



# **A Roadmap for Integrating Corporate Social Responsibility into EU Member States and Business Practices – Road-CSR**

## **Action Plan for CSR for Cyprus**

**Partner 1: Larnaca and Famagusta Districts  
Development Agency**

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## 1. Brief Description of the Project

Competitiveness of SMEs is high in the agenda of the European Commission (EC). Due to economic crisis there is a widespread expectation that businesses should be more accountable to the society. The EC issued the Directive 2014/95/EU, where companies concerned are required to disclose in their management report, information on policies, risks and outcomes as regards environmental, social and employee aspects, respect for human rights, anticorruption and bribery issues, and diversity in their board of directors; In other words, to integrate in their business models the CSR (Corporate Social Responsibility) principles. Although, the new directive applies only to a limited number of large EU companies it leaves out the Small and Medium sized enterprises (SMEs) that are the predominant form of enterprise in EU and a key to achieving the goals of growth and jobs strategy. Studies have shown that CSR is viewed as a vital concept that businesses of all types and size need to understand and address. Also, there is a positive relationship between SMEs and CSR and their competitiveness. Our common challenge is to help member states to apply the new directive and new measures in their Operational Programmes in order SMEs to increase their competitiveness and sustainability.

The overall objective of the project is to help EU member states to apply CSR as a holistic management approach to SMEs. In this way, SMEs will increase their competitiveness. The main outputs of the project will help countries involved in the project to exchange experience, best practices and create a road map for integrating CSR into national and regional legislations and Programmes and as well to create national/regional actions plans. Moreover, an important output of the project will be the policy recommendations for the revision of the Directive 2014/95/EU in order to create precedents for future policy developments on CSR and corporate accountability not only for large companies but as well for SMEs.

The Interreg Europe Road-CSR Project brings together 7 partners from 7 Countries, involving the managing authorities & regional bodies influencing regional and national policy instruments, to help EU Member States to apply CSR principles into the core business of SMEs helping them with this way to become more competitive, sustainable, innovative and accomplish long term profitability with social justice and environmental protection.



The project lifespan is from 1st January 2017 to 31st December 2020 (4 years) and accounts for a budget of 1.161.255,00 €, 85% co-financed by the European Regional Development Fund 2014-2020.

The project partners are:

- Larnaca and Famagusta Districts Development Agency (Cyprus).
- Region of Crete (Greece),
- General Directorate of Labour, Regional Ministry of Education and Employment of the Government of Extremadura (Spain),
- Norwegian University of Science and Technology (Norway).
- E-institute (Slovenia),
- South Bohemian Agency for Support to Innovative Enterprising (Czech Republic)
- Association of Chambers of Commerce of Veneto Region (Italy).

## **2. Summary of the Action Plan**

The Action Plan for CSR Cyprus has the main aim to promote CSR as a strategic and integrated approach to doing business. The Action Plan is a result of the discussions at the interregional and regional stakeholders. Also, it builds on the thematic study for Cyprus, the best practices that have been identified by the project as well as the current state of the policy instrument concerning Corporate Social Responsibility, the results of the project study showing the benefits from CSR as well as the policy recommendations.

For the monitoring of the implementation of the Action Plan a monitoring committee has been set up. The monitoring committee consists of the following:

- Directorate General for European Programmes, Coordination and Development (DG EPCD),
- Chamber of Commerce and Industry
- CSR Cyprus Network
- Larnaca and Famagusta Districts Development Agency.



The Monitoring Committee coordinator will be Larnaca and Famagusta Districts Development Agency who will co-ordinate the activities of the action plan. The Committee will meet once at least every two months to monitor the implementation of the actions.

The main Priority Areas of the Action Plan are the following:

- Priority Area 1: Increase the culture and knowledge of CSR among enterprises, citizens and local communities
- Priority Area 2: Supporting enterprises adopting CSR principles.
- Priority Area 3: Contributing to the enhancement of “market rewards” for CSR.

