

## **Driving innovation: Promoting the Environmental Goods and Services Sector A UK Regional Case Study**

### **Abstract**

"This paper fits neatly into the conference theme '*Accelerating the adoption of frameworks and practices to achieve complex objectives.*'"

The '*complex objectives*' covered here relate to the need to drive all aspects of innovation across a whole sector of industry and commerce which is as yet hardly recognised as a unified sector. The Environmental Goods and Services sector includes many companies which do not even recognise this as their home base. There is no unifying SIC code, nor easily gained market information database and yet it is now recognised to be one of the largest industry sectors (equivalent to the Pharmaceutical sector in size globally and rapidly growing, with sales expected to reach \$688 billion per annum by 2010, from \$515 billion p.a. currently - a growth rate of over 3% per annum<sup>1</sup>).

'*Accelerating the adoption of...practices to achieve...*' such complex objectives, here relates to the need perceived by Governments in many countries with key players in this sector to promote their successes and build a powerful industry sector to compete in this high growth area.

This paper presents a case study from the East Midlands Region in the UK and indicates the steps taken by the East Midlands Development Agency (*emda*) and its partners to provide appropriate support for this nascent industry sector, using both UK government funds and the leveraging of European Regional Development funding. This approach is put into context with reference to various recent reports on the sector's importance and strengths and weaknesses, as well as referencing what is happening in the East Midlands of England against other initiatives around the UK and the potential for market development practices which may occur as a result of sharing of best practice in the UK regions and nations through the UK Forum for the Environmental Industries (UKFEI).

The "champion's" role of the Environmental Industries Forum ([eiforum.org.uk](http://eiforum.org.uk)) in the East Midlands is taken up by a cross-faculty unit in one of the region's Universities - the Institute for Sustainable Development in Business at Nottingham Trent University - which has shown very rapid growth since its inception four years ago in March 1999. The EIForum acts as a secretariat and promotional arm for a membership driven project, funded through to the end of 2006 by the Development Agency and European funds, after which the exit strategy requires the organisation to be self funding through the added value services it offers to the industry sector in the Region.

The case study examines the argument for such funded support, the reaction of the organisations in the various Environmental Industries, not least the smaller enterprises (SMEs) for which European support has been provided, and the expectations of the funding bodies. What are the key issues that such a body can help with and how effective can such help be? It is "early days" for the project, since it started in a small way only in 2001 and only achieved agreement on its core funding at the latter end of 2002 and beginning of 2003, so this is an ongoing study."

**KEY WORDS: Environmental Goods and Services Industries; SMEs; European Regions; Market development; funded support; case study.**

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<sup>1</sup> 'Global Environmental Markets and the UK Environmental Industry: Opportunities to 2010'; published by DTI/DEFRA/JEMU on behalf of UK Government in March 2002.