

# Het Europese Herstel Plan Next Generation EU & de European Green Deal

Presentatie  
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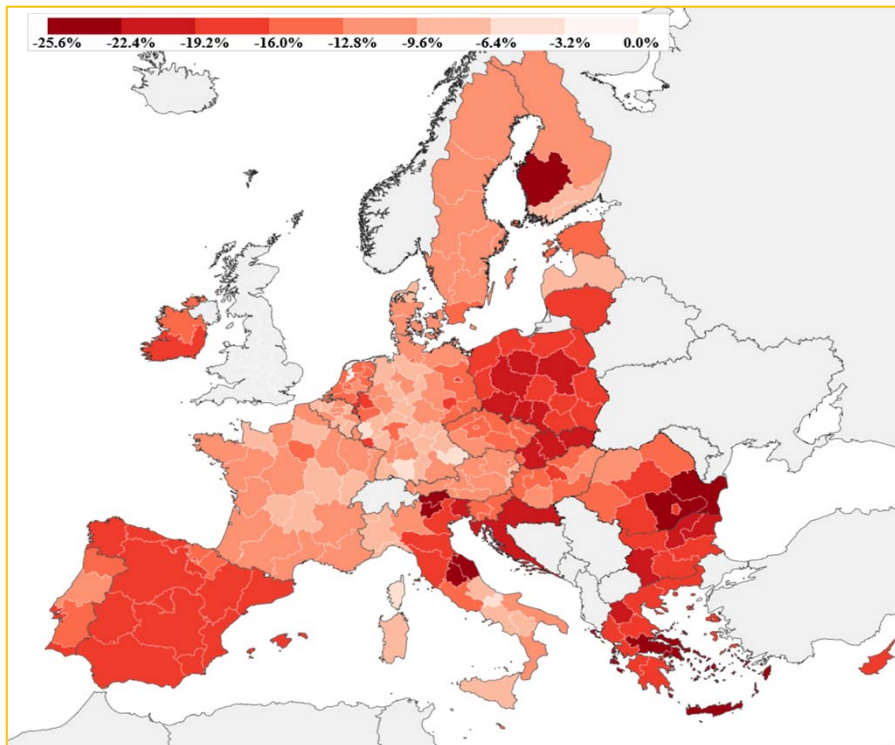
# The Twin Green and Digital transitions

- **European Council 26 March:** “*get back to a normal functioning of our societies and economies and to sustainable growth, integrating inter alia the green transition and the digital transformation*”
- Green Deal (Dec.2019) = Europe’s **growth strategy** for a sustainable, competitive economy
- Climate, biodiversity, resources **crises** remain
- New green and digital **jobs**
- These transitions will make Europe more **resilient** and strategically autonomous as part of a green and digital **recovery**
- European Council 17-18 July?



