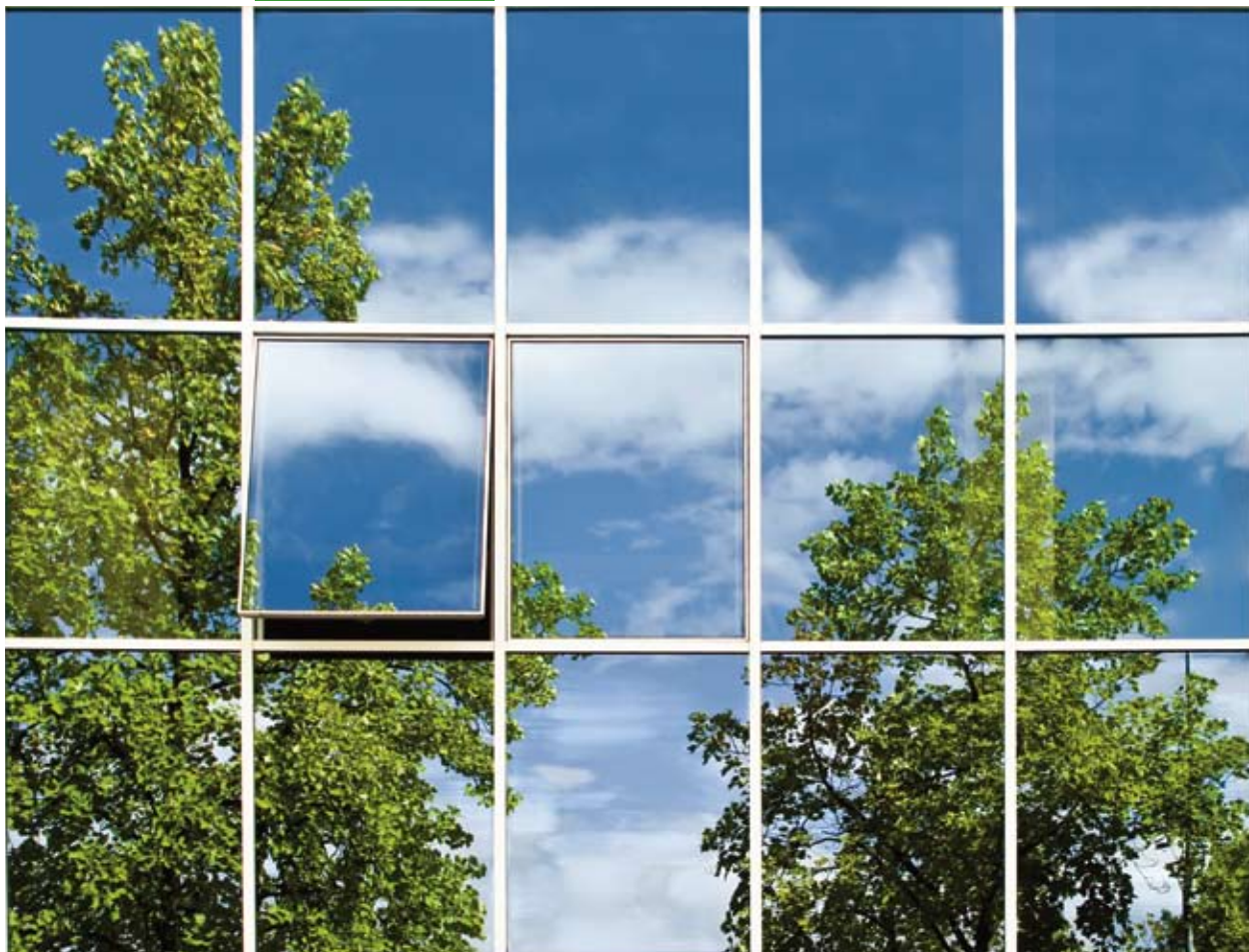


A development
strategy for
Québec's
environmental
and green
technology
industry

For a
Green and
prosperous Québec

Summary





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INTRODUCTION

Climate change, greenhouse gas emissions, renewable energies, accelerated growth in emerging countries, natural resource availability and international awareness raising all make sustainable development and the environment the order of the day worldwide. The issues are environmental, social and economic.

With groundbreaking policy directions on sustainable development, the Québec government is resolutely engaged in our changing world. It will do what it takes to enable Québec to meet the challenges and judiciously take advantage of the development prospects.

The purpose of the development strategy for Québec's environmental and green technology industry is to combine economic development with the achievement of environmental objectives. The aim is to make the industry an international beacon of innovation.

The strategy includes initiatives previously announced in the 2006-2012 plan of action on climate change, the 2006-2015 energy strategy, the action plan to support the manufacturing sector, and the Québec research and innovation strategy, as well as in the 2008-2009 budget.

Under the development strategy for Québec's environmental and green technology industry, programs will be implemented to focus the various government initiatives into a collaborative force that will achieve environmental objectives and develop an industry able to create wealth here in Québec.

QUÉBEC'S ENVIRONMENTAL AND GREEN TECHNOLOGY INDUSTRY

The environmental industry consists of firms that produce goods and services to assess, prevent, limit or correct environmental damage to water, air, soil and ecosystems, and to similarly handle problems relating to waste and wastewater management.

A green technology is one that can reduce the use of raw and other materials, reduce energy consumption, recover useful by-products, reduce polluting emissions or curb waste elimination problems.



**An industry full
of potential**

CO₂ Solution's
bioreactor



QUÉBEC'S COMPETITIVE POSITION

Québec's environmental and green technology industry occupies a significant place in Canada. It represents 20% of the jobs, 19% of the revenue (deliveries) and 21% of the exports of the Canadian industry (Statistics Canada, 2004).

Québec has major assets that future development can rely on:

- a \$3.5 G industry;
- 1662 firms, 34 300 jobs and \$298 M in exports;
- consulting engineering firms of international stature with activities relating to the environment and green technologies;
- specialized, innovative SMBs with international potential;
- highly developed public R&D infrastructures, expertise of international calibre in several areas and an extensive innovation transfer network;
- diversified support for industrial R&D (programs, tax incentives including tax credits for R&D, etc.);
- a framework of policy, legislation and regulations at the forefront in North America;
- numerous sectoral organizations and associations supporting the industry;
- an environmentally aware population.

But ...

It is possible to go further and faster, to obtain a still more advantageous competitive position for Québec firms and to achieve Québec's full industrial potential in the environmental and green technology field.

To do so, the following challenges must be met:

- build a stronger industrial structure, i.e. larger SMBs and more large firms entirely dedicated to the environment and green technology;
- develop and accelerate the marketing of home-grown technologies;
- capitalize on local markets to stimulate growth in the environmental and green technology industry;
- increase exports and acquire a strong position in buoyant niches in international markets;
- achieve the convergence of the efforts of all players in the sector.

A growth-friendly
business
environment

Groupe Labrie





FIVE AREAS FOR ACTION

VISION

“Make Québec the leader in the environmental and green technology industry in Canada and help the industry contribute to Québec’s image on the international scene.”

To attain this vision, the strategy is built around five areas for action.

1) SUPPORT BUSINESS DEVELOPMENT

The strategy aims to foster the growth of environmental and green technology companies by:

- supporting the investment projects of companies that specialize in the environment and green technology;
- contributing to setting up a venture capital fund on the order of \$100 M;
- raising the financial community’s awareness of the environment and green technology sector in order to facilitate access to financing.



**A dynamic
innovation
community**
Odowatch by Odotech

2) SUPPORT GREEN TECHNOLOGY DEVELOPMENT

For fields related to climate change, new energies, energy efficiency, cellulosic ethanol, CO₂ capture and sequestration, water treatment, and soil decontamination, the strategy aims to:

- support industrial research;
- help disseminate information on university research projects in green technology;
- support technology refinement and demonstration projects;
- improve environmental certification mechanisms and the implementation of measures to facilitate the execution of demonstration projects.

3) CAPITALIZE ON THE LOCAL MARKET

Government procurement and local markets play an important role in the development of the environmental and green technology industry. The strategy aims to:

- maximize the economic benefits in the environmental and green technology sector arising from the government purchases provided for in the action plan to support the manufacturing sector;
- promote Québec-developed green technologies to municipalities, companies and agricultural producers;
- help clientele select green technologies created in Québec by disseminating information on their economic viability.



4) PROMOTE INTERNATIONALIZATION

The strategy aims to increase the presence of Québec firms in external markets by:

- supporting the organization of networking activities between the major international contract givers and Québec companies;
- providing support for the identification of projects with a capacity to lead to international calls for tenders, and assistance for follow-up, preparation of proposals, creation of partnerships of various types, and establishment of antennae abroad;
- fostering participation by companies in the carbon market and in the clean development mechanism (CDM) of the Kyoto Protocol;
- contributing to the development of the environmental and green technology industry in foreign markets through Québec's various economic agreements.

5) SUPPORT SECTOR MOBILIZATION

The Québec government intends to encourage mobilization and consultation in the sector. The strategy aims to:

- support the grouping of sectoral associations, support organizations and other strategic partners, in order to identify the issues, track change in the business environment and support structuring projects;
- set up an interdepartmental table aimed at ensuring the convergence of environmental and development objectives in the environmental and green technology industry.



H₂O innovation



THE STRATEGY IN FIGURES AND THE PRO-VERT (“PRO-GREEN”) MEASURE

To implement the development strategy for Québec’s environmental and green technology industry, the government will provide support in the form of funding and services.

The ministère des Ressources naturelles et de la Faune (MRNF), ministère du Développement durable, de l’Environnement et des Parcs (MDDEP), Agence de l’efficacité énergétique (AEE) and ministère du Développement économique, de l’Innovation et de l’Exportation (MDEIE) will set up a series of programs to be known under the name PRO-VERT.

The Québec government will devote \$282 M over a six-year period to implementing the strategy.

GOVERNMENT INVESTMENTS UNDER THE STRATEGY

AREAS FOR ACTION	TOTAL
1) Support business development	\$37.0 M
2) Support green technology development	\$237.5 M
3) Capitalize on the local market	\$0.6 M
4) Promote internationalization	\$6.3 M
5) Support sector mobilization	--
TOTAL	\$281.4 M

CONCLUSION

Québec has undeniable advantages when it comes to facing the challenges raised by today’s industrial and environmental issues. Québec’s vanguard positioning in this regard will require consultation and a pooling of efforts, as proposed in this strategy.

With the proposed mobilization and a results-based approach, Québec will be able to realize its full potential in the environmental and green technology field. As a result, it will become a leader in Canada and a beacon on the international scene. In actuality, the industry will be contributing, today and in the future, to a project for society: a green and prosperous Québec.



The government will provide support in the form of funding and services.



**Développement
économique, Innovation
et Exportation**

Québec 



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