### 3. General Information

Project:	A Roadmap for Integrating Corporate Social Responsibility into EU Member States and Business Practices – Road-CSR
Partner Organization:	Larnaca and Famagusta Districts Development Agency
Other partner organization involved (if any)	N/A
Country	Cyprus
Nuts 1 Level	Κύπρος (Kypros)
Nuts 2 Level	Κύπρος (Kypros)
Nuts 3 Level	Κύπρος (Kypros)
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### 4. The Policy Context and the Actions

The project addresses the Operation Programme “Competitiveness and Sustainable Development”. The Programme aims to boost competitiveness and growth and help Cyprus



exit the crisis. It contributes to achieving the Europe 2020 targets for smart, sustainable and inclusive growth. It should create jobs and help SMEs to become more competitive and innovation-driven. EU funding will also help Cyprus meet the requirements of the Union's acquis, as regards, to solid waste treatment, and increase energy efficiency.

The project is co-financed by the ERDF and the Cohesion Fund. The total budget is €661mIn, from which €561.8mIn (85%) are the ERDF and the Cohesion Fund, and the remaining 15% is national resources.

The Operational Programme is funding the following funding priorities:

- Reinforcement of the competitiveness of the economy: increasing of national research potential and private investments in research and innovation, promotion of entrepreneurship and increase of SMEs' competitiveness, in the tourist sector, as well as promotion of energy efficiency and SMEs' use of renewable energy.
- Promotion of ICT use: modernisation of the ICT infrastructure, reinforcement of digital entrepreneurship and e-governance for businesses and citizens.
- Reduction of CO2 emissions and climate change adaptation: increase of energy efficiency in public and private buildings as well as investments for preventing and mitigating risks resulting from climate change.
- Management of solid waste and water resources: increasing waste recycling and promoting waste prevention, improvement of waste water treatment and water supply.
- Management of natural and cultural resources: protection and promotion of the cultural and natural (for NATURA areas) heritage of Cyprus.
- Promotion of sustainable transport: investments in the TEN-T port and road infrastructure and improvement of environmentally-friendly transport system in Nicosia.
- Sustainable urban development: promotion of integrated actions for tackling the economic, environmental and social problems of the urban historical centers.
- Technical Assistance: provision of technical assistance. '

In the Operation Programme the issues of CSR implementation in SME's are not very cleared. You cannot find anywhere mentioned the term Corporate Social Responsibility, even though there are measures that are funded by the Operational Programme that can be consider a part of CSR. One example is the funding scheme for Promoting Saving and Upgrading in Business which aims to deep energy renovation of existing buildings of Small Medium Enterprises (SMEs). This kind of activity is a part of CSR and more specific it falls under the core subject of ISO 26000, which is Environment.

Our goal is to improve the performance of the Operational Programme by addressing the Priority Axis 1: Reinforcement of the competitiveness of the economy and Priority Axis 4: Solid Waste and Water Management. We will include activities that will help SMEs to understand, upgrade their skills and adopt the principles of CSR in their daily business life. These activities are the following:

- Priority Area 1: Increase the Culture and Knowledge if CSR among Enterprises, Citizens and Local Communities ⇒ Actions are focused to promote CSR as a strategic and integrated approach to doing business and raising awareness on CSR among SME's and citizens. The actions are the following:
  - Action 1.1. Training Seminars and Creation of CSR Manages.
  - Action 1.2. Visibility tools for responsible enterprises: a CSR certification for SMEs
- Priority Area 2: Supporting Enterprises Adopting CSR Principles ⇒ Actions are focused on the public support to encourage the adoption of CSR by enterprises (for example incentives, toolkits, simplifications of procedures, etc.):
  - Action 2.1. Creation of a CSR self- assessment tool for SMEs to monitor the level of CSR, its implementation and management,
- Priority Area 3: Contributing to the Enhancement of “Market Rewards” for CSR ⇒ Market appreciation of responsible enterprises.
  - Action 3.1. Integrate in a funding scheme environmental and social criterion.

## 5. Current CSR Situation in Cyprus

In the context of national and international developments, Corporate Social Responsibility (CSR) is becoming an increasingly important element on national and transnational policy agendas. An ever more diverse range of businesses are adopting CSR strategies as a core part of their business model. In addition to heightened publicity around this issue, the profile of CSR is at least partly due to the emphasis placed on responsible business conduct on the EU policy agenda.

