

## CASC – WP4 SP2 Report

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## 1. INTRODUCTION- OBJECTIVES OF THE WORKPACKAGE AND THE SUBPACKAGE 2

This WP explore how improving public engagement in science activities have the potential to change the way different publics act and think in their daily lives over the short-, medium- and long-term. In order to do this, the project was divided into two sub packages:

- 1) Took a thematic focus on sustainability/ climate change.
- 2) Had a thematic focus of Subpackage 1 but took it into a sectoral focus on SMEs and their potential to influence behaviours.

Subpackage 2 had a strong focus on identify the possible opportunities/ initiatives, which contribute to facilitate the more sustainable and environmentally conscious operation of the SME's. We also tried to examine, that whether these activities can help them to get through the economic crisis.

The partners have developed pilot actions, which are in line with the current situation and the needs of their country / region. These innovative actions provided a platform for the SME's, where they had the opportunity to become acquainted with the European Union directives of climate change and energy efficiency, with practical applications of the directives and future changes that could affect their operations. The events provided a comprehensive picture that how to implement the latest research findings of climate change and energy efficiency, in order to overcome the economic crisis.

### Partners involved:

- Sevilla Global – coordinator is Beatriz Real Heredia
- Birmingham City University – coordinators are Prof Tim Wall and Elizabeth Short
- INNOVA Észak-Alföld Nonprofit Ltd. – coordinator is Krisztina Tóth

### Pilot projects:

- Seminar which had a special focus on the Climate change and possible action that SME's can do in order to built a more Sustainable Economy – Sevilla Global
- Online interactivity to change behaviours: developing strategies for sustainability - Birmingham City University
- EnergoExpo 2010 - International Exhibition and Conference for Energy - INNOVA

Description of the pilot projects - specific objectives, results and observations, conclusions and recommendations – can be read in the further chapters of the Subpackage report.

## 2. SCIENTIFIC BACKGROUND – THE ECONOMIC IMPACT OF THE CRISIS ON SMES

The importance of the SME sector is well recognized all over the world and its contribution is relevant in achieving several socio-economic objectives, such as employment generation, contribution to national output and exports, and fostering new entrepreneurship.

The depth and severity of the global economic slowdown that began in 2008 has caught employers, workers and governments by surprise. While losses and layoffs at large firms are making headlines, many small and medium-sized enterprises (SMEs) are also severely affected by the global economic slump.

Weak demand and tight credit are the chief pressures faced by these enterprises. Demand stimulus measures will assist all enterprises, whereas access to finance needs more specific targeting for small firms. Cooperatives (i.e. cooperative enterprises) appear to be the least affected by the crisis. The crisis is affecting firms of all sizes.

While large firms grab headlines when disclosing layoffs and dramatic declines in sales and earnings, many small and medium sized enterprises (SMEs) are also trying to cope with weak demand, tight credit and reduced orders from larger companies. (*Small and Medium-sized Enterprises and the Global Economic Crisis - Paul Vandenberg*)

SMEs need special attention in the current economic recession. Overcoming the present difficult conditions for SMEs and entrepreneurs requires effective short-term measures that need, however, to be linked to structural improvements in the SME financial environment over the longer term in order to be successful and to restore growth. (*Turin round table on the impact of the global crisis on SME & entrepreneurship financing and policy response*)

Many analysts expect the first signs of economic recovery to appear with a more robust upturn in the following year. Certain countries and sectors may recover more quickly than others. But do we have to overcome the economic crisis? We can summarize it in 3 points.

One, the recent efforts to support SMEs may provide an opportunity for policy experiments. Reduced regulation for start-ups, better access to finance and improved methods for monitoring and sustaining decent work can be developed during the crisis and continued when growth revives.

Two, even in a downturn, true entrepreneurs will arise, finding profitable opportunities to fulfill consumer wants either by innovating new products and services or by devising ways to produce existing products or deliver existing services more cheaply.

And three, demand stimulus packages present important opportunities for small businesses to build infrastructure and supply goods and services to governments.

*(Small and Medium-sized Enterprises and the Global Economic Crisis - Paul Vandenberg)*

SMEs are an important part of all economies and they are essential for the economic recovery. Helping SMEs helps the whole economy to regain strength and to return to sustainable growth.

