GRETA Policy Recommendations in Brief

The concept of Smart Specialization developed in the previous decade entails a new approach for increasing the efficiency of investment in entrepreneurship, research and innovation. The European Union (EU) has adopted Smart Specialization as a flagship policy to become a smart, sustainable and inclusive economy by 2020, which diffused at surprisingly rapid pace among European regions and became an important tool in regional policy. All EU members were obligated to formulate Research and Innovation Strategies for Smart Specialization which will guide further R&D and innovation system development in every member state.

The GRETA project developed policy tools for sustainable Smart Specialization innovation strategies in the Baltic Sea Region (BSR), supporting green transformation (GT) in ways that are aligned with the European Green Deal (EGD), issued by the European Commission. The European Green Deal is an attempt to build on the emerging Green Growth strategy aiming at NZE (net-zero emissions) at the global level in 2050. However, GT can be seen as a complex, multi-level, cross-sector, and long-term process of transformation, guided by scenarios produced by different stakeholders, with a 30-year perspective, that is ***why*** the new and innovative approaches have to be proposed.

GRETA is concerned with the contribution of regional innovation strategies, better known as Smart Specialization towards GT. Smart Specialization teams up with entrepreneurs, specialists, and other actors, who take the lead. At the core of GRETA is a method of stakeholder analysis applied to one of the ideas of Smart Specialisation, to generate a nuanced picture, where regional specialists and planners teach us *how* we can improve the world. Thus GRETA results with policy recommendations on ***how*** to accelerate the GT in BSR, outlining the specific objectives to be implemented at different levels in long-term and short-term perspectives.

How the **EU, national and regional policy** formation bodies may accelerate the GT?

- To develop demanded strategic GT policy-focused 'soft' infrastructure: complementary cross-sectoral collaborative strategies for GT, cluster strategies, supportive guidance, and consultations for implementation.
- To establish GT support measures and mechanisms for building new cooperation models for GT and GT-capable ecosystems.
- To raise funding opportunities for RDI projects, by setting the priority to GT and sustainability-oriented firms.

How to deal with GT from a **long-term perspective**?

- To set motivational environmental policies, sector-specific policies, and regulations for greening the industries, products, and services;
- To develop cluster strategies alongside the support mechanisms to promote innovative solutions for greening industries, products, and services;
- To accelerate short supply chains and symbiosis for green innovations;
- To support more experimental projects, platforms for developing multiple partnerships, international cooperation;
- To support green-focused innovators in the product design phase and accelerate marketing innovations.

How to accelerate GT today, in a **short-term perspective**?

- To set the short-term targets and priorities and develop sectoral roadmaps with clearly defined GT sectoral goals.
- To support industrial symbiosis, with a special focus on R&D activities, firstly concerning waste management and reusability, waste treatment infrastructure.
- To support experimental projects, platforms for ensuring the quick spread of "know-how" and awareness-raising in the multiple fields of GT.

Based on overall project findings, GRETA team identified ***how*** to accelerate the GT ***at different policy levels***:

At supranational (EU) level:

- To (re)arrange clear *political guidance*, regulations, and restrictions concerning:
  (1) the (re)definitions of circular economy, green innovations, compulsory applications of system thinking for GT legislation development and implementation at the EU and national levels;
  (2) setting the concrete complementary GT targets, measures, and responsibilities from the EU-level to the sectoral national levels;
  (3) establish overall compulsory GHG measurements, protocols, and certificates.
- To establish clear GT-targeted financial *funding schemes*:
  (1) compulsory criteria in all 'hard' and 'soft' support programmes: 'green' technological renewal, equipment replacement, personnel awareness raising, etc.;
  (2) special instruments, firstly: R&D through the Horizon 2020 by enabling companies (next to academia) to add to the GT, and Just Transition Fund;
- To raise *experimental culture* from the EU level by creating small-scale RDI projects support scheme with flexible conditions to business investment in green pilots.

