An EU Budget to address Climate Change, the Green Deal and post-Corona Recovery

Webinar

15th June from 10.30 to 12:00

Zoom https://us02web.zoom.us/j/84344491545?pwd=UGczb2k4RnJPaGhyRDY1U3ExQy9lUT09&status=success

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#ClimateAction
@EUKI_Climate
An EU Budget to address the Climate Emergency: How to fund a Green New Deal for Europe

Webinar Agenda

0. Welcome

1. Update EGD, MFF wider instruments and recovery package  Patrick ten Brink, EEB

2. Recovery package, MFF and Cohesion Fund – update and what can CSOs do to push for a EGD compatible funding?  Markus Trilling, CAN Europe

3. CAP funding – update and what can CSOs do to push for an EGD compatible funding?  Bérénice Dupeux, EEB

4. Programming – making Partnership Agreements take on board EGD priorities – Andras Lukacs, CAAG

5. National practice – examples of how DE is investing in the green transition – Matthias Runkel, GBG

6. Don’t forget wider incentives nationally – examples of carbon tax progress – Barbara Mariani, EEB
Welcome – Introduce yourselves!

Add name and org

Patrick ten Brink EEB
Bérénice Dupeux (EEB)
Matthias Runkel (FOS / GBG)
András Lukács
(Clean Air Action Group, Hungary and Green Budget Europe)
Jeroen van der Laan [Trinomics]
Lucas Globensky European Parliament

Rob Williams (Trinomics)
Magnus Nilsson
Rossella Bittichesu and Elisabetta Pittarello - Greener Policy
Ignasi Puig Fundació ENT
Tessa Zell (Trinomics)
Petter Bjersér (OECD Intern CCXG)

Markus CAN Europe
Elva Bova; Commission DG ECFIN
Emilie Balayn Service Public de Wallonie
Marta Arbinolo OECD Environment
Márton Varga Clean Air Action Group Hungary
Clara Bourgin Counter Balance

Bruno Barthas AIRBUS
Wenwei ZHANG: Theater production assistant, Ergao Production Group
Eero Yrjö-Koskinen
Theodorus Zachariadis, Cyprus University of Technology
Ivana Saric (Vita projekt, Croatia)
Lucia Alessi (European Commission - Joint Research Centre)

Yasen Georgiev, EPI Bulgaria
Orsolya Domaniczky, CEEweb

Im Auftrag des:

Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit
Europäische Klimaschutzinitiative EUKI

73 registered, on average 41 were in the webinar. Not all added their names
Update EGD, MFF wider instruments and recovery package

Patrick ten Brink  EU Policy Director
<table>
<thead>
<tr>
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<th>Q1-Q2 2020</th>
<th>Q3-Q4 2020 to 2021 (see Annex of updated COM WP)</th>
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<tbody>
<tr>
<td><strong>EGD</strong></td>
<td>14 January: The Just Transition Mechanism &amp; The European Green Deal Investment Plan</td>
<td>• European Climate Pact (from Q3 to Q4)</td>
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<td>4 March: Climate Law proposal</td>
<td>• EU Strategy on Adaptation to Climate Change (to Q1 2021)</td>
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<td>10 March: Circular Economy Action Plan II &amp; Industrial Strategy</td>
<td>• Chemicals strategy for sustainability (Q3)</td>
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<td>20 May: Biodiversity strategy (late)</td>
<td>• Forest Strategy (from 2020 to Q1 2021)</td>
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<td>20 May: Farm to Fork Strategy (late)</td>
<td>• Renewed sustainable finance strategy (Q3 to Q4)</td>
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<td>27 May: Recovery Package and MFF</td>
<td>• Integration of SDGs in the Semester</td>
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<td>8EAP (delayed to Q4)</td>
<td>• ‘Renovation wave’ for building sector (Q3)</td>
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<td><strong>Key meetings</strong></td>
<td>Informal ministers meeting in Split 21-22 April (cancelled)</td>
<td>• Strategy for Sustainable and Smart Mobility (Q4)</td>
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<td>22 June Environment Council (on-line)</td>
<td>• ReFuelEU Aviation - Sustainable Aviation Fuels (Q4)</td>
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<td>New European Council on MFF</td>
<td>• Zero pollution action plan for air, water and soil (2021)</td>
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<td>Int. Conf. Chem. Mng’t (ICCM5) SAICM, Bonn (delayed to 2021)</td>
<td>Biodiversity: COP 15 in Kunming (delayed to 2021)</td>
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<td>Climate: UNFCCC COP 26 Glasgow (delayed to 2021)</td>
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<td>EU-China meeting (delayed)</td>
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Recovery Plan for Europe: What are the Positive aspects?