**After all, the most important question for us, is whether the actions implemented by partners contributed to the SMEs in order to overcome the negative effects of the economic crisis?**

### 3. PILOT ACTIONS

#### 3.1. SEMINAR WHICH HAD A SPECIAL FOCUS ON THE CLIMATE CHANGE AND POSSIBLE ACTION THAT SME'S CAN DO IN ORDER TO BUILT A MORE SUSTAINABLE ECONOMY – SEVILLA GLOBAL

**Unfortunately, despite of the numerous requests I have sent to Beatriz, I haven't received any input from the event!**

#### 3.2. ONLINE INTERACTIVITY TO CHANGE BEHAVIORS: DEVELOPING STRATEGIES FOR SUSTAINABILITY BIRMINGHAM CITY UNIVERSITY

##### SHORT DESCRIPTION OF THE PILOT ACTION:

The pilot action was focused on creating an online presence on sustainable behaviour for SMEs and their environmental impact. We brought together a group of experts at the Birmingham Chamber of Commerce to speak about ways in which SMEs might respond to climate change. Their contributions were filmed and edited versions were uploaded to a specially designed website (<http://sustainabilitystrategies.org/>).

The site now contains six short videos, social media platforms to enable comments and discussion, and hosts (through Wufoo) the Chamber of Commerce Green pledge (<http://bit.ly/greenpledge>).

The recorded expert talks were also made into a short film and screened at an event at a local business hub in Birmingham. The online resource remains accessible, and is organised to encourage and enable contributions from SMEs in the region and beyond. Contributions to the website will be redistributed through Twitter.

The expert talks had originally been conceived of as a larger public event, as part of the Chamber of Commerce's programme of events. In the end this was not possible, but we hope that members of chamber's network of SMEs will engage online on issues of sustainability, using the social media platforms we have made accessible. The online expert content, and the Green pledge developed by the Birmingham Chamber of Commerce and the Digital Birmingham-funded Digital Champion (a member of the BCU project team), will initially attract contributors and the social media forums will extend involvement.

The pilot project took place towards the end of the CASC project, commencing on 13th September 2010 and ending on 19<sup>th</sup> November 2010. Although this provided sufficient time to create the online presence, organize participation events, develop content, and establish social media forums and dissemination channels, it has not provided sufficient time to

evaluate their mid- or long-term success. This report therefore concentrates on the output and outcomes achieved during the pilot development phase.

The pilot group intend to continue to stimulate participation in the social media dimensions of the project and to monitor engagement as part of their research and knowledge transfer (KT) activities. Progress will be reported as part of their ongoing research and KT dissemination.

Details of this work are normally made available on their site (<http://interactivecultures.org/>) and through associated social media.

**SPECIFIC OBJECTIVES OF THE PILOT ACTION:**

- ***Why was this event important in your region especially of SME point of view?***

The city of Birmingham has a commitment to sustainability and the green agenda expressed within the Birmingham Declaration, which is based on a seven point plan to tackle carbon emissions by 2015, and which was approved by Birmingham City Council last December. This in itself will have a direct impact on the growth of SMEs and the way in which they will need to operate.

The aim of the pilot was to contribute to this city agenda by raising awareness, offering clear suggestions for changing SME behaviour around environmental impact, and creating a collaborative, inter-organisational culture to encourage sustained commitment to new behaviour.

- ***Why was this event important in your region especially of your organizational point of view?***

The Climate Change Action Plan 2010+ is aimed at Birmingham becoming the leading sustainability city in the UK. This will have direct relevance to SMEs, as Birmingham City Council will aim to create and deliver new partnerships across the city and, in doing so, create jobs in the region, support businesses, decrease fuel poverty and increase residents' health and well being.

Engaging SMEs in issues surrounding sustainability and climate change will enable them to become part of a wider agenda and action within Birmingham. SMEs that are engaged with the issues will become aware of the importance and impact that their behaviour has and will have in the future.

**DESCRIPTION OF THE ACTIVITY:**

We developed a Word press weblog site as an online platform to disseminate expert information and advice on SME environmental impact and sustainable behaviour. The website *Changing Behaviours: Developing strategies for sustainability* (<http://sustainabilitystrategies.org/>) includes expert views, a blog, and social media platforms including a Twitter account (@ChangeforSMEs).

We brought together a group of experts at the Birmingham Chamber of Commerce to speak about ways in which SMEs could respond to climate change. This group included the following experts, speaking on relevant topics and case studies:

- **Paul Hanna**, Director of Economic Development & Partnership, Birmingham City Council – Introduction into the issues surrounding SMEs and sustainability.
- **Geoff Bayton**, B2 automotive – SME case study.
- **Joanna Fletcher**, Transnational Advisor, Advantage West Midlands – Climate KIC in the West Midlands.
- **Dr Haydn Davies**, LLB Programme Director, BCU School of Law – Sustainability and industry, legal requirements in reducing pollution waste.
- **Dr Mike Ahearne**, Business Engagement Manager, Birmingham Science City, University of Warwick – The Science City Energy Futures project.
- **Jon Hickman**, Digital Champion at Digital Birmingham and Lecturer in Interactive Cultures at Birmingham City University – Launch of the “Mutual Audit” project.

