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REPORT

on Eco-innovation - Jobs and Growth through environmental policy
(2012/2294(INI))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Karin Kadenbach

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Eco-innovation - Jobs and Growth through environmental policy (2012/2294(INI))

The European Parliament,

- having regard to the Commission communication ‘Europe 2020: A European strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission communication ‘Innovation for a sustainable Future - The Eco-innovation Action Plan (Eco-AP)’ (COM(2011)0899),
- having regard to the Commission communication ‘Europe 2020 Flagship Initiative: Innovation Union’ (COM(2010)0546),
- having regard to the Commission communication ‘A resource-efficient Europe – Flagship Initiative under the Europe 2020 Strategy’ (COM(2011)0021),
- having regard to the Commission communication ‘Stimulating technologies for sustainable development: An Environmental Technologies Action Plan for the European Union’ (COM(2004)0038),
- having regard to the Commission communication ‘A strategic vision for a European standard: Moving forward to enhance and accelerate the sustainable growth of the European economy by 2020’ (COM(2011)0311),
- having regard to the Commission communication ‘Rio+20: Towards the green economy and better governance’ (COM(2011)0363),
- having regard to the Commission communication ‘A Roadmap for moving to a competitive low carbon economy in 2050’ (COM(2011)0112),
- having regard to the Commission communication ‘An Agenda for new skills and jobs: A European contribution towards full employment’ (COM(2010)0682),
- having regard to the Commission proposal for a regulation establishing Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020) (COM (2011)0809),
- having regard to the Commission communication ‘Horizon 2020 – The Framework Programme for Research and Innovation’ (COM(2011)0808),
- having regard to the Commission White Paper ‘Adapting to climate change: Towards a European framework for action’ (COM(2009)0147),
- having regard to the Commission Green Paper ‘From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation funding’ (COM(2011)0048),

- having regard to the new instrument ‘Youth Guarantee’,
- having regard to its resolution of 11 November 2010 on European Innovation Partnerships within the Innovation Union flagship initiative,¹
- having regard to its resolution of 24 May 2012 on a resource-efficient Europe,²
- having regard to its resolution of 29 September 2011 on developing a common EU position ahead of the United Nations Conference on Sustainable Development (Rio+20),³
- having regard to its resolution of 15 March 2012 on a Roadmap for moving to a competitive low carbon economy in 2050,⁴
- having regard to its resolution of 10 February 2011 on innovative financing at global and European level,⁵
- having regard to its resolution of 8 June 2011 on ‘Investing in the future: A new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe’,⁶
- having regard to the Commission proposal for a Council decision establishing the Specific Programme Implementing Horizon 2020 – The Framework Programme for Research and Innovation (2014 - 2020) (COM(2011)0811),
- having regard to the Commission proposal for a regulation of the European Parliament and of the Council on the establishment of a Programme for the Environment and Climate Action (LIFE) (COM(2011)0874),
- having regard to its resolution of 12 May 2011 on ‘Innovation Union: transforming Europe for a post-crisis world’,⁷
- having regard to its resolution of 14 June 2012 on ‘Towards a job-rich recovery’,⁸
- having regard to its resolution of 7 September 2010 on developing the job potential of a new sustainable economy⁹,
- having regard to its resolution of 11 September 2012 on the role of women in the green economy,¹⁰
- having regard to its resolution of 6 May 2010 on the Commission White Paper: ‘Adapting

¹ Texts adopted, P7_TA(2010)0398.

² Texts adopted, P7_TA(2012)0223.

³ Texts adopted, P7_TA(2011)0430.

⁴ Texts adopted, P7_TA(2012)0086.

⁵ Texts adopted, P7_TA(2010)0080.

⁶ Texts adopted, P7_TA(2011)0266.

⁷ OJ C 377 E, 7.12.2012, p. 108.

⁸ Texts adopted, P7_TA(2012)0260.

⁹ OJ C 308 E, 20.10.2011, p. 6.

¹⁰ Texts adopted, P7_TA(2012)0321.

to climate change: Towards a European framework for action',¹

- having regard to its resolution of 27 September 2011 on the Green Paper ‘From challenges to opportunities: towards a common strategic framework for EU research and innovation funding’,²
 - having regard to the Flash Eurobarometer report No 315 on ‘Attitudes of European entrepreneurs towards eco-innovation, March 2011’,
 - having regard to the report ‘Analysing and reporting on the results achieved by CIP Eco-Innovation market replication projects’ by the Executive Agency for Competitiveness and Innovation (EACI), published in May 2013;
 - having regard to the 2008 UNEP, ILO, IOE and ITUC Green Jobs Initiative entitled ‘Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World’,
 - having regard to the 2009 Greenpeace and European Renewable Energy Council (EREC) report ‘Working for the climate: renewable energy and the green job revolution’,
 - having regard to the 2007 European Trade Union Confederation (ETUC) and Social Development Agency (SDA) report on ‘Climate Change and Employment: Impact on employment in the European Union-25 of climate change and CO₂ emission reduction measures by 2030’,
 - having regard to the January 2013 Eurofound report ‘Greening of industries in the EU: Anticipating and managing the effects on quantity and quality of jobs’, and its database of case studies,
 - having regard to the 2011 Eurofound report ‘Industrial relations and sustainability: the role of social partners in the transition towards a green economy’,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Employment and Social Affairs and the Committee on Regional Development (A7-0333/2013),
- A. whereas a clean and healthy environment is a precondition for maintaining prosperity and a high quality of life in Europe, but so is the strength and competitiveness of the economy;
- B. Whereas environmental challenges, such as climate change, resource scarcity and the degradation of biodiversity, require a radical transition of our economy, in which clean technologies play a key role;
- C. whereas the scale of the crisis presents a unique and historic opportunity to bring forth

