



# The Global Ventotene

“The United States of Europe can only be based on the republican constitutions of federated countries. And, once the horizon of the old Continent is superseded, and all the peoples who make up mankind are included in a single design, it will have to be recognized that the European Federation is the only conceivable guarantee ensuring that relationships with American and Asiatic peoples will work on the basis of peaceful co-operation, waiting for more distant future when the political unity of the entire world will become possible”. (*The Ventotene Manifesto*, 1941)



## THE EUROPEAN GREEN DEAL AND THE GLOBAL GREEN DEAL

**The Union of Federalists  
(UEF-WFM)**

**Meeting No 3**



**THE ALTIERO SPINELLI INSTITUTE  
FOR FEDERALIST STUDIES**

## **The Global Ventotene**

*The European Green Deal and the Global Green deal.* Meeting No 3 of the Union of Federalists, February 2024.

The opinions expressed in this e-book are those of the autor(s) alone and they do not reflect the views of the *Altiero Spinelli Institute for Federalist Studies*.

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## Introduction

The end of the Cold War is producing disruptive effects on the international order built by the two superpowers at the end of the Second World War. The United Nations is becoming an empty shell. Europe is in the middle of two dangerous fires: in the north, because of Russia's aggression against Ukraine, and in the south - in the Mediterranean, the Middle East and Africa - because of the conflict between Israel and Hamas and the support of some dictators in Africa by Russia and China. Is it possible to have a European foreign policy that halts and reverses the race of small and big powers towards international anarchy?

This is a crucial question to which no definite and irrefutable answers can be given. It is, however, a problem that must be tackled by all Europeans – and not just Europeans – because what is at stake is dramatic. There are two dangers looming over the future of humanity: the first is a possible conflict between nuclear powers, as is happening in Europe and Asia, where China and the United States are confronted over the fate of Taiwan; the second concerns the environmental crisis, because a collapse of the biosphere looms threatening and unstoppable due to the inability of national governments to agree on appropriate measures on a planetary scale.

In this seminar, on "The European Green Deal and the Global Green Deal", we will address both the issue of how the European Union could play in governing the climate crisis and how this intervention can initiate a process of pacification between the great powers, an international situation that could be defined as "peaceful coexistence". The *détente* between the U.S. and the USSR in the 1980s culminated in the Reykjavik meeting, when a plan for the reduction of nuclear weapons was approved by Reagan and Gorbachev as a first step towards further policies of peaceful cooperation within the framework of the United Nations. If a process of peaceful coexistence was possible between the two superpowers in the last century, why could it not be possible again today?

The aim of this seminar between European and world federalists is to find convincing answers to this question. At first glance, it seems that a Global Green Deal is an environmental response to a problem other than that of the confrontation between great powers, causing a dangerous uncertainty between war and peace. However, a deeper investigation of the problem may bring to light new, important aspects that are not yet understood in analyses and debates on international politics.

The European Green Deal (EGD) is the result of intensive work by the coalition of parties that secured a majority for European Commission President Ursula von der Leyen after the 2019 European elections. These parties are: the European People's Party (EPP); Renew Europe, the Socialists and Democrats (S&D), the Greens/EFA and The Left. In opposition are the European Conservatives and Reformists (ECR) and Identity and Democracy (ID) as well as Fidesz. It can be argued that the European Green Deal has been the backbone of the entire European legislature. It is a reform of the industrial and agricultural production structure that has allowed the EU to place itself at the forefront, in the United Nations, in policies for sustainable development, as demonstrated by the debates that have taken place in the annual COPs in recent years. It is obviously not possible to go into the details of this plan here; we can only present a brief summary of it in the *Appendix 1*, drafted by the European Commission itself.

A further feature of this seminar is that we did not invite all the representatives of the "progressive" coalition to speak; progressive in the precise sense indicated in the *Ventotene*

*Manifesto*, that is to say, not the traditional distinction between national right and left, but the distinction between those who fight to build "a solid international state" and those who are primarily concerned with the conquest of national power. We invited the Greens/EFA *Gwendoline Delbos-Corfield*, MEP and member of the "Spinelli Group", to present the Greens' programme for the next European elections, approved in Lyon, because the Greens are the first "progressive" party to have included the objective of the *Global Green Deal* in its electoral programme. It is to be hoped that this example will lead the other parties in the coalition to take the same step. In addition, the next European elections, on 9<sup>th</sup> June, will also be very important for a second reason: on 22<sup>nd</sup> November 2023, the European Parliament approved a proposal for constitutional reforms, with a view to the necessary enlargement of the Union, in order to increase the Union's fiscal powers and create a European defence. The forthcoming European elections will therefore be decisive for the future of Europe and its role in the world. The Union can become the vector for building a more peaceful and ecologically sustainable world.

