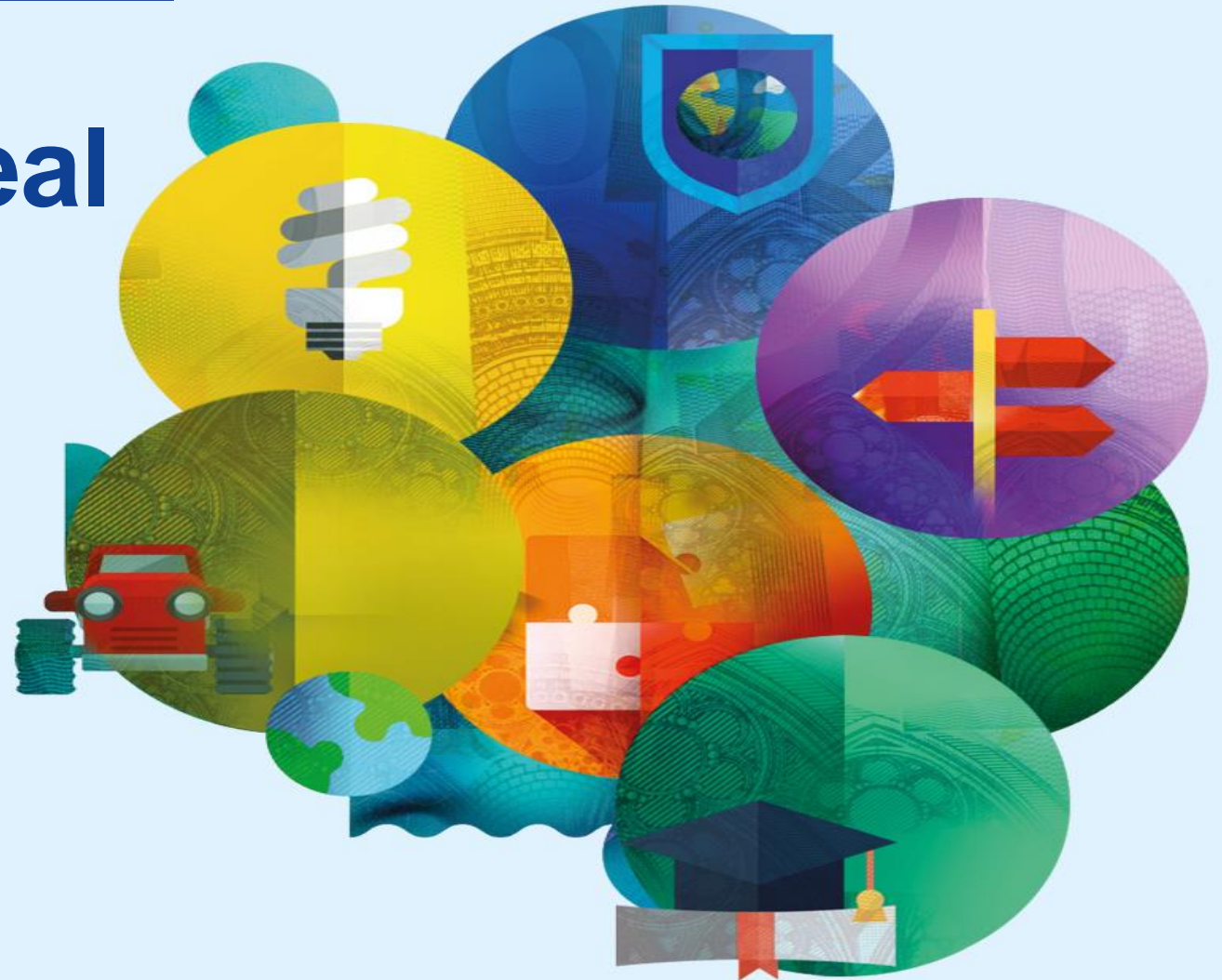


Financing the European Green Deal

EU-level funding & policy action



Irish Fiscal Advisory Council
Dublin, 28 February 2020

Financing the European Green Deal

EU-level funding & policy action

- ☐ European Green Deal
- ☐ European Green Deal Investment Plan
- ☐ Just Transition Fund & Just Transition Mechanism
- ☐ Context: Negotiations on the next Multi-Annual Financial Framework

