



NEWSLETTER

++++ November 2011 +++++

NEWS

QUICK GENERAL MEETING

The General Meeting with all Project Partners within the QUICK Project took place on 16 and 17 November, and it was attended by the total number of 89 persons. This event took place in the beautiful rooms of the Central Association of the Polish Crafts and was very well organisationally prepared by the Mazowiecka Izba Rzemiosła i Przedsiębiorczości. Thank you very much!

The meeting was started with the presentations delivered by Jerzy Bartnik, President Polish Crafts Association, and Krzysztof Strzałkowski, Deputy



Marshall. Both speakers highlighted the importance of SMEs and crafts for the economic development and underlined the fruitful cooperation within the framework of the Hanseatic Parliament. Jerzy Bartnik (to the right), President of the Polish Crafts Association, and Krzysztof Strzałkowski (to the left), Deputy Marshall

The first half day of the meeting included a review of the previous work and the results, as well as consultations and decisions concerning further procedures. Among others, the following topics were discussed and agreed:

- ✓ Mid-term self-evaluation for the project period (see a separate report in this Newsletter).
- ✓ So far, all the planned project objectives and results have been achieved and in some cases even exceeded.

- ✓ Necessary budget transfers between Partners and Work Packages. The Partners are supposed to submit a written opinion in this respect not later than 30 November 2011. If no opinion is delivered, proposals put forward are regarded as accepted.
- ✓ Now the Baltic Sea Academy includes 16 Members, the newly approved ones are the Gdańsk University of Technology and the University of Białystok.
- ✓ The Hanseatic Parliament has now 50 Members, the newly included ones are the Gomel Department of the Belarusian Chamber of Commerce and Industry; Donskaya Chamber of Commerce Rostovna-Donu and East and Central Europe Association. The Lübeck Chamber of Crafts decided to withdraw as of 31 December 2011.
- ✓ Studies for the three innovation clusters will be completed in November 2011.
- ✓ In total 575 business and investment plans, as well as R&D works for SMEs can be created according to the plan.
- ✓ The manual "Providing services to SMEs" is completed and will soon be available for downloading from the webpage of the Project as well as Baltic Cooperation.
- ✓ Additionally, a study "Economic Development of SMEs in BSR" will be conducted by the Brest University of Technology and a survey "Demand of Innovation Support" will be conducted by the Słupsk College. Both studies will soon be published in a book.
- ✓ 3 energy and 3 technology seminars have been transferred and are completed by each Partner or are already offered to enterprises in the form of individual modules.
- ✓ 5 international business forums have been conducted with large participation. In order to initiate collaborations between companies, a concept is developed for all Partners by a working group.
- ✓ The political strategic programme "Agenda 2020: Education Policy Objectives and



"Strategies for the Baltic Sea Region" has been adopted in the form of a book in 4 language versions.



Plenary session of the General Meeting on 16 and 17 November 2011 in Warsaw

In the further course, the General Meeting was devoted to the following areas of interest:

1. Exchange of experience on export of SMEs, which was preceded by a lecture delivered by Jarkko Heinonen, Chamber of Commerce Turku, entitled "Results of a study on the export of SMEs."
2. Workshop of the Polish Partners with the First Level Control of Poland, which unfortunately did not yield any new insights. Now it is followed by the discussion at a political level.
3. Development of a strategy concept "Innovation in the Regional Policy" with the presentation of the first concept by Johanna Vannes, Baltic Institute of Finland. The Working Group developed objectives and strategies for the further elaboration of the concept.
4. Another Working Group dealt with the proposals of a development concept of an Excellence and Competence Centre, which should be developed jointly by individual chambers and universities in the Baltic Sea Region.
5. The planning of further works, all appointments for 2012, as well as additional events, for example the workshop in Minsk "Technologies of Collection and Processing of Waste and Wastewater" on 12 – 13 March 2012.

We would like to thank all the Project Partners and Associated Partners for the intensive, dedicated work during this General Meeting.

