

The 1st ASEM Working Group meeting on eco-innovation competence of SMEs

10-11 November 2015, Seoul Korea

Summary and recommendations

The first ASEM Working Group Seminar on eco-innovation competence of SMEs took place on 10-11 November 2015 in Seoul, South Korea. The objectives of the workshop were to present Asian and European policies and business practices in eco-innovation and to discuss relevant collaboration opportunities between Asian and European counterparts. 12 ASEM member states were represented at the meeting, including Belgium, Croatia, Denmark, Hungary, Korea, Laos, Mongolia, the Philippines, Poland, Romania, Slovakia and Thailand.

The following country presentations were delivered:

- Belgium : SMEs and Eco-Innovation – ASEM on the road to reinvent new paths of growth
- Croatia : Eco-Innovation in Croatia – Work in Progress
- Denmark : Partnership and Building Competences for Awareness on Sustainability
- Hungary : Support Mechanisms for the Eco-Innovation of SMEs in Hungary
- Laos : Technology and Innovation
- Mongolia : Successful Case of SME Eco-Innovation in Mongolia and further Collaboration
- Poland : Support for the Eco-Innovation to Strengthen Sustainable Development
- Romania : Successful Eco-Innovation Initiatives Fostering Sustainable Development
- Slovakia : Application of Eco-Innovation Means Better Profitability of SMEs and Their Gradual Involvement into Circular Economy
- Thailand : Synergic Private led Eco-Innovation
- The Philippines : Government's Active Participation in Promoting Eco-Innovation for Micro, Small and Medium Enterprises

The following country presentations were not delivered due to the delegate's absence as for her/his urgent mission:

- Cambodia : Sustainable Development Policy in Supporting SMEs Sector
- Czech Republic : Role of SMEs in Sustainable Growth of Czech Economy and Quality of Life

Further workshop discussions were based on the study that mapped ASEM member states needs and offer of knowledge and practice on eco-innovation prepared by Technopolis, STEPI and ASEIC. The study included a survey of eco-innovation stakeholders, notably public administration, and focused on identifying preferred eco-innovation areas, topics, and forms of international collaboration. The study pointed to a high interest in collaboration focussed on eco-innovation training for SMEs and capacity building for governments. The relevant sectors for eco-innovation collaboration indicated most often by respondents were agriculture, energy, food, transportation and mobility, urban planning and education.

The delegates debated the preliminary prioritisation of the forms for eco-innovation collaboration to be pursued in the context of ASEM. Following the roundtable discussions and analysis of needs and expectations of countries, the Working Group selected three main topics for further elaboration:

- Developing training on eco-innovation for SMEs;
- Eco-innovation advisory services for SMEs;
- Eco-innovation capacity building for governments.

Developing training on eco-innovation for SMEs

The group focused on bridging the gap in eco-innovation competence of SMEs by developing training modules. The training modules should be focused on development of SMEs' "hard skills" related to innovation of products and processes, as well as development of "soft skills" focused on fostering learning culture in organisation. ASEM will link to the existing organisations and projects that specialise in developing and delivering training to SMEs. The focus of the activity would be to provide 'training of trainers' by having experienced Asian and European trainers working together with eco-innovation experts and SME representatives to design and test SME training modules. In addition, so-called multidimensional learning models should also be explored, where training/advising/coaching and network building is based on the same terms and will provide multiple learning entrances, which also accounts for fostering company culture in training to ensure long-term effects on company practices

In the context of ASEM the focus could be placed on the following activities:

- Reviewing existing eco-innovation training practices in Asia and Europe in order to assess their relevance for the ASEM context;
- Designing and testing basic eco-innovation training modules covering hard and soft skills development at SMEs;
- Establishing and training a team of trainers capable of adopting the training modules to local circumstances,

Eco-innovation advisory services for SMEs

Similarly to the action on training discussed above, the action addresses the lack of capacities of SMEs in eco-innovation. The group suggested focussing on providing practical advisory services, business to business matching and informing SMEs on ways to deliver eco-innovation business and to transform the company by transferring technology in the various cooperative programs.

