

Policy recommendations for boosting eco- innovation



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Viable solutions for economic development

Eco-innovation can be an answer to the question of how to live within the limits of our planet. It can offer viable solutions for supporting economic development, job creation, and recovery from the economic crisis while taking care of the environment. There are still big disparities in eco-innovation performance among EU regions with many facing operational and capability challenges preventing them from making a right choice of policy instruments and methods to implement workable strategies and plans.

The analysis of 7 interregional cooperation projects and around 100 good practices shows that in promoting sustainable development in regions via eco-innovation there is a role for regional government, private sector, SMEs, knowledge organisations, clusters, incubators, and civil society organisations. This publication outlines the evidence-based policy recommendations addressed for these various stakeholders.

Asel Doranova, Geert van der Veen and Laura Roman were contracted by the INTERREG IVC programme to analyse, benchmark and capitalise on the wealth of knowledge generated by cooperation projects in the field of eco-innovation.

These policy recommendations are the result of a two-year analysis, providing targeted actions for those involved in this policy field.

1.

Recommendations for regional authorities

→ **Position yourselves as the key facilitator of transition** (“change agent”) in the region’s transition towards sustainability. Attain a political commitment to the sustainability goals by adopting green strategy and targets.

The good practice from Päijät Häme, Finland (*FRESH* project) in regional innovation strategies, as well as the climate action programmes from Hordaland, Norway (*ECOREGIONS*), have demonstrated that regional authorities are well-positioned to facilitate transformative changes by supporting various eco-innovations and by involving different stakeholders in developing and implementing eco-innovative strategies.

→ **Take account that eco-innovation is not limited to specific industries and sectors** when designing the strategic framework for eco-innovation policy.

The best practices from *RECOMMEND*, *FRESH* and *ECREIN+* projects demonstrated that adopting flexible policy measures like eco-efficiency and green innovation vouchers provide possibilities for eco-innovation for SMEs from

wide range of sectors. It is also recommended not to focus on a single support measure, but to develop a policy portfolio addressing eco-innovation supply and demand.

→ To ensure the success of eco-innovation strategy **analyse key economic players, priority areas and policy targets** as well as eco-innovation markets, drivers and barriers to eco-innovation.

Lessons from the *ECREIN+* and *ECOREGIONS* projects show that good practices should not come top-down. Local demand for the new practices needs to be assessed and sometimes the demand for eco-innovation should be fostered. Involving a wide range of stakeholders in the policy planning process secures their commitment during implementation. Such stakeholder groups can include local municipalities, business and industries, citizens (as shown in *DESUR* project), research organisations, cluster organisations and universities (*CIE* and *PROSESC* projects), NGOs, living labs, user groups and regional or local innovation or development agencies (*ECREIN+*, *FRESH* and *RECOMMEND* projects).

→ **Make strategic decisions in adopting good practices.** While technical eco-innovation good practices (e.g. biogas technology, zero-emission homes) demonstrate quick results, the impacts from policy good practices are likely to be wider and more long-term.

This is demonstrated by the *FRESH*, *ECOREGIONS* and *PROSESC* projects' experiences. At the same time, the common lesson that every project agrees on is that specific measures and new practices should be designed within a bottom-up approach, rather than being imposed from the top down.

→ **Consider the specific profile of the regions** - economic, regulatory, technological, innovation, and environmental - as well as the readiness and responsiveness of the citizens when adopting new eco-innovative practices. This was one of the common lessons learned by all project partners as they realised that new practices may respond differently to the various incentives, conditions and barriers to eco-innovation when transferred.

2.

Recommendations for regional businesses and SMEs

Introducing eco-innovation and eco-efficiency measures in companies brings not only environmental benefits, but also results in increasing economic returns, improved corporate image and a market advantage in the long run. This has been demonstrated by several good practice examples, like the eco-efficiency support tool in Lower Austria or the “ReMake” vouchers programme in Germany (*RECOMMEND*) or sustainable energy investment training programme for SMEs in Hungary (*ECOREGIONS*). In order to harness these benefits, businesses should:

→ **Conduct careful strategic planning and assessment of new market opportunities** for green products and services, which will help companies to enter, play smartly and be competitive in these growing markets.