PRESS RELEASES

Energy Efficiency and Climate Protection around the Mare Balticum

Energy efficiency and climate protection are not only important objectives of the environmental policy, but also an extremely important market for small and medium-sized enterprises in the Baltic Sea Region. The development and production of energy-saving technologies and renewable energy sources, their planning, installation and maintenance can obtain and create a large number of jobs in the Region.

In order to use these great opportunities, the Baltic Sea Academy conducted an international conference on energy efficiency and climate protection in the Baltic Sea Region from 11 to 13 May 2011 in Hamburg. In the Baltic Sea Academy, 15 universities from 9 Baltic States are members who are dedicated to the specific knowledge and technology transfer, as well as research and development tasks for small and medium-sized enterprises.

The three-day Hanseatic Conference - attended also by the EU Commissioner Günther Oettinger - brought together researchers, SMEs and experts from 11 Baltic States and developed joint projects for the future.

In connection with an international expert conference of crafts and SMEs from 16 to 18 November 2011 in Warsaw, a book publication with all speeches and results of the Hanseatic Conference "Energy Efficiency and Climate Protection around the Mare Balticum" has been presented to the public.

Energy Saving in Industrial and Residential Construction

The problems, constraints and price increases in the field of energy make energy savings and the use of renewable energies the largest growth market. Enterprises which are involved in these fields of activity can expect a fast-growing demand, high revenue growth and secure returns. The recently published book presents new technologies, the most successful projects, as well as successful funding and international cooperation. The book describes innovative approaches for increasing the energy efficiency, both in terms of apparatus and at the process level, which are of very high importance and reduce the energy consumption by up to 75%. The book contains many Best Practice examples, e.g. an enterprise which saves 880 megawatt-hours of energy and € 95,000 annually only by optimising the illumination system.



The publication provides for large reserves in residential construction. In the case of new buildings, zero-energy houses are already really feasible. Feasible are also plus-energy houses which generate more energy than they really consume. The biggest savings potential, however, is in the existing buildings. With insulation, the use of solar energy, controlled ventilation, etc., depending on the age and condition, 40 - 70% of the present energy consumption can be saved.

Future Paths

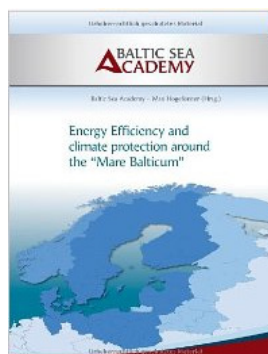
Moreover, the publication describes concrete paths for future development. One of these paths envisages a significant increase in energy prices through higher taxation. It will be necessary to use the total tax revenues for financing social insurance, and thus reduce labour costs. Expensive energy makes such investments highly profitable, saving the state huge subsidies for energy saving and renewable energies. Lower labour costs lead to more jobs, reduce government spendings and relieve labour-intensive enterprises, as well as workers in order to gain the financial freedom to pay higher energy prices.

A further future path described in this book supports the return to the social market economy: all energy and environmental costs of economic processes must now be fully integrated into the production costs of each company. In 2008 3,000 concerns worldwide generated 2.2 billion dollars of environmental costs which were imposed on the society. If these costs had to be borne, the profits would fall by one third and at the same time the environment would be cared for much better.

The "Cradle to Cradle Principle" presented in the publication shows also that other economic practices are also possible. There are already well over 1.000 products on the market which are produced on the basis of this principle. Their production requires much less energy and produces no waste which would require disposal. All materials are 100% recyclable.

In addition, the book contains a thorough analysis of all the results of the Hanseatic Conference for entrepreneurs, consumers, politics and administration. The objectives, measures and successful examples of increasing energy efficiency are described.

