



Netherlands Environmental Assessment Agency

Strengthening the design of policy instruments

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Main Focus

- Main focus: how to improve design of policy instruments to support eco-innovation
- To that end we have seen ‘four cases’:
 - Eco-innovation in (intermediate) products: focus on supply & demand in different markets ...
 - Green procurement: voluntary scheme with information provision...
 - NOx emission reduction stationary sources: deposit-refund mechanism, but with compulsory monitoring...
 - Water and soil salinization: command and control, but with carrot and stick...

Questions case studies

- Two main questions:
 1. What have we learned from these case studies?
 2. Are we able to generalize from here?

1) What have we learned?

- How to draw general lessons from *existing* cases?
- Requires common evaluative criteria, like
 - Is an approach successful and in what respect?
 - Explanation of this (lack) of success?
 - Building on characterization of instruments in a meaningful way across different fields
 - *E.g. OECD/EU criteria (stringency, certainty, flexibility)*

2) Are we able to generalize?

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- Generalization requires representative cases?
... but question is representative for what?
- Three potential perspectives for ‘eco-innovation’:
 - Problem orientation (cases)
 - *How to solve a particular problem?*
 - (Connected) market(s) (eco-innovation)
 - *How to stimulate forerunners (supply) and green consumers (demand)?*
 - Directed technological change (‘green growth’)
 - *How to provide multi-market incentives?*

2) Are we able to generalize?

- Are case studies representative for perspectives?
 - Problem orientation (cases)
 - (Connected) market(s) (eco-innovation)
 - Directed technological change ('green growth')
- Missing elements?
 - 1 or more instruments for a given target (rational?)
 - Complexity with multiple targets (trade-offs = choice!)
 - Information management (e.g. monitoring)
 - Carrot & stick (behavioral economics)

Lessons for instrumental design

- Eco-innovation not goal in itself (specify!)
- Lessons likely to differ depending on:
 - main perspective
 - difference between invention and diffusion of new technologies ('solutions')
 - difference between policies with local and/or global impact ('level playing field')
- Focus on role of *both* government and market (supply and demand)
- Trade-offs?