At the national level:

- To establish a clear system of *national strategic political guidance*, regulations and restrictions:
  (1) to define new long-term durable strategic measures for GT, create durable sectoral roadmaps, goals, and organize continuous cooperation between sectors for GT;
  (2) to set clear and fair national-level restrictions for environmental issues to all – small, medium, and large businesses;
  (3) to introduce new incentives, motivational measures, flexible support conditions (risk and other funding/tax reliefs) for green innovations and other GT-focused RDI projects, rising from the companies.
- To push forward to the GT by *stimulating the demand through small simple* but multiple real nation-wide *actions* in the whole country:
  (1) to define GT measures as the only way for implementing public procurement both for public administrations and for companies;
  (2) to develop state-level experimental culture through national small-scale simple GT-focused R&D projects funding scheme;
  (3) to establish a nation-wide network for mobilization and cooperation for GT, uniting existing networks for enhancing capacity for transformation;
  (4) to accelerate the circular economy mindset in the product design phase, were applicable use only prototyping in a form of 3D printing.
- To *raise the awareness of GT* and accelerate the change in the mindset at the national level through:
  (1) to expand information flow and communication concerning the GT via multiple mass media channels;
  (2) to arrange new GT-focused curriculums at different education levels, including life-long-learning to strengthen the role of universities in developing GT competencies and knowledge concerning circular economy, energy technology and sustainability;
  (3) to spread actively the examples about practical gains of GT via different national and international marketing events.

At regional level:

- To *renew regional strategic plans* by giving a special focus on the GT, namely:
  (1) to stimulate local demand through short supply chains;
  (2) to organize an effective GT-focused regional waste management system.
- To accelerate *knowledge and awareness* of the GT at the local level:
  (1) to expand information flow and communication concerning the circular economy, sustainability, GT via popular newspapers, newsletters, local media, and social networks;
  (2) to organize open sessions during different regional and local events, and/or organize separate events to show examples about different practices with live (physical or online) actual implementers from local and foreign communities, showing practical gains of implemented green, circular, sustainable activities.

So what are the **expected GT impacts** that might be **reached** through suggested policy interventions?

- Aligned complementary overall *strategic vision* to guide the GT at the EU, national and regional levels;
- Allocated *financial support* (tax reliefs) and risk funding for particularly GT-focused initiatives;
- Established *new public-private-(society) partnerships*, new products, services, and projects for GT;
- Strengthened existing and built *new ecosystems* for *long-term* greener innovation development;
- Accelerated change of the *mindset* of society and companies through education, local and transnational cooperation, awareness-raising.

GRETA Policy Recommendations are fulfilled with a set of methods and policy tools for GT:

- Stakeholder analysis method and Guidance for stakeholder analysis;
- Gap analysis, good practices from GRETA partner regions and Report on Smart multi-level coordination towards green transformation;
- DPSIR method and Guidelines for regional DPSIR model;
- Report on Evidence-Based Pathway towards Green Transformation in the Baltic Sea Region;
- Extended version of GRETA Policy Recommendations.

Documens are available to download at this link: https://www.laei.lt/?mt=inovaciju-perdavimas&straipsnis=1933

Region-Specific Policy Recommendations on concrete policy actions are elaborated in a form of *Policy Briefs on GT for RIS3 Strategies* from GRETA partner regions:

- Policy Briefs on GT for RIS3 Strategies: Klaipėda (LT) food and beverage,
- Policy Briefs on GT for RIS3 Strategies: Latgale (LV) metal and mechanical engineering,
- Policy Briefs on GT for RIS3 Strategies: Västerbotten (SE) (hydrogen),
- Policy Briefs on GT for RIS3 Strategies: Ostrobothnia (FI) energy technology and circular economy,
- Policy Briefs on GT for RIS3 Strategies: Päijät-Häme (FI) grain cluster,
- Policy Briefs on GT for RIS3 Strategies: Biogas sector (LT).

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For more information on the GRETA project, please visit the websites:

https://projects.interreg-baltic.eu/projects/greta-249.html.

https://www.lars-project.eu/.