



[Check Against Delivery]

## Opening Remarks by Executive Vice-President Frans Timmermans at the Press Conference on a Green and Just Recovery

Brussels, 28 May 2020

Thank you very much.

After yesterday's presentation of the package, we know what the dimensions are of the problem we need to face. We know what the dimensions will be of the response in financial terms of the EU. We now have to talk about the content of that response.

For us, if we take on this extra burden of loans and grants, of a higher EU Budget, we have to make sure that we take decisions that will take us to the future and not into the past. The future is with a green, resilient and digital economy that makes sure that there are sustainable jobs, economic growth and that we are able to react to other challenges when they come.

We need to get it right from the get-go. We need to make sure that the investments we do take us into the 21st century and that we do not put money into assets that will be locked into the past. That money will be lost. We need an economy that supports our health, our well-being and creates stronger resilience.

The MFF with its 25% allocation for climate action remains the bedrock of our green transition and our economic recovery. And under this new recovery instrument, NextGenerationEU, we will support the investments and reforms that are essential for a sustainable recovery. Under the new programs, Member States will design National recovery plans with a twin green and digital transition at their heart. They will be assessed accordingly. This way we are ensuring that the money is spent in line with our Green Deal and digital ambitions, underscored again also by the European Council.

With this package, we also commit to 'do no harm' with regard to our climate ambitions. What we do should help us fulfil these ambitions and should not go in the other direction. Within InvestEU, the Sustainable Infrastructure window will be doubled. This means it will provide an EU guarantee of roughly 20 billion euros to sustainable infrastructure projects, including the renovation wave for local jobs. The new strategic investment window will support key technologies for the clean energy transition.

I am talking about things such as renewable energy and storage, clean hydrogen, batteries, carbon capture and storage, and sustainable infrastructure. We have seen a huge decline of investments in these sectors and we need to reboot that to make sure it goes into the right direction.

When it comes to public investment to relaunch the transport sector, committing to clean and more sustainable mobility will be key. We have also seen how for instance the public transport sector is suffering across the EU. We absolutely need a vibrant and strong public transport sector to fulfil our Green Deal Goals. The Connecting Europe Facility, InvestEU and other funds can for instance support the financing of 1 million electric vehicle-charging points, clean fleet renewals, sustainable transport infrastructure, especially also looking at the modalities of rail and electric mobility and bike lanes. There is a lot of request for bike lanes, you see it even in Brussels now. It has led to a complete change of attitude which is to be commended.

We will also support companies in difficulty through the new Solvency Support Instrument, so that they do not collapse and we can maintain the jobs and give them an opportunity to recover. Companies that pollute or have a high carbon footprint, will be asked to produce green transition plans, so that we know that they are taking it to the right direction.

Protecting and restoring biodiversity and natural ecosystems is also key to our health and well-being. It can help boost our resilience and prevent the emergence and spread of future virus outbreaks. We have now seen that this relationship between us and our natural environment is key to our health.

Under InvestEU a new natural capital and circular economy initiative will be mobilised, at least 10 billion euros over the next 10 years. The Common Agricultural Policy is getting a boost with our proposals, which will add 15 billion euros to the Rural Development Fund.

It is clear that this additional funding will help deliver on the goals we set out last week in the Farm to

Fork and Biodiversity strategies.

Many people will look at this and ask: but what does it mean for me, my family and my job? For many regions and companies, including those relying on coal production and carbon intensive industrial processes, this economic crisis has raised an existential question. 'Do we rebuild what we had before? Or do we seize the opportunity to restructure and create different and new jobs that can serve us for decades to come?' We rebuild but in a different direction.

To help these decisions, we decided to make the Just Transition Fund one of our landmark proposals for recovery. We will increase it from the 7.5 billion euros we had envisaged so far to 40 billion euros.

With more resources available, we believe we can make it easier to move towards a green transition now. This is also our firm commitment to make every region, every European, part of our green recovery.

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