In the context of ASEM the focus could be placed on:

- Initiating and delivering Business to Business (B2B) matchmaking events and processes focussed on organising matchmaking events in Asia and Europe, targeting selected SMEs and other relevant stakeholders, notably investors;
- Developing information platform with examples of eco-innovation good practices implemented in Europe and Asia;
- Creating collaboration spaces between big companies and SMEs in order to facilitate innovation collaboration or building SME capacity to meet standards of big companies;
- Designing and delivering advisory and consulting services on relevant topics (e.g. digital economy, financial consultancy, green growth, carbon and water footprint, etc.)

Capacity building for governments in eco-innovation policy

(Suggested re-focus: Supporting a dialog between government and SMEs)

The group suggested focussing on the activities on improving the design and implementation of eco-innovation policies to better account for the needs of SMEs. The rationale for the action was based on the limited understanding of the specific needs of eco-innovators by the public sector. The group emphasised the need to create a space for dialogue between public sectors, SME intermediaries and SMEs ('community of practice') in order to improve better understanding of needs, barriers, opportunities for SMEs and develop shared understanding of eco-innovation..

In the context of ASEM the focus could be placed on:

- Sharing existing successful practices in creating participatory policy processes, which effectively involve SMEs into policy making process;

- Piloting a project focussed on creating such a dialogue in selected ASEM member states.

The selected areas of eco-innovation collaboration will be discussed in a greater depth at the Second Working Group seminar to be held in February 2016. The seminar will prepare descriptions and action plan to be proposed to the 11th ASEM Summit to be held in Mongolia in June 2016.

The meeting concluded with a timeline of activities until the 11th ASEM Summit in Mongolia in 2016:

- 11 November 2015 – First Working Group meeting indicates preliminary areas of collaboration
- 18 November - Thematic groups to send their inputs
- 27 November - ASEIC – sends a final draft of recommendations and the Working paper
- December 2015 – Delegates to send feedback and consult their governments about the proposed recommendations
- December 2015 – Venue for the Second Working Group meeting
- January 2016 – Feedback on the selected areas of collaboration
- January 2016 – Agenda and list of participants of the Second Working Group Seminar meeting
- February 2016 – Second Working Group meeting discusses collaboration ideas within the selected areas
- April 2016 – first working draft of the Work Programme
- June 2016 – Third Working Group meeting finalises draft Work Programme with action plan
- July 2016 – ASEM Summit in Mongolia

Appendix 1. Small group discussions

- 1st small group: *Developing training on eco-innovation for SMEs*

Program Identity	<i>Training models for Eco Innovative Success in SMEs in Asia and Europe</i>
Selection of WG Thematic (justification)	<p>During the roundtable session and plenum group prioritisation “Training and Capacity Building for SMEs” was listed as a significant thematic top score.</p> <p>The working group discussion underlined this. ECO Innovation into SME suffers from a lack of directed and relevant training opportunities. Moreover the SMEs are in most cases not able to optimise the use of training. They are somehow self-confident on their products/services and have difficulties in seeing training as growth factor. Or the opposite; lack of self-confidence often makes the SMEs resist training opportunities. The justification is to open a targeted elaboration of successful training concepts which clearly visualise how training can be growth factor for Eco-Innovation in SMEs – which also promote other relevant development aspects of SME – growth/lean/quality development</p>
Thematic field (select)	<p>The group discussed the following sub-thematic:</p> <p>The importance of setting a clear training typology and training categories:</p> <p>Hard Skill/Competence training</p> <p>Aimed at giving the SMEs knowledge and methods which can use directly as supply to their product/service development. This can also consist of transfer or innovation/application methods/financial instruments/planning models & direct knowledge on eco-innovative strategies. Language/Market entrance and marketing</p> <p>Soft skills/Competence Development</p> <p>The other part is the ability to use effective methods in problem solving/creative methods/innovation processes/conflict handling – turning conflicts into appropriate development. This will focus on building learning systems/culture in the SMEs so the entrepreneurs/owners starts to reflect on the learning process as key to growth</p> <p>Didactic support systems</p> <p>The training models must be further developed by smart use of train the trainer models / optimised use of international experts/ study visit/building didactic models which will optimise how training is combined with the production process.</p> <p><i>Red^{1.}: This can e.g be experienced in the Swiss GO-Model / EBSN Thematic Working Group on Basic Skills in the Workplace (European Basic Skills Network / or Singapore Institute for Adult Learning</i></p> <p>Multidimensional Learning models</p> <p>Finally the typology can be elaborated by exploring so-called multidimensional learning models where training/advising/coaching and network building is based on the same terms and will provide multiple learning entrances.</p>
System Level (select)	<p>The group also discussed the possible level of training suppliers and trainers. The systemic focus was entirely on the SME level and the relation between SMEs and suppliers.</p> <p>There was a significant coherence in the group that the training supply can</p>

