



# Scoping the Proximity Economy in Europe

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European  
Commission

# The **European Green Deal**

Transforming the  
EU's economy for a  
sustainable future

Increasing the EU's Climate ambition  
for 2030 and 2050

A zero pollution ambition  
for a toxic-free environment

Supplying clean, affordable  
and secure energy

Preserving and restoring ecosystems  
and biodiversity

Mobilising industry  
for a clean and circular economy

From 'Farm to Fork': a fair, healthy  
and environmentally friendly food  
system

Building and renovating in an energy  
and resource efficient way

And leaving  
no one behind

Accelerating the shift to sustainable  
and smart mobility

Designing a set of  
deeply transformative policies

The EU as a  
global leader

A European  
Climate Pact



# The Green Deal Industrial Plan



European Commission

With the **Green Deal Industrial Plan**, the Commission will promote the creation of a more supportive environment for deploying the clean tech manufacturing capacity required to meet Europe's ambitious green targets.

## The Green Deal Industrial Plan

Build the industrial capacity for the clean technologies that make up the Green Deal

## REPowerEU

Respond to energy market disruption with affordable, secure and sustainable energy for Europe

## The Recovery and Resilience Facility

Recover from the pandemic better prepared for the green and digital transitions



**The Green Deal**  
Make Europe the first climate-neutral continent by 2050

## THE ROAD TO NET-ZERO



### Global trends

- ▶ The International Energy Agency estimates that the global market for key mass-manufactured clean energy technologies will be worth around USD 650 billion a year by 2030 – more than three times today's level
- ▶ The related energy manufacturing jobs could more than double in the same time period



### EU's net-zero growth

- ▶ EU's net-zero start-ups ecosystem is worth over EUR 100 billion in 2021, doubling in value since 2020
- ▶ In 2022 wind and solar renewable energy production capacity in the EU exceeded 400 GW, an increase of over 25% compared to 2020



### EU funding for the green transition

- ▶ EUR 250 billion for green measures already available under the RFF
- ▶ InvestEU can mobilise EUR 372 billion, including for net-zero investments
- ▶ EUR 40 billion under the Innovation Fund in the next decade



### Green jobs





- ▶ The productivity in the clean energy sector is about 20% higher than on average across the economy
- ▶ The European economy counted 4.5 million green jobs in 2019 up from 3.2 million in 2000

# Defining the proximity economy

## The added value of the proximity economy



In traditional industrial ecosystems, the added value of a specific sector is measured with quantitative indicators related to the **value of the economic transaction** as expressed through prices. In the proximity economy, **prices are not the only signals of value**:

