

INNOWATER

Task 1.4. Mapping of innovation support available to water innovators

Executive Summary

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1. Introduction

INNOWATER is a public private innovation partnership of public innovation agencies, water associations, technology specialists, innovation experts and eco-innovative cluster organisations from Cyprus, Denmark, the Netherlands, Spain and the UK, coordinated by the European Water Partnership (EWP). INNOWATER is supported by the European Commission Europe INNOVA Initiative.

The overall objective of INNOWATER is to establish and implement a water innovation partnership that develops and tests new and better innovation support tools and delivery mechanisms for innovative SMEs and first-user industries. This will be accomplished through: the development and testing of the most promising methods and tools to facilitate technology and knowledge transfer; the promotion of innovative water technologies with first-user industries; the development and testing of first-user tools in industry sectors facing water issues; the pro-active involvement of key clusters and industry associations; and the development of user-friendly innovation support delivery schemes in the forms of vouchers and business support programmes.

This document provides a summary overview of the public sector innovation support tools available to water technology innovators and end users in the five participating countries, together with an analysis of potential gaps in support and/or overlaps between schemes and delivery agencies.

The report concludes with an overall set of insights and recommendations relating to the way in which delivery of innovation support might be extended and/or refined and, more specifically, highlighting existing schemes that might potentially be used or adapted to support delivery of the INNOWATER pilot toolkits. This task therefore directly informs Work Package 5 'Development and testing of new forms of innovation support delivery'.

2. The Public Innovation Support Landscape

2.1 Innovation support actors

Within each of the participating countries, the public innovation support landscape consists of a mixture of those responsible for funding (primarily Government ministries), delivery (often specialised national and/or regional agencies) and knowledge providers (mainly universities and technology institutes). Table 1 provides a summary of the innovation landscape in each country. There are a number of features that are common to all countries, whilst others exhibit greater variation:

- Funding is ultimately provided by Government departments, often with a primary Department responsible for Innovation (e.g. Ministry of Science and Innovation in Spain), but also with other departments responsible for specific schemes, such as tax relief. In Denmark, there is a particularly wide range of ministries involved in supporting innovation. Regional authorities may also provide additional funds of their own.
 - Delivery is primarily implemented via innovation support agencies. Their main roles include:
 - To ensure that investment in research is linked to commercial outcomes for industry (e.g. Research Councils in UK)
 - To control the distribution of available grants and loans for research, development and demonstration (e.g. RPF in Cyprus; CDTI in Spain; NL Agency in The Netherlands), often via competitive calls
 - To facilitate the investment of early stage capital for start-up businesses (e.g. CDTI in Spain)
 - To provide advice and commercialization support to new technology developers (e.g. Innovation Agents and Greenhouses in DK; TechnoPartner in NL, RDAs in UK)
 - To facilitate networking (e.g. European Institute of Cyprus; Syntens in NL)
 - To provide physical incubation facilities (e.g. CEIPAR, in Spain), usually in association with generalized business startup and investment readiness support
 - To provide testing facilities (e.g. DANETV in Denmark)
 - To provide support for export and internationalization (e.g. UKTI in UK).
 - The delivery agencies operate using a wide range of models. Some are responsible primarily for setting the direction of research and allocating funding via competitions and calls (e.g. Technology Strategy Board in the UK); others are much more closely involved in delivering advice and indirect support, either solely (e.g. the Cyprus Productivity Center in Cyprus) or in conjunction with direct funding (e.g. WRAP in the UK). Such advice is frequently outsourced to a framework of expert consultants (e.g. Regional support from Navarre; Men of WIT in the Netherlands; Greenhouses in Denmark) and it is this latter form of delivery that is likely to be of most interest to the Innwater project in relation to the Innwater pilot toolkits.
 - Both the UK and Denmark have highlighted the fragmented and often overlapping nature of their funding and support landscape (either in terms of the number of ministries involved (DK) or the range of delivery agencies (e.g. national versus regional in the UK)), which makes it difficult for individual innovators and end users to navigate the support landscape efficiently. Often a considerable amount of time is lost in identifying the most appropriate type of support and the best point of access, in particular for inexperienced SMEs. This overlapping and fragmented landscape is mitigated to some extent by portals (e.g. Business Link in the UK) and individuals (Innovation Agents in DK) that provide effective advice and signposting, but it is widely acknowledged that there is room for improvement.
 - Spain, the Netherlands and Cyprus are somewhat different, in that support implementation is primarily undertaken by one main agency (CDTI in Spain, NL Agency in the Netherlands, RPF in Cyprus) but nevertheless there remains some lack of continuity and cohesion between schemes. In Cyprus,
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overlaps arise in the way that local ministries handle funding support, in particular for the uptake of new technologies by end users. In Spain, national central administration cooperates closely with regional administrations.

