



SITRA

Environmental Innovation

Sitra's Environmental Programme 2004-
2007

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Suomen itsenäisyyden juhlarahasto

Finnish Innovation Fund in Brief

- Founded 1967, spin-off from the Bank of Finland
- Subject to supervision of the Finnish Parliament
- Financed by yield from its own endowment capital and return on financing activities
- Venture Capital Investments 102 M€
- Endowment capital investments 598 M€
- 98 employees
- President Mr. Esko Aho

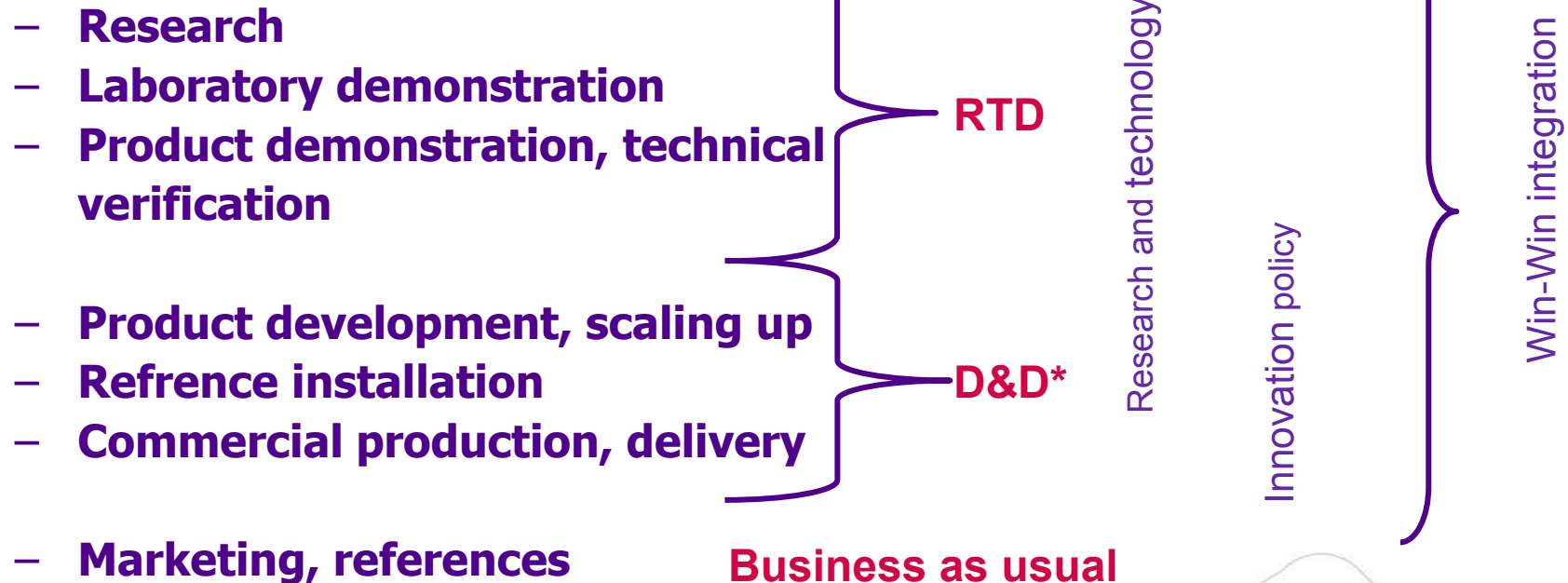
Environmental Programme – Cleantech Finland

Programme Framework

| Project areas | Objectives | Tools |
|--|---|--|
| Industry profile | Bringing cleantech firms forth | Network/Cluster Analysis |
| | Follow-up of market development | Statistical Systems Development, Market follow-up |
| | Challenges for the Future | Foresight System, R&D Analysis |
| | Venture Capital Investment Development | Finnish VC Investment Analysis and Follow-up System, Cleantech Venture Forum in Finland |
| Growth and internationalisation | Company Networks | Regional co-operation - National Centre for Expertise, network models/ Russia, USA |
| | Target market studies | Company driven pilot projects for selected markets/ China, India, Russia |
| | Financing | Financing Models, Subsidies and Funds |
| Finland as top ranked environmental country | Top-ranking competences | Industry analyses |
| | Innovative Entrepreneurship – New Businesses – New Markets | Industrial residuals, material efficiency, green public procurement |
| | Integration | Regional co-operation - National Centre for Expertise, International co-operation, Business Awards, Congresses |

