



Sustainable Production
through Innovation in SMEs

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SPIN Newsletter #3 - March 2011

SUSTAINABLE INNOVATION POLICIES in the Baltic Sea Region

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SPIN analysis of barriers and incentives for innovations for sustainable production

Did you know that more than 99 % of European companies are SMEs which contribute to a total of 54 % of the value added in the European Union and are responsible for 64 % of the total environmental impact of industry in the EU?

That is why it is very important from an economic and environmental perspective to support innovations for sustainable production in SMEs.



To better understand the reasons why SMEs apply innovations for sustainable production or why not, SPIN has conducted country studies in each of the SPIN partner countries (Germany, Poland, Lithuania, Estonia, Finland, Sweden, Denmark). Aim of the country studies was to analyse the needs of SMEs in different fields:

- financing
- competences
- business & market and intellectual property rights
- barriers which hinder innovations for sustainable production
- existing incentives for sustainable innovations

The perspective of both, SMEs supplying sustainable innovations and SMEs in demand of sustainable innovations, has been included in the study. In a synthesis report causes for disparities in different countries and specific patterns which are relevant for the whole BSR have been analysed.

The SPIN project identified several major SME needs which include:

- access to financing
- qualified personnel
- information on relevant legislation, on market trends as well as on existing innovations and public support schemes
- networking with external facilitators.

The project also assessed barriers to sustainable innovations in SMEs. Among the most important barriers identified are:

- time and personnel constraints which lead to limited awareness of relevant legislation, the actual environmental impact and existing innovative solutions.
- Suppliers of sustainable innovations often lack capital for up-scaling and demonstration of new technologies.
- Limited knowledge of the demand side also hinders their access to the market.

To overcome these barriers several support measures for SMEs exist but most of them without special consideration of sustainable innovations. Several approaches are named by the project how to tackle these problems:

- Close-to-SME network points (e.g. industry associations) are an important multiplier to increase SMEs' awareness and spread information on sustainable solutions and existing support programmes.
- Legislation and norms, e.g. environmental pollution regulation – if properly enforced – are a strong incentive for SMEs to adopt sustainable innovations.
- Green Public Procurement also has a large potential to stimulate the market for sustainable innovations, however this has not been sufficiently used so far.

During the course of the SPIN project the findings will be refined and validated through direct feedback from SMEs in a series of industry workshops.

If you would like to know more about the results of the country studies and the synthesis report, they will be made available from our project website.

Outlook: Development of policy recommendations for the SPIN Action Plan

Based on the results of the country studies and the synthesis report, SPIN partners have started to develop the SPIN Action Plan. The SPIN Action Plan translates the findings on SME needs, existing barriers to innovations for sustainable production and experience on best-practice incentives into a transnational action plan. It addresses policy makers on national, transnational and European level as well as authorities, financing institutions and associations to reduce barriers and create new transnational incentives to effectively support an uptake of innovations for sustainable production in SMEs of the Baltic Sea Region.

Priority areas for the SPIN Action Plan are:

- to increase awareness of SMEs for stimulating demand for sustainable innovations
- to improve access to finance introduction of innovations for sustainable innovations
- to build-up competence and capacity for linking sustainability and innovation in SMEs
- to enable easy access to relevant information and networks across borders.

Active involvement of the project advisory board is planned for two further meetings to finalize the SPIN Action Plan which will be presented at the final SPIN conference in the week from 22-25 November 2011 in Poznan.

SPIN: Privat Profits - Public Benefits!



The SPIN project aims at enhancing “Sustainable Production through Innovation in SMEs”. SPIN is a business project and not a research project. It runs for 3 years (until January 2012) and is supported by the Baltic Sea Region (BSR) Programme 2007-2013 of the European Union. SPIN brings together some of the most important institutions for eco-innovations in the Baltic Sea Region and is supported by numerous national governments, sector associations, research bodies and transnational NGOs.

Why?