- The final layer of actors in the innovation landscape is the knowledge base: the universities and institutes where basic and applied research is carried out. Research capabilities associated with water and wastewater technologies is discussed fully in the reports from Task 1.2. It is worth noting here, however, that Denmark, The Netherlands and Spain have technological institutes dedicated solely to water-based research DHI, Wetsus, Centre for Research and technological development of water in Salamanca (CIDTA), Regional Centre of Studies of Water in Castilla La Mancha, Catalan Institute for water research (ICRA) and Institute of water technology in Valencia (ITA) respectively. These are interesting examples in that both institutes have been designed to act as a bridge between the knowledge base and industry (especially SMEs) via collaboration with the private sector on Government funded and directed research projects. In the UK there are no individual institutes focused on water-related technologies, although many universities carry out relevant research programmes. Early stage research is relatively limited in Cyprus (in particular since its main academic institution, the University of Cyprus, was only founded in 1990) and more effort is focused on the adaptation of imported technologies to local conditions.
 - Lastly, there are a great many associations, usually membership based, that focus on a specific part of the water sector (e.g. wastewater, irrigation etc.). Although not strictly speaking part of the public support landscape, these have a strong role to play in helping their members to access funding, in promoting the knowledge transfer of new technologies, and in improving communication between innovators and end users.
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Table 1
Overview of innovation support actors

Country	Funding	Delivery	Knowledge Providers
Cyprus	A number of ministries, e.g. Ministry of Commerce, Industry and Tourism; Ministry of Agriculture, Natural Resources and the Environment; Ministry of Interior.	Primarily the Research Promotion Foundation.	Two public universities, especially the recently (1990) opened University of Cyprus, and private universities; research foundations.
Denmark	Eleven of the 18 ministries support innovation, each focused on a particular sector, e.g. Ministry of Climate and Energy; Ministry of Science, Technology and Innovation. Each has their own support programs offering funding and advice. Other national agencies e.g. Danish Trade Council; Danish EPA; Strategic Research Council; Advanced Technology Foundation. Regional innovation offices offer advisory services and (to some degree) financial support.	Ministries and regional innovation offices (see under funding). Innovation Agents: proactive support for innovators. Innovation Environments: knowledge, advice and development capital. Greenhouses: regional advisory services to support local SMEs.	Five universities, two of which specialise in engineering (Danish Technological University and Aalborg University). GTS system ¹ : not-for-profit research and technology organizations.
The Netherlands	Primarily the Ministry for Public Affairs, but also, for example, the Ministry of Education, Culture and Science.	Recent consolidation has seen a reduction in the number of delivery bodies. Primary national delivery agencies are NL Agency; Syntens; TechnoPartner and 'Answers for Business' website. Also regional delivery via five Regional Development Agencies.	13 universities and 110 institutes. Of prime importance is Wetsus, the centre of excellence for sustainable water technology. Research is carried out within the framework of the Technological Top Institute for Water technology.
Spain	Primarily the Ministry of Science and Innovation, but also the Ministry of Industry, Tourism and Trade. Regional grants in Navarre are funded by the Department of Innovation, Enterprise and Employment and the Department of Rural Development and Environment.	A range of delivery agencies, but those relevant to the water sector are primarily delivered by the Centre for the Development of Industrial Technology	Spanish Institutes for Scientific Research (CSIC). Spanish Universities and Technology Centres.
UK	Primarily the Department of Business, Innovation and Skills (BIS), but also HM Treasury, Department for Energy and Climate Change and Regional Development Agencies (RDAs).	Regionally via RDAs and their Business Link partners. Nationally via innovation support agencies e.g. The Research Councils, the Technology Strategy Board, the Carbon Trust, and WRAP ² . These organisations are often responsible for allocating funding via competitions.	Universities, Public Sector Research Establishments and independent research and technology organisations.

