



#BetterBelgium

Plan de relance et d'investissements

February 8th 2021 - Intervention by Thomas Dermine, Secrétaire d'Etat

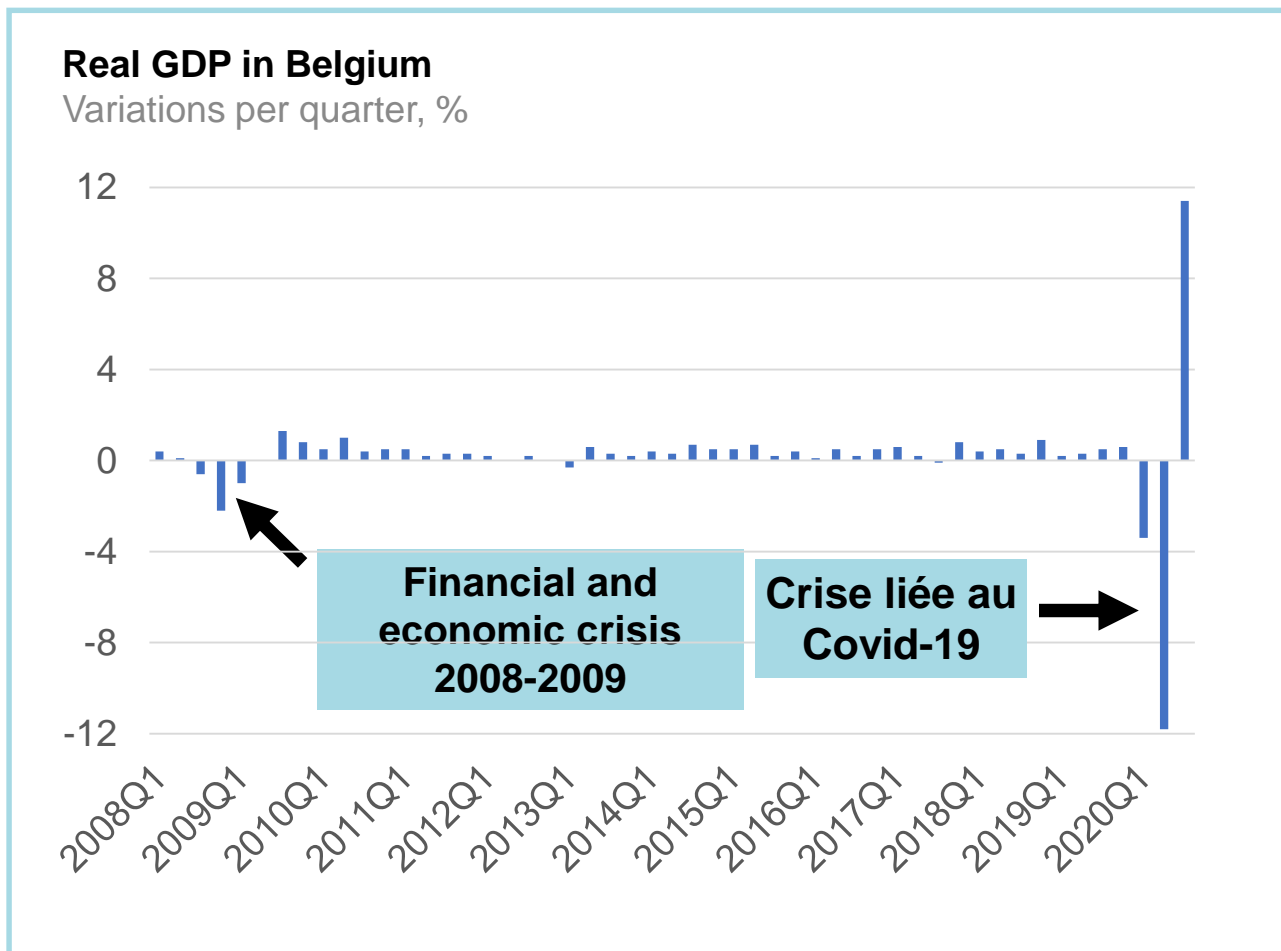


Agenda

1. The need for public investments
2. A Recovery Plan for Belgium
3. What we are actually aiming for – link with SDGs



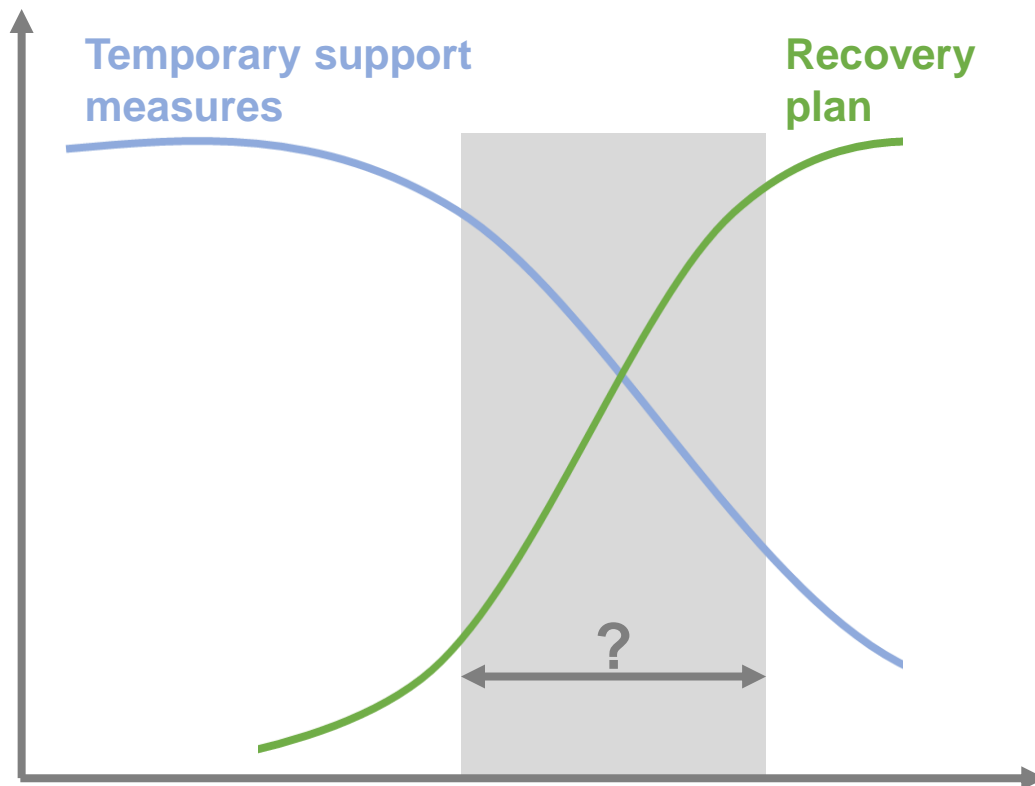
The COVID19 sanitary crisis, created an unprecedented economic choc in the Belgian economy



- **Contraction of GDP** by 11,8% in Q2 2020
- **Massive and longstanding use of temporary unemployment:** 37% of private employment in april 2020, and still 11% in november 2020.
- **A loss of revenues for households:** -10% in 2020 for 1 out of 5 households
- A **second wave** which is still not entirely behind us, while we endeavour to avoid a possible third wave.



Hence, we have developed voluntaristic measures of support, while prepare the recovery once the crisis is behind us