Our understanding of innovation is based on the definition of the former Finnish Prime Minister Esko Aho who stated: “Quite often, when people talk about innovation they mean research and development. But innovation is broader than that: research is transforming money into knowledge, while innovation is transforming knowledge into money and well-being. Innovation is about producing, not only economic prosperity, but also wellbeing in society” We want to focus on identifying and promoting innovations throughout the BSR, which lead to sustainable production in SMEs. In other words: These innovations help to reduce economic, environmental and social costs while maintaining or even increasing production levels.

How?

SPIN is based on the simple but normally successful business equation of matching supply and demand. SPIN taps on innovations throughout the BSR, which lead to sustainable production in SMEs. It supports SMEs who have developed sustainable solutions to reach out to a larger market. At the same time it gives enterprises the technical and managerial solutions they need to make their production process more sustainable and to comply with the legislative requirements from the EU. In order to support this matchmaking process SPIN offers SMES:

- The SPIN database (freely accessible on [SPIN Innovation Database](#))
- The SPIN Industry Workshops (find all the dates on [SPIN Events](#))
- The SPIN Tool Box (soon on [Toolbox](#))

National Contact Points

- » Denmark
- » Estonia
- » Finland
- » Germany
- » Lithuania
- » Poland
- » Sweden

Joint Meeting of the SPIN project with the CBSS Baltic 21 expert group

On 2nd December 2010 the SPIN project partners met with the CBSS (Council of the Baltic Sea States) expert group on sustainable development – Baltic 21. Baltic 21 aims at supporting sustainable development in the BSR within the framework of the Agenda 21 process which addresses a key challenge of the EU Baltic Sea Region (BSR) Strategy. Because of the strong links with the action plan of Baltic 21, SPIN has been selected as a Baltic 21 lighthouse project.



» [Short documentation](#)

During the joint meeting of SPIN and Baltic 21 first project results were presented and discussed. Links between the proposed activity areas of the SPIN Action Plan and the Baltic 21 activities have been identified, e.g. in education and awareness raising. These links should be used to effectively connect the implementation of the SPIN Action Plan with Baltic 21.

SPIN Policy workshop for the biogas sector

The SPIN project has selected four focus sectors for their activities:

- biogas sector
- sustainable construction
- small scale water treatment
- surface treatment.



Since the SPIN Action Plan aims to include specific recommendations for the selected industry sectors, a policy workshop dedicated to the biogas sector was held on 1 December 2010 in Berlin. The workshop brought together the SPIN partners with representatives from the European Biogas Association, SME representatives from Germany and Estonia as well as technology experts. Current state and future trends of the biogas sector in different countries were presented and the influence of the public framework conditions on innovation activities discussed.

One finding was that the biogas sector has developed differently in different countries. While Germany has seen a fast growth during the last decade with more than 1.000 new installations per year Estonia has installed only a few pilot plants because it is not yet a business case there. Within the public framework conditions, the financial incentives set by the German Renewable Energy Law (EEG) for production and feed-in of electricity from biomass was one of the main drivers of the fast growth whereas the guaranteed feed-in tariffs in Estonia are not competitive for biogas producers. On the other hand the fast growth in Germany has created new problems of growingly large areas of monocultures for energy crops and low monitoring standards of the existing plants. In Sweden, the biogas sector has developed without using energy crops but instead mainly waste biomass and sewage sludge.

A SPIN background study on innovation and framework conditions in the biogas sector in the BSR is soon to be published. The observed influences of the regulation framework in the biogas sector will be used as an input for development of the SPIN Action Plan to develop sector-specific recommendations.

» [Please find more information on the workshop in the documentation on our website](#)

Other SPIN news and upcoming events

- [SPIN has participated in the discussions at the ETAP Forum “Financing the eco-innovators” \(29-30 November 2010 in Brussels\)](#)
- [SPIN was highlighted as the “Success Story of the Month” November 2010 on the European Small Business Portal](#)
- A series of SME industry workshops of SPIN will take place during February – October 2011 in all participating countries ([see event calendar on SPIN website for details](#))

- SPIN invites the Advisory Board to Helsinki on 4-5 of May 2011 to discuss the first outline of the SPIN Action Plan
- Save the Date: SPIN will hold its final conference in the week from 22-25 November 2011 back to back with POLEKO in Poznan,



Please see the [SPIN website](#) for regular updates of the SPIN activities

Impressum

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