

SME POWER

- SMEs powering a low carbon future

Action Plan

City of Heinola,

Päijät-Häme Region, Finland



Heinola

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For more information on SME POWER, visit <https://www.interregeurope.eu/smepower>

1 Introduction

Promoting energy efficiency of SMEs

SME POWER - SMEs powering a low carbon future is an interregional project funded by the Interreg Europe Programme of the EU. The overall aim is to ensure that public policy for the low carbon economy is better adapted to the needs of non-energy intensive SMEs, thus enabling them to be a key driver in the low carbon shift at European level. The four-year EU-funded project helps to design public policy that shall guide SMEs through the investment steps necessary for improving energy efficiency in their processes, buildings and products, and increasing their share of renewable energy.

SME POWER groups 7 international policy partners coming from Finland, Slovenia, Italy, Spain, UK, Germany and Ireland, improving 5 ERDF and 1 national policy instruments, and 1 Advisory Partner. The Finnish partner of the project, **Heinola City**, aims to improve the energy efficiency of small and medium-sized enterprises in Päijät-Häme Region by improving policies and exchanging best practices and experiences.

Heinola City and its Vitality and Business Development Unit are working actively to enhance growth of regional SMEs and support them to address the challenges and possibilities of green transition and energy shift. From SME Power, Heinola is gaining increased knowledge especially in terms of communicating with stakeholders and getting acquainted with different initiatives and practices that support energy related goals of SMEs and industry.

During the first phase of the project, Heinola City conducted an in-depth mapping and analysis (Energy support map) of all relevant policy and funding instruments in Finland targeting energy-efficiency development in SMEs. During the exchange of experiences in SME POWER, Heinola has identified and presented two good practice examples from Finland that contribute to better energy and low-carbon performance in SMEs, namely [Energy Aid](#) and [Carbon Footprint Calculation](#), available in the Interreg Europe Good practice database.

Based on the interaction and discussions with SME POWER partners, the Regional Energy Stakeholder (RES) Group and the Regional Council of Päijät-Häme, we have drafted the action plan presented in this document.

Challenges and strengths in Pääjt-Häme Region and Heinola

The initial challenge is the traditional industrial structure of the region and especially Heinola, earlier concentrated on large enterprises in pulp and paper sectors, and currently still relatively low number of SMEs. At the same time, there is a growing demand for developing innovative and sustainable energy efficient products and industrial processes.

Regional weaknesses are related to capabilities and awareness of the SMEs about energy efficiency support instruments in terms of business and production processes, and development of energy-efficient products and services. This is related both to the operation of traditional industrial and commercial businesses, as well as to the potential of generating innovative products and services by innovative non-energy intensive SMEs and start-ups.

Regional strengths consist of a strong industrial and resource (wood, agriculture) basis, experience on energy-efficient and ecologic construction and refurbishment and presence of leading Finnish wooden construction companies. Good practices have been developed through public-private cooperation in bio and circular economy, energy efficient wooden buildings (like schools) and in enhancing preconditions for local SMEs in public procurement. Compared to other industries the wood and wood products industry is not considered energy intensive, thus fitting well into the SME POWER target group. Also, tourism is a strategic focus sector in Heinola, and small tourist companies are likewise non-energy intensive, but enhancing low-carbon development measures in them can generate a big impact on regional level.

Benefits of international co-operation

Participation in the SME POWER efforts has provided Heinola City with state-of-art information on good practices and lessons learnt in partnering countries. On regional level, the baseline studies like the wide mapping of energy support available in Finland and interaction with the Regional Energy Stakeholder (RES) Group and region's businesses have resulted to a comprehensive view on existing support policies and instruments, and, correspondingly, to understanding of the needs and bottlenecks that should be tackled in order to enhance energy efficiency of regional SMEs.