• **Recovery Plan: Next Generation EU** - new recovery instrument (€750bn) to boost the EU budget with new financing raised on financial markets for 2021-2024 + **Reinforced long-term EU budget**: 2021-2027 (€1100bn)

• The **scale of funding** proposed, including the proposal for a **mix of grants and loans**, demonstrates **EU solidarity** & allows a response to matches scale and urgency of challenges.

• **The European Green Deal** is at the heart of the recovery package.

• We welcome the commitment to the **green oath to “do no harm”**. This commitment is key and needs to be operationalised.

• The increased **Just Transition Mechanism (JTM)** budget will help countries and regions manage the transition.

• **The MFF proposals include the option for the EU to raise “own resources”** – EU-wide taxation on digital services, financial transactions, extension of the ETS based own resources to maritime and aviation, a carbon border adjustment mechanism, and plastic waste. Each of these is important, as is the need to close tax loopholes for aviation and maritime excise taxes.
What needs to be improved – high level

The current proposal is weak as regards conditionality and transparency,

The targetting of money could be improved by focusing on green jobs, ecological resilience economic development that respects the green oath, and cost effectiveness. The 25% allocation to climate should be increased to 40% for climate and 10% environment, and earmarking put in place to safeguard funding.

Funding should not target investments that risk undermining the EGD or EU resilience - e.g. fossil fuels or intensive agriculture, nor aviation without strict conditionalities for a green transition.

Much of the money is allocated giving very high levels of flexibility to Member States and with insufficient provisions regarding State Aid conditionality. Need ambitious and specific national strategies, plans and programmes will be essential to ensure this.

Recovery Package needs to give greater recognition to the cause of the crisis and target funds and policies to address the drivers with a view to avoiding future crises.
What needs to be improved: thematic areas

– **Building Restoration:** The commitment on building restoration is welcome, but more specific targeting of energy efficiency should be included.

– **Energy:** The recognition of the importance of renewable energies is welcome; however, there are risks that commitments to “clean hydrogen” rather than “green hydrogen” will create loopholes for funds to be directed towards expensive CCS and provide a lifeline for gas.

– **Transport:** The funds promised for clean transport will make a significant difference, but moneys are also needed to rebuild urban space for people, reduce car numbers and systematically encourage cycling.

– **Circular Economy:** We welcome the commitment to recycling, but we must go beyond recycling and ensure a full circular economy transition and move towards business and consumption models which support the right of consumers to repair and use everyday products for longer.
What needs to be improved: thematic areas

- **Nature:** Biodiversity Strategy promised €20bn per year. Regrettably, the Commission budget proposal failed to explicitly earmark EU funding for direct investment in nature, with the exception of a commitment to mobilise €10bn for 10 years under InvestEU programme (for which money still needs to be found).

- **Agriculture:** The increase in funding to CAP (including Pillar 1) is not coherent with the European Green Deal. The proposed extra €15bn under CAP pillar 2, would have been a good signal, but wasn’t tied to current env. ringfencing nor to the new objectives stated in the Farm to Fork and Biodiversity strategies. Payments for intensive farming that harms the environment have been left untouched and might even increase in the future.

In summary - the political level commitment of the Recovery Package is constructive, but some of the content has adopted a more traditional, conservative way forward, with significant weaknesses. These needs to be brought in line with the high-level commitment to the European Green Deal. And the range of good elements need to be operationalised.
Any Questions?
(via chat)
Europe's moment: Repair and prepare for the next generation’?

The EU recovery package
‘A budget for European recovery and resilience’

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<td>SURE / ESM Pandemic Crisis</td>
<td>EUR 540 billion</td>
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<td>Support / EIB Guarantee Fund</td>
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<td>for Workers and Businesses</td>
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<td>Next Generation EU</td>
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<td>EUR 750 billion</td>
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<td>Multiannual Financial</td>
<td>EUR 1100 billion</td>
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<td>Framework</td>
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[CAN Climate Action Network Europe logo]
Next Generation EU

- €500 billion in grants
- €250 billion in loans
- EC borrowing on financial markets (‘green bonds’?!)  
- Implementation via EU budget programmes
- Pay-back 2028 – 2058 via MFF
- 93.5% public; 6.5% private

EU stimulus composition
Where the €750bn will be invested

- Union Civil Protection & Health programme €9.7bn
- EU partners’ support, Humanitarian aid €15.5bn

Cohesion Policy, Recovery and Resilience facility €610bn

- Agricultural policy, Just Transition Fund €45bn

Horizon Europe, InvestEU fund, EU Solvency Instrument €69.8bn
EUROPEAN COMMISSION RECOVERY FUND

Plan puts Spain and Italy in line for biggest payouts.

