

# European Call : 3 solutions for climate and jobs

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Mrs. von der Leyen,  
Madam President of the European Commission,

Our society is facing a shock of incredible brutality. The urgency is to save lives, of course, and to save jobs.

Of course, we all agree that a **substantial recovery plan is needed ... but which one?**

A plan "Everyone for themselves" (where everyone loses in the end) or a European plan, using all the resources of our Union? A Plan to save the fossil economy, as in 2008, or a Plan to radically transform our society?

**Are we going to let this crisis make us forget once again the climate emergency?** No! More than ever, it is time to build a **New European Pact for Climate and Employment**.

Let's not forget that last summer, the thermometer displayed temperatures going as high as 50°C in India and over 45°C in Europe, while in Greenland the ice melted at a speed never seen before. The rising water levels, the droughts, the heat waves, the forest fires are occurring in both hemispheres, at a considerably increased frequency and amplitude. However, these are only the first effects of greenhouse gas emissions. The World Bank is announcing more than 140 million climate migrants by 2050 if we fail to make the drastic shift needed to combat climate change.

This climate disruption is constantly increasing. It has consequences that now go beyond what we can predict. The last weeks were totally sinister, but we all had drinking water in our homes, businesses and hospitals... What will happen if climate change worsens and if, in 15 or 20 years' time, the water table in some major cities is empty for several months? Is it still possible to build an effective strategy to win the battle against climate change and for the protection of biodiversity, while meeting the growing demand for social justice in all our countries?

The latest reports from IPCC scientists show that it is not too late to act, but all the steps we are slow to take are already causing irreversible upheavals today. Therefore, delaying efforts and changes, as many vested interests are now using the covid-19 crisis to do, would be a terrible mistake and has to be countered at any cost.

On the contrary! The Green Deal that you have proposed, if it is substantially funded, is the best way forward to make the real changes Europe needs to be able to recover from the corona crisis, to generate millions of jobs and to make it the most resilient economy possible.

With Donald Trump in the White House, no one can believe in an ambitious agreement at the international level. Should we, however, give up action? *No! Of course not!* Criticizing figures like Donald Trump and Bolsonaro is not enough: Europe, the world's leading economic power, has been the leading CO2 emitter for the past two centuries. We have the responsibility to prove on our own territory that a new development model is possible. **The European Union was born with coal and steel. It can be reborn with a unifying project for climate and jobs.**

Citizens are ready to take up the challenge: tackling climate change and maintaining a habitable planet is a serious concern for 93% of Europeans (Eurobarometer). Citizen mobilisations, especially those of young people, are becoming THE social movement of our century.

We too, students, climatologists, economists, unionists, entrepreneurs, citizens and elected representatives at local, national and European level, (former) Members of Parliaments and (former) Ministers, from very different backgrounds, are convinced that **the ecological transition is not only a moral obligation and a matter of survival, but also an opportunity for Europe to recover from the terrible COV-19 crisis and reinvent itself. We want a transition towards a better future, which leaves no one and no region behind, does not add burden to the most vulnerable and creates millions of decent jobs.** This transition will provide Europe with the first mover advantage that will make us the birthplace of the clean economy.

On the day of your election, you made ambitious commitments: you announced a "Green Deal for Europe including the first European Climate Law". Whichever our political sensitivities, in the face of the climate emergency, we must all strive for the success of this Green Deal.

Before the Covid-19 crisis, the obstacle was already the same in all our countries. Of course, we want to insulate all buildings, boost public transport and renewable energies, transform our agricultural model, protect biodiversity, protect and clean forests and the ocean, develop adaptation and even reparation policies... But all these projects are facing the same obstacle: who will pay? Will the "EU Green Deal" have the means to deliver on its promises?

Already before the Covid-19 crisis, and before the Green Deal, when working on a scenario of a 40 percent emission reduction target for 2030, the European Commission "has estimated that achieving the current 2030 climate and energy targets will require €260 billion of additional annual investment" (Green Deal Communication, 12/2019). The Commission added that these estimates are conservative, as they do not consider, for instance, the investment needs for climate adaptation or for other environmental challenges, such as biodiversity, as well as social costs and the costs of inaction. Already in 2016, it was estimated that the investment gap would be as high as €529 billion per year starting in 2021 (public and private), based on a scenario implying -47% of emissions for 2030 (Impact Study, Energy Efficiency Directive, 2016). With an increased target, the investment need must be increased accordingly.

Meanwhile, the commitments from the European Commission to finance the Green Deal are very far from such amounts: there is a commitment for a « Climate Bank » but with an increased lending capacity of only approximately ... €16 billion per year by 2025 (corresponding to a doubling of climate financing by the EIB). This is part of a « Sustainable Europe Investment

plan » which would provide around €100 billion per year, although it is not certain that this insufficient amount can actually be fully mobilised. And no promise for a proper climate budget!