Their contributions were each filmed by a professional production crew, and the subsequent recordings were edited as a series of short videos, as well as a short film combining all the contributions.

The short videos were uploaded to the professional video platform, Vimeo<sup>1</sup>, and embedded in the *Changing Behaviours* website. They were also made available for others to embed in their own websites, discussion forums, and bulletin boards. Copies of the short videos were distributed to emerging entrepreneurs through the Birmingham-based BSEEN programme

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<sup>1</sup> <http://vimeo.com/16881826>; <http://vimeo.com/16880102>; <http://vimeo.com/16852173>; <http://vimeo.com/16850694>; <http://vimeo.com/16848816>; <http://vimeo.com/16847459>



(<http://www.b-seen.org.uk/>). The short film was screened at Moseley Exchange business hub (<http://www.moseleyexchange.com/>).

The *Changing Behaviours* website also hosts the Green pledge, organised by the Digital Birmingham-funded Digital Champion (<http://bit.ly/greenpledge>; <http://www.digitalbirmingham.co.uk/>). The social media modules at the *Changing Behaviours* website encourage comment and discussion around issues of sustainability and changing behaviour. Contributions are distributed through Twitter to a wider constituency, and the website content is all freely available to anyone who wishes to make links or embed modules in their own websites.

### **NUMBER OF PARTICIPANTS**

The pilot development group from the Interactive Cultures team at Birmingham Centre for Media & Cultural Research was made up of:

- Project Director – Professor Tim Wall
- Project Co-ordinator – Elizabeth Short
- Web Developer – Dr Simon Barber
- Video Production Team Co-ordinator – Brett Taylor
- Digital Champion liaison – Jon Hickman
- Knowledge Transfer Co-ordinator – Annette Copper

**Expert Team** – five staff from Birmingham City Council, B2 automotive, Advantage West Midlands, Birmingham City University School of Law, and Business Engagement.

The Birmingham Chamber of Commerce acted as partners to the seminar and invited one of their SME members to participate and contribute.

### **NUMBER OF SMEs PARTICIPATED AT YOUR ACTIVITY**

One SME participated in the seminar and gave a presentation on their business. Five participated in the screening and discussion at the Moseley Exchange business hub

It is too early to say how great the SME participation will be at the pilot website, which was only completed in the week that this report was presented. We hope to monitor participation here in the longer term, as well as tracking how extensive the use of the material will be across the internet.

### **HOW DID YOU GET THEM INTERESTED TO PARTICIPATE ON THE EVENT?**

The key avenues for participation were:

- the partnership with the Birmingham Chamber of Commerce
- liaison work by the member of the project team seconded as Digital Champion at Digital Birmingham
- the video, Green pledge, and social material made available at the *Changing Behaviours* site
- social media strategies using Twitter and Vimeo free-use Creative Commons licences
- screening at the Moseley Exchange business hub.

We had also hoped to use the promotion and attendance at a Birmingham Chamber of Commerce-hosted day conference, where the expert speakers would have made presentations and SMEs could have listened to and engaged with the speakers, met each other and created interesting and relevant dialogue.

Because of circumstances beyond the control of the pilot development group, invitations to the event were not distributed. We did send invitations to Business Link, members of the BSEEN Programme, and MA students at Birmingham City University, but without participation from Chamber of Commerce member's registrations were small and we cancelled the public dimension of the event. The expert speakers still presented to a private audience, and the pieces were recorded as planned.

### **RESULTS AND OBSERVATIONS**

- **How SME's were interacting with the presenters?**

At Moseley Exchange, the SMEs interacted with the presenters by participating in dialogue and discussion around the topic areas.

During the filming of the presentations, a representative of one SME was filmed. He was able to talk to the other presenters about his business and his current projects, and to offer clear suggestions based on the way he was adapting his own business to tackle issues surrounding sustainability.

As the online content becomes more widely viewed and commented on, and as the modular elements of videos, comments and tweets become more widely disseminated, staff at SMEs will interact further.

- **How did they think about the importance of the climate change, energy efficiency, and sustainable development?**

During the discussion surrounding sustainability at Moseley Exchange, the SMEs did not feel that it was relevant to them in the present economic climate. They felt that sustainability for them was not directly linked to climate change but rather to the amount of revenue that their business could bring in. Watching the films sparked much debate among the group and an interesting dialogue unfolded.

- **How opened they were to make further steps to changing their behaviour?**

At present they felt that they did not need to change their behaviour but instead needed to work on sustaining their income. They did not appear open to changing their behaviour.

- **What were the reactions, opinions of the SME's about the "profit" of the event like yours?**

Given that we found that staff from SMEs were initially more focused on how they could ensure their business could grow than on sustainability they did engage in our business hub event. We conclude that such SME staff would be far less likely to engage with the issue of sustainability if they were not exposed to the issues through such events, content and the online resources. Resolving this problem of short term determinants and long term necessity is the central issue of value in a project like this one.

