environmental data could include:

- Improvement of the knowledge of impact distribution according to the size of the company (EU, Member States, SMEs organisations);
- Improvement of the quality of selected indicators, i.e. energy (EU, Member States);
- Broaden the range of available environmental indicators;
- Improvement of Life Cycle Analysis (LCA) data on products and companies to be compatible with NACE (EU); and
- Inclusion of environmental indicator questions in EU financed studies (EU).

A key point identified by the Swedish Agency for Growth Policy Analysis undertaking a study on measuring companies' eco-efficiency was that acceptable environmental performance could vary by site and local environmental conditions. What is acceptable quantity of emissions in one location may be too high at another location due to contrasting local ecosystem conditions. Therefore further development of data/statistics, IT solutions and general as well as specific knowledge is needed in order to be able to shape effective rules and systems. This could provide some ideas on what future exchange of best practices on environmental accounting might look like.

Other recommendations for SMEs and support organisations for reducing SMEs' environmental impact from the report and our study are discussed below. We have indicated links with ECAP actions in Task A as much as possible.

1. Strong support is required from sector organisations

Sector organisations should offer sector-specific projects aimed at stimulating innovations regarding the main environmental challenges in the sector that increase costs or cause compliance problems. Collaborative projects with several companies will reduce R&D costs of the SMEs and can enable learning between enterprises that struggle with the same challenges. To enable impact, such demonstration projects should target the value chain and opportunities in collaborating with suppliers of technical equipment or suppliers in general.

Sector organisations should focus on projects aimed at managing environmental investments, especially to build capacity in micro- and small companies. A series of sectoral projects have already been launched and financed by the EU Commission and coordinated by the European Enterprise Network. In general, the European Enterprise Network and other SME support networks can act as an intermediary between SMEs on the ground and the EU Commission and can contribute towards building local competence and addressing sectoral approaches relevant for ECAP issues.

2. Improvements in the environmental base offer business opportunities:

SMEs could explore business opportunities within the following areas:

- ***Environmental friendly products***. Many of the interviewed companies for the SME and the Environment report see an opportunity in more environmental friendly products, but at the same time they recognise barriers, and this has a significant negative impact on their motivation to pursue such a strategy.

- ***Environmental management services***. The interviewed eco-industry companies see the largest opportunities in the provision of technical solutions and services to companies that seek to comply with both EU and national environmental legislation. However, in our survey we found that the uptake of formal EMS like EMAS by SMEs remained limited. This is due to the fact that SMEs were still to a large number insufficiently aware of EMAS and its potential economic benefits and shied away from the costs and the effort that EMAS but also

EMASEasy still entailed (especially regarding the material requirements). It is recommended to promote to a larger extent simpler informal or regional EMS approaches for smaller SMEs.

- ***Investment in environmental tools and solutions***. Although, there are barriers for SMEs to invest in tools and solutions to reduce their environmental impact, there is a large cost-reducing potential. Therefore, SMEs should look more actively toward clean technologies through collaboration with suppliers and sector organisations or through applied research schemes.

However, we firmly believe that despite the limited availability of data the existing information in the EIDSME database and the main report can be analysed and presented in a more systematic and clear manner. Without this it will be difficult to propose more sector focussed and environmental impact specific policy recommendations.

17.5 SMEs and environmental compliance

17.5.1 Rates of compliance with environmental regulation

ECAP set out to promote better regulation in the design and implementation of policies. While tools and advice have been provided by ECAP to reduce the burden for SMEs, there is a lot of work to be done in taking forward this objective, particularly in relation to measuring SMEs environmental compliance at Member State level. We found that there was very little compliance data available thus turned our focus to developing a method to monitor compliance rates in the future. There are four main benefits associated with measuring SMEs environmental compliance:

1) Given the cumulative environmental impact of SMEs, it is important to help SMEs to improve their environmental performance and compliance to reduce environmental damage.
2) Good environmental performance and compliance can save SMEs money, improve reputation and increase demand for products or services from the SME.
3) SMEs environmental compliance data can influence the future direction of compliance assistance provided by ECAP as well as at Member State and regional levels.
4) Collecting data on SMEs compliance can inform the direction of environmental policy and legislation.

We explored the possibility of using four different methods to measure SMEs environmental compliance: indicators, surveys, EMAS and voluntary agreements. These methods were assessed using a number of criteria relating to ease of implementation, administrative burden and compliance effect. Support from ECAP, its partner organisations, Member States and SME support organisations will be critical in designing and implementing a method to measure compliance. The following conclusions have been drawn regarding the methods:

1) Indicators are a useful option for monitoring levels of environmental performance and compliance amongst SMEs. Indicators have a positive compliance effect and they should help to identify relationships between compliance rates and compliance assistance activities.

2) Surveys are likely to be resource intensive compared to the compliance effect that they can offer. It would be difficult to engage with SMEs and data provided is likely to be inconsistent. The use of surveys might however provide valuable information on environmental compliance amongst very small businesses.

3) EMAS would be most useful pursued as a method to measure medium sized enterprises environmental compliance. For very small organisations, EMAS is unlikely to be cost-effective. Continued assistance by the European Commission and Member States to promote uptake amongst SMEs will be necessary if EMAS is to be used in this way.

4) ECAP should encourage Member States to use voluntary agreements at the regional level in order to promote positive environmental performance and compliance. In return for demonstrating environmental compliance, incentives and rewards should be offered to SMEs.

The following recommendations will help ECAP to take forward a method for measuring compliance at Member State level. Of course care should be taken that the method(s) do not increase the regulatory or administrative burden for SMEs.

Set up working groups to inform development of a method to measure SMEs environmental compliance

To establish a method to measure SMEs environmental compliance at Member State level, ECAP must ensure the necessary technical and administrative support is in place. The ECAP 'steering group' should be responsible for coordinating strategic input, for example advising on ECAP priorities and defining the scope of activity.

The ECAP 'steering group' could comprise organisations such as DG Enterprise, UEAPME, EEN, European Information Centre Network, IMPEL, Network of European Chambers of Commerce, Regional Environment Centre for Central and Eastern Europe, National Small Business Organisations and other SME support organisations. These stakeholders could add significant value to the ECAP steering group.

The 'steering group' would be supported by the 'action group' which would take forward further research at the Member State level. The 'action group' will have direct contact with Member States, facilitating discussion on which methods would work best for their Member States. It is important that the 'action group' has heavy involvement from Member State SME support organisations who are best placed to liaise directly with SMEs. A joint task for the 'action group' and 'steering group' would be to assess the costs and benefits of implementing a method to measure compliance. In addition, the following tasks should be carried out.

Ranking of legislation

As a starting point in developing a method to monitor environmental compliance of SMEs, ECAP should consider ranking legislation. This could be done according to the level of harm inflicted on the environment and human health resulting from non-compliance. It could also be ranked in terms of the potential cost savings for the SME. Ranking legislation using these two factors will help SMEs to understand which legislation they need to comply with, providing focus and direction to help them improve their environmental performance. This would also provide a system which the ECAP 'steering group' can use to record SMEs performance at Member State level, thus providing more meaningful data which can be used to set targets.

Continue to study European best practice

ECAP has a potential future role as a knowledge sharing body. An important task will be for ECAP to continue to study European best practice to inform the design of a method for measuring SMEs environmental compliance. Additionally, best practice can be used to inform future compliance assistance programmes and help those Member States that are struggling to comply.

Continued promotion of EMAS

EMAS is a well-established, valuable tool for improving SMEs environmental performance, and for focusing SMEs on their environmental compliance. EMAS clearly has a role to play in helping the European Commission and Member States to monitor compliance rates. However it is most likely to be useful for medium sized enterprises rather than very small enterprises where it is unlikely to be cost-effective. The European Commission should continue to promote uptake of EMAS by raising awareness and providing financial support where possible. If uptake can be increased amongst SMEs across the EU, the European Commission should begin to consider working with Member States to implement a common approach to SMEs compliance monitoring using EMAS.

17.6 Recommendations for future actions for ECAP

What must ECAP do to succeed in the future?

