



# **SME ENVIRONMENT**

**SUPPORTING  
THE PARTICIPATION OF  
ENVIRONMENTAL SMEs FROM NEW MEMBER STATES AND  
CANDIDATE COUNTRIES  
IN THE SIXTH FRAMEWORK  
PROGRAMME**

# **GUIDE FOR COORDINATORS**

## GUIDE FOR COORDINATORS

The aim of the SME Environment project (Contract No: 003925 - FP6-Global) is to help small and medium sized enterprises (SMEs) from the New Member States (NMS) and Candidate Countries (ACC) to get involved into FP6 projects in the field of Energy and Environment. This Guide contains information for project coordinators about the potential benefits and difficulties of involving ACC/NMS companies into their project consortia.

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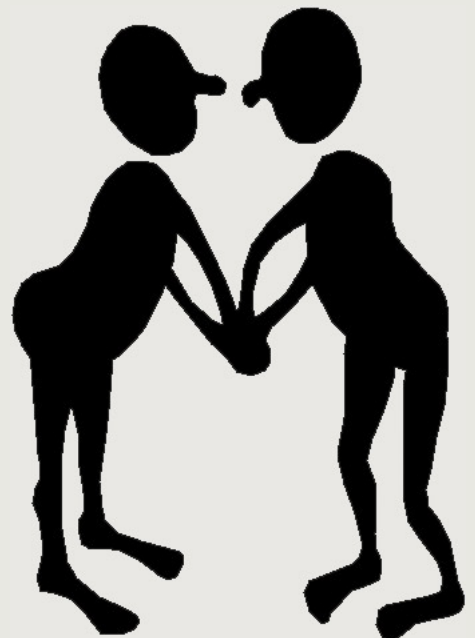
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## INTRODUCTION

SME Environment supports environmental small and medium sized enterprises (SMEs) from the New Member States (NMS) and Associated Candidate Countries (ACC) in their proposal development and consortia building efforts. For this reason the project has created a special database where only small and medium sized enterprises can register which are active in the field of energy and environment and are interested in participating in projects submitted to the Global 4 Call.

On 19th July the European Commission published the last Call for Proposals under the sixth thematic priority of the FP6: Sustainable development, global change and ecosystems: this is the Global 4 Call.

Benefits of using the database:

- » All data on your potential partners are checked and quality assured,
- » The data are relevant and expertise listed refer specifically to the topics of the Global 4 Call,
- » SMEs can search other partners with relevant expertise,
- » Coordinators can search for SMEs from the Central Eastern European region in order to improve their consortia.

## SME ENVIRONMENT GUIDES

The project experts created two special guides in order to help both sides in successful project development.

1. The Guide for SMEs gives practical assistance, a step by step guide on project proposal development, consortium building, and offers solutions for many potential problems.
2. The **Guide for Coordinators** helps coordinators understand the problems that SMEs from NMS and ACC face and it describes the potential knowledge base and benefits of involvement of the SMEs into research projects. The Guide also gives practical hints on how to overcome the problems and barriers of NMS/ACC SME participation.

## 5 good reasons to involve partners from the New Member States and Candidate Countries

- Involvement of SMEs from NMS and ACCs is strongly encouraged by the Commission and will be appreciated by the Evaluators of your project proposal.
- You cannot demonstrate European Dimension and contribution to ERA without proper geographical coverage and stakeholder participation from the NMS
- Expanding your partnership to the New Member States + ACCs will yield you an extra market of up to 200 million people
- New partners mean new ideas, innovative approaches and an inspiring working environment
- There are many energy and environment related fields, where CEE provides huge opportunities and challenges

## WHAT ARE THE MOST IMPORTANT ASPECTS TO TAKE INTO ACCOUNT?

### Environment

#### Implementation of the Acquis in NMS, ACC

Similarly to the EU-15 the New Member States have to implement the European Union legislation (the *acquis communautaire*) by its specific deadlines. However, especially in case of heavy investment directives, the acceding countries have requested - and in justified cases have obtained, transitional exemptions.