- **Do they think that this type of activity can help to come over the crisis?**

We believe that it is possible to promote a better understanding of how these issues are relevant to SME growth, by using networks like the Birmingham Chamber of Commerce and Business Link, by integrating the online presence and its modular content into SME forums, and by using the online material and expert contributions for further live events (possibly in the places of work where SMEs spend their time).

Integrating such material into development and incubation programmes for new entrepreneurs, like the BSEEN project utilised in this pilot, will also be important for the future. This pilot and the future research we will build on the content and online presence it has created will be invaluable for such work.

### CONCLUSIONS AND RECOMMENDATIONS

The in-person discussions we organized, although small in sample size, seem to indicate that the focus of SMEs on business survival in difficult economic circumstances dominate thinking within SMEs. Interventions on important issues like sustainability and changing behaviour need to be made in innovative new ways.

The discussions which we participated in **did suggest that information and discussion around how to increase business revenue through** sustainability may present an effective way to engage SMEs.

Expert speakers, and especially real-world case studies, provide effective stimulus material for such discussions in small groups, and it is reasonable to assume that, if SME staff can be attracted to the online material created in pilots like this, it would provide an equal stimulus in social media forums.

Time is a primary constraint for many SMEs as they are unable to spend a day at a conference. The availability of online expert analysis and testimonies from other SMEs provides an alternative channel to make this material available if staff in such organizations has reasons to access and engage with it.

Existing networks, like the Chamber of Commerce and Business Link, and educational and training programmes can play vital roles in facilitating such discussion, and providing links to suitable online resources will be vital.

Live events can also play an important role, but again they need to be linked to venues SME staff frequent. In Birmingham, these would include the Chamber of Commerce premises, Moseley Exchange, Fazeley Studios and Aston Business Park. We would suggest holding several small "bite size" seminars as a series which SMEs can attend and engage with, no longer than an hour long at a time.

The sorts of material developed within this pilot can provide a focus for discussion; this would enable attendees to get the most use from the seminar series, and in turn could link to more developed material online and to further discussion and debate in social media forms.

On the admittedly very small evidence base of this modest pilot project, the topic of sustainability itself appeared to be a low priority for SMEs. Even amongst the restricted, but specialist, networks we used to promote the live events, registrations for the Chamber of Commerce and Moseley Exchange events were small.

The SME staff, who did participate, by watching the films and engaging in dialogue with the issues raised by them, was more concerned with enabling their business to run rather than confronting issues such as sustainability. A change in their behaviour will only be gained if they can form a regular dialogue with a body that are eager for them to engage with these issues.

One-off seminars and online content may raise the issue, but they will not change behaviour in themselves. Integrating the debate at a lower level into existing business debates, through existing organizations, by providing developing streams of relevant online content and by making relevant social media channels available will certainly assist.

A very short-term pilot like this one can only develop useful ideas and broad suggestions for further and longer-term projects which deal with these issues. Repetition and support, though, remain key to helping SMEs change their behaviour and commit to sustainability.

### **3.3. ENERGOEXPO 2010 - INTERNATIONAL EXHIBITION AND CONFERENCE FOR ENERGY – INNOVA**

#### **SHORT DESCRIPTION OF THE PILOT ACTION:**

INNOVA proposed to organize a session which had special focus on Climate change – Energy – SME's. The session was organized in the framework of the annual EnergoExpo conference. EnergoExpo 2010 - VIII. International Exhibition and Conference for Energy was on the 21 - 23 September 2010, Debrecen.

The Energo Expo is the only integrated marketing and professional forum in Hungary, that covers all segments of the energy sector. They bring together the country's leading professionals and companies in the field of energy sufficiency, biomass mobilization and climate change. Year after year more than 700 experts take part on the conference, and more than 2.000 professional visitors attending on the exhibition.

The conference and the exhibition provided an extra opportunity to meet decision makers, arriving from the neighbouring countries, which has crucial importance in respect of building a European energy transport network and extension of the energy market.

On the exhibition – which was a site event of the conference – more than 30 SME's had an opportunity to introduce them for the experts, to get to know each other's activities, and to explore possible areas of future cooperation.

Taking all this into consideration, we thought that this is the best opportunity to reach SMEs and to present them the opportunities and regulations, which implementation can help them to achieve much more energy- and climate conscious behaviour and operation. INNOVA was responsible to develop the professional program of the second day. The conference program highlighted the importance of National Action Plan which has a strong focus on the future of renewable energy sources. On that day we announced the Climate change – Energy – SME's session.

