



**BALANCE**  
*green and stable*

# IO1 Report: Green policies and financial sustainability - Analysed Best Practises

## Executive Summary

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## CONTEXT

# Table of Contents

O1 Report – Executive Summary ..... 4

# O1 Report – Executive Summary

Small and medium enterprises (SMEs) being the backbone of the European economy, are the centre of the green transformation and sustainable resources management, as per the 2019 EU Green Deal. Immediate actions supporting Circular Economy, by helping reduce CO<sub>2</sub> emissions, and moving the production to a more-environmentally-friendly stage among other need to be taken.

Small businesses have long suffered from the 2008 EU financial crisis and the remedial actions. Change therefore is not easy to integrate, since it is challenged by the lack of present financial and/or human resources, sustainability, and knowledge.

BALANCE is an Erasmus+ project that steps on the key priority of environmental sustainability, as set from the Green Action Plan for SMEs, and aims to guide the SME decision makers towards transforming their operations into greener ones, while enhancing at the same time their environmental awareness and securing their financial sustainability.

In this context, the project partnership carried out an extensive desk research, as part of the 1<sup>st</sup> set of actions foreseen by the project proposal. Project partners from Bulgaria, Spain, Ireland, Greece, Cyprus, and Belgium researched the national context for SME's development, available support, and the current green initiatives. They then identified and collected successful implementations of green practices in different companies in their countries.

The present report presents the collected best practices in detail, based on three main aspects:

- The essence of the green practice (changes in operations, smart and sustainability policies, qualification of the staff involved)
- How the green practice was implemented (including financial aspects, such as cost of transition, cost of sustaining and overall financial result before and after the transition to a greener policy, and
- How it was communicated both internally and externally.

The report is offered in the following format:

1. The national context for SMEs per partner country is described,
2. National green initiatives are explained per country,
3. A total number of 31 practices were collected, which are presented by country,
4. An analysis on the collected practices follows next, based on:
  - a. **The operational characteristics** (challenges in promoting green practices), which indicated that the benefits and advantages available to companies for taking an active part in sustainability, environmental and circular economy issues, can be materialized mainly by internal adjustments. Without, of course, downgrading the major role the external factors are playing.
  - b. **The green practice** (changes in operations, smart and sustainability policies, qualification of the staff involved), which indicated that the green activities of the majority of the enterprises in order to attain an efficient and effective production processes are focused on improving their entrepreneurship operation by optimizing their resources.
  - c. **Implementation of the green practice** (financial aspects, such as cost of transition, cost of sustaining and overall financial result before and after the transition to a greener

policy), which indicated that the highest impacts are reached by relatively simple and straightforward initiatives, which also have positive impacts on company culture as side-effect.

5. The last part of the report is in essence a position paper, based on the collected practices and extensive literature review; it provides an assessment of SMEs of a more integrated approach including the following 3 attributes, the co-called dimensions:
  - a. The advantages SMEs possess as enterprising entities,
  - b. The enterprising environment within which an SME operates,
  - c. The aspects of Green Action Plan that an SME applies.

The three-dimensional approach helps offer a more holistic understanding of various national contexts and initiatives for SMEs in the form of quadrats.

Overall, the present deliverable aspires to become a trend-setter into interpreting SMEs' transformation towards greener operations, as well as into resolving actual implementation problems, in this direction.

In conclusion, this report represents the first output of the BALANCE project that shows real examples in the partnering countries and provides financial analysis over the current best practices in the business sector. These examples, which are companies that have already implemented greener policies and sustainable policies in the partnering countries, they can be used as important trend-setter and can provide input into resolving actual implementation problems.

The results clearly:

- Validate the notion that there is a gap between the big companies and the SMEs as a result the dramatic **difference in their resource availability**. On the other hand, SMEs are facing harsher regulations regarding their footprint.
- Improve the awareness of Environmental Policies and the topics around **financial sustainability**. It can be utilized as valuable tool to promote green operations to SMEs.
- Increase the **awareness about Green Deal**, environmental protection and SMEs business and at the same time the footprint of the business of the SMEs decision takers can be reduced.
- Show that there are many internal and external factors or challenges related to the operations and management of SMEs. However, they respond mainly by **internal adjustments to green practices**, because they can be influenced by them.
- Focus on improving their entrepreneurship operation by optimizing their resources by striving to **attain an efficient and effective production processes**. In addition, however, they consider Company Social Responsibility a sound investment in influencing society.
- Validate the notion that **small and constant efforts** do have big impact, since they cultivate a company culture and reputation towards environmental sustainability.