

To: Long Term Investments & Sustainable Finance PG
From: Investments Team
cc: Sustainability Working Group
Date: 29 May 2020
Reference: ECO-LTI-20-057

Subject: EC recovery plan - Overview

Summary

On 26 May, the European Commission [presented](#) a proposal for an ambitious economic recovery plan from the current COVID-19 crisis. The strategy clearly identifies the European Green Deal as the EU's recovery strategy. The plan proposes a two-fold approach with the following components:

- **A reinforced Multiannual Financial Framework (MFF) for 2021-2027** to channel investment quickly to where it is needed most, reinforce the single market, step up cooperation in areas such as health and crisis management, and equip the EU with a long-term budget to drive the [green and digital transitions](#) and build a fairer and more resilient economy ([here](#)).
- **'Next Generation EU'**: new recovery instrument of €750 bn to boost the EU budget with new financing raised on the financial markets for 2021-2024 ([here](#)). The money will be invested with 3 objectives:
 - 1. Kick-starting the EU economy by incentivising private investments:**
 - A new [Solvency Support Instrument](#). This will mobilise private resources to urgently support viable European companies in the sectors, regions and countries most affected.
 - An [upgraded InvestEU](#) to a level of €15.3 bn. This will mobilise private investment in projects across the Union.
 - A new [Strategic Investment Facility](#) built into InvestEU. This will generate investments of up to €150 bn to boost the resilience of strategic sectors, notably those linked to the green and digital transition, and key value chains in the internal market, thanks to a contribution of €15 bn from Next Generation EU.
 - 2. Support to MS with investments and reforms:**
 - A [new Recovery and Resilience Facility](#) of €560 bn. This will offer financial support for investments and reforms, including in relation to the green and digital transitions and the resilience of national economies. This facility will be embedded in the European Semester.
 - A proposal to strengthen the [Just Transition Fund](#) up to €40 bn. This will assist Member States in accelerating the transition towards climate neutrality.
 - A top-up of €55 bn by 2022 for the current cohesion policy programmes under the new [REACT-EU initiative](#) to be allocated based on the severity of the socio-economic impacts of the crisis.
 - A reinforcement for the [European Agricultural Fund for Rural Development](#) of €15 bn.
 - 3. Addressing the lessons of the crisis:**
 - A new [Health Programme, EU4Health](#), with a budget of €9.4 bn.
 - A €2 bn reinforcement of [rescEU, the Union's Civil Protection Mechanism](#).
 - An amount of €94.4 bn for [Horizon Europe](#).
 - An additional €16.5 bn for [external action](#), including humanitarian aid.
 - Other EU programmes will be strengthened to align the future financial framework fully with recovery needs and strategic priorities. [Other instruments](#) will be reinforced to make the EU budget more flexible and responsive

More detail and the EC timeline for these proposals can be found [here](#).

For more information, please contact investments@insurancееurope.eu.