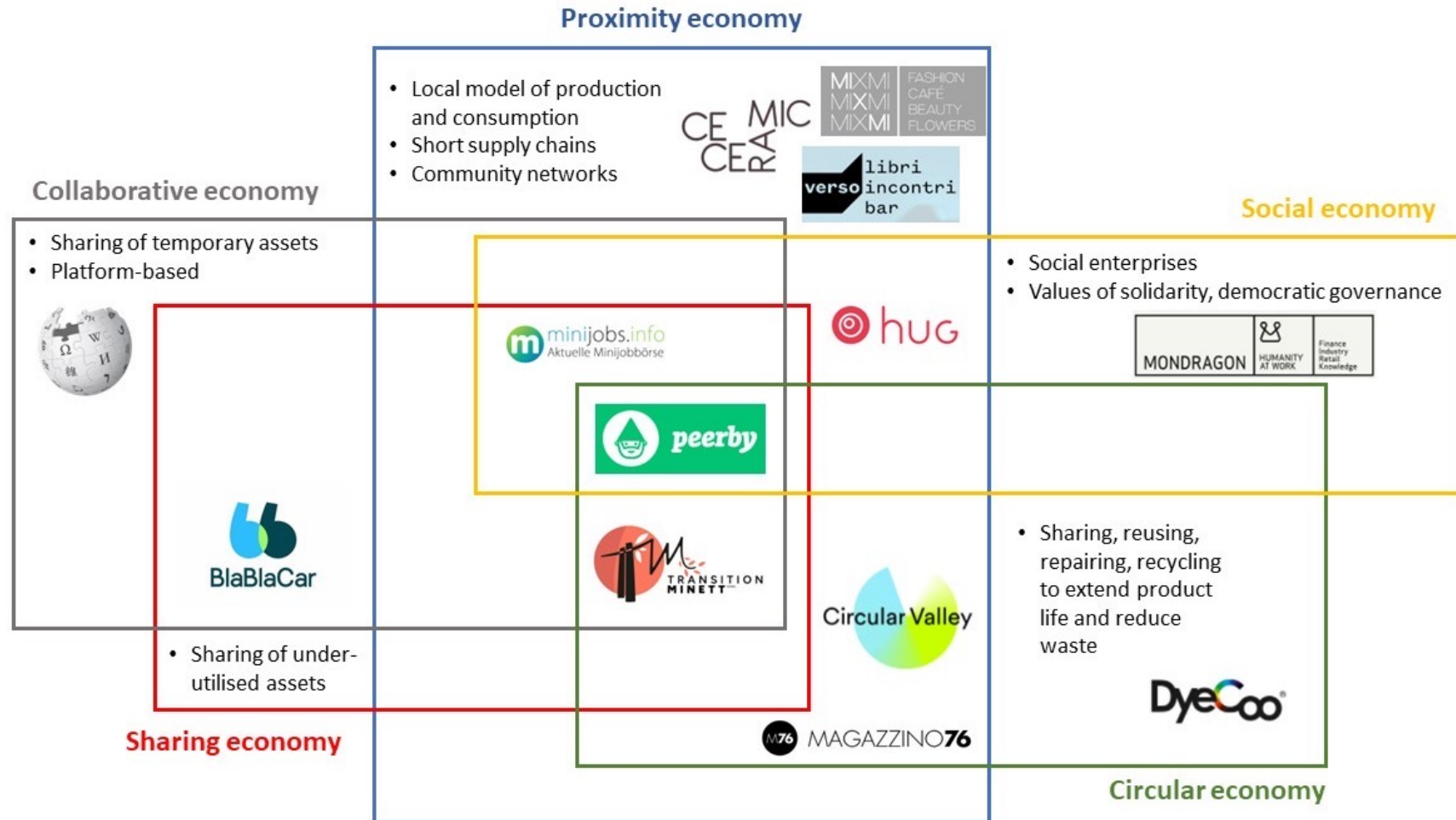
	Added value of proximity	Examples
	<b>Competitiveness and value creation</b>	<ul style="list-style-type: none"><li>▪ Revenue generation and profitability</li><li>▪ Operational efficiency of the value chain</li><li>▪ Competitive landscape</li></ul>
	<b>Innovation and differentiation</b>	<ul style="list-style-type: none"><li>▪ Use of digital technologies in production processes</li><li>▪ Ability and resilience to respond to changing market demands</li></ul>
	<b>Social impact</b>	<ul style="list-style-type: none"><li>▪ Customisation</li><li>▪ Job creation</li><li>▪ Community engagement</li></ul>
	<b>Environmental impact</b>	<ul style="list-style-type: none"><li>▪ Sustainable consumption and production patterns</li><li>▪ Locally sourced raw materials</li></ul>



*The proximity economy is a human-centric ecosystem which consists of the production, distribution and consumption of goods and services within **short value chains**, enabled by, and based on **locally rooted social interactions** within a **geographical area of perceived closeness**.  
It is driven by the collective intention of the actors within the ecosystem **to increase the liveability, sustainability and resilience** of the area.*

# Defining the proximity economy

## The interlinkages between the proximity economy and other concepts



# Next steps: Developing the monitoring framework



We will develop a monitoring system that includes both **qualitative** and **quantitative** indicators, and that can be replicable for different proximity economy scenarios (rural and urban).