¹ Abbreviation: "Godkendt Teknologisk Service", or in English: "Approved Technological Service". One Institute, DHI, specializes in water and environment.

² Waste and Resources Action Programme.

2.2 Innovation support instruments

In most countries, there is a broad range of innovation support schemes that span the innovation chain from applied research through to market penetration. In all cases, however, there are gaps in support (see Section 4). Table 2 provides a consolidated overview.

Key insights are:

- A number of countries have attempted to consolidate support instruments into a coherent structure. In the UK this has resulted in the Government's 'Solutions for Business' portfolio consisting of 30 schemes in five groups. Likewise, the Dutch Government has consolidated its support into seven modules, three basic modules open to all innovators, and four targeted at priority sectors. In Spain, support is organized into six large groups of programmes. The landscape in Denmark, however, is characterized by a large number of individual schemes, each with only limited funding available to the water sector. There are fewer schemes available in Cyprus, and these are mostly unified under the National Framework Programme of the Cyprus Research Promotion Foundation.
- In all countries, the innovators (usually SMEs) are the primary recipients of support funding. Schemes can be broadly categorised into those providing generic support, often associated with general business support (e.g. start-up support, investment readiness, internationalization etc.) and grants for early stage/applied R&D; and those targeted at sectors of national priority, often focused further downstream on bringing new technologies to market. Water technology-focused innovators may either not have access to these latter schemes at all, or must face strong competition from other sectors.

In The Netherlands, however, water is considered a priority sector and there are a suit of schemes that have been developed specifically to support innovation in the water sector, primarily under Partners for Water and the Innovation Program for Water Technology. By contrast, in UK, DK, ES, and CY innovators from the water sectors must compete with other technology-based sectors which are often considered a higher priority (in particular renewable energy and cleantech).

Funding for applied research is generally dominated by grants, often with some collaboration with industry and co-financing required. As projects progress through proof of concept to demonstration, higher value grants are available, but these often require correspondingly higher levels of match funding and potentially collaboration with large industry players.

The need for co-financing (which may reach 75% for larger grants) is one of the primary barriers to accessing grants for SMEs. In order to achieve this, SMEs frequently must seek private funding from investors, often before they are able to demonstrate sufficient credibility, or look to collaborate on projects with larger corporates. Another barrier is the resources required (time and expertise) to complete the, often highly bureaucratic, application processes.

- Several types of instruments (e.g. Knowledge Transfer Networks) encourage interaction between end users and innovators, but these are rarely associated with the provision of the specialist market intelligence that is required to underpin successful communication. The involvement of end users may also be required as a pre-requisite for grant applications.
 - Support for end users in taking up innovative technologies also exists, but is more variable. For example, financial mechanisms that support purchase of new equipment (e.g. tax relief on listed technologies) exist in UK and NL, but not in DK. There are also many schemes that encourage end users to improve their resource efficiency (in which water is usually considered alongside energy and waste production/recycling). Cyprus and Spain, in particular, have a relatively high proportion of schemes that target the end user.
 - All five countries have access to schemes funded and delivered by the European Commission, primarily grants provided under the Framework 7 Programme (FP7); the Competitiveness and Innovation Framework Programme (CIP); EUREKA Eurostars (which specifically targets the research needs of SMEs) and loans provided by the European Bank. There are a number of schemes that support SMEs in gaining access to these grants and in finding suitable partners (e.g. Enterprise European Network).
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There is interesting variation in the real and perceived accessibility of these schemes. In Spain, for example, European schemes form a central part of the Innovation landscape and there is considerable experience and support available to help SMEs access the funding. In the UK, the perception remains that these schemes are time consuming and costly to access, and are particularly resource intensive in terms of reporting requirements and administration. In Cyprus, recent entry into the EU means that there is relatively little experience, both on behalf of the national funding agencies in delivering, and the funding recipients in accessing, these schemes, which results in low levels of application.