#### Temporary provisions arranged in Chapter 22 - Environment

Country	Chapter opened	Status
<b>Bulgaria</b>	July 2001	Closed December 2004 (provisionally closed in June 2003)
Transitional arrangements: - sulphur content of liquid fuels until 2011 - emissions of volatile organic compounds from storage of petrol until 2009 - recovery and recycling of packaging waste (amended Directive) until 2014 - landfill of certain liquid wastes until 2014 - shipment of waste until 2009 - waste of electrical and electronic equipment until 2008 - integrated pollution prevention and control until 2011 - treatment of urban waste water until 2014 - air pollution from large combustion plants until 2014		
<b>Cyprus</b>	December 1999	Closed December 2002 (provisionally closed in July 2001)
Transitional arrangements: - recovery targets of packaging waste until 2005 - air pollution from large combustion plants, special provisions - treatment of urban waste water until 2012 - a one year derogation on sulphur content of certain liquid fuels, provided by the directive		
<b>Czech Republic</b>	December 1999	Closed December 2002 (provisionally closed in June 2001)
Transitional arrangements: - recovery and recycling of packaging waste until 2005 - treatment of urban waste water until 2010 - air pollution from large combustion plants until 2007		
<b>Estonia</b>	December 1999	Closed December 2002 (provisionally closed in June 2001)
Transitional arrangements: - emissions of volatile organic compounds from storage of petrol until 2006 - landfill of oil shale until 2009 - treatment of urban waste water until 2010 - quality of drinking water until 2013 - air pollution from large combustion plants until 2015 - strict protection of lynx, special provision		
<b>Hungary</b>	December 1999	Closed December 2002 (provisionally closed in June 2001)
Transitional arrangements: - recovery and recycling of packaging waste until 2005 - treatment of urban waste water until 2015 - air pollution from large combustion plants until 2004 - incineration of hazardous waste until 2005		

## Transitional periods arranged in Chapter 22 - Environment

Country	Chapter opened	Status
<b>Latvia</b>	March 2001	Closed December 2002 (provisionally closed in November 2001)
Transitional arrangements: - emissions of volatile organic compounds from storage of petrol until 2008 - recovery and recycling of packaging waste until 2007 - landfill of waste until 2004 - treatment of urban waste water until 2015 - quality of drinking water until 2015 - integrated pollution and prevention control until 2010 (instead of 2007 for Member States) - storage of asbestos waste until 2004 - health protection of individuals against ionising radiation in relation to medical exposure until 2005		
<b>Lithuania</b>	November 2000	Closed December 2002 (provisionally closed in June 2001)
Transitional arrangements: - emissions of volatile organic compounds from storage of petrol until 2007 - recovery and recycling of packaging waste until 2006 - treatment of urban waste water until 2009 - air pollution from large combustion plants until 2015		
<b>Malta</b>	June 2001	Closed December 2002 (provisionally closed in October 2002)
Transitional arrangements: - emissions of volatile organic compounds from storage of petrol until 2004 - recovery and recycling of packaging waste until 2009, beverage packaging until 2007 - treatment of urban waste water until March 2007 - quality of drinking water until 2005 - discharges of dangerous substances into surface water until March 2007 - protection of wild birds, use of clap-nets for capture of seven finch species in order to establish a captive breeding system until 2008 - air pollution from large combustion plants until 2005		
<b>Poland</b>	December 1999	Closed December 2002 (provisionally closed in October 2001)
Transitional arrangements: - sulphur content of liquid fuels until 2006 - emissions of volatile organic compounds from storage of petrol until 2005 - recovery and recycling of packaging waste until 2007 - waste landfills until 2012 (instead of 2009 for Member States) - shipment of waste until 2007 - treatment of urban waste water until 2015 - discharges of dangerous substances into surface water until 2007 - integrated pollution prevention and control until 2010 (instead of 2007 for Member States) - air pollution from large combustion plants until 2017 - health protection of individuals against ionising radiation in relation to medical exposure until 2006		
<b>Romania</b>	March 2002	Closed December 2004 (provisionally closed in November 2004)
Transitional arrangements: - emissions of volatile organic compounds from storage of petrol until 2009 - recovery and recycling of packaging waste (amended Directive) until 2013 - landfill of certain liquid wastes until 2013; waste landfills until July 2017 (instead of 2009 for Member States) - shipment of waste until 2011 - waste electrical and electronic equipment until 2008 - integrated pollution prevention and control until 2015 - treatment of urban waste water until 2018 - quality of drinking water until 2015 - discharges of dangerous substances into surface water until 2009 - air pollution from large combustion plants until 2013 and 2016-2017 - incineration of hazardous medical waste until 2009		

