

## THE ROLE OF INNOVATION IN THE IMPLEMENTATION OF THE EUROPEAN GREEN DEAL

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Since 2015, the UN has been constantly emphasizing the need for the transition of the world economy to sustainable development which provides the solution to climatic and environmental problems at the international level such as deforestation, air pollution, marine and coastal areas pollution, ocean pollution, dangerous changes in flora and fauna, including the extinction of rare animal species and the disappearance of plants.

Realizing the disastrous consequences of these processes, many countries have actively joined the implementation of the principles of sustainable development in their daily activities by establishing international economic and legal cooperation in the process of signing conventions, participation in international summits, forums and public involvement.

The European Union is the leader in the implementation of sustainable development principles in the world. The EU announced the strategic action program “European Green Deal” in December 2019 that aims to make Europe climate-neutral, achieve an optimal balance among the economic, environmental and social aspects of development, improve the quality of people’s life. It is estimated that thanks to the new European Green Deal, by the year 2050 the EU will reach a fundamentally new level of economic competitiveness which will include the sustainable and economical use of limited and non-renewable natural resources.

The Communiqué COM (2019) 640 final on the “European Green Deal” states that the issue of integrating environmental policy concerns not only the prevention of environmental pollution but also all important areas of human and social life. “European Green Deal” pays much attention to climate change, reforming the energy sector, prioritization of transport, agriculture, the service sector including finance and trade on the basis of sustainable development, as well as achieving zero pollution by minimizing CO<sub>2</sub> emissions into the atmosphere resulting from all types of economic activities.

The main objectives of the “European Green Deal” are climate change, energy and energy efficiency, the Industrial Strategy, sustainable mobility, biodiversity protection, zero pollution, green agriculture, development of finance, the EU, as a global leader [1].

To achieve the abovementioned goals, guaranteed financing and

investment attraction are necessary. The European Green Deal program requires both large public investments and the attraction of private national and foreign investment funds, private individual and share capital, as well as raising funds by changing the tax system to build a coherent EU financial system that will support decisions that contribute to the acceleration and development of sustainable economy.

According to the European Commission, additional annual investments of € 260 billion will be needed in the EU for the period 2020-2030 to achieve the current goals of sustainable development, climate preservation and energy decarbonization. At least 30% of the European Investment Fund will be used to finance measures to combat climate change. The national budgets of the EU member states will also play an important role in the financing sustainable development projects in the European Union. The widespread use of “green” budgeting tools will help redirect public investment, direct consumption and taxation to “green” priorities.

It is clear that the transition to sustainable development implies the development of science, technology and innovation. To stimulate innovation, the EU adopted a new research and technology framework program “Horizon - Europe” for the period 2021-2027, which is closely correlated with the priorities of the European Green Deal. Much of the “Horizon – Europe” will be aimed at the development of the digital sphere, IT technologies which creates new opportunities for the implementation of the general transition initiatives to sustainable development.[2].

The engagement of the EU partners, countries that have signed European Union Association Agreement, including Ukraine, is an integral part of expanding European integration processes to achieve the sustainable development goals proclaimed in the European Green Deal.

The Ukrainian economy is quite vulnerable, hence Ukraine may lose up to 40% of exports to EU countries by 2023 if it does not respond to changes and does not restructure the national economy on the principles of decarbonization, digitalization, sustainable development. The “industrial visa-free” agreement between the EU and Ukraine will facilitate the integration of Ukrainian production into new industrial processes of the EU countries. In this regard, new trade niches and the possibility of industrial cooperation with the EU countries, EU financial support and investments will be open for Ukraine.

The “European Green Deal” is a systematic and comprehensive program of measures for the transition to a climate neutral Europe for the period up to 2050 which requires attraction of large financial and investment funds, the establishment of a dialogue with the public, close cooperation of citizens, various institutions and agencies, states in the implementation of sustainable development goals.

The European Union takes part in the practical realization of the “European Green Deal” goals and thereby strengthen its status of a global player and leader in the world market based on the principles of sustainable development and the transition of the EU to a new climate-neutral, innovative Europe with an established economy.

**References:**

1. COM(2019) 640 final: The European Green Deal [online] Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:640:FIN>
2. Horizon Europe [online] Available at: [https://ec.europa.eu/info/sites/info/files/research\\_and\\_innovation/strategy\\_on\\_research\\_and\\_innovation/presentations/horizon\\_europe\\_en\\_investing\\_to\\_shape\\_our\\_future.pdf](https://ec.europa.eu/info/sites/info/files/research_and_innovation/strategy_on_research_and_innovation/presentations/horizon_europe_en_investing_to_shape_our_future.pdf)