Spain is also interesting in having a number of bilateral agreements in place with countries from all over the world that, 'promote, assist and fund the development of joint technology cooperation in areas of mutual interest, for the purpose of generating economic benefits for both countries.'

Table 2

Typical support instruments available during different phases of the innovation chain

Applied research	Feasibility – pilot demonstration	Pre-production prototype – field trials	Scale up & market uptake	Generic business support
Primarily grants: some collaboration with industry and co-financing often required Knowledge transfer partnerships	Larger grants with a greater degree of co-financing required Some loans and warranties	Large-scale demonstration programmes, but often limited by State Aid rules These tend to be limited in availability and highly sector specific: few targeted at water industry to date	Investment capital Warranties and financial support for first/end users Public sector procurement Networking and brokering to support identification of launching customer/investors	Investment capital and loans Generic advice for start-ups, including IP, investment readiness and access to finance, often at incubation facilities Bespoke coaching Networking and brokering Support for internationalisation

3. Innovation Support of particular relevance to Water Innovators and End Users

Table 4 lists the principal schemes from each country that are of particular relevance to the water sector. However, in the UK, DK, ES, and CY it is important to note that access to the funding provided by these schemes often involves stiff competition with other sectors. There is concern in Denmark, for example, that despite the encouraging launch of three new schemes in 2010, the priority focus is on the competing low carbon and renewable energy technologies.

Cyprus has no schemes targeted specifically at innovators in the water sector but, since water and energy conservation are particularly important issues in Cyprus (all oil is imported), it is expected that funding and support to find technological solutions in these fields will remain a high priority (see Section 5 below).

As mentioned above, the Netherlands has developed a suite of support schemes targeted solely at the water sector, and united under Partners for Water and the Innovation Program for Water Technology. This incorporates six main programmes that include support for the innovation chain from applied research to market uptake. Nevertheless, although the Netherlands is clearly a leader in this field, a number of gaps have been identified in the support landscape (Section 4). Three examples of the more creative and interesting schemes are described in more detail below (for more examples please see the individual country reports):

- The Danish Renewal Fund is providing 236 million DKK (31.7 million €) in 2010. Projects vary but examples include subsidies to technology developers to test their technologies at the premises of potential end-users, or warranties for technology companies who have potential technology buyers, but who are hesitating due to technical or financial uncertainties.
- Technological Top Institute for Water Technology, Wetsus (NL) creates a unique environment and strategic cooperation for development of profitable and sustainable water technology knowledge (both scientific and applied). The multidisciplinary collaboration between companies and knowledge institutes in Wetsus addresses the gap between research and the market, whilst private companies determine the research agenda of the knowledge institutes around predetermined topics.

A total of EUR 35 million has been made available for 4 years (2007-2010). 50% of this budget comes from the Ministry of Economic Affairs; the other 50% is supplied by the private companies and knowledge institutes.

- Guarantee Facility (NL). This instrument takes the form of sponsorship for the cost of unforeseen changes that could occur during installation and operation of an emerging technology. The adjustments are necessary if the plant does not function properly, following commissioning. Such adaptations (which take the form of the experimental development of the plant) must take place in the period of three months to two years from the date the plant has been taken into service, must not have been predictable at the time of sale or rental, and must be necessary to achieve the agreed performance indicators between the entrepreneur and the purchaser.

The Ministry of Economic Affairs allocated EUR 2 million for the period 2008-2012 for the guarantee facility.