2 General Information

Project: SME POWER - SMEs powering a low carbon future

Partner: Heinola City, Finland

NUTS2: Etelä-Suomi (South Finland)

NUTS FI1C3 (Päijät-Häme)

Contact person: Heikki Mäkilä, heikki.makila@heinola.fi, +358 44 769 4141

3 Policy context

The initial policy instrument addressed in the SME POWER project application was the ERDF “Sustainable growth and jobs 2014 – 2020” programme¹ with specific focus on *Priority Axis 2 - Producing and using the latest information and knowledge*, which includes a measure on developing solutions based on renewable energy and energy-efficiency. The relevant specific objectives were *3.1. Enhancing energy efficiency of SMEs* and *3.2. Development of renewable energy and energy efficient solutions*, but they were the most challenging in terms of distributing the allocated euros, and correspondingly, achieving the goal indicators indicated in the programme and, for example, the Finland's National Energy Efficiency Action Plan NEEAP-42³. All this supports our analysis of the most burning policy needs: practical support to SMEs (awareness raising, activation, advisory etc.).

Due to the shift of the EU programming period, it has not been possible, nor relevant, to generate impact on the 2014-2020 programme. The last call of ERDF of the previous programming period in South Finland (Päijät-Häme Region included) was open 22.1.2020-31.3.2021 together with an REACT-EU application round. The scope of the ERDF call was decided on interregional level, limited to a small amount of remaining funds from the programming period and, thus, it was not within reach to address it from the policy view of point.

The aim to influence the regional policy is a bit problematic in Finland where regions do not actually shape the funding instruments such as ERDF on upper level. This has been confirmed by the Regional Council of Päijät-Häme in mutual discussions.

¹ https://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/finland/2014fi16m2op001

² https://ec.europa.eu/energy/sites/ener/files/documents/fi_neeap_2017_en.pdf

Regional councils have been participating in preparation of the new ERDF programme of Finland for the period 2021-2027, but this considers mainly the distribution of funds between the specific objectives, and different parts and NUTS regions of the country. In addition to programme objectives, regional development strategies and RIS3 (research and innovation strategy for smart specialisation) guideline the distribution of ERDF funding on regional level.

Preparations for the EU structural fund programming period 2021-2027 were focused on a phenomenon-based approach. According to Marja-Riitta Pihlman, Director General of the Regions and Growth Services Department of the Ministry of Economic Affairs and Employment, attention in regional development matters is increasingly focusing on phenomena that are crucial for societies at large, such as **climate change, urbanisation and digitalisation**.⁴

In Finland, the first calls of the new structural fund programme, Innovation and Skills in Finland 2021-2027⁵ (ERDF, ESF, and JTF) are launched in the beginning of 2022. The relevant target in terms of SME POWER topics is the programme objective 2: a greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management). It contains the following specific objectives with energy efficiency among the main themes:

- promoting energy efficiency measures;
- promoting renewable energy;
- developing smart energy systems, grids, and storage at local level;
- promoting climate change adaptation, risk prevention, and disaster resilience;
- promoting sustainable water management;
- promoting the transition to a circular economy;
- enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution.

Conclusion: shift of the policy instrument is necessary

In current situation, **the ERDF 2014-2020 programme is no longer valid in terms of generating any policy impact and, at the same time, there are no actual possibilities**

⁴ <https://valtioneuvosto.fi/en/-/1410877/kumppanuudessa-kohti-tulevaa-rakennerahastokautta-ilmiöpohtaisella-kehittamisella-kohti-vaikuttavampia-tuloksia>

⁵ <https://valtioneuvosto.fi/en/-/1410877/innovation-and-skills-in-finland-2021-2027-promotes-regional-vitality-employment-and-wellbeing> 0

or even reason to address the new regional and structural policy programme that already visibly highlights energy-efficiency in its objective 2.

In addition, we have discussed with the Regional Council that is responsible for ERDF fund distribution in the region, about the ongoing update process of Development Strategy and Plan of Päljät-Häme Region – one of the main policy instruments that guideline regional distribution of the ERDF funds in Päljät-Häme. According to the Council, the updated document will absolutely contain themes that support energy efficiency of SMEs but has a more general approach, like “sustainable society” or “respecting the planetary boundaries” instead of referring directly to energy efficiency or renewables as such.

