Eco-innovation - Jobs and growth through environmental policy

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The European Parliament adopted a resolution on Eco-innovation - Jobs and Growth through environmental policy.

Parliament stressed that environmental challenges, such as climate change, resource scarcity and the degradation of biodiversity, require a radical transition of the economy, in which **clean technologies play a key role**. Eco-industries today provide 3.4 million jobs and an estimated annual turnover of EUR 319 billion. In many countries, Green Tech is already or will soon be the biggest employer.

Moreover, the scale of the crisis presents a **unique and historic opportunity to bring forth transformational change in the EU economy**, paving the way for sustainable long-term development.

In this context, the resolution made the following recommendations:

Sustainable growth and jobs: Parliament called on the Commission to continue working on an **EU-wide vision of eco-innovation** in the context of the shift to a resource-efficient, low-carbon economy, but also to focus on concrete targets, priority areas and milestones. It called for an **ambitious sustainable industrial policy** with an emphasis on resource efficiency. It also stressed that the success of eco-innovation requires more targeted and **long-term investment**.

The resolution highlighted the dual environmental and economic benefits of transition to a green sustainable economy, in terms of **creating sustainable jobs**, both in the EU and in the developing world. It recognised that a **stable, long-term regulatory framework** to promote sustainability should be developed using existing financial instruments.

The Commission is called upon to: (i) **place eco-innovation at the centre of its industrial policy**; (ii) facilitate the development of **labelling standards** and clear definitions for the purpose of identifying and communicating the environmental credentials of products and services.

Member States are encouraged to develop **strategies to align workforce skills** with the opportunities offered by the Green Tech sector, looking to different subsectors and their needs for qualified workers.

Green growth is an opportunity for all sectors, which should therefore investigate development options for and **raise consumer awareness** of the importance of buying ‘green’ products.

The Eco-Innovation concept: Parliament also called on the Commission to map different perceptions of eco-innovation and its related challenges and to build a **common understanding** on the different strategic opportunities eco-innovation offers for the future.

It called on the Commission to:

- include specific eco-innovation recommendations in the **European Semester** in order to promote sustainable growth;
- develop a **systematic approach** to eco-innovation policy;
- develop, with the Member States, **eco-standards** for public procurement.

Parliament stressed the importance of **access to appropriate training** and skills development within the framework of eco-innovation, in order to provide the required skilled workforce for employers, to equip young people with the necessary knowledge, skills and competences to become employable in terms of emerging innovation opportunities, and to facilitate worker transition from declining sectors to new, green sectors.

The EU, the Member States and the regions: the resolution underlined the need for **mainstreaming the eco-innovation concept in all policy fields**. It called on all key actors to work together on green growth, innovation and jobs in each sector.

The Commission and the Member States are invited to:

- draw up **new legislation** and strengthen the existing legislation in the field of the development and use of renewable energies and increasing energy efficiency;
- improve the **coordination** of these policies, and in particular to support regional partnerships for growth, innovation, jobs and equal opportunities between women and men, as well as cross-border initiatives;
- provide **incentives for businesses**, in particular SMEs, to promote greater investment in private sector research and development (R&D) activities;
- enhance **cross-border co-operation** in order to ensure the diffusion of technology and best practices across the EU.

The resolution called for the **horizontal integration of the concept of eco-innovation into the structural and cohesion funds.** It urged the Member States to make use as soon as possible of the European Social Fund for programmes aimed at up-skilling, training and retraining employees.

Funding eco-innovation: Parliament pointed to **benefits of fiscal policies** and called on the Member States to shift taxes from employment to resource use and pollution, in order to boost eco-innovation. It urged the Commission to **progressively phase out by 2020 all environmentally harmful subsidies**, including subsidies and financial support on fossil fuels.

Parliament stressed that eco-innovation should benefit from the emerging EU financial instruments and vehicles of the Innovation Union and Resource-Efficient Europe Flagships, as well as the post-2013 Cohesion Policy and Horizon 2020.

Members also welcomed the eco-innovation funding possibilities within the Common Agricultural Policy, and also under the COSME, Horizon 2020 and LIFE programmes, while insisting that more funding be made available to increase the practical application of eco-innovations already developed.

Lastly, the Commission is invited to allocate **sufficient budget resources** to ensure a smooth transition between the CIP and Horizon 2020 programmes and to programme clearly-defined, focused and reinforced resources for market replication projects, risk capital, networking and internationalisation for eco-innovations and their commercialisation in the EU by SMEs.