¹ OJ C 81 E, 15.3.2011, p. 115.

² OJ C 56 E, 26.2.2013, p. 1.

transformational change in our economies, paving the way for sustainable long-term development;

- D. whereas the growth of Green Tech in the past years has shown that investing in green growth is not a costly duty but a huge economic opportunity; whereas although nearly every sector has suffered big losses as a result of the recession, the green sector has suffered a drop in growth but is still growing;
- E. whereas it is necessary to replace the current resource-intensive economy by a resource-efficient one, by transforming established industries into green high value-added industries that create jobs while protecting the environment;
- F. whereas environment-friendly solutions will attract a new generation of high-tech manufacturing and services, increase European competitiveness and create new high-skilled jobs;
- G. whereas by supporting new processes to clean up production processes, new management methods and new technologies, and new services to make business greener, eco-innovation acts to help Europe make the most of its opportunities while addressing current challenges;
- H. whereas resource prices have increased extensively over the past years and the competitiveness of companies is therefore increasingly determined by their resource efficiency;
- I. whereas history has proven it difficult for authorities to foresee which innovative technologies will be competitive on the market;
- J. whereas fiscal incentives can be a useful tool to enhance eco-innovation in Europe;
- K. whereas Europe is a leader in new technology development; whereas there are many barriers to the development and wider use of environmental technologies, such as lock-in to existing technologies, price signals that tend to favour less eco-efficient solutions, difficult access to finance and low consumer awareness; whereas the challenge is therefore to improve the overall environmental performance of products throughout their life-cycle, to boost demand for better products and production technologies, and to help consumers make informed choices;
- L. whereas labels which indicate the environmental credentials of products and services must provide clear, objective information and avoid misleading or 'greenwashing' the consumer;
- M. whereas eco-industries today provide 3.4 million jobs and an estimated annual turnover of EUR 319 billion; whereas in many countries, Green Tech is already or will soon be the biggest employer;
- N. whereas eco-innovation is the cornerstone for the development of an environmentally, economically and socially sustainable growth strategy by the EU leading to quality employment opportunities in a variety of sectors;

- O. whereas the Eco-Innovation Scoreboard 2010 (Eco-IS) shows a favourable eco-innovation performance in several Member States, but despite this no single EU country or group of countries can currently serve as a model for eco-innovation performance in the EU;
- P. whereas the Flash Eurobarometer report No 315 of 2011, on attitudes of European entrepreneurs towards eco-innovation, shows that SMEs face an increase in material costs, although the majority have introduced new or significantly improved eco-innovative production processes or methods in order to reduce material costs, and that they also face the problem of insufficient access to existing subsidies and fiscal incentives and uncertain demands from the market;
- Q. whereas the analysis of the CIP Eco-Innovation Initiative shows that the expected environmental, economic and employment benefits far outweigh the public costs;
- R. whereas measuring eco-innovation is a key requirement for monitoring and evaluating the performance and progress of EU Member States towards smart and sustainable growth in Europe, but the data availability on eco-innovation is limited and its quality varies significantly between indicators;
- S. whereas policymakers and other stakeholders have different understandings of what eco-innovation is and what it should aim at;
- T. whereas there are different evaluation criteria used for the definition of terms such as ‘eco-innovation’ and ‘smart green jobs’ (for example within the ILO, UNEP, CEDEFOP, OECD or Eurostat definitions), which could lead to diverging statistics on eco-innovation, green jobs and growth;
- U. whereas Parliament’s resolution of 7 September 2010 on developing the job potential of a new sustainable economy¹ makes reference to the ILO’s definition of sustainable jobs and stresses that eco-innovation has an important role in all industrial and manufacturing sectors;
- V. whereas there are currently more than 240 projects funded by the eco-innovation scheme; whereas in May 2013 the Commission launched a new call to select a further 45 eco-innovation projects with novel environmental solutions; whereas the operation and funding of the CIP Eco-innovation Initiative has supported promising European developers of eco-innovation by providing the risk capital that would otherwise not be accessible;
- W. whereas for the period 2014-2020 the EU’s new Horizon 2020 programme for research and innovation is the financial instrument implementing the Innovation Union; whereas under the next Multiannual Financial Framework (MFF 2014-2020) the Eco-innovation Initiative is also covered through LIFE (Programme for the Environment and Climate Action 2014-2020);
- X. whereas there is a disturbing increase in the youth unemployment rate as well as a strong need for policies which deliver more and better job opportunities for young people;

¹ OJ C 308 E, 20.10.2011, p.6.

