



European Commission

Enterprise and Industry
Directorate-General

Boosting Environmental Technologies by Verification

Perspectives for European Industry and Economy



Analysis I

- Fact: European consumption and production patterns result in more environmental pollution than optimal from a social perspective
- Reason: Market failures such as environmental externalities, information asymmetry & bounded rationality, principal agent problems and traditional innovation market failures



Analysis II

- Climate change package together with integrated product policy address externalities, information asymmetries, bounded rationality and principal-agent problems
- BUT, additional actions focusing on eco-innovation and competitiveness is necessary:
 - To overcome classical innovation market failures
 - To speed up adoption of eco-friendly technologies and products and thus speed up combat against climate change
 - To create a level playing field and create a competitive advantage for the European economy

Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan

- A dynamic product policy
- Sectoral approaches to level the playing field
- Complementary actions such as:
 - Industrial policy initiative for eco-industry
 - Environmental technology verification

Industrial Policy for eco-industries

- Eco-industries and services have a turnover of around 2.2% of EU GDP and they employ 3.4 million people. Growth is predicted to be exponential.
- Start of a sectoral initiative for eco-industries in line with principles of industrial policy complementing and building upon Environmental Technologies Action Plan and Leadmarket initiative.
- Competitiveness screening of eco-industry and its framework conditions with a view to improving them, e.g. internal market barriers and better regulation for eco-industries
- But also, continued industrial policy efforts to help industry, in particular SMEs, with challenges and opportunities of climate change

Environmental technologies verification | rationale

- Fact: a lot of environmental technologies already exist but fail to be taken up by the market
- Why: Apart from the reasons given above, SMEs have problems to certify the performance of the environmental technology
- Problem: Missed growth opportunities for SMEs, economy using not most up to date environmental technologies which is inefficient and bad for the environment.
- Solution: create credible ways to verify the performance claims of environmental technologies

Environmental technologies verification II

stakeholder consultation

- Purpose:
 1. to help purchasers to base their purchase decisions on reliable information
 2. to accelerate the market penetration of their technologies.
 3. to help SMEs to prove performance of their technologies
 4. to help start-ups in eco-technologies assure financing.
- Characteristics:
 1. Credibility and scientific soundness
 2. Recognition of verification results in Europe
 3. Accessibility for SMEs
 4. Focussing on technologies with main environmental impacts

Environmental technologies verification III

Key requirements

- To provide SMEs with a **reliable** third party verification of the environmental performance of their new technology at a reasonable **cost**
- To provide technology users and public authorities the **necessary** information they need to buy environmental technologies.
- To provide a high level of **recognition**, both within the EU and internationally