# An asymmetric economic impact across Member States, regions and sectors

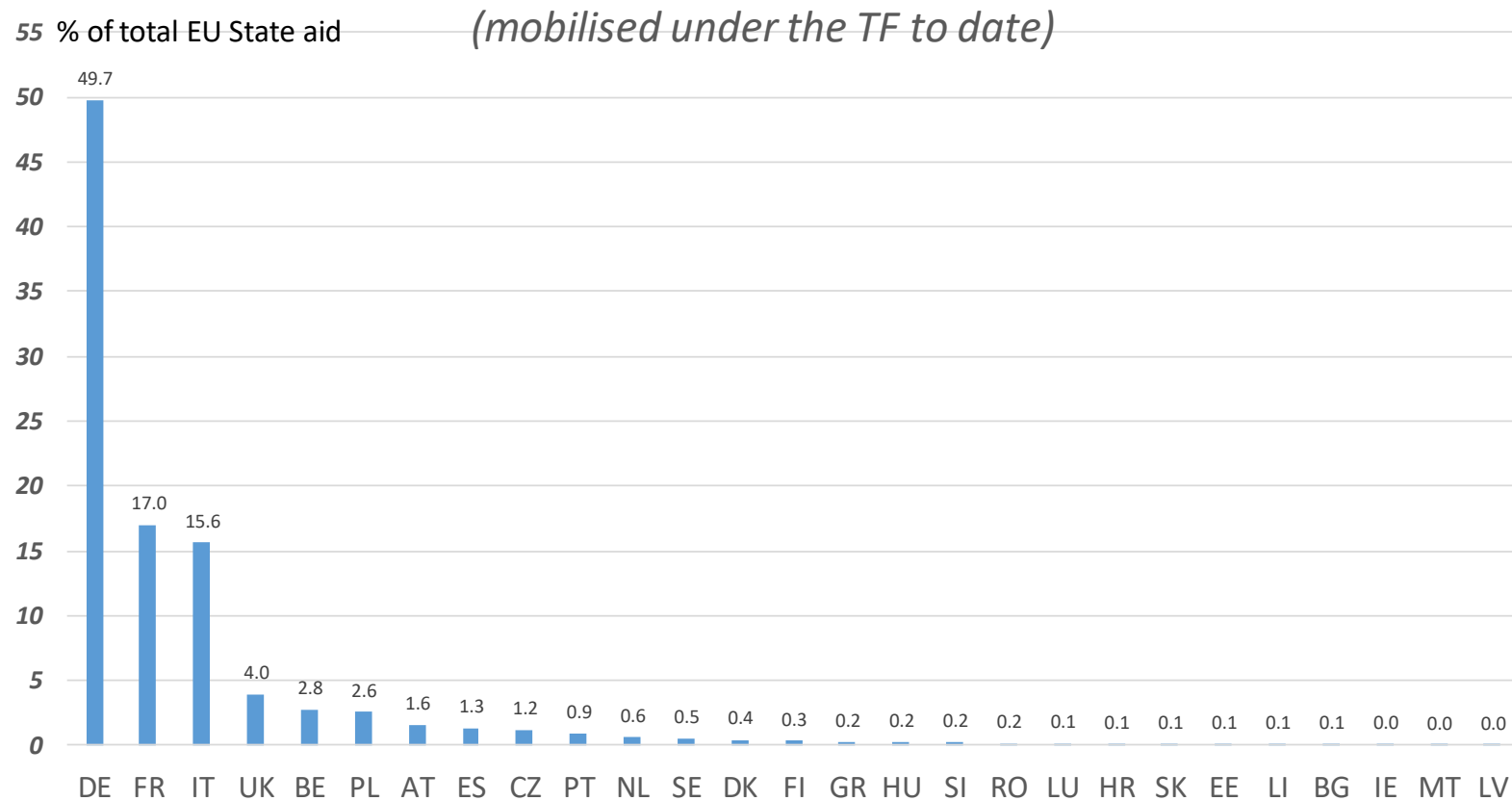
Chart: GDP impact at regional level excluding the impact of policy measures



- **Spring Forecast:** steep recession (-7.5%), uneven recovery. Increase in unemployment (9%).
- Weakening of government finances (deficit >8%)
  - Significant downside risks
    - ⇒ Steeper recession
    - ⇒ slower recovery
    - ⇒ Increasing divergences
    - ⇒ Undermining the single market
- Common interest to emerge stronger from the crisis together

## State aid has been uneven, potentially fuelling divergence

### National State Aid budget as % of total EU State Aid budget



# The EU level financial response to the economic impact of Covid-19: Collective recovery and common future: **EUR 2,4 trillion**

|   |  |
|---|--|
| SURE / ESM Pandemic<br>Crisis Support / EIB<br>Guarantee Fund for<br>Workers and Businesses | €540 billion                                   |
| Next Generation EU  | <b>Temporary reinforcement</b><br>€750 billion |
| Multiannual Financial<br>Framework  | €1 100 billion                                 |

# Next Generation EU

## Investing in a green, digital and resilient Europe

### Supporting Member States to recover



- Recovery and Resilience Facility EUR **510** bn
- Recovery Assistance for Cohesion and the Territories of Europe - REACT-EU EUR **50** bn
  - Reinforced rural development programmes EUR **15** bn
- Reinforced Just Transition Fund EUR **30** bn