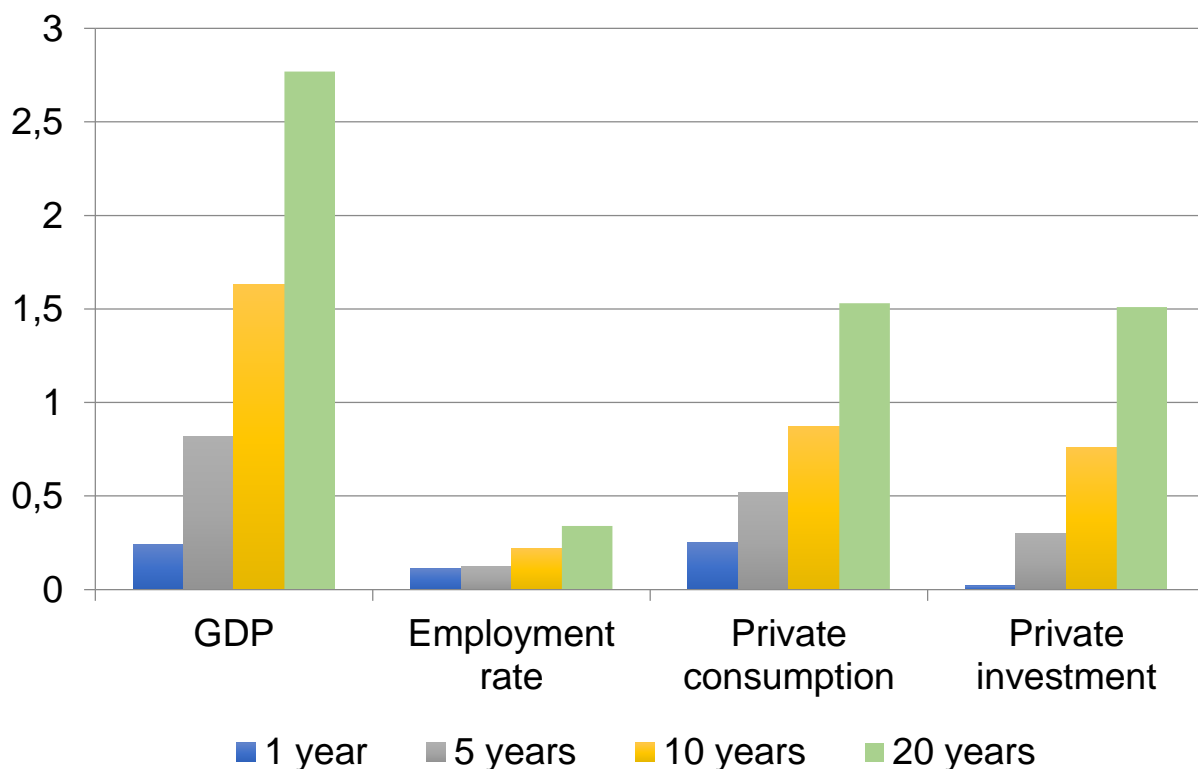


- The current evolution of the sanitary crisis (threat of a third wave) requires a **prolongation of the support measures** (temporary unemployment, 'droit passerelle', sector specific aid, delay of payment, debt guarantees, etc.)
- In parallel, an **ambitious recovery plan** for the economy is being prepared to follow-up once the sanitary situation is stable.



Contrary to an 'austerity' approach in the recent past, we will now invest our way out of the crisis

