IBC webinar on promoting measures to green the post-pandemic recovery

19 January 2021
Objective

Provide guidance on funding opportunities available to implement the measures for green recovery.

Contents
1. NextGenerationEU
   - Recover & Resilience Facility
   - InvestEU
   - Horizon Europe
2. Team Europe COVID-19 Response
3. Eastern Partnership: Updates
4. Examples
NextGenerationEU
Temporary recovery instrument to help repair immediate Covid damage

NextGenerationEU in combination with the Multiannual Financial Framework 2021-2027 is part of a €1.8 trillion stimulus package, the largest ever financed through the EU.

It aims to rebuild a greener, more digital, and more resilient Europe

<table>
<thead>
<tr>
<th>NextGenerationEU Budget Breakdown</th>
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</thead>
<tbody>
<tr>
<td>Recovery and Resilience Facility (RRF)</td>
<td>€672.5 billion</td>
</tr>
<tr>
<td>of which, loans</td>
<td>€360 billion</td>
</tr>
<tr>
<td>of which, grants</td>
<td>€312.5 billion</td>
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<tr>
<td>ReactEU</td>
<td>€47.5 billion</td>
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<tr>
<td>Horizon Europe</td>
<td>€5 billion</td>
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<tr>
<td>InvestEU</td>
<td>€5.6 billion</td>
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<tr>
<td>Rural Development</td>
<td>€7.5 billion</td>
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<tr>
<td>Just Transition Funds (JTF)</td>
<td>€10 billion</td>
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<tr>
<td>RescEU</td>
<td>€1.9 billion</td>
</tr>
<tr>
<td>TOTAL</td>
<td>€750 billion</td>
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</table>
Aim:

- To mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

Budget:

- €672.5 billion in loans and grants
- 37% for green investments and reforms
- 20% for digital investments and reforms

Flagship Areas:

1. Power up: renewables
2. Renovate: energy efficiency
3. Recharge & Refuel: transport
4. Connect
5. Modernise
6. Scale-up
7. Reskill & Upskill
React-EU

Continue & extend the crisis response & repair measures of the Cohesion Policy

Aim:
• Support & reinforce health care crisis capabilities
• Make a concrete difference in lives and jobs
• Enhance support to infrastructure
• Make economies more resilient and sustainable
• Top up funds already made available
• Serve to invest in the European Green Deal & Digital Transition

Budget:
• €55 billion additional funding on top of the 2021-2027 cohesion policy programmes

Implementation:
1. Distributed according to prosperity and socio-economic effects of the crisis
2. Flexibility in how funds are spent
3. Rapid access to 50% of funds
Horizon Europe
The next EU research and innovation investment programme

Details:
• R&I framework programme (2021-2027) €95.5 billion budget
• Mission-driven approach linked to key societal challenges
• Strengthen the EU's scientific and technological bases
• Boost Europe's innovation capacity, competitiveness and jobs
• Deliver on citizens' priorities & sustain our socio-economic model & values
• Focusing research and innovation on the ecological, social and economic transitions
• Built on what has been learned from Horizon 2020

Horizon Europe Structure:
1. Excellent Science pillar (€25.8 billion)
2. Global Challenges and European Industrial Competitiveness pillar (€52.7 billion)
3. Innovative Europe pillar (€13.5 billion)
4. Widening participation and Strengthening the European Research Area (ERA) (€2.1 billion)

Mission Areas:
1. Adaptation to climate change
2. Soil health and food
3. Climate-neutral and smart cities
4. Healthy oceans, coasts, and inland waters
5. Cancer
**InvestEU**

*Combining resources from the EU, its member states, and financial institutions*

**Details:**

- **Policy instrument** to support objectives of the Union by mobilising public and private investment
- **Delivery tool** to implement the EU budget through a budgetary guarantee
- **The InvestEU Fund:** Mobilising public and private investment using an EU budget guarantee
- **The InvestEU Advisory Hub:** Providing technical advice on investment projects needing financing.
- **The InvestEU Portal:** An easily accessible database that matches projects with potential investors worldwide.

