



Scoping the Proximity Economy in Europe

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Dana Eleftheriadou

Head of Cities and Proximity Team

European Commission,

*DG Internal Market, Industry, Entrepreneurship
and SMEs*



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**:

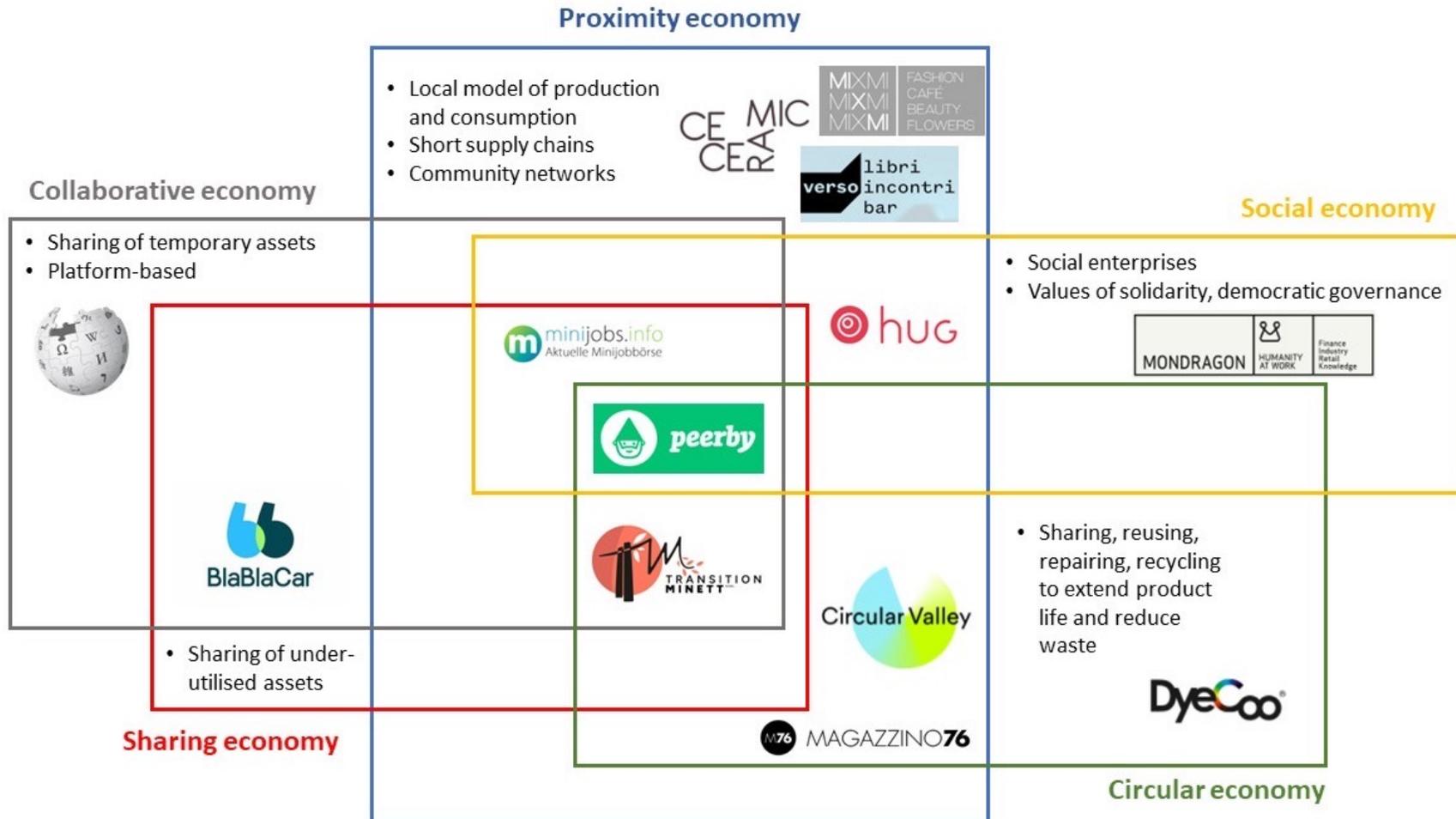
	Added value of proximity	Examples
	Competitiveness and value creation	<ul style="list-style-type: none">▪ Revenue generation and profitability▪ Operational efficiency of the value chain▪ Competitive landscape
	Innovation and differentiation	<ul style="list-style-type: none">▪ Use of digital technologies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