Title: Energy Efficiency and climate protection around the Mare Balticum
 Editor: Max Hogeforster, Baltic Sea Academy
 Price: € 22.00
 Paperback: 264 pages



Publishing house: Books on Demand; Edition: 1 (27 October 2011)
 Language: English and German
 ISBN-10: 3844800980
 ISBN-13: 978-3844800982

Agenda 2020 "Education Policy:" The Most Important Promotional Tasks for Crafts and SMEs

According to the recent studies conducted by renowned research institutes, Poland and Lithuania have the best growth opportunities of all the Baltic States. These positive future prospects are in the first place driven by small and medium-sized enterprises (SMEs). They form the backbone of the economy, creating additional jobs, almost exclusively in SMEs.

Shortage of skilled labour forces is the biggest growth barrier. With the exception of Sweden, the number of persons in the working age will decrease in all the other Baltic States in the coming 15 years by up to 18%. Already today there is a shortage of entrepreneurs, managers and professionals in the SME sector. This shortage is going to expand strongly in the future, and thus represents the greatest barrier to the economy. Against this background, Dr. Jürgen Hogeforster, the Chairman of the Hanseatic Parliament stated in Warsaw: "Securing trainees with good qualifications and high innovation rate is for SMEs in the Baltic Sea Region a question of survival. Education fosters innovation and competitiveness, and involves the most important promotional role for small and medium-sized enterprises. Education policy must therefore be superior to all other policies and enjoy the highest priority, also in the EU Baltic Sea Strategy."

International Expert Conference of SMEs in Warsaw

The Hanseatic Parliament is an association of 45 chambers of industry, commerce and crafts from all the 11 Baltic States, representing in total more than 450,000 SMEs. It promotes entrepreneurship of the Baltic Sea Region in general and the future development of crafts and SMEs in particular. For this purpose, the Hanseatic Parliament, together with its member companies and with 15 universities, conducts concrete projects for SMEs, which include in particular vocational education and training, the strengthening of innovation and the promotion of cross-border cooperation.

Agenda 2020: Educational Policy Objectives and Strategies for the Baltic Sea Region

In cooperation with the Small Business Chamber in Warsaw and the Central Association of Crafts in Poland, the Hanseatic Parliament conducts from 16 to 18 November 2011 an international expert conference in Warsaw. In this context, a political strategic programme „Agenda 2020: Education Policy Objectives and Strategies for the Baltic Sea



Region" was presented to the public. In this programme, the Hanseatic Parliament formulated the urgent educational goals and tasks of the Baltic Sea Region for the next ten years. The strategic concept is now being introduced at the local, regional and national level in the political decision-making processes, as well as in the EU Baltic Sea Strategy. Hogeforster comments: "The political implementation of our Agenda 2020 ensures growth in the SMEs and prosperity for all, and must enjoy the top priority at every level. With such political support, the Baltic Sea Region has the best prospects to develop into an innovative, economically strong region with international standing."

Highest Political Priority for Agenda 2020

At the presentation of Agenda 2020 it was clear: For the SME economy and for the Baltic Sea Region in general and specifically for Poland arise medium- and long-term outstanding opportunities for the future, which are not sufficiently recognised, used and promoted by policy and administration at all levels of activity. In order to exploit all the potentials and to cope with structural transition, it is necessary to implement Agenda 2020, the outstanding political task.

NEW PROJECTS

Innovation by Gender and Age – IGA

The Hanseatic parliament - an association of 45 chamber of industry, trade and crafts from 11 Baltic States - initiated a new project within the framework of the INTERREG IV B Baltic Sea Programme: Innovation by Gender and Age (IGA), which promotes employment opportunities for women in general as well as entrepreneurial activities specifically for the elderly.

The participation of women and elderly in labour force in the Baltic countries is very differentiated and is very low in particular in the countries to the south of the Baltic Sea. At the same time, there is a great shortage of skilled workers and entrepreneurs, which substantially limits the growth opportunities. An increased participation of women, as well as a larger number of women entrepreneurs help counteract the shortage in order to cope with demographic problems in the labour market, thus improving the economic growth opportunities.