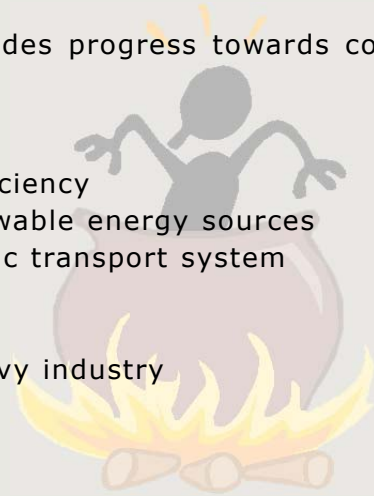
## Transitional periods arranged in Chapter 14 - Energy

Country	Chapter opened	Status
<b>Bulgaria</b>	second half of 2001	closed in December 2004 (provisionally closed in second half of 2002)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2012		
<b>Cyprus</b>	second half of 1999	Closed December 2002 (provisionally closed in first half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2007		
<b>Czech Republic</b>	second half of 1999	Closed December 2002 (provisionally closed in second half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2005 - implementation of gas directive, until the end of 2004		
<b>Estonia</b>	second half of 1999	Closed December 2002 (provisionally closed in July 2002)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2009 - implementation of electricity directive, until the end of 2008		
<b>Hungary</b>	second half of 1999	Closed December 2002 (provisionally closed in second half of 2000)
Transitional arrangements: none		
<b>Latvia</b>	first half of 2001	Closed December 2002 (provisionally closed in second half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2009		
<b>Lithuania</b>	first half of 2001	Closed December 2002 (provisionally closed in first half of 2002)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2009		
<b>Malta</b>	first half of 2001	Closed December 2002 (provisionally closed in first half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2006		
<b>Poland</b>	second half of 1999	Closed December 2002 (provisionally closed in second half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2008		
<b>Romania</b>	first half of 2002	closed in December 2004 (provisionally closed in second half of 2004)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2012		
<b>Slovakia</b>	first half of 2001	Closed December 2002 (provisionally closed in second half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2008		
<b>Slovenia</b>	second half of 1999	Closed December 2002 (provisionally closed in first half of 2001)
Transitional arrangements: - build up of oil stocks to required level, until the end of 2005		

## OBSTACLES AND BARRIERS

The most challenging environmental issues in CEE besides progress towards compliance with the EU legislation are:

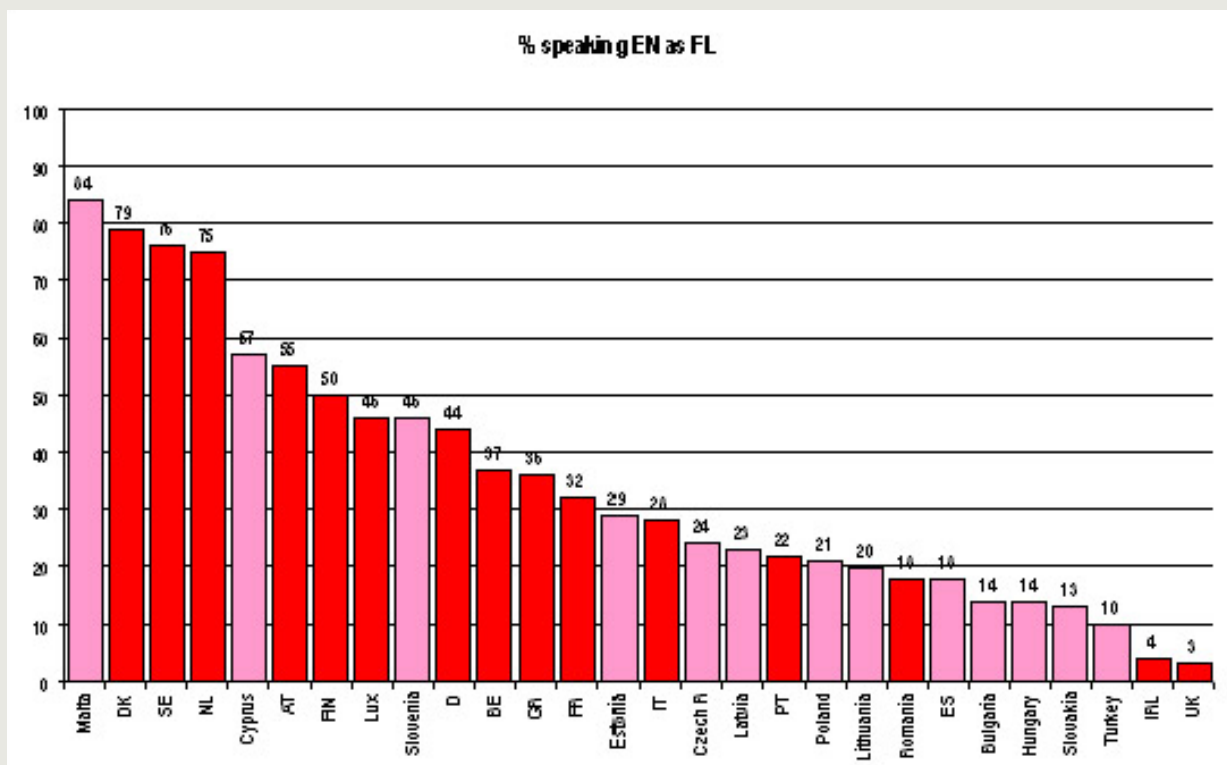
- Conserving its rich biodiversity
- Pollution control/prevention and increasing eco-efficiency
- Increasing energy-efficiency and the share of renewable energy sources
- Maintenance and development of its extended public transport system
- Transfer of best practices to various industry
- Cross-border water systems
- Treatment of the legacy of former wide-spread heavy industry
- Capacity building
- Awareness raising