The European Green Deal - A “man-on-the-moon” moment

- A comprehensive plan
- Only the start, many steps to follow
- A firm commitment
- Linked to Multi-Annual Financial Framework

Key elements

- **Climate neutrality by 2050**
- **Higher climate ambition by 2030**



**Transforming the
EU's economy for a
sustainable future**

Mobilising research
and fostering innovation

A zero pollution ambition
for a toxic-free environment

Preserving and restoring
ecosystems and biodiversity

From 'Farm to Fork': a fair,
healthy and environmentally
friendly food system

Accelerating the shift to
sustainable and smart mobility

Leave no one behind
(Just Transition)

Financing the transition

Increasing the EU's Climate
ambition for 2030 and 2050

Supplying clean, affordable
and secure energy

Mobilising industry
for a clean and circular economy

Building and renovating in an
energy and resource efficient way

**The
European
Green
Deal**

**The EU as a
global leader**

**A European
Climate Pact**

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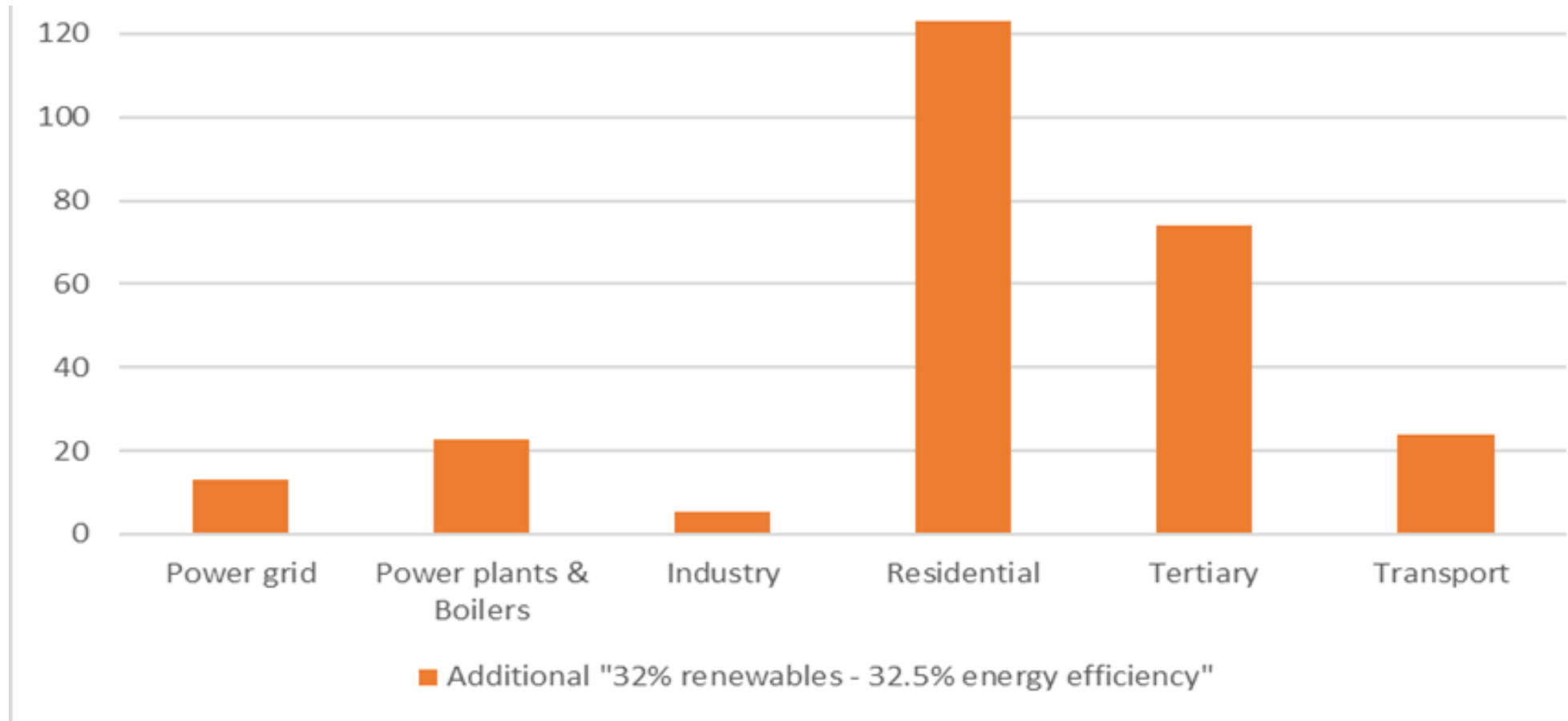
The EU as a
global leader