**Budget:**

- €38 billion EU budget guarantee
- €9.5 billion estimated from financial partners
- Aims to trigger €650 billion in additional investment
- 75% of the EU guarantee through the EIB

**Policy Areas (€38 b total):**

1. **Sustainable Infrastructure** (€11.5 b)
2. Research, Innovation & Digitisation (€11.25 b)
3. Small Businesses (€11.25 b)
4. Social Investment & Skills (€4 b)
1. Just Transition Fund:
   • €17.5 billion total budget (2021-2023)
   • €7.5 billion from the MFF
   • €10 billion from NextGenerationEU
   • Aims to alleviate the social and economic costs resulting from the transition towards a climate-neutral economy.
   • Voluntary transfers from the European Regional Development Fund (ERDF) and the European Social Fund+ (ESF+)

2. Rural Development:
   • €7.5 billion budget
   • This funding will help them to achieve the ambitious climate and environmental targets in the new Biodiversity and Farm to Fork strategies.

3. RescEU:
   • Part of the EU’s Civil Protection Mechanism
   • €3.1 billion is proposed for rescEU / EU Civil Protection Mechanism over seven years, 2021-2027
   • Designed to support member states in times of crisis
Team Europe COVID-19 Response
Combining resources from the EU, its member states, and financial institutions

Objective:
• Support partner countries and address their short-term needs in view of COVID-19, as well as the longer-term structural impacts on societies and the economy.
• Ensure a link with medium- and long-term programming.

Health, Water & Sanitation
• Supporting communication, research, experts training, equal access
• Allowing the use of EU funding from other global health initiatives
• Welcoming candidate countries in the Western Balkans

Budget:
• €3.07 billion for whole neighbourhood (€2.1 billion for the South, €962 million for the Eastern Partner countries, €800 million for the Western Balkans and Turkey)
• €2.8 billion for research, health, and water systems
• Over €60 million redirected towards immediate digital response

Team Europe Priorities:
1. Responding to immediate health crises
2. Strengthening health, water, and sanitation systems
3. Mitigating immediate social and economic consequences
European Neighbourhood Policy

• €15.4 billion budget 2014-2020
• Financed by the European Neighbourhood Instrument (ENI), Development Cooperation Instrument (DCI), Instrument for Pre-accession Assistance (IPA), and others.

ENI Focuses on:
• human rights and the rule of law
• sustainable and inclusive growth
• mobility and people-to-people contacts
• regional integration

EaP Budget:
• No budget released yet for 2021-2027
• Between €741-906 million for the Eastern Partnership (EaP) 2014-2020
• €65 million for immediate Covid support
• Up to €1 billion for short and medium-term recovery

EaP Beyond 2020 partnership that:
1. Creates sustainable economies
2. Protects the rule of law
3. Greens for environment and climate resilience
4. Connects for a digital transformation
5. Empowers for fair and inclusive societies
Examples
EU-UN Partnership Examples

UN-REDD
- FAO, UNDP and UNEP
- **Objective**: reduce forest emissions and enhance carbon stocks in forests while contributing to national sustainable development
- **Main Donors**: Norway, European Commission, Denmark, Japan, Luxembourg, Spain, & Switzerland

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- UNEP, ILO, UNDP, UNIDO, and UNITAR
- **Objective**: seeks to put sustainability at the heart of economic policies and practices
- **The Data Observatory**: track socio-economic and health impacts from Covid-19
- **Funding Partners**: EC, Germany, Norway, Finland, South Korea, Sweden, Switzerland
- Examples of countries: Mongolia, Kyrgyzstan, Kazakhstan and others

**Destination Earth**: digital modelling platform to visualize, monitor and forecast natural and human activity on the planet in support of sustainable development (start in 2021)