## PROBLEMS AND SOLUTIONS

### Language

The knowledge of foreign languages and especially English as a foreign language is significantly lower in the New Member States than in the EU-15 (see the chart below). However, English is relatively widely spoken among younger generations, entrepreneurs and researchers.



Source: [http://europa.eu.int/comm/education/policies/lang/languages/index\\_en.html](http://europa.eu.int/comm/education/policies/lang/languages/index_en.html)

**Solution:**

Since language is a key condition for common understanding in international cooperation, it is suggested that you ensure your partners are able to communicate with you effectively. It is also suggested that you use SME Environment partner search facility, where you can find companies with the necessary language skills.

**Financial sources**

Most of EU-subsidies finance only a part of a project and the companies will have to pre-finance the other part. In general the SMEs haven't got the sources so they are looking for solutions to finance their part. Mostly for small companies it is hard to put up the money, but they need it if they want to develop and be competitive in the enlarged EU-market.

**Solution:**

- Make sure that your SME partners understand the financial constraints. It is an investment, that can make profit only on a long run - after the project period.
- Explain the indirect benefits of participating in EC projects. (PR and marketing, international relationship, access to know-how and intellectual properties, sharing knowlegde, etc)

**Size of the company**

Although, economic growth has a higher rate in the New Member States than in EU-15 and SMEs are important contributors to this growth, they are facing serious challenges. Many of the SMEs are micro companies and accessing financing sources is more difficult than in the Old Member States. As a result many companies are struggling to remain financially stable and a high proportion of registered companies (up to 30%) is inactive.

**Solution:**

Nevertheless, there are many small innovative, high-tech companies, and some countries having statistics in high tech employment almost as good as Ireland. These high added-value companies are capable to participate in EU research projects even with a smaller number of employees. It is suggested that your partners are checked whether the size of their turnover and staff makes them ready to cooperate successfully.

