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Crisis support for eco-innovative
companies across Europe. Insights and
good practices from the Super project

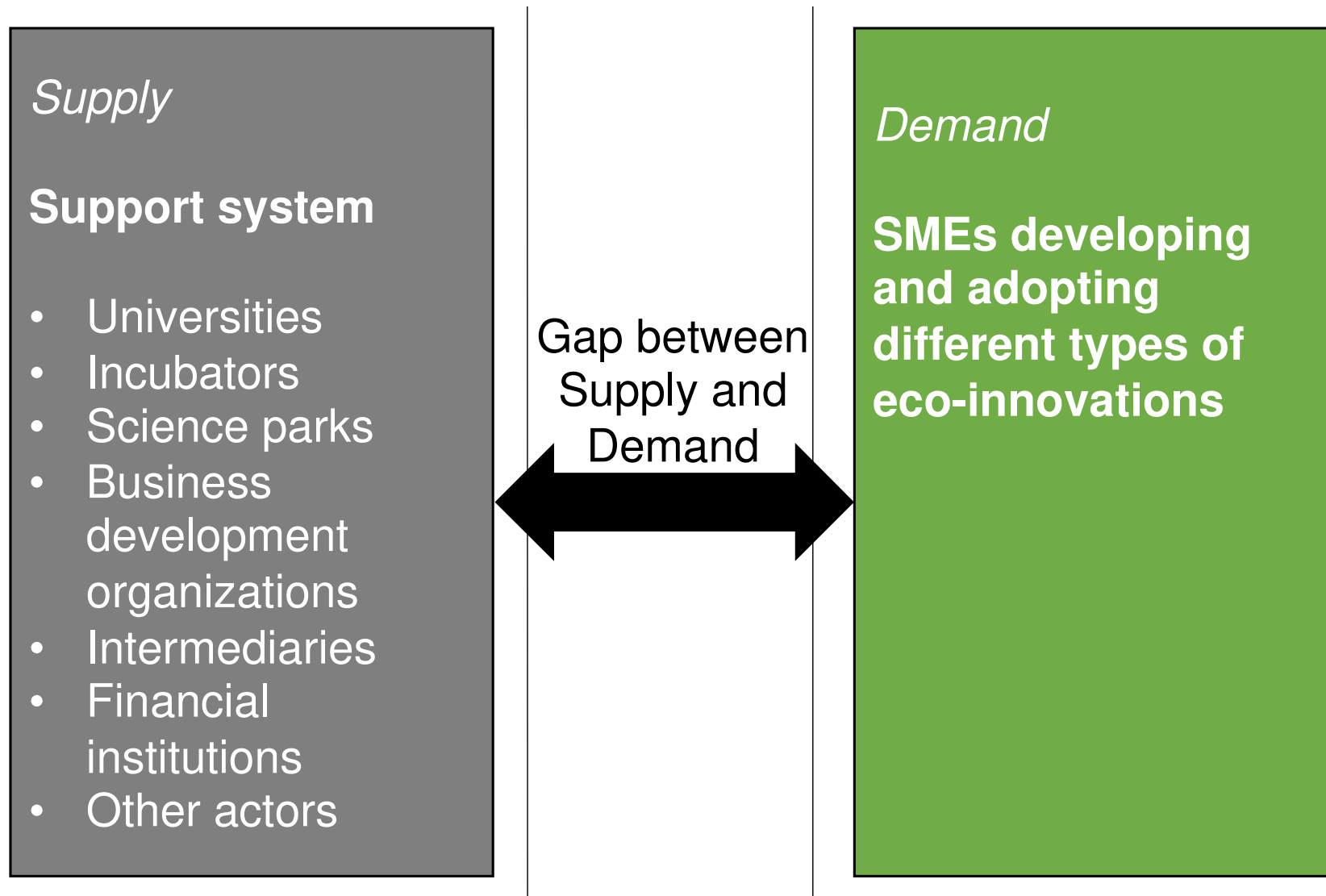
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29th September 2022 | Super webinar

Outline

- Background and motivation for regional analysis.
- Method for regional analysis.
- Challenges experienced by eco-innovative companies.
- Support practices to alleviate challenges.
- Good support practice examples.
- Conclusions.