Y. whereas the Commission's 'New Skills for New Jobs' initiative, which acknowledges cooperation with the Member States, has been welcomed by Parliament;

General policies for creating smart, sustainable growth and jobs

1. Calls 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;
2. Supports the Commission's Europe 2020 strategy flagship initiative, aimed at making the change, as of now, towards a sustainable economy; stresses, furthermore, that targeted investment for the ecological transformation of the EU's regions is a very useful instrument for achieving the strategic objectives of regional convergence and territorial cohesion;
3. Notes the potential for the direct and indirect creation of quality jobs through full implementation of the EU 2020 strategy; calls, therefore, on the Commission and the Member States to step up their efforts in this area; welcomes the Commission's promotion of an integrated strategy for green growth under the 'Innovation Union' flagship initiative and, in particular, the Eco-Innovation Action Plan, as a step in the right direction;
4. Stresses the importance of legislation as a means to increase the demand for environmental technologies; believes that the competitiveness of European production depends on Europe being a global front runner in eco-efficient goods and production;
5. Calls on Member States 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;
6. Highlights 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, through increased participation in innovative fuel and material production, as well as the employment opportunities resulting from the processing and distribution of biomaterials for business, public, private and domestic consumers; stresses that these opportunities should create quality and sustainable jobs both for qualified and unqualified workers; recognises that a stable, long-term regulatory framework to promote sustainability should be developed using existing financial instruments;
7. Notes the complex challenges of food security, climate change, soil quality, raw material scarcity, transformation towards renewable energy systems and energy efficiency, etc.; recognises that eco-innovation can play an important role in addressing many of these challenges; reiterates that such a transition requires a holistic approach incorporating education, training, skills development, research and innovation, private and public sector investment and infrastructure development, all of which contribute to diverse and sustainable employment opportunities;
8. Believes that innovative European companies are in need not only of subsidies, but also of better legislation, better links to the research base and better and more diverse access to funding and financing, ranging from grants to loans and equity financing; calls, therefore,

on the Member States and the Commission to create appropriate conditions at national and European level;

9. Stresses that Green Tech jobs should not be limited to renewable energy production, increasing energy efficiency and the transport sector, since 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;
10. Believes that a speedy development of clean technology is required in order to increase the competitiveness of companies; calls, therefore, on the Commission to place eco-innovation at the centre of its industrial policy;
11. Calls on the Commission to facilitate the development of labelling standards and clear definitions for the purpose of identifying and communicating the environmental credentials of products and services;
12. Believes that a new sustainable economy for the EU must ensure balanced economic and social development; calls for an ambitious sustainable industrial policy with an emphasis on resource efficiency; recalls that resource efficiency and material efficiency will reduce costs for industry and households, to unlock resources for other investment and make the EU economy less dependent from scarce resources and highly volatile resource markets; stresses that the green economy needs to offer prospects for decent, well-paid jobs with equal opportunities for both men and women, with focus on the protection of the environment;
13. Stresses that, while eco-industries today provide 3.4 million jobs and an estimated annual turnover of EUR 319 billion, the potential for creating regional growth, employment opportunities and environmental benefits remains largely untapped, and recalls, in this connection, that the cost of inaction will be high;
14. Stresses that the success of eco-innovation requires more targeted and long-term investment which must involve, in particular, the fields of education and training, research and development, infrastructure, etc.;
15. Welcomes existing university programmes and work training programmes which focus on ecological, economic and social sustainability; stresses that there are new educational needs to be met regarding the development of sustainable jobs;
16. Is firmly convinced that market economy-based environmental policy can become the engine for growth and employment in all branches of the economy; stresses that predictable, investment-friendly framework conditions are the basis which will allow for innovative businesses to make the best possible use of these opportunities for the benefit of the environment and of employees;
17. Acknowledges the fact that economic transition to new business niches can attract the young generation of workers and lead to new job opportunities in the eco-innovation spectrum;

