



EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Recovery & Resilience Task Force
Director - Recovery & Resilience I

Brussels
SG.RECOVER.B.1/FF

Dear Mr Pellerin-Carlin,

Thank you and your co-signatories for the letter dated 22 July 2021, addressed to President von der Leyen. The President asked me to reply on her behalf.

In your letter, you explain that Member States should urgently invest in innovative green technologies, and put in place green innovation policies and funding mechanisms to complement the measures supporting the green transition enshrined in the national recovery and resilience plans.

As you note, the green transition is a key cornerstone of each recovery and resilience plan positively assessed by the European Commission¹ and approved by the Council by means of a Council Implementing Decision². Investments and reforms will accelerate the green transition across sectors and activities, including sustainable mobility, renewable energy and infrastructure, resource and energy efficiency, biodiversity and ecosystems, and the circular economy.

Recovery and resilience plans also constitute an important enabler for innovations, and in particular green innovations. The vast majority of Member States have included research and innovation (R&I) measures in their plan, through dedicated R&I components or across the plan. We estimate the total volume of direct R&I investments funded through the Recovery and Resilience Facility across the 16 plans already approved by the Council, to be at least €32 billion. The amount of overall R&D investments represents a sizeable share of the financial allocations of Member States.

Innovations for the green transition are well represented in the adopted plans. The direct R&I support for environmental innovations foreseen in the 16 adopted plans amounts to at least €10 billion, not taking into account all the indirect investments supporting the

¹ https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility/recovery-and-resilience-plans-assessments_en

² <https://www.consilium.europa.eu/en/press/press-releases/2021/07/13/council-gives-green-light-to-first-recovery-disbursements/> and <https://www.consilium.europa.eu/en/press/press-releases/2021/07/26/recovery-fund-ministers-welcome-assessment-of-four-more-national-plans/>

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diffusion of existing innovations and reforms. This support is likely to further strengthen the R&I ecosystem for (environmental) innovations in the EU. As we know, environmental innovations will generate jobs and increase economic growth while protecting the environment and improving environmental quality at the same time. Such innovations are therefore particularly important to accelerate the green transition³.

You gave the example of renewable hydrogen. Innovative solutions for the green transition can also be found e.g. for the circular economy, such as research for alternatives to plastics or initiatives to develop batteries needed to electrify mobility along with other sectors and activities. A number of plans will also financially support innovative businesses, including SMEs, and comprise investments supporting the science base as well as training and development for R&I. This will also create solutions for the green transition and support the overall R&I ecosystem in the EU.

The ‘do no significant harm’ (DNSH) principle enshrined in the Regulation establishing the Recovery and Resilience Facility and the DNSH Technical Guidance (Commission Notice 2021/C58/01)⁴ provides that no reform or investment included in a plan should lead to significant harm to environmental objectives within the meaning of Article 17 of the Taxonomy Regulation. The DNSH principle should also ensure that the implementation of the plans is aligned with broader environmental objectives and requirements.

Furthermore, it is of utmost importance to ensure optimal synergies between the funds granted through the Recovery and Resilience Facility and other financial support instruments for innovations available to Member States, including through Horizon Europe. This is why the Commission carefully assessed the coherence between the Recovery and Resilience Facility and other EU funds⁵. Coherence with other financial instruments is expected to ensure complementarity with the Facility and bring along synergies. This will further boost the impact of the support from the Facility.

Yours sincerely,

Eric VON BRESKA

³ https://ec.europa.eu/environment/ecoap/index_en.htm_en and, for instance, <http://www.sustainability-seeds.org/papers/RePec/srt/wpaper/0721.pdf>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021XC0218%2801%29&qid=1613725607809>

⁵ See in particular the Staff Working Documents by the Commission for each plan: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility/recovery-and-resilience-plans-assessments_en