

# **Delivering regional eco-innovation through knowledge exchange**

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There are reported to be significant market failures related to poor capitalisation of the business opportunities created by climate change. These include a weak regional export performance in international markets for sustainable products; low regional innovation levels for new product service and development; over dependence of environmental innovation on government policy; inability of markets to fully value/cost the environmental impact of products; ineffectiveness of regulation to drive timely innovation to tackle climate change and risk associated with commercial markets driven by government regulation. (CEMEP, 2007). In order to address such challenges at a regional scale, Lancaster University together with partners secured funding to deliver the Northwest Eco-Innovation Programme, a publically funded project of support that aims to exploit the market opportunities and business benefits that are afforded from the climate change agenda.

The Northwest Eco-Innovation Programme is a £3M project, funded by the European Regional Development Fund (ERDF), the Northwest Regional Development Agency and Lancaster University. This paper outlines the aims of the project and how through working in partnership with over 300 Small to Medium-sized Enterprises (SMEs) that real business benefits have been secured by delivering high value support in a variety of ways. This includes benchmarking companies against a criteria of innovativeness related to their activity from an eco-perspective; mentoring those companies based on specific product areas; utilising undergraduate and postgraduate students and providing product-specific design support.

The paper goes onto to report the findings of an independent mid-term evaluation, considering the effectiveness of the support to beneficiaries. Embedding eco-innovation in the region is an aim of the programme and by creating a legacy is an effective means of its longevity. The paper continues to present a number of case study examples, describing how the intervention of the programme has resulted in positive outcomes for the company and the delivery partners. These results have led to savings in cost, efficiency, carbon and have helped to both secure and create jobs. In addition, the utilisation of student resource has allowed the programme to be a spring board for exposing students to real-world challenges and grasping an innovative approach to eco opportunities in a wide range of business sectors.