



Building a better working world

# A Green Covid-19 Recovery and Resilience Plan for Europe

## Key messages

2020

The EU Green Deal places climate change and the circular economy at the center of the economic future for Europe. The €750 billion New Generation EU recovery fund needs to support and accelerate the transition to a sustainable climate neutral economy, as leaders have rhetorically promised, and we must work together to ensure that green infrastructure and technology projects are visible and competitive.

As Member States shape their recovery and resilience plans, teams from EY have compiled a list<sup>1</sup> of over 1,000 green investment opportunities across the 27 EU Member States that have the potential to create jobs and contribute to the EU's climate objectives. This list illustrates the huge project pipeline that exists to underpin a clean and resilient recovery from Covid-19.

## Key messages

### 1 + 1,000 green projects

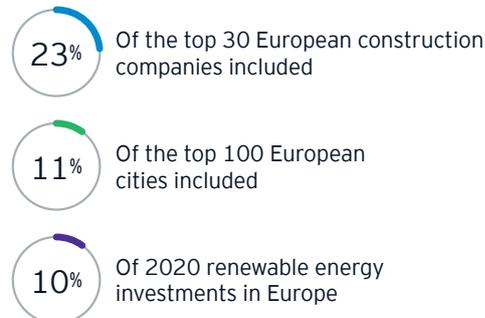
EY teams in all EU27 Member States identified over **1,000** "shovel-ready" green projects in just four weeks that have the potential to create social, environmental and economic value immediately in the context of a covid-19 recovery.

### 3 10%

This list of 1,000 shovel-ready projects is **just a fraction**<sup>3</sup> (perhaps 10% on average) **of the green projects we believe are under development in Europe** (for instance in the building sector, only 23% of the top European construction companies submitted projects). This means that the entire EU pipeline of green projects could be as high as €1 trillion and return all and more of the 12 million full-time workers<sup>4</sup> lost to covid-19 into green and productive activity.

### 2 €200 bn

These projects will require around **€200 bn** of public and private investment evenly distributed across all EU27 countries, and will support over 2 million recovery and resilient jobs<sup>2</sup>.



<sup>1</sup> This list should be considered as concrete evidence and illustration of the pipeline that exists, not as endorsement of specific projects. The method used was not scientific, so there are natural biases in which projects were captured, for example buildings renovation projects are under-represented due to scale and confidentiality issues. The exercise is thus also a call to project developers to make sure that their projects are ready to be put forward to governments as they prepare their recovery plans.

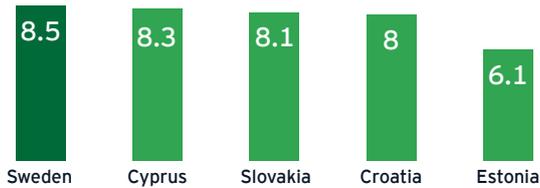
<sup>2</sup> Expressed as net new jobs based on 2.3 million Full Time Equivalents (FTEs), and that new recovery investments are net creative in the green economy.

<sup>3</sup> 10% on average, based on EY's analysis.

<sup>4</sup> Source: International Labour Organization.

## 4

### Top 5 countries in number of projects per million inhabitants



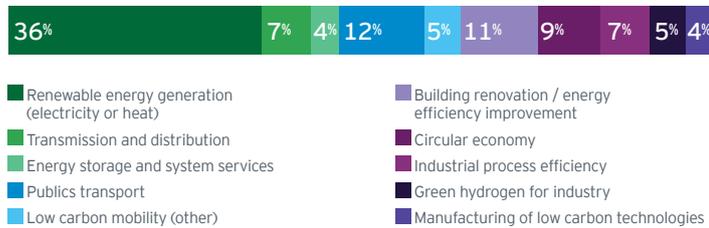
Central and Eastern European countries perform very well in identifying green projects: from our work, Croatia and Slovakia are among the highest ratio of projects per capita and outperformed large economies such as France or Germany in producing projects. Several projects are located in areas transitioning from coal, suggesting clear opportunities to regenerate such regions in a green and resilient manner.

## 5

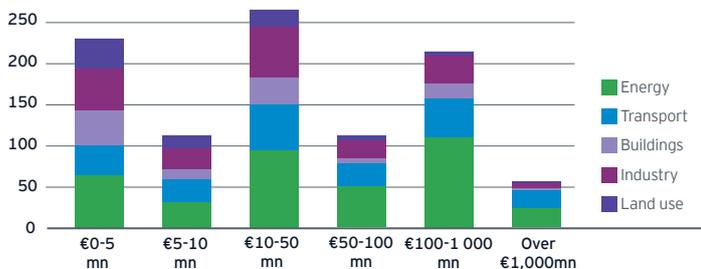
### 1/3

Approximately **one third** of projects selected are developed by start-ups and SMEs, many of which are innovative projects, such as sustainable mobility solutions, green hydrogen, land remediation and low-carbon construction materials.

Top 10 subsectors represent 76% of the 1,000+ green projects selected



Breakdown of the number of projects by sector and by investment range



## 6

### 20%

**More than 20% of projects selected are small scale and require investments of up to €5 million.** Supporting these innovations will build future European markets for green products and services in which these EU companies can lead.

## 7

Improved air quality, reduction of noise pollution, energy independence, low carbon industries and food safety are also part of the value that these projects can help deliver.

## 8

We intend to make this list of high-value, ready-to-invest projects available to teams in different Member States preparing recovery and resilience plans. We will engage with them to offer clear inputs and perspectives to support a recovery that delivers strong environmental and social value.

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