



# **Supporting Small & Medium Enterprises for biodiversity benefits**

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# **Supporting Business for Biodiversity**



**Project Funded by EC DG Environment**

**Project implemented by BirdLife Partners:  
RSPB, MME, BSPB, and OTOP  
together with ECNC**

**Project Steering Committee:  
EC, EBRD and EIB**

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# Presentation outline

- Small & Medium Enterprises in the EU
- The Natura 2000 network of the EU
- Costs of managing Natura 2000 sites and mechanisms for financing
- The role of SMEs in supporting biodiversity conservation within the Natura 2000 network

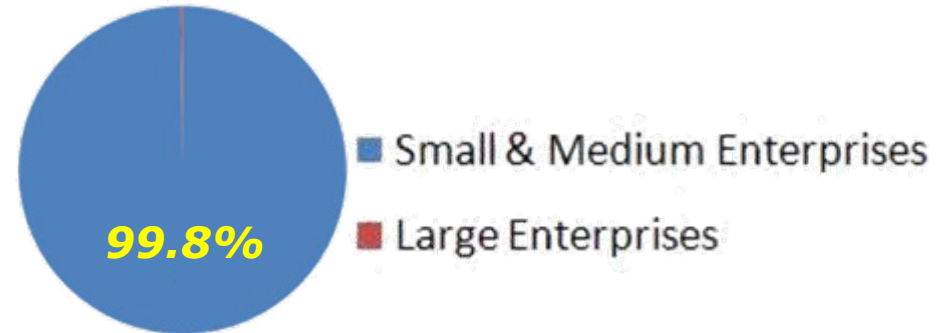


# EU Definitions

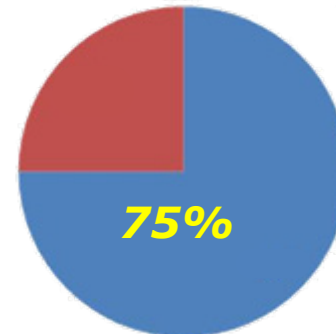
- **Micro Enterprise**  
(less than 10 employees + max. € 2 m turnover)
- **Small & Medium Enterprise**  
(less than 50 employees + max. € 10 m turnover)
- **Large Enterprise**  
(less than 250 employees + max. € 50 m turnover)

