

HOW EUROPE IS PUSHING GREEN TECHNOLOGY

AND HOW BELGIAN COMPANIES CAN BENEFIT



In order to reach its ambitious climate and environmental goals, the European Union (EU) is counting on the industry to step up their game. Businesses are expected to comply with strict environmental regulations by placing sustainability at the core of their future innovations and strategies. To support this transition, the EU will dedicate a mighty budget to support the industry in complying with the strict environmental measures.

- What does this mean for Belgian companies?
- How will these European objectives and policies reflect at a national level?
- How can Belgian companies navigate this changing environment to enable the sustainable transition of their business model and the development of green technologies, and to gain a competitive advantage with their green transition?

THE GREEN DEAL AS THE NORTH STAR



The EU, through the Green Deal, has set ambitious climate and environmental goals. The current Covid-19 pandemic has not deterred the continent from its sustainable objectives and is planning to allocate 37% of the €750 billion EU's post-Covid-19 recovery to the green transition.

What does this mean for the industry? The industry will be one of the main actors in enacting this green transition and must act immediately. The EU's ambitious green objectives coupled with a mighty budget will surely incentivize technological innovations allowing the shift toward a sustainable economy. **To capitalize on this sustainable shift, the industry must integrate sustainability at the core of their business models.** Companies that will have immediately embraced the Green Deal will undoubtedly have competitive advantages in a future green European economy.



Belgium provides diverse opportunities for the industry to pursue their green transition. As all member states, Belgium must develop concrete action plans to achieve the Green Deal's targets and transpose the related policies. Fostering innovation and developing sustainable technologies are not only essential for the greening of the economy but also for Belgium to keep its industry competitive. Although the complex institutional structure can be perceived as an obstacle, the different regional plans provide a multitude of opportunities for industries to kick-start their green transition and foster innovation.



A COMPLETE TRANSFORMATION OF THE EU'S ENERGY, TRANSPORT AND INDUSTRY SECTORS

The EU's ambition to be a climate neutral continent by 2050 will require a complete transformation of its energy, transport and industry sectors. The EU institutions are aiming to create a favorable policy environment allowing the successful implementation of the Green Deal and its ambitious goals. The industry must adapt swiftly to this new policy environment to comply with stricter regulations but also to seize the opportunities to continue their green transformation.



What will be the key EU policies to achieve the objectives of the Green Deal?

27 APRIL

EU INDUSTRIAL STRATEGY

EU's vision for the development of its strategic industries in the context of the Green Deal.



JUNE '21

"FIT FOR 55" PACKAGE

12 pieces of legislation aiming to update the EU's 2030 climate and energy laws to reflect the 55% net emissions reduction target for 2030. This includes:

- the **Renewable Energy Directive**, which will drive the development and deployment of "green" energy (solar, wind, but also green hydrogen),
- the **Regulation setting CO₂ emission performance standards for new passenger cars**, which has been praised for the recent progress in the production and sales of electric vehicles.



The upcoming body of legislation will shape the energy and transport sector for years to come. More importantly, it will have immense transformative impact on the European economy, as it puts an imperative on the companies active in these sectors – **innovate or face failure**.

FINANCING THE INDUSTRY'S GREEN TRANSITION

€1.8
TRILLION

EU BUDGET

Green and digital transition

For the next 7 years, the largest EU budget in history amounting to €1.8 trillion will be available to support the green and digital transition. Included in the budget, the **massive €750 billion recovery plan** will drive investments towards clean and sustainable technologies such as renewable energies, infrastructure for alternative fuels, the increasing of battery production capacities to meet the demand of a growing number of electric vehicles as well as production, and the scale up of hydrogen.

€750
BILLION

RECOVERY PLAN

Sustainable technologies

Private companies benefit from these investments through programs such as **InvestEU**, which will leverage private investment into clean and sustainable transport, renewable energy and digitalisation, or **Horizon Europe**, which supports research and innovation into green technologies and sustainable solutions. Through these financial instruments, **companies are able to be early adopters** of these innovative technologies allowing the EU to fulfil its sustainability objectives.





BELGIUM: A COMPLICATED BUT COMPETITIVE ENVIRONMENT FOR GREEN GROWTH

With environmental and economic policies being regionalized, the three Belgian regions - Flanders, Wallonia and Brussels - will have **3 distinctive plans** for their sustainable transition with the federal government having a coordinating role. Despite this institutional complexity, **all 3 regions are pushing the industry to lead this green transition** by developing new processes and adopting sustainable technologies. Belgium therefore provides diversified initiatives and opportunities, promoting sustainability and innovation in different sectors, across each region.

Flanders

An “Industry 4.0” to generate green innovations and growth

A key aspect of Flanders’ sustainability plan is the development of an “**Industry 4.0**”, which aims to support the manufacturing sector in developing clean technologies to remain competitive. The Flemish industry already operates in a competitive environment where innovative companies and leading universities and research centers are cooperating to foster innovation. The government’s objective will therefore be to coordinate this ecosystem, through policies and investments, towards sustainable innovation and a green transition.

Wallonia

The development of green clusters to support the green transition

Wallonia’s recent industrial development has been focused on the development of **strategic industrial clusters** in both the traditionally competitive sectors and strategic sectors. The role of the government is therefore to foster innovation by facilitating interactions between different stakeholders. As part of its green strategy, the government intends to promote sustainable innovations within existing clusters but also create new clusters for green technologies, as it is already the case for example for renewable energies.

Brussels

Green technologies for a smart and sustainable city

The Brussels government is focusing on two aspects of the green transition: **building renovation**, the main source of emissions in the region, and the development of Brussels as a **smart city**. Technology has been clearly identified as a main component of this transition with up to 10% of R&D spending directed towards building renovation. To create a smart-city ecosystem and make Brussels more sustainable, the region will actively promote the ‘**smart transformation**’ of **key sectors**, including the green economy, the IT sector and the health sector, by focusing on energy efficiency, sustainable chemistry, circular economy and mobility.



HOW BUSINESSES IN BELGIUM CAN BENEFIT FROM THE GREEN TRANSITION

It is essential for businesses to initiate immediately their green transition at their core and develop newer and innovative business models. The Green Deal provides a strict framework pushing companies to respect environmental regulations but also rewarding them by supporting the development of green technologies. In the long-run, companies who have integrated sustainability at the core of their business models will also gain a considerable competitive advantage.

Belgium is also counting on the industry to develop the technologies and keep the national economy competitive. With 3 equally ambitious regional policies, it is clear that industry will have to adapt their business models to continue to take advantage of the Belgian competitive and diverse ecosystem. Nevertheless, with distinctive regional paths to reach the green deal objectives, unique partnership and financing opportunities are available for Belgian businesses to fully embrace their green transition.

To fully capitalize on the benefits of the inevitable green transition, **finding the right stakeholders and navigating through the national and supranational frameworks is complex but also essential.** Weber Shandwick can assist a wide variety of stakeholders aiming to capitalize on Belgium's transition toward a sustainable economy, under the impulsion of the European Green Deal. By **combining expertise in European and Belgian public affairs and integrated communications**, Weber Shandwick is perfectly positioned to provide a comprehensive roadmap on how companies and sectors can elaborate and enhance their sustainability strategies by taking advantage of opportunities while addressing challenges.



If you would like any further information on these issues, please do not hesitate to get in contact with us:

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