Italy: €81.8B, Loans*: €90.9B
Spain: €77.3B, Loans*: €63.1B
Poland: €37.7B, Loans: €26.1B
France: €38.8B
Greece: €22.6B, Loans: €9.4B
Romania: €19.6B, Loans: €11.6B
Germany: €28.8B
Portugal: €15.5B, Loans: €10.8B
Czech Rep.: Loans: €10.6B
Hungary: €8.1B, Loans: €7B
Slovakia
Bulgaria: €3.2B
Croatia
Netherlands
Lithuania
Belgium
Slovenia
Sweden
Latvia
Austria
Finland
Estonia
Cyprus
Denmark
Ireland
Malta

*Estimated on the basis of the relative GNI share of Member States with GNI per capita below EU average.

SOURCE: European Commission, 2018 prices.
**MFF Negotiations**

- June EUCO
- Next MFF summit in July

**Legislative procedures**

- Co-decision council - EP
  
  Entry into force on 1 January 2021?

**Programming**

- Resilience and Recovery Plans
- Partnership Agreements and Operational Programmes
- CAP Strategic Plans
- Territorial Just Transition Plans

Approval by EC/MSs April/May 2021?
Any Questions?
(via chat)
What do you like about the Recovery Package?

Recreates optimism. Increase of JFT strategically important. Without equality no real climate action.

Provides a stimulus to sustainable growth which takes into account our ecological boundaries.

Strengthens the “green narrative” for the recovery.

That it exists and has its heart in the right place.

Help/support big corporations polluting the most to make strong and bold transitions to Green business models and innovations.

“guideline” for national recovery packages.

Increase in EU solidarity, which is needed to tackle climate change.

Used for Green/Social innovations: Impact Startups.

Provides a stimulus to sustainable growth which takes into account our ecological boundaries.

Strengthens the “green narrative” for the recovery.

That it exists and has its heart in the right place.

Help/support big corporations polluting the most to make strong and bold transitions to Green business models and innovations.

“guideline” for national recovery packages.

Increase in EU solidarity, which is needed to tackle climate change.

Used for Green/Social innovations: Impact Startups.
What elements do you think need to be improved?

From Swedish perspective, some sort of guarantees that this does not reward and permanents weak budget discipline in Italy. And why recovery money to countries like Poland, hardly affected by the pandemic?

From a Corporate perspective, have stronger and more restrictive rules for Corporations towards green innovation (no greenwashing for example...)

Greater requirements to secure environmental aspects are properly taken into account.
What do you recommend Civil Society do to:

**improve the Recovery Package?**

- Lobby national governments and EU to include green targeting.
- Of course raise the earmarked climate money.
- Contact key political groups at EP to point out the window of opportunity Covid-19 may provide (Economist: Seize the moment!)
- Use the budget and visibility to increase the transition toward a circular economy and zero waste policies.
An EU Budget to address the Climate Emergency: How to fund a Green New Deal for Europe

Webinar Agenda

CAP funding – update and what can CSOs do to push for a EGD compatible funding?

Bérénice Dupeux, EEB
Budget change for the CAP +24 billion €

On the 27\textsuperscript{th}, New MFF:

+4,4 bn € for 1\textsuperscript{st} Pillar \(-\) market measures

+5 bn € MMF &+15 bn € NRF for 2\textsuperscript{nd} Pillar \(-\) “making the structural changes necessary to implement the European Green Deal, and in particular to support the achievement of the ambitious targets in the new biodiversity and Farm to Fork strategies”

On the 29\textsuperscript{th}, Amendment to CAP commission proposal:

+4,4 bn € for 1\textsuperscript{st} Pillar \(-\) market measure – crisis management

+5 bn € MMF &+15 bn € NRF for 2\textsuperscript{nd} Pillar \(-\) “(i) support measures to address the impact of the COVID-19 pandemic on agriculture and rural development” + a new objective yet NOT SEEN!
Budget change for the CAP

CAP budget comparison 2018-2020 - worst case scenario

- Other Pillar 2 measures
- Next generation EU
- Agri-environment-climate
- Additional amount of aids + others
- Voluntary eco scheme
- Decoupled payments
- Sectoral intervention

CAP proposal 2018

CAP proposal 2020

(€ million)
What do we advocate for?

COHERENCE BETWEEN EU GREEN DEAL AND CAP REFORM

+4.4 billion € for 1st Pillar — need for environmental safeguards

+5 MMF &+15 billion NRF € for 2nd Pillar

- New objectives need to be coherent with the EU Green Deal
- Ensure long term recovery — transition toward a more resilient and sustainable farming systems
- End harmful subsidies

MEMBER STATES WILL HAVE GREAT FLEXIBILITY IN MONEY ALLOCATION
Any Questions?
(via chat)
An EU Budget to address the Climate Emergency: How to fund a Green New Deal for Europe

Webinar Agenda

Programming – making Partnership Agreements take on board EGD priorities

András Lukács, Clean Air Action Group
Common Provisions Regulation


TITLE II
STRATEGIC APPROACH

CHAPTER I
Partnership Agreement

Article 7
Preparation and submission of the Partnership Agreement
1. Each Member State shall prepare a Partnership Agreement which sets out arrangements for using the Funds in an effective and efficient way for the period from 1 January 2021 to 31 December 2027.
2. The Member State shall submit the Partnership Agreement to the Commission before or at the same time as the submission of the first programme.
3. The Partnership Agreement may be submitted together with the relevant annual National Reform Programme.
4. The Member State shall draw up the Partnership Agreement in accordance with the template set out in Annex II. It may include the Partnership Agreement in one of its programmes.
5. Interreg programmes may be submitted to the Commission before the submission of the Partnership Agreement.