¹ Red. Supplementary information/proposals/references and ideas for further elaboration

	<p>be strongly supported by the SMEs interest groups like the chambers: The chambers can act as both facilitators of better training by:</p> <ul style="list-style-type: none"> • Organisation of training innovation • Organisation of events involving e.g. International experts • Setting criteria for best practice training models • Support needs assessment for the SMEs (especially the small ones) <p>It is important to understand that most of the SMEs pay member fees and can expect services – but more important the Chambers are run by people in the same situation and with the same language and culture. It is important that we are not there yet – but this could be an important development aspect of the WG – especially when it comes to the promotion of Eco-Innovation which not necessarily is seen as an asset or as a growth factor.</p> <p><i>Red: Here the Danish example can offer very good information as the Chambers are the front runners to support Eco-Innovation</i></p> <p>The second systemic level which was discussed was the trainer - trainee – SME relation / and how trainers are recruited/developed/and given the appropriate training to become valuable tools for the SMEs. This part will require a further elaboration which also is closely linked to the aspects of didactic models and multidimensional learning.</p> <p><i>Red: The Poul La Cour code as of 1876 building the foundation of wind energy based on enlightening and turning "sustainable energy learning" into concrete local associations and networks offers a fundamental role model for this. This training was more advanced then what hardly can be found today.</i></p>
Rationale and Aim of the Program	The rationale of the proposal on the training theme is to further elaborate one of the most important tools to implement Eco-Innovation into SMEs in both Asia and Europe
Beneficiaries of Program	The main beneficiaries are in a mainstreamed way SMEs. Direct beneficiaries could be the “world of determined SME chambers” – Training providers for SMEs and Knowledge centres in both Asia and Europe
Size of Program	Working group establishment Report of 8-10 p Recommendation designed as a ”paper for SME Eco-Innovative Growth”
Duration of WG	Follows the timeline of the ASEIC proposed activities – Result to be submitted to Head of States meeting in Mongolia
List of activities (prioritised order)	<ol style="list-style-type: none"> 1.Elaboration of a set of Eco Innovative Programs/Projects where the training has been in the focus or used as a development factor. 2. All group members to look for this as preparatory work 3. Analysis of cases 4. Best practice principles 5. Recommendation paper <p><i>Red: Danish delegate can offer to set up a working process for the group</i></p>
Resources	Participation in 2 meetings Working group elaboration Proposed amount of working hours 100

- 2nd small group: Eco-innovation advisory services for SMEs

Program Identity	<i>Eco-innovation advisory services for SMEs</i>
Selection of WG Thematic field (justification)	During the roundtable session and the pre-workshop survey, business advisory services to SMEs, notably related to sharing good practices and providing specialised eco-innovation advice to SMEs, were prioritised among key issues to be addressed under ASEM umbrella.
Thematic field (select)	<p>The topic addresses the need to develop and implement a comprehensive offer of advisory business services for SMEs to raise awareness on eco-innovation, to share good practices as well as to enable eco-innovation collaboration between Asia and Europe. The following four lines of activities were proposed for further elaboration:</p> <ol style="list-style-type: none"> 1. Eco-Innovation information and knowledge hub with good practices from Europe and Asia as well as information on barriers and drives of eco-innovation in different countries, including information on funding and policy regulation; 2. B2B eco-innovation matchmaking platform and events jointly organized by partnerships of European and Asian chambers of commerce, clusters and technology parks and business support networks. 3. Services enabling transfer of eco-innovation practices in the value chain, including supporting collaboration between SMEs and large companies; 4. Specialised advisory & consultancy services for SMEs on various topics related to eco-innovation.
System Level (select)	The activities are to complement existing SME, entrepreneurship and innovation policies in Europe and Asia with eco-innovation services and tools for SMEs.
Rationale and Aim of the Program	The programme responds to the need to develop better access to information and specialised services supporting eco-innovation catered for the specific needs of SMEs. The rationale is to complement the existing innovation support system for SMEs in Europe and Asia with dedicated eco-innovation services. This is to create an enabling environment for SMEs to engage in eco-innovation activities and in eco-innovation collaboration. ASEM is to provide a unique collaborative platform to design, test and implement advisory services engaging and learning from both European and Asian SME intermediaries.
Beneficiaries of Program	The main beneficiaries of all the initiatives are SMEs in Europe and Asia. In order to effectively reach out to a larger number of SMEs, the programme will specifically target selected SME support agencies, business networks and other SME intermediaries (e.g. chambers of commerce).
Size of Program	The size of the programme will depend on commitments of the ASEM member states willing to contribute to the proposed activities.
Duration of WG	<p>Follows the timeline of the ASEIC proposed activities – Result to be submitted to Head of States meeting in Mongolia. The initial timelines suggested is as follows:</p> <ol style="list-style-type: none"> 1. Eco-Innovation information and knowledge hub (6 months to kick-off, 2 years initial implementation followed by integration into ASEIC); 2. B2B eco-innovation matchmaking platform and events (6 months to kick-off, 2 years initial implementation followed by integration into ASEIC); 3. Services enabling transfer of eco-innovation practices in the value chain (2 years for developing the service package); 4. Specialised advisory & consultancy eco-innovation services for SMEs (on-going)