The Government of Cyprus is promoting the concept of Corporate Social Responsibility (CSR) and encourages responsible entrepreneurship. At the same time it motivates companies to consider the impact of their activities on society. The main objective is to increase the number of Cypriot enterprises engaged in CSR and raise awareness in the sense that CSR does not concern only large enterprises – the goal is to make obvious that even the smallest companies can take actions to promote responsible entrepreneurship, limiting the negative impact on society and achieving a balance between profitability and sustainable growth.

One of the critical factors in shaping the country's CSR approaches and activities (as well as the maturity) is the structure of the economy. The economy of Cyprus is dominated by small enterprises. Almost all enterprises (99,9%) employ less than 250 persons whereas the overwhelming majority (95%) employs less than 10 persons. The total number of SME's in Cyprus is 61.041. The small enterprises are immature to CSR policies. Due to their micro size, it tends to be more challenging to develop effective stakeholder involvement as businesses tend to be fragmented and the ability to organize is restricted.

The level of CSR in Cyprus is still at the early stages of implementation, at the stage of assessment and selection, thus defining its standards at the minimum necessary. This can be confirmed by the key elements of CSR in Cyprus, which are the following:

- ✓ The recognition of the importance of CSR but failure to integrate it in business decisions,
- ✓ The reduced involvement of Cypriot enterprises, mainly due to the lack of knowledge and confusion about the concept of CSR,
- ✓ The absence of an overall strategic direction for CSR,
- ✓ The mentality of detachment of SMEs towards CSR,

- ✓ The limited implementation of accountability and reporting practices on CSR issues,
- ✓ Partially supportive role of the public sector in the development of CSR,
- ✓ CSR needs to stop being the perception of charity and become an organic part of modern entrepreneurship. It must be seen as a key strategic tool of Cypriot Organisations.

The following SWOT analysis outlines the basic picture of CSR in Cyprus, which has constituted the point of reference for the formulation of the Action Plan and particularly the guidance and proposed measures that will help to mitigate the barriers and improve the conditions for the development of CSR in the country.

<p><b>ADVANTAGES</b></p> <ul style="list-style-type: none"> <li>• The familiarity of Cypriot Organizations to responsible social and environmental actions.</li> <li>• The High degree of familiarity of the public organizations with the concept of CSR.</li> <li>• The high degree of involvement of public organizations in CSR.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The lack of incentives for motivating private sector organizations in CSR,</li> <li>• The lack of a strategic framework of private sector organizations and thus the difficulty of integrating CSR into business decisions.</li> <li>• The lack of basic structures for managing CSR,</li> <li>• The significant absence from the organizations of the code of ethics or code of conduct or CSR policy,</li> <li>• The lack of dialogue with stakeholders on CSR,</li> <li>• The limited penetration of accountability and reporting practices on CSR issues,</li> <li>• The limited implementation of international CSR standards by organizations.</li> <li>• The absence of expectations by the Cypriot society on CSR issues and sustainable development.</li> <li>• The lack of communication mechanisms of CSR actions</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• The recognition of the importance of CSR from the private and the public sector at ideological and value level.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• The detachment attitude of Small and Medium Organizations towards CSR</li> </ul>



