



The Rhodope Project

The Rhodope Project is a Nature Conservation Project working in the Rhodope Region of Bulgaria.

The project is a GEF Project implemented by the UNDP and the Ministry of Agriculture and Forests in partnership with Ministry of Environment and Water.

A main project objective is that “Stakeholders integrate biodiversity into resource management and economic development policy and practice.”



Private sector is view by the project as being an important stakeholder group.

To gain a better understanding the project have initiated a desk review on suitable options for Integration of nature into the activities of Small and Medium Size Companies in Bulgaria.

The review is also aimed at providing insight into the when and why companies would engage in environmental activities.

An important aspect of the review is that it was done by a non-environmentalist with economic background.



A common conception by many is that if something is good for the environment it is bad for business and vice versa. The Natura 2000 establishment controversy clearly showed this.

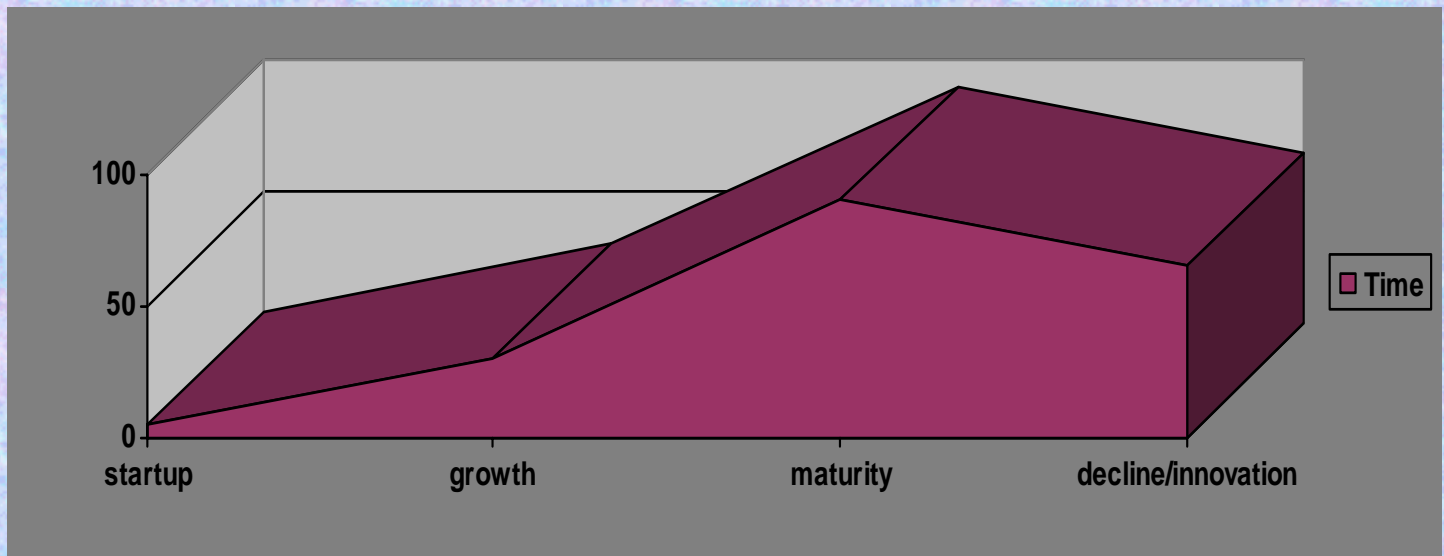
At the same time the reciprocal link between business and environmental protection is being realized, and acted upon, by some companies in Bulgaria

This process is only in its infancy and Bulgarian businesses struggle with understanding concepts of environmental integration and environmental responsibility.



Company lifecycle.

- 1) **Startup;**
- 2) **Growth;**
- 3) **Maturity;**
- 4) **Decline/Innovation/Change and**
- 5) **Failure/death.**





Start-up companies and companies in decline

(Unlikely to engagement in nature related activities because all available resources are focused on the establishing/reestablish the companies.)

Companies with strong fundamentals (revenues, return on equity etc.)

(Likely to engagement in nature related activities because company management can look beyond the immediate future and thus would be susceptible to engage in Corporate Social Responsible (CSR) activities.)



Companies and others will be looking at the question

“When do we have a business case?”