The Eco-Innovation concept

18. Welcomes the Commission communication ‘Innovation for a sustainable Future - The Eco-innovation Action Plan (Eco-AP)’ (COM(2011)0899);
19. Stresses the potential synergy effects of eco-innovation in creating sustainable quality jobs, protecting the environment and reducing economic dependency;
20. Underlines the broad dimension of the eco-innovation concept, given that it is defined as any form of innovation aiming at progress towards the goal of sustainable development, through reducing environmental impacts and achieving a more efficient and responsible use of resources;
21. Calls 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;
22. Considers the Eurostat definition of ‘green jobs’ (in the environmental goods and services sector), which for example stipulates that ‘green’ technologies and products must have an environmental protection or resource management purpose as their prime objective, to be useful to avoid diverging statistics, but considers it necessary to further develop an EU-wide uniform definition of green jobs and growth, which would, for example, also include the public transport sector; deems it useful to consider a more comprehensive ‘green jobs’ definition embracing additional jobs/activities as a next step;
23. Highlights the unexploited environmental benefit potential of eco-innovation, given that it is expected to help reduce greenhouse gas emissions, other pollutants and waste generation through, inter alia, increased use of recycled materials and production of quality products having less impact on the environment, as well as to facilitate more environment-friendly production processes and services; stresses the need to target actions on the bottlenecks and barriers that constitute obstacles to the commercialisation of eco-innovation and the internationalisation of such products and services;
24. Calls on the Commission to include specific eco-innovation recommendations in the European Semester in order to promote sustainable growth;
25. Recognises that eco-innovation presents clear opportunities for new niche businesses, offering opportunities for small and medium-sized enterprises (SMEs), self-starters, the self-employed and entrepreneurs to benefit from new markets and business models, as well as revitalising existing traditional economic sectors with opportunities to make existing jobs greener by adapting to sustainable and resource-efficient production and working methods;
26. Calls on the Commission to develop a systematic approach to eco-innovation policy, with sound framework conditions enabling a level playing field for eco-innovation in businesses and an infrastructure, that allows businesses and consumers to make sustainable choices;
27. Calls on the Commission and Member States to develop eco-standards for public procurement to increase the pilot customer role of public institutions;

28. Notes, in particular, 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; highlights, in this regard, the opportunities offered by ‘rural apprenticeships’ and other forms of vocational training in developing these new skill sets;
29. Recommends promoting the creative and innovative potential of young people to contribute to sustainable development, and improving their access to funding.

The EU, the Member States and the regions

30. Underlines the need for mainstreaming the eco-innovation concept in all policy fields, given that eco-innovation is a cross-cutting policy area; calls on the Commission and the Member States, in this connection, to encourage cooperation across ministries and policy levels and to monitor the implementation of the policies concerned on a regular basis;
31. Calls on all key actors to work together on green growth, innovation and jobs in each sector, and to make use of the existing instruments, such as technology platforms, skills expert panels, joint technology initiatives, lead markets, clusters and high-level industrial groups;
32. Calls on the Commission and the Member States 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, providing legal certainty and a level playing field, and boosting public and private investment;
33. Calls on the Member States to 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;
34. Draws attention to the job potential of the eco-innovation concept in a sustainable economy; calls on the Commission to provide a platform enabling the Member States to coordinate their efforts in creating new sustainable jobs and growth;
35. Urges the Member States to exchange experience and best practice in the field of employment opportunities when dealing with the economic, social and environmental impact of climate change;
36. Calls for the horizontal integration of the concept of eco-innovation into the structural and cohesion funds; recommends that the local and regional authorities, in accordance with the legal and institutional architecture of each Member State, adopt development strategies in line with the objectives of the EU 2020 Strategy, with the aim of creating new jobs in a sustainable economy;
37. Takes the view that the existing and proposed EU environmental legislation has significant potential to create new jobs in areas such as air, soil and water, energy, public services, agriculture, transport, tourism, forestry and environmental management, and

calls on the Member States to implement this legislation;

38. Stresses the urgency of improving the efficiency of the EU carbon market to provide investment certainty to climate-friendly technologies;
39. Calls for the creation of stronger links between basic research and industrial innovation and between innovation and the manufacturing process; urges the Commission to initiate research/consultancy case studies on eco-innovation for every Member State;
40. Stresses that EU eco-innovation stimulates greater resource efficiency outside our borders, thereby reducing the depletion of global resources; urges, therefore, the Member States to strengthen their national resource efficiency strategies and to share their knowledge in international forums;
41. Underlines the importance of better integrating best practices of eco-innovation into real economy in order to make advancements more visible in people's day-to-day life;
42. Stresses that research forms the basis for innovation and eco-innovation; points to the great growth prospects of eco-innovation and Europe's potential for being a worldwide leader in the field, with the opportunities that this entails for new quality jobs;
43. Considers eco-innovation to be fully in line with the research and innovation and climate and environmental investment priorities in the coming structural fund programming period;
44. Highlights the vital role that partnerships and synergies between the education sector, companies and local and regional authorities can play in providing the relevant training, including STEM-related skills both for men and women, career guidance, quality, funded traineeships and dual learning opportunities, in order to allow for wide access to the employment opportunities and quality jobs emerging through eco-innovation;
45. Encourages the Member States to provide incentives for businesses, in particular SMEs, to promote greater investment in private sector research and development (R&D) activities; welcomes, in this connection, the Eco-Innovation Action Plan;
46. Urges the Member States to enhance cross-border co-operation in order to ensure the diffusion of technology and best practices across the EU, thereby increasing Europe's competitiveness;
47. Calls for the exploitation of the best eco-innovations to be promoted, particularly in developing countries where, for example, a more effective process for charcoal production, composting toilets, use of renewable energy sources, water purification systems and numerous other innovations can, significantly and at a relatively low cost, improve quality of life, enhance health and promote sustainable entrepreneurship and employment;
48. Urges the Member States, in the framework of providing for a socially responsible transition towards high-quality green jobs, 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