We focus on eco-innovative companies and support systems





Environmental innovations

- Environmental innovations include products, systems, processes and services that provide environmental benefits in relation to existing or alternative solutions seen from a life cycle perspective (Formas and VINNOVA, 2007).
- What matters most is the **actual environmental benefits** that arises through the development and diffusion of such innovation **with or without intention** (Kemp and Pearson 2007; Carillo-Hermosilla et al., 2010).

Why focus on eco-innovative SMEs?

- With rising energy and food prices, resource efficiency is essential in production and consumption.
- With disruptions in global supply chains, resilience (the ability to bounce back and transform business) has become even more important.
- Developing and adopting eco-innovations provides opportunities for resource efficiency and resilient business development.

Support systems

A support system is "All actors, institutional settings and resources that help entrepreneurs in innovating successfully" (Fichter and Tiemann, 2018 p.515).

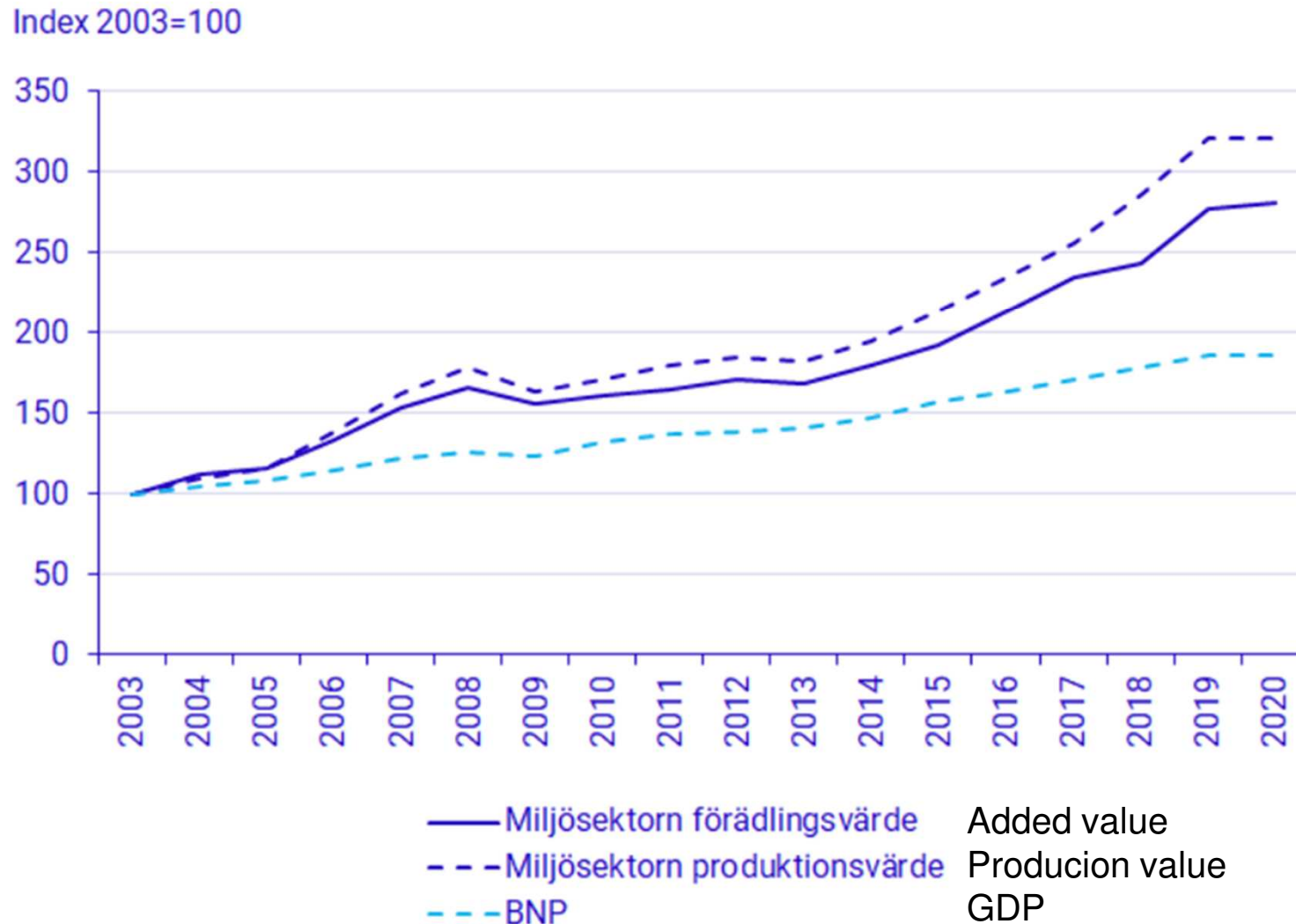
- Support system actors provide support to companies.
- A support system has a structure shaped by its context.
- A support system often has a regional focus as a starting point.