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

Intelligent Cities Challenge

Driving the green and digital transition
through Local Green Deals



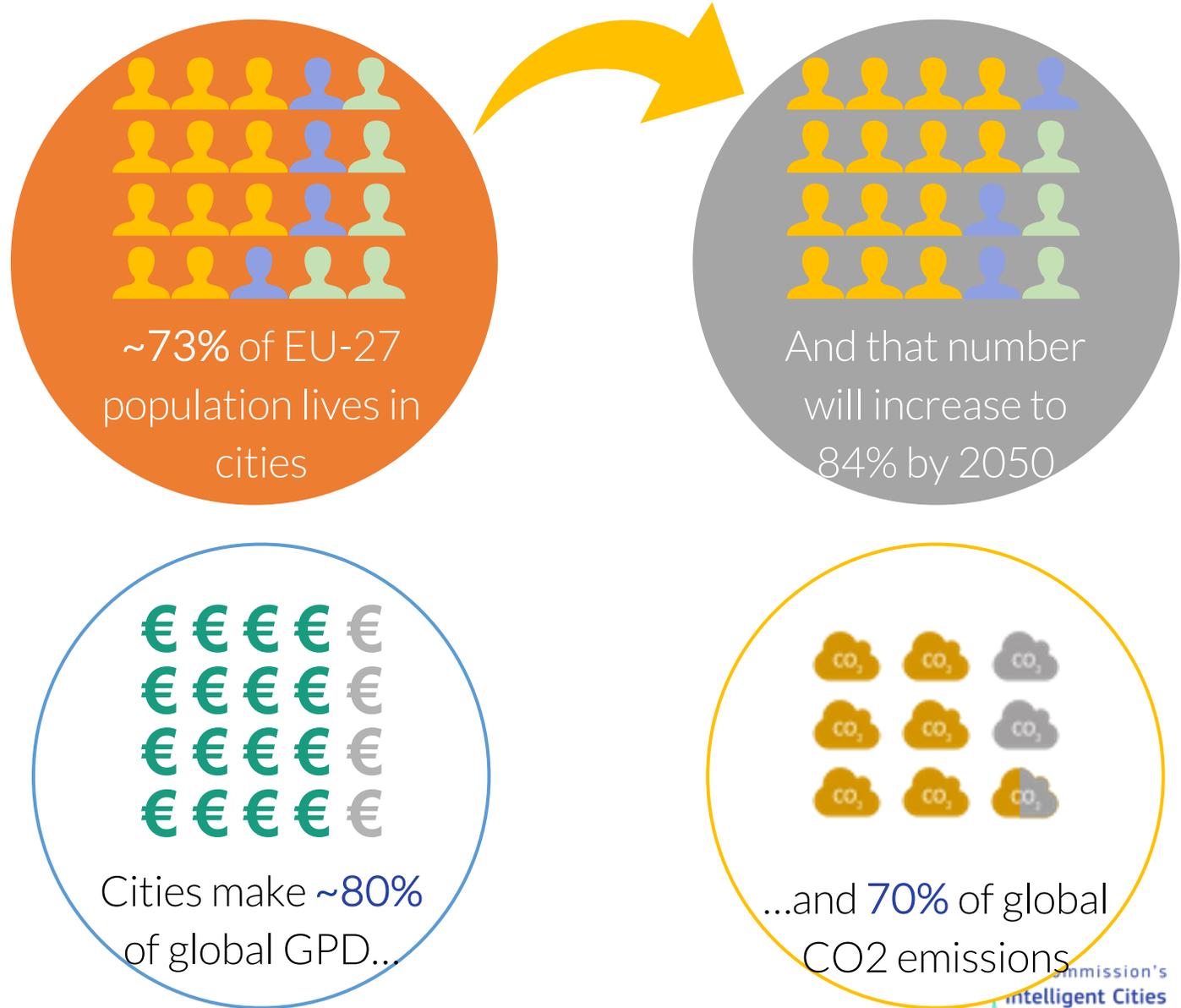
The EC Intelligent Cities Challenge (ICC)