We envision a two-level monitoring framework:

1. A **high-level monitoring approach**, able to give an indication of the significance of the proximity economy at the European level
2. A **detailed guideline for local stakeholders**, to support them in identifying the best framework to monitor local proximity economy initiatives (we recommend this more granular data to be collected in the context of the **Proximity and Social Economy Stakeholder Platform**)

Dimension	Indicators
Competitiveness and value creation	<ul style="list-style-type: none"><li>• Economic indicators – overall business ecosystem</li><li>• Economic indicators – proximity indicators</li><li>• Business costs (transport, etc)</li></ul>
Innovation and differentiation	<ul style="list-style-type: none"><li>• Digital indicators</li><li>• Business performance/ productivity indicators</li><li>• Number of collaborations/partnerships</li></ul>
Social impact	<ul style="list-style-type: none"><li>• Social indicators</li></ul>
Environmental impact	<ul style="list-style-type: none"><li>• Environmental indicators</li></ul>

# Intelligent Cities Challenge

Driving the green and digital transition  
through Local Green Deals





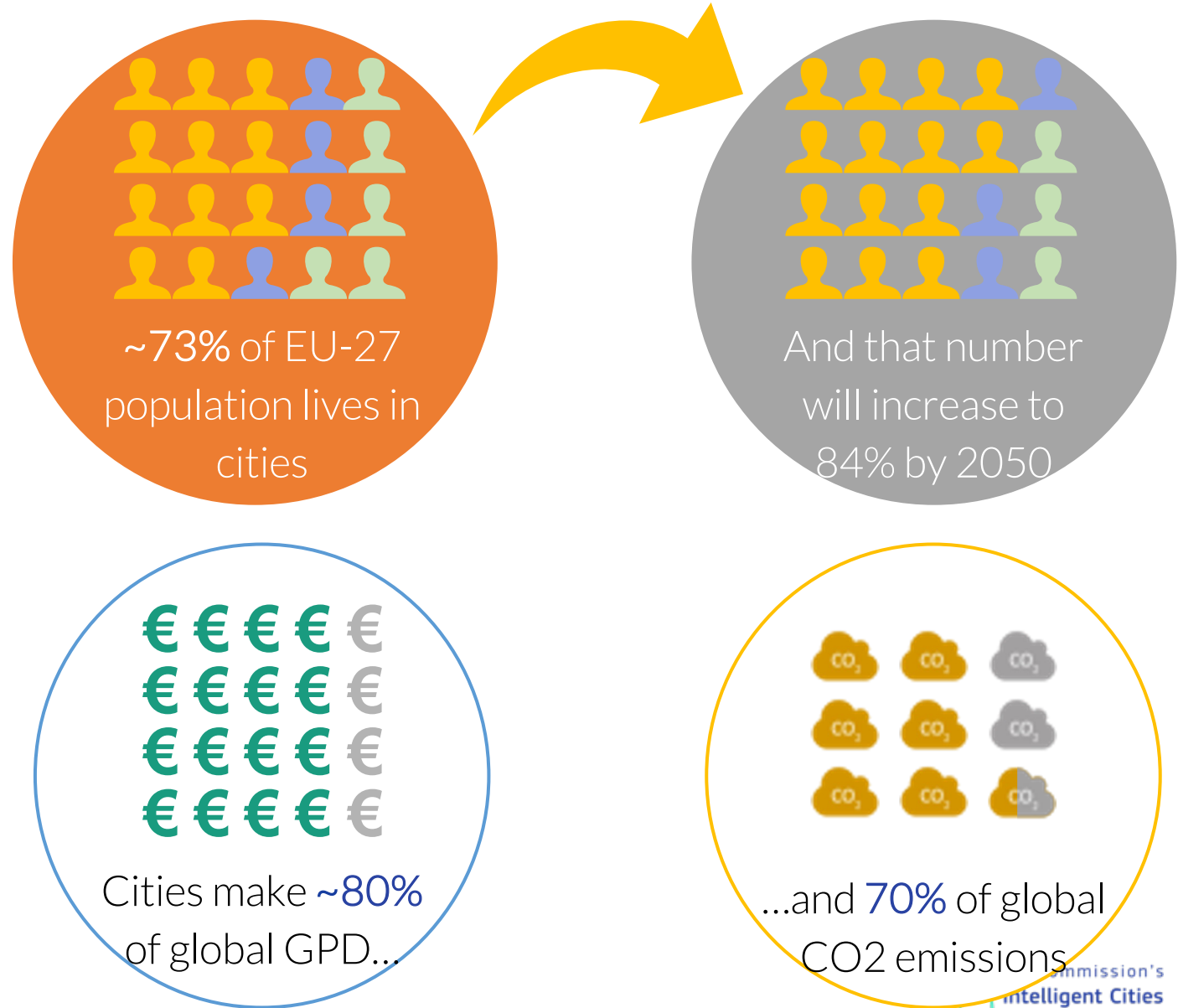
# The EC Intelligent Cities Challenge (ICC)

No EU Green Deal can be delivered without CITIES.

