

Cleantech Venture Network  
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Intervention

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Interministerial delegates for sustainable development

Dear president, dear delegates, I which you welcome in France, welcome in Europe.

European and National Legislation are major drivers for environmental policies and cleantechnologies. The sustainable development strategy of Union, as of France, postulate that high level of environmental quality can have a positive contribution to economic growth and employment. Some european industry still ask the European Union to demonstrate that a move is possible without impacting economic development if other countries do not follow the European approach. We must find an equilibrium between long term research and diffusion of innovation being presently available. The latter being dependant of public policies.

The context of the sustainable development indeed implies to minimize the economic and social costs changes of the production and consumption patterns made necessary to decrease our emissions. Two principal tracks make it possible to reduce these costs :

- the technology which makes it possible to have a more efficient result at weaker cost
- the search of opportunities in economic terms and employment, new services and new products.

In this respect we assist to an enlargment of the pannel of public policies in a context of deregulation. For climate change Europe has implemented a combinaison of tax and subsidies, market tools preparing Kyoto compliance, public support for renewable energies, high fuel prices, etc.... A focus is made on economic instruments. The Spring European Council is urged do *“push for more sustainable production and consumption patterns, inter alia through green public procurement and sustained efforts to reflect external costs in prices, notably of infrastructure, through the use of economic instruments, and to reform subsidies*

*that have considerable negative effects on the environment and are incompatible with sustainable development, with a view to gradually eliminating them*<sup>1</sup>;

The draft Council conclusions prepared by the Presidency “*EMPHASISES that the EU's future climate change strategy should include all important greenhouse gases, sectors and mitigation options, drive technological innovation, in particular in the transport and energy sector, promote the transfer of technologies to appropriate markets, provide for the continued use of market-based and flexible instruments, and support the adaptation to unavoidable climate change in developing countries and the EU; UNDERLINES the need to public funding to leverage private sector funding towards climate-friendly investments, particularly in the energy sector.*”<sup>2</sup>

It ask to the spring European Council “*to send a strong political message based on the following elements:*

- *in order to have a reasonable chance to limit global warming to no more than 2°C, stabilisation of concentrations well below 550 ppmv CO<sub>2</sub> equivalent may be needed;*
- *keeping this long-term temperature objective within reach will require global greenhouse gas emissions to peak within 2 decades, followed by substantial reductions in the order of at least 15% and perhaps by as much as 50% by 2050 compared to 1990 levels.”*
- *if allowance is made for an increase in aggregated greenhouse gas emissions from developing countries in pursuit of sustainable development goals, significantly enhanced reduction efforts by all developed countries are needed. As a starting point for the negotiations, the group of industrialised countries should consider strategies for meeting greenhouse gas emission reduction objectives in the order of more than 15% by 2020 and 60-80% by 2050 compared to 1990 levels.”*

More precisely according to Presidency working paper on integrated guidelines for growth and jobs (2005-2008) innovation and technology are a priority through a set of measures :

- “*1. improvements in innovation support services, in particular for technology transfer,*
- 2. support mechanisms for innovative SMEs, including high-tech start-ups,*
- 3. the creation of innovation poles and networks bringing together universities and enterprises, including regional and local level,*
- 4. the encouragement of knowledge transfer,*

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<sup>1</sup> Preparation of the Spring European Council 2005 Contribution of the Council (Environment) on the Commission's report on the mid-term review of the Lisbon Strategy

<sup>2</sup> Climate Change: - Medium and longer term emission reduction strategies, including targets = draft Council conclusions, Brussels, 7 February 2005, 6102/05, LIMITE

5. *refocusing public procurement on innovative products and services,*  
 6. *better access to finance and affordable and clearly defined intellectual property rights.*<sup>3</sup>

This context will rise future opportunities for European venture funds to invest in clean technology businesses.