**Management skills**

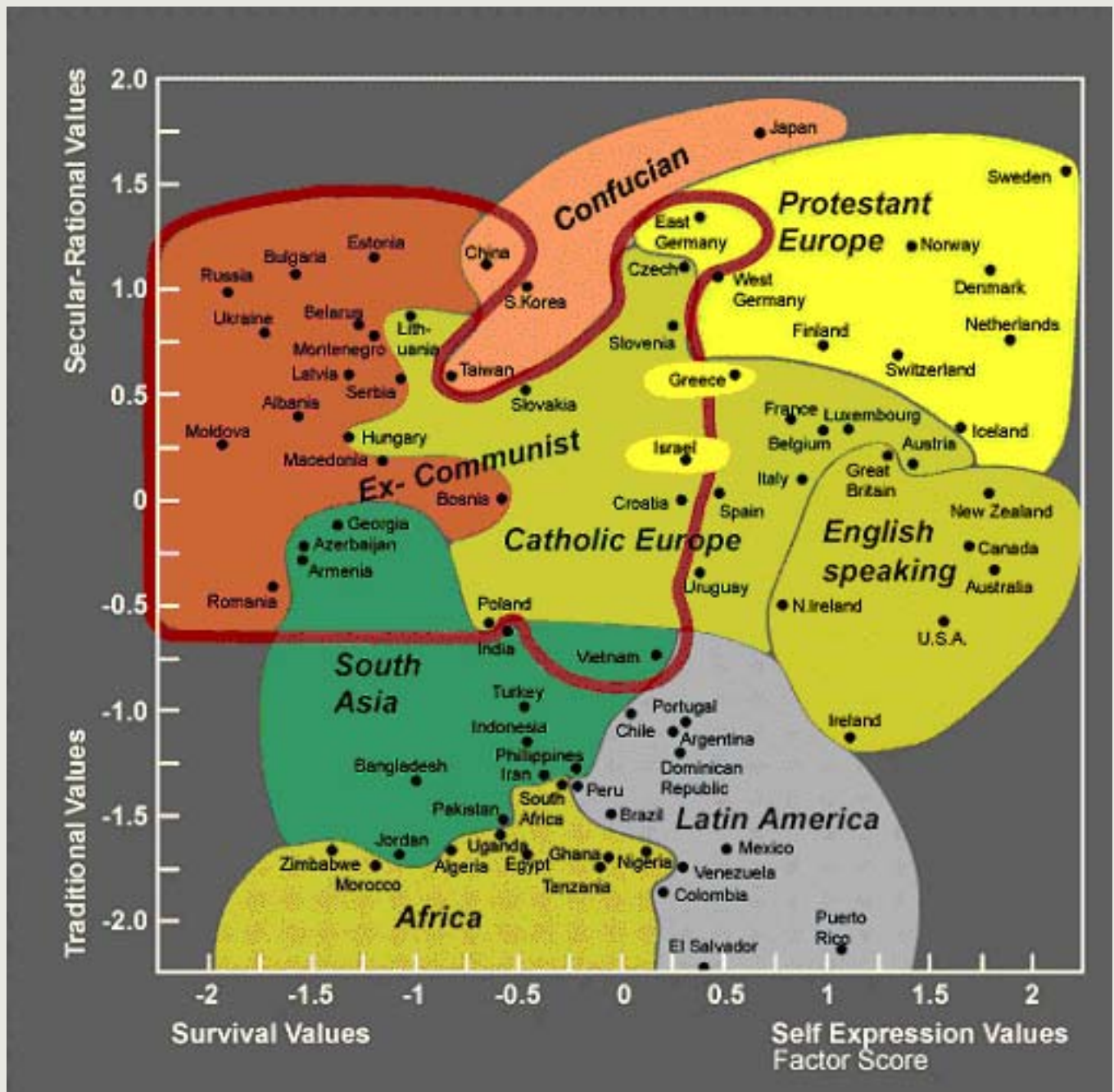
Management skills are a new discipline in the New Member States. While the younger generations are usually well educated on the field, many researchers will need assistance in order to perform effectively.

**Solution:**

A well designed project coordination with clear tasks and responsibility is an effective way to overcome management problems. Alternatively, a short management training in the beginning of the project might be useful.

**Cultural differences**

Cultural differences often determine several business related factors, make or brake deals, create or destroy the potential for striking agreements, drive investors to prioritise their moves and targets. The cultural variety of different countries are presented through the Inglehart Values Map, drawn up based on the so called World Values Surveys. The surveys ([www.worldvaluessurvey.org](http://www.worldvaluessurvey.org)) were designed to provide a comprehensive measurement of all major areas of human concern, from religion through politics to economic and social life, where two main dimensions dominate the picture: the traditional/secular-rational and the survival/self-expression values.



Source: World Values Surveys, [www.worldvaluessurvey.org](http://www.worldvaluessurvey.org)

These two dimensions explain more than 70 percent of the cross-national variance in a factor analysis of ten indicators, and each of these dimensions is strongly correlated with scores of other important orientations.