Four national and internationally recognized experts were invited to talk about issues, which has a key importance in the sustainable operation of the SME's like:

- Connection between the Structural Funds and the environmental protection and sustainability!

- Introduction of structure and the operation of the Climate KIC, and all the opportunities offered for the support of the SME.
- The aspects of the Hungarian climate law in connection with SME-s, its advantages, particularly the climate protection fund.
- Climate protection law

**SPECIFIC OBJECTIVES OF THE PILOT ACTION:**

What was the aim of INNOVA, to organize a Climate change – Energy – SME’s seminar?  
The aim of this event was to provide a platform for:

- European energy experts to disseminate their experiences of the implementation of the European Energy policies,
  - Experts of the related sectors (like Intelligent Energy; renewable energy; biomass mobilization, etc.) to discuss the application possibilities of the different scientific results.
  - Our session focused on the small and medium enterprises – the effects of the European Energy Policy and the European and Hungarian Climate and Renewable Energy Laws; to give good examples for the invited SME’s how to make their operation more environmental-conscious.
- *Why was this event important in your region especially of SME point of view?*

Europe's companies need a secure supply of energy at affordable prices in order to maintain our standards of living. At the same time, the negative effects of energy use, particularly fossil fuels, on the environment must be reduced. That is why EU policy focuses on creating a competitive internal energy market offering quality service at low prices, on developing renewable energy sources, on reducing dependence on imported fuels, and on doing more with a lower consumption of energy.

The Lisbon Strategy and the Europe 2020 strategy highlight the importance of the “green and innovative economy” in the future. The key factor to reach it is the deeper and wider knowledge of the energy efficiency and the clean technologies.

In the Észak-Alföld Region most of the SME’s has a poor knowledge on the European Policies of energy and climate change! Unfortunately they do not have a comprehensive picture about how these regulations can affect their operation, and without this information they will face with complication during the positioning of the competitive market.

As a Regional Innovation agency we feel responsibility to provide up to date information to the SME's, to establish a platform where they have a chance to share good practices, and meet with the decision makers.

- *Why was this event important in your region especially of your organizational point of view?*

Europe faces major structural challenges – globalization, climate change and an ageing population. The economic downturn has made these issues even more pressing. The Lisbon strategy addresses these challenges – aiming to stimulate growth and create more and better jobs, while making the **economy greener and more innovative**.

The plan is delivering a major fiscal stimulus, with measures to keep people in work and public investment in infrastructure, innovation, new skills for the workforce, **energy efficiency and clean technologies** to meet the goals of the Lisbon strategy.

On 3 March 2010, the European Commission has launched the **Europe 2020 Strategy** to go out of the crisis and prepare EU economy for the next decade. The first priority must be to hasten the exit from the crisis, but the strategy must also provide the building blocks for growth that will be sustainable in the future. Europe is recognized the world over for its high quality of life, underpinned by a unique social model. The strategy should ensure that these benefits are sustained and even further enhanced, while employment, productivity and social cohesion are optimized.

Europe 2020 is the EU's growth strategy for the coming decade. In a changing world, EU has to become a **smart, sustainable and inclusive economy**. These three priorities should help the EU and the Member States deliver high levels of employment, productivity and social cohesion. The Union has set five ambitious objectives - on employment, innovation, education, social inclusion and **climate/energy** - to be reached by 2020.

From the pilot action point of view, the “sustainable growth” priority has a key importance. What does the sustainable growth means? It means:

- building a competitive low-carbon economy that makes efficient, sustainable use of resources
- protecting the environment and preventing biodiversity loss
- capitalising on Europe's leadership in developing new green technologies and production methods
- introducing efficient smart electricity grids



- harnessing EU-scale networks to give our businesses (especially small manufacturing firms) an additional competitive advantage
- helping consumers make well-informed green choices.

***EU targets for sustainable growth include:***

- reducing greenhouse gas emissions by 20% compared to 1990 levels by 2020. The EU is prepared to go further and reduce by 30% if other developed countries make similar commitments and developing countries contribute according to their abilities, as part of a comprehensive global agreement
- increasing the share of renewables in final energy consumption to 20%
- moving towards a 20% increase in energy efficiency

***EU will boost sustainable growth through 2 flagship initiatives:***

***1. Resource-efficient Europe***

To support the shift towards a resource-efficient, low-carbon economy, our economic growth must be decoupled from resource and energy use by:

- reducing CO2 emissions
- promoting greater energy security.
- reducing the resource intensity of what we use and consume

***2. An industrial policy for the globalisation era***

The EU needs an industrial policy that will support businesses – especially small businesses – as they respond to globalisation, the economic crisis and the shift to a low-carbon economy, by:

- supporting entrepreneurship – to make European business fitter and more competitive
- covering every part of the increasingly international value chain – from access to raw materials to after-sales service.