<ul style="list-style-type: none"> <li>• The apparent positive influence of the work of organizations in the context of CSR on consumer behavior of citizens.</li> <li>• The acceptance of the specialized role of voluntary organizations as key partners of organizations for the implementation of their social or environmental work.</li> <li>• The establishment of incentives while promoting initiatives that will contribute to the proper information and training of Cypriot enterprises in the modern conception of CSR</li> <li>• The inclusion of responsible entrepreneurship in the educational process to create conditions for the development of the relevant culture for future managers of organizations.</li> <li>• The axes of reducing corruption and protection of human rights can be key action areas for Cypriot</li> <li>• Organizations in the context of CSR</li> </ul>	<p>(high cost and concerns only large organizations).</p> <ul style="list-style-type: none"> <li>• The economic crisis and the financial situation of organizations.</li> <li>• The lack of awareness / education and therefore ignorance about CSR</li> <li>• The lack of "pressure" from the stakeholder groups towards Cyprus Organizations for the improvement of their responsible operation.</li> <li>• The lack of awareness and inaction of citizens and consumers.</li> <li>• The absence of enterprises' intention to implement international CSR standards</li> <li>• The reluctance of organizations that implement CSR practices to the possibility to issue Social Report.</li> <li>• The lack of effective promotion of CSR from trade unions and employers' organizations.</li> <li>• The ignorance of the relationship between social requirements and areas of action of the work of Cypriot Organizations in the context of CSR</li> </ul>
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The Cypriot government has also made the relevant legislative adjustments for the aligned with Directive 2014/95/EU. A law proposal to comply with the 2014/95/ EU Directive has been drafted by the Office of the Registrar of Companies and Official Receiver, as an amendment to the Companies Law, which was voted by the House of Representatives on 19/05/2017. The new legislation comes into immediate effect; hence the preparation of the first non-financial report is expected by the companies and institutions concerned in 2018. Also, on 2 June 2017 came into effect the Companies Law (Amendment) (No. 3) of 2017, the purpose of which is to harmonize national legislation with the European Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

Finally, there are initiatives in Cyprus that even though they are not named exclusively CSR they fall into the definition and concept of CSR. These initiatives are the following:

- Hygiene Guide for Business,
- National Competition for Good Practice for Health and Safety at Work,
- National CSR Awards,
- Scheme for the EMAS,
- EU Ecolabel,
- Measures to tackle energy poverty,
- Code for Combating Sexual Harassment at Work,
- Training programs for Energy Auditors and Energy Managers,
- Principles for Mass Communication against Racism, Xenophobia and Discrimination,
- Scheme for Solar Energy for everyone,
- Code discrimination on grounds of disability at work and employment.

## 6. Priority Areas of the Action Plan

*Priority Area 1: Increase the Culture and Knowledge of CSR among Enterprises, Citizens and Local Communities.*

Action 1.1.	Training Seminars and Creation of CSR Managers
Background	<p>One of the findings from the current situation of CSR in Cyprus is the fact that Cypriot enterprises does not do CSR mainly due to the lack of knowledge and confusion about the concept of CSR. The overall attitude of the Cypriot enterprises is terms of knowledge and understanding of the concept of CSR seems to be quite low since in a recent survey they stated that they don't know or understand the CSR concept, they have a general picture of what it is but they do not how to implement it or they don't even know which are the benefits of CSR in their companies.</p> <p>A small percentage of Cyprus businesses understand and support the 'original' definition of CSR, as defined by the EU. This attitude leads to an initial conclusion that the concept of CSR is</p>

	<p>not fully integrated into the culture of Cyprus businesses since the voluntary exposure and the dialogue with their stakeholders on these issues, an integral element of effective and efficient implementation of CSR, is implicitly "rejected. As well, CSR needs to stop being the perception of charity and become an organic part of modern entrepreneurship. It must be a key strategic tool of Cypriot Organisations.</p> <p>As well, the companies do not have a specific person that has the knowledge of CSR and is the one who can give the strategic direction for implementing CSR in the companies. Usually, this is done by the human resources department or the marketing department.</p> <p>The Dirse Mentor Plan from Spain comes to give a possible solution to this issue. DIRSE Mentor Plan is a program of mentoring and accompanying CSR professionals, by managers of reference in this area. This program also has complementary elements of training in skills and competences, as well as boosting the external and internal visibility of the beneficiaries. This plan aims to train the future managers of social responsibility and to boost the CSR jobs in the organizations. The basic elements of the program are the mentoring, training in competences and skills of the CSR manager and promotion.</p> <p>A similar mentoring/ training programme will be funded by the funded by the Operational Programme under the call of educational programmes for the enterprises, which will be open to all SME companies and their employees. First, the training module will be created that will be included in the training programmes that are available for funding from the Operational programme. Also, in collaboration with the Cyprus Academy of Public Administration the training programme will be modified in order to be available for the government officials.</p>
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	<p>The people who will attend the and pass successfully the training will be certify as CSR managers.</p>
Action Description	<p>The Operational Programme “Competitiveness and Sustainable Development” is already funding under its Axis 1: Reinforcement of the Competitiveness of the Economy” different calls for training seminars for the enterprises with the aim to improve their skills and make them more competitive and productive. Different training modules have been created that each enterprise can choose according to their needs of their employees and which skills they want to improve.</p> <p>The first step of the action is the creation of the training module as well the choice of the appropriate CSR trainers. The training module will be for the companies for upgrading their knowledge and skills of the personnel in CSR issues.</p> <p>As soon as the training module will be ready then it will be included in the training modules that area available for funding and more specifically under the new call for a training of SMEs under Axis 1, Investment Priority 3a. The theme of the call will be training on CSR principles and issues.</p> <p>On the completion of this course, the participants will be able to understand the concept of CSR - its history, interpretations and strategic implications, appreciate the drivers for CSR, understand the importance of key performance indicators, be able to identify their own key CSR stakeholders and devise strategies for working with them successfully, understand and be able to describe third party and industry specific benchmarks, be able to create an outline CSR report, and be able to create a programme for delivering a CSR strategy within their companies.</p> <p>The second step is the creation of CSR managers. The personnel of the SMEs that would like to become CSR certified</p>