A European
Climate Pact

European Green Deal Investment Plan

Total additional annual investment needs of about 260bn €

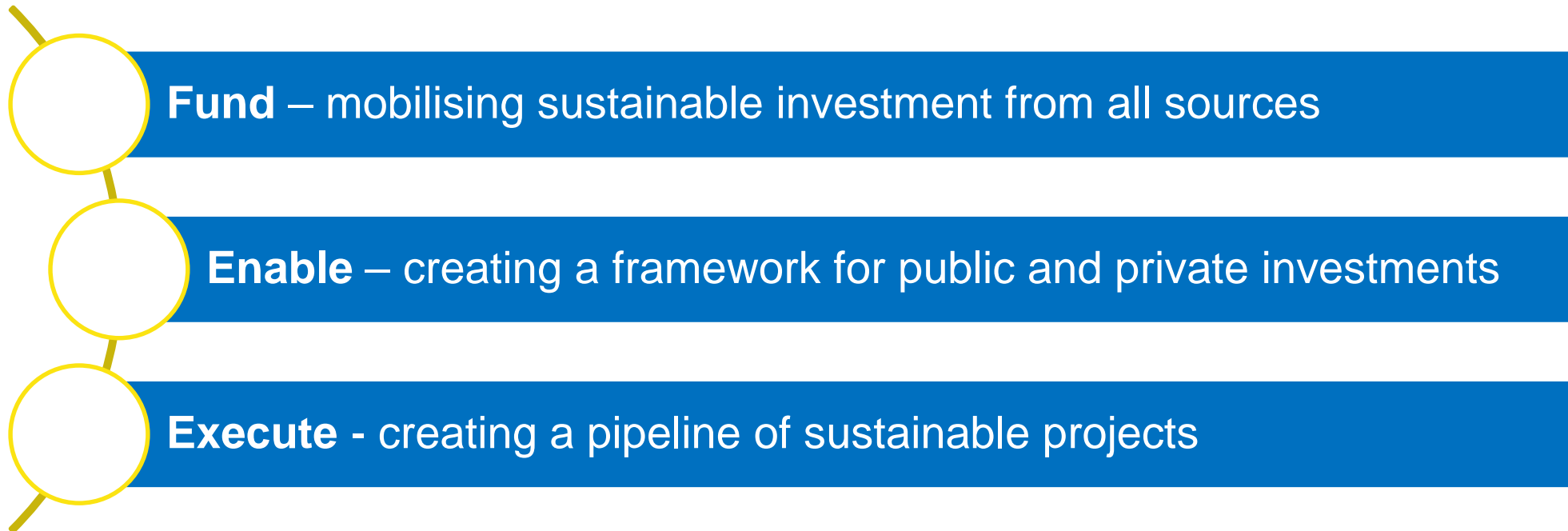
Average annual investments
EU28, 2021-2030, billion euros