49. Points to the benefits of fiscal policies and calls on the Member States to shift taxes from employment to resource use and pollution, in order to boost eco-innovation;
50. Urges the Commission to define environmentally harmful subsidies as ‘a result of a government action that confers an advantage on consumers or producers, in order to supplement their income or lower their costs, but in doing so, opposes sound environmental practices’; calls on the Commission and the Member States to adopt without delay concrete plans for phasing out all environmentally harmful subsidies based on this definition;
51. Calls on the Commission and the Member States to progressively phase out by 2020 all environmentally harmful subsidies, including subsidies and financial support on fossil fuels, and subsidies that incentivise the inefficient use of renewable resources, and to report on progress through the National Reform Programmes;
52. Stresses 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;
53. Considers it important that eco-innovations and environmental technologies be financially and competitively viable in the long term; considers that public investment support should encourage environmentally friendly production methods in cases where public support is given;
54. Welcomes 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;
55. Calls on the Commission to implement the necessary instruments and allocate sufficient budget resources to ensure a smooth transition between the CIP and Horizon 2020 programmes as regards eco-innovation, and to ease the procedural constraints and financial burden on small and medium-sized businesses; recalls that gender balanced participation in decision-making in all phases and aspects of funding is essential;
56. Urges Member States to include eco-innovation in their strategies for the 2014-2020 period as a means of promoting the green economy, growth and new jobs, thereby ensuring the development of entrepreneurship on a level playing field and underpinning co-operation between the worlds of education, business and science;
57. Stresses that, although current priority areas for the Eco-Innovation 2012 Call are limited to a number of focus areas, the Eco-innovation Initiative is a cross-cutting programme that

supports eco-innovative projects in different sectors; reiterates, therefore, that all sectors and business activities should be eligible for funding;

58. Invites the Commission, specifically, 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;
59. Believes, since new business models are starting to shake up traditional supply chains, that the ability to take account of globalisation and its effects on the EU economy and supply chains over the next funding period should be better reflected in the priorities for the Eco-innovation Initiative;
60. Believes that the potential of SMEs and cooperatives in promoting eco-innovation is not yet exhausted; calls, therefore, for specific funding possibilities for SMEs and cooperatives with regard to eco-innovation concepts;
61. Is convinced that innovative financial tools are needed in order to improve the opportunities for capacity building and networking;
62. Emphasises that an increase in funds must be coupled with a simplification of funding procedures;
63. Points out that the future cohesion policy includes a smart specialisation strategy as an ex-ante conditionality for EU regions; encourages the regions to launch awareness raising campaigns aimed at all target groups with a view to integrating eco-innovation into regional and national smart specialisation strategies;
64. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

Introduction

In times of economic crisis, high unemployment rates, high energy prices, scarce raw materials and dependence on imports, sustainable job creation and economic growth is essential to secure social cohesion. Innovation is one of the keys to meet this target and should therefore be fostered. One way is through eco-innovation, which is a concept combining protection of the environment with growth, competitiveness and job creation.

Environmentally friendly innovations are essential to reduce greenhouse gas emissions, to use resources such as water and raw materials more efficiently, to increase the use of recycled materials and to produce quality products with less impact on the environment, just to mention a few examples, as well as to develop more environmentally friendly production processes and services.

Eco-innovation can be many things - a new water filter to clean wastewater, thinner and stronger steel to reduce material waste, or a business model selling repair services instead of products. Examples of eco-innovation are also the bicycle and car share projects in many European cities, such as the Villo Velo Project in Brussels, Belgium.

Current state of play and future challenges

The Commission currently promotes eco-innovation via demonstration and market replication projects, market-based financial instruments and Public-Private Partnership (PPPs) under the Competitiveness and Innovation Framework Programme (CIP). These instruments are also included in the Horizon 2020 proposal to ensure continuity between CIP and Horizon 2020. Logically, eco-innovation policy-targeted measures should be housed in the Horizon 2020 'Access to Risk Finance' equity and debt guarantee financial instruments.

The Commission's first call for eco-innovation projects was in 2008. The current priority areas for the Eco-innovation 2012 Call are: material recycling, sustainable building products, the food and drink industry, the water sector and green business. For the upcoming calls a broadening to all sectors and business activities should be taken into account.

The growth of GreenTech in the past years has shown that investing in green growth is a huge economic opportunity. While nearly every sector has suffered big losses as a result of the recession, the green sector, despite having suffered a drop in growth, is still increasing. European eco-industries have an estimated annual turnover of € 319 billion (2.5% of EU's GDP) and currently employ 3.4 million people. Around 600 000 additional jobs in this field were created between 2004 and 2008. The annual growth rate in employment in all subsectors between 2000 and 2008 was roughly 7%. The EU is a strong player within the eco-innovation process with 30% of global turnover and 50% of the global share of water and waste management.