# Importance of SMEs in the EU

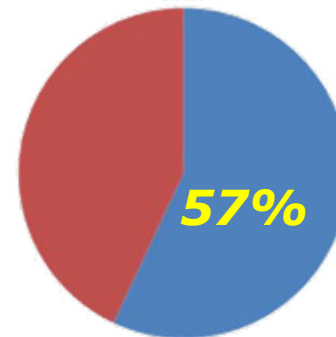
- 23 million enterprises



- 75 million jobs



- 57% GNP



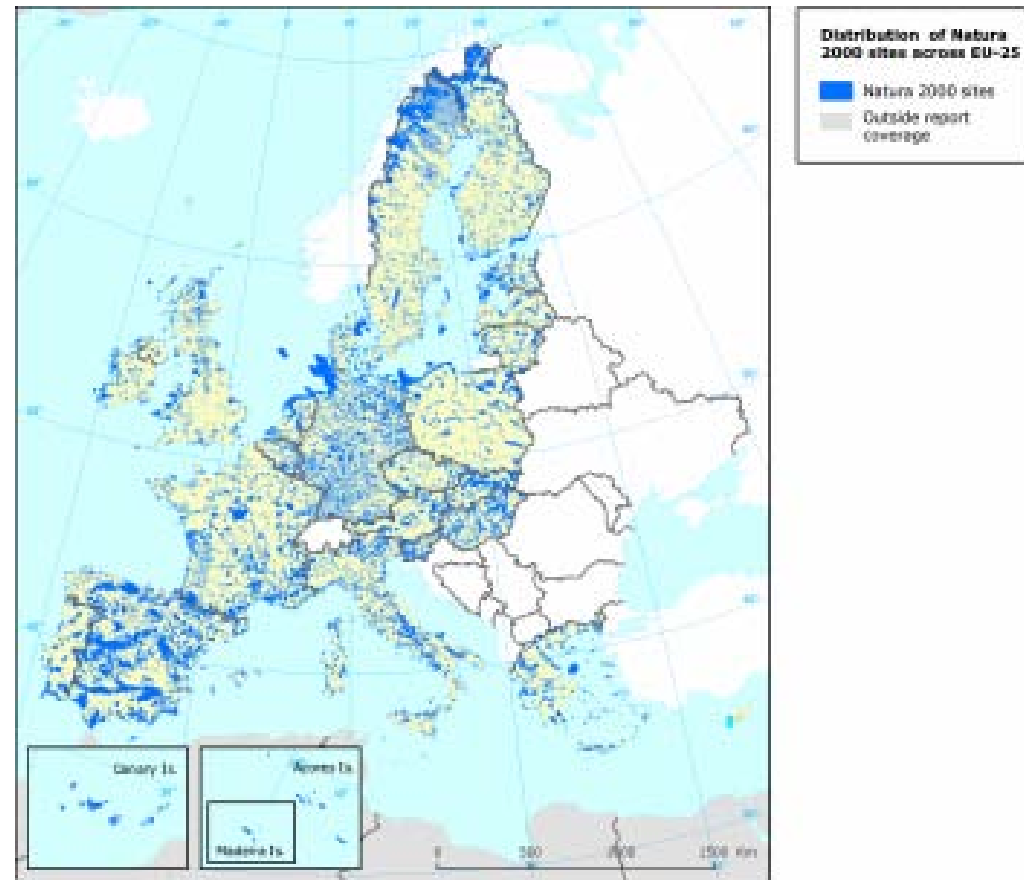


# Importance of Natura 2000 network

- Designated under the EU Birds Directive & Habitats Directive in all EU 27 members
- Management plans although not obligatory are indispensable and need to be developed as appropriate to maintain favorable conservation status of all sites
- Natura 2000 sites exist predominantly in rural areas

# Importance of Natura 2000 network

- Up to 25% of EU
- 1 000 000 km<sup>2</sup>
- Over 25,000 sites





# Managing the Natura 2000 network

- Annual management costs: 6.1 billion €\*
  - \*EC estimate for EU25 - COM(2004) 431 final
- Traditional sources of financing Natura 2000:
  - National Governments
  - EU funding mechanisms
  - Non Governmental Organizations
- Major funding shortfalls exist at many sites



# Natura 2000 & the Private Sector

- Difficult relationship between the business sector and the Natura 2000 network
- The private sector is a gap in the implementation and funding of the Natura 2000 system
- Natura 2000 has been seen as obstacle to development so far
- The challenge is to improve the Natura 2000 image from a „development problem“ into a „business opportunity“



# Management plans as investment plans

SMEs can deliver a proportion of the required investments to meet the shortfall, but:

- Much greater awareness is required
- A dedicated pro-biodiversity investment market for SMEs must be created
- SME focused financial instruments must be created



# Preparatory studies

- ‘Creating Pro-Biodiversity Business in the new Member States of the EC’
  - Funded by the DOEN Foundation (2004 – 5)
- ‘Banking, Business & Biodiversity Task Force’
  - Funded by the EBRD, Swiss Confederation, DEFRA, LNV, Rabobank (2005 – 6)
- ‘*Working Partnership – SMEs & Biodiversity (Probioprise)*’
  - Funded by the EC DG Research (2005 – 7)