→ **Consider getting technical support in improving eco-innovations and eco-efficiency** offered under various schemes and programmes, such as innovation vouchers, training, energy and resource efficiency audits, innovation

and research grant programmes etc. that help businesses improve their eco-innovativeness and eco-efficiency.

→ **Take an active role in setting regional strategies for eco-innovation and sustainability.** This will help inform policymakers about challenges faced by businesses and SMEs and help them design better support measures.

3.

Recommendations for cleantech clusters and incubators

Fostering cleantech enterprises can provide regions with a wide range of economic and social benefits, including attracting innovative companies and investors and creating jobs, as demonstrated by the “Cleantech Incubation Europe” project. A number of lessons and recommendations emerged from these experiences that will help regions make the best of the cleantech incubation support practices:

→ **Foster triple helix cooperation** and capitalise on the incubator's physical proximity to R&D facilities by creating opportunities for specific projects between the members of the incubators, universities and the public sector.

→ **Support the entrepreneurial environment in the region** by working together to foster partnerships among regional private sector representatives and start-ups.

→ **Design cleantech incubator facilities to cater to different phases of the innovation process.** Good practices from the *CIE* project show the range of possibilities. Some offer a fast-track space for testing and adopting the lean start-up concept in the case of early-stage business ideas. Other demonstrators offer the opportunity of testing their prototypes in real-life settings for start-ups that are more advanced in the innovation chain.

4.

Recommendations for knowledge organisations

Regional and local knowledge organisations demonstrated how significant their role in identifying and transferring good practices could be, as seen in the *FRESH*, *DESUR* and *CIE* projects. Considering these, our analysis generated the following recommendations:

→ **Seek cooperation with authorities to design eco-innovation initiatives** and help scope visions for the greening of regions, cities and communities and development of research and innovation strategies for smart specialisation (RIS3). Research organisations and universities have a wealth of knowledge and a deep understanding about the eco-innovation-related technical, policy and business knowledge (both theoretical and empirical). Their expertise in foresight and strategic vision building is very valuable in RIS3 development.

→ **Facilitate or take an active role in project, programme and strategy implementation** and the monitoring of activities, outcomes and impacts. Academic and methodological knowledge at universities and research organisations will be helpful in establishing a thorough monitoring system and measuring impact of regional programmes and projects.

→ **Cooperate with local SMEs and industries in developing and adopting good practices** based on eco-innovative solutions. Joining

resources and knowledge will help academics to co-finance their research activities and link their activities to real life applications and help businesses to exploit knowledge and creativity available at the universities.

5.

Recommendations for civil society organisations (CSOs)

Eco-innovation is about changing people's lifestyles and consumption patterns, as well as producing more organic and positive types of interaction with the local ecosystems. The experiences of *DESUR* and *RECOMMEND* have demonstrated that CSOs are in the best position to plant the seed of eco-awareness among citizens. It is recommended that eco-innovation initiatives involve CSOs to:

→ **Support eco-innovative or sustainable systems** (e.g. recycling, eco-mobility and sustainable lifestyle), raise awareness of population and promote social innovations.

→ **Create networks** and mobilise local efforts for specific initiatives and projects.

→ **Support the dissemination of eco-innovations**, co-creating and co-testing of new eco-innovations by users.

→ **Participate in priority setting** for eco-innovation initiative planning, as well as to lobby for sustainable regulations and policy decisions.

→ **Support local authorities** in project planning, implementation and monitoring.

Learn more, do more...

The examples and good practices mentioned here are described in detail in the capitalisation analysis report for download on the INTERREG IVC website. The report covers outcomes and lessons learned by the projects partners, as well as the benchmarking of the approaches adopted by them against the European state-of-art experience in promoting eco-innovations.

This publication is one of a series of twelve thematic policy recommendations. For more information and downloads, visit: www.interreg4c.eu/capitalisation

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