The answer is that we have a business case when a business is ready and willing to invest resources.

In Bulgaria such discussions from a business point of view is not based on philosophical ideas and good notions but most predominantly on the financial bottom line.



A recent review of ecosystem services and their value to the Bulgarian society highlighted that biodiversity and ecosystem protection is closely linked with the need to long-term sustainability of those services, which business and people are taking for granted.

With a continued degradation of the ecosystem services, that are freely available today, will cease to be available or become more costly. This will in turn affect how business operates, expectations of stockholders, regulatory regimes, governmental policies, the availability of financing as well as influence customer preferences etc.



Statistics for the SME sector in Bulgaria

99% of all private enterprises

60% of fixed tangible assets


72% of private business turnover,

45% of added value to the National economy

40% of GDP

37% of total employment

Although being such an important player on the national arena, environmental concerns is not part of the sectors general agenda. This can be seen from the fact that only 47 Bulgarian SME's are ISO 14001 certified. (New EU average 517)




The low concern for the environment among SME's also affects the compliance with the national legislation.

14% of SME's meets all environmentally related requirements.

73% of all Bulgarian companies are not making any environmental investments.

Also 3.4 % of companies feels that a social responsible business should contribute to the protection of the environment.

The reason for lack of interest in environmental issues could be sought in that less than 10% of all Bulgarian companies are export oriented. Furthermore, the domestic market does not face similar market pressures for environmental sustainability as those affecting the international markets.



Such low environmental consideration is concerning and it has some relevance to attract SME's attention to the issues of risk assessment and risk management.

Access to land (*Sites may be difficult to access if one has a track record of poor land and water resources management*)

Reputation (*Bad publicity reduces consumer confidence*)

Access to capital (*Environmental risk may affect a company's ability to secure financing at good rates*)

Access to markets (*Consumers choose conscientious producers and products in favor of less conscientious producers and products*)

Security of supply (*Over consumption of raw material diminish the stock with the risk of loss of the production base.*)

Regulations and liabilities (*Lack of proactive management towards meeting regulations avoids costly penalties*)



Companies	Environment related company activities
Arexim, Cascada, Vidima etc.	ISO 14001
Odysseia-In	Donates 5% of profits from sale of brands (Deuter and Patagonia) to the NGO BBF. Adopted forest parcels for replanting and maintenance in Vitosha Nature Park
Tonedirect	Donated a proportion of the sales of refilling of printer toner towards reforestation
Albena AD	Solar panels for water heating, own waste water treatment/cleaning station, adopted separate waste collection policies. Full-time ecologist employed.
Hilton	Energy saving programme, voluntary cleaning of surrounding areas (Yuzhen Park)
Overgas	Planted trees in some 323,000 acres. Green house gas reduction
Sofiiska Voda.	Environmental policy document and annual environmental report (2006). Refurbishment of water treatment plant "Kubratovo"
Devin	Awareness raising campaign for 30 schools



Additional activities that companies could engage in

Take the lead, or partake, in the establishment of a local “partnership group”

Through staff agreements commit a small proportion of staff salaries to agreed actions

Provide business specific skills to NGO’s or established “partnerships” (accounting, management, marketing)

Organize staff team-building exercises, which includes nature issues.

Plant native trees, bushes or other vegetation on company property or develop a biodiversity action plan for company sites.

Develop a strategy for company CSR in the area of the environment



For companies without capacity or the manpower to actively engage in concrete activities there is the option of providing donations.

Donations, can be given to individual causes or to more specialized organizations such as

**the Bulgarian GEF Small Grants Programme
the Bulgarian Biodiversity Foundation,
the Bulgarian Charity Aid Foundation and**

or any other organization that have proven organizational and operational structures in place.



For a company to get involved, and remain interested, the initiatives should be close to the heart of the company.

Furthermore, the company should have trust in its potential partners, as well as the implementers of its activities.

Companies often see poor activity implementation as undesirable, or even as a “deal-breaker”.

Companies that are engaged like to be so with a minimum of direct involvement by the business itself.



At the end of the day there are many ways companies can engage in environmental activities and it is up to the individual business manager to decide how they will do so.

Business people need to find their own niche where they feel that they can provide benefits to their business and to society.

What others can do, is to help them reach that goal.



Thank you for your attention