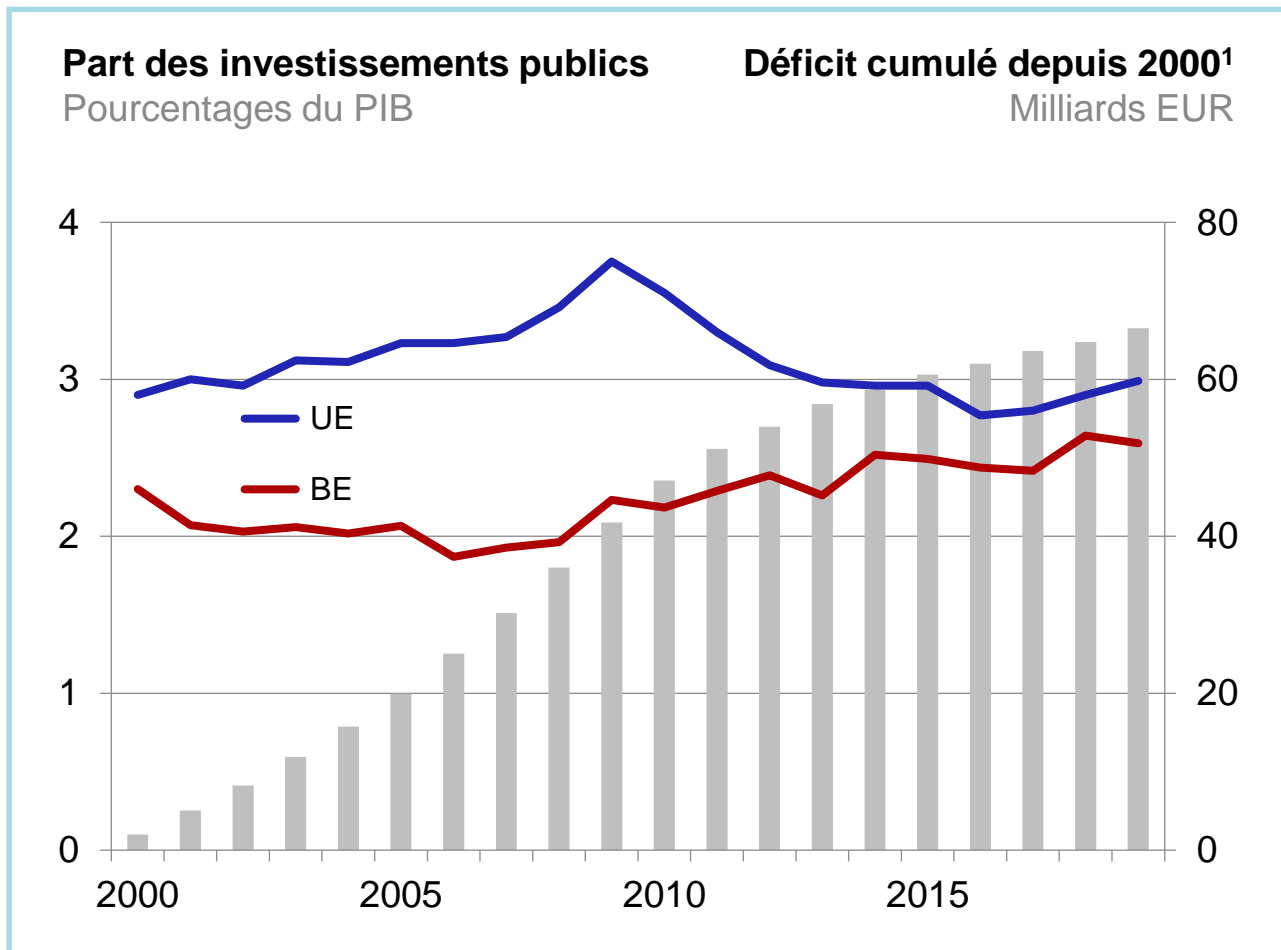
Structural economic impact from a constant increase of public investment by 0,5% (delta/base scenario, %)



- Public investment has a **positive effect on the entire economy** (consumption, investment, GDP)
- A structural increase of public investment by 0,5%, leads to a **recurring GDP increase of 2,77%** after 20 years



Especially in Belgium, where public investments are lagging compared to EU average



- Le taux d'investissements publics en Belgique est **structurellement inférieur** à celui de la moyenne européenne
- Sur les 2 dernières décennies seulement, la Belgique a accumulé **un déficit d'investissement public de près de 70 milliards d'euros** par rapport à la moyenne européenne

Source : Eurostat, BNB, calculs propres.

1 Écart cumulé entre (i) investissements publics de BE si elle avait suivi la moyenne UE et (ii) investissements publics effectifs, à prix courant, en EUR de 2015.



We should seize this crisis as an opportunity to address other structural challenges