Compared to the needs assessed by European institutions and experts, **the Green Deal has so far been promised far too few financial resources, between 2 and 10 times too few to ever see it succeed. In order to win the climate battle, we solemnly call on you to include, as one of the main pillars of the recovery plan that you have announced, credible solutions to finance a real Green Deal and to recognise the state of climate emergency.**

**In order to create international momentum, the EU must agree on an increased 2030 climate target, in line with science, equity and the Paris Agreement's 1.5°C objective, well in advance of the COP26. And the way to have Member States agree on this will necessitate to identify how this transition will be paid for.**

**To be credible and to have a real catalytic effect, the Climate Law must complement the quantified emission reduction targets with proportional quantified targets setting the level of funding needed. Here are 3 solutions that seem capable of reaching a broad consensus:**

1. In order to drastically reduce our consumption of fossil fuels, **stop all fossil fuels subsidies and investments.** The European Climate Law must lead to prohibit all Member States from continuing to subsidise fossil fuels. It must also guarantee that all banks (private and public) and insurance companies operating in Europe are transparent about all their activities and organise the progressive end of fossil investments. In 2010, to fight tax evasion, Barack Obama passed the FATCA law. It closed the US market to banks that did not provide the US tax authorities with full transparency. Similarly, to fight climate change, we need a *FATCA-Climate law* that reserves the EU market to banks and insurance firms that have redirected their investments to be consistent with the Climate emergency.
2. The European Central Bank created 2 600 billion € since 2015. Only 11% of these colossal amounts of money so far went to the real economy, while most of the rest went to speculation. For 2020, besides the hundreds of billions it will create to face the Covid Crisis, the ECB will create another 240 billion. Rather than risking to feed speculation, it is essential to invest the entirety of these billions in climate and jobs. These billions must feed a real **Climate and Biodiversity Bank - from the European Investment Bank for example** -, which will provide interest-free loans to each Member State (up to 2% of its GDP each year for 30 years, as suggested by Nicholas Stern in 2008, which would mean €300 billion for the whole EU).
3. If every family, every small company and every territory is to invest in a deep zero carbon transformation, zero interest loans will not suffice, as the payback is limited or uncertain. For a catalytic effect, loans must be complemented with public subsidies. This necessitates an EU climate budget financed through EU own resources. There have never been as much dividends going to shareholders as in recent years. The average corporate tax rate in Europe has fallen by half over forty years (falling from 45% to 19%). A 5% European profit tax on large companies (adjusted according to their carbon footprint), combined with other own resources, would bring in €100 billion per year to feed a real **EU Climate-Biodiversity Budget**. This additional 100 billion would allow us to pass the threshold of 50% of the European budget devoted to climate.

These 3 solutions would enable the EU Green Deal to create more than 5 million jobs in Europe and improve the livelihoods of millions of families, thanks to the savings they will make on their energy bills, while boosting investments in the carbon free economy.

Mrs von der Leyen, you said in July that you were inspired by *"the passion, conviction and energy of those millions of young people who have made their voices heard in our streets and found the way to our hearts"*. You added, *"It is the duty of our generation not to disappoint them"*.

Indeed, more than ever after the sinister crisis that hit Europe, our common responsibility is to build a new Europe, stronger through solidarity, able to anticipate future crises and protect its citizens. More than ever, solidarity in our Union is necessary because of our deep interdependence, both economical and environmental. Any one of our countries could be the champion of climate neutrality alone, it would not protect it from climate chaos. The citizens of Europe stated at 84% their support to increasing funding for the ecological transition.

That is why, respectfully but with great resolve, the resolve that millions of citizens expect, we are addressing you: We fully support the need for a Green Deal, but : Nothing would be worse than a false Green Deal insufficiently financed, which would not be given the means to be fully implemented in all our territories. This would only be greenwashing. Nothing would be worse than a false Green Deal unfairly financed, which would provoke the anger of thousands of yellow jackets and of the citizens that the crisis has hit the hardest in all our countries. We would then stand no chance of winning the climate battle.

**Can you assure us that these 3 solutions will be integrated into the recovery plan, to ensure a "Real Green Deal"?**

If not, if these solutions do not suit you, what financing do you propose to reach equivalent amounts to make the Green Deal pillar of that plan succeed, to meet the demands for substantial investments in disruptive innovation for a carbon-free future as well as tax and social justice of our fellow citizens?

On November 27, in front of the Parliament, you said, *"We sometimes forget that our greatest achievements have always come when we are bold"*. On behalf of the millions of citizens who are hit by this crisis and who still place their hopes in the European project, and want Europe to protect their common home, their happiness and their freedom, we wish you this boldness.

We invite every citizen of Europe to join this Call, on the website [RealGreenDeal.eu/join](https://RealGreenDeal.eu/join), where the sources of the different figures provided in this Call are also available.