Furthermore, SME POWER’s Interreg Europe sister project in Päljät-Häme Region, RESINDUSTRY, is including in its action plan preparation of a new regional ERDF project that will also support SME Power’s aims (e.g. energy advisory for small companies in the planned work package on information dissemination) and, thus, bring a direct benefit also for Heinola. The applicant will be the LAB University of Applied Sciences, with whom Heinola City has a co-operation agreement. Based on that, it is not reasonable to prepare a double action under ERDF - especially when the ERDF funds available for Päljät-Häme in the ongoing EU programming period are quite limited in comparison with northern and eastern parts of Finland (for Päljät-Häme, only 2.8 % of the Indicative amount for Finnish regions) and also with volumes of the earlier programming period.

In this context, we have thoroughly studied the available alternative possibilities together with the Regional Council and other main stakeholders. The conclusion reached is that **the most reasonable way to generate desired policy impact is to facilitate a shift of strategic focus of one of the Heinola’s key policy instruments, namely Climate Roadmap of Heinola City, towards SME POWER key goals.** The goal of Heinola is to **incorporate a stronger linkage to non-energy efficient SMEs and concrete actions that support SMEs in their energy efficiency efforts into the policy instrument,** and thus enhance their commitment to implement energy efficiency improvement and adapt to green transition. For the City, this means a totally new, wider approach for such a municipal policy document and its implementation, introducing a deeper involvement of local business society than usually in the actual policy instrument with its implementation plans.

The lessons learnt in SME POWER provide a good basis and inspiration for the planning and implementation of the Climate Roadmap. SME POWER enables much needed and vital expertise and background information that are currently lacking from the

responsible city units. In order to achieve desired impact and results, it is utmost important to combine expertise and views of both business life and the municipal sector.

The Executive Board of Heinola City has approved the roadmap planning process as presented in this action plan in its meeting on 14th September 2021. The expected approval of the policy instrument is late Summer or Autumn 2022 by the Heinola City Council.

4 Action: Facilitating a strategic shift towards a more energy efficient Climate Roadmap

Based on the above preconditions, our plan to generate impact on policy level is to address one of the key policy instruments of Heinola City, the Climate Roadmap, and facilitate a strategic shift in it towards stronger inclusion of energy-efficiency and low-carbon development in SMES.

5 Details of the Action

5.1 Action

Title of the Action

Facilitating a strategic shift towards a more energy efficient Climate Roadmap

Nature of the Action

The actions are planned are two-fold:

1. Facilitating a strategic shift in the policy instrument

This means improvement and modification of the policy instrument by incorporating climate actions and energy efficiency of non-energy efficient SMES as a visible theme to the Roadmap. Linkage with SME POWER provides a wider, more energy-efficiency focused approach. Larger energy-consuming companies are already now active in their climate and energy-efficiency work. Thus, small, non-energy intensive businesses and their entrepreneurs are the focus group where we can really make a difference. The approval of the Roadmap is expected in late Summer - Autumn 2022.

2. Organising a climate and energy support concept for SMEs

For the City, the action means organising and resourcing climate and energy support service concept for businesses with focus on SMES. It will cover securing of resources

(know-how and funding) for the services, organising joint energy/climate expert resources for SMEs that are lacking own capabilities, hands-on support of SMEs help with calculation of carbon footprint and handprint, utilisation of waste heat, and corporate climate roadmap preparation in SMEs, funding advisory for energy and low-carbon development projects, activation, stakeholder activation and information dissemination, and other relevant business and support services to address the needs of SMEs.

The main good practice that inspired this action is BEEP 2 (UK), shared by the project partner Durham County Council. Its core methodology consist of reaching out to enterprises, engaging with SMEs, SMEs receiving a free energy assessment and energy efficiency plan written by experts that details low, medium and high-cost interventions tailored to the needs of each business.

Also workshops on ERDF grants by the Spanish partner EREN provide an implementation model of SME support in form of information dissemination and concrete help in preparation of applications on local level.

Furthermore, the Slovenian good practice by the partner LEASP on support for micro, small and medium-sized enterprises in tourism to increase material and energy efficiency is an applicable model of targeted support for SMEs - and tourism is one of strategic spearheads of Heinola and Päijät-Häme Region.