ICC 2.0 (2023 – 2025) supports 80 cities from 18 countries

The previous ICC phase (2019 – 2022) supported 136 cities

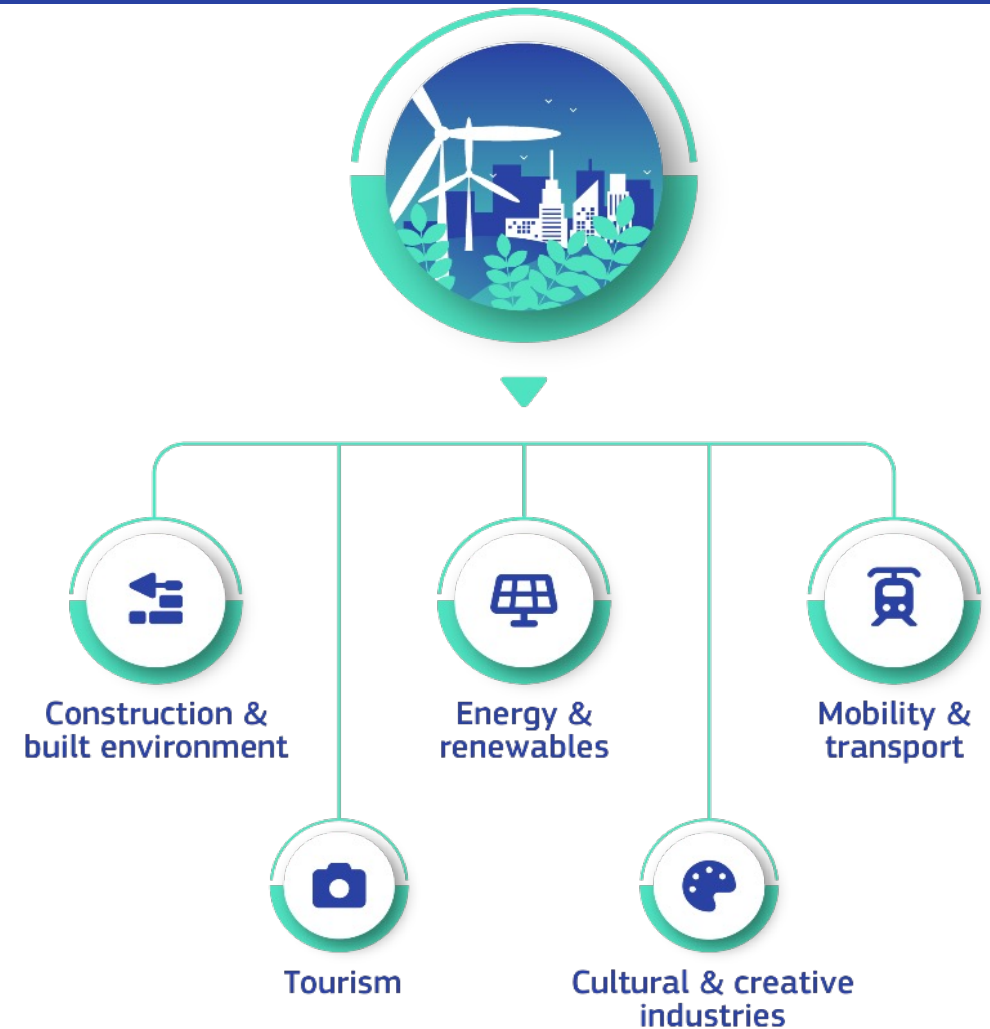
Over 180 Local Green Deals



# The EC Intelligent Cities Challenge (ICC) supporting Local Green Deals

## Key points:

- **Holistic, integrated, cross-disciplinary, multi-level** strategy and governance.
- Tailor made **Advisory Services** by City Lead expert accompanied by sectoral and thematic experts.
- Focus on **five sectors** of strategic importance
- **Transversals: Access to finance; Reskilling of local workforce; public procurement; social economy**
- **Local Green Deals** between **local businesses** and **local governments**
- Harness **digital and clean technology**