ECAP is clearly a valuable programme but it does suffer from the difficulty of any programme aimed at smaller companies. Difficulties include engaging with SMEs due to lack of time and capacity and competing for SMEs attention. Specific suggestions have been discussed above and in the respective chapters but the key themes seem to be: focus, deliver more detailed guidance, develop a clear identity for the programme and acknowledge the data limitations surrounding measuring SMEs environmental impact and compliance rates.

The ECAP Programme has had a good and broadly effective start. The strategy of engaging with SME support organisations has proved largely effective. There remains a risk that these support organisations themselves are of variable capacity leading to uncertainty of outcome in different Member States. Therefore, measures for improving this capacity, especially in Member States where coverage is weaker, remains important.

There is a strong case for continuing to ensure that SMEs are supplied with information, advice and tools relating to environmental performance and compliance. The programme of workshops and seminars was useful to those who attended but attendance was perhaps lower than might have been desired. This could relate to the difficulty of engaging directly with SMEs and the reliance upon intermediary bodies. The ECAP website is appreciated by those who use it although in the body of the report we make recommendations which would improve the website, forum and helpdesk.

Adoption of management systems and EMAS remains relatively low and opportunities exist to further promote the adoption of such systems.

It is disappointing that Member States did not establish their own implementation plans, although some Member States are much more advanced in the way in which they support both SMEs and environmental legislative compliance. A particular focus could therefore be to seek to transfer best practice between member states. The acceptance of ECAP and support measures at national level is essential for the future success of ECAP. This would lead to an enforced role of the ministerial expert group, and greatly contribute to all priorities under ECAP.

To overcome some of these barriers and for ECAP to succeed in the future, we make the following recommendations:

1. ECAP should continue to **work collaboratively** with EEN and DG Enterprise and Industry (European Small Business Portal) to maximise synergies between the activities each of the groups carries out. Given its existing network of contacts and knowledge of SMEs and the environment, ECAP would be an effective moderator to set up common projects and promote knowledge transfer between the groups. ECAP should also work with representatives from European Information Centre Network, Network of the European Chambers of Commerce and IMPEL to ensure latest knowledge and best practice is used to inform environmental initiatives for SMEs. This 'steering group' should take on a strategic role, providing focus and direction to ECAP activities.

2. In addition to creating a collaborative ECAP 'steering group' ECAP should formalise its existing expert network to **create an 'action group'.** This group should promote ECAP implementation at Member State level and build local environmental expertise for SMEs. Acting as single contact points, ECAP experts will work directly with SME support organisations and SMEs at Member State level to progress ECAP actions. This could include organising and delivering regional trainings and improving the success rate of funding applications. This ECAP 'action group' should aim to get commitment for ECAP implementation at the national level. The participation and commitment of all Member States would promote better exchange of experience and best practices. Member States have to back ECAP if it is to deliver tangible results.

3. ECAP should continue to **promote better regulation** by taking forward recommendations to implement a method to measure SMEs compliance at Member State level. The ECAP 'steering group' and 'action group' will be required to work very closely to ensure that compliance

measuring methods are targeted at the right SMEs and that data collected allows meaningful analyses to be completed. The split of work will depend on the methods taken forward.

4. ECAP should exploit its reputation and visibility amongst SME support organisations as a **knowledge transfer body**. Once the ECAP 'steering group' and 'action group' have been established, ECAP should encourage members to share best practice from more advanced Member States and consider how these lessons can be applied to less advanced Member States. This will contribute to ECAP's action to provide more targeted and focused information, relevant to a wider range of Member States and sectors. ECAP should undertake more research relating to each of the five ECAP actions. Additionally, ECAP should provide in-house advice on matters relating to SMEs and the environment, e.g. pushing for simplified funding streams and representing the interests of SMEs.

5. ECAP should place greater emphasis on the **use of performance metrics** to measure its success in a more tangible manner. These metrics can be used to improve the visibility of ECAP, informing the direction of future support. Appropriate metrics can also help SMEs to increase their competitiveness. Metrics might include:

   - How many SMEs are reporting on their compliance rates? How are compliance rates progressing?

   - Are there specific sectors or Member States where SMEs are struggling to comply?

   - What is the success rate of funding applications amongst SMEs?

   - In how many regions is there no environmental assistance available to SMEs?

   - What environmental improvements can be attributable to ECAP actions?

The steering and action groups would have an essential role in gathering the data necessary for these performance metrics.

6. ECAP should continue to **promote the use of EMAS** as a tool to manage environmental impacts amongst SMEs with a moderate to high environmental impact. ECAP (via the 'action group') should help small and micro businesses with a relatively low environmental impact to identify the most suitable and cost-effective method (e.g. regional or informal environmental management system) to control their environmental impact.

7. ECAP should **strengthen the brand identity** of its website and web resources. This will help ECAP to become the first stop for providing targeted information on environmental issues, funding support, legislation, compliance and environmental management systems to SME support organisations and SMEs at EU Member State level.

8. **Training under ECAP should be more focussed and effective.** The European level has financed a series of ECAP-relevant training actions between 2007 and 2010 with a view to helping local expertise to be created in the Member State. It is evident that Europe can only play a very focussed and complementary role in training thereby supporting Member States in their actions. In order to use budget in a reasonable and effective way, the European Commission should carry out or commission ECAP-relevant training only under certain conditions such as:

   - Certain Member States are identified as inactive in ECAP-relevant issues and cannot be persuaded to carry out training and awareness raising themselves. In these cases, trainings should be addressed at stakeholders from this or these specific Member States.

   - The visibility of European projects or best practices that have proven to be successful in improving SME environmental performance should be increased and/or disseminated to all Member States.

   - Certain ECAP-relevant issues (e.g. implementation of EMS, implementation of specific legislation) common to a large number of SMEs are identified as problems that need to be solved. Alternatively, specific practical issues that are of proven relevance to a fair share

of SMEs in the EU or in a specific Member State. Any solutions proposed to specific problems should be in nature eligible to be taken up.

With regard to the format in which the trainings should be delivered, a good approach could be to categorise information into two categories:

- Information to be spread via the website only; and

- Information to be spread via trainings (at EU-wide or only at MS level).

The issues and projects proposed for discussion in trainings need to be carefully selected by involving a number of national SME support organizations, which should give input on what information would be required by SMEs.

9. **Inform SMEs in a more focussed and user-friendly way on the availability relevant funding sources.** Funding provided for ECAP-relevant issues is not always taken up to a satisfactory extent by SMEs. One reason is that many SMEs are unaware of the funding streams. The lack of awareness of the funding streams could be decreased by better accessible information on the schemes. Thus, one additional goal of ECAP could be to inform SMEs in a very focussed and user-friendly way on the availability and the concrete targets and objectives of the funds that could be taken up to finance ECAP-relevant processes or projects. In short, the funds would need to be described in a simple way from a specific ECAP point of view. As regards the dedication of the structural funds/cohesion funds at national level, Member States have some power to lay down priorities regarding the use of the funds. ECAP should encourage Member States to also fund projects, using the structural funds, to help SMEs be more compliant with environmental law and/or improve their environmental impact.

The ECAP programme has succeeded in delivering important actions although some actions envisaged in the communication were not attempted or implemented. As a new programme targeting a large, diverse and particularly difficult to reach audience of SMEs these first few years of implementation can be seen as an opportunity to learn and improve approaches to delivery. It is clear that much of the burden of future delivery must rest with Member States and that there are limits to what the EU can drive forward.

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Annex 1 Assessment criteria Task A

The actions assessed in Part A are all actions based on the announcements and criteria made in ECAP. Thus, all implementation actions have be assessed with regard to whether they have contributed to the objectives of ECAP, in terms of ECAP's general goals, as well as to the specific objectives of the action in question.

In order to carry out this assessment, AEA and Ecologic developed a series of criteria using qualitative and quantitative indicators (Table 1). The criteria have been confirmed with the Commission. During the course of the study the generic assessment criteria was adapted to the different tasks and will be applied depending on the subject of the assessment. The criteria were used especially to assess the capacity-building actions in tasks A1-3. The data needed to assess the criteria was obtained through literature search and interviews – depending on the questions – with SME support organisations, SMEs and the Commission. The questionnaires for the stakeholder consultation reflect the criteria for each Task. Not all criteria will apply to all types of stakeholders and tasks. Thus, specific questionnaires have been developed for each task.