Article 8
Content of the Partnership Agreement
The Partnership Agreement shall contain the following elements:

(a) the selected policy objectives indicating by which of the Funds and programmes they will be pursued and a justification therefor, and where relevant, a justification for using
This is a draft document based on the new ESIF Regulations published in OJ 147 of 29 December 2013 and on the most recent version of the relevant Commission’s draft implementing and delegated acts. It may still require review to reflect the content of these draft legal acts once they are adopted.

According to the CPR, the elements outlined under sections 1 and 2 of this template (corresponding to Article 15 (1) of the CPR) will be subject to a Commission decision (unless specified otherwise). The elements outlined under sections 3 and 4 of this template (corresponding to Article 15 (2) of the CPR) will not be subject to a Commission decision unless the Member State has made use of the provisions of Article 96(8). The informal dialogue and the formal assessment by the Commission shall cover the entirety of the document.

The headings in this document correspond to the elements set out in the Article 15 of the Common Provisions Regulation. The text boxes provide guidance on the drafting of the content of the Partnership Agreement.

In 2012 the Commission provided each Member State with a country position paper outlining the analysis of the Commission services on the main challenges and funding priorities relevant for the European Structural and Investment Funds (ESF Funds) in the programming period 2014-2020. These position papers, and the ensuing dialogue with the Commission, should serve to guide the elaboration of the Partnership Agreement itself in terms of its content, in particular as relates to the programming of funding priorities. In the context of the current document, guidance will be provided in terms of the content of the Partnership Agreement.

Dear Lukács,

In response to your request, I would like to inform you that the Commission’s guidance related to the Partnership Agreement for the 2014-2020 programming period is publicly available under the following link:


All the Commission’s guidance documents related to programming and implementation of the European Structural and Investment Funds 2014-2020 are available under the following link:


As regards the future programming period, the Commission does not plan to issue guidance documents. When preparing the legislative proposal for post-2020, the Commission aims at a simpler and clearer drafting, so that no additional guidance is needed.

Kind regards

European Commission
Directorate-General Regional and Urban Policy
Unit B1 – Policy Development and Economic Analysis
Partnership agreements on the European structural and investment funds

First published on 28 February 2014

Agreements between the European Commission and individual EU countries. They set out the national authorities’ plans on how to use funding from the European structural and investment funds between 2014 and 2020.

Documents

PLANNING AND MANAGEMENT DOCUMENTS | 17 OCTOBER 2014
Partnership agreement with Austria - 2014-20
Agreement between the European Commission and Austria on funding through the European structural and investment funds.

PLANNING AND MANAGEMENT DOCUMENTS | 24 OCTOBER 2014
Partnership agreement with Belgium - 2014-20
Agreement between the European Commission and Belgium on funding through the European structural and investment funds.

CHAPTER II

Enabling conditions and performance framework

Article 11

Enabling conditions

1. For each specific objective, prerequisite conditions for its effective and efficient implementation ("enabling conditions") are laid down in this Regulation.

Annex III lays down horizontal enabling conditions applicable to all specific objectives and the criteria necessary for the assessment of their fulfilment.

Annex IV lays down thematic enabling conditions for the ERDF, the Cohesion Fund and the ESF+ and the criteria necessary for the assessment of their fulfilment.

2. When preparing a programme or introducing a new specific objective as part of a programme amendment, the Member State shall assess whether the enabling conditions linked to the selected specific objective are fulfilled. An enabling condition is fulfilled where all the related criteria are met. The Member State shall identify in each programme or in the programme amendment the fulfilled and non-fulfilled enabling conditions and where it considers that an enabling condition is fulfilled, it shall provide justification.

3. Where an enabling condition is not fulfilled at the time of approval of the programme or the programme amendment, the Member State shall report to the Commission as soon as it considers the enabling condition fulfilled with justification.