- **Environnemental challenge**

- **Digital challenge**

- **Productivity challenge**

- **Mobility challenge**



- **Solidarity challenge**



Agenda

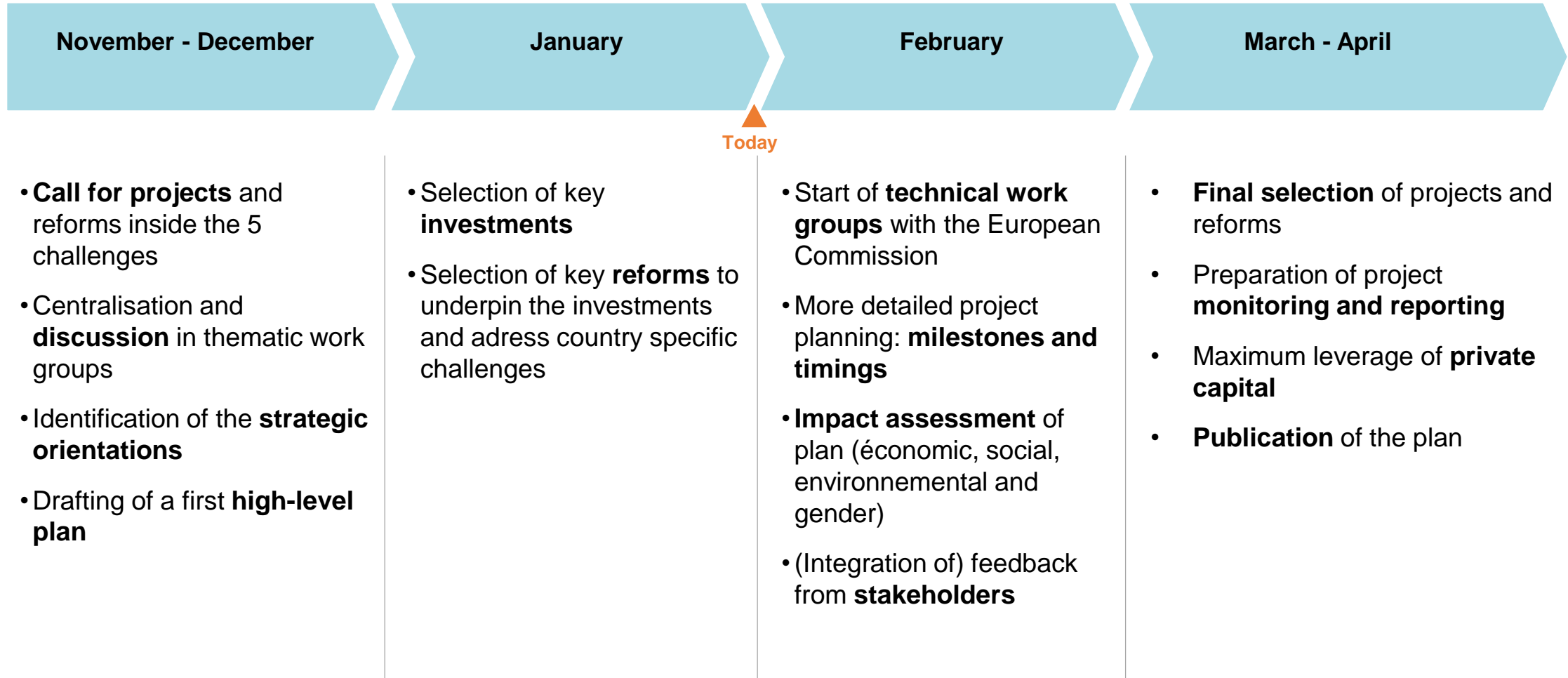
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Working calendar to prepare the Belgian Recovery Plan





A fast-track process to achieve maximal impact

>> **focused**
investments, that
make a difference

>> strengthening
public capital for
general interest

>> **mature**
projects that can
kick in soon



>> complemented
with an ambitious
reform agenda

>> targetting **infra,**
research and
human capital

>> a **coordinated**
plan, accross all
governments



Current focus: an investment plan based on Recovery and Resilience Facility

7,8 Bn €

In current draft plan

89

Investment projects

19

Strategic components

87M€

Average project investment

Corresponding to 130% of available EU funding



The Federal Government program at a glance (1,630 m€)

Axis

Project examples

Sustainable

- A transport backbone for hydrogen and CO2
- An innovative energy hub for offshore wind development
- Maximal energy renovations of public buildings

Digital

- Digitalisation of public services, with focus on justice and social security
- 'Next level' cyber security, protecting governments, companies and citizens

Mobile

- Railway investments to increase network & service performance
- Fiscal incentives to develop public charging infrastructure

Inclusive

- Innovations in nuclear medicine
- Training and support to close the digital gap for vulnerable groups
- Social bonds to reduce recidivism