Sustainable Europe Investment Plan

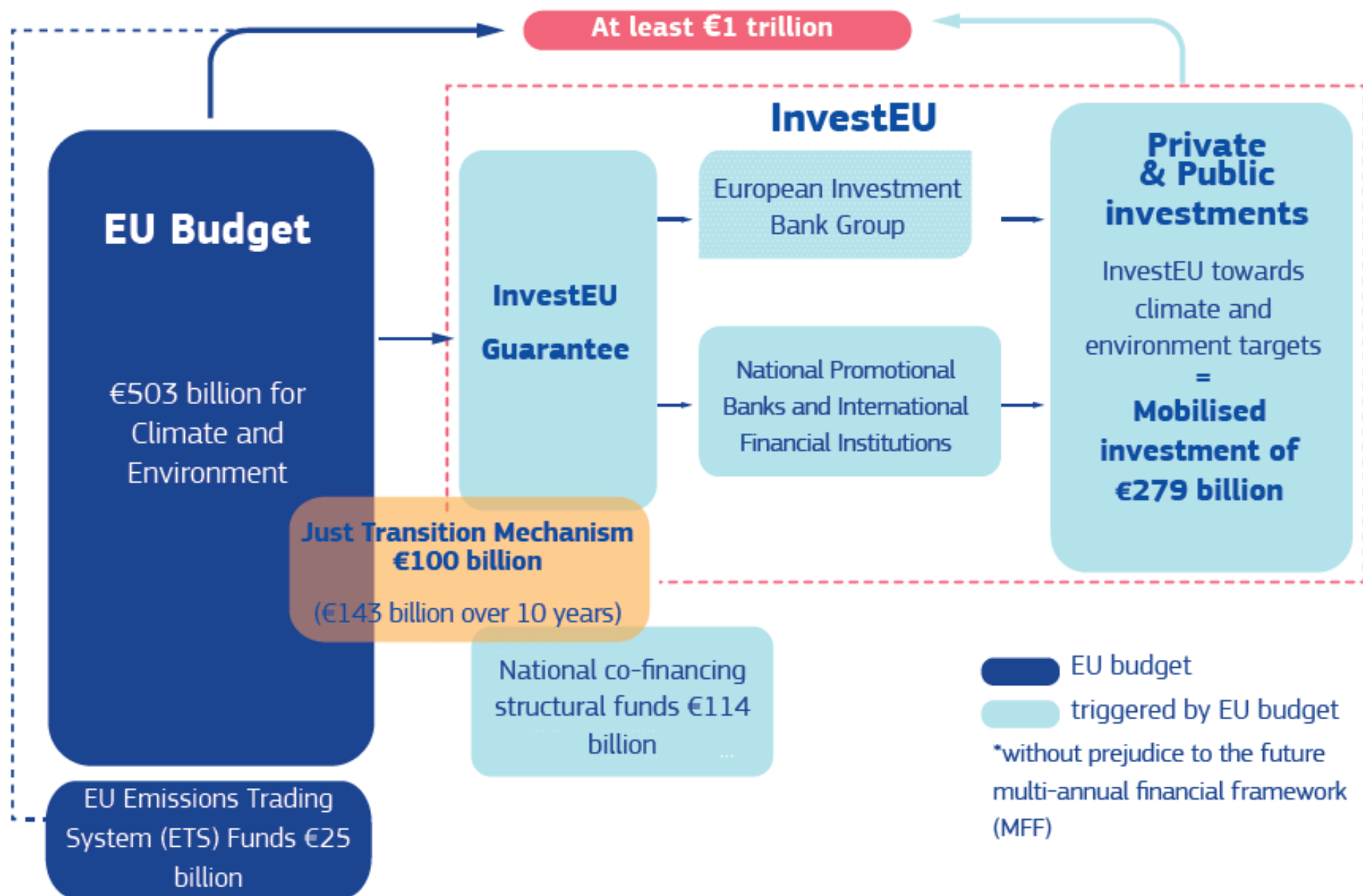
European Green Deal Investment Plan

Three pillars



1. Fund

WHERE WILL THE MONEY COME FROM?



*The numbers shown here are net of any overlaps between climate, environmental and Just Transition Mechanism objectives.

