

Stimulating technologies for sustainable development: an environmental technologies action plan of the European Union

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The Environmental Technologies Action Plan(ETAP) was endorsed at the March 2004 European Spring Council. Positive reactions to ETAP were subsequently received from a wide variety of stakeholders including business organisations, financial actors, the research community, and NGOs.

The conclusions adopted by the Environment Council on 14 October 2004 call for rapid implementation of ETAP to give eco-efficient innovations a fair and competitive market perspective and to provide for the internalisation of external costs through an effective mix of instruments. These include performance-based green public procurement, fiscal incentives, reform of subsidies that have considerable negative effects on the environment and are inconsistent with sustainable development, and risk-sharing facilities, especially for SMEs.

The report by the High Level Group chaired by Wim Kok on the Lisbon strategy 'Facing the Challenge' also calls for Member States to establish roadmaps for specific measures and deadlines.

The Commission, with the support of the Member States and the EIB, has made good progress in implementing the Action Plan. This report summarizes the main achievements, outlines some actions by Member States on which the implementation of ETAP can build and highlights areas where efforts could be stepped up to make faster progress towards tapping the full potential of environmental technologies.

The implementation of the key priorities in the Action Plan is well underway. Progress has been made in giving more priority to environmental technologies in the EU Framework-Programme for R&D. Technology platforms have been established in technological areas relevant for eco-innovation. Networks of testing centres are being established and should prepare the ground for a possible EU-wide environmental technology verification system.

The proposed Regulations for the future period of the Cohesion policy should facilitate regional investments in sustainable techniques and solutions, and the preparation of a future framework-programme for Competitiveness and Innovation should extend the range of EU instruments supporting environmental technologies.

To improve market conditions for the uptake of environmental technologies, an EIB facility supporting private investments related to the EU Emission Trading Scheme has been established, while preparatory work under the Dutch Presidency paved the way for further action regarding risk-funding schemes.

The finalisation of key orientation documents on Green Public Procurement, on standardisation, and on environmentally-harmful subsidiesshould catalyse action at both EU and Member States levels in these areas. Preparatory work is also under way on the design and implementation of performance targets for key products, services and processes.

Progress has also been made with respect to the global dimension, with the preparation of a Patient Capital Initiative supporting investments in renewable energy and energy efficiency, and discussions at

international level on export credits and trade agreements. The implementation of the water and energy ACP-EU facilities, in the framework of the development aid policy, also creates significant opportunities for environmental technologies.

The development of information tools and the mobilisation of relevant stakeholders should pave the way for further initiatives regarding awareness-raising and targeted training.

Nevertheless, EU action needs to be intensified in order to achieve a decisive impact on the wider use of environmental technologies:

- Community financial instruments should better promote the mobilisation of risk finance for knowledge related activities and innovation such as eco-innovation.
- Environmental performance targets for products, processes and services need to be developed by the Commission as a matter of priority. These should address major environmental challenges such as climate change, air and water pollution, efficient energy consumption and the reduction of waste.
- Efforts to establish an EU wide system for testing and verifying environmental technologies should be intensified. This would allow producers to get a certificate for the environmental performance of new innovations and other technologies in line with the established environmental performance targets.
- In 2005, work will be done to examine whether state aid rules should further facilitate the development of eco-innovations and their introduction to the markets.
- In the context of the ETAP, appropriate indicators should be developed in order to better analyse the development of eco-innovation and evolution of environmental technologies' markets.
- By the end of 2005, Member States should set national roadmaps for the implementation of ETAP. Such roadmaps should build on existing strategies and action plans, and indicate concrete measures and deadlines.
- Member States should take steps to mobilise additional risk funding for eco-innovations and environmental technologies. Establishing investment funds dedicated to eco-innovation or environmental technologies could do this.