



***“This federal government acknowledges the importance of sustainable investment and wants to strengthen it in the years to come”***



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## **ABSTRACT**

**This article is based on the key-note speech given by Belgium’s Deputy Prime Minister and Minister of Finance, Vincent Van Peteghem, at Febelfin Connect (Brussels, 28 March 2022), Febelfin’s annual networking event. The topic of this year’s event was “*Financing the transition towards a more sustainable society*”.**

First allow me to thank Febelfin for giving me the opportunity to say a few words to you all this evening during this edition of Febelfin Connect.

When I got the invitation to speak here on sustainability, nobody would have expected the challenges we’re facing today. The COVID pandemic has not yet been fully digested, the energy crisis is at boiling point due to the brutal Russian invasion and the climate crisis requires concrete answers sooner rather than later.

Our economy and society are under more stress than ever. Inflation rose in the slip stream of the COVID pandemic, the war in Ukraine made it skyrocket. Household bills are rising at a rate we haven’t seen before, yet we all realize how pressing the need for the energy transition is. It will be up to historians to study all these things in a few years' time, but today it is up to us to put solutions on the table.

Our families are facing unprecedented challenges and yet we will need to take them along in a path towards more sustainability. At such a time, it is natural for people to look to public authorities. And I can assure you that we will not shy away from these challenges. This federal government will always be a faithful partner in overcoming obstacles on the path towards a sustainable future and sustainable economic growth. A sustainable growth from which both entrepreneurs and individuals can reap the benefits.



Confronted with today's uncertainties it's more clear to me than ever: if we want to prepare our country and our economy for a sustainable future, we will have to do that together. Politics, business and the financial sector. Because investing in our sustainable future will always be a matter of teamwork. Public authorities can and will not succeed on their own, but neither can the business community or private individuals.

But I see a lot of goodwill. Not only that, sustainable change is increasingly finding its way into the boardrooms of companies and investors because: *it makes business-sense*. Everyone is starting to realize: for a company to be future-proof, it has to step into that sustainable transition now, and if a bank wants to invest with as little risk as possible, it has to take sustainability into account. Not only because public authorities are setting new standards, but mainly because large institutional investors and consumers are starting to demand it.

The time when a sustainable policy strategy was a unique selling proposition is therefore long gone; it has become a requirement. This evolution particularly makes me hopeful. This evolution also teaches me that public authorities can play an important role in supporting that teamwork. Because entrepreneurs and private individuals alike want clarity and certainty when opting for sustainable investments.

Of course, as a government we should take the lead in setting the right example. As investor and shareholder, we want to exit from all participations and investments in highly emitting industries by 2030. This challenge of decarbonizing our economy, is enormous. A challenge with which I know, you are familiar with.

For me, public authorities have three important tasks in this area:

- We must ensure that everyone knows what direction we are heading in as a government and what choices we are making so as to enable them to focus on this. This must be accompanied by the necessary transitional measures and legal certainty. That is exactly what I did with the greening of company cars. It gave a signal to car manufacturers, investors and consumers. This is the way forward.
- Secondly, when we impose rules as a government, we must be absolutely vigilant about the fact that, as a country, we are an extremely open economy. Our companies operate in a global context. Safeguarding the competitiveness of our companies is of the utmost importance.
- Last but not least, for me, it is a core task of the government to provide the necessary infrastructure: within the transition story, this mainly concerns mobility and energy.

These three tasks should ensure that everyone, entrepreneurs and private individuals, can invest sustainably and feel encouraged and backed up by the government. The Federal Holding and Investment Company plays a crucial role in this. It holds the trump cards to invest, in the interest of our country, in the development of a sustainable and innovative economy that ensures long-term growth. In order to stimulate that innovation and economic growth and to accelerate the transition towards a sustainable economy, we have been systematically strengthening the Federal Holding and Investment Company's clout over the past few months. This strength will be used to make sustainable productive investments in areas such as mobility, energy and



healthcare. For this reason, we also set up the Transformation Fund, a fund committed to economic growth after the corona crisis and the necessary transition to a sustainable economy. The fund will be able to count on the Federal Holding and Investment Company's expertise to support Belgian companies with ambitious plans for the future through direct shareholdings and investments in funds that strengthen such companies.

You can count on the government to do its part when it comes to sustainable productive investments. And you can also count on the government to ensure that companies and private investors will be able to opt, in all transparency, for legitimate sustainable investments with impact.

This federal government acknowledges the importance of sustainable investment and wants to strengthen it in the years to come. But we will need you, the financial sector, to guide our households in that same direction. The role of the banking sector in this daunting task is crucial in supporting companies and citizens in their initiatives and efforts to become more sustainable and in enabling the necessary transition to a decarbonized economy.

Every private individual or company must be able to invest sustainably with peace of mind and feel that they are supported and encouraged in this by the government. Therefore, I hope I can count on the financial sector's support to grasp the issues and build tomorrow together. To co-invest in our country, our companies and our economy. So that together, through teamwork, we can make the sustainable and digital transition a success.