2. Enable

Ensuring good and sustainable practices in both private & public sectors



3. Execute



Supporting **public administrations** to identify investment needs and execute projects



The Reform Support Programme

Assist **project promoters** to prepare, develop and implement sustainable projects



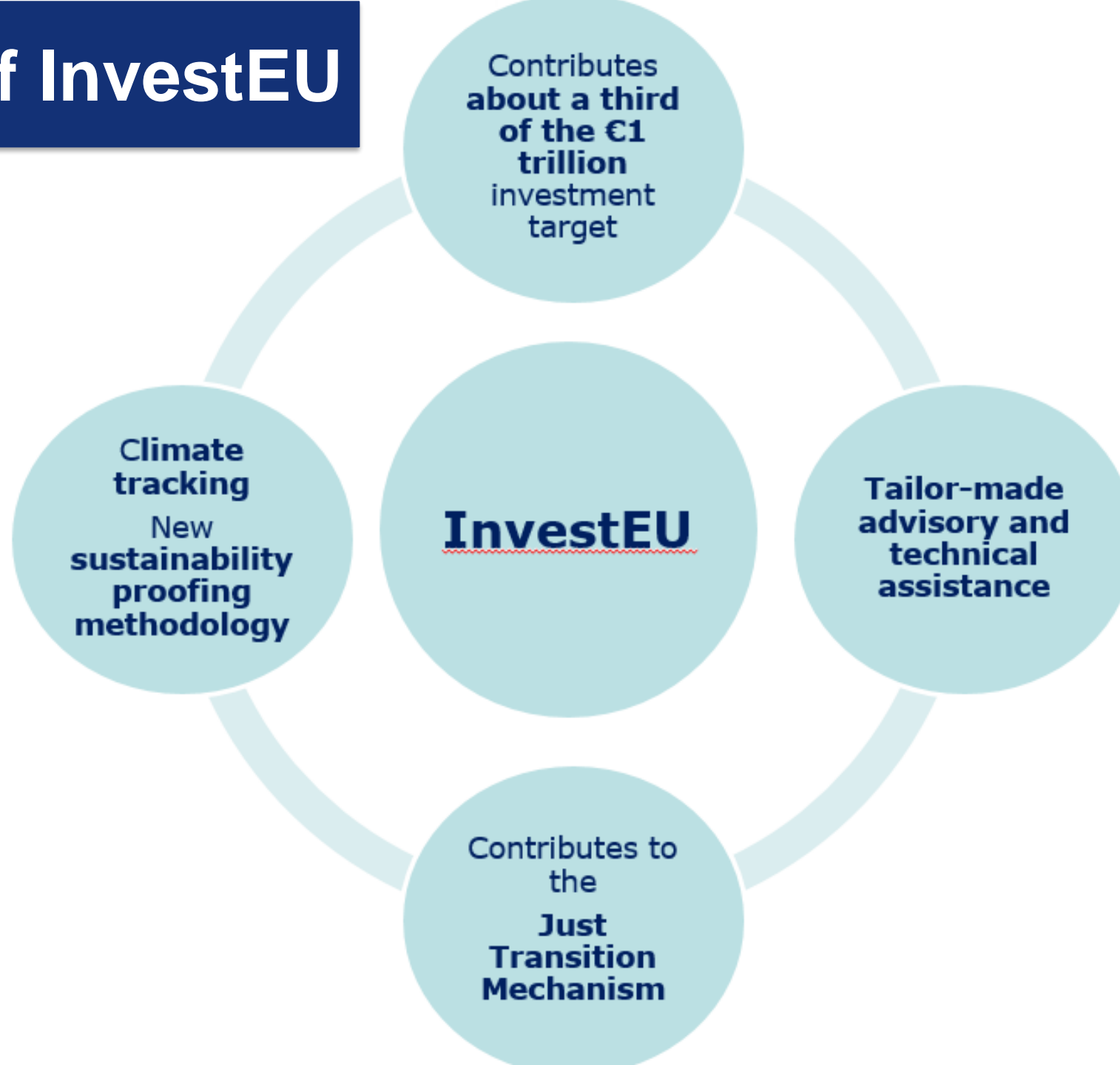
The InvestEU Advisory Hub and Sustainable Procurement Screening

Building a bridge between investors and project promoters



InvestEU portal and Annual Sustainable Investment Summit

The Role of InvestEU



The Role of InvestEU

InvestEU Programme (2021 – 2027)

