

Best Practice: Sustainable Management Practices for Local Businesses

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CITY: VIENNA

**POLICY AREAS: ECONOMIC DEVELOPMENT; CLIMATE CHANGE;
TOURISM**

BEST PRACTICE

In 1998, the Environmental Protection Department Municipal Department 22 (MA22) of the city of Vienna, launched the **EcoBusinessPlan** program to support local businesses in the development and implementation of environmentally sound management practices. The overall goal of the program is to promote a sustainable local economy through efficient and economical business practices.

To date, 974 businesses have participated in the EcoBusinessPlan, implementing more than 10,000 environmental projects and actions. Businesses have been able to generate substantial cost savings totaling approximately EUR 113.6 million (\$146.1 million USD).

ISSUE

The city of Vienna initiated the EcoBusinessPlan program to address the need for environmental protection while creating a bond between the city and local businesses where the city fosters sustainable development and the business community benefits from the city's economic development assistance.

GOALS AND OBJECTIVES

The purpose of the EcoBusinessPlan is to help businesses generate "green and clean" profits through ecological management practices that benefit both the environment and the businesses, ensuring high quality and financial benefits in each company.

The EcoBusinessPlan program aims to:

- Reduce the adverse environmental impacts of economic activity through integrated environmental protection strategies;
- Improve the competitive position of Viennese businesses through more efficient use of resources (making full use of innovative potentials and cost saving opportunities), and sustaining employment over the medium term;
- Strengthen the advisory component in the relationship between the city administration and private sector businesses;
- Contribute to the sustainable development of the city of Vienna;
- Support the exchange of information, nationally and internationally, with city administrations and businesses confronting similar programs;
- Extend and support environmental protection efforts both nationally and internationally;
- Contribute to economic growth with minimal resource consumption and environmental damage.

IMPLEMENTATION

Modules for Sustainable Business Management

Taking into account the diversity of businesses in the city, the EcoBusinessPlan Vienna offers a number of different program modules for large and small businesses in a variety of industries. The common denominator is to promote sustainability by applying efficient and economical management practices.

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Consultancy services are provided to businesses in various modules, which have been developed to foster environmental best practices and projects:

- **EcoBonus:** This module targets businesses with up to 50 employees; its objective is to reduce operating expenses and harm to the environment through waste prevention and waste management, energy saving and climate protection.
- **Ecoprofit:** This module is tailored to manufacturing companies, which aim at a rapid reduction of resource inputs; the way to achieve this is the efficient use of resources and input materials, optimization of production processes and waste prevention.
- **EcoQuality Label for Tourism:** This module specifically addresses the hospitality industry; it focuses on the economical and efficient use of cleaning agents, waste prevention and waste separation, as well as reduction of heating costs.
- **ISO14001:** An international environmental management system, which integrates environmental protection measures systematically into operational processes. Businesses are supported in introducing the system, which offers them an instrument for the systematic measurement and subsequent reduction of emissions and pollutants that are damaging to the environment. ISO is the International Organization for Standardization.
- **EMAS (Environmental Management and Audit Scheme):** A complete environmental services package, including introduction of an environmental management system according to the ISO14001 standard, which also prepares the business for active communication in this field. It is a complete baseline for the development of environmental statements and reports on sustainability.
- **Sustainable Development:** The Sustainable Development module supports small and medium-sized businesses in developing sustainable management methods which are economically, environmentally and socially balanced. The process is documented in a sustainability report.
- **Pilot Project on Sustainable Products and Services:** In the Pilot Project on Sustainable Products and Services the products and services of businesses are analyzed for potential improvements. New approaches benefit the businesses, the customers and the environment.
- **Pilot Project on Environmental Management Systems for Small Manufacturers:** The Pilot Project on Environmental Management Systems for small manufacturers enables small and micro companies to develop internationally recognized environmental management systems in compliance with EMAS or ISO14001 standards.

