

Stimulating eco-innovations: a creative mix of push and pull, Contribution of the Netherlands to the Informal Meeting

- I would like to compliment the German Presidency for its excellent work in preparing this meeting. The paper clearly illustrates both the need for and the enormous potential of eco-innovations. I'm glad that, under the German Presidency, we are making headway in building a clean, clever and competitive Europe.
- Eco-innovation is a broad concept. It consists of end-of-pipe-technologies, related to clean-up environmental pollution (first generation), prevention technologies (solar, wind, etc.) and integrated eco-efficient technologies (integrated in the product development process). Thus eco-innovations include a broad range of technologies.
- I strongly believe there is enormous ecological and economic potential for eco-innovations in the private sector. Companies will invest in eco-innovations, providing one or preferably more of the following conditions are fulfilled.
 - Companies take action:
 - When they are put under external pressure (government, customers, environmental organisations and other stakeholders), (push);
 - When they see competitive advantages, (pull);
 - When they have enough leeway to include environmental measures in investment decisions and enough influence to cooperate with other partners in the chain (stimulating preconditions).
 - This implies that we have to introduce a creative mix of push and pull under favourable market conditions.
 - For us as politicians it requires a mind shift. This endeavour is not about restricting the laggards but giving freeway to the frontrunners.
- Which concrete steps (at the EU-level) can we take to reinforce the right mix of incentives for companies willing to invest in eco-innovations? First, I like to mention three measures to strengthen the preconditions:
 - 1) We should promote eco-innovations through innovation programs particularly in sustainable energy, logistics, resource efficiency & the sustainable use of natural resources. Moreover we need to invest in transition technologies such as carbon capture and storage and second-generation biofuels.
 - 2) We should revise state aid rules, in order to increase the possibilities for demonstration and first practical use of eco-innovations.

- 3) We should strengthen the Environmental Technology Action Plan (ETAP).
For example,
 - 1. We could mandate ETAP to study the 'eco-innovation friendliness' of DG Environment and other DG policies. 2. We can give ETAP a role in decisions regarding the financing of market introductions of eco-innovations.
 - 3. Within the framework of ETAP we can investigate which environmental legislation hampers innovation (e.g. in waste management)

Secondly, we can promote markets for sustainable products (pull)

- Companies are more willing to invest in new technologies if they expect to sell it on the European market. Therefore we should make an action plan to develop lead markets for eco-innovation (bottom –up)
- Member state governments can act as launching customer and support eco-innovations through Sustainable Public Procurement. In the Netherlands our goal is that all public procurement is sustainable by the year 2010.
- Member state governments can also accelerate markets for eco-efficient products through greening the tax system (e.g. cleaner cars & fuels) and other economic instruments, such as emission trading.

3) Finally, we can set long-term targets and adopt technology-forcing instruments (push)

- The EU can introduce a kind of Top Runner approach in which the best performance on the market becomes the minimum EU standard.
- The EU can use the Ecodesign directive in a pro-active way. In close cooperation with industry ambitious standards can be set for specific products. For instance by formulating strict standards on lighting, the traditional light bulbs can be phased out.

In conclusion:

- Joint action at EU level (or between likeminded countries) has added value.
- The member states and the EU need to join forces in order to gain maximum benefit from lead markets for eco-innovations: coordinating their actions and focusing their attention on creating a European market.
- Action at EU level will ensure a good-sized market and legislation that triggers innovation in different policy areas (not only environmental legislation).