	<p>managers will have the opportunity to exams and the ones that will pass successfully the exams will be certified CSR managers who will be able to implement a CSR strategy into their companies and have a positive impact on the role of CSR and in the society.</p> <p>Steps in 2018-2020</p> <ul style="list-style-type: none"> <li>• Creation of the CSR training Module for companies</li> <li>• Developing a database of trainers, that is expertise in CSR,</li> <li>• A library of best practices from success CSR stories from Cypriot enterprises (from the CSR business awards).</li> <li>• Developing the CSR managers registry,</li> <li>• Developing the test/ exams for CSR managers to be certified and included in the CSR managers registry.</li> <li>• Opening the call for the training programme on CSR.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• Directorate General for European Programmes, Coordination and Development (DG EPCD),</li> <li>• Ministry of Energy, Trade, Industry and Tourism</li> <li>• Chamber of Commerce and Industry</li> <li>• CSR Cyprus Network</li> <li>• University of Cyprus- Centre of Entrepreneurship,</li> <li>• Union of Municipalities.</li> </ul>
Timeframe	2019-2020
Cost	300.000 euros
Funding Sources	<p>Two funding sources:</p> <p>Operational Programme “Competitiveness and Sustainable Development”, European Regional Development Fund (for the companies)</p> <p>Own funds: Union of Municipalities (for the government officials)</p>

Expected Impact	The training will increase the skills and competences on CSR and will create capable CSR managers that will implement CSR strategy into companies.
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Action 1.2.	Visibility tools for responsible enterprises: A CSR Certification for SMEs
Background	<p>One of the weakness' that we have in Cyprus concerning CSR is the limited implementation of international CSR standards by companies. They consider that they are too much demanding and that they need a lot of effort and cost for implementing such standards. Also, there is a limited penetration of accountability and reporting practices on CSR issues.</p> <p>Even though that Cyprus has been aligned to the directive 2014/95/EU with the amendment to the Companies Law, there is no qualitative control of the relevant non-financial reports done by the companies as well is only applied to large companies that have more than 500 employees and have a turnover of more than 40 million euros. As a result, in Cyprus only 11 companies are affected by this adjustment to the law, leaving out the small medium enterprises that are the predominant of Cyprus economy.</p> <p>Based on the above, there is the need to create a certification for small medium enterprises in order to encourage the SMEs to implement CSR, increase the visibility of CSR, to sensitize businesses about CSR, to provide businesses with tools for implementation of such CSR policies that create positive benefits for their companies and their employees and to publicly recognize those business with a positive attitude towards CSR.</p> <p>For creating this certificate inspiration was taken by two best practices, one from Spain (EFR initiative) and one from</p>