Particularly in the southern Baltic States the innovation power and competitiveness of SMEs are very low in comparison to Scandinavia and can be suitably promoted through better equal opportunities for women. Work and organisational forms which strengthen the innovation power, favour the employment of women. Such personnel and organisational developments that have the greatest innovation reserves for SMEs are promoted in the Project.

The Project with the total of 13 Partners will be conducted from November 2011 until June 2014. All results will be transferred to all the Members of the Hanseatic Parliament, so that SMEs from 45 subregions of the Baltic Sea Region can benefit from them.

Further information: Jekaterina Melnikova
jmelnikova@hanse-parlament.eu, Tel. 040 82 24 47 11.



Harry Bjerkgeng, President of the Nordic Forum of Crafts, during the kick-off workshop of the IGA Project

Corporate Social Responsibility (CSR)

The corporate social responsibility has to be defined comprehensively and it concerns for example the responsibility for the staff, trainees, customers, the environment, etc. Larger economic success is possible by assuming greater responsibility. CSR concepts can enhance innovation and productivity in a sustainable way. They will gain sustainable importance for SMEs in the future, e.g. with regard to the shortage of skilled workers, international competition, changing customer requirements, climate protection, etc. However, there is no comprehensive programme which would offer a closed management and control model especially for SMEs.

Research and teaching have dealt intensively with the social responsibility of large companies. Nevertheless, the results cannot be simply transferred to SMEs. Therefore, the Hanseatic Parliament along with 6 Partners from Germany, Poland, Sweden and Norway conducts a project within the framework of the Leonardo Programme, which develops and implements concepts for assuming social responsibility and successful management in SMEs.



Kick-off workshop of the CSR Project on 16 November 2011 in Warsaw: Prof. Dr. J. von Kiedrowski, Hamburg Vocational Academy, presents the results of the Working Group.

Funding of corporate social responsibility in SMEs varies in individual Baltic States. Countries such as Norway or Sweden are more advanced. Here, by means of such methods, the productivity of SMEs is significantly increased and is substantially higher than in Germany with the same size structure of companies. Therefore, north-south transfer will be pursued within the Project. The concepts developed within the Project will be tested in practice with enterprises from Hamburg and Łódź, and then transferred Baltic-Sea-wide.

Further information: Elina Priedulena, epriedulena@hanse-parlament.eu, Tel. 040 82 24 47 15.

Mid-term self-evaluation report 30 November 2011

1. Progress of the work plan, main outputs and expected results

The progress of the Project corresponds very largely to the original work plan from spring 2009. Some activities could be implemented quickly, whereas some activities had to be moved for implementation within Milestone 4 – 6. In accordance with the achieved intermediate state, all the objectives, outputs and results will be implemented by the end of the project; individual indicative target figures have already been exceeded halfway through the project. The Baltic Sea Academy was established very quickly; the number of the founding members is significantly higher than planned; additional members have been added. The cooperation of 15 colleges and universities is extremely dedicated and productive. While macro- and micro-economic social, personnel and pedagogical areas are covered very well, specific technical issues seem to require advanced expertise.

Cooperation has been initiated between the members of the Hanseatic Parliament (SME promoters)

and the colleges/universities, which in some regions is already quite good, whereas in other regions it requires intensification in the second half of the Project. The preparation of business, investment and R&D plans for SMEs has been initiated, the quality of these plans is partially outstanding.

The development of cluster studies as well as manuals, brochures and books has taken more time than planned. A conclusion of these works is done within MS 4. Additionally, a macroeconomic study and written survey of companies have also been carried out. Further training seminars, Train the Trainer courses and business forums have been developed with great success and partly overwhelming number of participants.

A political strategic concept "Economic Policy" has been developed; the "Education Policy" concept is ready and awaits publication. As a flagship project, the results of both concepts could be introduced intensively into the EU strategy for the Baltic Sea Region.

The achieved indicators and outputs are juxtaposed with the target figures in Tables 1 – 3. The number of involved politicians, public events and the number of participants exceeded the expectations. The interest in the QUICK results and the willingness to participate in the political working groups is so large that the available job capacities of the project will be exceeded.