(Based on Kanda et al., 2018, Kanda et al., 2019, Kanda et al., 2020)

Why focus on support systems?

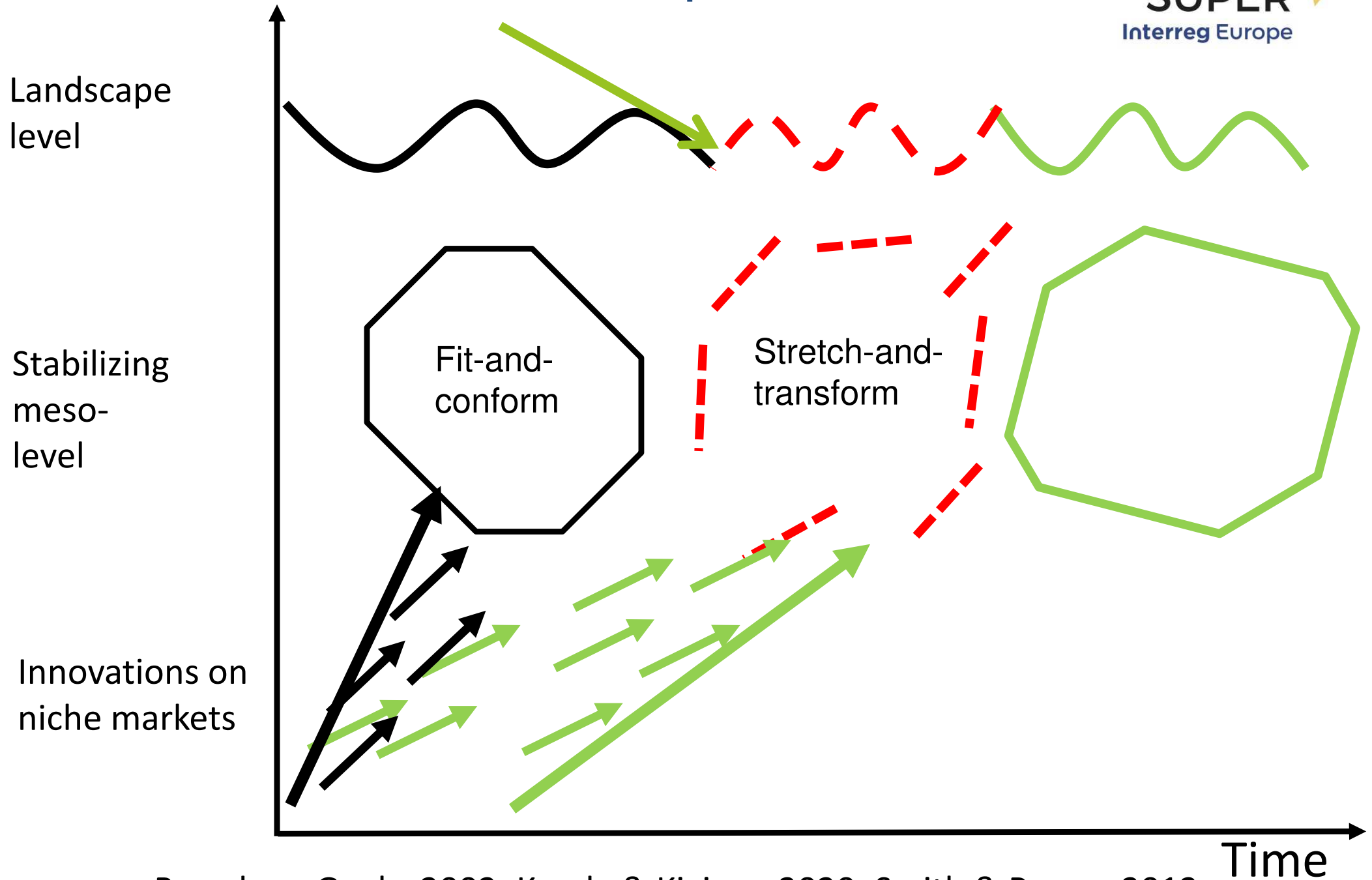
- Eco-innovative companies need external resources such as knowledge, networks, and finance to overcome challenges related to cross-sectoral collaboration, externalities and free-riding.
- A support system is a holistic and intentional approach to support and thus is essential for the survival of eco-innovative companies in times of crises.