Policy Need addressed

The Action addresses the main development needs identified in co-operation with the regional stakeholders and international SME POWER partners: need for systematic activation and support, and lack of know-how among SMEs concerning, for example, awareness of benefits and savings, and understanding of available energy support Instruments and their utilisation possibilities. The Climate Roadmap will bring together the general challenges of climate change and low-carbon development and seeks solutions by activating and supporting the local SMEs to adapt the market and legislative requirements towards green transition. Energy efficiency measures are a proven and usually the most cost-effective way to address climate change while reducing energy waste, saving money, and expanding the use of renewable energy resources.

Overview of the Policy Improvement that the Action refers to

Heinola City is preparing a Climate Roadmap that is a strategic document defining what will be done in Heinola in the upcoming 10 years to achieve significant climate impacts

and reduce greenhouse gas emissions. New thinking is needed here: a shift from traditional public-driven approach and silos to more collaborative and cross-sectoral approach with active involvement of the business sector and regional SMEs. This action plan focuses on implementing a concrete SME support measure that can be launched with a quick timetable, starting right after the Roadmap approval, that is expected in late summer / early Autumn 2022. The implementation of the SME support measure will be monitored with two main monitoring checkpoints, foreseen in December 2022 and June 2023. These steps will allow to monitor the status of implementation and manage potential delays and issues.

The overall goal of this action plan is to ensure that energy-efficiency and low-carbon goals and possibilities of the local SMEs and business sector are clearly incorporated in this document and reflected its implementation in form of concrete support for SMEs and other stakeholders. The Roadmap will contain will achievable and measurable targets with timetable. In co-operation with local SMEs and industry, the City will coordinate and conduct concrete actions that enhance energy efficiency in business sector, urban structure, housing, and mobility.

The following figure portrays the overall concept and cross-cutting lanes and themes of the Climate Roadmap.