2. Spending plan

Within MS 1 and MS 2, the planned financial resources were exhausted only up to 70.7% or 77.1%; whereas in MS 3 up to 116,5%. At the end of MS 3 the budget was used in approximately 43%; which largely corresponds to the level of implementation. This also applies to individual WPs. Much more than planned was achieved within WP 2, while the budgeted has been consumed only in about 28%. Services could be purchased much cheaper, especially for publication. In addition, works that were budgeted within WP2, were carried out within other WPs and settled here. The planned budgeted was not exhausted within WP 7.

Overruns have already occurred in case of individual budget lines. Relocations are required within the ERDF, Norway and ENPI budgets; it is requested in MS 5. The reason for the necessary relocation are the planning errors (see 5) as well as severe budget cuts in the amount of approximately € 900,000, compared to the original application.

3. Targets of the publicity and communication indicators

Significantly more than planned could be achieved within MS 1 – 3. Unfortunately, the publication of books, manuals and brochures is still comparably low. This can be explained with the fact that the substantive concepts had to be developed first.



It is now largely completed in accordance with the schedule, so that extensive publications could be implemented within MS 4 and 5. The indicators within the communication plans will not only be fully completed by the end of the project, but even partly exceeded.

4. Delays or non-achievements

Some activities were preferred, others were moved to subsequent milestones, since it was requested by the project partners and this was more optimal from the point of view of the project progress. However, all the activities will be realised until the end of the project.

All the planned outputs, results and indicators will be achieved with high probability. The only questionable issue are high target numbers for 250 business plans, 250 investment plans and 75 R&D tasks for SMEs, since the demanding preparation is much more time-consuming and expensive.

5. Management structure

The central project management with the service centre, the think tank and the coordination of all works has proven to be very useful. A strong steering group evaluates regularly the works and plans further procedures. Apart from intensive bilateral exchange and working groups, a joint assessment of past activities and planning of future works takes place during annual general meetings. The cooperation is productive, fast and confident.

Problems are only posed by the FLC and the billing process. A central FLC at the Lead Partner and a central billing system was originally planned. Since these could not be implemented, decentralised budgeting, controlling and accounting systems had to be developed and implemented subsequently, leading to disruptions. As a consequence, a) either the decentralised system should be pursued in planning and applications or b) a central system should be enabled in the project implementation.

6. Assessment of the first level control

The decentralised First Level Controlling (FLC) conducted by auditors is running smoothly. In addition to a rigorous examination, they are at the same time understood as consultants who are interested in the achievement of the substantive objectives of the project, provide assistance and demonstrate solutions.

The central FLC by public institutions takes place in a very difficult way, especially in Poland and Estonia. Here, own security is pursued in the first place. The audits are very lengthy, bureaucratic and difficult to follow. It is connected with an extremely high additional amount of time and costs from the partners. For this reason, three Polish partners expressed the willingness to resign from the project. It caused e.g. the completion of FLC for different Polish partners for Milestone 1 not earlier than within Milestone 3. This leads to a

strong increase in the management costs, which also leads to a higher than average utilisation of the planned budget for WP 1 at the end of MS 3. Unfortunately, due to the FLC problems, the budget for WP 1 needs to be increased within the framework of the budget relocation.

7. Outcomes of the evaluation

Since QUICK works intensively with ongoing controlling and evaluation, the interim evaluation did not lead to any surprises or new insights. This interim evaluation, however, provides a concise overview to date and is especially valuable for exchange with the project partners.

The lessons and implications of this evaluation are already listed within individual points. They relate mainly to (a) the design of the systems and financial planning prior to the application, (b) the FLC as well as (c) tasks which are to be pursued more strongly in the second half of the project, and namely a greater technical expertise in the Baltic Sea Academy, as well as the preparation of business, investment and R&D plans for SMEs.