Over the last years, about a million new green jobs have been created, and in many countries

GreenTech (also known as ‘Clean Tech’) is already one of the largest employers in the European economy. Until 2020, the global turnover in the GreenTech sector is expected to double to €3100 billion. In Germany this sector already contributes 8% to the GDP, which is expected to rise to 14% by 2020. In Austria, for example, 4.8 % of all employees work within the green jobs sector, which, despite the economic crisis, rose by 0.6 % from 2010 to 2011.

Talking about green jobs and growth, there is a wide range of divergent interpretations that are used in the EU. Green jobs used to be considered as those involved with protecting biodiversity and the natural environment; nowadays they include other areas such as low-carbon technologies, energy efficiency and carbon finance. The term ‘green jobs’ is used in different contexts to serve different purposes. This can lead to distortions of statistics on green growth. The European Commission uses a broader definition than EUROSTAT, which stipulates that ‘green’ technologies and products must have an environmental protection or resource management purpose as their prime objective. Therefore, in order to avoid misleading statistics about green jobs and growth development, a clearly formulated and more limited EU wide definition of green jobs and green growth should be elaborated. A first step towards a further clarified and improved definition would be the integration of public transport in the definition of the environmental goods and services sector. An improved definition should also include some minimum standards of working conditions. Furthermore, to ensure significant data, net employment effects for the creation of green jobs and growth should be calculated.

Moreover, by supporting new processes, technologies and services that make businesses more sustainable and create new green jobs, the European legislator as well as the Member States and companies should keep in mind that eco-innovation is not about creating green jobs at any cost. Socially sound and fair working conditions as well as ecological, economical and social sustainability consideration should be guiding principles at any time.

Funding for eco-innovation

The EU has developed a range of instruments that focus on environmental innovation and entrepreneurship. For the promotion of eco-innovation, there are currently € 433 million available under the EU’s Competitiveness and Innovation Framework Programme (CIP). At the moment, there are also financing opportunities for environmental services and technologies under the EU’s funding programme LIFE+, which co-finances projects that contribute to the development and demonstration of innovative policy approaches, technologies, methods and instruments, mainly addressed to the public sector. Currently, nearly € 200 million have been earmarked to support market replication projects on eco-innovation, reaching out to the business sector.

Running from 2014 to 2020 the EU’s new Horizon 2020 programme for research and innovation is the financial instrument implementing the Innovation Union. Under the next Multi-annual Financial Framework (MFF 2014-2020) the Eco-innovation Initiative is also covered through LIFE (Programme for the Environment and Climate Action 2014-2020) to the extent that they do not overlap with Horizon 2020.

19.9.2013

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on the Environment, Public Health and Food Safety

on Eco-innovation – Jobs and Growth through environmental policy
(2012/2294(INI))

Rapporteur: Phil Bennion

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- having regard to the Europe 2020 strategy, which calls for smart, sustainable and inclusive growth,
 - having regard to the new instrument ‘Youth Guarantee’,
 - having regard to the Eurofound report of January 2013 entitled ‘Greening of industries in the EU: Anticipating and managing the effects on quantity and quality of jobs’, and its database of case studies,
 - having regard to the Eurofound report of 2011 entitled ‘Industrial relations and sustainability: the role of social partners in the transition towards a green economy’,
- A. whereas eco-innovation is the cornerstone for the development by the EU of an environmentally, economically and socially sustainable growth strategy leading to quality employment opportunities in a variety of sectors;
- B. whereas there is a disturbing increase in the youth unemployment rate and a strong need for policies which deliver more and better job opportunities for young people;
- C. whereas this change has the potential to stabilise employment and increase the number of jobs, with considerable spillover effects; whereas where reliable framework conditions have been introduced a constant rise in employment possibilities and job security can be noted, and is stabilised by increasing exports;