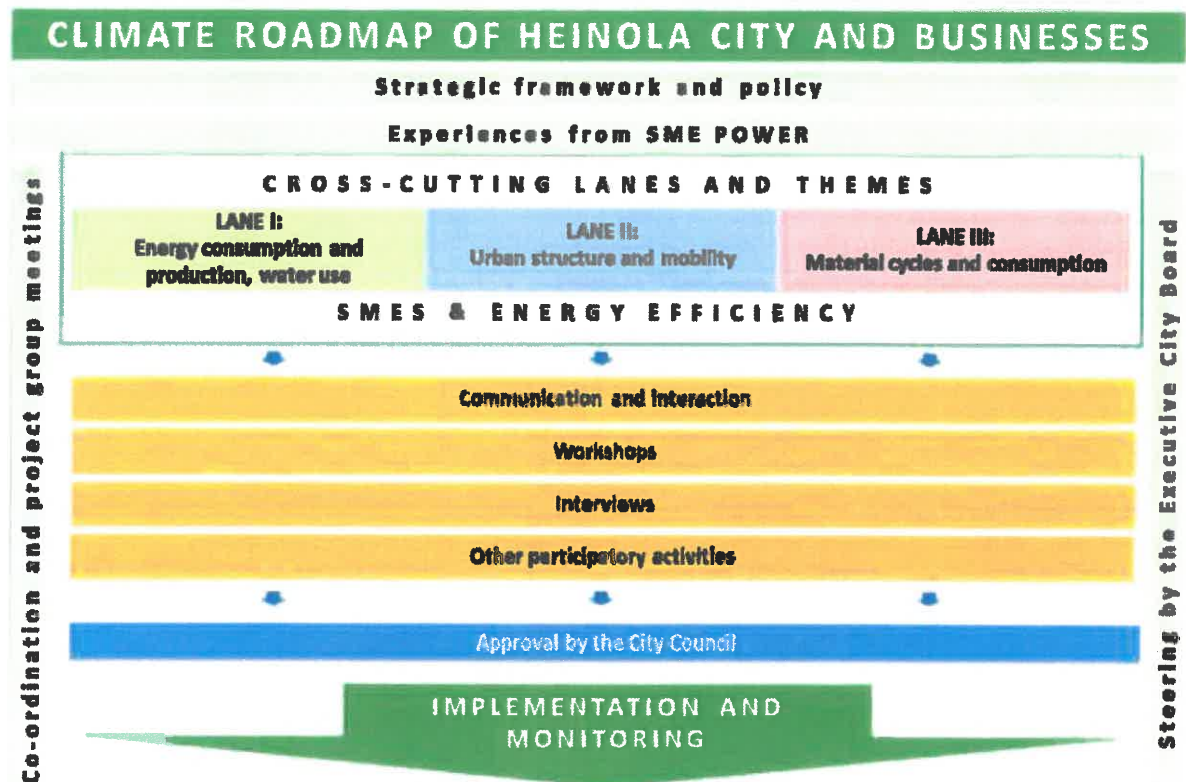


Figure 1: Climate Roadmap of Heinola City and Businesses. Energy efficiency of SMEs as a mainstreamed goal and theme.

During the participatory roadmap process, the stakeholders identify, elaborate and launch actions to reduce emissions and create new opportunities for businesses and the city in general. Decreasing the overall carbon footprint is the basic foundation, but the actual focus will shift towards becoming climate positive and the carbon handprint thinking. In practice the carbon handprint can refer, for example, to solutions implemented by Heinola's companies to reduce the carbon footprint of customer companies.

The specific aim inspired by SME POWER is to clarify and adapt strategic objectives to practical level efforts and projects - not only in City's own actions, but also among local SMEs and industry, generating a more notable increase in low-carbon and energy-efficiency measures in different sectors. It is utmost important to commit local SMEs and industry to the preparation and implementation of the Roadmap and activate them to take considerable steps improving energy efficiency in their processes, buildings and products. Among tools are awareness raising, advisory and training, networking events, introducing and adaptation of tools such as carbon footprint calculation, energy audit etc. During the process, interaction with businesses and other stakeholders also increases knowledge among different City's units and encourages them to plan and carry out

actions that can open new possibilities for local businesses. For example, municipal investments and procurement can provide a reference platform for low-carbon and energy-efficient innovations.

The development measures and projects for promotion of low carbon actions and energy efficiency development, are elaborated and prioritised during the process in co-operation with stakeholders - different city units, SMEs and industry, and RDI organisations - to secure and enhance the Roadmap implementation in general and the SME POWER action plan (climate and energy support service concept). ERDF is one of the most potential instruments both for public and business driven projects - for public ones via the Regional Council - and for businesses through business development grants funded by ERDF and managed by the Regional ELY-Centre - but consideration of other funding sources such as programmes of different ministries is also needed. The energy support mapping of Finland made in SME POWER provides a good basis for that.

In general, the main energy-efficiency and green transition development measures/projects will utilise the experiences, practices and tools from SME POWER and are divided into three groups:

- City and other public-driven actions to support businesses in climate and energy issues (e.g. the climate and energy support service concept of this action plan),
- Joint PPPP actions and pilots (city, businesses, training and research institutions, 3rd sector), and
- own actions of businesses or their groupings.

The development measures can, firstly, enhance decrease of the overall carbon footprint of SMEs and their processes and products, and, secondly, introduce a more positive approach and activate them to elaborate scalable products and services that allow to increase the positive carbon handprint of their clients.

Background

During the first steps under SME POWER, we have compiled a comprehensive Energy Support Map of SME support and financing possibilities in Finland. It provides a big picture on policy level and contains information of available instruments such as concrete grants and other public advisory structures. Some of the grants are available only for public, non-commercial organisations (cities, universities, associations) such as ERDF grants distributed by the regional councils, some only for SMEs or businesses in general. This means there are multiple approaches to enhance energy efficiency of SMEs.

The exchange of experiences and lessons learned between the partners, and participation in interregional webinars has complemented the overall perception of tools, practices and concrete actions when working with SMEs to enhance their energy efficiency. In addition, the elaboration of good practice examples from Finland (Energy Aid and Carbon Footprint Calculation) has also deepened our own understanding and capability to adapt and distribute the studied practices more efficiently.