List of activities prior the Summit	<p>Pre-summit activities of the WG on this topic can include the following:</p> <ol style="list-style-type: none"> 1. Selecting the members and leaders of the Working Group from the ASEM Member States governments, SME agencies and selected knowledge organisations; 2. Prioritisation of the key activities and deliverables; 3. Initial commitments on financial and in-kind contributions; 4. Adaptation of the work programme and development of the recommendation paper for the ASEM summit.
Resources	<p>The preparatory process will require time effort from interested delegates as well as expert support. The delegates will need to participate in two WG meetings and in the summit in Mongolia as well as in two or three teleconferences preparing the meetings. The proposed amount of working hours per delegate, including the meetings and drafting, is estimated at about 80).</p>

- 3rd small group: *Supporting a dialog between government and SMEs*

Program Identity	<p><i>Building the capacity of government in supporting eco-innovation in SMEs in Asia and Europe /</i></p> <p><i>Suggested re-focus: Supporting a dialog between government and SMEs</i></p>
Selection of WG Thematic (justification)	<p>During the roundtable session and the pre-workshop survey “Building capacities of governments in supporting eco-innovation in SMEs” was prioritised as one of the issues to be addressed under ASEM umbrella. The main issues was improving the design and implementation of eco-innovation policies to better account for the needs of SMEs.</p> <p>The discussion of the issues revealed that the lack of capacity of the government is largely related with the lack of understanding of needs of SMEs, on one hand, and inability of SMEs to promote their interests and pass their message to and to influence the government (e.g. in comparison to the large corporations who have much stronger links and influence on the government).</p> <p>Therefore the group emphasised the need in the first place to create a space for dialogue between public sectors, SME intermediaries and SMEs (‘community of practice’) in order to improve better understanding of needs, barriers, opportunities, and develop shared understanding of eco-innovation. Better understanding will contribute to more informed decision making and to introduction of support measures that will address the SMEs’ needs in more comprehensive and better way.</p>
Thematic field (select)	<p>The thematic field to be addressed has expanded its focus only on the government and their capacity building. It was decided to focus rather in improving the dialog between government and SME community, which will eventually helps governments to address the SMEs needs better.</p>
System Level (select)	<p>The following two strategies have been suggested to be focused on for addressing the issues. :</p> <ul style="list-style-type: none"> • Piloting a project focused on creating such a dialogue in selected ASEM member states and gain lessons for other countries and regions, and if possible replicate the experience in other countries • Sharing existing successful practices in creating participatory policy processes, which effectively involve SMEs into a dialog with policy makers/ policy making process; <p>It was also emphasised that the role of an SME intermediary or “middle man” is important in a dialog with the government. SMEs being an diversified and rather divided community will need to rely on e.g. SMEs</p>