- D. whereas the Commission's 'New Skills for New Jobs' initiative, which acknowledges cooperation with the Member States, has been welcomed by Parliament;
- E. whereas Parliament's resolution of 7 September 2010 on developing the job potential of a new sustainable economy¹ makes reference to the ILO's definition of sustainable jobs and stresses that eco-innovation has an important role in all industrial and manufacturing sectors;
1. Notes the potential for direct and indirect creation of quality jobs through full implementation of the EU 2020 strategy; calls, therefore, on the Commission and the Member States to step up their efforts in this area; welcomes the Commission's promotion of an integrated strategy for green growth under the 'Innovation Union' flagship initiative, and in particular the Eco-Innovation Action Plan, as a step in the right direction;
 2. Stresses that the success of eco-innovation requires more targeted and long-term investment which must embrace in particular the fields of education and training, research and development, infrastructure, etc;
 3. Notes the great diversity of employment opportunities at varying skills levels opened up by eco-innovation, including jobs in eco-design and in research, development and innovation work and the knowledge industry which call for a high level of education, as well as tasks in the production sector which require more practical skills; notes that eco-innovations which improve or amend the production chain can be proposed by workers at all levels;
 4. Notes that, in order to reach the EU 2020 strategy's employment targets and make use of the job potential of a new sustainable economy, there is a need to increase the energy efficiency of housing and construction and the share of renewable energies, environmental technologies, sustainable transport and mobility, sustainable agriculture, forestry and fishery and advice through environmental services, as well as recycling/reuse processing, low-resource production processes and closed loop material cycles, eco-design, and investment in the knowledge sector; notes that the service sector and the social economy² sector also have considerable green employment potential;
 5. Is firmly convinced that market economy-based environmental policy can become the engine of growth and employment in all branches of the economy, and stresses that predictable, investment-friendly framework conditions are the basis that will allow innovative businesses to make the best possible use of these opportunities for the benefit of the environment and of employees;
 6. Acknowledges the fact that economic transition to new business niches can attract the young generation of workers and lead to new job opportunities in the eco-innovation spectrum;

¹ Texts adopted, P7_TA(2010)0299.

² The phrase 'social economy' should be translated as 'économie sociale et solidaire' and equivalent translations should be used for Spanish, Portuguese and other similar languages.

7. Stresses the importance of eco-innovations which can be applied at the level of dwellings, properties and farms, because they enable citizens' own active participation and the job-creating activities of micro-businesses, e.g. in the local treatment and reuse of waste, energy production and saving and other areas of eco-innovation;
8. Recognises that eco-innovation presents clear opportunities for new niche businesses, offering opportunities for SMEs, self-starters, the self-employed and entrepreneurs to benefit from new markets and business models as well as revitalising existing traditional economic sectors with opportunities to make existing jobs greener by adapting to sustainable and resource-efficient production and working methods;
9. Recommends promoting the creative and innovative potential of young people for contributing to sustainable development, and improving their access to funding;
10. Highlights 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, through increased participation in innovative fuel and material production, as well as the employment opportunities resulting from the processing and distribution of biomaterials for business, public, private and domestic consumers; stresses that these opportunities should create quality and sustainable jobs for both qualified and unqualified workers; recognises that a stable, long-term regulatory framework to promote sustainability should be developed using existing financial instruments;
11. Notes the complex challenges of food security, climate change, soil quality, raw material scarcity, transformation towards renewable energy systems and energy efficiency, etc; recognises that eco-innovation can play an important role in addressing many of these challenges; reiterates that such a transition requires a holistic approach incorporating education, training, skills development, research and innovation, private and public sector investment and infrastructure development, all of which contribute to diverse and sustainable employment opportunities;
12. Stresses the potential synergy effects of eco-innovation in creating sustainable quality jobs, protecting the environment and reducing economic dependency;
13. Notes in particular 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, equip young people with the necessary knowledge, skills and competences to become employable with the emerging innovation opportunities, and facilitate worker transition from declining sectors to new, green sectors; highlights in this regard the opportunities offered by 'rural apprenticeships' and other forms of vocational training for developing these new skill sets;
14. Stresses that research forms the basis for innovation and eco-innovation; points to the great growth prospects of eco-innovation and Europe's potential for being a worldwide leader in the field, with the opportunities that implies for new quality jobs;
15. Calls for the exploitation of the best eco-innovations to be promoted particularly in developing countries, where, for example, a more effective process for charcoal production, composting toilets, use of renewable energy sources, water purification

systems and numerous other innovations can, significantly and at a relatively low cost, improve the quality of life, enhance health, and promote sustainable entrepreneurship and employment;

16. Highlights the vital role that partnerships and synergies between the education sector, companies and local and regional authorities can play in providing the relevant training, including STEM-related skills for both men and women, career guidance, quality, funded traineeships and dual learning opportunities, in order to allow wide access to the employment opportunities and quality jobs emerging through eco-innovation;
17. Encourages the Member States to provide incentives for businesses, in particular SMEs, to promote greater investment in private-sector R&D activities; welcomes the Eco-Innovation Action Plan in this respect;
18. Urges the Member States to enhance cross-border cooperation in order to ensure the diffusion of technology and best practices across the EU, and thereby increase Europe's competitiveness;
19. Urges the Member States, in the framework of providing a socially responsible transition towards high-quality green jobs, to make use as soon as possible of the European Social Fund for programmes aimed at up-skilling, training and retraining employees.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.9.2013
Result of final vote	+: 38 -: 0 0: 1
Members present for the final vote	Regina Bastos, Heinz K. Becker, Phil Bennion, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, Alejandro Cercas, Ole Christensen, Minodora Cliveti, Frédéric Daerden, Karima Delli, Sari Essayah, Richard Falbr, Marian Harkin, Nadja Hirsch, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Verónica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu, Andrea Zanoni
Substitute(s) present for the final vote	Claudette Abela Baldacchino, Georges Bach, Jürgen Creutzmann, Sergio Gutiérrez Prieto, Anthea McIntyre, Ria Oomen-Ruijten, Antigoni Papadopoulou

