

# Eco-innovation - An EU Action Plan



*An eco-innovation is “any innovation that makes progress towards the goal of sustainable development by reducing impacts on the environment, increasing resilience to environmental pressures or using natural resources more efficiently and responsibly”.*

Source: Decision N° 1639/2006/EC

Eco-innovation is vital for delivering the Europe 2020 Strategy objectives, as recalled by both the Resource Efficient Europe and the Innovation Union Flagship Initiatives. It is also key to delivering many aspects of the circular economy: industrial symbiosis or ecologies, cradle-to-cradle design and new, innovative business models. In this context and to accelerate its market uptake, an Eco-innovation Action Plan (EcoAP) addressing relevant barriers and drivers, was adopted by the European Commission in December 2011.

EcoAP generally helps businesses and consumers to reduce negative impact on the environment with a positive impact on the economy and society, aiming to:

- **integrate eco-innovation in environmental and industrial policies**, by focussing on its contribution to economic growth, job creation and EU industry competitiveness;
- **ensure appropriate funding** for market replication and demonstration projects, clusters and public-private partnerships, and networks implementing innovative public procurement;
- identify areas where **standards and performance targets** could have the biggest impact and to propose their development;
- trigger **support to SMEs** from the public sector and financial intermediaries and accelerate the take-up of eco-innovation in the private sector, with measures such as the establishment of a European network of eco-innovation financiers, new funding instruments that offer targeted debt and equity facilities, and expansion of other services to SMEs, to help find and exploit eco-innovation opportunities;
- promote global **sustainable consumption and production patterns, technology transfer** and **exchange of best practices** with developing and emerging economies to **help European eco-innovators access international markets**;
- ensure that the **labour force** is equipped with the appropriate skills and knowledge to drive forward the

green economy transition; and

- **bring together public and private actors** to promote breakthrough innovations with big market potential in key sectors that could contribute to greater resource efficiency.

*Verification of an eco-innovative technology:*

### **Implementing the [EU Eco-innovation Action Plan](#) within the EU: growing green businesses**

The EcoAP is an important element of the European policy framework for sustainable consumption and production. It reinforces initiatives such as,

- the [Eco-Management and Audit Scheme](#) (EMAS);
- the [EU Ecolabel](#);
- the [Environmental Technology Verification \(ETV\) scheme](#); and
- the [Product Environmental Footprint pilot](#).

Since its adoption, the EcoAP has been targeting innovative SMEs. In fact, it recognises innovative front-runner businesses with the European Business Awards for the Environment (EBAE), it opens up funding opportunities under COSME, Horizon 2020, and the LIFE programme and builds on the Enterprise Europe Network (EEN) for business matchmaking. Recently, EcoAP efforts have been strengthened by the Green Action Plan for SMEs.

## INTERNATIONAL DIMENSION

### ***Transfer of EU experience (growing green businesses outside the EU)***

A thematic report on '[Emerging Markets](#)' (by the [EU Eco-Innovation Observatory](#)), explores the role of European SMEs in promoting a green economy, not just 'in house' but also on a global scale. It analyses the challenges and opportunities for European eco-innovators that exist within the emerging markets in Asia, Africa and Latin America. The growing markets in these developing economies, along with the increasing recognition of the sustainability and environmental agendas in the countries in which these markets are based, have created and in several cases increased, demand for eco-innovations and eco-industrial technology and services. The particularly rich experience and knowledge of European eco-innovators and eco-industries have a lot to offer to these emerging markets. Through international collaboration, European eco-innovators can also assist developing countries in economic and technological leapfrogging and give added environmental value to the development process.

Moreover, the EU funded [Eco-innovation Project](#), aiming at developing local and national technical capacities to strengthen sustainable practices in SMEs, builds on networks of Resource Efficient and Cleaner Production service providers and other business intermediaries, to assist SMEs in implementing eco-innovation. Implemented by UNEP, the project also provides technical guidance, through an [Eco-innovation Manual](#) with sector specific supplements and practical guidelines on mainstreaming Sustainable Consumption and Production Policy for Eco-innovation.

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**Key implementation achievements** include:

- the establishment of the [Network for Eco-Innovation Investment](#), which aims to extend public and private funding sources available for eco-innovation and social innovation in Europe;
- the launch of the [InnovFin](#) – EU Finance for innovators initiative, by the European Investment Bank Group (EIB and EIF) in cooperation with the European Commission, under Horizon 2020;
- the establishment of the [INNOCAT](#) network under the demonstration projects and partnerships action, bringing together public and private buyers to publish a series of tenders for eco-innovative catering products, services and solutions.

- the launch of the [EU skills panorama](#), a website providing clear, reliable, open and relevant data and information, with a view to improving Europe's capacity to assess and anticipate skill needs, thus contributing to education and training systems that are more responsive to labour market needs, and to matching better skill supply and demand across Europe.

#### **EU funding programmes promoting eco-innovation:**

- Horizon 2020's [SME Instrument](#) supporting research and innovation dedicated to innovative small businesses;
- [Horizon 2020 – The Framework Programme for Research and Innovation](#) ensuring Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation;
- the [LIFE Programme](#) supporting environmental, nature conservation and climate action projects throughout the EU;
- the [COSME](#) Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (2014-2020);
- the [ESIF](#) European Structural and Investment Funds (2014-2020);
- the [INVESTMENT PLAN](#) for Europe: a pipeline of EU projects with a focus on large infrastructure, research & innovation, employment and environmental sustainability.

#### **More information**

##### Factsheets:

1. The [Eco-innovation Action Plan](#)
2. [New EIO report](#): Policies and Practices for Eco-Innovation Uptake and Circular Economy Transition in the EU
3. [SME Guide](#) on Eco-innovation in the EU
4. [Transfer of Eco-innovation](#): Why reinvent the wheel? Capitalising on regional policy achievements in boosting eco-innovation
5. [Eco-innovation, when business meets the environment](#)

##### Disclaimer:

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