	associations, or other intermediaries in communicating their messages
Rationale and Aim of the Program	The rationale of the new programmes on the proposed strategies is to create an enabling environment for SME to eco-innovate by initiating dedicated policy measures. Such policy measures can be best designed if there is an open dialog between government and SMEs on the needs and barriers.
Beneficiaries of Program	The main beneficiaries or target groups of such dialog building programmes are: <ul style="list-style-type: none"> - governments - SMEs - SME intermediaries, such as SME associations, chambers of commerce
Size of Program	<ul style="list-style-type: none"> • The pilot programme on building dialogs can be run on a level of one country and include activities on building a physical platform for systematic discussion of specific barriers, opportunities, targets, design of new instruments, programmes, legislations. These discussions can be hosted by workshops or roundtables with involvements of the public bodies (agencies dealing with industries, competitiveness, economy, SMEs, environment, legislative institutions), SME representatives, SME intermediaries, and independent experts. Suggestions and recommendations would provide a basis for new policy measures to support eco-innovation in SMEs. The complementing activities could be informing all parties on innovative support measures that are successfully applied in other countries, to increase the awareness and help them to come up with the best policy package. Such a pilot programme can be run during 1-2 years period, and end with inviting other countries to gain lessons and discuss possibilities of adopting the experience. • The programme on sharing existing successful practices could be focused on the following stages: (1) looking for best existing practices of dialogues between government and SMEs across many countries and selection of the country/countries who will share their experiences (2) analysing the success factors and lessons learned, (3) analysis of feasibility, adoptability of the measure in a new country context (4) adjusting and planning on replicating it in a new country, (5) post implementation analysis and ensuring long term sustainability. Such programme will require 1,5-3 year to be implemented.
Duration of WG	Follows the timeline of the ASEIC proposed activities – Result to be submitted to Head of States meeting in Mongolia
List of activities (prioritised order)	<p>Pre-Mongolian Summit activities of the WG on this topic can include the following:</p> <ol style="list-style-type: none"> 1. Re-setting the Working Group to pursue this theme from the ASEM Member States 2. Selection of the most practical strategy: Pilot vs Sharing existing experiences, or both 3. Set a work process on designing the proposals and recommendations with defined activities for all group members 4. Development of the recommendation paper <p><i>Red: one Member of the WG has to lead/facilitate the process</i></p>

Resources

Participation in 2 WG meetings, and ongoing online
Working group elaboration
Proposed amount of working hours: 100

Appendix 2. List of participants**Country Delegates:**

(Presence)

1. Dulguun Baasandavaa, Mongolian Business Development Association, Mongolia
2. Toulakham Phmosensavanh, Ministry of Industry and Commerce, Laos,
3. Korsak Towantakavanit, National Science Technology and Innovation Policy Office, Thailand
4. Zoltan Bendo, Ministry for National Economy, Hungary
5. Lars Alro Olesen, Ministry of Education, Denmark
6. Snjezana Ivic Pavlovski, Ministry of Entrepreneurship and Craft, Croatia
7. Ira C. Camarao, Department of Finance, Philippines
8. Daniel Pitonak, Slovakia Business Agency, Slovakia
9. Malgorzata Soltan, Ministry of Environment, Poland
10. Alina Pirvu, Ministry of Environment, Romania
11. Jean-Roger Dreze, Federal Public Service for Health and Environment, Belgium
12. Kwangseob Moon, Small and Medium Business Administration, Korea

(Absence: registered but cannot participate in)

1. Sovithea Khun, Ministry of Environment, Cambodia
2. Dagmar Vránova, Ministry of Regional Development, Czech Republic

Organisers:

1. Rebecca Sunmi Koo, ASEIC, Korea
2. Woosung Lee, Science & Technology Policy Institute, Korea
3. Michael Miedzinski, Technopolis Group, Belgium
4. Asel Doranova, Technopolis Group, Belgium
5. Jihyung Joo, ASEIC, Korea
6. Younji Kang, ASEIC, Korea

Observers:

1. Yohan Choi, Korea Industry Tech, Korea
2. Jang Eunkyung, Eco Service Consulting Co., Korea
3. Sinh Bach Tan, Research Center of Science & T Policy, Vietnam
4. Taeko Takahashi, Institute for Global Environmental Strategy, Japan
5. Markku Wilenius, Turku University, Norway
6. Christopher Gleadle, Visible Earth, UK
7. Sunmi Lee, Korea office of European Union, Korea