To show how the relationship between the European Green Deal and the Global Green Deal is relevant for the future of the Planet, we decided to reproduce some parts of the final resolution approved by the Lyon Congress of the Greens that insist on the relationship between environmental and social policies, two complementary aspects to support disadvantaged human groups in every nation and reduce the inequalities in income destruction that have increased considerably during the globalization supported by the ideology of the "Washington Consensus". In the Greens' programme it is stated: "Europe is not an island. ... We will tackle the root causes of conflict and injustice, using the EU's influence and resources to kickstart a *Global Green Deal*. We are convinced that everyone, everywhere deserves a safe, secure, and prosperous future".

The objective of the Global Green Deal is quoted in other parts of the resolution, but the possible institutional contents of this objective are not indicated. It is in this regard that federalists can point to some important reforms suggested both by the process of monetary unification of Europe, the Economic and Monetary Union (EMU), and by the important reform of the International Monetary Fund in the 1960s: the introduction of Special Drawing Rights (SDRs) in the IMF's Articles of Agreement. SDRs are a basket of national currencies, currently five (dollar, euro, renminbi, yen, pound). The theoretical basis for both reforms was suggested by the economist Robert Triffin, who first proposed SDRs for the IMF and then the ECU (European Currency Unit, which later became the Euro) for the European Union. Triffin argued that "ECUs and SDRs are one and the same," they are an "international reserve currency" for central banks. Today, the Euro has become the currency issued by the European Central Bank and adopted by all European citizens and businesses for their monetary transactions. The reform of the IMF that we suggest is that SDRs be adopted as reserve currency by all national central banks of the Planet, but that the abolition of national currencies is not necessary, as long as a fixed exchange rate is fixed between each individual national currency and the SDRs.

As we suggested in the first seminar of this series (*The Global Ventotene*, No 1) this reform of the IMF would make it possible: a) to set a single price for the emission of carbon dioxide into the atmosphere on a global scale, thus allowing companies to plan with certainty their long-term investments for the transition to renewable energies; b) emerging countries that today are forced to issue their public debt in dollars, at high interest rates, could enjoy much lower rates, equal to the world average, by defining their debt in SDRs; c) international companies could be taxed on the basis of homogeneous balance sheets in SDRs, devolving part of the taxation to national governments and part to the United Nations, to create a global public budget, which could support – even with the issue of Global Green Bonds - the financing of global public goods, such as the fight

against the criminal exploitation of tropical forests, the main ecological lung of humanity; d) finally, the controversial issue of "loss and damage", which in every COP feeds the contrast between industrialized countries and the emerging South could finally be tackled with adequate resources, increased "from billion to trillions".

As we have said, the reform of the IMF is necessary not only to seriously address the challenge of the ecologically sustainable development of life (animal, plant and human) on the planet, but also to start a process of peaceful cooperation between small and big powers. On August 23<sup>rd</sup>, 2023, the countries of the BRICS group met in South Africa and approved an articulated "Declaration" in which they propose important reforms of the international order: a) an enlargement of the UN Security Council; b) a reform of the UN based on the principle of "inclusive multilateralism", which is essential for a renewed WTO; c) finally a reform of the international monetary and financial system, "for a greater role for emerging markets and developing countries including in leadership positions in the Bretton Woods institutions".

This demand of BRICS must be taken seriously because China is pushing to promote a more important role for its currency, the renminbi, which is becoming increasingly important in international transactions: recently commercial transactions in renminbi have surpassed those in euros. A possible crisis between currency areas for world supremacy could trigger a crisis much worse than that of 2009-12. The IMF reform would make it possible to create "global governance" among the five countries whose currencies are currently included in the SDRs basket. The creation of such a Governing Board would represent a form of supranational governance, in effect, it is a world central bank whose regulatory power of the international economy would depend on a group of great powers. This group could, later, be joined by the G20 in order to avoid an absurd and dangerous conflict between a coalition of the Global North and the Global South. That is why the European Union can play a crucial role: if the European Union supports the reform of the IMF, the United States will not be able to oppose it. The euro is the true "atomic bomb" of the European Union's foreign policy.

It is not necessary, nor possible, to discuss what might happen next. Suffice it to say that the race towards nuclear war between great powers and the irreversible collapse of the biosphere can be countered by appropriate reforms of the economic and political institutions created at the end of the Second World War. It is a long and difficult road to travel, but in every human endeavor the first step, if taken in the right direction, can lead humanity, the citizens of the world, towards new horizons of peace and prosperity.

Guido Montani

# The Programme of the European Greens

## As adopted by the 7<sup>th</sup> Extended Congress, Lyon, 4th February 2024

(Selected statements)

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We need a global just transition, because our future is everyone's future and everyone's future is our future. Peace, prosperity, and sustainability go hand in hand. The world cannot have one, while it ignores another. The full-scale Russian invasion of Ukraine was a turning point in the history of our continent and the world. It violates the rule of international law, peace, and security. Insecurity and conflicts are growing, from wars to genocidal attempts, while autocratic regimes endanger democratic values and international dialogue.

