

Mr Charles Michel
President of the European Council
Rue de la Loi 175
B-1040 Bruxelles

Brussels, 14th July 2020

Dear President,

As lead members of the Environment, Public Health and Food Safety committee of the European parliament in charge of the recovery package related legislations, we want to address with you the topic of matching words with actions during the recovery.

We all agree that the EU recovery plan should be enshrined in a very clear narrative: it should be **the first recovery plan aligned with the Paris Agreement**. To do so, the **recovery plan must reduce significantly the green transition investment gap¹ to put the Union on a trajectory towards the achievement of the climate neutrality objective by 2050 at the latest**.

First, access to Next Generation EU shall be linked to Member States' commitment to a national objective of climate neutrality by 2050 and to contribute to the achievement the Union's new 2030 climate targets, which will be updated by the end of the year.

Element #1: The national recovery plans, as part of the Recovery and Resilience facility, must significantly reduce the climate and environmental investment gap.

- Member states' recovery plans must be in line with the objective climate neutrality by 2050 and the updated 2030 climate targets.
- A Member state's recovery plan should disclose how it reduces significantly the climate and environmental investment gap, in line with the NECPS, the European Semester and the NECPs.
- In requirements for the recovery plans, and in the Commission's assessment of these plans, a clear separation between the green transition and the digital transition must be ensured.

Element #2: All funds of Next Generation EU should respect the "do no significant harm" as per the taxonomy.

- As stated by the European Commission, to ensure we use Next Generation EU to its full potential, investments with support from Next Generation EU must "respects the 'Do Not Significant Harm' as per the taxonomy regulation.

Element #3: For all funds of Next Generation EU, the taxonomy should be used, when appropriate, as a guide to invest and track EU funds.

- Member States shall identify and track climate and environment spending by using the criteria laid down in the EU taxonomy.

Element #4: Climate spending targets should be set for each of the funds:

- 40% of the Recovery and Resilience facility should be dedicated to climate investments.
- Under the Solvency support instrument, public support to companies operating in high carbon sectors shall be accompanied by green transition plans outlining how companies will align their activities with climate neutrality by 2050.
- At least 40% of Invest EU should be dedicated to green investments, as already agreed in the partial agreement between the European Parliament and the Council.

¹ [Commission Communication on Identifying Europe's recovery needs](#)

Element #5: Next Generation EU should enable Member States to undertake the necessary reforms and investments to foster the achievement of the Union's long-term sustainable and strategic priorities

- The investment undertaken during the recovery should enable Member States to undertake or accelerate the reforms that are necessary to finance the alignment of their economies with the Union's long-term sustainable priorities such as the Green Deal.
- The European semester framework and its Country-specific recommendations should be updated to be in line with the European Green Deal, NECPs and UNSDGs. Their correct implementation should be closely monitored by the European Commission, the Council and the European Parliament.

Lastly, it is essential **to build a strong pipeline of projects to provide a macroeconomic stimulus enabling a more sustainable Union and guaranteeing a level playing field in Member States.** It must be used in the interest of European citizens, generate jobs creation while at the same time contribute to the Union's climate and environmental objectives.

We will strongly support the **inclusion of those elements in the relevant recovery legislation** to ensure that Member States design their investment plans in line with the European Green Deal (EGD) as the EU's new growth strategy, the European Pillar of Social Rights and the United Nations Sustainable Development Goals (UNSDGs). None of which should be delayed as the transformation into a de-carbonised, circular and environmentally sustainable European economy and society is essential for our future and must be the blue print for the recovery.

It is our strong belief that the **above proposals are striking the right balance.** It will, on the one hand, ensure that EU funds are spent (and tracked) in accordance with EU's long-term priorities and under an updated EU Semester framework. On the other hand, it will provide the necessary flexibility for Member States to build their own recovery plan with the expected short-term macroeconomic impact. Ultimately, it will enable overall investment coherence with the Green Deal and participate to the reduction of the discrepancy in climate spending across the Union.

We stand ready to work with you on this topic as we think it is the only way to save and transform our economy, to recover and to come out stronger, more united, and more resilient of the crisis.

Yours sincerely,

Pascal Canfin, Chair of the ENVI committee and Renew ENVI Rapporteur for the EU Recovery plan

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