#### Within European Semester framework

- Supporting reforms and public investments
- Supporting a just transition

### Kick-starting the economy and helping private investment



- Solvency Support Instrument EUR **26** bn
- Strategic Investment Facility EUR **15** bn
- Strengthened baseline InvestEU programme EUR **15,3** bn

- Supporting key sectors and technologies
- Investing in key value chains
- Solvency support for viable companies

### Learning the lessons from the crisis



- New Health programme EUR **7,7** bn
  - Reinforced rescEU EUR **2** bn
- Reinforced programmes for:
  - research: Horizon EUR **13,5** bn
  - external action:
    - NDCI EUR **10,5** bn
  - Humanitarian Aid EUR **5** bn

- Supporting key programmes for future crises
- Supporting global partners

# European Recovery and Resilience Facility

- New instrument building on the Reform Support Programme proposed in spring 2018.
- Embedded in the European Semester.



## To be used for:

Public sector investments and reforms, including in green and digital transitions.



## Mechanism:

**Grants and loans** by implementing Member States' national Recovery and Resilience plans defined in line with the objectives of the European Semester. No national co-financing.



An investment dimension for all Member States.

## Budget:

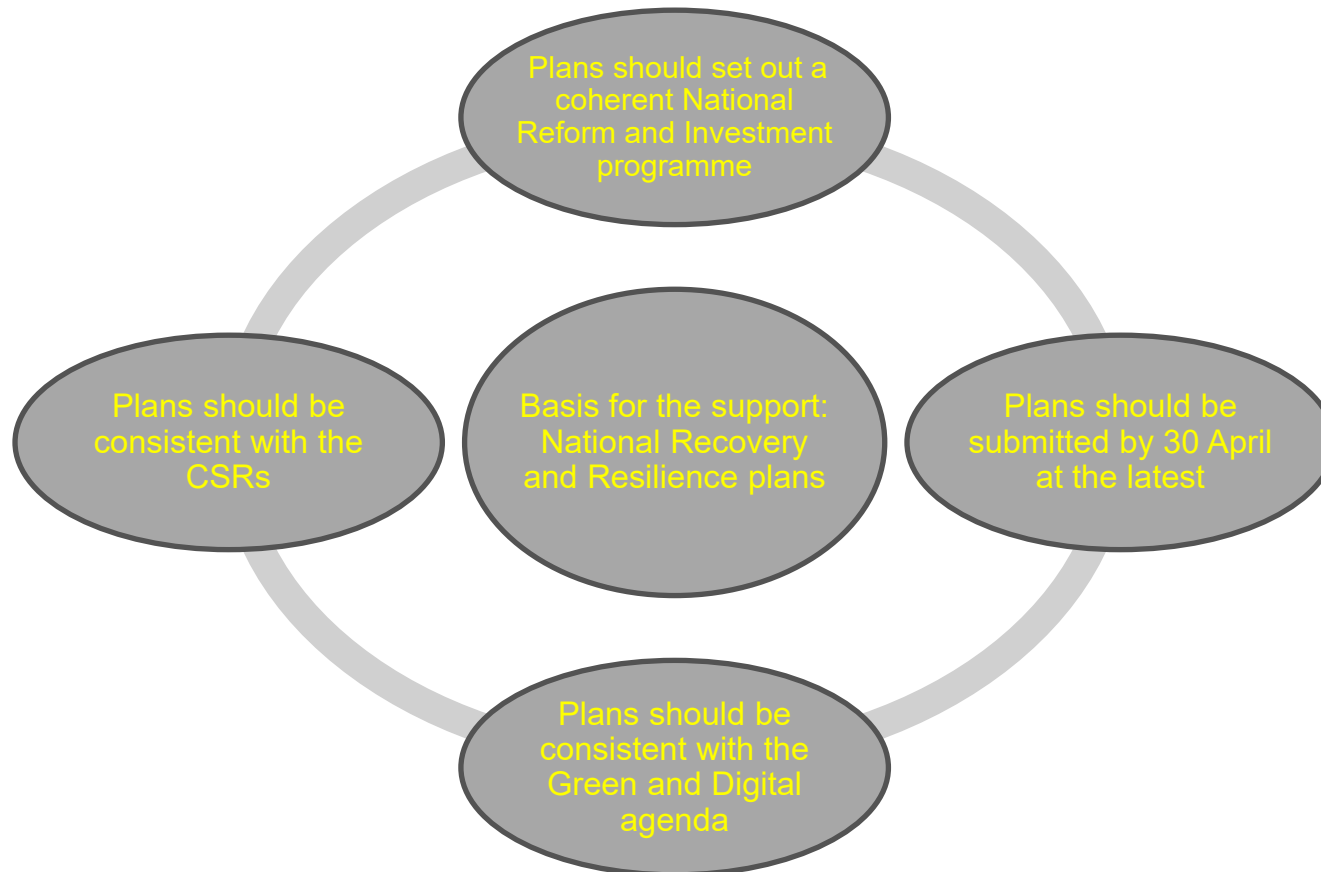
**€560 billion** of which **€310 billion** for grants and **€250 billion** for loans.