Table 4

Principal schemes with particular relevance to water innovators and end users

<p>Cyprus</p>	<p><i>Innovators</i></p> <ul style="list-style-type: none"> • The National Framework Programme of the Cyprus Research Promotion Foundation: in particular the third pillar: Development of Research and Innovation in Enterprises. <p><i>End users</i></p> <ul style="list-style-type: none"> • Agricultural development programme to install wastewater recycling and liquid water processing systems.
<p>Denmark</p>	<p><i>Innovators</i></p> <ul style="list-style-type: none"> • Green Development and Demonstration Programme (GUDD) (from 2010): grants or warranties to companies who wish to demonstrate technologies within climate change adaption/mitigation, renewable energy and water. • Action Plan for ECO-efficient technologies (from 2010): funding for development of environmental (including water) technologies suitable for export. • Green Labs DK (from 2010): demonstration program for large scale testing of climate-friendly technologies (including water). • Renewal Fund (from 2009), supporting the development and market maturation of new green products and services through a variety of initiatives. • Growth Forum: membership associations responsible for regional business development. Finance available for projects that promote local innovation.
<p>The Netherlands</p>	<p><i>Innovators</i></p> <ul style="list-style-type: none"> • Technological Top Institute for Water Technology, Wetsus: a multidisciplinary collaboration between companies and knowledge institutes that addresses the gap between research and the market • Innovative Water Technology Development Instrument (InnoWATOR): a grant for industrial research, experimental development or a combination thereof, that leads to the development of a new product, process or service • Guarantee Facilitie: sponsorship to cover the cost of unforeseen changes that could occur during installation and operations • Men of Water Technology Innovation Team (WIT): a specialized team of innovation brokers that support innovators in introducing their ideas to the market • Partners for Water: a program that aims to strengthen the international position of the Dutch water sector. A variety of grants are available for consortia to carry out feasibility, business development and demonstration in 26 countries around the world. <p><i>End users</i></p> <ul style="list-style-type: none"> • Environmental Investment Deduction (EID) & Random Depreciation of Environmental Investments (RDEI): to promote investments in environmentally-friendly equipment by industries (end users)
<p>Spain</p>	<p><i>Innovators</i></p> <ul style="list-style-type: none"> • NEOTEC Initiative which aims to support the creation and consolidation of new technology-based companies • National R&D Plan for 2008-2011, Ministry of Science and Innovation • AFRE (although a membership based organization) is actively involved in promoting R&D and innovation, e.g. between members and the Technical University of Madrid within the framework of the Technological Spanish Water and Irrigation Platform • Spanish Technological Water Platform, e.g. offers a free service to search and create alerts for national and regional R&D grants

	<p><i>End users</i></p> <ul style="list-style-type: none"> • Rural Development Programme: Aims to Improve efficiency in water use and energy and facilitate recycling of general waste in farms by financial support for agricultural infrastructures • Financial aid for the reduction of environmental impact by the Ministry of Environment, Rural and Marine, mainly aimed at reducing wastewater (currently discontinued) Nowadays tax reduction for environmental investments • Investment for the provision of facilities and equipment in livestock that have specifically targeted the development and innovation of Best Available Techniques
<p>UK</p>	<p><i>Innovators</i></p> <ul style="list-style-type: none"> • Environmental Technologies KTN – includes focus on sustainable water management. Knowledge transfer networks (KTNs) bring together diverse organizations in a specific field of technology and provide activities and initiatives that promote the exchange of knowledge and the stimulation of innovation in these communities. • NWDA Biomass Project. Regional project that aims to reduce pre-development risk (prior to submitting a planning application for a biomass energy system, including anaerobic digestion) by supporting companies in producing technology appraisals, detailed costings, engineering drawings, emissions modelling and environmental assessments. • Water Innovation Network. Recently formed regional network (East of England) that aims to drive innovation within the water industry supply chain and encourage industrial end-users to adopt innovative solutions that reduce water demand. <p><i>End users</i></p> <ul style="list-style-type: none"> • Enhanced Capital Allowance: tax relief against the capital cost of listed water technologies • Improving Resource Efficiency. This can be delivered nationally e.g. via the Envirowise programme (currently delivered by WRAP) or regionally e.g. via Resource Efficiency East. Both these programmes support companies in improving all resource efficiency, but include a strong focus on water consumption and wastewater production.

4. Summary of Gaps

As already discussed, with the exception of The Netherlands, there is little or no support targeted solely at the water sector. It is therefore necessary for innovators to compete with other sectors, often low carbon and clean energy, which in some countries (e.g. UK and Denmark) currently have a higher priority. A number of common gaps have been identified in the support landscape. These are listed in Table 5 below, together with schemes from other countries that may potentially be used to address those gaps.