2.7.2013

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on the Environment, Public Health and Food Safety

on eco-innovation – jobs and growth through environmental policy
(2012/2294(INI))

Rapporteur: Jens Nilsson

SUGGESTIONS

The Committee on Regional Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Underlines the broad dimension of the eco-innovation concept, given that it is defined as any form of innovation aiming at progress towards the goal of sustainable development, through reducing impacts on the environment or achieving a more efficient and responsible use of resources;
2. Supports the Commission's Europe 2020 strategy flagship initiative, aimed at making the change as of now towards a sustainable economy; stresses, furthermore, that targeted investment for the ecological transformation of the EU's regions is a very useful instrument for achieving the strategic objectives of regional convergence and territorial cohesion;
3. Highlights the untapped environmental-benefit potential of eco-innovation, given that it is expected to help reduce greenhouse gas emissions through, inter alia, increased use of recycled and renewable materials and production of quality products with less impact on the environment and the facilitating of more environmentally friendly production processes and services; points to the benefits for fiscal policies when the potentials of eco-innovation are exploited to the full and efficiency gains can be realised not least in budgetary terms; stresses the need to target actions on bottlenecks and barriers in the way of the commercialisation of eco-innovation, and the internationalisation of these products and services;
4. Considers that all eco-innovation should contribute to sustainable regional growth and to the fulfilment of the Union's environmental goals;

5. Stresses 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; underlines the need to mainstreaming the eco-innovation concept in all policy areas;
6. Stresses that, although current priority areas for the Eco-Innovation 2012 Call are limited to a number of focus areas, the eco-innovation initiative is a cross-cutting programme that supports eco-innovative projects in different sectors; reiterates therefore that all sectors and business activities should be eligible for funding;
7. Points out that the future cohesion policy includes a smart specialisation strategy as an ex-ante conditionality for EU regions and encourages the regions to launch awareness-raising campaigns aimed at all target groups with a view to integrating eco-innovation into regional and national smart specialisation strategies;
8. Considers eco-innovation to be fully in line with the research and innovation and climate and environmental investment priorities in the coming structural fund programming period;
9. Stresses that, while eco-industries today provide 3.4 million jobs and an estimated annual turnover of EUR 319 billion, the potential for creating regional growth, employment opportunities and environmental benefits remains largely untapped, and recalls, in this connection, that the cost of inaction will be high;
10. Underlines the importance of local and regional ownership through the active involvement of public and private actors and civil society in policies and actions supporting eco-innovation;
11. Recommends promoting the creative and innovative potential of young people to contribute to sustainable development, and improving their access to funding.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.6.2013
Result of final vote	+: 36 -: 1 0: 1
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Francesca Barracciu, Jean-Jacob Bicep, Victor Boștinăru, John Bufton, Alain Cadec, Nikos Chrysogelos, Rosa Estaràs Ferragut, Brice Hortefeux, Danuta Maria Hübner, Filiz Hakaeva Hyusmenova, Vincenzo Iovine, María Irigoyen Pérez, Seán Kelly, Mojca Kleva Kekuš, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Vladimír Maňka, Iosif Matula, Erminia Mazzoni, Ana Miranda, Jens Nilsson, Lambert van Nistelrooij, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poręba, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Kerstin Westphal, Hermann Winkler, Joachim Zeller
Substitute(s) present for the final vote	Giommaria Uggias
Substitute(s) under Rule 187(2) present for the final vote	Miroslav Ouzký, Marit Paulsen

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.9.2013
Result of final vote	+: 47 -: 3 0: 0
Members present for the final vote	Elena Oana Antonescu, Sophie Auconie, Pilar Ayuso, Paolo Bartolozzi, Sergio Berlato, Lajos Bokros, Franco Bonanini, Milan Cabrnoch, Spyros Danellis, Chris Davies, Jill Evans, Elisabetta Gardini, Matthias Groote, Satu Hassi, Jolanta Emilia Hibner, Karin Kadenbach, Christa Kläß, Eija-Riitta Korhola, Jo Leinen, Corinne Lepage, Peter Liese, Kartika Tamara Liotard, Zofija Mazej Kukovič, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Gilles Pargneaux, Andrés Perelló Rodríguez, Mario Pirillo, Pavel Poc, Oreste Rossi, Richard Seeber, Dubravka Šuica, Claudiu Ciprian Tănăsescu, Thomas Ulmer, Sabine Wils, Marina Yannakoudakis
Substitute(s) present for the final vote	Margrete Auken, Erik Bánki, Mark Demesmaeker, Jutta Haug, Marusya Lyubcheva, Miroslav Mikolášik, Vittorio Prodi, Kārlis Šadurskis, Rebecca Taylor, Anna Záborská, Andrea Zanoni
Substitute(s) under Rule 187(2) present for the final vote	Ioan Enciu, Sabine Lösing, Kerstin Westphal