



NETGREEN Thematic Policy Workshop - Proceedings

“Eco-innovation and opportunities for the EU economy”

Brussels, 11 March 2015

Venue: CEPS, Place du Congrès 1, 1000 Brussels

NETGREEN, short for “Network for Green Economy Indicators”, is an EU-funded project designed to facilitate the adoption of policies that will advance progress towards a green economy. The key output of the project is an open access, interactive website providing information on indicators that can be used to measure progress towards a green economy.

The EU Commission has placed eco-innovation at the heart of its policies to move towards a green economy. However, according to the European Environment Agency (2014), the potential for “green innovation in Europe” is only been partially realized. This thematic NETGREEN workshop will discuss the role of eco-innovation in fostering the green economy as well as the main challenges to be met by policy makers and businesses. The workshop will deal with questions such as which barriers hinder the adoption and diffusion of new innovations and which are the best indicators to measure progress. The discussion will start with a presentation of NETGREEN, demonstrating how it supports policy makers and other stakeholders in measuring progress in eco-innovation. The event will feature a panel composed of experts from policy, research, academia, business and NGOs.



AGENDA

- 13:30 - 14:00 Lunch & registration of participants
- 14:00 - 14:05 Welcome by **Vasileios Rizos**, Researcher, Centre for European Policy Studies (CEPS)
- 14:05 - 14:20 **Robert Schroder**, Policy Officer, DG Research & Innovation, European Commission
- 14:20 - 14:30 Presentation on how the NETGREEN website can support policy makers in measuring progress in eco-innovation by the project coordinator **Lucas Porsch**, Senior Fellow, Ecologic Institute
- 14:30 - 14:45 Q & A Section

14:45 - 16:20 Discussion panel on eco-innovation and opportunities for the EU economy

- Which are the best policy instruments to foster eco-innovation?
 - Which are the best indicators to measure progress?
 - What is the role of eco-innovation in business?
 - Which are the main challenges?
 - Which are the main drivers and needs?
- 14:45 - 14:50 Introduction by the chair **Prof. Fred Steward**, University of Westminster
- 14:50 - 15:00 **Michal Miedzinski**, Principal Consultant, Technopolis Group
- 15:00 - 15:10 **Bernard de Galembert**, Innovation and Bioeconomy Director, Confederation of European Paper Industries (CEPI)
- 15:10 - 15:20 **Alexander van der Vooren**, Policy Researcher, PBL Netherlands Environmental Assessment Agency
- 15:20 - 15:30 **Adam White**, Research Coordinator, WWF
- 15:30 - 16:15 Discussion
- 16:15 - 16:20 Concluding remarks by the chair

This project has received funding from the European Union's Seventh Programme for Research, Technological Development and Demonstration under Grant Agreement No 603877

About NETGREEN

The workshop was organised as part of the NETGREEN EU-funded project, aiming to facilitate the adoption of policies that will advance progress towards a green economy. The NETGREEN team has developed an open-access, searchable web tool, named measure-progress (<http://measuring-progress.eu/>)¹, that will provide to stakeholders involved in the policy making process with a unique point of entry in the huge landscape of green economy indicators, including **eco-Innovation** indicators.

The beta version of the online platform (<http://measuring-progress.eu/>) contains at the moment more than 200 indicators from various sources (Eurostat, OECD, World Bank, NGOs, etc.) including information about the EU and beyond. Most importantly, the tool provides to the users with several unique features, such as suggestions on similar indicators, potential misinterpretations, keywords, policy outcomes and others. Thus, <http://measuring-progress.eu/> enables policy makers and other users to quickly identify the most relevant indicators that would help them measure the success of green economy policies and understand the key implications and challenges of the transition.

ECO-INNOVATION

The presentations and discussion during the workshop focused on the following issues:

1. Definition of Eco-Innovation
2. Regulatory approach
3. Eco-Innovation Observatory and Eco-Innovation Scoreboard
4. Country focus - Eco-Innovation in Netherlands
5. Industry Focus – Eco-Innovation in paper and pulp industry

1. Definition of Eco-Innovation

According to the Eco-Innovation Observatory (2010), eco-innovation is any innovation that reduces the use of natural resources (including materials, energy, water, biomass and land) and decreases the release of harmful substances across the whole life-cycle.

2. Regulatory approach

Eco – innovation is widely discussed in the context of the revised circular economy package and is gaining momentum as a link between innovation and circular economy concept. Moving from linear to circular economy will require a change in the mind set and behaviour of public sector, business and the society as a whole. It can create numerous business opportunities: for example consumers turn to prosumers of goods (sharing platforms), waste for one sector becomes a resource for another (resource efficiency), new types of products' consumption (more leasing and less owning) and others. The key to

¹ <http://measuring-progress.eu/> will be online by the end of April 2015.

these changes is systemic innovation based on four interconnected components: technology, regulatory and governance frameworks, financial instruments and societal change.

3. Eco-Innovation Observatory and Eco-Innovation Scoreboard

Eco-Innovation Observatory is an EU- funded project, founded in 2009 and is serving as a knowledge hub on eco-innovation for policy makers, business and researchers. The Observatory has created the Eco-Innovation Scoreboard to measure EU's progress in this area. It consists of five thematic areas: eco-innovation inputs, eco-innovation activities, eco-innovation outputs, environmental outcomes and socio-economic outcomes. The scoreboard contains sixteen indicators, based on statistics from various sources. It was widely agreed during the workshop that further development of the Eco-Innovation scoreboard is very important for continuing measuring eco-innovation progress in the EU.

4. Country focus - Eco-Innovation in Netherlands

Crossing the so-called "valley of death" in between the development and deployment phase of technology, when public money should be replaced by private, is more difficult for eco-innovation than for generic innovation and more difficult in the Netherlands than in most other countries in Northwest Europe. One of the main reasons for this is the limited access to venture capital. At this stage eco-innovation projects usually compete with generic innovation projects and cannot win in the current framework in which environmental benefits are not internalized in the price. Moreover, investment costs are higher and return on investment time is longer. The Netherlands Environmental Assessment Agency has proposed a list of ideas and measures to address those challenges: predictable policies, pricing environmental externalities, specific eco-innovation public venture capital and stimulation for pension funds to invest in the venture capital, again, preferably directed at eco-innovation.

5. Industry focus - Eco-Innovation in paper and pulp industry

The European paper and pulp industry is responsible for 25% of global paper production and is among the leading EU industries in the field of eco-innovation. The two key drivers for innovation in the paper industry are regulation and markets. In the view of the declining paper consumption patterns and EU low-carbon commitment, the industry has initiated a unique method of 'open innovation' - the Two Team project to address those challenges. The industry has also produced its 2050 roadmap in order to reduce CO2 emissions by 80% by 2050. On the practical side, paper industry has developed new innovative products and entered textile, automotive and other markets. Several policy recommendations to support eco-innovation in the industry were presented: mainstream bio-economy, secure the sustainable availability of biomass, "De-risk" eco-innovation investments with EU funding opportunities, market formation for bio-based products and secure NER 400 innovation fund for breakthrough technologies.