Facts

- There are EcoBusinessPlan 60-80 consultants
- 100-130 companies participate in the EcoBusinessPlan every year
- 60% of companies are repeat participants, 40% are newcomers
- 90% of companies are recruited by consultants, 10% approach the EcoBusinessPlan team on their own accord

Consultancy services

EcoBusinessPlan Consultancy services are provided in three stages to develop solutions tailored to the needs of each business:

- **Stage 1:** Consultants working within the EcoBusinessPlan network conduct an environmental check-up together with the company to find savings potential and detect environmental weak points in the operation.
- **Stage 2:** On this basis, the company management can decide to participate in the program and select a suitable consultancy module.
- **Stage 3:** Supported by tailored consultancy services and expert input, the company develops its environmental project(s) and begins implementation within its first year of participation. An independent commission assesses the progress made and gives recognition to the businesses. Successful owners henceforth can promote their businesses as participants of EcoBusinessPlan Vienna to showcase their voluntary efforts in environmental protection. All measures taken are documented in the EcoBusinessPlan database.

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EcoBusinessNews - The Newsletter

The quarterly newsletter, EcoBusinessNews, informs participating firms and potential participants about the latest developments and offerings within the framework of the Environmental Service Package of the city of Vienna.

The EcoBusiness Club

The EcoBusiness Club serves as an information platform and a vehicle for follow-up support for environmentally-aware Viennese businesses. Through the Club, members receive updates on best practices and developments.

The Partners of the EcoBusinessPlan Vienna

Public authorities, interest groups and businesses work together on the EcoBusinessPlan Vienna to implement precautionary and integrative environmental protection policies and actions that also support businesses' profitability. Public subsidies are granted for consultancy and training while capital investments are made by the private-sector companies. In some cases investments are made with support from additional public sources.

Partners of the EcoBusinessPlan are as follows:

- Vienna Economic Chamber
- WIFI Vienna (Institute for the Promotion of the Economy)
- Ministry for Agriculture, Forestry, Environment and Water Management
- AK Wien (Vienna Labour Chamber)
- ÖGB (Austrian Trade Unions Federation)
- WWFF (Vienna Business Promotion Fund)
- Municipal Department 36 - Senior experts for the industrial code
- Municipal District Offices (local authority for business procedures)

Networking and cooperation among partners helps to create a win-win situation for the environment and for businesses in Vienna. The EcoBusinessPlan supports the environment while at the same time contributing to economic stability and job creation.

Database

More than 7,000 different environmentally-supportive actions are stored in a database to inspire other businesses. The measures taken are subject to continuous external evaluation, and the relevant information regarding these assessments is stored in a database. The database, which is partly publicly accessible on the Internet, is meant to motivate other businesses to launch similar projects. Today, information about more than 7,000 environmental projects can be retrieved from this database of the EcoBusinessPlan Vienna. The implementation of these projects has enabled businesses to raise their efficiency, reduce resource consumption and achieve sustainable cost savings. This illustrates that efforts for the environment also make good business sense.

The city of Vienna shares its expertise regarding this program with other local governments in Austria as well.

COST

Annual budget in 2010: EUR 1 million (\$1.3 million USD)

RESULTS AND EVALUATION

Environmental Benefits

Results clearly show that the environment is the real winner of the EcoBusinessPlan. The following aggregate figures illustrate the effects achieved by businesses in Vienna since the launch of the EcoBusinessPlan in 1998:

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- Reduction of solid waste output by 121,311 tons - an amount that would fill Vienna's "Ernst Happel" football stadium 1.81 times
- Energy savings of 856 million kilowatt hour (kWh) - equivalent to the annual energy consumption of 285,000 Viennese households
- 240,560 tons of carbon dioxide emissions saved - enough gas to fill 40,500 hot air balloons
- Reduction of total transport mileage by 90.2 million kilometers - equivalent to 2,250 trips around the world
- Drinking water consumption reduced by 2,403,500 cubic meters - enough to fill an Olympic swimming pool 775 times

Benefits for Each Participating Company

The voluntary environmental measures worked out in the context of the EcoBusinessPlan also support companies' profitability. By implementing their environmental protection projects, the EcoBusinessPlan participants have been able to cut their operating expenses by a total of EUR 113.6 million (\$146.1 million USD). Most investments in environmental protection have a payback period of less than two years.