	<p>Slovenia (Certificate “Family Friendly Enterprise). The EFR initiative is responsible for advancing and responding to issues of responsibility and respect for the conciliation of family, personal and work life. Likewise, it also encourages support for equal opportunities and inclusion of the most disadvantaged, based on current and binding legislation and collective bargaining, so that efr enterprises perform a voluntary self-regulation in that matter. Nowadays, Fundación Masfamilia is the owner of the private certification standard EFR. A management tool provides a simple and effective methodology to enable conciliation processes in companies. It is a third-party management model, based on continuous improvement. More than 560 companies are implementing in it in Spain. The Certificate “Family Friendly Enterprises” is a consulting-audit process developed as one of the tools for effective and quality human resources management within enterprises in the context of balancing professional and private lives of employees. The certificate’s core is the Catalogue of Measures, which currently includes 83 measures divided in 8 main areas (for example from working hours to management skills, human resources development and family services). Since the introduction of the certificate the measures, which were primarily intended for young families, are now entering also the domains of diversity and intergenerational cooperation management. Currently more than 200 Slovenian companies have basic or full certificate.</p> <p>Based on this we will develop a CSR certificate for small medium enterprises that will help them to effectively assess and address those social responsibilities that are relevant and significant for their core business, their mission and vision, operations and processes, customers, employees, communities, and other stakeholders and environmental impact.</p>
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<p>Action Description</p>	<p>A CSR certification will be created that will help SMEs to implement CSR. It will provide guidance on how to implement the principles of social responsibility, that is accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights. It will also give guidelines how to identify and map the relevant stakeholders and how they can be engaged in the CSR strategy of the company.</p> <p>The certificate will have 7 main areas (based on the ISO 26000) that is organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development. Each main area will have measures that companies will need to fulfill so they can be certified as a CSR company.</p> <p>The process of obtaining a certificate is based on the analysis of the gaps in the key elements of socially responsible business in accordance with the ISO 26000 Guideline on Corporate Social Responsibility and the Global Reporting Initiative (GRI). It helps companies understand and implement social responsibility in business. The certificate will award for individual areas, that is employees, the responsibility to environment, community involvement and development and in the field of organizational management that will be a horizontal, mandatory field for all individual areas.</p> <p>The process of the certificate will be the following:</p> <ul style="list-style-type: none"> <li>• Choice of Aspects: The company chooses one or more aspects for which it wants to analyze the gaps and obtain a certificate.</li> <li>• GAP Analysis: a gap analysis of the company based on the various views of the stakeholders and the employees.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Results of GAP Analysis: Based on the result of the GAP Analysis the certificate helps in understanding and introducing social responsibility into the business.</li> <li>• Obtaining the Certificate: The certificate is intended for all small medium enterprises, irrespective of activity who wish to apply systematically and transparently corporate social responsibility.</li> <li>• The certificate will be created and monitored by the Directorate General for European Programmes, Coordination and Development (DG EPCD), responsible authority for CSR issues. The companies that will get the certificate will be included in an official registry.</li> <li>• The final goals is that companies that will be registered in the official CSR registry and have the CSR certification will have an extra bonus on calls of projects (criterion in the call of projects for funding) and in the public procurement of the government.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• Directorate General for European Programmes, Coordination and Development (DG EPCD),</li> <li>• Ministry of Energy, Trade, Industry and Tourism</li> <li>• Chamber of Commerce and Industry</li> <li>• CSR Cyprus Network</li> <li>• Cyprus Certification Company</li> </ul>
Timeframe	2019-2020
Cost	50.000
Funding Sources	Operational Programme “Competitiveness and Sustainable Development”, European Regional Development Fund

Expected Impact	<p>With the certificate it is expected to increase the number of enterprises that are implementing CSR and to give more visibility to the concept of CSR.</p> <p>The CSR certificate will be included as a rating criterion for the new call of projects under AXIS 1: Reinforcement of the competitiveness of the economy. More specifically, during the rating of the proposals the existence of a CSR certification will be giving extra points to the applicant companies (check though the official registry of certified CSR companies). Also, in the public procurements of the government extra points will be given to the companies that CSR certified for winning the procurement.</p>
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*Priority Area 2: Supporting Enterprises Adopting CSR Principles*