# Initial research results

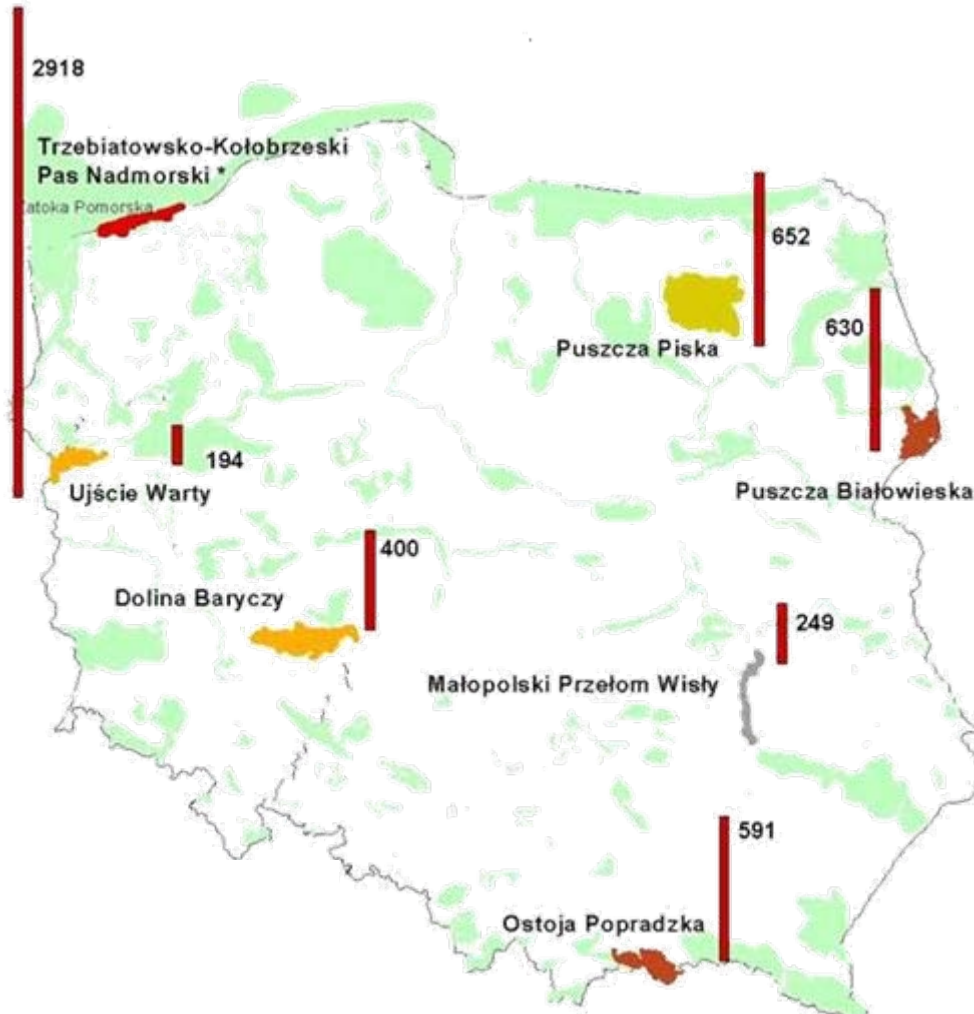
- SMEs are active in all key EU ecosystems
- Many SMEs use biodiversity as their primary resource
- Many SMEs operate within Natura 2000 sites
- A series of business sectors have been identified that operate within Natura 2000 sites and use biodiversity as a resource



# Key business sectors

- forestry, logging & related services
- agriculture, hunting & related services
- fishing, fish farming & related services
- tourism

# Identifying biodiversity dependent SMEs



Poland

Source: **GUS**  
Date: **2005**



# **‘Supporting Business for Biodiversity’**

## **Innovative approach**

- Merging biodiversity and financial expertise
  - Using pool of existing information & knowledge
  - Providing biodiversity expertise in a format accessible for business
  - Using a bespoke methodology for identifying and prioritizing potential pro-biodiversity businesses
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# Project methodology

- Identifying SMEs with investment potential, which if realised, would encourage and enable sustainable management of Natura 2000 sites („pro-biodiversity SMEs”)
- Transferring and applying knowledge to encourage and create suitable economic development within Natura 2000 sites
- Establishing a dedicated financial instrument for pro-biodiversity SMEs operating within Natura 2000



# Initial project results (year 1)

- Biodiversity Technical Assistance Units established
- Research has identified that numerous SMEs working with biodiversity exist in all ecosystems and in all Natura 2000 sites
- Handbook drafted for developing and implementing pro-biodiversity investments
- Toolkit for SME assessment developed
- Financial market research
- National expertise networks established



# Anticipated next steps

- Negotiation of finance packages with international and national banks
- Launch and promotion of loan mechanism across Natura 2000 sites nationally through national partner bank(s)
- Pipeline of businesses applying for the SME pro-biodiversity loan facility
- Capacity building through knowledge sharing with SMEs
- Loan monitoring = business delivery (by bank) + biodiversity delivery (by BTAU)



# Potential stakeholder benefits (1)

- For SMEs:
  - New investment tool to encourage business growth and sustainability
- For large corporations:
  - Identify opportunities to invest in their SME suppliers in order to improve sustainability of their growth
- For financial institutions:
  - New national or EU wide financial instrument that can drive investment in SMEs to realise the latent market



# Potential stakeholder benefits (2)

- For EC & Member State governments:
  - Business activities that offset the costs of required Natura 2000 management activities
  - Create awareness that the Natura 2000 network offers many business opportunities, and is not a barrier to appropriate development
- For civil society:
  - Use of existing expertise from national institutions and NGOs to select and monitor beneficial investments



Thank for your attention