Table 1 Assessment criteria for tasks

Topic	Definition	Criteria
Relevance	The extent to which an intervention's objectives are pertinent to needs, problems and issues to be addressed	**Focus** of the action (was the action formally and in fact in line with the focus of ECAP?). Was the action focussed to: • ECAP's overall objectives (as relevant for the specific action): • To the Action's specific objectives (here e.g. task A1) • **Importance** of issues to be treated: did the action address and concentrate on the really important aspects of compliance assistance (i.e. the problems that most impede SMEs to comply with environmental law / better their environmental performance as laid down in the ECAP Communication: • Lack of awareness and knowledge of environmental problems, impacts and risks • Lack of awareness of potential benefits of environmental management and life-cycle thinking • Insufficient access to and local availability of adequate environmental information, tools and training • Limited financial and human resources/expertise for dealing with compliance; • Relatively short-term planning at company level. Further limits • Environmental behaviour is usually governed by regulation or public pressure; • Limited market incentives/recognition for environmentally friendly behaviour The assessment will go beyond the Communication's criteria if we find additional issues that impede SMEs to comply with environmental law.
Coherence	The extent to which the intervention	**Number of actions** undertaken that pursue the same objectives (one single action / event would monopolise

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Topic	Definition	Criteria
	logic is non-contradictory / the intervention does not contradict other interventions with similar objectives	attention whereas a multitude of actions pursuing the same objectives might dissipate attention) **Likeliness of actions to interfere with another:** • Relationship of the respective action with other action, • Clear Delimitation of the focus of the actions **Number of references to other interventions –** confirmation that other interventions (i.e. outside of the ones mentioned in the Terms of Reference) have been considered and the information included where appropriate
Economy	The extent to which resources are available in due time, in appropriate quantity and quality at the best price	**Sufficiency of the actions:** can the demand be satisfied? **Dimension of the actions**: are the actions correctly targeted or too small / big for the demand? **Timing**: are the actions correctly planned with regard to timing? **How was budget spent –** was it split equally amongst the EU 27 states? Was it concentrated on achieving the ECAP objectives *Procurement -* How were the actions procured? What were the procurement criteria? Were services and contracts for the actions competitively priced? **Is the timing of the various aspects of ECAP likely to result in conflicting results** or would input from the various strands have been better obtained in a different order? Are the actions correctly planned with regard to timing (long enough a time to register, well publicised?) Were there any delays in implementing the actions? If yes, why? Sample of events and assessment of advertising and registration process? **Were resources focussed on achieving the ECAP objectives?** **Is the depth of information provided consistent** with achieving the objectives (e.g. if substantial gaps remain then consider whether adequate resources were provided)
Effectiveness	The extent to which objectives set are achieved	**Number of addressees** having taken advantage of the action **Opinions of addressees** having taken advantage of the action regarding usefulness of the action with regard to helping them advance in the problematic fields (this requires contact with the SMEs to establish) Ex-post assessment based on the reports
Efficiency	The extent to which the desired effects are achieved at a reasonable cost	**Costs of the action** **Comparison of costs** of other possible actions pursuing the same objectives Possible cheaper ways of achieving the same effects.
Sustainability	The extent to which positive effects are likely to last after an intervention has terminated	**Any guarantees that the action** itself will continue even if the intervention itself is terminated (e.g. continuing homepage that is updated) **Any plan to repeat or extend the action:** e.g. on a regular basis, as and when regulations change, with new audience? **Any plan to create an ongoing process** with the action (EU Commission)? **Any indication that actions already taken are being enhanced** by the SMEs/ SME support organisations

Topic	Definition	Criteria
		Any indication of support groups enhancing their offering without additional funding from ECAP?
Utility	The extent to which effects corresponded with the needs, problems and issues to be addressed	**Number of SMEs / support organisations** taking advantage of the action **Opinions of participants / addressees** of a certain action regarding the utility of the action for a given problem
Consistency	The extent to which positive / negative spill-overs onto other economic, social or environmental policy areas are being maximised / minimised	**Potential of an action to have positive / negative synergies / impacts** with other policy areas and actions? (examples ETAP) **Collaboration between personnel responsible** for ECAP (in SME support organizations, etc.) with personnel in other policy areas to maximise / minimise positive / negative spill-over effects (e.g. personnel responsible for simplification of environmental law).
Allocation / distributional effects	The extent to which disproportionate negative / positive distributional effects of a **policy** are minimised / maximised	**Was additional effort focussed** on those SMEs (sector wise) with the largest environmental impact? **Was effort focussed on geographic location** of SMEs, considering that those in less well developed EU states may have a worse track record regards environmental pollution?
Acceptability	The extent to which stakeholders accept the **policy** in general and the particular instrument proposed or employed	**Interviews with stakeholders**; **Positive / negative opinions** especially regarding the criteria enumerated above. **Number of SMEs actively taking action** as a result of the programme

Annex 2 Stakeholder consultation process

The addressees for any questionnaires produced for the different sub-tasks of the ECAP project vary, as a result we propose to develop specific questionnaires for those actions that have a very limited circle of people to be contacted, most importantly these will be the participants of the events in tasks A1-A3, the coordinators of projects in task A4 and the members of the ECAP expert group in task A11.

Furthermore, a general questionnaire would be produced that poses general questions on ECAP and includes the broader tasks A5, A6, A7, A 8 and A 9. The general questionnaire will be sent to the participants of the different events that the EU has organised and the distribution lists provided by the commission.

The stakeholder consultation process involved the following:

- A detailed questionnaire for each task was sent to specific set of stakeholders. The process meant that the stakeholders received an email with the questionnaire with a request to respond. Participants were given a three-four week window to respond.

- A general questionnaire for the wider stakeholder audience delivered through a website link to Survey Monkey. The participants were sent an email with a request to fill out the survey. The survey was launched in late February.

Tasks	Questionnaire (general or specific)
A1	Specific (to participants of capacity building seminars in seven Member States, rather the more recent ones)
A2	Specific (to participants), 4 different questionnaires (i.e. three for the three workshops and one for the final conference).
A3	Specific (to participants) 5 different questionnaires for five different events (tours, trainings, final conference)
A4	Specific (to coordinators of the projects)
A5	Relevant questions for the website can be integrated in general questionnaire
A6	Relevant questions for forum can be integrated in general questionnaire
A7	Relevant questions for the helpdesk can be integrated in general questionnaire
A8	Relevant questions for EMAS/EMAS Easy can be integrated in general questionnaire
A9	Relevant questions for the financing instruments can be integrated in general questionnaire
A 10	No questionnaire
A 11	Specific to Members of the Expert Group
A 12	Rather interviews are going to be held.

Annex 3 Specific evaluation of Task A 3

In the following sections the exact numbers of answers in the questionnaires to the A3 actions are given.

18.1 PRATO Study tour

All five respondents answering to the Study Tour to Prato were SME support organisations.

General issues

Two persons said that the visit was very successful in improving awareness of environmental issues and SMEs, three said it was somewhat successful. One stray of criticism had it that the management modes of the industrial park was good, however most SMEs do not work within a consortium. Furthermore, the issue of SME needs for environmental technologies and services were not treated with much details.

Communications of the objectives and potential of ECAP: All respondents said that the study tour well communicated the objectives and potential of ECAP.

Four out of five respondents also affirmed that they could draw a best practice approach to help SMEs from what they had learned in the study tour. One person did not reply.

Transferability

Transfer of examples in the study tour to other countries: three respondents said that the examples can only be transferred to a limited extent to other countries and/or sectors of SMEs. Importantly, the problem has been raised that any transfer will depend on whether there is a possibility to involve SMEs in an industrial park in a given time and place. Also, there is not any state policy or support for industrial parks at the moment. One respondent also said that the tour focussed especially on water treatment, the solution could also be applicable to other productive sectors.
With regard to the question, whether the cases presented were widely applicable across MSs and sectors or too specific regarding the Prato situation, four responded that the cases were only somewhat widely applicable. As one respondent said, they regarded more the industrial district as the single SME.

Practicality

Two respondents said that the cases were explained in a very way practical enough to allow SMEs to take up the cases; two respondents said the cases were only to limited extent practical, one answer was unclear. The main problem described was that the measures cannot be taken up on the company level.