Public Consultation for the Review of the European Sustainable Development Strategy 2001 give an idea on the private and civil society opinion. A majority of business organisations and industry are not in favour of supporting particular technologies directly. They would rather introduce price signals and leave it to the market to decide which technologies will be applied and used more often.

Among other proposals :

Procedures and methods could be implemented to ensure that sustainability becomes a key criterion for the research funding mechanisms.

Many contributions mention multi-disciplinary research combining natural sciences and socio-economic disciplines as an essential element of the future Framework Programme.

More specifically, a few respondents asked for appropriate means of promotion and communication to be put in place to ensure the success of technology platforms. “Clean technologies” are mentioned by regional or local actors, especially regional agencies, as needing to be developed in the next Research Framework Programme, which demonstrates the relevance of the Environmental Technologies Action Plan (ETAP)”.

On the french level, we have implemented a strategy on sustainable development in june 2003 after a dialogue with the private sector and the civil society through the National Council on Sustainable development. A follow up process is in place. A peer review process has been launched with four peer countries : Belgium, Ghana, Mauricius and United Kindom, and presented to the UN Commisison on sustrainable development april 14<sup>th</sup>.

One programm of the strategy called “exemplary state” is concerned with green purchasing.

France has incorporated an environmental charter in its constitution at the same level as the human right declaration of 1789 the french revolution. Among ten principles it states the

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<sup>3</sup> Presidency working paper on integrated guidelines for growth and jobs (2005-2008) innovation and technology are a priority

precautionary principle on a active basis : it is a public momentary decision linked to a public research and expertise to eliminate scientific uncertainties.

This problem was also be faced in a more private document the a guidelines on corporate social reposnabilitie and sustainable development (SD 21000<sup>4</sup>) from AFNOR the french normalisation body : *“Concerning ecology and health, diverse basic data are taking a long time to be stabilised or confirmed by the scientific community. So as to allow better thought-out applications of the precautionary principle, this data (noxiousness (danger), reversibility ... thresholds) must be clarified in a non contradictory or less fluctuating manner as quickly as possible. **Be reactive to the risks.** It is up to the public authorities (national and European) to see to it that this principle is applied. Nevertheless, an enterprise one of whose activities or products could be called into question by a subsequent application by the authorities of the precautionary principle will be well advised to anticipate and to monitor the current scientific controversies, and, in certain cases, to inform its consumers. It will thus be able to conduct its innovation, steering clear of the risk-prone areas.”*

Changing risks in opportunities, is possible with a fair relationship between private and public sectors. Inovation and technologies cannot be faced by one side. In the majority time new technologies, in the childhood, needs a favorable public context to emerge. Two pilotings of the innovation are, in general, opposite the push and the pull.

- Technologies push are pushed by the public offer and planning by the State of research and the deployment, that was the case of the nuclear power in France.
- The pull approach is based on the market and rests rather on the private sector.

The hybrid aspect of environmental technologies or renewable energy needs a third approach. The problem of innovation governance is posed.

The public authorities are not in position to do themselves, but they seek to stimulate the private sector, and of the various actors, by mobilizing new tools, mainely tools of the market. It is necessary to develop an economic approach ensuring the profitability of the companies, but also the intervention of various trade associations, of a more complex chain of decision including of the processes of local acceptance for some technologies..

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<sup>4</sup> SD 21 000, Sustainable development - Corporate social responsibility, *Guide for the taking into account of the stakes of sustainable development in enterprise management and strategies*, April 2003, AFNOR Technical report, FD X 30-021

We are faced to the mechanism described by the sociology of the innovation which considers that the success of an innovation depends more construction of a "convergent technico-economic network" than on the only technical performance or of a rational planning

This hybrid network should involve entrepreneurs, investors, scientists, professional, policymakers. To build such networks it is necessary to translate sectoral on common vions, to rise mutual comprehension to make possible transactions to implement innovative technologies.

We must build exchange of information about cleantech business and investment opportunities.