UNDERPINNED BY CLEAN AND DIGITAL TECHNOLOGIES

# ICC achievements



**€1.9 billion**

Funding earmarked for ICC cities' actions



**€ 247 million**

Leveraged public funding from EU, national and regional sources



**42**

Cities on their way to launch a **Local Green Deal**



**35**

Cities signing the **Pact for Skills** and other skills initiatives



**23**

Cities among the 100 cities selected for the **Cities Mission**



**336**

Actions planned by 136 Core cities

# Key use cases – Collaborations and Peer learning

## Local Green Deals in Action

- **Local action plans** to support economic, environmental and social sustainability.
- **Join up existing strategies** into a coherent **local alliance** and **actions with local businesses**.
- Create **new jobs** and accelerate a new, green and fairer recovery.

## Up & reskilling of local workforce

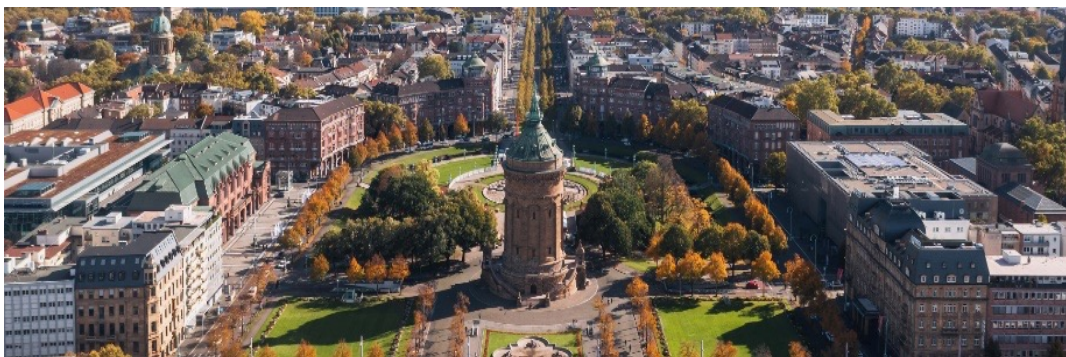
- **Local multi-stakeholders, cross-sectoral partnerships** to implement the **Skills Partnerships** at local level.
- Putting in place **tailored, local reskilling network**, involving companies, knowledge institutes, local authorities and citizens.

## ICC Renovation Wave in Practice

- **Principles** that guide building renovation towards 2030 and 2050
- **Best examples of cities' measures**
- **Actions, enabling environment and key barriers** for city implementation



# LGD example: Mannheim, DE



The **city of Mannheim** launched their LGD strategy to reach climate neutrality in the summer of 2021:



**Vision** on sustainability through *the Mannheim Message* (response of European Mayors on the EU Green Deal)



Aligning existing local, national and European **policy frameworks**



**Analysis of local stakeholders** and their willingness to get involved

## Achievements

- 120 Local Green Deal partnerships with businesses, industry organisations and service providers
- New target for the city of Mannheim to achieve **climate neutrality in 2030**
- Largest housing association committed to **refurbishing 4000 flats** and introducing **water reuse** to reduce energy and water demand
- **Governance:** Creation of a **city LGD team**, with the aim to employ **eight LGD agents**, one for every thematic field of the EU Green Deal
- Current city considerations on **regulatory reforms** to fiscally incentivise citizens for **sustainable lifestyle choices** and resource sharing over private ownership

**“Our Local Green Deal is poised to catalyse best practice examples and projects which make the principles in the Mannheim Message a reality”**

*- Peter Kurz, Mayor of Mannheim*

# Thank you

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