

Foreword

Reducing the environmental impact of small and medium-sized enterprises (SMEs) in both manufacturing and services is a key success factor in greening the economy. At the same time, transitioning to green growth needs to make business sense, and governments have an important role in supporting a context that allows SMEs to seize the opportunities presented by better environmental performance.

The objective of this *Environmental Policy Toolkit for SME Greening* is to help governments in the European Union’s Eastern Partnership (EaP) countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) to design and implement key instruments to promote environmental compliance and green business practices among SMEs, based on existing good practices in EU and other OECD countries. Ministries of Environment and of Economy are the key target audience of this document. Besides these key government stakeholders this document aims to provide guidance for action by business associations as well as non-governmental and academic institutions in EaP countries.

The Toolkit focuses predominantly on environmental policy instruments to promote green behaviour of SMEs. It covers three categories of instruments: regulatory simplification and incentives, information-based tools (which comprise both providing advice and guidance to businesses and providing their customers and the public at large with information about their green practices), as well as financial and economic incentives. These instruments should be complemented by appropriate industrial development, regional development and science and technology policies that lie outside the scope of this Guide. The Toolkit draws on the past OECD analysis on SME-related policies, the extensive work that the EC has done to implement the 2008 Small Business Act for Europe, as well as other relevant literature.

In Part II, the planning and implementation of proposed pilot projects in Armenia, Georgia, Moldova and Ukraine are explored, demonstrating in detail how the guidance in the toolkit can be implemented. While targeting the respective countries, they are also applicable to other EaP countries.

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