This policy can only be devised by working closely with business, trade unions, academics, NGOs and consumer organisations.

***Why does Europe need sustainable growth?***

Climate change: To achieve the climate goals, we need to reduce emissions more quickly and harness new technologies such as wind and solar power and carbon capture and sequestration. We must strengthen our economies' resilience to climate risks, and our capacity for disaster prevention and response.

Competitiveness: The EU needs to maintain its early lead in green solutions, especially in the face of growing competition from China and North America. Meeting the energy goals could save €60 billion on Europe's bill for oil and gas imports by 2020 – essential for both energy security and economic reasons.

Further integration of the European energy market can boost GDP by 0.6% to 0.8%. Meeting 20% of Europe's energy needs from renewable sources could create over 600 000 jobs in the EU – and an additional 400 000 if we meet the 20% energy-efficiency target. The emission-reduction commitments should be met in a way that maximises benefits and minimises costs – including through the spread of innovative technological solutions.

Regarding the regulations mentioned above Each Member State will adopt its own national targets in each of these areas. Concrete actions at EU and national levels will underpin the strategy. To ensure each EU country implements the Europe 2020 strategy in a way that fits its particular situation, the 5 EU-level targets are being translated into national targets, to reflect the level of ambition each is able to make to the wider EU effort. Each country will then set its final national targets in its national reform programme later in 2010.

In Hungary this is called a National Action Plan which had a key importance during the conference, and we tried to underline the political background of the National Action Plan to make it more understandable for all the participants.

**DESCRIPTION OF THE ACTIVITY:**

After the grand opening of the exhibition, during the three day conference more than 80 presentations were heard regarding several issues like:

- Open questions in energy industry session
- Wind power plants session
- Biomass utilization session
- Renewable energy, and renewable energy plants session
- Building energy session
- Innovation in the energy sector
- Importance of the role of the clustering in the energy and climate protection field
- Climate change- Energy and SME's session

As we mentioned earlier INNOVA was responsible for the professional program of the

second day, where one session was dedicated to the Climate change- Energy and SME's issue. We choose 4 "hot topics" to discuss, which requires a special attention from the SME's because these changes and regulations will define the main lines of their future operation.

- Structural Funds
- Climate KIC
- Hungarian climate law
- New climate protection law

The structure of the session was the following – after the opening speech of Dr. Norbert Grasselli, managing director, INNOVA Észak – Alföld Regional Development and Innovation Agency, the first presentation held by **Mátyás Maksi, programme manager EU policies, European Committee, Directorate General of Regional Policy**. He has many years of experiences in the area of Structural Funds. His presentation was focused on the connection between the Climate Change and the Structural Funds, he tried to emphasise, how the SME's can use the potential of the Structural Fund dealing with negative aspects of the climate change.

The second presentation was focused on the Climate KIC and the possible advantages for SME's. – Presenter: **Zsolt Gemesi, Climate KIC**. Climate-KIC was launched as an initiative of the European Institute of Innovation and Technology (EIT) designated to drive innovation in the area of climate change adaptation and mitigation through an integrated European network of global and regional partners from the private, public and academic worlds. Climate-change mitigation and adaptation present not only a formidable societal challenge; they also offer huge innovation and business opportunities that is why the Climate KIC aims to:

- help innovators capitalize on new business opportunities driven by Europe's first mover response to climate change.
- build the critical mass and forge alliances among existing businesses and new businesses with the aim of creating partnerships that jointly cover all elements of emerging value chains.
- help governments and public agencies to develop effective policy frameworks and to pioneer early introduction of climate change products and services in collaboration with the private sector.

Based on our experiences we thought that the SMEs are not aware of the possibility that being involved in the operation of the Climate KIC is also possible in three different ways: company partners, core partners or project partners. This topic has attracted incredible interest from the audience

Essentially the last two presentations were focused on the regulatory background of climate change and energy policy. We know that these topics are less practice oriented, but it brought vital knowledge and information for the SME's.

The aspects of climate law in connection with SME-s, its advantages, particularly the climate protection found. The presenter was: **Ivan Gyulai, Leader of climate defending working party, Hungarian Conservationist Association.** - and -

Examination on the launch of the climate protection law, and the results of the survey. The presenter was: **Dr. Tamás Pálvölgyi, Professor of Budapest University of Technology and Economics**

### NUMBER OF PARTICIPANTS

In the development of the pilot action three persons from INNOVA were participated actively. In every phase of the preparation of the conference and the exhibition, we have been invited to support the expert team to develop the best selected program for the audience what we can. Some professional groups ha also joined to the organizers to support to reach the success of the event like:

- Hungarian Electro-technical Association
- Federation of Technical and Scientific Societies
- Hungarian Wind Energy Association
- Power Research Association
- ENEREA Eszak-Alfold Regional Energy Agency

The event was supported by the University of Debrecen Technology Transfer Office, and the County Council of Debrecen.