## Distribution key:

Available to all Member States, focus on the most affected countries.

# European Recovery Resilience Facility: governance





# Governance

Commission

- **Assesses** the plans based on the criteria in the Regulation
- **Adopts a decision (implementing act)** within 4 months of the official submission of the plan by the Member State

Council

- **Discusses the state of recovery, resilience and adjustment capacity in the Union within the EU Semester**
- **Provides binding opinion** as regards implementing act of the Commission (examination procedure under comitology)
  - **Annual report** by the Commission

European  
Parliament

- **Annual report** by the Commission on:
  - **progress** made with the recovery and resilience plans by Member States and
  - **spending** of the resources under the Facility

# InvestEU: Proposed modification of the 4 original windows

- **Financial firepower:** a boost to the Sustainable Infrastructure window to respond to the higher investment needs in the recovery phase and to advance in the green transition.



From €11.5 bn to **€ 20 bn**



From €11.25 bn to **€ 10 bn**



From €11.25 bn to **€ 10 bn**



From €4 bn to **€ 3.6 bn**

- **Enhanced advisory support:** a boost to help projects off the ground.

# InvestEU: New 5<sup>th</sup> window

- ▶ **New Strategic European Investment window:** to reinforce the strategic autonomy and resilience of the European economy in key areas.

**Focus:** building stronger European value chains in line with the strategic agenda of the Union and the New Industrial Strategy for Europe



