



REGION OF WESTERN MACEDONIA

Resource and energy efficiency support schemes for SMEs: identification of savings potential and support to implement efficiency measures

Follow-up report

Policy Learning Platform matchmaking session date: Thursday 22 April 2021 – 10:00-11:30

Beneficiary: Region of Western Macedonia, Greece

Topics: Energy efficiency, resource efficiency, SMEs, support schemes, ERDF, state aid, process innovation

PARTICIPANTS

Host region representatives and stakeholders

- **Nikos Lissaridis**, Vice-Governor for Regional Development
- **George Vavliaras**, Vice-Governor for Entrepreneurial Development
- **Kalliopi Kiriakidou**, Vice Governor for Energy, Infrastructure and Environment
- **Isidoros Ziogou**, Department of Energy, Infrastructure and Environment
- **Dimitris Mavromatidis**, Regional Development Fund
- **Vassilis Macheras**, Regional Development Fund
- **Dimitra Taralidou**, Special Managing Authority
- **Yannis Fallas**, Biocluster CLuBE
- **Nikos Ntavos**, Biocluster CLuBE
- **Costas Kokkinoplitis** - Seven Sigma, Technical Advisor of Green Fund
- **Eleni Vorrissi** - Seven Sigma, Technical Advisor of Green Fund
- **Tassos Sidiropoulos** - Western Macedonia Development Company (ANKO SA)
- **Liana Papaterpou** – Western Macedonia Development Company (ANKO SA)
- **Spiros Kellidis** - Western Macedonia Development Company (ANKO SA)
- **Stavroula Angelidi** - Just Developmental Transition Plan's Steering Committee,
- **Theodora Zacharia** - Just Developmental Transition Plan's Steering Committee

Peers and Experts

- **Sebastian Hummel**, Department for technological innovation and resource efficient production, Ministry of Economics, Energy, Transport and Regional Development of Hessen, Germany

- **Charlotte Reith**, Department for technological innovation and resource efficient production, Ministry of Economics, Energy, Transport and Regional Development of Hessen, Germany
- **Nawzad Mardan**, University of Gävle, Sweden

Interreg Europe Programme

- **Charo Camacho**, Interreg Europe Policy Officer
- **Verena Priem**, Interreg Europe Policy Officer

Interreg Europe Policy Learning Platform

- **Thorsten Kohlisch**, Project Manager
- **Katharina Krell**, Thematic Expert, Low-Carbon Economy
- **Marco Citelli**, Thematic Expert, Environment & Resource Efficiency / Low-Carbon Economy
- **Astrid Severin**, Thematic Expert, Environment & Resource Efficiency
- **Eugénie Suplisson**, Events Expert

Other

- **Susana Mangado**, Economic Development Agency, Regional Government of La Rioja
- **Chrysanthi Kiskini**, Regional Development Fund of Central Macedonia, Region of Central Macedonia

Objectives of the meeting

To discuss with Interreg Europe peers options to design and deploy a new energy and resource efficiency support scheme for SMEs in the Region of Western Macedonia (Greece) to help them increase their competitiveness while also upgrading the environmental performance of their operations.

Some key takeaways

- Finding access to SMEs and attracting them towards support schemes is the critical starting point. This can be achieved through various mobilisation strategies such as targeted promotional campaigns and the establishment of dedicated SME efficiency networks as in Gävleborg.
- Showcasing success stories of companies that benefitted from support schemes in the past can be a good way for inspiring SME owners and for making funding opportunities known and overcoming investment barriers.
- Auditing is the enabling precondition to identify the energy and material saving potentials and to implement a rational set of measures to improve the building and process efficiency performance at SMEs level.
- Accompanying the audit with a networking and efficiency training approach with 3-4 meetings per year animated by an expert as in Gävleborg increases the chances that SMEs implement measures after an initial audit and build efficiency into all their processes.
- Offering funding solutions for the implementation of the savings measures identified in the audit as in PIUS Invest's combination of grants and soft loans increases the percentage of SMEs that follow-up the audit with an actual investment. The grant percentage may go up to 50% if process innovations are made.
- To maximise the impact of any regional support schemes for SMEs it is advisable to design them in a way that allows businesses to ultimately obtain both energy and resource efficiency gains since tackling the two issues at once brings with it a higher transformative potential.