What comes to some of the addressed policy instruments, the partners have identified joint challenges related e.g. to the shift of the programming period (especially ERDF) and discussed possible approaches. **For Helsinki It has meant a strategic shift of thinking – on what we can really have impact when addressing ERDF 2014-2020 is no longer relevant.** This discussion was opened already in the 2nd Interregional Event of Helsinki in February 2020 and has continued in other meetings and action plan drafting phase, resulting to the justified need to change the initial policy instrument.

Even if the ERDF is not relevant to address in this Action Plan, a strong policy support for low-carbon and energy efficiency efforts is secured in the Innovation and Skills in Finland 2021–2027 regional and structural policy programme⁶ and its policy objective 2: Carbon neutral Finland, where the aim is to promote energy efficiency and the circular economy and to reduce greenhouse gas emissions. The cross-cutting priorities of the programme are sustainable development, gender equality, non-discrimination, digital development, internationalisation, climate change and innovation. Of the ERDF funding, 35% is allocated to climate action. Furthermore, RRF funds from the NextGen EU that are distributed in Finland mainly during 2022-2023 are focused on green transition and promotion of energy shift.

Päijät-Häme region is committed to mitigating climate change with an aim of reaching carbon neutrality by the year 2030. This requires significant reductions of greenhouse gas emissions at all sectors as well as increasing carbon sinks. Relevant regional strategies are “Carbon Neutral Päijät-Häme 2030” (Climate Action Roadmap of Päijät-Häme)⁷ and RIS3 (Regional Strategy for Research and Innovation for Smart Specialisation)⁸, both recently updated or elaborated.

The Päijät-Häme Climate Roadmap includes the regional vision and addresses key issues related to climate change adaptation. One of the key objectives is to reduce energy

⁶ <https://valtioneuvosto.fi/en/-/1410877/Innovation-and-skills-in-finland-2021-2027-promotes-regional-vitality-employment-and-wellbeing>

⁷ <https://pajjat-hame.fi/en/climate-action-roadmap/>

⁸ <https://pajjat-hame.fi/en/smart-specialisation-and-innovation-environments/>

consumption and related greenhouse gas emissions. Päijät-Häme climate coordination group, with Heinola participating, is steering regional activities, and the Regional Council of Päijät-Häme facilitates the work of coordination group. Heinola's Climate Roadmap will complement the regional one with a strong SME orientation.

The following table points out the main lessons learnt from interregional exchange from the viewpoint of Heinola:

Input from interregional exchange in SME POWER		
Lessons learnt	Elements to be transferred to the policy improvement	Exchange process
DURHAM: BEEP 2 – building on strong foundations	BEEP2, a good practice from Durham, UK, refers to a small, in-house team to deliver free audits to SMEs supported by grant process to facilitate improvements. It is a low threshold approach and tool for activating SMEs to consider development activities or investments and apply for relevant grants. For Heinola, this example provides basis for overall approach to facilitate and activate SMEs when designing the support and communication concept of the action plan. The BEEP was initially discussed in the 2 nd interregional event (IE) in Heinola, February 2020 and later during the 5 th IE in 22-23 April, 2021. As a good practice the BEEP was presented in the GP sessions in September and October 2020, complemented with discussion on other project meetings. Staff exchange was organised on March 30, 2022 to identify main takeaways for Heinola's action plan.	Exchange of good practices with partners <ul style="list-style-type: none"> • A joint exchange table for description of good practices and expressions for interest to be filled in by all partners • Presentations and discussions in interregional meetings • Mutual discussions with partners and studies of their materials • Matrix review session 1.7.2020 • GP exchange session 8.9.2020 • GP Peer Review sessions in October 2020 • Participation the Policy Learning Platform webinar on the topic of developing
EREN: Workshops on ERDF grants	The Spanish good practice, workshops on ERDF grants, is an implementation model of SME support in form of information dissemination and concrete help in preparation of applications on local level. For Heinola's support and communication concept this provides a model to increase understanding of SMEs on where and how to apply for grants for their low-carbon and energy efficient efforts. Staff exchange for deeper acquaintance will be organised during May 2022.	

