

Working Groups



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Business & Innovation

EIC's Business & Innovation Working Group highlights the innovation needs of the environmental technology sector and works with Government and other stakeholders to encourage policies that stimulate the commercialisation of technology and encourage business growth.

Over the last year, the Group has continued its campaign to identify and address the barriers concerned with the implementation of environmental regulation. Whilst environmental regulation plays a key role in stimulating innovation by creating a demand to develop solutions to the key environmental challenges we face, the effectiveness of specific policy measures in encouraging new approaches depends crucially on their design and implementation.

As a result of EIC lobbying, the Environment Agency has appointed a single point of contact through which EIC members can raise issues where regulatory barriers are seen as a barrier. EIC has also proposed that the Agency provides information on its website in the form of Frequently Asked Questions. The Group has also looked at the financing and support provided for new eco-technologies. EIC recently set up a joint initiative with Angel Bourse to provide UK environmental companies with access to global investors. EIC has also provided workshops for members on this subject.

EIC is represented on a number of Government committees established to support environmental innovations. This includes Defra's Commission on Environmental Performance and Economic Performance that is examining how the UK can make the most of the key opportunities that environmental protection can present for wealth creation and employment growth.

Throughout the year, we have also maintained an active watching brief on the provision of R&D information for environmental innovators. Some time ago EIC presented a proposal to the DTI on the provision of a dedicated web portal for environmental R&D funding. DTI now provide this information via Business Link website and we have worked with DTI and Business Link to try to encourage a better representation of environmental R&D information through this source.

EIC is also monitoring important developments at the European level, particularly the EU's Environmental Technology Action Plan and the proposed Environmental Technologies Verification (ETV) System. The overall objective of an ETV System is to provide credible information on the performance of environmental technologies, in order to facilitate their market uptake or wider use. It will provide information on the environmental and economical benefits of environmental technologies.

Carbon Trading

These are exciting times for the EIC's Carbon Trading Working Group (CTWG). In the last six months much has happened in the UK and Europe to drive forwards progress on climate change. The UK has seen the publication of the Stern Report synthesising the economic case for action on climate change into a single thorough and persuasive format, closely followed by the publication of the UK draft Climate Change Bill with an ambitious 60 per cent emissions reduction target out to 2050. At the European level, the European Council (EC) has set in motion the first multi-lateral post-2012 agreement on climate change with hard targets of a minimum 20 per cent, or maximum 30 per cent if other nations take on targets as well. The EC is also currently ruling on Phase II of the EU ETS and is considering radical design changes for Phase III. The EIC CTWG is inputting into all of these ongoing processes.

In the UK the CTWG has provided input to a Defra consultation that is seeking to set a standard for voluntary carbon offsets. The consultation was extremely timely for the fledgling industry, building up around companies wishing to voluntarily reduce their carbon footprint. The CTWG's membership contains a number of companies who are involved in the provision of emissions reductions, emissions reduction technology to the voluntary and compliance markets and as such were able to provide valuable input from a range of perspectives.

Of equal importance was the consultation on the energy performance commitments (EPC). This is a plan by Defra to pull in medium-sized consumers of electricity such as supermarkets and large offices into a cap-and-trade scheme. The CTWG provided input into the ongoing consultation, hosted a talk from Defra, and advocated in favour of the EPC to the Treasury. The 20-30 per cent reduction targets agreed by the EC, are a clear signal that Europe's future is going to be increasingly carbon constrained with all of the challenges and opportunities that this will bring. Within this context, the CTWG has been providing input into European Climate Change Programme's (ECCP) ongoing consultation on Phase III of the EU ETS.

For Phase III review, there have been some fairly radical suggestions on the shape it should take. Current proposals include moves towards greater harmonisation of rules on allocation that should help to level the playing field between member states. Even more promising is the proposal that the allocations at an installation level should be set centrally by the Commission rather than at a national level. Implementation of these rules with a clear and early indication to industry as to how they will be allocated will allow companies to plan their abatement strategy into the future with confidence.