**STRATEGIC EUROPEAN INVESTMENT**

Newly allocated



**€31 bn**

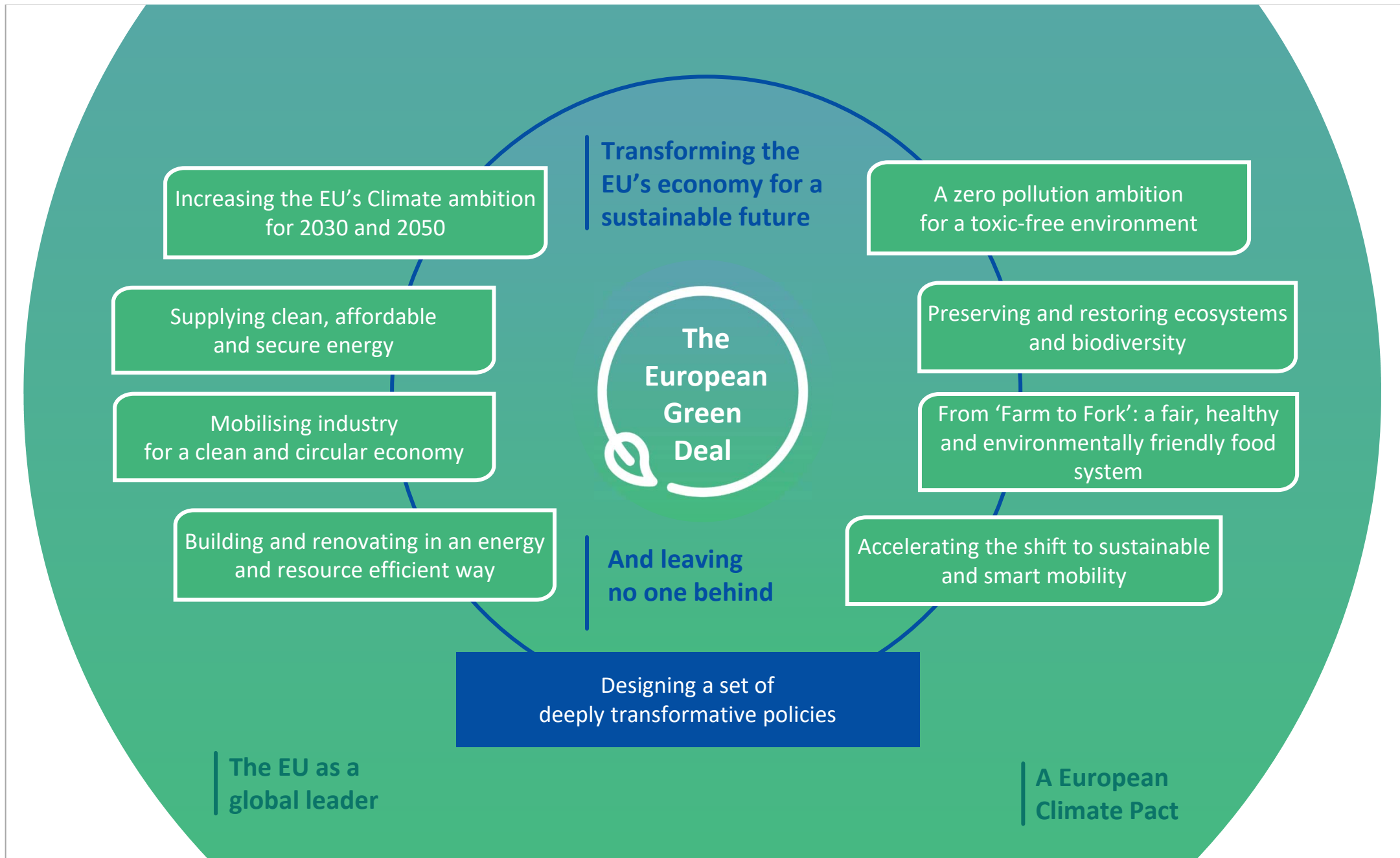
- Supporting companies in the areas of:
  - Critical healthcare
  - Critical infrastructure
  - Key enabling, transformative, green and digital technologies, and game-changing innovations
  - Manufacturing of ICT components and devices
  - Supply and stockpiling of critical inputs in strategic value chains
  - Critical technologies and inputs for security

A green oath: 'do no harm'



- **Align all new Commission initiatives** with European Green Deal objectives
- Use of **better regulation tools**
- **Invitation of stakeholders** to use available platforms to **simplify legislation and identify problematic cases**
- **Improve ways better regulation guidelines** and supporting tools **address sustainability** and innovation issues

# The European Green Deal



# European Green Deal

## ADOPTED

- ✓ Communication on the European Green Deal
- ✓ European Green Deal Investment Plan & Just Transition Fund
- ✓ European Climate Law enshrining the 2050 climate neutrality objective
- ✓ New Circular Economy Action Plan
- ✓ 'Farm to Fork' Strategy
- ✓ EU Biodiversity Strategy for 2030

## 2020

- The European Climate Pact
- 2030 Climate Target Plan
  - Renovation wave
- Strategy for smart sector integration (energy)
  - Hydrogen Strategy
- Renewed Sustainable Finance Strategy
- Strategy for sustainable and smart mobility

## 2021

- 🕒 Review of the Non-Financial Reporting Directive
- 🕒 New EU Strategy on Adaptation to Climate Change
- 🕒 New EU Forest Strategy
- 🕒 Empowering the consumer for the green transition

## Flagship initiatives in a green recovery

- **A Renovation Wave** – buildings are responsible for 36% of EU greenhouse gas emissions – job potential
- **Acceleration of renewables and hydrogen** – solar/wind market possibly hit by a 20-33% decrease
- **Clean and resilient mobility** - across all modes of transport
- **Speeding up the transition to a more circular Europe** – infrastructure, technologies, digitization
- **Resilient food chains** - carbon farming, digitization, farming for renewable energy