Sustainable Europe Investment Plan - How to finance the Green Deal

2020/2058(INI) - 13/11/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 471 votes to 134, with 83 abstentions, a resolution on the sustainable Europe investment plan - how to finance the Green Deal.

Members recalled the Commission's estimate that the EU-wide investment needed to meet the current climate targets for 2030 amounts to EUR 240 billion per year. Adding the additional amounts for environmental objectives, social infrastructure and transport infrastructure, this represents a total investment requirement of at least EUR 662 billion per year.

Achieving the EU's environmental objectives

Parliament welcomed the Commission's recovery plan for Europe, in which the European green deal and the digitisation strategy are central. It endorsed the principle that public investment will respect the principle of 'no significant harm', which applies to both social and environmental objectives.

The green transition should focus on reducing existing and potentially widening disparities between Member States, strengthening competitiveness and creating sustainable and quality jobs.

The resolution also stressed that climate investments should be in line with the EU taxonomy and that national recovery plans should be aligned with national energy and climate plans (NECPs).

Members questioned whether the investment plan for a sustainable Europe could mobilise EUR 100 billion by 2030, given the unfavourable economic outlook caused by the COVID-19 pandemic, and how the new Multiannual Financial Framework (MFF) will help achieve the plan's objectives. They called on the Commission and Member States to present plans explaining how they will bridge the large investment gap with private and public investment.

EU budget: targeting, triggering and catalysing financial resources

Parliament stressed the central role of the EU budget in implementing the strategic European investment plan. It reiterated that new initiatives should always be assessed from a sustainability perspective, be financed by additional appropriations, and should not have a negative impact on other policies. It stressed the importance of sustainable private investment in achieving the objectives of the plan.

The resolution stressed that the climate spending target should apply to the MFF as a whole and that a 37% climate target should apply to Next Generation EU spending. It called on the Commission to establish a meaningful and transparent framework for monitoring and controlling climate-related spending from the EU budget. It also called for the principle of Just Transition to be mainstreamed throughout the Green Deal and for the Just Transition Fund to focus on regions most dependent on fossil fuels.

Parliament stressed the important role of the Common Agricultural Policy, the Common Fisheries Policy and the Cohesion Policy in supporting the transition to climate neutrality. It called for a basket of new own resources to be included in the EU budget from 2021 and for the proceeds of the new own resources to be sufficient to cover at least the repayment obligations under the recovery instrument.

Financial institutions - enabling the implementation of the Green Deal

Parliament welcomed the EIB's decision to revise its energy lending policy and climate strategy and to devote 50% of its operations to climate action and environmental sustainability from 2025 onwards to meet the EU's obligations under the Paris agreement. It stressed that the EIB's response to the COVID-19 pandemic should be consistent with the objective of the Sustainable Europe Investment Plan.

Members encouraged the EIB to play an active role in supporting projects that contribute to a just transition, such as research, innovation and digitisation, access to finance for SMEs, as well as social investment and skills. In addition, the fight against climate change and the promotion of sustainability should be further considered in the ECB's policies.

Mobilising private investment for a sustainable recovery

Supporting a renewed strategy on sustainable finance, Parliament stressed the need for (i) an evolving EU eco-label for financial products, (ii) an EU green bond standard, and (iii) more reliable, comparable and accessible data on sustainability obtained by harmonising sustainability indicators.

The resolution stressed that companies should be able to monitor the availability of their data in the single European access point. The Commission is invited to:

- present a legislative proposal on a single European access point for financial and non-financial information on EU companies, whether listed or not,

- harmonise the transparency requirements of the Directive on the publication of non-financial information and to align them with those of the Regulation establishing a taxonomy,

- establish an effective system for monitoring data and reporting on the implementation of the Sustainable Europe Investment Plan.

Promoting sustainable public investment in times of crisis

Parliament called for the creation of an instrument for sustainable public investment to achieve the objectives set out in the European Green Deal. However, it stressed that, whatever the financing model is chosen, increased levels of public investment should contribute to the sustainability of public finance in the EU. It encouraged the Commission to map best practices on green budgeting.

Members called for public support for the transport sector, in particular airlines, the tourism sector and the automotive sector, to be used in a sustainable manner. They called for particular attention to be paid to access to finance for micro-enterprises and SMEs and called for the mainstreaming of sustainable public procurement and tendering.

Lastly, they insisted that the 'do no harm' principle of the European Green Deal be applied to all recovery plans.