### NUMBER OF SMEs PARTICIPATED AT YOUR ACTIVITY

First of all I would like to identify the target audiences:

- decision makers from the scope of industrial -, utilities- and public institutions
- engineering offices
- energy suppliers
- contractors
- universities and research institutions
- finance companies, associations, federations
- SME's operating in energy and environment protection sector

On the 3 days exhibition more than **30 companies had a chance to take part at the exhibition.** These companies had to meet a certain criteria before to be selected as a exhibition company. The first and most important is that they had to operate on the energy

and environment market and they are able to demonstrate good practice, which is easily implementable for the participating companies.

As we mentioned above more than **2000 professional visitors attended on the conference and the exhibition**. Based on the registration form, we could say that one quarter of them came from the business sector, and represented an SME's.

On the 3 days conference all together more than **80 experts participated as a presenter** – from Hungary and the neighbour countries as well.

### **HOW DID YOU GET THEM INTERESTED TO PARTICIPATE ON THE EVENT?**

The Energo Expo is the only integrated marketing and professional forum in Hungary, that covers all segments of the energy sector. This event has a tradition in Hungary and it is well known among the SME's.

Each year many companies participate in this event, but it is always a priority to invite those companies who has not familiar with this initiative yet. This task required a deliberate communication strategy, where we had to emphasise the comparative advantages of the participation.

What are the benefits we tried to emphasise that which helps the SME's to improve their business operation:

- up to date information about the current situation of the segment
- comprehensive picture of the current legal changes – national and EU level as well
- excellent condition to establish local a foreign business relationship
- up to date information about the investment and market access opportunities in Eastern Europe
- platform to meet European and Hungarian decision makers and experts
- opportunity to know the best practices, and change experiences

Unfortunately because of the economic crisis we also recognized a negative trend in the number of the SME's participating at the conference. Having sent out the invitations, a number of feedback we met that the companies cannot afford to attend the event. In this case, we found that no matter how many advantages offered to the companies, we could not convince them to attend the event.

### **RESULTS AND OBSERVATIONS (LIST OF THE KEY RESULTS)**

- 3 days conference and exhibition, where more than 30 companies had a chance to take part at the exhibition
- More than 2000 visitors during the 3 days – almost quarter of them are companies working on the energy field and biomass utilization
- 45 companies, who had a special interest of Climate change-Energy- SME's session.
- INNOVA had a stand where we had an opportunity to disseminate the results of the CASC project as well
- We identified the SME's from our region, which has a willingness to cooperate in the future with us to make further actions for „changing behavior”.

- **How SME's were interacting with the presenters?**

Based on the feedback of the participants the Climate change – Energy- SME's session was one of the most interesting and useful session during the 3 days conference. We believe that this was one of the reasons why almost 45 companies registered specially for this session. Half of these companies have already made significant steps in the direction to reach even more environment conscious and to be energy efficient operation.

These enterprises were opened to share their experiences with the speakers and participants, thus a special dialogue started between expert and practitioners. During the dialogue several questions arose and were answered, which were not expected by organizers. So we think that from the interaction point of view, this session was really successful.

- **How did they think about the importance of the climate change, energy efficiency, and sustainable development?**

During the session it is became clear to us, that there is a significant difference among the SME's regarding this topic. They understand exactly the importance of the climate and energy conscious way of improvement, and they try to take it into consideration during their decision making process. They have already identified, that these regulations will affect their operation, and soon or later they have to be able to comply with it. On the other hand these enterprises feel social responsibility to provide good example for the public, and the other SME's as well.

But the significant proportion of the SME's thought that they don't have to change their behaviour, there is no connection between the energy and climate conscious operation and the improvement. They thought that these legal changes and policies are too far from the everyday life, and it can work in the western countries but not in Hungary.

As they explained to us in the current economic situation the most important thing is to survive the crises, and they do not have any financial and human capacity to pay attention to these issues. Although they are aware of the objectives of the EU 2020, they believe that it is not worth anything if they go bankrupt. That is why their priority is the stabilization and the survival of the crisis.

- **What were the reactions, opinions of the SME's about the "profit" of the event like yours?**

Based on the reactions of the SME's they thought that this was a useful and very informative session, but most of them thought that without real opportunities and initiatives which can increase their business revenue, cannot be expected from the companies to be engaged in sustainability, environmental protection, climate change and the energy conscious operation.

- **Do they think that this type of activity can help to come over the crisis?**

Most of the SME's thought that they gained useful knowledge which will lead them to the improvement, but first of all they have to overcome the crisis. They said that this is forward looking initiative, which is necessary to continue.