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

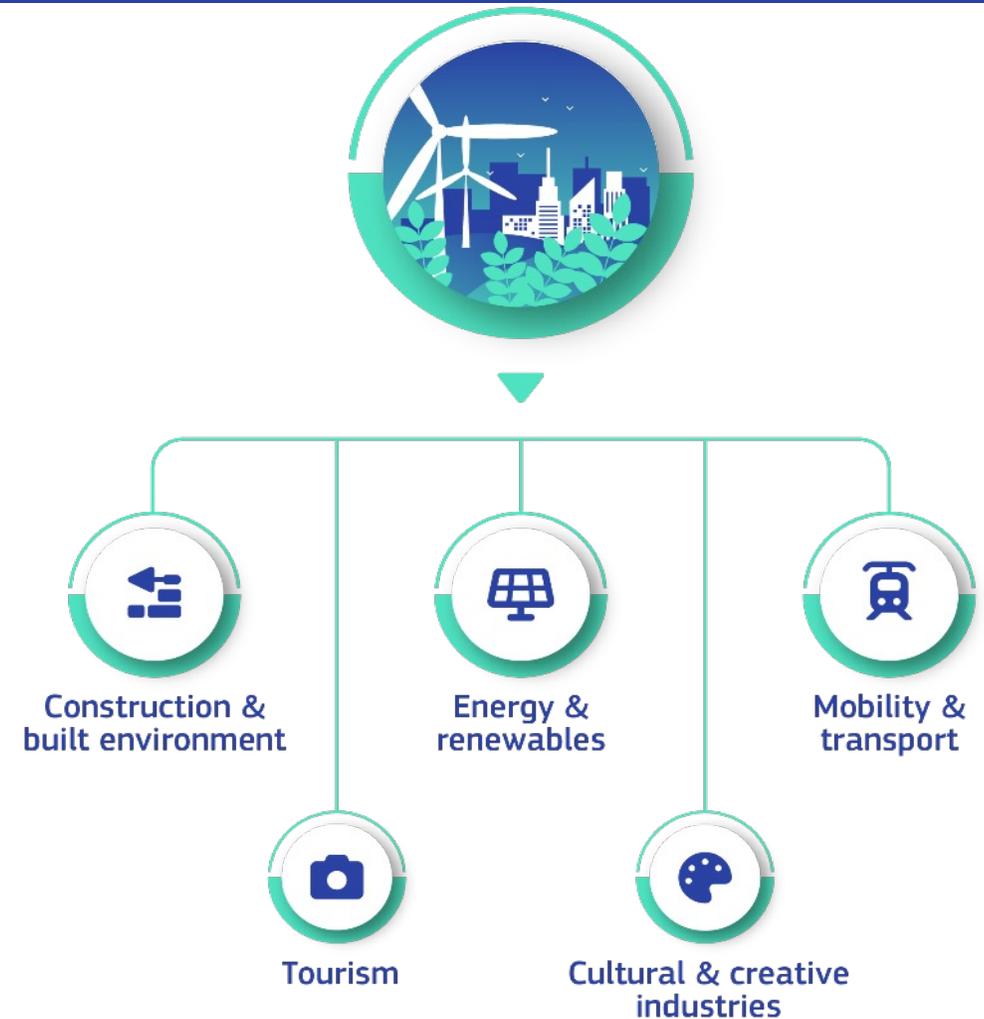
Over 180 Local Green Deals



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

<https://www.intelligentcitieschallenge.eu/>
iordana.eleftheriadou@ec.europa.eu