Productive

- A public-private approach to boost the circular economy
- RDI for container scanning in the Port of Antwerp: the war against drugs
- A call for projects to co-develop the future of clean aviation



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Relance is not about a 'back-to-normal' shortcut

>> A program for **public investments** benefitting to all

>> A way to reap and share the potential benefits of **digitalisation** (>25% of investments)

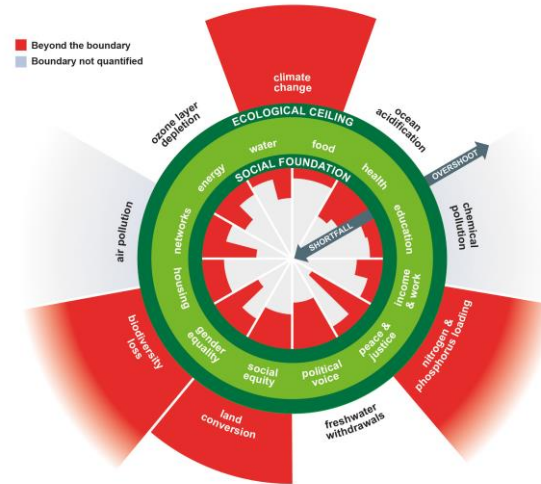


>> An acceleration of the **green transition** to climate neutrality in 2050 (>50% of investments)

>> Oriented on **future-proof** infrastructure, research and human capital



Growth: yes, but Why? Of what? For whom? Can it last? ...





The relation between the current crisis and the sustainable development goals

The current crisis is negatively affecting sustainable development goals in many ways:

- Economic recession
- Job loss
- Educational disadvantages
- Increasing inequalities
- (In)direct physical health problems
- Lower mental well-being during lockdowns
- An increase in domestic violence





The Recovery and Resilience Plan will inevitably address SDGs

Sustainable Development Goals are included in EC Country Reports

EUROPEAN COMMISSION
Brussels, 26.2.2020
SWD(2020) 500 final

COMMISSION STAFF WORKING DOCUMENT
Country Report Belgium 2020
Accompanying the document
COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN CENTRAL BANK AND THE EUROGROUP
2020 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (E.U.) No 1176/2011
(COM(2020) 150 final)

Country Specific Recommendations are based on Country Reports

EUROPEAN COMMISSION
Brussels, 5.6.2019
COM(2019) 501 final

Recommendation for a
COUNCIL RECOMMENDATION
on the 2019 National Reform Programme of Belgium and delivering a Council opinion on the 2019 Stability Programme of Belgium

EN **2019 CSRs** EN

EN **2020 CSRs** EN

Resilience and Recovery Plan must address Country Specific Recommendations

Version provisoire - 12 janvier 2021

PROJET
DE PLAN POUR
LA REPRISE ET
LA RESILIENCE
Orientations stratégiques

.be






























SDGs in the National Relance Plan

Axis	Component	Funding*	SDGs
Sustainable	• Renovation of private buildings	592 m€	10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
	• Renovation of public buildings	893 m€	11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
	• Emerging energy technologies	630 m€	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
	• Climate & environment	575 m€	6 CLEAN WATER AND SANITATION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
Digital	• Cyber security	90 m€	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	• Public administration	659 m€	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	• Optic fibre, 5G & new technologies	125 m€	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES

* Based on 130% of available EU funding



SDGs in the National Relance Plan

Axis	Component	Funding	SDGs
Mobile	• Cycling & walking infrastructure	473 m€	  
	• Public transport	418 m€	   
	• Rail & waterways infrastructure	366 m€	   
	• Charging infrastructure	152 m€	  
	• Smart mobility	134 m€	 
Inclusive	• Education 2.0	523 m€	  
	• Training & employment for vulnerable groups	198 m€	  
	• Social infrastructure	357 m€	  
	• Resilience & innovation in healthcare	160 m€	 

* Based on 130% of available EU funding



SDGs in the National Relance Plan

Axis	Component	Funding	SDGs
Productive	• Supporting economic activity	575 m€	   
	• Training and labour market	639 m€	
	• Circular economy	217 m€	 

* Based on 130% of available EU funding