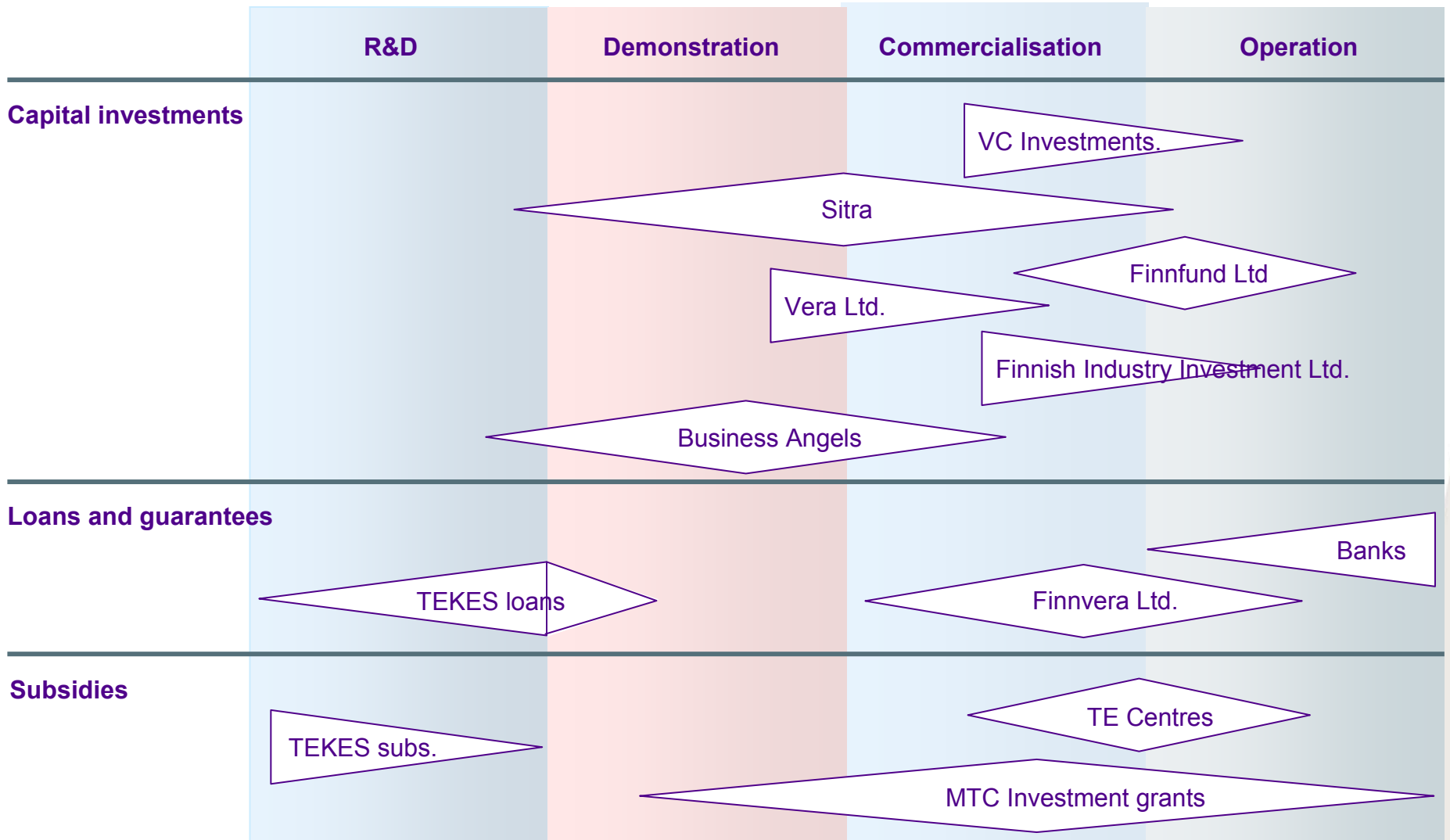
**Venture Capital Investments
National Action Programme**

Development stages for innovation



* Deployment and Demonstration

Financing innovation - Finland



Main obstacles for environmental innovations in Finland

- 1. Foresight**
 - 2. Market pull**
 - 3. Public procurement**
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1. Foresight

- **Threats to opportunities, approach to regulation**
- **Proactivity, expectations on future environmental policies**
- **May lead to uncertainty; will the environmental policy develop as expected? Need for transparent and predictable environmental policies development in**
 - **Taxation**
 - **Regulation, legislation, timetable for applying directives**
 - **Public grants**
- **Globalization offers alternatives, creates competition**

2. Market pull; from RTD to D&D

- **Adaption of environmental policy to be combined with research and technology policy**
 - **RTD policy - to seek competitive advantage**
 - **Environmental policy – environmental issues**
- **More weight on deployment (innovation); reference plant investment support**
- **Financial tools for innovation investment risks**

3. Public procurement

- **Outsourcing of services**
 - **Organisational and attitude changes**
 - **Know how of procurement**
 - **Quality management systems**
 - **Development of public procurement rules to support innovations**
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**Bringing
the environment
into business
development**