**LEASP:
Support for
micro,
small and
medium-
sized
enterprises
in tourism
to increase
material
and energy
efficiency**

This is a good practice from Slovenia and an applicable model of targeted support for SMES to increase energy efficiency of small companies. It is directly targeting non-energy intensive SMEs in the field of tourism, which is novel but replicable across other regions across the EU. Tourism is one of strategic spearheads of Heinola and Päijät-Häme Region and will certainly be addressed by the Climate Roadmap. We will compare the LEAPS concept with the Sustainable Tourism efforts of Visit Finland and the Regional DMO Lahti Region Ltd especially concerning support and communication for micro and small enterprises on local level in Heinola. The support model was discussed during the 5th interregional meeting 22-23 April, 2021. Staff exchange for deeper acquaintance will be organised during May 2022.

integrated low-carbon strategies
27.10.2021,

- Action plan drafting - bilateral call with the Lead Partner 27.01.2021
- Participatory action plan and GP sessions during the 5th IE meeting in April 2021
- Staff exchanges in March-May 2022

Regional / Local input, including input from SME POWER Stakeholder Group

Representatives of Regional Council of Päijät-Häme have been involved in Regional Energy Stakeholder (RES) Group meetings and mutual discussions in several virtual meetings. They have provided concrete views on how to proceed with addressing the policy instrument and drafting the Action Plan.

Through presentations of SME POWER and its "sister" project RESINDUSTRY, and mutual discussions and targeted questionnaire, the RES Group has studied the existing "jungle" of instruments of SME support, and thus, the need of practical information and hand-on support to raise awareness and activate SMEs to implement energy-efficiency measures.

Specific Activities and Timeframe

**Late summer /
early Autumn 2022**

Action: Facilitating energy efficiency in the Climate Roadmap and SMEs of Heinola

Approval of the Roadmap by the City Council of Heinola (in late Summer - early Autumn 2022)

**September 2022 -
July 2023**

Organising the climate and energy support concept for SMEs, consisting of:

	<ul style="list-style-type: none"> • securing of resources (know-how and funding) for the services • organising joint energy/climate expert resources for SMEs that are lacking own capabilities • hands-on support of SMES help with calculation of carbon footprint and handprint, utilisation of waste heat, and own climate roadmaps/plans of SMEs • funding advisory for energy and low-carbon development projects • stakeholder activation and information dissemination (main channel: Businessheinola.fi) • other business and support services to address the challenges of SMEs <p>Monitoring of proceeding and outputs, checkpoints: months 3 (roadmap approval), 6 and 12 (concept) of the phase 2</p>
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Stakeholders involved

Name of Organisation / person (where possible)	Role in Action Plan
Regional Energy Stakeholder (RES) Group	<p>Role in the discussion/Implementation:</p> <p>Compilation of companies and policymakers that can provide expertise and other support for further steps. Especially contacts to companies are essential to serve their needs.</p>
Maarit Virtanen, Energy and Climate Specialist of the Regional Council of Päijät-Häme	<p>Role in the discussion/Implementation:</p> <p>Member of the SME POWER RES Group.</p> <p>Responsible for the Regional Climate Action Roadmap; securing consistency and synergy between regional and Heinola's roadmaps.</p> <p>She is also participating in Heinola's roadmap process as one of the three thematic coordinators, responsible for Lane III (material cycles and consumption).</p>
Juha Hertsi, Regional Development Manager of the Regional Council of Päijät-Häme	<p>Role in the discussion/Implementation:</p> <p>Member of the SME POWER RES Group.</p> <p>Key contact in regional strategy planning, policy work and regional funding guidelines, possible funding for selected activities in the Roadmap</p>