The traditional/secular-rational values dimension reflects the contrast between societies in which traditions, conservatism, religion and faith, and emotions are very important and those in which more rational, scientific, practical and logical thinking and approaches are rather preferred. A wide range of other orientations are closely linked to this dimension. Societies near the traditional pole emphasize the importance of parent-child ties and deference to authority, along with absolute standards, and traditional family values, and reject divorce, abortion, euthanasia, and suicide. These societies tend to have high levels of national pride, and a nationalistic outlook. Societies with secular-rational values tend to have the opposite preferences on all of these topics.

Most of the CEE countries belong to the group of high secular-rational values ratings while Croatia, Romania and Poland are slightly on the traditional value side.

The second major dimension of cross-cultural variation is linked with the transition from industrial society to post-industrial society, which brings a polarization between survival and self-expression values. The unprecedented wealth that has accumulated in advanced societies during the past couple of generations means that an increasing share of the population has grown up taking survival for granted. Thus, priorities have shifted from an overwhelming emphasis on physical and economic security toward an increasing emphasis on subjective well-being, self-expression and quality of life. Inglehart and Baker (2000) found evidence that orientations have shifted from traditional toward secular-rational values, in almost all industrial societies. But modernization is not linear when a society has completed industrialization and starts becoming a knowledge society, it moves in a new direction, from survival values toward increasing emphasis on self-expression values.

A central component of this emerging dimension involves the polarization between materialist and post-materialist values, reflecting a cultural shift that is emerging among generations who have grown up taking survival for granted. Self-expression values give high priority to environmental protection, tolerance of diversity and rising demands for participation in decision making in economic and political life. These values also reflect mass polarization over tolerance of minorities, foreigners, gays and lesbians, gender equality, etc. The shift from survival values to self-expression values also includes a shift in child-rearing values, from emphasis on hard work toward emphasis on imagination and tolerance, as important values to teach a child. And it goes with a rising sense of subjective well-being that is conducive to an atmosphere of tolerance, trust and political moderation. Finally, societies that score high on self-expression values also tend to score high on interpersonal trust.

This produces a culture of trust and tolerance, in which people place a relatively high value on individual freedom and self-expression, and have activist political orientations. These are precisely the attributes that the political culture literature defines as crucial to democracy and liberalised market conditions. Vast majority of the CEE countries are in the group of high survival values ratings (thus struggling with their basic needs), while Slovenia, the Czech Republic and Croatia are more in the middle of this value scale or slightly on the self-expression side.

## **Scepticism**

Central planning economy and the superiority of Soviet policy (except Malta and Cyprus) had a negative effect on CEE attitude towards acceptance of central coordination. This manifests in a significant level of euro-scepticism as well as a refusal of any external control. This phenomenon is often strengthened by the approach of several Western European consultants who, being uninformed, believe that professional knowledge and skills are absent in CEE. This might provoke dislike among CEE partners.

### **Solution:**

Mapping the true capabilities of your CEE partners and offering true partnership based on this information.

## **Lack of experience**

Mainly small companies are facing this problem, because they are not enough prepared for these new challenges and they don't have a more aware management. Before becoming associate members these countries haven't had the opportunity to claim these funds, that's why they have not enough specialists at the moment.



**Solution:**

- The entrepreneurs in the region are willing to learn, with some help they can be prepared to find the adequate project, and they can also learn how to develop a proposal.
- Some institutions offer courses where SMEs can acquire new skills and obtain information about their possibilities.

**Team work - lack of willingness**

Many businessmen in Eastern-Europe were socialized in the socialist regime, where they have learned how to manage themselves. As a consequence these businessmen are afraid of sharing their knowledge and ideas with others.

**Solution:**

- New challenges require new approaches, cooperation between international partners is one of the most important pillars of the Union.
- Small companies often afraid that with the co-operation with other companies their idea will get lost. In these cases a good lawyer and a consortium agreement is needed.



Dear Coordinator,

Remember that competition under these programmes is extremely tough, involving a wide-range of participants will help you boost the value of your proposal's arguments on european added value, consortium and resources, dissemination and deployment potential and EU policies.

For a continuously updated database of enthusiastic and hard-working SMEs from the New Member States and Candidate Countries please refer to [www.sme-environment.org](http://www.sme-environment.org).

SME Environment Team