Table 5
Common gaps and schemes with the potential for transfer of learning

Gap: all sectors	Countries affected	Schemes with the potential for transfer of learning
Effective support to ensure knowledge/technology transfer from research programmes	CY, ES, NL, UK	Carbon Trust Fast Track Entrepreneurs scheme
Funding for pre-commercial demonstration	CY, NL, UK, ES	Green Development and Demonstration Programme (GUDP) (DK) Spanish Integrating projects (ES) <i>Note that public support at this stage may be constrained by State Aid rules</i>
Testing facilities and support for independent verification and certification	CY, DK, ES, NL, UK	Green Labs (DK): water not currently a priority
Direct funding to support routes to market, in particular the reduction of risk associated with purchase of unproven technology	CY, ES, (NL), UK	DK Renewal Fund: water not currently a priority NL Guarantee Facility: insufficient data to know if this will be successful UK SBRI scheme, public sector procurement for novel technological solutions: yet to be applied to the water sector ES Investment for the provision of facilities and equipment in livestock, specifically targeted the development and innovation of Best Available Techniques, water not currently a priority
Financial mechanisms to support uptake of expensive new technology by end users	DK, ES	Tax relief schemes in UK and NL (although both suffer from the challenge associated with getting new technologies on to an approved list
Support to overcome cultural barriers in end users	CY	Financial support in ES for water efficient agricultural infrastructure CY, several grants aimed at end users of innovative technologies
Gap: water sector		
Targeted and co-ordinated support for water and wastewater management technologies	CY, DK, ES, UK	NL schemes under the banner of Partners for Water and Innovation Program for Water Technology
Single point of contact (hub) for all water related information and networking opportunities	DK, UK, CY	Netherlands Water Partnership; Spanish Technological Water Platform

In some countries (ES, UK) there is also regional variation in quantity and quality of support available, and some programs (ES) suffer from a lack of continuity (in terms of availability) of support, which hinders medium and longer term financial planning.

5. Outline of Future Trends

Not surprisingly, priorities for support and details of innovation support schemes change with changes of Government.

In the UK this means that, as a result of the election of the new Conservative-Liberal Democrat coalition in May 2010, there is currently a substantial degree of uncertainty with regard to the future funding of existing support schemes and the nature and scale of proposed incoming schemes. For example, the proposed introduction of a Water Innovation Platform, run by the TSB, would open a new tranche of grants for R,D&D available to the sector.

Likewise, considerable change is anticipated in the Netherlands following their June 2010 elections. The more liberal coalition that is most likely to be formed over the coming months is committed to broad and substantial reductions in spending (18 billion euro), mainly with cuts in public spending for government departments and associated public agencies. However, important initiatives that are likely to remain are: closing the gap between scientific/applied research and the market, since the liberal stream is in favor of investments that stimulate the collaboration between knowledge institutes and the private sector; and streamlining innovation policy and reorganizing public support schemes.

In Denmark, elections at the end of 2011, may also have an impact on the continuation of the newly launched Green Growth plan by the present Government.

Spain, on the other hand, has recently laid plans for a substantial increase in R&D funding (with a total of EUR 8,000 million over the next four years) in their INGENIO 2010 Programme. This has the near term objective of reaching 2% of GDP, for R&D funding by 2010 and includes aim to increase funding for specific programmes, such as CENIT.

Although Cyprus currently has no schemes targeted specifically at innovators in the water sector, water and energy are particularly important issues in Cyprus, and it is expected that funding and support will be focused on finding technological solutions in both these fields. Government policies towards water are not only focused on water resource efficiency, but also on reducing energy use via water efficiency, on water storage, desalination (again a particular issue in relation to the huge associated energy demands) and reducing the volume of wastewater.

Overall, national support for cleantech industries (including water and wastewater) must be set in the global context of increasing pressures from climate change, population increases and the resource requirements of industrialized lifestyles. All Governments to a greater or lesser degree will have to maintain their support for these industries until they can compete in the market place with incumbent fossil based alternatives. Smaller countries with limited domestic markets (such as Denmark) are particularly well attuned to the global market for innovative products.

