



Contribution of the National Recovery & Resilience Plans to the green transition

State of play

26 May 2021

Contribution to the Green Transition

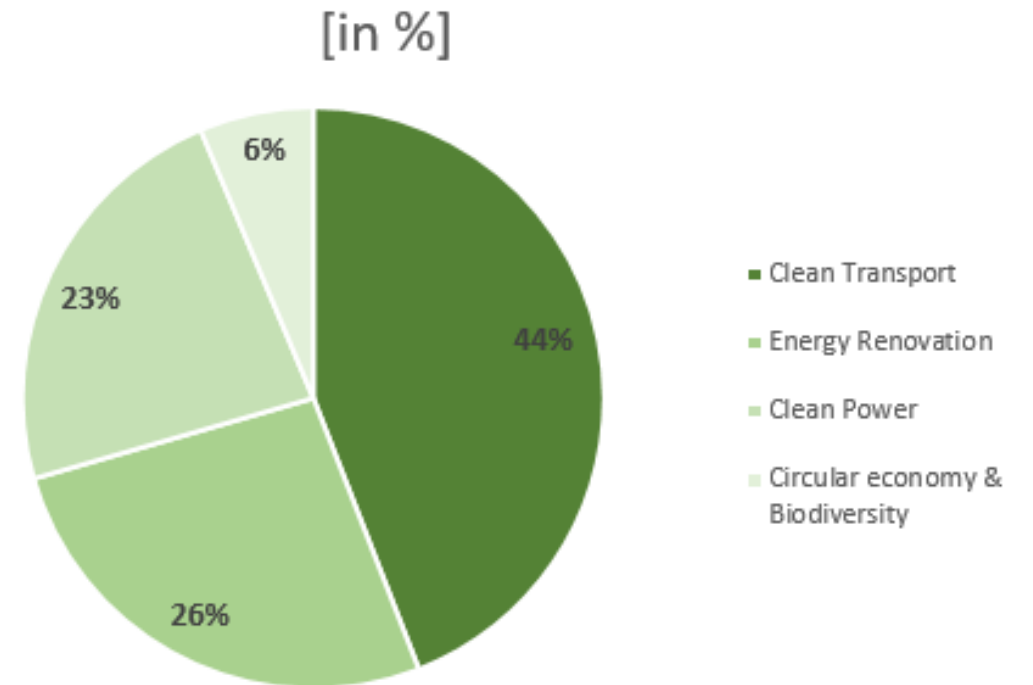
- The RRF Regulation contains a legal requirement for each plan to contribute to the green transition and to meet the **37% climate target**
- Significant number of **Country Specific Recommendations** relating to decarbonisation and green transition
- Green measures are equivalent to roughly **EUR 190-200bn** (approximately **40%** of the total financial envelope of the national plans (grants + loans))

Overview of the green measures

Overview of green measures (preliminary estimates)

	Clean Transport	Building Renovations	Clean Power	Circular Economy & Biodiversity
EUR bn	85-90	50-55	45-50	approx. 10
# of MS	25	25	22	20

Note: based on 18 submitted RRP and 8 advanced draft RRP



Sustainable transport



Almost **EUR 100 billion**

Significant support to **railway** investments

Measures to foster **urban mobility**

Support to **e-mobility**

- ✓ Purchase of zero emission vehicles (electric buses, tramways)
- ✓ Charging stations and refuelling stations

Reforms to promotion intermodality and tax incentives for clean vehicles

Building renovations

- A **significant contribution to the green transition** across plans
- Essential to reduce primary energy demand and GHG emissions, while **creating local jobs**
- **Addressed in almost all plans** and draft plans (25 Member States)
- Tentative figure of around **EUR 50-55 billion** overall (around 10-11% of total envelope of the national plans)
 - ✓ Reforms aiming at simplifying renovation schemes, facilitating technical assistance and one-stop-shops.
 - ✓ Renovation of public and private buildings
 - ✓ Renovation of social housing
 - ✓ Energy efficiency actions in SMEs
 - ✓ Fighting energy poverty

Clean power



- Promotion of renewable electricity (solar, offshore and onshore wind, hydro)
- Reform of energy markets to facilitate the deployment of renewable energy
- Renewable hydrogen in several plans, often as Important Project of European Common Interest (IPCEI)
- Tentative figure of around **EUR 45-50 billion** overall (around 9-10% of total envelope of the national plans)

Biodiversity and the circular economy



- Ambitious **biodiversity** measures:

- ✓ Restoration of wetlands and forests
- ✓ Conservation of terrestrial / marine biodiversity, restoration of ecosystems
- ✓ Promotion of organic farming
- ✓ Reforms for water management and nature conservation

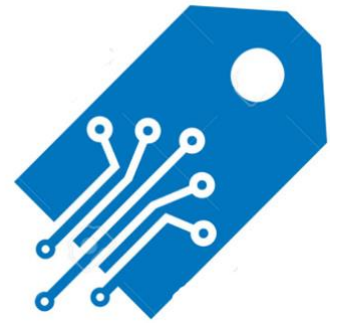
- Biodiversity is directly or indirectly addressed in most of the plans (**19 Member States** have dedicated biodiversity measures)

- Measures to foster the **circular economy**:

- ✓ Improve recycling facilities
- ✓ Treatment of water
- ✓ Reforms to reduce landfills, and increase waste sorting and recycling

- The circular economy is addressed in almost all plans (**20 Member States** have dedicated measures)

Tagging Methodology



- Based on the **Rio markers system**, adapted to take into account elements from the **Taxonomy Regulation**
- Methodology is set out in **Annex VI of the RRF Regulation**
- **143 intervention fields** including **27 newly added sub-interventions** to account for higher or lower climate coefficients
- Member States should **specify and justify** whether and to what extent **each reform and each investment** contributes principally (100%), significantly (40%) or has no impact (0%) on the climate objectives by:
- Compliance of the plans with the green objectives of the RRF will be **assessed ex ante**

'Do no significant harm' Technical Guidance

- **No measure** in the plan shall lead to **significant harm to environmental objectives** (Art 18 of the RRF Regulation)
- DNSH principle based on **Art 17 of the Taxonomy Regulation**
- **Commission technical guidance** (12 February 2021) aims to help Member States apply DNSH in the context of the RRF and to **ensure consistency in application**
 - ✓ Guiding principles, a DNSH checklist and selected examples on how to apply it
- Member States encouraged to fill out **checklist** for each measure in their plan
- Commission services aim at **consistent application through horizontally coordinated feedback**, based on principles set out in DNSH guidance

Overview of problematic measures

- DNSH assessment has led to the **reconsideration** of potentially problematic measures in plans by Member States, due to a risk of significant harm, and to the **redesign** of measures to mitigate possible risk of harm
- **Areas where Member States reconsidered their proposed investments** due to risk of significant harm based on the DNSH guidance (e.g. waste incineration, combustion engine and fossil fuel-based vehicles)
- **Areas where Member States re-designed proposed measures to avoid harm** based on the DNSH guidance: road investments (e.g. with flanking measures on charging infrastructure), ETS installations, support for aviation sector, district heating, boiler replacements