#### **CONCLUSIONS AND RECOMMENDATIONS**

Overall we can say that this initiative was a success because it provided opportunities that will facilitate the future development of SMEs. But we had to realise that because of the economic crises, there are not available those financial and economical conditions which can provide a suitable environment for the SME's to be engaged in sustainable growth through using climate and energy conscious green technologies. Despite of the factors what we mentioned above we will continue this activity, and we are not alone anymore, because we found SME's and larger companies, who has a willingness to support our initiative, and as a "pilot company" prove a good example to other SME's that this will be the way that needs to be follow in the future.

#### **4. FINAL CONCLUSION**

In our opinion, it was real challenge for the partners to develop a pilot action which met with all the criteria we identified earlier. This task was even more difficult that we had to take into consideration the negative impact of the economic crisis on the SME's. Despite of this, the participating partners suggested a surprisingly similar pilot action, which implies that the SME's facing with similar problems in the UK and in Hungary as well.

Regarding the partner reports of the pilot action we should say these events were more successful than expected, and reached a number of SME's with these issues. But as has been mentioned above we had to face with same problems.

Despite the fact that the SME's seems to think that they gained several useful knowledge, it is not enough to be engaged in climate and energy conscious operation, and sustainability. In this current situation the decision making process of the SME's is determined by the survival of the crisis. They thought the instead of the theoretical findings they need real initiatives and new innovative solutions – regarding energy-, environment-, climate conscious green technologies - which are easily implementable, requires low investment, and resulting revenue increase. No matter how open the SME's are to these types of initiatives, the main question is capital requirement, and the acceptable revenue.

We think that we definitely have to continue this activity. With the active participation of the already engaged SME's, by the end of the crisis we have to provide the necessary knowledge base and collection of good practices and opportunities, to involve SME's into the process of “Changing Behaviour”.

## 5. REFERENCES

**AGENDA: - Sevilla Global: Unfortunately, despite of the numerous requests I have sent to Beatriz, I haven't received any input from the event!**

**AGENDA: - Birmingham City University:**

**Changing Behaviours: Identifying Strategies for Sustainability within SME's.**

**Date: 28<sup>th</sup> October 2010**

**Location: Birmingham Chamber of Commerce**

**Time: 10:00 – 15:00**

Web: <http://sustainabilitystrategy.org>

Twitter: ChangeforSMEs

### **Day Schedule:**

**10:00 – 10:30** Introduction into the issues surrounding SME's and sustainability. TBC Paul Hanna, Director of Economic Development & Partnership, BCC

**10:30 – 10:45** SME case study - TBD, BCC

**10:45 – 11:15** Climate KIC and other European funding. Katharine Fuller, European funding manager, BCU

**11:15 – 11:45** Coffee break

**11.45 – 12:00** SME case study - TBD, BCC



**12:00 – 12:30** Sustainability and Industry, Legal requirements in reducing pollution waste.  
Dr Haydn Davies, LLB Programme Director, BCU School of Law

**13:00 – 13:30** – Lunch

**13:30 – 14:00** Algae and bio fuels project; industry response to climate change. TBC, TEE, BCU

**14:00 – 14:30** Social media and sustainability. The promise to be green. TBC Jon Hickman, Lecturer in Interactive Cultures, BCM&CR

**14.30 – 15:00** launch of the “Mutual Audit” project and group discussion  
TBC Jon Hickman, Lecturer in Interactive Cultures, BCM&CR with Paul Hanna, Director of Economic Development & Partnership, BCC

**Close**

**AGENDA: - INNOVA:**

**Program of the Climate change - Energy - Small and medium sized enterprises (SME) session- 22<sup>nd</sup> of September 2010:**

**Chairman:** Dr. Norbert Grasselli, managing director, INNOVA Észak – Alföld Regional Development and Innovation Agency

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|---------------|--|
| 10.00 –10.30  | <b>Dealing with climate change using Structural Funds</b> , Mátyás Maksi, programme manager EU policies, European Committee, Directorate General of Regional Policy  |
| 10.30 – 11.00 | <b>The advantages of Climate KIC for SME-s</b><br>Zsolt Gemesi, Climate KIC  |
| 11.00 – 11.30 | <b>Coffee Break</b>  |
| 11.30 – 12.00 | <b>The aspects of climate law in connection with SME-s, its advantages, particularly the climate protection found</b><br>Ivan Gyulai, Leader of climate defending working party, Hungarian Conservationist Association |

12.00 – 12.30

**The examination of the launch of the climate protection law, and the results of the survey.**

Dr. Tamás Pálvölgyi, Professor of Budapest University of Technology and Economics

12.30 – 14.00

**Lunch**