Swedish environmental goods sector

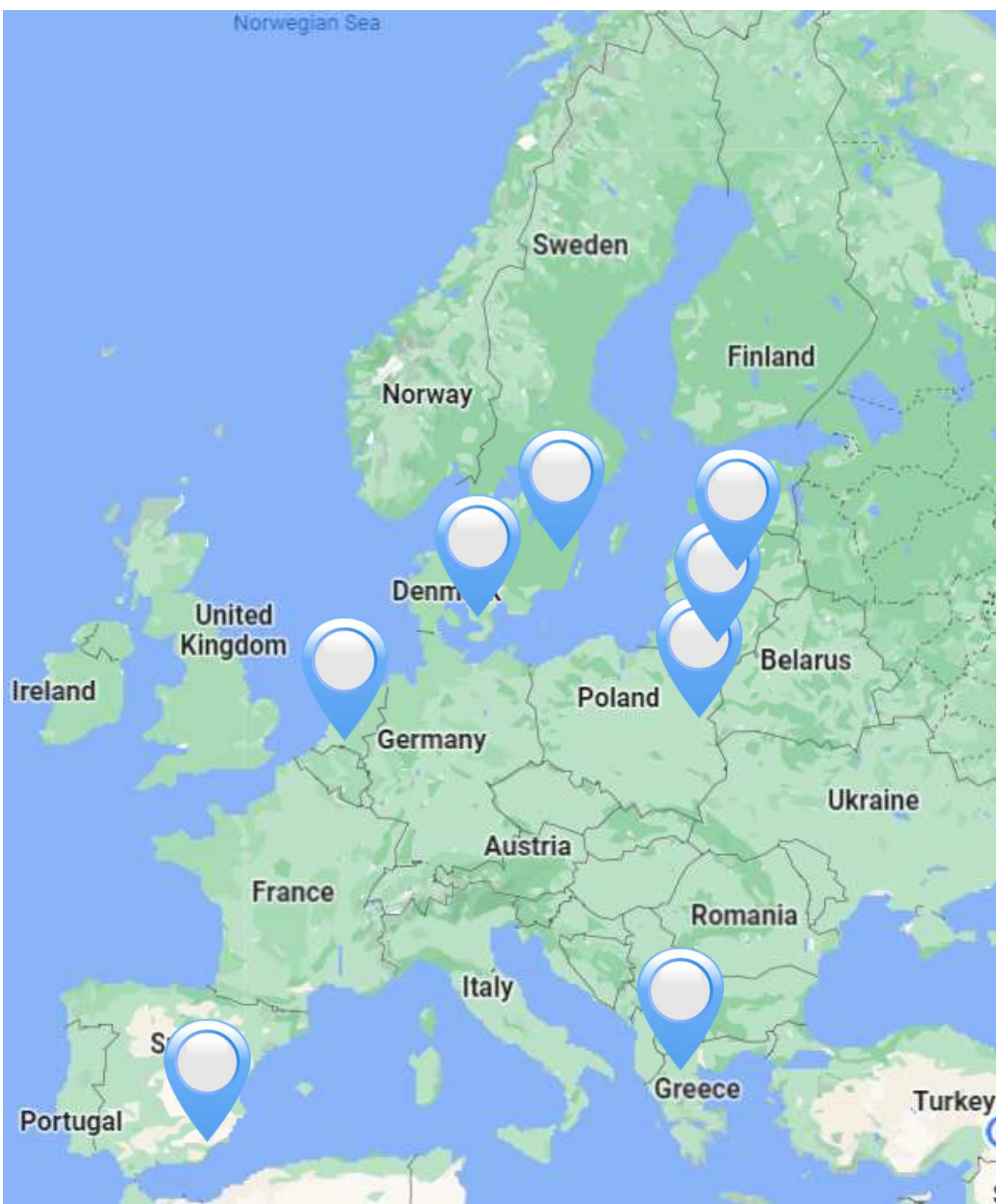


Source; Statistics Sweden

Covid-19 as a landscape shock