2014-2020

- › European Fund for Strategic Investments
- › CEF Debt Instrument
- › CEF Equity Instrument
- › Loan Guarantee Facility under COSME
- › Equity facility for Growth under COSME

- › Innovfin Equity
- › Innovfin SME guarantee
- › InnovFin Loan Services for R&I Facility
- › Private Finance for Energy Efficiency Instrument
- › Natural Capital Financing Facility

- › EaSI Capacity Building Investments
- › EaSI Microfinance and Social Enterprise Guarantees
- › Student Loan Guarantee Facility
- › Cultural and creative sectors Guarantee Facility

2021-2027



**SUSTAINABLE
INFRASTRUCTURE**



**RESEARCH, INNOVATION
AND DIGITISATION**



**SMALL AND MEDIUM-
SIZED COMPANIES**



**SOCIAL INVESTMENT
AND SKILLS**

The Role of InvestEU

InvestEU Programme (2021 – 2027)



THE INVESTEU FUND

Mobilising public and private investment using guarantees from the EU budget.



THE INVESTEU ADVISORY HUB

Providing technical advice to investment projects seeking financing.

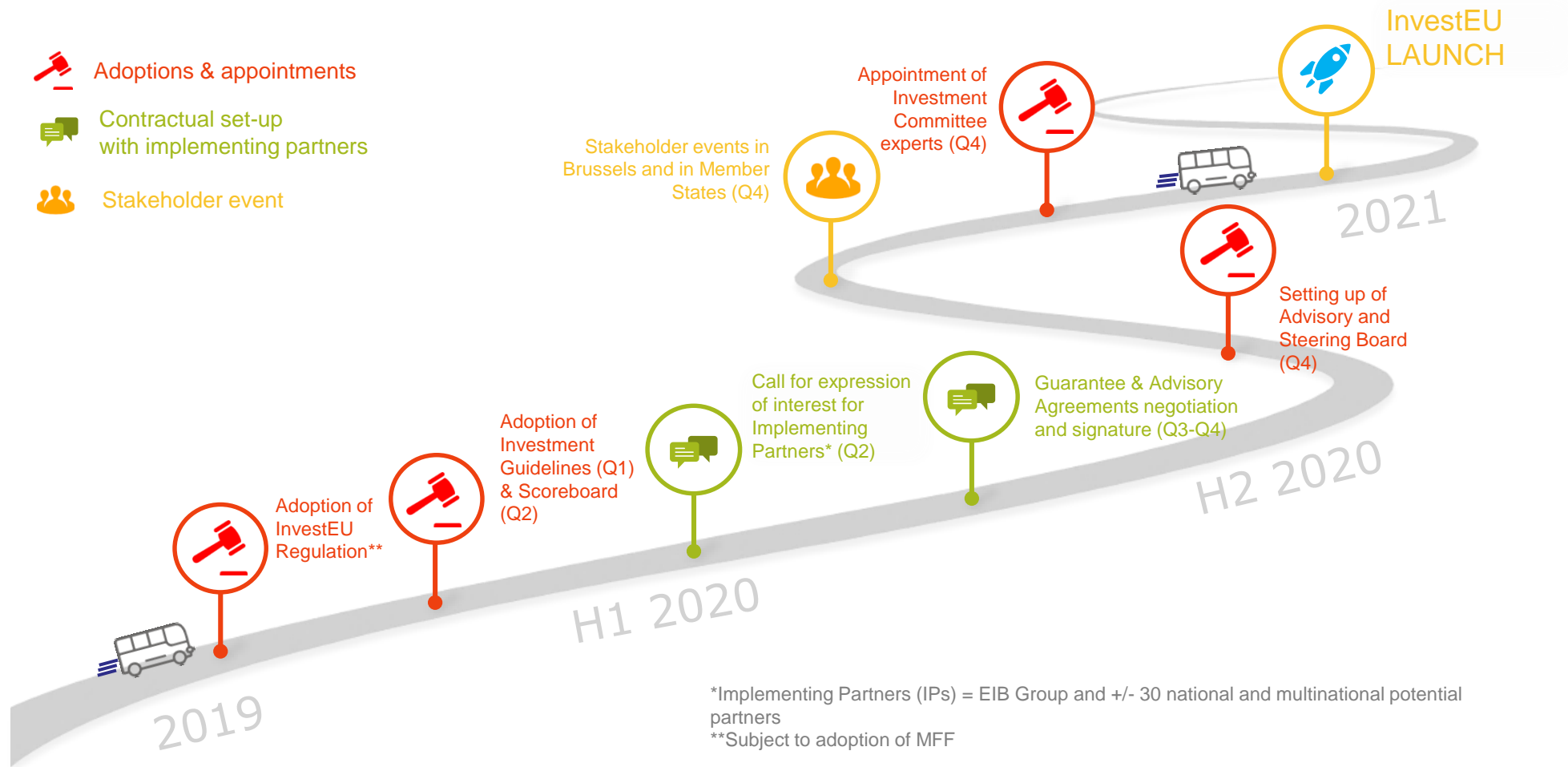


THE INVESTEU PORTAL

An easily-accessible database bringing together projects and investors.

The Role of InvestEU

InvestEU Roadmap



The Just Transition Mechanism

Just Transition Mechanism

at least **EUR 100 billion** investments

to support and finance regions most exposed to transition challenges in all Member States

Just Transition Fund to generate financing of **€30-50 billion**

- New Just Transition Fund of €7.5 billion
- Transfers: for each €1 from JTF €1.5-3 from ERDF/ESF+
- National co-financing

Provides primarily grants

InvestEU Dedicated Just Transition Scheme to mobilise up to **€45 billion** investments

Crowds in private (& public) investment

Public sector loan facility with the EIB to mobilise **€25-30 billion** investments

Leverages public financing

Just Transition Fund
to generate financing of
€30-50 billion

InvestEU
Dedicated Just
Transition Scheme

Public sector loan
facility
with the EIB



Member State 1
Territory a

✓ Territorial just
transition plan

Member State 2
Territory b

✓ Territorial just