Action 2.1.	Creation of a CSR self- assessment tool for SMEs to monitor the level of CSR, its implementation and management.
Background	<p>The EU Strategy for CSR does not introduce new tools but instead places emphasis on guidelines / fundamental principles determined by well-established International Organizations. These are guidelines and principles that a business can build upon for promoting CSR, based on national or international frameworks such as:</p> <ul style="list-style-type: none"> <li>· The 10 principles of the United Nations Global Compact</li> <li>· The UN Guiding Principles on Business and Human Rights</li> <li>· The OECD Guidelines for Multinational Enterprises,</li> <li>· The ISO 26000 Guidance Standard on Social Responsibility,</li> <li>· The ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy</li> <li>· The Global Reporting Initiative (GRI)</li> </ul> <p>There is the need for a self-assessment tool in order to assist Cypriot businesses, their Leaders, to understand their</p>

	<p>degree of familiarity and maturity in CSR, to identify their priorities and identify those areas of CSR that they could improve by contributing to the achievement of the Sustainable Development Objectives. This will help Cypriot businesses, and the Republic of Cyprus, to respond more effectively to the global call for Corporate Social Responsibility.</p> <p>The CSR self- assessment tool for SMEs takes its background from the system of indicators of the Government of Extremadura as well as the system of indicators that they have in Veneto region. Both CSR tools integrate the most important Social Responsibility standards and have all the relevant indicators. In particular, they gave the following standards: EFR, SGE21, IQNet SR10, GRI (1), Principles of the United Nations Global Compact, SA8000 and AA1000. It allows a diagnosis of the level of competitiveness of the company based on its economic, social, environmental, ethical, transparency and human resources performance. Based on the responses to the system of indicators (depth, quantitative and binary), the company automatically obtain its level of performance in CSR, a Social Responsibility report and an executive report in which it is compared with the rest of the registered organizations in the platform.</p>
Action Description	<p>The CSR self-assessment tool will consist of two parts. Part A will give information on the Basic terms and concepts of Corporate Social Responsibility, the Participants (stakeholders or social partners), the Sustainability and Sustainable Development, on Corporate Governance and CSR, the importance and benefits of CSR, the CSR principles, examples of Standards and tools that promote / support CSR. The most important part of Part A is the explanation on how a business / organization can be a responsible Social Citizen with description of steps on how a</p>

	<p>company can develop a CSR strategy, the ways of communication of CSR inside and outside the business / organization and the critical conditions and actions for the implementation of the three pillars of CSR. Also, information on the organizations that support the implementation of CSR in Cyprus.</p> <p>Part B is the self-assessment questionnaire. The structure of the questionnaire is based on the three pillars of Sustainability – that is Social, Environment and Economy- with interconnection, where this was standard, with the seven core axes of ISO 26000 for CSR.</p> <p>Already the DGEPCD has launched the public procurement for the external expert for drafting the self-assessment tool. External expert has been appointed and the first draft of the tool is ready. Now the tool is being tested by the stakeholders of Road-CSR as well by the companies of the CSR Cyprus Network. After receiving the comments and feedback the self-assessment, the tool will be finalized and will be opened for free use by the companies/organizations that are obliged to prepare a CSR report according the CSR directive 2014/95/EE and the national Law of Companies of 2017.</p> <p>The self- assessment tool will be monitored on a yearly basis by the Directorate General for European Programmes, Coordination and Development (DG EPCD), responsible authority for CSR. Every year according to the law each company will have to prepare a non-financial report. The use of the self-assessment tool will help the companies to prepare the report and monitor their CSR implementation.</p> <p>The companies that apply and use the CSR self-assessment tool will get extra points in calls of projects since it will be an eligibility criterion as is the CSR certification. The eligibility</p>
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	<p>criterion for the new call of projects will be as follow (an example of rating):</p> <table border="1"> <tr> <th colspan="2">General Criterion: Harmonization with CSR principles</th></tr> <tr> <td>CSR certificate</td><td>10 points</td></tr> <tr> <td>CSR Self-Assessment Tool</td><td>5 points</td></tr> <tr> <td>No harmonization</td><td>0</td></tr> </table>	General Criterion: Harmonization with CSR principles		CSR certificate	10 points	CSR Self-Assessment Tool	5 points	No harmonization	0
General Criterion: Harmonization with CSR principles									
CSR certificate	10 points								
CSR Self-Assessment Tool	5 points								
No harmonization	0								
Stakeholders	<ul style="list-style-type: none"> <li>• Directorate General for European Programmes, Coordination and Development (DG EPCD),</li> <li>• CSR Cyprus Network</li> <li>• Chamber of Commerce and Industry</li> </ul>								
Timeframe	2018-2019								
Cost	15.000								
Funding Sources	Operational Programme “Competitiveness and Sustainable Development”, European Regional Development Fund								
Expected Impact	<p>The self-assessment tools will help companies/ organizations to better understand the concept of CSR and be able to identify their degree of maturity in CSR issues and be able to do their own CSR strategy/plan.</p> <p>The self-assessment tool will be included as a rating criterion for the new call of projects under AXIS 1: Reinforcement of the competitiveness of the economy. More specifically, during the rating of the proposals the use of the CSR self-assessment tool will be giving extra points to the applicant companies. Also, in the public procurements of the government extra points will be given to the companies that are using the self-assessment tool for winning the procurement.</p>								