The waste water treatment, the nursery school and the Photo-voltaic roofs (including the report on the negotiations with the banks) were seen as useful examples of the study tour. Four respondents were of the opinion that the examples were very clearly explained (one did not answer), three found the examples very useful, two fairly useful.

Asked whether they were motivated by the study tour to identify similar solutions for their SME clients, one said to a large extent, three to a limited extent, one not at all. What was given as one reason for a negative assessment was the fact that the tour did not so much regard single SMEs as district planning.

Networking

The opportunity to networking was sustained by all respondents and all said they keep in contact with other actors of the study tour. As such the networking part was regarded as successful.

Four out of five respondents said that the workshop enabled networking to a large extent, only one to a limited extent. As regards whether the networking helped to discuss experiences and get practical help, three said to a limited extent, one to a large extent. One point of criticism was that there has been an interesting exchange of experiences, both during study visit and afterward but no practical help.

Follow-up: Asked whether they plan to set up/contribute to setting up project based on the study tour, three said yes, two no. The examples given in the tour have prevalently not been taken up in other MS than Italy. One respondent said that he had presented the photovoltaic roofs bank loan case to the regional government.

Special issue LIFE+&CIP

It was asked whether the presentation on LIFE+ and CIP the presentation on LIFE+ and CIP raised awareness of possibilities for SMEs to get funding for projects linked to improving the environmental impacts of SMEs. Two said to a limited extent. Only one said to a large extent. One person said to know the programmes already sufficiently well.

18.2   On the job training: Ecobusinessplan Vienna

Stakeholder responses: 2 public authorities answered, one private person and 1 SME support organisation

General Issues

Three respondents said that the training was somewhat successful in improving awareness of environmental issues and SMEs. The main reason for this was that some respondents had already good knowledge of these cases.

Two respondents said that the training very clearly communicated the objectives and the potential of ECAP while two persons said that the communication of the objective and the potential were only somewhat clear. The point of ECAP's influence in the revision of EMAS Regulation was not clear.

All respondents agreed that the examples and activities of the Ecobusiness plan were very useful. The following cases/examples were cited as particularly useful: Pilot project on sustainable products and services; the Way they spread their activities, the database and the evaluation.

Transferability

With a view to whether the examples can be transferred to other countries/regions, 3 said to a large extent (e.g. through the chambers of commerce and industry and/or ECAP on the job training seminars; Gothenburg has said they work with similar instruments but plan to introduce figure collection to make better evaluation; Helskinki has said to have spread some ideas already to their Eco-Compass concept), one to a limited extent. Yet, three respondents said that the examples given in the study tour were only somewhat applicable given that the situation in Vienna cannot by copied 1:1 to other Member States.

Practicality

The opinions were also split with regard to whether the examples were explained in such a way that they were practical. 2 said to a large extent, 2 others only to a limited extent. E.g. the REACH part did not seem to have been practical to one respondent.

Opportunity of networking:

As regards the opportunity of networking, three said that the opportunity was given to a limited extent; one person said that he knew already many persons. One to a large extent. All agreed that the networking that was possible helped to discuss experiences only to a limited extent: one issue was limited time.

Two respondents said that they kept in contact with the actors taking part in the training. One was saying that they would get into contact.

Follow-up

Three out of four respondents said that they consider setting up/participating in a project based on the Ecobusiness-Plan experience, e.g. the Eco-Compass in Finland is based on the Ecobusiness Plan. One responded that they would start a project with EcoLighthouse in Norway regarding data collection. One considered taking up a project similar to Ecobusiness Plan in the future.

Some similarities have been identified between Ecobusiness Plan and the Environment Diploma scheme and the association Swedish Environment Base.

Problem identified: too few people in Vienna, very important to spread knowledge/good practices in the future.

18.3   One the job training EMAS Club (Barcelona)

Ten people responded, SME support organisation public 2, SME support organisation private 5 Public Authority 1 Others: 1 SME, 1 Consultant

General Issues

Seven respondents said that the training was very successful in improving awareness of environmental issues and SMEs, three said that it was somewhat successful. Of the latter, one said that the transfer of experiences was positive while the creation of additional networking could be useful. Another respondent said that the training session was not specific enough in the specific environmental issues relevant to SMEs. The most positive aspect highlighted was that it was very useful to discuss about specifically SME-relevant issues in EMAS.

To the question whether the workshop had communicated clearly the objectives and potential of ECAP, eight said very clearly, two somewhat clearly.

To the question whether the example of the EMAS Club and its concrete activities were useful, outright nine answered very useful, only one somewhat useful. One interesting issue reported was the improvement of communication on EMAS. Also the fundamental idea of an EMAS club was appreciated. (1 response). Also the links among companies integrated in the Club and their cooperation with each other.

Special issue: EMAS III presentation

An EMAS III presentation was given, it was asked whether the presentation was insightful. It was very insight for 8 persons, somewhat insightful for 2. The new focus on the environmental aspects (basics and sectoral ones were found interesting). Also the explanation of the new key points of EMAS III were found important.

Transferability

To the question whether the activities of the EMAS Club were widely applicable, five said they were widely applicable, another five said that somewhat applicable. It was said that in other Member States or regions there are not so many EMAS organisations, thus it would be rather difficult to set up a club. Respondents praising applicability drew to the fact that similar initiatives have already been set up, e.g. in Italy.

In line with these responses, six respondents said that the example of the Catalonian could be to a large extent be transferred to other countries/regions. One example of this is the Club EMAS Veneto and Emilia Romagna. An Andalusian SME support organisation said they would like to replicate the experiences of Catalonia to Andalusia.

All SME support organisations responded that the y could draw lessons from the training sessions on a best practice approach to help SMEEs, most importantly on the importance on the creation of a network.

Practicality

The examples of activities given were deemed as very practical by eight respondents, somewhat practical only by two.

Opportunity for networking

Four respondents said that there were networking opportunities to a large extent, five said to a rather limited extent, one said not at all (no opportunity for specific contacts). From those who answered there were some opportunities of networking, five said the networking opportunity helped to discuss experiences and get practical help only to a limited extent. Four said to a great extent.

Maintenance of contact: To the question whether they keep in contact with other actors having taken part in the EMAS Club issue: seven answered yes, three no.

Follow-up of the workshops

To the question if they considered participating or setting up an EMAS Club, one person did not answer, four said yes, six said no. Valencian EMAS organisations do not have the numbers to set up a club but have improved co-operation with the authorities with a view to improve their position in EMAS and set up a club in the future. Another respondent has filed for a project through EEN on environmental services to foster EMAS implementation in SMEs, including the setup of EMAS clubs in participating regions. EMAS Clubs are already operating in Italy.

Further suggestions: A sector approach should be taken up to share and transfer best practices within a specific sector. SMES operating in the same sector shall share common problems and can achieve greater benefits from cooperation.

Other respondents would like to organise an event like the EMAS club in Valencia.

18.4 Study Tour: Paris (ACFCI)

Only three people replied.

General issues

Asked whether the study tour was successful in improving the awareness of environmental issues and SMEs, all replied that in that respect the study tour was very successful.

In contrast, only two respondents said that the study tour very clearly communicated the objectives and the potential of ECAP. One respondent said somewhat clearly.

All respondents also said that they could draw a best practice approach from the tour to help SMEs. One example was highlighted as very good by a respondent: a French example for energy efficiency in buildings.

Two respondents said that the examples provided on actions done by SME support organisations with the aim to assist SMEs in improving their environmental impact were very useful, one said that somewhat useful. Some initiatives in French departments were regarded as very ambitious.

Transferability

Two respondents said that the examples of activities of SMEs were only somewhat applicable/transferable to other countries than France, only one said that they were widely applicable.

Practicality

The grade of practicability of examples was given only with "somewhat practical" by all respondents.

Networking

2 respondents said that the study tour provided a precious opportunity for networking, 1 only to a limited extent. In turn, two respondents said that the study tour helped to a limited extent to discuss experiences and get practical help, only for one this happened to a large extent. 2 respondents reported to have remained in contact with other actors from the study tour, one did not.