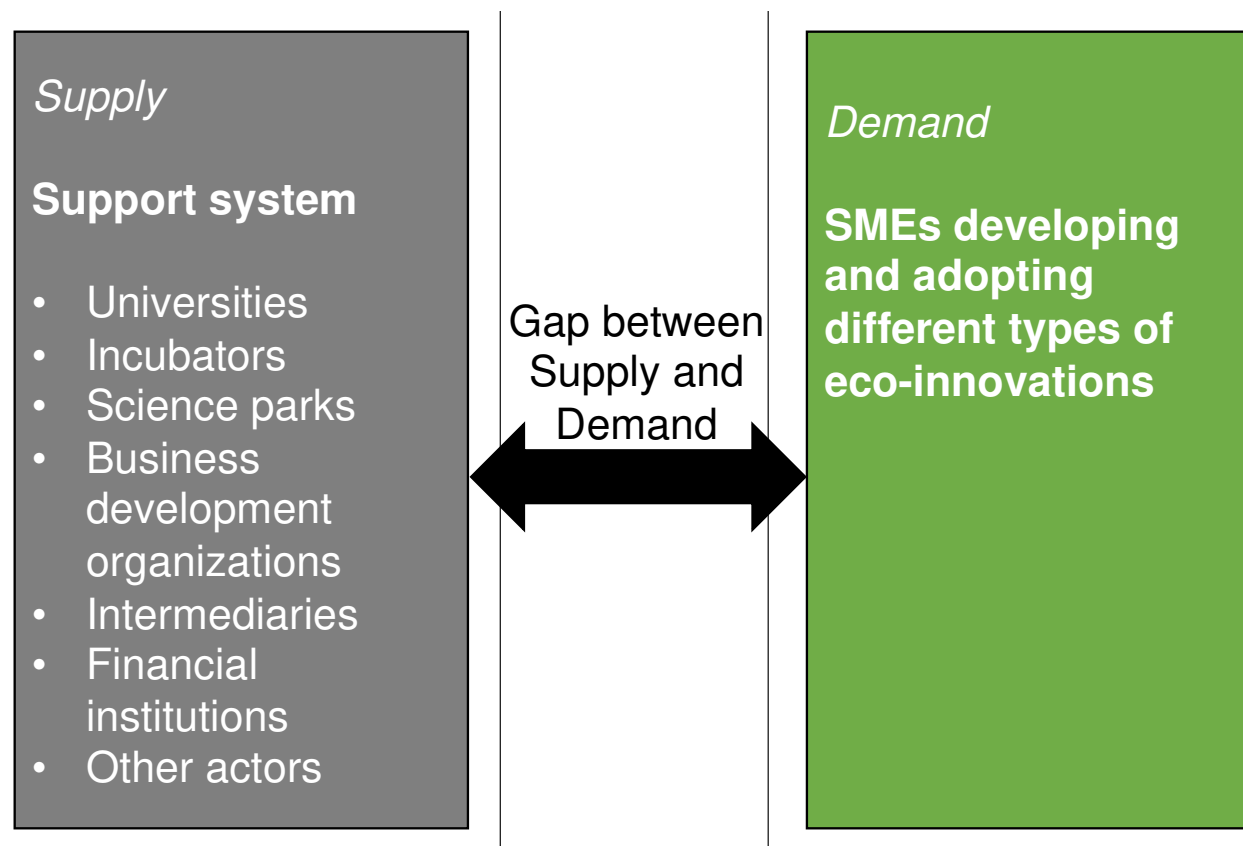
Based on: Geels, 2002; Kanda & Kivima ,2020; Smith & Raven, 2012.