The effort to integrate ecological policies and measures in economic activities throughout Vienna are endorsed by the evaluation report of the Vienna University of Economics. Approximately 80 percent of participants in the EcoBusinessPlan rated the program as "excellent" or "good," and 92 percent said they would recommend it to others.

Businesses responded very positively to some of the program's strong points, including consultancy services, the stimulus for change it provides, the raising of environmental awareness, opportunity for a systematic analysis of a business's current situation, and the enhanced company image as a result of winning an award. The high-quality consultancy services provided by the EcoBusinessPlan have spawned the initiation and implementation of a wide variety of innovative policies and measures.

EcoBusinessPlan Annual Awards

A celebratory event takes place every year in honor of the businesses that have implemented a new module or have joined the EcoBusinessPlan for the first time during the twelve preceding months. For outstanding projects, companies can apply for the Environmental Award of the City of Vienna in the categories of Innovation, Cooperation and Communication.

Evaluation

The performance of the Vienna EcoBusinessPlan is evaluated every year by an independent group of external experts. From 2006-2009, evaluations were conducted by the Austrian Institute for SME Research and the Wuppertal Institute for Climate, Environment and Energy.

TIMELINE

Key Dates

- 1998 Launch of Vienna EcoBusinessPlan

Vienna EcoBusinessPlan has cooperated with international partners to support them in launching EcoBusinessPlans of their own in the following order:

- 1998 -2007 Győr, Hungary
- 2004 -2006 24 cities and port authorities in the Adriatic region
(Ionian and Adriatic Cities and Ports Joint Cooperation, IONAS)
- 2004 Athens, Greece, and Chennai, India
- 2005 Durres, Albania
- 2006 -2008 Macroom, Cork County, Ireland

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- Since 2008 EcoBusinessPartnership Vienna – India
(a United Nations Industrial Development Organization project, UNIDO)
- Since 2009 Sheffield, United Kingdom

TRANSFERABILITY

The EcoBusinessPlan Goes International

An important advantage of the EcoBusinessPlan Vienna is that it is transferable in part or as a whole and can thus be implemented in other regions or countries. In 2004, five federal provinces of Austria (Lower Austria, Salzburg, Styria, Vorarlberg and Upper Austria) joined Vienna's EcoBusinessPlan program.

These five provinces began using the database and will develop it further together with EcoBusinessPlan Vienna. The European Union has supported the EcoBusinessPlan Vienna with EUR 674,000 (\$890,000 USD). These funds were granted within the framework of the INTERREG IIIA project "Wien-Győr." INTERREG III is a community initiative which stimulated interregional cooperation in the EU between 2000-2006. Greece, Athens, and India's fourth-largest city, Chennai (Madras), want to develop EcoBusinessPlans of their own modeled on Vienna's program.

Awards won by the city of Vienna for the EcoBusinessPlan program:

- Eurocities Award: The "Vienna EcoBusinessPlan" won the Eurocities Award for Cooperation 2006. The jury recognized the program's collaborative approach involving local administrative bodies, businesses and interest groups. By working together as peers, they are able to bring about impressive health and environmental benefits as a result of companies' voluntary efforts towards more environmentally sound business practices.
- UN-Habitat Best Practice: In 2006, UN-Habitat designated the Vienna EcoBusinessPlan a Best Practice model for sustainable projects in recognition of its knowledge transfer to Győr and other international project partners. Prior to that, the Vienna EcoBusinessPlan had already been placed on the UN-Habitat Best Practices list of outstanding sustainability projects around the world.

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Facts and figures in this report were provided by the highlighted city agency to New York City Global Partners.