- ERDF resources can be successfully used for implementing energy and resource efficiency schemes targeted at SMEs in compliance with EU State aid rules, i.e. the *de minimis* Regulation.
- EU State aid rules in turn allow co-financing up to 50% of costs sustained by SMEs for improving their energy and resource efficiency as a form of permitted aid for **process and organisational innovation** in accordance with Article 29 of the General Block Exemption Regulation (GBER).
- There is no 'one fits all' solution for the assessment of SMEs investment projects and for determining their eligibility under energy and resource efficiency support schemes. Such an assessment needs to be carried out on a case-by-case basis by consulting bodies and banking institutions.
- While predetermined evaluation criteria are therefore of limited or no use, the relevant benchmark is to be found in the definition of 'process innovation' under GBER Article 2(97), which already provides an 'exclusion list' of what is not eligible for State aid for SMEs 'process innovation'.

Some key practices identified

Interreg Europe projects:

- **SMEPlus: PIUS Programme**. The objective of the PIUS consult and investment support programme is to help SMEs in the Region of Hessen (Germany) to reduce their material use, energy consumption and CO2 emissions.
- **SMEPlus: ENERIG and ENERLEAN Energy Efficiency Networks**. The aim of these projects is to train SMEs groupings of the Gävrborg Region (Sweden) to maximise improvements on energy management, skills transfer to conduct energy audits and implement energy saving measures. Several relevant good practices on energy and resource efficiency support schemes can also be found in the Interreg Europe Good Practices database.

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Additional information for 'ENERLEAN'

Nawzad Mardan kindly supplied written replies to those questions formulated by the regional stakeholders before the matchmaking that have not been discussed in detail at the meeting regarding Energig / ENERLEAN energy efficiency network for SMEs:

- One of the difficulties encountered in both PIUS and Energig programmes, is that "engaging local SMEs was a challenge". **How did you manage with that?**

Good question and it is true it is challenging. I think it is good to start to know the reason i.e., to know why they do not want to participate or engage and in other words, what are the barriers?

According to research, there are different barriers, and it depends on the type of company, size of the company, type of production / branches, etc. When it comes to SMEs, the major barriers is/are lack of time and staff. In other words, in case, you can convince them that you are (or the project) going to help them with that and explain the benefits they can get from the project and what activities the project contains, then you can bring them on board.

However, it is important also to keep them during the project, usually, we are talking about 3 - 4 years, i.e., therefore it is important to think about which kind of activities that you will have in the project has and try to engage them during the project. For example, by having homework that the company should do or work with between different networks meetings.

- The SMEs were trained and received support on how to carry out energy management at their companies. **How possible (or was not) for your local SMEs to cover the cost or contribute financially for the implementation of those actions without a project's funding?**

It depends on the type of energy efficiency measures, how easy to be implemented, what are the consequences after the implementation regarding cost reduction, work environment, flexibility, digitalisation, technical lifetime, etc.

➤ **The type of energy efficiency measures**

The measures implemented in ENERGIG project are mostly related to support processes (such as space heating, ventilation, compressed air, lighting, etc.) which is why it is easier to implement if compared to production processes.

➤ **Consequences after the implementation regarding cost reduction, work environment, flexibility, digitalization, technical lifetime, etc.**

Many of the measures are easy to implement or have low or no investment cost such as reducing operating time, installing sensors, installing speed controls, lowering pressure, etc.

In other words, many of the measures/actions do not need a grant from the project.

➤ **For the energy management consultation, was any specific protocol or standard showcased (e.g., ISO 50001)?**

No, I think it is more important to know the purpose of energy management, i.e., what is important is that a company systematically coordinate, control, and implement measures and have a constant improvement in the energy work.

Maybe the next question will be, how we do that?

By making an energy plan, setting goals and an action plan.