Cross-European study in eight regions

Methodology

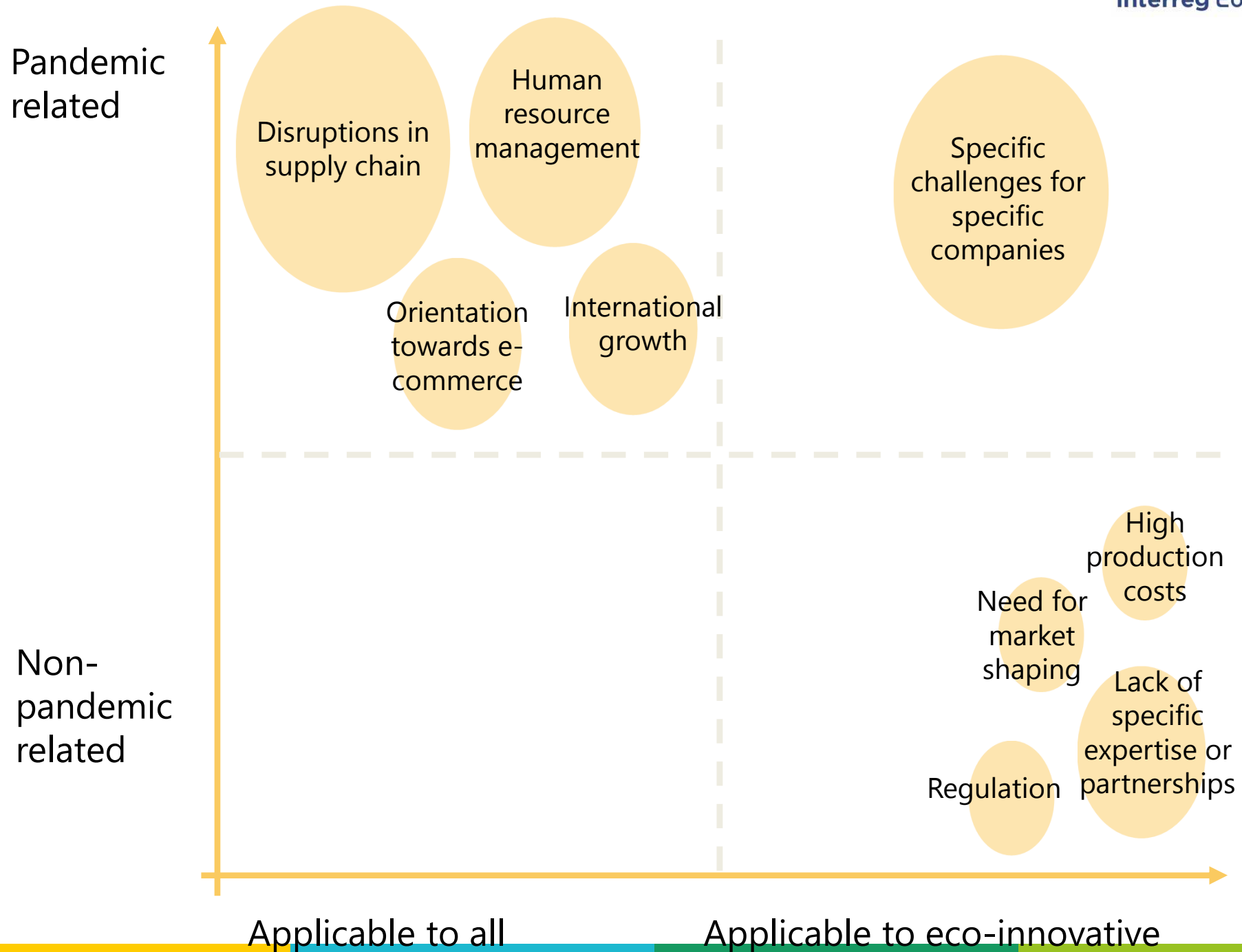
- Overall approach – supply and demand side.
- Common interview guide for all regions.
- 5-10 semi-structured interviews with support system actors.
- 5-10 semi-structured interviews with eco-innovative companies.