6. Key Insights and Recommendations

A number of issues have emerged that are common to the majority of partner countries.

- There is a considerable variation in the number and type of support schemes available, and in the amount of cohesion that exists in the funding and implementation of these schemes. However, in all cases, there are opportunities to further streamline the innovation support system, in order to provide innovators (and eventually investors) with the confidence that 'joined-up' support will be accessible on a continuous basis from applied research through to market uptake. This will encourage increased levels of innovation and improved commercial outcomes.
- Some common key gaps in the focus of innovation support have been identified (see Table 5):
 - Support for knowledge/technology transfer from the research base
 - Support for large scale demonstration and scale up
 - Testing facilities and associated independent certification and verification schemes
 - Support for routes to market, in particular reducing risk associated with take up by launching customers
 - Financial mechanisms to support uptake of new technologies and support to overcome cultural barriers in end users

It is possible to address these gaps through the introduction of new schemes or the simple extension of existing schemes to include a focus on the water sector. In either case, some innovative schemes exist which may provide useful learning for countries looking to address these gaps.

- With the exception of The Netherlands, there is little support that is targeted specifically at the water and wastewater sector, and innovators must either compete with other sectors (often cleantech and renewable energy, which may currently enjoy a higher priority), or may not have access to the schemes at all (e.g. large-scale demonstration projects which tend to concentrate on a few priority sectors). There is thus clearly a *great deal of scope for providing specific, targeted support for innovators and end users in the water sector, or in affording a much greater priority to the water sector within existing schemes.*
- In some countries (DK and UK in particular), the support landscape is fragmented and often difficult to navigate for SMEs. Signposting exists but there is not always an obvious 'first port of call' with information specific to the water sector. Here the opportunity exists for the future development of dedicated 'hubs' that form a focal point for all water related information, both for innovators and end users.
- There are barriers that deter both innovative SMEs and end users from benefitting from the support available. In the case of SMEs, for example, direct funding is one of the commonest forms of support, but is often difficult to access for the following reasons:
 - Competition with other sectors (as mentioned above)
 - Need for match funding
 - Too much time and expertise required during application process due to high levels of bureaucracy

End users (e.g. Cyprus) may be inhibited by cultural and behavioural barriers in addition to the more obvious financial constraints.

These insights have led to a number of specific recommendations for consideration during the development of the delivery mechanism for the Innowater pilot toolkits, and also the mechanisms put in place for their continued use following completion of the project.

- Delivery mechanisms should enable innovators and end users to compete effectively with other sectors (or be targeted solely at the water sector) and should ensure that there is ready access and effective signposting to the support schemes.
- It is important to target support at a broad range of stakeholders (including for example plant manufacturers), and to understand the barriers associated with accessing such support. For SMEs, this is likely to include resource constraints (both financial and human) whereas for end users there may be cultural as well as financial barriers. It is also valuable to ensure that there is scope for collaboration and knowledge exchange between stakeholders.
- There are existing delivery agencies and schemes that may be suitable for forming the basis of the delivery of toolkits. A number of such agencies and schemes are specified for individual countries in their country reports, and these need to be investigated in more detail. However, it is also important to ensure that learnings from potentially novel and creative schemes are clearly transferred between partners, and form the basis for any new delivery mechanism. The suite of schemes targeted at the water sector in The Netherlands is an obvious example.
- In determining how the delivery mechanism should be set up (or adapted) it is necessary to consider whether it should be:
 - nationally or regionally based (post pilot)
 - solely targeted at the water sector, or incorporated within a wider remit (e.g. resource efficiency or sustainable growth)
- Lastly, it is important to take into account the need to incorporate *third party consultant* support in delivery of the toolkits. Examples of schemes that include access to such bespoke support have been provided (e.g. Men of WIT in NL, Carbon Trust Fast Track Entrepreneurs in UK) and these could be used as potential templates for this type of delivery.

Subsequent phases of the Innwater project will consider these issues in greater detail.



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