transition plan

Member State 1
Territory c

✓ Territorial just
transition plan

Member State 1
Territory d

✗ Territorial just
transition plan

✓ Project benefitting
territory c

Member State 1
Territory e

✗ Territorial just
transition plan

✗ Project benefitting
territory c

Territorial just transition plans per each eligible region approved by the Commission

Advisory and technical assistance

State Aid facilitation

InvestEU dedicated Just Transition Scheme (pillar 2)

- Aim to generate up to €45 billion for the just transition objectives;
- Eligibility: projects in the regions having an approved transition plan or projects that benefit those regions (conditions apply);
- Aim to reflect the national allocation key under the Just Transition Fund while respecting the demand-driven nature of InvestEU;
- Incentives for InvestEU Implementing Partners and prioritisation of relevant products;
- Steering through dedicated Key Performance Indicators;
- Dedicated technical assistance;
- The just transition objectives will be reflected in the InvestEU Investment Guidelines and guarantee agreements with the Implementing Partners

Public sector loan facility with the EIB (Pillar 3)

Additional public sector investment in just transition regions:

- Between €25 and 30 billion of investment to be mobilised
- Concessional loans to the public sector to implement measures to facilitate transition to climate neutrality
- EU support through inter alia an interest rate subsidy or an investment grant, financed from the EU budget, blended with loans extended by the EIB to public authorities
- Complementary to InvestEU (pillar 2): targets projects which do not generate sufficient market streams of revenue
- The Commission will table a legislative proposal in March 2020

Eligibility:

- Projects in the regions with an approved transition plans and projects directly benefiting those regions if supporting the transition (same as pillar 2)
- Aim to reflect the national allocation key under the Just Transition Fund

What's next?

inter alia...

