



European Recovery Packages and their Climate Investment Shares

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In May 2020, the European Commission proposed an economic recovery program to cope with the economic contraction due to the Corona crisis. The recovery program under the name Next Generation EU is supposed to have an overall volume of 750 billion Euro. The recovery plan entails grants, loans and guarantees aiming to support especially those countries hardest hit by the pandemic. 25% of the financial support should be invested into green project. The investment support comes on top of funds already foreseen in the proposed [Multiannual Financial Framework](#) (MFF) – the next long-term EU budget from 2021 to 2027 – and add additional financial power to already proposed climate programs.

This short study gives a broad overview of the Commission's proposal for the new MFF and the Next Generation EU program and their proposed climate investment shares. For a better evaluation of the current plan this study first looks into the past illustrating fiscal stimulus programs after the financial crisis including their share of green investments and their effectiveness in terms of emissions decrease. In addition, this study evaluates the proposed climate investments in light of the actual investment needs in the EU.

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