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Abstract

Green New Deal (GND) policies are proposed to tackle the climate emergency. These policies focus on driving climate innovation through unprecedented financial policy levers. However, while the macro level financing dynamics are clear, the influence of niche level dynamics of sustainable innovation financing remain unexplored within these policy settings. Through the context of the European Green Deal and a focus on the agri-tech start-up sector in the Netherlands, we identify factors likely to reduce the efficacy of these policies from an innovation management perspective—such as project matching issues, socio-ethical factors or the characteristics of agri-food climate innovations. We go on to conceptualise that these challenges represent a range of asymmetries—from classic information asymmetries to less common value and objective asymmetries—between climate innovators and private investors and financiers. Many remedies for asymmetries involve costs, likely to further inhibit the efficacy of the European Green Deal and similar policies. A partnering approach is proposed, where the non-financial resources of incumbent actors are harnessed and leveraged to enhance climate innovation performance.

Keywords: Agri-food start-ups, innovation financing, climate financing, European Green Deal, Green New Deal