



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels,
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Opinion

Title **DG ENV - Impact Assessment on: Eco-innovation action plan**
(draft version of 23 November 2010)

(A) Context

In January 2004 the Commission adopted an Environmental Technologies Action Plan (ETAP) to improve the development and wider use of environmental technologies in Europe. This impact assessment accompanies a policy initiative building on the ETAP, which intends to step up efforts in support of eco-innovation as a useful means to address the challenges of environmental protection, competitiveness and job creation. The eco-innovation action plan builds on the Europe 2020 flagship initiative "Innovation Union", which announced it was being developed.

(B) Overall assessment

The IA report requires significant improvements on a number of important issues. Firstly, it should clarify which precise problems the initiative aims to address and should explain why these problems are specific to eco-innovation and cannot be addressed sufficiently by the general innovation policy instruments. In doing so, the report should explain how the results of the ETAP ex-post evaluation have been used. Secondly, on the basis of a clear and fully developed baseline scenario the report should present a wider range of policy options, provide more information on the content of their underlying actions and indicate their likely costs. Thirdly, the report should provide a clear comparison of options and ensure consistency between the qualitative assessment of options and the scores in the summary tables. Finally, the key messages and different positions of stakeholders should be presented much more clearly throughout the report.

Given the nature of the concerns raised above, the IAB requests DG ENV to submit a revised version of the IA report, on which it will issue a new opinion.

(C) Main recommendations for improvements

(1) Present a more focused problem definition and define a clear baseline scenario.
The IA report should clearly indicate which concrete problems the current initiative aims

to address. It should explain why the problem drivers are specific to eco-innovation and require separate action in addition to those announced in the "Innovation Union" proposal and other horizontal innovation instruments. The relevance of these problems should be substantiated with robust evidence. The report should clarify how the results of the ex-post evaluation of the ETAP programme have been used to feed into the problem definition, and should provide a clearer explanation of what worked and what did not. On that basis, a clear baseline scenario should be developed, explaining which other policy initiatives/financial instruments outside of ETAP directly or indirectly support eco-innovation at both EU and MS level and how the situation is likely to evolve without a new eco-innovation action plan. This should help to provide a stronger analysis of the need for and value added of the proposed action plan. The report should also better justify the expansion of scope from environmental technologies to eco-innovation, and the focus on sectors other than energy. Finally, it should establish a clear hierarchy of the specific objectives express them in smart terms and explain their sequence in time.

(2) Present a wider range of options, develop the presentation of actions and indicate their likely costs. The report should consider presenting a wider range of options, for example by grouping the proposed actions differently, according to their scope, ambition or costs. The options and their actions should be adequately developed by providing more information on the content of the actions (such as the actors and responsibilities for delivering the actions, the timing of actions etc). A more systematic indication of likely costs of actions, by whom these costs will be born and sources of financing should also be provided. The IA report should make clear which of the actions will undergo a separate impact assessment.

(3) Provide a clear comparison of options. When comparing the options, the report should focus on the effectiveness, efficiency and coherence of the options in achieving the objectives. The consistency between the qualitative assessment of individual actions, the overall assessment of the options, and the scores assigned in the summary tables should be ensured.

(4) Provide an overview of the different stakeholders' positions. The report should provide greater clarity on the key concerns and different positions of stakeholders, and should refer to them in the main report whenever relevant.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

The IA report should clarify whether stakeholders provided input after the "Innovation Union" initiative was adopted and should provide further details on the internal consultation. The IA report and the executive summary should be considerably shortened and should focus more strongly on the main issues and actions.

(E) IAB scrutiny process

Reference number	2009/ENV+/003
External expertise used	No
Date of Board Meeting	15 December 2010