*Priority Area 3: Contributing to the Enhancement of “Market Rewards” for CSR*

Action 3.1.	Integrate in a funding scheme environmental and social criterion.
Background	<p>The Cyprus government is expected to demonstrate leadership to support corporate social responsibility and sustainability, not only through setting policies and providing the relevant tools but also by ensuring that there are market incentives and rewards for the companies that are implementing CSR strategy.</p> <p>A very good example comes from Norway and the Region of Extremadura that they have already establish environmental and social criteria in their funding schemes but as well as to their public procurement. With this way they established a capacity building for SMEs to instruct them on how to access the funding schemes and the different possibilities of temporary association to comply with financial requirements.</p> <p>In 2018 the Ministry of Energy, Commerce, Industry and Tourism (the MECIT) of the Republic of Cyprus launched the call of proposals for the implementation of the Advice for Small Businesses (ASB), a programme, that supports small and medium-sized enterprises (SMEs) that is funded by the Operational Programme “Competitiveness and Sustainable Development. The programme is targeted at helping SMEs to improve competitiveness, strengthen performance, and drive growth by providing financial support in the form of grants for the engagement of local consultants or international industry advisers. The programme also provides SMEs with training, networking opportunities and mentoring support. Another objective of the programme is the development of the local consultancy market by providing training to consulting companies, to improve the quality of business advisory service.</p>

	<p>The grants were approved based on a “first applied – first received” approach (if applicant’s eligibility and grant approval criteria were both met) with no any criterion approach.</p> <p>Taking the example of Norway and Extremadura the new call for the Advice for Small Business will have environmental and social criteria for the selection of the companies to get the grand.</p>
Action Description	<p>The Ministry of Energy, Trade, Industry and Tourism has already agreed to include in the Advice for Small Business scheme environmental and social criteria in the awarding process of the companies that will receive the funding.</p> <p>Already work has been done for defining the relevant criteria for the funding scheme taking as an example the criteria that were included in the Norwegian and Spanish similar schemes. As soon as the award criteria will be ready the Ministry of Energy, Trade, Industry and Tourism will lunch the relevant call.</p>
Stakeholders	<ul style="list-style-type: none"> <li>• Directorate General for European Programmes, Coordination and Development (DG EPCD),</li> <li>• Ministry of Energy, Trade, Industry and Tourism</li> <li>• Chamber of Commerce and Industry</li> <li>• CSR Cyprus Network</li> </ul>
Timeframe	2019-2020
Cost	850.000
Funding Sources	Operational Programme “Competitiveness and Sustainable Development, European Regional Development Fund
Expected Impact	<p>To give market rewards to enterprises and promote sustainability in enterprises.</p> <p>To test environmental and social criteria to calls of projects.</p>