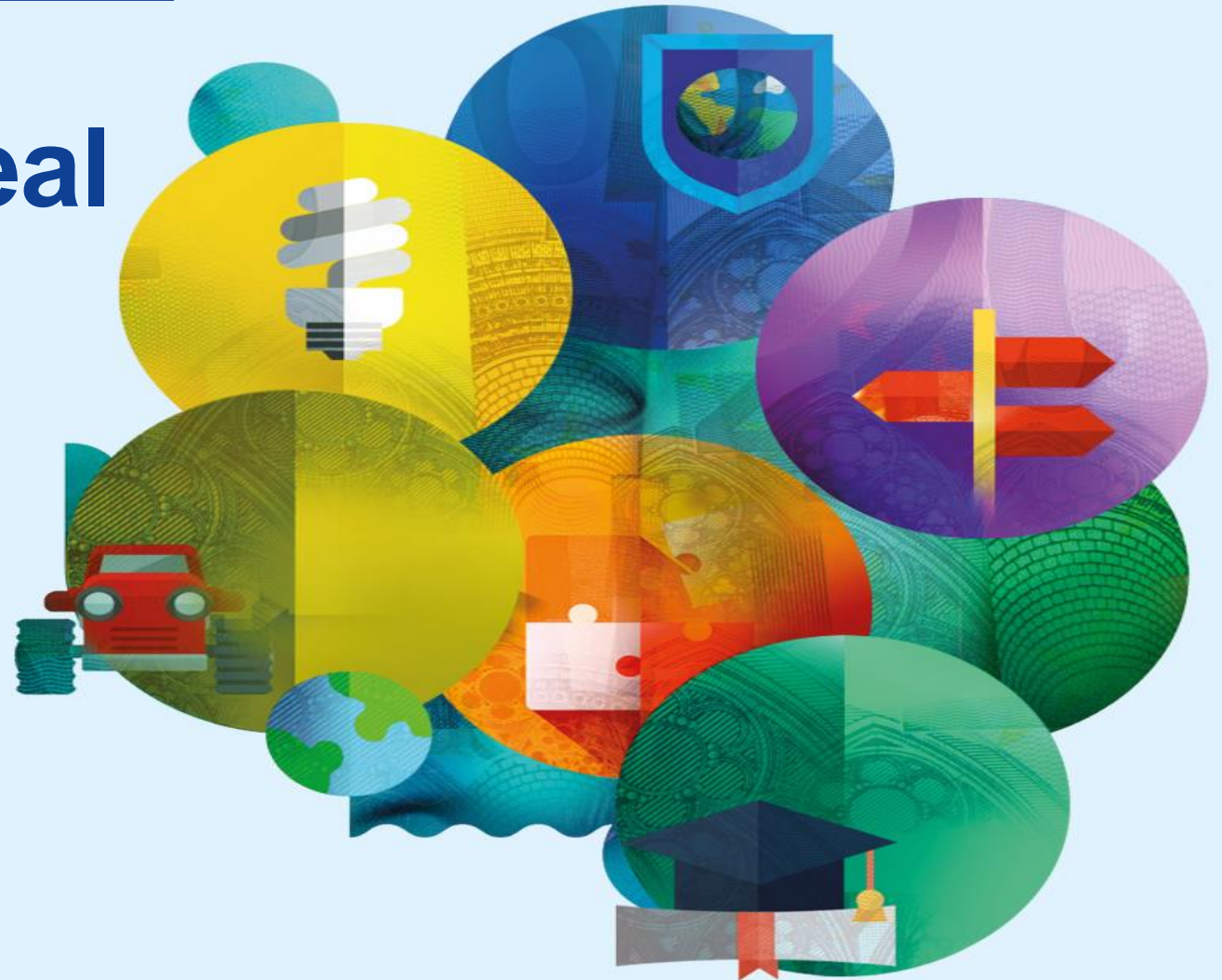
-  **Sustainability as part of the country reports as of February 2020**
-  **Just Transition Mechanism – Pillar 3 Q1 2020**
-  **2030 Climate Target Plan, incl. Impact Assessment Q3 2020**
-  **Renewed sustainable finance strategy in Q3 2020**
-  **Rollout of InvestEU – as soon as legal basis is adopted**
-  **Sustainable Investment Summit**



Thank you for your attention!

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