Follow up

2 respondents suggested setting up a similar initiative of a study tour, one said that they had already organised one. 2 did not know any similar initiative based on info from the study tour. One said partnership for climate protection, energy efficiency and innovation.

Annex 4 General Questionnaire

A. *General programme overview*

1. Are you aware of the ECAP Programme?

   Yes [   ]   No [   ]   No opinion [   ]

2. If yes, please describe in a few bullet points what are the main features that you associate with ECAP:

   Response:

3. Do you agree that the ECAP programme has been effective in supporting SMEs improve their:

   a) their compliance with environmental law

Strongly agree	Agree	No opinion	Disagree	Strongly disagree
[ ]	[ ]	[ ]	[ ]	[ ]

   b) Their environmental impact:

Strongly agree	Agree	No opinion	Disagree	Strongly disagree
[ ]	[ ]	[ ]	[ ]	[ ]

   Please briefly elaborate on your response:

B. *ECAP Website, forum and helpdesk*

4. Are you aware of the ECAP website?

   Yes [   ]   No [   ]

5. If yes, how easy is to find information that is relevant for you on the ECAP website?

Very easy	Easy	No opinion	Difficult	Very difficult
[ ]	[ ]	[ ]	[ ]	[ ]

6. On a scale of 1 to 5 (where one is poor and five is excellent), how useful has this information been?

Poor				Excellent
[ ]	[ ]	[ ]	[ ]	[ ]

   a) If you have given a score of 3 or less, please explain why.
      Response:

7. What information on the website is especially interesting or helpful?

Please briefly elaborate your response:

8. How easy is the website navigation and language to use?

Very easy   Easy   No opinion   Difficult   Very difficult
  [ ]   [ ]   [ ]   [ ]   [ ]

   a) If difficult, what is difficult and what could be improved?
     Response:

9. On a scale of 1 to 5 (where one is poor and five is excellent), how useful
   the ECAP forum, as a tool, has been to aid knowledge learning and sharing of best practice
   and networking to support SME's on environmental issues?
   Poor   Excellent
   [ ]   [ ]   [ ]   [ ]   [ ]

   a) If you have given a score of 3 or less, please explain why.

     Response:

10. On a scale of 1 to 5 (where one is poor and five is excellent), how useful the ECAP helpdesk,
    as a tool, has been to aid environmental compliance?

    Poor   Excellent
    [ ]   [ ]   [ ]   [ ]   [ ]

   a) If you have given a score of 3 or less, please explain why.
     Response:

11. How do you think the forum and helpdesk could be further improved?

   a) In terms of coverage :
     Response:

   b) In terms of content :

     Response:

   c) In terms of service :
     Response:

   d) Or any other :

Response:

[   ]

C. EMAS Easy and EMAS III

12. Has EMAS Easy been successful in convincing SMEs to take up EMAS?

Not at all successful	Somewhat successful	No opinion	Somewhat successful	Very successful
[ ]	[ ]	[ ]	[ ]	[ ]

If not at all successful, please give reasons on what can be improved:

[   ]

13. On a scale of 1 to 5 (where one is poor and five is excellent), how effective has ECAP been in promoting the take up of EMAS Easy?

Poor   Excellent
[ ]   [ ]   [ ]   [ ]   [ ]

   a) If you have given a score of 3 or less, please explain why.
   Response:

[   ]

14. Do you agree that the European Commission should and could play a greater role in increasing motivation and awareness of SMEs to consider EMAS Easy as a way to take up EMAS?

Strongly agree	Agree	No opinion	Disagree	Strongly disagree
[ ]	[ ]	[ ]	[ ]	[ ]

Please briefly elaborate your response:

[   ]

15. How do you think SME support organisations could further encourage the use of EMAS Easy?
   Response:

[   ]

16. On a scale of 1 to 5 (where one is poor and five is excellent), do you feel that EMAS III has been successful in reducing the administrative burdens on registration for SMEs?

Poor   Excellent
[ ]   [ ]   [ ]   [ ]   [ ]

   a) If you have given a score of 3 or less, please explain why.
   Response:

[   ]

17. Do you expect that the simplifications to EMAS by EMAS III will encourage more SME's to sign up to the scheme?

Not at all [ ]   Somewhat [ ]   A great deal [ ]   No opinion [   ]

18. Do you agree that EMAS has become more visible and attractive to SMEs after EMAS III/EMAS Easy?

Strongly agree	Agree	No opinion	Disagree	Strongly disagree
[ ]	[ ]	[ ]	[ ]	[ ]

Further comment:

19. In your view, what more can be done to motivate SME's to sign up to EMAS?
Please provide 3 options

Response:

• Please name any improvement potential for EMAS Easy and EMAS III with regard to SMEs_____

Other simplified environmental management systems

• Are you aware of other simplified environmental management systems that are especially tailored for SMEs?

[   ] Yes [   ] No; if yes please name those:

• Do you also promote such simplified environmental management systems that are especially tailored for SMEs?

[   ] Yes [   ] No If yes, please name which:

Any further comments on EMAS or promoting other tailor-made environmental management systems for SMEs?
Response:

D. Financing

20. Are you aware of the different funding streams available to aid SMEs' improvement in environmental impacts?

Not at all [   ]   Somewhat [ ]   A great deal [ ]   No opinion [   ]

Please give your views on:

	Well known	Fairly known	Hardly known	Not known at all
a. Life+,	[ ]	[ ]	[ ]	[ ]
b. CIP Eco-innovation	[ ]	[ ]	[ ]	[ ]
c. FP7	[ ]	[ ]	[ ]	[ ]
d. Structural funds	[ ]	[ ]	[ ]	[ ]

21. Do you agree there is a strong awareness of these funding streams?

Strongly agree   Agree   No opinion   Disagree   Strongly disagree

  [ ]   [ ]   [ ]   [ ]   [ ]

If you disagree or strongly disagree, then what do you think could be done to improve the knowledge of such funding?

Response:

22. If you are an SME support organisation: Have you informed SMEs on these funding opportunities?

Yes [ ]   No [ ]   No opinion [ ]

23. From your point of view, what are the main reasons why SMEs do not apply for the funds available at their disposal?

E. Other issues

24. From your experience, what could be done to still improve SMEs' awareness of ECAP or of tools to improve their environmental performance?

Response:

25. Is the ECAP programme your first port of call to obtain more information on environmental support for SMEs?

Yes [ ]   No [ ]   No opinion [ ]

26. What other forms of support would you call upon first if ECAP is not your first port of call?

Response:

27. Do you have any further comments on your experience of using ECAP?

Response:

28. Do you have any other suggestions to improve the ECAP programme in terms of its effectiveness and visibility?

Response:

If you have also participated in the ECAP capacity building seminars organised in your country, please proceed with the following questions

Otherwise we thank you very much for your contribution
<click here to submit the survey>

F. *ECAP Capacity building seminars*

In the years 2007-2009, a series of ECAP capacity building seminars were organised to build local environmental expertise in the Member States. For each Member State one capacity building seminar was organised (see link for more details: http://ec.europa.eu/environment/sme/toolkits/training2008_en.htm)

General questions

1. Did the seminar explain ECAP sufficiently well and convey the core ideas of this programme?

   ☐ very well ☐well ☐satisfactorily ☐insufficiently,

   Please briefly explain your choice: _____

2. Was the seminar successful in addressing SMEs' problems of limited financial and human resources for dealing with environmental compliance?

Not at all successful	Somewhat successful	No opinion	Somewhat successful	Very successful
[ ]	[ ]	[ ]	[ ]	[ ]

   Please briefly explain your choice: _____

3. Did the seminar provide ideas on how support organizations could address these problems? Please give examples of these ideas: _____

4. The following three questions are directed to SME support organisations, if you are not an SME support organisations please skip the next three questions:

   - Did the programme of the seminar raise awareness in your organisation as to how to assist SMEs in problematic fields of compliance with environmental law?
     ☐Yes ☐ No; If not, any suggestions to raise effectiveness of the action in this regard.

   - Did the seminar raise engagement of your or other SME support organisations to help micro and small businesses in their daily activity to comply with environmental legislation;

     ☐ Yes; ☐ No. If no, please give some indication what could be improved_____

   - Did you consider the seminar as a good way to build environmental expertise in your support organisation?