Ex Ante Conditionality

- Guidance on Ex Ante Conditionality for the European Structural and Investment Funds:
  - Part I
  - Part II

- Questions & Answers on Ex-ante Conditionality:
  - Research and Innovation (thematic EAC 1.1 & 1.2)
  - Information and Communication Technologies (thematic EAC 2.1 & 2.2)
  - Small and Medium Enterprises (thematic EAC 3)
  - Energy (thematic EAC 4.1, 4.2, 4.3 & 4.4)
  - Sustainable Development (thematic EAC 5.6, 6.2 and general EAC 6)
  - Transport (thematic EAC 7.1, 7.2 & 7.3)
  - Thematic ex-ante conditionality 8 to 11 and general ex-ante conditionality 1 to 3
  - Public Procurement and State Aid (general EAC 4 & 5)
  - Statistical Systems and Result Indicators (general EAC 7)

2 Priorities and recommendations for future EU funding

From the responses to the questionnaire and interviews as well as personal discussions with experts, there have been proposals for improving EU funding in the next MFF (2021-2027). Probably the most important conclusion that could be drawn from the responses is the following: The EU budget can effectively serve the implementation of climate and environmental goals only if certain general conditions (pertaining not only to climate and environment) on national level are fulfilled.

2.1 Strict enabling conditions

a) **Strict conditionalities (enabling conditions) must be set for EU funding.** The enabling conditions must be robust, precise, clearly controllable, and in full conformity with the EU’s aims.

b) According to the overwhelming majority of the respondents, EU funding must not be provided to governments which do not fulfill the enabling conditions. If the enabling conditions are violated at any time during the financial period, EU funding must be suspended immediately.26 This is absolutely necessary to avoid further aggravation of the problem. Quite a number of respondents stated that tolerating the violation of EU rules undermines the very foundations of the EU. In the longer term, this would have much graver consequences for the local communities than the suspension of EU funding.

c) The European Commission must continuously monitor the fulfillment of the enabling conditions.

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“It depends on the degree, but the EU should definitely have sanctions otherwise it would not function. If there are no sanctions, countries will breach the laws by saying they would be more productive and competitive if they do.” –Respondent from Denmark

“There should be sanctions in a form of reimbursement of funds to the EU, if the impact was not achieved. You should look for the benefit of the EU funding, but you should also be responsible for...
It is vital to have robust partnership agreements for EU funding

A message from András Lukics, Clean Air Action Group (Hungary)

The partnership agreements on the European structural and investment funds (PA) are legally binding documents signed by the European Commission and national governments of EU Member States (MS). This is a precondition for the national governments for receiving EU funding. The PA defines for them the conditions and ways using EU money for the concerned 7-year period of the EU budget (the Multiannual Financial Framework, MFF). Therefore, the content of the PAs is of utmost importance also for the processes aiming to achieve the EU’s climate and environmental targets. Civil society organisations in all EU member states should put a lot of effort into influencing the preparation of the PAs so that their final version contains all the necessary measures with concrete intermediate and final deadlines to achieve the EU’s climate and environmental targets.

All PAs for the current (2014-2020) MFF are accessible here. The PAs for the next MFF (2021-2027) are probably under preparation in all MS.

The main principles of the preparation of the PAs are laid down in the so-called Common Provisions Regulation (CPR). The CPR for the next MFF is accessible here. The CPR for the next MFF is still under negotiation between the European Parliament and the European Council, so far there is only a proposal by the Commission. For the current PAs the Commission had prepared a Draft Template and Guidelines on the Content of the Partnership Agreement and many other guidance materials. Unfortunately, this will not be the case for the preparation of the next MFF. The Commission informed us about the following: “As regards the future programming period, the Commission does not plan to issue guidance documents. When preparing the legislative proposal for post-2020, the Commission aimed at simpler and clearer drafting, so that no additional guidance is needed.”

Nevertheless, the guidance materials for the current PAs are still an extremely useful source of information for civil society organisations (CSOs) which intend to be involved in the preparation of the coming PAs. Especially important documents are included under the heading “Guidance on Ex Ante Conditionalities for the European Structural and Investment Funds”.

The new CPR proposal (similarly to the current CPR) states, among others, the following about ex ante conditionalities (or “enabling conditions”, as they are called in the CPR proposal): “Member States will not be able to declare expenditure related to specific objectives until the enabling conditions are fulfilled. This will ensure that all co-financed operations are in line with the EU policy framework.” The enabling conditions proposed by the Commission can be found in the Annexes to the CPR proposal. (Annex: II contains the horizontal enabling conditions and Annex IV contains the thematic enabling conditions.) However, the enabling conditions in these documents are quite detailed, and the details should be expanded, among others, in the PAs.

On the other hand, the enabling conditions relate mainly to the programs and projects funded by the EU while it is clear that the efficiency of the use of EU funds, as well as the overall contribution of the Member State to achieving the EU’s climate and other targets, depend first on all on the general state of the institutional and legislative system of the given country. The related requirements can be and certainly should be included in detail in the PAs.

For all these reasons, CSOs working in various fields should start elaborating recommendations for the PAs as soon as possible. On the basis of the results of the project A MFF for the Climate, we consider that, among others, the following recommendations for the PAs should be elaborated in detail for each Member State:

(1) The National Energy and Climate Plan (NECP) must be fully in line with the Paris Agreement and it should be continuously implemented with concrete targets for each year.
(2) All environmental harmful subsidies must be removed. External environmental and health costs must be internalised.
(3) The Country-specific Recommendations and the recommendations in the underlying Country Reports must be implemented.
(4) The zero-tolerance attitude towards fraud and corruption must be enforced. (The Green of States against Corruption Transparency International and other organisations have already made many concrete proposals to this end.)
(5) The Member State must join the European Public Prosecutor’s Office.
(6) If EU money is misused, and the government has to repay it, then the same government should not receive it even for other purposes.
(7) Discretionary funding (i.e. funding decided by individual choice or judgment in public offices) to enterprises must be drastically reduced. Such funding should be provided almost exclusively to enterprises performing public services.
(8) It must be proved that there will be sufficient financial resources for operation and maintenance during a certain number of years after the completion of the project concerned.
(9) The “principle of non-retrogression” must prevail. (This principle means that no measures should be taken that downgrade or limit levels of the right to education, health, environment, etc. If such measures that contradict the EU’s objectives have been taken by a Member State after its accession to the EU, they must be repealed as soon as possible.)
(10) The European Code of Conduct on Partnership must be fully implemented.

After the submission of a draft PA by a Member State, the Commission makes its observation on the draft and asks the Member State to take it into account. Thus, there is an opportunity for CSOs to be involved in the preparation of the PAs both on national and European level.

András Lukics
Clean Air Action Group

https://eeb.us2.list-manage.com/track/click?u=1777448aafe85ef675bd9ea87&id=436755d943&e=632872180c
Any Questions?  
(via chat)
Green Stimulus Package

German examples of how (not) to invest in the green transition
## Germany's recovery plan

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<th>Sector</th>
<th>Measure</th>
<th>Measure Description</th>
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<th>ÖI</th>
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<tr>
<td>Energy</td>
<td>3. Reduction of EEG levy in 2021-2022</td>
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<td></td>
<td>20. Local authorities: reduction of own contribution to national climate protection initiative</td>
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<td></td>
<td>38. Regulatory measures: Abolition of photovoltaic limit, target for offshore wind power, changed regulation on minimum distances for wind turbines</td>
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<td>Heating</td>
<td>39. CO2-efficient modernisation of buildings</td>
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<td>Industry</td>
<td>36. Hydrogen Strategy</td>
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<td>37. Hydrogen multilateral partnerships</td>
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<td>Transport</td>
<td>21-22. Public transportation financing 2020</td>
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<td>35g. Additional equity Deutsche Bahn AG</td>
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<td>35c. Investments in the future automotive industry</td>
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<td></td>
<td>35a. Motor vehicle tax reform</td>
<td></td>
<td>n.q.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>35b. Doubling of environmental bonus for EV (incl. PHEV)</td>
<td></td>
<td>2.2</td>
<td></td>
<td>++/-</td>
</tr>
<tr>
<td></td>
<td>35. Fleet renewal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 35d. charitable / non-profit organisations</td>
<td></td>
<td>0.2</td>
<td></td>
<td>++</td>
</tr>
<tr>
<td></td>
<td>- 35e. craftsmen and SMEs (up to 7.5t)</td>
<td></td>
<td>n.q.</td>
<td></td>
<td>++</td>
</tr>
<tr>
<td></td>
<td>- 35k. shipping</td>
<td></td>
<td>1</td>
<td></td>
<td>++</td>
</tr>
<tr>
<td></td>
<td>- 35j. heavy commercial vehicles Euro 6 trucks (EU funding)</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>- 35i. Bus and truck fleet modernization</td>
<td></td>
<td>1.2</td>
<td></td>
<td>++</td>
</tr>
<tr>
<td></td>
<td>- 35l. efficient aircraft</td>
<td></td>
<td>1</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>35f. Recharging infrastructure, R&amp;D e-mobility and battery</td>
<td></td>
<td>2.5</td>
<td></td>
<td>++</td>
</tr>
<tr>
<td>Agriculture</td>
<td>55. Investments in farm renovation (animal welfare)</td>
<td></td>
<td>0.3</td>
<td></td>
<td>+/--</td>
</tr>
<tr>
<td></td>
<td>17. sustainable management of forests</td>
<td></td>
<td>0.7</td>
<td></td>
<td>++</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>42</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Share of green measures (EU: 25% target)

in 2008 (G7 countries, South Korea and China; in bn US Dollar) (DIW 2020)

- Greenness of Stimulus Index by VividEconomics
- EnergyPolicyTracker.org by IISD, OCI, ODI and SEI (soon)
How (not) to invest in the green transition

<table>
<thead>
<tr>
<th>Sector</th>
<th>Measure</th>
<th>bn. Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1. Temporary VAT-reduction</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>10. Speed up investments (i.a. digitalization and defence)</td>
<td></td>
</tr>
</tbody>
</table>

Missing out on some key Green Deal objectives and strategies…

- Circular Economy Action Plan
- Farm to Fork Strategy
- Biodiversity Strategy
- Cycling
- Taxonomy for sustainable investment
- FFS phase-out
- ...


