

The EU's next multi-annual budget (2021-2027) should dedicate 40% of spending to the low-carbon economy and high-quality jobs, said Rudy de Leeuw, a delegate at the European Economic and Social Committee, an EU advisory body.

"Europe needs to green earmark a significant share of current investment schemes as well as add an additional €200 billion," de Leeuw told the press in Brussels on Thursday (8 November).

This means the EU has to mobilise more than a trillion euros (€1,115 billion) over the 2021-2027 period in order to put the bloc on a low-carbon economy pathway, he specified. De Leeuw was referring to an EESC opinion for a European Finance-Climate Pact, adopted in the wake of a landmark IPCC report which showed that warming beyond 1.5C will unleash a frightening set of consequences that can only be avoided with an in-depth global economic and social transformation.

"The next multiannual financial framework (2021-2027) must promote economic development and jobs and enable the EU to achieve its objectives and contribute to the transition to a low-carbon economy by 2050," the EESC opinion reads.

"In a business-as-usual scenario, the changes in climate expected by 2080 would make households across the EU €190 billion worse off each year at constant prices (purely to meet the cost of insurance to cover climate damage), if no adaptation measures are taken," it adds.

The EESC's opinion was published ahead of crucial negotiations to finalise the adoption of the EU budget for the period 2021-2027.

Its proposed 40% earmarking for climate action is almost twice bigger than the European Commission's own proposal. When it tabled its long-term budget proposal in May, the EU executive suggested dedicating 25% of EU spending on the low-carbon transition, up from 20% in the previous period (2014-2020). The European Parliament, for its part, proposed a 30% target.

Carbon pricing

Asked to elaborate on the EESC's views about carbon pricing, de Leeuw said the logic would be to raise CO2 prices "little by little".

He declined to say whether the issue was a contested one during the preparation of the EESC's opinion. Three Polish union federations are members of the EESC: Solidarność (Solidarity), All-Poland Alliance of Trade Unions and the Trade Unions Forum.

According to figures from Polish think-tank Forum Energii, coal represents 78.4% of the energy mix in Poland, which is to host the next UN climate conference in Katowice, a former mining town embedded in the coal region of Silesia.

Putting a price on carbon emissions is gaining momentum worldwide as a way of bringing the industrial, economic and financial actors together to engage on a low-carbon economy pathway.

According to the World Bank, 42 national and 25 sub-national jurisdictions put a price on carbon in 2017.

The value of these carbon pricing initiatives—including emissions trading schemes and carbon taxes—reached \$52 billion in 2017, an increase of 7% compared to 2016, the Washington-based institution said.

Just transition

De Leeuw said the aim of the EESC's finance-climate pact is to redirect into the real economy the vast amounts of money currently flowing into financial bubbles.

"This transition would bring the necessary transformation in the labour market and could contribute to the creation of high-quality jobs in the framework of the European Pillar of Social Rights," the opinion reads.

The EESC rapporteur said it was about creating high-quality jobs, but also to make sure a new job is created each time one is being suppressed.

The EESC will be attending the COP24 via two side-events where the European institution is to promote the role of civil society in taking up climate action.

Source: euractiv.com