

Barriers and Bottlenecks

In 2013, the EIP Water started an activity to look at the non-technical challenges to achieving the objectives for each of its priority areas under the [Strategic Implementation Plan](#). Gernot Klotz, Executive Director for Research and Innovation at the [European Chemical Industry Council \(Cefic\)](#) and member of the Task Force, summarized the main bottlenecks and barriers to innovation during a panel discussion at the 2014 EIP Water Conference.

Klotz suggested that new financial tools that combine different types of funding, or that allocate specific funding for specific stages of innovation, could be part of the solution to financing barriers. When it comes to making decisions about public-private and public-partnerships, building trust is the key to overcoming obstacles, he said.

Barriers and bottlenecks to water innovation

- *Financial Instruments: There are insufficient financial flows into the sector, inadequate cost recovery, risk aversion; lack of resources for SMEs to respond to market opportunities and access to sources of funding, and a lack of combined funding models.*
- *Public Procurement: Public procurement has great potential to stimulate innovation in the value chain, but procurement rules need to be interpreted and adapted in way that promotes innovation.*
- *Public-Private or Public-Public Partnerships: The water market is fragmented, there is low cooperation among the actors in the water-related value-chain, and water management at the national, regional or local level does not facilitate implementation of innovative solutions. Partnership approaches that ensure cooperation and finance, like PPPs, need to be explored.*
- *Regulation: Although they can be restrictive, regulations are essential to innovation in the water sector. They should be evaluated based on their effects on placing innovation in the global water market.*
- *Showcases and demonstration sites: There are good examples of cooperation in a variety of areas that should be identified, disseminated, and developed into regional showcases.*