Any Questions?
(via chat)
What do you recommend Civil Society do to:

**Improve EGD compatible CAP funding?**
- Fix agri funding on green production not on area + green infrastructure in country + independent advisory system, best practice exchange on sustainable agriculture, forestry and fishery in EU

**Make Partnership Agreements work?**
- Strong partnership principle fairly covering all important stakeholders, incl. NGOs'

**Improve nat. investment in green transition?**
- EU support for NGOs capacities involved in EU funds programming and monitoring
- Stress the S Korea % as the goal
- Identify and lobby for win-win measures (economic and climate impact)
- Decrease pollution as a conditionality for any investment 1
- Learn from member state experiences (many good and bad examples to learn from)
An EU Budget to address the Climate Emergency: How to fund a Green New Deal for Europe

Webinar Agenda

Don’t forget wider incentives nationally – examples of carbon tax progress

Barbara Mariani, EEB
An EU Budget to address the Climate Emergency: How to fund a Green New Deal for Europe

Webinar Agenda

Don’t forget wider incentives nationally – examples of carbon tax progress

Barbara Mariani, EEB
## Economic policy instruments: more is needed

### Taxes (carbon taxes may be economy-wide)

<table>
<thead>
<tr>
<th>Energy</th>
<th>Transport</th>
<th>Buildings</th>
<th>Industry</th>
<th>Agri/Forestry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carbon taxes</strong></td>
<td>Fuel taxes</td>
<td>Carbon and / or energy taxes (either sectoral or economy wide)</td>
<td>Carbon tax or energy tax</td>
<td>Fertilizer or Nitrogen taxes to reduce nitrous oxide</td>
</tr>
<tr>
<td></td>
<td>Congestion charges, vehicle registration fees, road tolls</td>
<td></td>
<td>Waste disposal taxes or charges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vehicle taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Subsidies

<table>
<thead>
<tr>
<th>Energy</th>
<th>Transport</th>
<th>Buildings</th>
<th>Industry</th>
<th>Agri/Forestry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fossil fuel subsidy removal</strong></td>
<td>Biofuel subsidies</td>
<td>Subsidies or tax exemptions for investment in efficient buildings, retrofits and products</td>
<td>Subsidies (e. g., for energy audits)</td>
<td>Credit lines for low carbon agriculture, sustainable forestry.</td>
</tr>
<tr>
<td><strong>Feed-in-tariffs for renewable energy</strong></td>
<td>Vehicle purchase subsidies</td>
<td>Subsidies or tax exemptions for investment in efficient buildings, retrofits and products</td>
<td>Fiscal incentives (e. g., for fuel switching)</td>
<td></td>
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<td></td>
<td>Feebates</td>
<td>Subsidized loans</td>
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</tbody>
</table>

- Member States must significantly step up their efforts to achieve their 2030 **non-ETS targets** under higher 2030 GHG reduction ambition
- Efficient and effective climate protection requires a CO2-price; this is currently missing across large parts of transport, heat (buildings) and agriculture. Unstable and insufficient EU ETS price to drive energy and industry decarbonisation.
## Economic policy instruments: more is needed

<table>
<thead>
<tr>
<th>Regulatory approaches</th>
<th>Energy</th>
<th>Transport</th>
<th>Buildings</th>
<th>Industry</th>
<th>Agri/Forestry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency or environmental performance standards</td>
<td>Energy efficiency performance standards</td>
<td>Fuel economy performance standards</td>
<td>Building codes and standards</td>
<td>Energy efficiency standards for equipment</td>
<td>National policies to support REDD+ including monitoring, reporting and verification</td>
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<tr>
<td></td>
<td>Fuel quality standards</td>
<td>Fuel quality standards</td>
<td></td>
<td>Energy management systems (also voluntary)</td>
<td>Forest law to reduce deforestation</td>
</tr>
<tr>
<td></td>
<td>GHG emission performance standards</td>
<td>GHG emission performance standards</td>
<td>Equipment and appliance standards</td>
<td>Voluntary agreements (where bound by regulation)</td>
<td>Air and water pollution control GHG precursors</td>
</tr>
<tr>
<td></td>
<td>Regulatory restrictions to encourage modal shifts (road to rail)</td>
<td>Regulatory restrictions to encourage modal shifts (road to rail)</td>
<td>Mandates for energy retailers to assist customers invest in energy efficiency</td>
<td>Labelling and public procurement regulations</td>
<td>Land-use planning and governance</td>
</tr>
<tr>
<td></td>
<td>Restriction on use of vehicles in certain areas</td>
<td>Restriction on use of vehicles in certain areas</td>
<td></td>
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<tr>
<td></td>
<td>Environmental capacity constraints on airports</td>
<td>Environmental capacity constraints on airports</td>
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<tr>
<td></td>
<td>Urban planning and zoning restrictions</td>
<td>Urban planning and zoning restrictions</td>
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</tbody>
</table>
Economic policy instruments: two cases