Development Director and other experts of the Regional Council of Päijät-Häme	<p>Role in the discussion/Implementation: Key contacts in regional strategy planning, possibilities of policy impact, and regional funding guidelines</p>
Different units of Heinola City (esp. environmental unit, urban planning unit, municipal engineering unit)	<p>Role in the discussion/Implementation: Necessary resources for co-ordination and facilitation will be provided by Vitality and Business Unit (responsible for SME POWER). Other units will be responsible for preparing content for the 3 planned "lanes" of the Climate Roadmap and nominate a responsible expert for each lane:</p> <ol style="list-style-type: none"> 1) Energy consumption and production, water use 2) Urban structure and mobility 3) Material cycles and consumption
Regional ELY Centre (Centre for Economic Development, Transport and the Environment)	<p>In addition to the Regional Council, distribution of ERDF, ESF and CAP funding a) for businesses and b) other stakeholders.</p>
RESINDUSTRY project (Interreg Europe) and LAB University of Applied Sciences, Lahti, Päijät-Häme Region https://www.interregeurope.eu/resindustry/	<p>SME POWER's "sister" project (a joint RES Group and the same Initial policy Instrument in focus: ERDF). RESINDUSTRY deals with renewables in industry, and the project also shifted its initial policy instrument.</p> <p>Role in the discussion/Implementation: Heinola City has a continuing co-operation agreement with LAB that focuses on business advisory and development projects. This is one possible resource when planning and implementing the projects and support activities under the Climate Roadmap.</p> <p>In addition, the action plan of RESINDUSTRY will contain a new regional ERDF project by LAB with energy issues in scope and support also Heinola's SMEs and industry (e.g. wind power and other renewables).</p>

Costs and Funding Sources

Costs	Funding Sources
Climate Roadmap preparation: Participatory workshops and other activities	City budget and utilisation of ongoing projects of the City

Climate and energy support concept (Phase II):

Concept development and resourcing: meetings and expert work, travel

Provision of support for SMEs: meetings and expert work, travel

Monitoring: meetings (face2face In city premises/Teams)

Support of the Regional Council through the regional Climate Partnership Initiative

City budget (regulatory actions, urban planning and development)

External sources and grants for the City (concept and its partial resourcing) and other stakeholders such as SMES. ERDF and specific instruments promoting green transition, energy shift and energy efficiency (inc. CAP, NextGenEU/RRF funds in Finland, programmes of ministries)

Risk and Contingency Plans

Description of Risk	Level of probability (High, Medium, Low)	Description of Contingency Plan
Commitment of SMEs and industry to the preparation process	Medium	Effective communication and contacting, listening of business needs utilisation of regional stakeholder's networks, collaborative workshops, interviews of companies.
Commitment of SMEs and industry to the implementation	Medium (medium among bigger companies e.g., in the field of technology sector, higher among micro and small enterprises)	Collaborative preparation of the roadmap, strong inclusion of business stakeholders. Activation and advisory for businesses, systematic interaction with policymakers/financiers, careful justification of new projects (Green Deal, green transition, ERDF programme and regional strategic objectives). Especially the smallest companies need constant support, where utilisation of SME POWER experiences and good practices will be of great benefit.

Monitoring

Self-defined Performance Indicators

Indicator	Target	Means of Verification
Heinola's Climate Roadmap publication (<i>shift in the initial policy instrument</i>)	1 policy document published with a clear reference to the SME POWER project	The Roadmap is approved and energy efficiency of non-energy intensive SMEs is clearly and visibly incorporated in the document and the climate policy of Heinola

Output Indicators

Indicator	Target	Means of Verification
1. Climate and energy support concept for SMEs in the Climate Roadmap	Integration of the climate and energy support concept for SMEs into the Climate Roadmap to address the low-carbon and energy efficiency development measures of SMEs and search of funding for them	Resourcing and incorporation of the support and communication concept to services of Vitality and Business Unit of Heinola City.
2. Number of SMEs receiving support from the new developed measure	20	Staff/expert reports on advisory services implemented and their results/impact

6 Signatures

Institution: Heinola City (Heinolan kaupunki)

Name of Signatory : Jari Parkkonen

Position: City Mayor

Date: 1.6.2022

Signature:



Institution: Regional Council of Päijät-Häme (Päijät-Hämeen liitto)

Name of Signatory: Niina Pautola-Mol

Posirtion: Region Mayor

Date: 1.6.2022

Signature:

