



# STARTUP<sup>3</sup>

## Policy Brief 02

*November 2021*

# EU Green Deal

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 871709.

## European Green Deal

Back on December 2019, the European Commission released the [blueprint](#) for a new “European Green Deal”. The main areas discussed within the brief is linked with resource efficiency, inclusive growth, carbon neutrality and the transition process.

The European Green Deal is a complete action plan that aims to boost the efficient use of resources by moving to a clean, circular economy within the EU, restore biodiversity and reduce pollution. It is one of the core actions towards the achievement of the EU targets for climate neutrality in 2050.

The overall goal is to become “the world’s first climate neutral continent by 2050”. Hence, the Green Deal represents the “new growth strategy” of the EU targeting economic efficiency and social justice.

The action plan involves the design and implementation of investment solutions and financing tools available for research centers, large corporates and SMEs. It will help mobilise at least €100 billion over the period 2021-2027 in the most affected regions.

In order to accomplish the ultimate target action, it is required across all sectors of the EU economy, including investments in environmentally-friendly tech, industrial innovation, transform private and public transportation in clean, cheap and healthier forms, decarbonising the energy sector, ensuring energy efficiency in buildings and promote international partnerships to improve global environmental standards.

The EU will also provide financial support and technical assistance to help the ones that are mostly affected by the transition towards the green economy. This is called the Just Transition Mechanism.



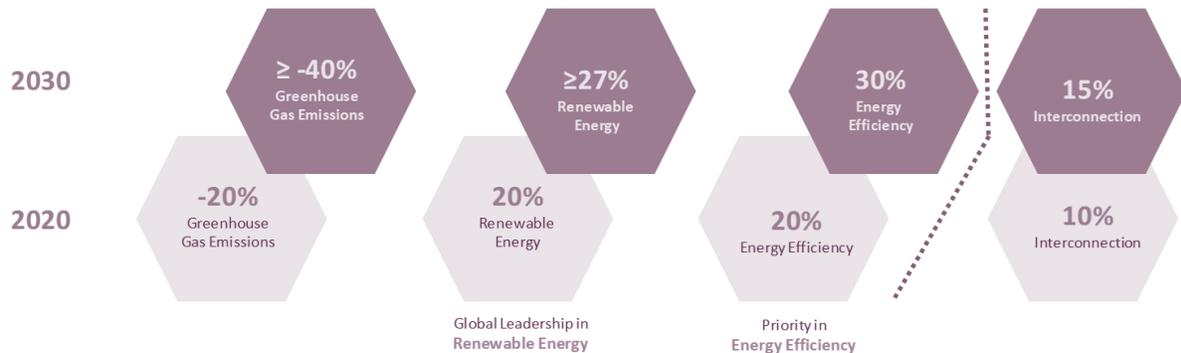
- Make the EU climate neutral by 2050
- Restore biodiversity and cut pollution
- Invest in environmentally-friendly technologies
- Support the industry in innovating
- Boost the efficient use of resources
- Move to a clean, circular economy
- Roll out cleaner, cheaper and healthier forms of transport
- Decarbonise the energy sector
- Ensure buildings are more energy efficient
- Work with international partners to improve global environmental standards

Smart, sustainable and inclusive growth is the focus of the Europe 2020 Strategy. The EC is expected to review all relevant climate and energy policy instruments to achieve the emission reductions with a view to making appropriate proposals by June 2021.



## "Clean Energy for all Europeans"

a Fair Deal for EU Consumers



The Green Deal is linked with nearly all EU initiatives targeting climate neutrality by 2050: enshrined in a European Climate Law. July 2020.

The purpose is the reduction of GHG emissions raised to 55%, which establishes a functional link to the Paris Agreement's 1,5°C target of global warming. The Paris Agreement (2016) is the EU new deal where the 17 UN Sustainable Development Goals adopted.

The Sustainable Europe Investment Plan (1 trillion Euros 2021 – 2030) focuses on new EU industrial strategy, hydrogen strategy, and energy system integration. Based on the Climate Law, the priorities that are linked with

deep-tech startups and stated are a 60% reduction in GHG emissions by 2030, ending of the subsidies for fossil fuels, an agreement on a CO2 Budget for Europe, openness and financing new technologies for climate and connected with the SDGs, substantive changes in the regulatory framework.

SDG represent a complete policy framework with enormous potential impact in the logic of nearly all financing instruments and funds, and especially the Horizon Europe, which represents the largest program for research and innovation, supporting deep-tech SMEs and scale-ups to increase their TRL and access to market.

The six main headline ambitions for EU R&I are the European Green Deal, an economy that works for people, a Europe fit for the digital age, protection of the European way of life, a stronger Europe in the world and last but not least, a new push for European democracy.0020



In addition, the four main priority areas are listed below for the reduction of CO<sub>2</sub> emissions. They create a new impact through the development of a dual, “digital” and “green” new economy and sustainable ecosystem for new ventures. The goal of the combination of these two terms is the integration of eco-innovation in all related EU policies, of course including the industrial ones.

to SMEs, to help find and exploit eco-innovation opportunities.

Specific programs available for start-ups focusing on challenges related to Green Deal, beyond Horizon Europe (€95.5 billion), are LIFE program and Innovation Fund. All these programs build on the Enterprise Europe Network (EEN) for business matchmaking and collaborations in business expansion and



On the achievement of these targets, public sector finance is crucial to accelerate eco-innovation in the private sector, especially in SMEs (small and medium-sized enterprises). To bring new investors onboard, the Commission aims to trigger support to SMEs from the public sector and financial intermediaries and accelerate the take-up of eco-innovation in the private sector. Measures include a European network of eco-innovation financiers, new funding instruments that offer targeted debt and equity facilities, and expansion of other services

acceleration, technology transfer and partnerships, as well as research and co-creation matchmaking.

LIFE Programme is the EU's funding instrument for the environment and climate action. More specifically, LIFE receives a budget up to €5.45bn from €3.5bn, this program will champion the shift to clean energy, circular economy, biodiversity protection, climate change adaptation, and other areas related to climate change and environment.



LIFE Calls for proposals are all published on the [Funding & tender opportunities portal](#).

The European Innovation Fund is related to the Emission Trading Scheme (ETS), aiming to reduce emissions. The Innovation Fund is one of the world's largest funding program for the demonstration of innovative low-carbon technologies was established by Article 10a(8) of Directive 2003/87/EC. The fund provides financing to two types of projects/proposals:

- Large-scale projects: projects with a capital expenditure above €7.5 million, and
- Small-scale projects: projects with total capital costs below €7.5 million

The total budget available for financing is estimated around €25\* billion over the period 2020-2030, depending on the carbon price (at €50/tCO<sub>2</sub>), for the commercial demonstration of innovative low-carbon technologies. The solutions should aim to access the market and reinforce EU technological leadership on a global scale in the broad market of energy and climate change.

Innovation Fund's calls for large and small-scale projects focusing on:

- innovative low-carbon technologies and processes in energy-intensive industries, including products substituting carbon-intensive ones
- carbon capture and utilisation (CCU)
- construction and operation of carbon capture and storage (CCS)
- innovative renewable energy generation

- energy systems and storage

Small-scale projects, the selection criteria are simplified and have less demanding requirements than the large ones. Projects will be selected based on the following criteria, such as effectiveness of greenhouse gas emissions avoidance, degree of innovation, project maturity, scalability and cost efficiency.

The detailed scoring and ranking methodology, as well as possible additional criteria for geographical and sectorial balance, are set in each call for proposals.

Project proponents can apply via the EU Funding and Tenders portal by submitting their proposals when there is an open call for projects.

Finally, available procurement finance from public sector from each EU country is considered crucial for the acceleration of eco-innovation (digital transformation and sustainability) in the private sector, especially in SMEs and new ventures. For example, the [National Recovery and Resilience Plans](#) of EU countries, will allocate a percentage of 37% of the total expenditures for climate change. Deep-tech companies will be benefited due to these policy priorities. Procurement opportunities along with the planning for the creation of a European network for eco-innovation investors and new funding instruments, except grants and tenders, like debt and equity financing, are expected to create new opportunities for deep-tech ventures and broaden access to finance.



## EU cohesion policy

EU Cohesion policy for the programmatic period 2021-2027 remains nearly the same as in 2014-2020. The main areas of focus are the promotion of socioeconomic and territorial convergence throughout the minimization of the existing gaps. In order that target could be accomplished the EU Cohesion strategy focuses on the support of digital transition, achievement of resilience and sustainability, strengthen global competitiveness, facilitate research and innovation, achievement of the European Green Deal objectives as well as the promotion of the European Pillar of Social Rights.

The need for a cohesion policy is due to the fact that within EU, the top 10% of regions in terms of “unexplained economic growth” (growth due to cohesion policy) comes from 21 countries, highlighting that there are rather successful regions in many EU countries. The common characteristics of the most successful regions are the average projects with longer durations, fewer priorities, more inter-regional focus, lower national co-financing, large number of private or non-profit participants among the beneficiaries and a higher level of funding from the Cohesion Fund (see Darvas et al., 2019).

For the programmatic period 2021-2027 the policy aims to enable investments in a smarter, greener, more connected and more social Europe that is closer to its citizens. The EU cohesion policy includes five (5) main policy objectives are:

- a more competitive and smarter Europe
- a greener, low-carbon transitioning towards a net zero carbon economy

- a more connected Europe by enhancing mobility
- a more social and inclusive Europe
- Europe closer to citizens by fostering the sustainable and integrated development of all types of territories

The EU cohesion policy for the next programming period 2021-2027, focuses on the challenges of industrial transition in the regional areas of EU. The upcoming policy is more flexible and simplified than the previous one. A great advantage is that the regulatory framework is unique for all the available EU funds. The total budget targeting the Cohesion Policy objectives amounts to €392 billion, accompanied by national co-financing instruments which reach nearly half a trillion euro. The funds involved are the following:

- The **European Regional Development Fund (ERDF)**, to invest in the social and economic development of all EU regions and cities.
- The **Cohesion Fund (CF)**, to invest in environment and transport in the less prosperous EU countries.
- The **European Social Fund Plus (ESF+)**, to support jobs and create a fair and socially inclusive society in EU countries.
- The **Just Transition Fund (JTF)** to support the regions most affected by the transition towards climate neutrality.

Startups and SMEs can receive expert advice on how to access EU public funds and grants for research and development, innovation, investment, employment and training, through the Enterprise Europe Network.



### Smart Specialisation Strategy (S3)

One of the fulfilment criteria for the enabling conditions for Smart Specialisation Strategy (S3) under ESIF 2021-2027 concerns actions to manage industrial transition, which comprises five main priorities:

- Preparation for the jobs of the future and re-skilling industries,
- Broadening of innovation and its diffusion across EU regions,
- Encouragement of low-carbon energy and transition to circular economy,
- Promotion of entrepreneurship and mobilisation the private sector, and
- pursue inclusive growth

In this context, these priorities represent both the opportunities and the potential of the strategy, but also the challenges of the managing authorities and policy makers towards the programming period 2021–2027.

One of the good practices of S3 is considered the, introduction of public procurement of innovation (PPI) as a new instrument. This leads to the expansion of the ecosystems and enlargement of the participation of stakeholders. This practice might also achieve better impact from this demand side, as it increases the demand for innovation products and services through [procurement mechanisms](#).

In addition, PPI is growing in importance in innovation strategies across many different countries. The upcoming years, this instrument will become core for example as public organisations could buy innovative products and services not yet available in the open market.

Though the obstacles of the past might remain in the value chain and the processes that will be implemented. For the success of the strategy, some crucial steps need to be done as the simplification of the processes, the reduction of bureaucratic procedures that exist in procurement, the terms need to be aligned among countries and the rules should be transparent and clear.

Finally, better communication and dissemination is required in relation to innovation policies and strategies, so that SMEs and start-ups would become able to leverage the research outcomes and new knowledge.



### Related Literature

*Laurent É., 2020, «The European Green Deal: Bring back the new”, OFCE Policy brief 63, January 28.*

*Esparza-Masana, R. (2021). Towards Smart Specialisation 2.0. Main Challenges When Updating Strategies. Journal of the Knowledge Economy, 1-21.*

*Darvas, Z., Mazza, J., & Midoes, C. (2019). How to improve European Union cohesion policy for the next decade (No. 2019/8). Bruegel Policy Contribution.*



### Upcoming Events and Pitch Opportunities

June					
Event Name (maritime, space, health, agrofood)	Date	Time	Sector	Host - Organizer	Hyperlink
14th International Conference on "Marine Navigation and Safety of Sea Transportation" TransNav 2021	16-18/6/2021		MARITIME		<a href="#">link</a>
Tech4SmartCities 2021	17/6/2021	08:30-17:30 CET		EEN	<a href="#">link</a>
Forum Hydrogen Business For Climate   Online Round Table on "NEW SKILLS"	24/6/2021	10:00-12:00 CET		18/5/2021	<a href="#">link</a>
Creativity in Biotech: how to organise serendipity?	29/6/2021	10:00-13:00 CEST		18/5/2021	<a href="#">link</a>
PIC 2021 - Building demonstrative capacity in plant production	30/6-2/7/2021			18/5/2021	<a href="#">link</a>
ACCIO OPEN CHALLENGE B2B Matchmaking event	1/6-7/7/2021			Agency for the competitiveness of Catalan enterprise	<a href="#">link</a>
July					
China Market Entry: Reality Check 2021	1/7/2021	13:00-15:00 CEST		18/5/2021	<a href="#">link</a>
Future Auto Expo - Key technologies for the future vehicle	14-15/7/2021			18/5/2021	<a href="#">link</a>



## EIT Opportunities

EIT Community Calls and Opportunities										
Level	Category	Who	Title of Call	Short Description	Application opening	Deadline	Target group	Target country (for focused calls)	Link to Call	Link to Call manual/guidance
EIT KIC opportunities	Innovation	EIT Climate-KIC	Call for Pioneers into Practice participants/hosts/challenge-owners	Ongoing opportunities to participate in systems innovation capacity building activities as part of the Pioneers into Practice programme.	1-May-21	1-Dec-21	Professionals	Croatia, Cyprus, Czech Republic, Estonia, Greece, Portugal, Romania, Slovenia	<a href="#">link</a>	<a href="https://pioneers.climate-kic.org/">https://pioneers.climate-kic.org/</a>
EIT KIC opportunities	Other	EIT Health	Disrupt Me	Disrupt Me is a tailor-made service offered to European corporates who are seeking to advance their company with disruptive innovation and Israeli technology.	All year	All year	Corporates		<a href="#">link</a>	
EIT KIC opportunities	Innovation	Cross-KIC Activity	Knowledge Creation Call	The primary goal is to generate and collate useful intelligence, data and information on framework conditions to boost innovation regarding Circular Economy across the KICs' communities. The expected deliverables of this call are reports that will identify main conditions, including barriers, to support innovation; current gaps and how the KICs' communities could jointly support the transition from linear to circular economy. One partner/ consortium will be selected to deliver the above results.	TBC	TBC	TBC	TBC	Opportunities overview can be found in the "Get Involved" section of our website <a href="#">link</a>	Once published, available under opportunities overview that can be found in the "Get Involved" section of our website <a href="#">link</a> .



EIT KIC opportunities	Innovation	EIT Climate-KIC	EIT RIS Transition Policy Labs	This call will offer a tailored technical cooperation package to work on knowledge-based activities with at least 5 public/governmental entities in EIT RIS countries, to enable them to improve their governance models through testing innovative approaches and to align with the EU/global climate agenda, creating the opportunity to integrate systems innovation approach into national or regional policy frameworks.	TBC	TBC	Partners, organisations, consortium led by RIS country partner	EIT RIS countries: Bulgaria, Croatia, Czech Republic, Cyprus, Estonia, Greece, Latvia, Lithuania, Malta, Portugal, Romania, Serbia, Slovakia and Slovenia.	Opportunities overview can be found in the "Get Involved" section of our website <a href="#">link</a>	Once published, available under opportunities overview that can be found in the "Get Involved" section of our website <a href="https://www.climate-kic.org">https://www.climate-kic.org</a> .
EIT KIC opportunities	Innovation	EIT Climate-KIC	Matchmaker	This call has been designed to overcome one of the main problems in advancing innovation: replicating effort instead of strengthening what is already on the market. Its goal is to enhance knowledge transfer among partners in the EIT Climate-KIC community and support systemic, solutions-oriented collaboration, and the development of local actions in EIT RIS eligible regions. To achieve this goal a 'Match-making Innovation Market' Call will be offered with a scope for: knowledge transfer, scaling up, contributing to further developing a service/product, finding collaborators to build a new customer base, etc.	TBC	TBC	TBC	TBC	Opportunities overview can be found in the "Get Involved" section of our website <a href="#">link</a>	Once published, available under opportunities overview that can be found in the "Get Involved" section of our website <a href="https://www.climate-kic.org">https://www.climate-kic.org</a> .
EIT KIC opportunities	Innovation	EIT Climate-KIC	Deep Demonstration Food Systems - Call for Challenge Owners	We are looking for Challenge Owners (Nordic Cities, leading industries or interested joint funders) who have the means and mandate to tackle a shared mission to transform the Nordic Food Systems. They need to have influence to action change and impact and commitment to collaborate with EIT Climate-KIC to define some priorities of action in the Nordics, identifying levers of change to address and work together to design and deliver a connected portfolio of innovations to address them.	TBC	TBC	Challenge owners	Nordic Countries	<a href="#">link</a>	<a href="#">link</a>





EIT KIC opportunities	Innovation	EIT Climate-KIC	CEE Community Labs	Building on the pilot CEE Community Labs run in 2020, the main goals for Community Lab in 2021 will be to: identify the most effective solutions to systemic problems in CEE, unlocking new ways of thinking and working to make impact; addressing a lack of collaboration and low level of trust; and identifying financial innovations addressing the climate emergency. This Call will expand a portfolio of Community experiments based on demand-led approach.	TBC	TBC	TBC	Central and Eastern European countries	Opportunities overview can be found in the "Get Involved" section of our website <a href="#">link</a>	Once published, available under opportunities overview that can be found in the "Get Involved" section of our website <a href="https://www.climate-kic.org">https://www.climate-kic.org</a> .
EIT KIC opportunities	Innovation	EIT InnoEnergy	EIT InnoEnergy - Supporting the Next Sustainable Energy Innovations	EIT InnoEnergy is a catalyst and accelerator of the energy transition. We invest in sustainable energy innovations that have high commercial potential and connect you to a deep pool of complementary skills and resources, markets and commercial opportunities.	All year	All year	Innovators, Start-Ups, etc.	N/A	<a href="#">link</a>	<a href="#">link</a>

For all EIT opportunities and Calls for 2021 please click [here](#)

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The STARTUP3 project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 871709