The Netherlands

- Proposal for a national levy on CO2 to guarantee 14.3 Mton emissions reductions in **industry** by 2030
- Scope: all ETS sectors
- Concept: the national carbon price + the ETS carbon price would be higher than the costs of taking the measures, in order to push industries to decarbonize. (For a reduction of 15 Mton a carbon price of 84 EUR/ton would be needed). Starts with 30EU/CO2ton in 2021 to 125-150EU/CO2ton in 2030. Revenues will be invested to help industry decarbonise. Our Dutch member **Natuur & Milieu** supports the measures

Germany

- Proposal for future ETS system for transport and heating
- Scope: Transport and heating fuels not covered by EU ETS. Companies that put fuels into circulation or suppliers of the fuels (upstream approach) will be priced - about 4,000 companies will participate Introductory phase (2021 – 2025).
- Concept: surrender of certificates at fixed price with the price rising annually by 5-10 Euro/CO2ton. Emissions trading within price corridor (2026). Price floor and optional ceiling (from 2027). Revenues used to reduce electricity costs, increase a tax allowance for commuters, increase housing allowance by 10%
Carbon taxes in Europe

Sweden levies the highest carbon tax rate at €112.08 (US$ 132.17) per ton of carbon emissions, followed by Switzerland (€83.17, $98.08) and Finland (€62.00, $73.11).

You’ll find the lowest carbon tax rates in Poland (€0.07, $0.08), Ukraine (€0.33, $0.39), and Estonia (€2.00, $2.36).
Any Questions?
(via chat)
Given the current Covid crisis situation, what economic instruments would be more effective/feasible to raise public money and reinvest into climate/wider environmental purposes and what is your experience with them at national level?

What would you like to see happen?

The removal of environmentally harmful subsidies and the internalisation of external costs must be enabling conditions for receiving EU money.

The business sector traditionally prefers EU ETS measures rather than national fiscal measures. Could we promote...

What is our position on increasing EU Budget Own Resources? This could be a new opportunity as the EU Commission has presented a similar proposal two years ago.

Border carbon tax must be introduced. The EU imports a lot of CO2!

There are taxes which function more or less as carbon taxes but they are not named carbon taxes, e.g. distance-based road tolls. These must be promoted, too!

T&E opposes the inclusion of transport into the ETS! So, be careful about this. [https://www.transportenvironment.org/sites/te/files/publications/t_and_e_consultation_road_transporten.pdf](https://www.transportenvironment.org/sites/te/files/publications/t_and_e_consultation_road_transporten.pdf)

We need CO2-based car registration taxes in all member states (DE, LUX, e.g. still missing). Best practice: NL, PT. [https://foes.de/pdf/2018-03_FOES_vehicle%20taxation.pdf](https://foes.de/pdf/2018-03_FOES_vehicle%20taxation.pdf)

It could be useful to exchange best practices in national fiscal measures to promote low-carbon alternatives.
Thank you!

For more information on the initiative, please contact the team:

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Green Budget Europe (GBE) and the European Environmental Bureau (EEB), in collaboration with three partner organisations – Climate Action Network Europe (CAN Europe), Green Budget Germany (GBG) and Clean Air Action Group (CAAG, Hungary) – is carrying out the project “MFF for the Climate” with the aim to compile proposals for EU decision-makers for making the next Multiannual Financial Framework (MFF) climate-friendly. The project is financed by the German Climate Initiative (EUKI). The European Climate Foundation and the Heinrich Böll Foundation have provided some co-funding.

The European Climate Initiative (EUKI) is a project financing instrument by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). Its implementation is supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It is the overarching goal of the EUKI to foster climate cooperation within the European Union (EU) in order to mitigate greenhouse gas emissions.

Disclaimer: The opinions put forward in this presentation are the sole responsibility of GBE and do not necessarily reflect the views of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety or of the project partners.
The Recovery Plan for Europe

- **Next Generation EU**: new recovery instrument of €750bn to boost the EU budget with new financing raised on financial markets for 2021-2024

- **Reinforced long-term EU budget**: 2021-2027 (€1100bn)

- **Mechanisms supporting MS**:
  - Recovery and Resilience facility
  - Recovery Assistance for Cohesion and the Territories of Europe - REACT-EU
  - Reinforced rural development programmes
  - Reinforced Just Transition Mechanism

Mechanisms kick-starting the economy and helping private investment:

- Solvency Support Instrument
- Strategic Investment Facility
- Strengthened InvestEU programme