8. Method

The Lead Partner created the first draft of the interim evaluation which will be discussed in detail and further developed during the works of the steering group. Subsequently, a sending and intensive consultations took place with all the project partners within the framework of the General Meeting in November 2011. An evaluation report was prepared after the review.

The evaluation is based again on the comparison of the actual and the target situation. It proved to be a decisive advantage and great help in a way that very differentiated planning with extensive quantifications as well as substantive determinations took place already before the application. Although this made the project proposal more complicated, it proves to be extremely helpful for the implementation.

In addition, the Lead Partner receives quarterly surveys from the accounting office and prepares plans for each MS, which are constantly monitored. These important internal instruments constitute a basis for the interim evaluation.

Oral and written peer assessment will be conducted at the meetings of working groups, conferences, seminars, etc., which evaluate the quality of cooperation and the achieved results. The quality of the products and the outputs are also continuously assessed within the working groups of the project partners and representatives of SMEs. Particularly meaningful products, such as political strategic concepts are also sent as a draft for the submission of written comments. These important flow control and quality analyses were used as a third basis for the interim evaluation.



Sessions of QUICK Working Groups

A session of Working group WP 4 "Research + Development" took place in Poznań/Poland on 4 November 2011. The focus was on the exchange of experience and concepts for the cooperation between SMEs and universities.

Also on 4 November 2011 a session of Working Group WP 1 "Steering" took place in Poznań /Poland. It dealt with self-evaluation and the planned budget relocation. Reports were consulted, statements for MS 3 were prepared. In addition, General Meeting in Warsaw was prepared and works and dates for 2012 were agreed.

Future Dates and Works

6 February 2012 - Session of Working Group WP 5 + 6 "Qualification + Cooperation" in Tallinn / Estonia

27 February 2012 - Session of Working Group WP 1 "Steering" in Gdańsk / Poland

28 February 2012 - Session of Working Group WP 7 "Strategies" in Gdańsk / Poland

28 February 2012 - Session of Working Group WP 4 "Research + Development" in Gdańsk / Poland

23 March 2012 - Session of Working Group WP 3 "Networking and Clustering" in Gdańsk / Poland

14 – 16 May 2012 - Hanseatic Conference 2012 "Innovation and Regional Policy" in Hamburg / Germany

Important Pre-announcements

A workshop **"Technologies of Collection and Processing of Waste and Wastewater"** shall take place in Minsk on 12 and 13 March 2012. We would like to ask you to reserve this date already. If you can make a contribution within this area, please send us an appropriate message.

Mr. Gobis proposed organising an additional workshop for employees who perform project works. This event, to which invitations are going to be sent, shall take place on 22 March 2012 in Gdańsk/ Poland.

Upon the proposal of the Vilnius Chamber of Commerce, Industry and Crafts, the working group shall develop a concept for cooperation exchanges which can be applied uniformly by all Partners. Separate invitations to this event shall be sent. The date is not fixed yet.

The Department for Goldsmiths and Jewellers of the Pomeranian Chamber of Handicrafts for SMEs in Gdańsk along with the Gdańsk International Fair co.

have announced a nationwide contest for goldsmiths and jewellers entitled "Amber Craft." The objective is to introduce goldsmiths and young masters who specialise in the field of traditional and modern goldsmith techniques. The submitted works must not have been previously published and the person who submits the work has to be its author. The award ceremony will take place from 21 to 24 March 2012 in Gdańsk. Further information on the competitions can be obtained from the Hanseatic Parliament (info@hanse-parlament.eu) or from the webpage: www.pomorskaizba.com.pl.

The centre for Design, Culture and Management (CDCM) invites the business community, designers, consultants and researchers to a seminar and a workshop entitled "Design-Driven Innovation Organising for Growth" in the Kolding School of Design. Various kinds of design-driven innovations are examined for their influence on organisational growth and management recommendations. Further information can be found at:

http://static.sdu.dk/mediafiles//1/5/6/%7B1565318D-2B8D-4AEB-9798-06EECC8B8798%7DWorkshop_Program_06-12-2011.pdf

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