     ☐ Yes; ☐ No; If the reply is no, what other options should have been considered? _____

5. Are you aware of other actions (e.g. conferences, seminars) undertaken in your country that pursue the same objectives as the capacity building seminar?

   ☐Yes ☐No; If so, please name and describe them shortly

6. Has the seminar facilitated knowledge of and access to adequate environmental information, tools and training?

   ☐ to a very satisfactory extent ☐ to a satisfactory extent ☐to an unsatisfactory extent; Please give reasons for your choice: _____

7. Did the seminar offer a useful introduction into EU financial support to SMEs for investments in environmental protection?

   ☐ Yes ☐ No ; If your answer is no please explain why: _____

8. Can you provide any indication if actions that were already taken by support organizations with regard to ECAP have been enhanced by the SME support organisations after the seminar? _____

9. Can you provide any indication of support groups enhancing their offers without additional funding from ECAP?_____

10. Do you keep contact with other actors/stakeholders taking part in the action? ☐ Yes; ☐ No; Comments: _____

11. Do you follow developments of ECAP? (through website, e-alert, participation in subsequent actions, other)
☐ Yes; ☐ No; Comments: _____

Relationship of the capacity building seminars with other interventions

12. In your opinion, did the seminar have a clear focus in its programme, meaning that a clear and well-limited set of issues was treated?

☐ Yes; ☐ No, If your answer is no, elaborate on why you have had this impression_____

13. During the seminar, have you been given references to other events or fora that would allow you to gain additional information from the basis of the seminar?

☐ Yes ☐ No, If so, please name these references and say whether they have been useful to you: _____

14. Do you feel that there is potential of the seminar to have positive or negative synergies / impacts with other policy areas and actions? For example: actions from anti-red tape initiatives, better-regulation initiatives, promotion of environmental technologies, etc.? If possible, name positive and negative synergies_____

Sufficiency/Effectiveness of the seminars

15. Do you feel that the demand of support organizations for ECAP capacity building could be satisfied in your country by the seminar?
☐ Yes; ☐ No; Comments: _____

16. Do you feel that the seminar was correctly targeted or too small / big for the demand? _____

17. Do you think there is a need for further capacity building in this area?
☐ Yes; ☐ No; Comments: _____

18. Do you have any suggestions on the potential to improve the ECAP seminars?_____

Annex 5 ECAP website evaluation criteria

AEA's IT specialists have used the following criteria to evaluate the ECAP website.

1. **Authorship: It should be clear who developed the site**

- Contact information should be clearly provided.
- Credentials: the author should state qualifications, credentials, or personal background that gives them authority to present information.
- Check to see if the site supported by an organisation or a commercial body

2. **Purpose**

The purpose of the information presented in the site should be clear. Some sites are meant to inform, persuade, state an opinion, entertain, or parody something or someone. Evaluating a web site for purpose:

- Does the content support the purpose of the site?
- Is the information geared to the specific audience?
- Is the site organised and focused?
- Are the outside links appropriate for the site?
- Does the site evaluate the links?

3. **Coverage**

It is difficult to assess the extent of coverage since depth in a site, through the use of links, can be infinite. One author may claim comprehensive coverage of a topic while another may cover just one aspect of a topic. Evaluating a web site for coverage:

- Does the site claim to be selective or comprehensive?
- Are the topics explored in depth?
- Do the links go to outside sites rather than its own?
- Does the site provide information with no relevant outside links?

4. **Currency**

Currency of the site refers to: 1) how current the information presented is, and 2) how often the site is updated or maintained. It is important to know when a site was created, when it was last updated, and if all of the links are current. Evaluating a web site for currency involves finding the date information was:

- first written
- placed on the web
- last revised
- Links are up-to-date
- Links provided should be reliable. Dead links or references to sites that have moved are not useful.

- Is the information provided so trend related that its usefulness is limited to a certain time period?

5. Objectivity

Objectivity of the site should be clear. Beware of sites that contain bias or do not admit its bias freely. Objective sites present information with a minimum of bias. Evaluating a web site for objectivity:

- Is the information presented with a particular bias?
- Does the information try to sway the audience?
- Does site advertising conflict with the content?
- Is the site trying to explain, inform, persuade, or sell something?

6. Accuracy

There are few standards to verify the accuracy of information on the web. It is the responsibility of the reader to assess the information presented. Evaluating a web site for accuracy:

- Reliability: Is the author affiliated with a known, respectable institution?
- References: do statistics and other factual information receive proper references as to their origin?
- Is the information comparable to other sites on the same topic?
- Does the text follow basic rules of grammar, spelling and composition?

Annex 6 ECAP website and forum assessment and interviews

Assessment of website

Assessment criteria	High	Med	Low
Is it clear what the site is for?	X		
Is it clear who the site is aimed at?	X		
Is the language used easy to understand?	X		
Is information you are looking for easy to find?	X		
Does the site encourage continued use?	It has a variety of information and tools – the monthly email provides a method of informing subscribers when it has been updated.		
All major parts of the site are accessible from the Home page	X		
Site structure is simple, with no unnecessary levels		Mostly – though it is not clear why there are different coloured links in the left hand navigation panel.	
Terminology is consistent with general web usage	Lots of good content words for search engines – no over complicated jargon. The glossary is good with acronyms spelt out		

Interview with ECAP website administrators

Areas of discussion covered by interview
Approvals process Biois prepares the updates in word format for approval or modification by Imola. Once approved by Imola, Biois then prepares the updates in CSS (cascading style sheet) format in Dreamweaver and submits this to the webmaster for upload. Where material needs to be translated this is finalised first by Imola before Biois pass it to the translator. Areas for translation are explicitly marked up as not all the text necessarily needs to be translated if it exists already. The translated documents are prepared in CSS format ready for HTML upload. The website is translated into six different languages. There is also an internal process within Biois where consistency across each language is checked.
Source of material Content for uploads is suggested both by both Martina and Imola. Inspiration for this content may come from stakeholders, meetings, conferences etc. For example content for Best Practice often comes from stakeholders.
Timing of updates There is no official schedule for the updating on content and features. Updates are done on an ad-hoc basis. If an item for inclusion or change on the website is not urgent then this held until a series of changes are required. Where items (such as events and news) are more urgent these are processed immediately.
Styling guidelines Styling of the pages and associated text and links is guided by the use of CSS models that were set up specifically for the ECAP site.

How the website is promoted
A monthly e-alert is sent out by Biois and this links to relevant areas on the website such as news and events, and new best practice examples. At least one new best practice example a month is added to the website and this is included in the monthly e-alert. The ECAP site is promoted through stakeholder sites within the European Commission environment section, such as EMAS, European Small Business Portal and Eco-Label. This is done in the form of web banners and also feature articles which are prepared for these sites. This seems to be an exchange process between the sites as they all sit with the EC environment section and they are closely linked.

Challenges and limitations of the site
Currently the website has some browser compatibility issues which need addressing. The process for checking links needs to be improved so that this happens more frequently, and the existing content on the site also needs to be checked more often. Some errors that are identified on the site take longer than others to fix as this has to be done via the webmaster. The ECAP site has to comply with the Information Provider Guidelines (IPG) for Europa and this restricts what can and can't be done on the site. For example all European Institution websites must sit with the europa.eu domain and pages must be delivered to the Commission in static HTML format. There are numerous other requirements that providers of sites must follow and these are provided at http://ec.europa.eu/ipg/

Possible improvements
If resources allowed then it was suggested that a more dynamic structure would be used for the site. As content increases all the time this is an aspect which could improve the way in which the information is organised and how it is displayed.

Additional information provided by EC webmasters

File structure and arrangement
In general, the files on the website tend to follow a logical structure. The way the 'directories' are arranged can be seen in the URL. For example, in the following page: http://ec.europa.eu/environment/sme/cases/bef_en.htm

File naming convention
When the pages are more unique in nature (such as individual best practices) an acronym is used (e.g. rife2_en.htm, bef_en.htm, etc) or, where appropriate, the name (e.g. greenbusiness_en.htm). For some pages, which are more 'generic' such as news, they are named according to what type of page it is, and it is then given a new number above that of the previous page like it. e.g. news30_en.htm. The abbreviation of the language for each page is also added.

