

Stakeholder Meeting 17-05-2017

REINVENT-project

13:00-17:00

Utrecht

In a small group of stakeholders, invited to reflect on the REINVENT project (<http://reinvent-project.eu/>), looking for new pathways towards decarbonising high carbon intensive industries. As this involves innovation and issues of finance and institutional barriers loom large in this, the discussions were also highly relevant and interesting to the FIRES-consortium. The issues seem similar at some level of abstraction as one of the conclusions in the discussions was that there is a big role for small and medium sized new firms and within firm entrepreneurship (intrapreneurship) in making the transition happen. Also, remarkable was that, especially in high capital intensive industries, the real nexus for innovation is not with the producers, but with the firms that supply the capital equipment. Much of the technical change is embodied in capital goods. And therefore, innovation needs to take place there, rather than in production firms that will (or not) adopt these innovations. Of course, that is also not trivial, but much less problematic. What could be effective approaches to the transition is therefore to set standards for the capital equipment. And to support innovation there in the right direction. Also, a lot may be expected of breaking open these often highly concentrated capital equipment markets. Perhaps by lowering IPR-protection to increase the flow of knowledge and prevent the blocking of innovation. Likewise, we need more freely flowing and disposable financial capital. That involves a shift in emphasis from debt to equity and from institutionalised to more personal investment. This does not require a massive shift, just a mild and minor adjustment. We do not need 90% venture capital, just a little bit more than currently to finance small scale experimentation. Although I was present at the event as a guest, participating on behalf of Sustainable Finance Lab, I think these discussions are also highly relevant to also take on board in FIRES.