Methodology

- 47 interviews conducted with support system actors and 55 with eco-innovative SMEs.
- Analysis
 - One report for every region
 - Synthesis of challenges experienced
 - Identification of good support practices
 - Peer review of regional analysis reports and good practices
 - Overall analysis by advisory partner

Perceived challenges



Examples of support actions

- National (and EU)-level
 - Financial support
 - Loans
 - Grants
 - Subsidies
 - Extension of tax and VAT payments.
 - Changes in labour law
 - Short-term layoffs
- Regional support more diverse
 - Corona task forces
 - Sparring, Hot-lines
 - Intermediation activities (access to finance)
 - Digitalization and digitization
 - Business model development and simulation.
- Development over time (Klyver et al., 2021)
 - Initial phase: “Survival after the shock”
 - Adaptive phase: “Strategical adjusting to the new situation”.

Good practices examples

- Prioritisation based on regional smart specialization.
- Eco-innovations received additional points in certain instances.
- Grants for eco-innovative companies in Poland.
- **Financial**
 - Subsidies to deploy digital solutions.
 - Subsidies to support innovation investments.
 - Grants to develop and adapt to pandemic related challenges.
 - Funding company expenses due to liquidity challenge.
- **Non-financial**
 - Peer-to-peer network and mentorship program for support and learning.
 - Simulating changes in company financial resources.

Characteristics of good practices

- Centralised information provision.
- Simple and clear application procedures.
- Quick assessment and fast response time.
- Easy to administer and apply for.

Concluding remarks

- Covid-19 as a landscape shock both accelerated and slowed down different kinds of sustainability transformations.
- Eco-innovative companies performed relatively well in the pandemic compared to companies in other sectors (e.g., tourism)
- Financial support was provided on the EU/National level to complement customized non-financial support on the regional/local levels.
- Non-financial support was regarded as essential complement to financial support: peer-to-peer learning, dissemination actions; training for employees, initiatives that foster collaboration.



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Questions welcome



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