Images and ALT tags
ALT tags are used as per example below:

SEO keywords and meta tags
Keywords and meta tags are used – this may not apply to all pages but should apply to most. However, these might not have been updated in newer pages.

Content testing and updates
Unfortunately the final product cannot be seen until it's online. It is viewed on Dreamweaver using CSS files, background images etc to get an general idea of the final appearance. Other more advanced options are currently being explored.

Best practice and checking of links
Currently links are not checked at specific intervals. From time to time errors are encountered. For example some links have been added incorrectly for translation links and this will be corrected throughout the year.

Results of test forum assessment

Parameter	High	Medium	Low
Is the purpose of the forum clear?	X		
Is the target audience of the forum clear?	X		
Is the language used easy to understand?	X		
Is information you are looking for easy to find?	The conversation topics are clearly set out down the		

	right hand side		
Does the forum encourage continued use?		The forum works well but many topics do not have particularly recent posts suggesting the forum is not well used.	
Forum structure is simple, with no unnecessary levels	It is a well set out forum.		
Terminology is consistent with general web usage	Yes the language is consistent with that of the main site.		

Annex 7 ECAP helpdesk evaluation

Criteria for assessment	Assessment notes
Accessibility of helpdesk	The helpdesk is accessible from any area of the website as a link is provided on the right hand side navigation of the site. This available to users at all times when they are viewing any page on the website.
Simplicity and suitability of online form	The online form is clear and simple, enabling the user to quickly submit an enquiry. Minimal information is required as mandatory, namely email address, company name and question. It is a little unclear whether the two final fields 'any additional information provided by the company' and 'source of information and/or person already contacted' were to be completed by the user or helpdesk staff. It is assumed that these are for the user as they would not be available otherwise, but the way in which they have been written makes this unclear.
Response time following enquiry submission	Following submission of the test enquiry to the helpdesk, a prompt response was received in less than one hour.
Understanding of original enquiry	The response provided was original appropriate and relevant, indicating that the enquiry had been clearly understood. In particular the representative responded specifically to the fact that we were a UK-based company by suggesting UK-based resources.
Professionalism in response	The response received was very professional in both content and presentation. In particular the standard of written English was high, despite the helpdesk being EU-based.
Level of detail and quality of advice in response	The quality of advice received was good. Appropriate contact details and resources were suggested and it seems these would be useful sources of information. The level of detail provided was limited, focussing solely on the use of other in-country support services. Information on specific legislation is provided on the website, but the helpdesk itself can only refer users to support services other in countries for this information. The response stated: "*Unfortunately the ECAP Helpdesk is unable to provide tailored guidance on legislation for SMEs in different EU Member States. However, at the link below you will find a list of contacts who may be able to provide you with the information you seek.*"
Alternative sources of information and advice offered	Suitable alternative information sources were offered in response to the enquiry. This is a key element of the ECAP service – to direct SMEs to useful and appropriate external information sources.
Follow-up support offered	The helpdesk representative offered to answer any further questions that we might have.
Personalisation of response and contact details	The response provided came from an individual and named contact, which gave the impression that care and responsibility is taken when responding to enquiries.

Annex 8 Provisions on SMEs in EMAS III Regulation

The relevant provisions and improvements on SME participation in the EMAS III Regulation are illustrated in this section. The relevant provisions in detail:
The following recitals of the EMAS III regulation are of relevance:

"(10) Organisations, in particular **small organisations**, should be encouraged to participate in EMAS. Their participation should be promoted by facilitating access to information, to existing support funds and to public institutions and by establishing or promoting technical assistance measures.
(16) Costs and fees for registration under EMAS should be reasonable and proportionate to the size of the organisation and the work to be done by the Competent Bodies. Without prejudice to the rules of the Treaty on State aid, exemptions or reductions of fees should be considered for small organisations.

(24) Member States and the Commission should develop and implement specific measures aimed at greater participation in EMAS by-organisations, in particular small organizations**"**
The revised regulation introduced a definition of "small organizations" in Article 2 (28) as

> *"small organisations" means:*
> *(a) micro, small and medium-sized enterprises as defined in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises[240]; or*
> *(b) local authorities governing less than 10000 inhabitants or other public authorities employing fewer than 250 persons and having an annual budget not exceeding EUR 50 million, or an annual balance sheet not exceeding EUR 43 million, including all of the following:*
> *(i) government or other public administrations, or public advisory bodies at national, regional or local level;*
> *(ii) natural or legal persons performing public administrative functions under national law, including specific duties, activities or services in relation to the environment; and*
> *(iii) natural or legal persons having public responsibilities or functions, or providing public services, relating to the environment under the control of a body or person referred to in point (b);*

Articles 6 and 7 on the renewal of the EMS registration contain derogations for small organizations. Though the former legal framework also provided exemptions for SMEs[241], all derogations for SME on deadlines are now laid down clearly in one article - Article 7 - of the EMAS III Regulation. The general audit cycle amounts to one year (including the submission of an updated validated environmental statement); for SMEs this time span is two years. However, SMEs have to submit a non-validated environmental statement each year. The entire registration procedure has to be conducted every third year; by SMEs only every fourth year. Article 7 states:

> *"1. Competent Bodies shall, upon request of a small organisation, **extend for that organisation the three-yearly frequency** referred to in Article 6(1)[242] up to four years or the annual frequency referred to in Article 6(2)[243] up to two years, provided that the environmental verifier that has verified the organisation confirms that all the following conditions are met:*
> > *(a) no significant environmental risks are present;*
> > *(b) the organisation has no substantial changes planned as defined in Article 8, and*
> > *(c) there exist no significant local environmental problems that the organisation contributes to.*
> *To submit the request referred to in the first subparagraph, the organisation may use the form set out in Annex VI.*
> *2. The Competent Body shall refuse the request if the conditions set out in paragraph 1 are not met. It shall communicate a reasoned justification to the organisation.*

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[240] According to that Recommendation (notified under document number C(2003) 1422), "the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million." The Recommendation contains more provisions on the calculation of these numbers.
[241] Small organizations and businesses were exempt from the required yearly validation of updated information according to Commission Decision of 7 September 2001 on guidance for the implementation of Regulation (EC) No 761/2001 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).
[242] Which concerns basically the full verification of the environmental management system and audit programme; the preparation of the environmental statement that needs to be validated by the verifier;
[243] Which concerns basically the internal audit and the update of the environmental statement.

3. Organisations benefiting from an extension of up to two years, as referred to in paragraph 1, shall forward the non-validated updated environmental statement to the Competent Body each year that they are exempt from the obligation to have a validated updated environmental statement."

In chapter 5 on the environmental verifiers, there are also special provisions for small organizations in Article 26:

"Verification and validation of small organisations
1. When carrying out verification and validation activities, the environmental verifier shall take into account specific characteristics of small organisations, including the following:
> *(a) short reporting lines;*
> *(b) multifunctional staff;*
> *(c) on-the-job training;*
> *(d) the ability to adapt rapidly to change; and*
> *(e) limited documentation of procedures.*
2. The environmental verifier shall conduct verification or validation in a way that does not impose unnecessary burdens on small organisations.
3. The environmental verifier shall take into account objective evidence that a system is effective, including the existence of procedures within the organisation that are proportionate to the size and complexity of the operation, the nature of the associated environmental impacts and the competence of the operators."

According to Article 32, Member States are obliged to assist organisations with the compliance with environmental legislation. SMEs are emphasized in paragraph 4:

"Member States shall ensure that enforcement authorities reply to requests, at least from small organisations, on the applicable legal requirements relating to the environment that fall within their competence, and provide information to the organisations on the means of showing how the organisations meet relevant legal requirements."

Article 36 focuses directly on the promotion of participation of small organizations.

"Member States shall take adequate measures to encourage the participation of small organisations, inter alia, by:

*(a) facilitating **access to information** and **support funds** specially adapted to them;*
*(b) ensuring that reasonable **registration fees** encourage their participation;*
(c) promoting technical assistance measures."

The content of this provision is however not new but corresponds to ex. Article 11 (1) of the EMAS II Regulation.[244]

Article 37 regulates the cluster and step-by-step approach:

"Cluster and step-by-step approach
1. Member States shall encourage local authorities to provide, in participation with industrial associations, chambers of commerce and other concerned parties, specific assistance to clusters of organisations to meet the requirements for registration as referred to in Articles 4, 5 and 6. Each organisation from the cluster shall be registered separately.
2. Member States shall encourage organisations to implement an environment management system. They shall in particular encourage a step-by-step approach leading to EMAS registration.
3. Systems established pursuant to paragraphs 1 and 2 shall operate with the objective of avoiding unnecessary costs for participants, in particular for small organisations."

Article 39 on the fees that may be charged by Member States for registration and other administrative services rules:
(…)
> *Those fees shall not exceed a reasonable amount and shall be proportionate to the size of the organisation and to the work to be done.*

Moreover, Article 45 is of relevance to SMEs. Member States are authorized to request for recognition of existing EMS by the Commission. If this was approved by the Commission, the organisation – which

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[244] Regulation (EC) No 761/2001 of the European parliament and of the council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), Official Journal L 114 , 24/04/2001 P. 0001 – 0029.

has the recognized EMS already in place – is exempted from carrying out the entire registration procedure (according to Article 4 (3)).

Annex 9 Task C expert interview questions

Introduction

We are trying to inform a methodology that would indicate the level of SME environmental compliance at member state level. For example: Only 14% of SMEs in Bulgaria meet all environmentally related requirements[245]. We would like to gain an understanding of whether and how you currently measure environmental compliance.

Do you currently hold information on environmental compliance data? For example:

- Number of prosecutions for non-compliance for businesses across the country?
- Number of businesses audited for compliance in 2010?
- Quantified enforcement activities for the country
- Number of businesses registered to a formal EMS such as ISO14001 or EMAS?

Do you currently have an approach or methodology that allows you to know how many businesses are complying with environmental legislation in your country?

Baseline information on Environmental Compliance

- Do you currently measure environmental compliance within your country for SMEs and if so, what is your approach?

- What baseline information and understanding of environmental compliance measurement for SMEs does the member state hold? For example:

  Data on enforcement rates for non-compliance of legislation in SMEs
  Number of SMEs registered to a formal environmental management system
  Number of SME audits for environmental compliance,
  Any other relevant information that you hold on SMEs and the environment

- What are the main issues and barriers you face in collecting quantifiable data that shows how many SMEs are complying with legislation? For example:

  Information is collected on a very local level and not disseminated
  Quality of data collected is poor and irregular
  Data is collected on an ad hoc basis

- Do you have any procedures in place to measure environmental performance of SMEs? If yes, what formal procedures are in place and how do you document this? E.g. an established formal method of assessing environmental performance of SMEs.

- Is this collated at Member State level? How is data captured and stored?

- Could you share data captured?

Enforcement

- Does your Member State have documented procedures for SMEs dealing with non-compliances, including criteria for initiating a formal investigation? What is the member state approach to dealing with SMEs that do not comply with regards to enforcement procedures and methods? For example:

  - Does the member state offer environmental compliance assistance to non-complying SMEs?

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[245] http://www.smefit.eu/IMG/pdf/Bulgaria_environmental_legislation_-_NCSC.pdf

- Is there a process or time scale where the SME is allowed to "get house in order" before prosecution?

- Is there further support such as training/workshops/awards schemes offered to the SME to help them comply?

- Please can you add any further information on your offering to SMEs?

- Do you have an inspectorate or competent authority nominated for monitoring environmental compliance by SMEs?

- What is the remit of the inspectorate and what powers do inspectors have?

- What is the approach or procedure to this?

- How is this data managed?

- How is this data used with regards to informing process or changing support for SMEs? What data is captured and how is information used?

Environmental Performance Indicators

- What broad environmental indicators are used to measure environmental legislation compliance?

- Do you have systems/indicators in place to monitor the environmental impact of SMEs?

- If so please describe and explain the system? How is this data collated? How could this be replicated across other Member States?

Measuring Compliance

- What type of assistance and from whom do you require to help you measure SMEs compliance rates?

- What do you understand to be the benefits of measuring SMEs compliance rates, e.g. enhanced reputation, increased transparency and accountability?

Solutions

- Does the member state have any useful suggestions and tested methodologies that could be applied to measure SME compliance at EU level, e.g. indices, indicators or surveys, commitments between government and SMEs?

- What do you envisage the main strengths and weaknesses of these methods being?

- What support would you need to make use of such methods and from whom, e.g. training in new skills, additional knowledge and expertise?

Annex 10 Task C questionnaire

Environmental compliance

1. Do you currently measure SMEs' environmental compliance within your country? If yes, please briefly describe your approach in the box below.

   Yes ☐ No ☐

   ┌───┐
   │   │
   │   │
   │   │
   │   │
   └───┘

2. What baseline information on SMEs' environmental compliance does your country hold?

   For example:
   - Number of SMEs audited for environmental compliance in 2010
   - Data on enforcement rates for non-compliance of legislation in SMEs
   - Number of prosecutions for non-compliance for businesses across the country
   - Number of businesses registered to a formal EMS such as ISO14001 or EMAS

   ┌───┐
   │   │
   │   │
   │   │
   │   │
   └───┘

3. What are the main issues and barriers you face in collecting quantifiable data that show how many SMEs are complying with legislation?

   For example:
   - Information is collected on a very local level and not widely disseminated
   - Quality of data collected is poor
   - Data is collected infrequently

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   │   │
   │   │
   │   │
   │   │
   └───┘

Environmental performance

4. Do you have any procedures in place to measure the environmental performance of SMEs?

   Yes ☐ No ☐

   4a.   If yes, what procedures are in place?

   ┌───┐
   │   │
   │   │
   │   │
   │   │
   └───┘

4b.　　What are your monitoring and reporting requirements? (e.g. environmental performance targets, frequency of monitoring, level of detail).

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4c.　　Further discussion points:

Is this data collated at Member State level?

Yes ☐ No ☐

How is data captured and stored?

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Could you share data captured?

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Enforcement

5. Does your Member State have documented procedures for dealing with non-compliance amongst SMEs, including criteria for initiating a formal investigation?

   Yes ☐ No ☐

6. If yes, what is your approach?

   For example:
   - Does the Member State offer environmental compliance assistance to non-complying SMEs?
   - Is there a process or time scale where the SME is allowed to "get house in order" before prosecution?
   - Is there further support such as training/workshops/awards schemes offered to the SME to help them comply?
   - Please add any further information on your offering to SMEs.

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7. Do you have an inspectorate or competent authority nominated for monitoring environmental compliance by SMEs?

Yes ☐ No ☐

8. If yes, what is the remit of the inspectorate and what powers do inspectors have?

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9. Can you provide further information on the enforcement procedure for monitoring environmental compliance within SMEs?

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10. What data is captured and how is this information used?

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11. Is the enforcement data available in the public domain? If yes, please provide more details.

Yes ☐ No ☐

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12. Does the enforcement data show any impact of SME support initiatives and processes in helping SMEs comply with environmental regulation? If yes, please provide more details below.

Yes ☐ No ☐

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Environmental Performance Indicators

13. What broad environmental indicators are used to measure environmental legislation compliance within your Member State? Please describe and explain the indicators.

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14. What systems are in place to collect data for these indicators?

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15. Is it possible to apply your data collection system across other Member States? If yes, please explain in the box below.

Yes ☐ No ☐

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16. Are you aware of any similar data collection system for indicators that can be used to measure environmental legislation compliance in the EU? If yes, please explain in the box below.

Yes ☐ No ☐

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Measuring Compliance

17. What type of assistance do you require and from whom, to help you measure SMEs compliance rates within your Member State?

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18. What do you understand to be the benefits of measuring SMEs compliance rates, e.g. enhanced reputation, increased transparency and accountability?

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Solutions

19. Do you (or does your Member State) have any useful suggestions or tested methodologies that could be applied to measure SME compliance at EU level, e.g. indices, indicators or surveys, commitments between government and SMEs?

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20. What do you envisage the main strengths and weaknesses of these methods being?

21. What support would you need to make use of such methods and from whom, e.g. training in new skills, additional knowledge and expertise?

AEA