As Greens, we stand firm in our undivided solidarity with and support for Ukraine and for continued financial and military support. The struggle of the people of Ukraine for freedom, peace and joining the European Union is our struggle. It is not only Ukraine. Globally, peace and security are under threat. Painful conflicts are raging in the Middle East, the Caucasus, the Sahel, and Central Africa. Growing tensions and shrinking space for democracy and civil society threaten the integrity of the international system and the hope for a better world. Europe's dependence on authoritarian regimes blinded us to this reality for too long.

The accelerating climate crisis, natural disasters, and the race for resources sit alongside the global inequality that remains baked into economic relations, trade deals, and multilateral institutions.

Colonialism and its legacy are still with us. In today's world, we believe the European Union must be a strong player. The EU is and has always been a peace project. We must be able to stand up for the EU's security as well as peace and universal values in our neighbourhood and the world.

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We will make values, peace, and reconciliation priorities for the EU's international policies, building a more stable world through human security, diplomacy and conflict prevention. The EU must be ready to work with all friends of peace, human rights, and multilateralism to these ends.

**We have the courage to make the EU a force for a different, more just world.**

Europe's green transition is both a geopolitical tool and a global responsibility. Climate diplomacy and cooperation on green technology and investment are key to how we will deal with the world. We will fight for global justice. The EU can rewrite unjust trade rules to make the world fairer and more equal. All countries must have a stake in the new decarbonized global economy.

A secure and peaceful world, where Europe works with partners to put people and planet before war and exploitation. This is the future we want, and that Europe can help build.

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**A Union for Peace, Cooperation and Human Rights.** Security policy is at and will stay at the centre of the EU agenda. As Greens, we are convinced that the EU needs a new mindset and a clear willingness to act. It is time to rejuvenate multilateralism and values-based foreign policy. The European Union has grown strong through integration, sharing and connection – not decoupling or building walls. What we endeavoured to do with the European project must also guide our international relations. We need to stand in solidarity with our partners and knit an expanded network of ties and strategic partnerships working together in an ever-more complex and interconnected world.

The green transition has always also been a question of security. For us Greens, it is clear that with more control over our energy system, crucial technologies, and vital supply chains, the EU can make a greater impact in foreign policy and towards a globally just transition. It is an

opportunity for the EU to become a more effective actor alongside its partners and multilateral institutions, advancing peace and security as well as universal values, sustainable development goals, human rights, and democracy around the world.

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**Multilateralism and cooperation for global security.** Peace and freedom are built through values-based and fair dealings with our partners. We believe in international solidarity and multilateralism. The United Nations upholds our shared global values, and we will defend it against attacks and advocate for reforms to enhance transparency, accountability, and effectiveness. In these challenging times, the EU must actively seek out all opportunities for international cooperation and use all channels of cooperation to preserve peace, also within the OSCE. The multilateral system must be strengthened through fair representation for the Global.

South, for example on the UN Security Council and in international financial institutions. We advocate for a reform the of UN system, especially the UNSC, to ensure fair and proportionate representation of all world regions and make it possible for regional organisations such as the EU to become full members. The veto in the Security Council must be abolished to promote international decision-making and move away from a hegemonic system.

Global security can only be achieved by upholding, promoting and developing international law. As Greens, we will make sure that the EU uses its international influence to motivate countries, such as the United States, to join the Rome Statute and the International Criminal Court, in order to make sure that human rights are protected globally.

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**A European Security Union.** As no country can face the threats to security alone, the EU must develop a Security Union that centres human security and people’s needs. This approach is essential to protect human rights, prevent conflict, and create and maintain peace.

Security is about strong civil societies, the global just transition and long-term preventative strategies and not only about defence. Not only the short but the long term is our horizon of action, not only conventional conflicts but hybrid threats are our targets, not only states but civil societies. We advocate for a strong European External Action Service as a force for truly transnational diplomacy that can fight impunity and build reconciliation and lasting peace.

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**Justice and Development through the Global Green Deal.** The European Union must use its influence, power, and resources to build global justice and enable a *Global Green Deal*. The accelerating climate crisis is undermining peace and prosperity the world over. The future of the climate depends on every country in the world taking action and stopping fossil fuels. For centuries, we have been exploiting the Global South, hindering development by imposing economic structures and exploiting people, land, and resources. Global justice, in action and not just words, is an ethical responsibility but also a geopolitical need.

Our proposals combine international partnerships and trade reform with international cooperation on equal terms and humanitarian initiatives. They are rooted in our commitment to global justice and Sustainable Development Goals, as well as our awareness of colonialism’s persistent legacy.

**Recognizing our responsibilities through climate diplomacy.** We want climate diplomacy to be central to the EU’s relations with its global partners. The EU must recognize the role European countries have made in contributing to placing the Global South at the front line of the climate



crisis. As set out in the Paris Agreement, the EU must honour commitments to providing international climate finance for mitigation and adaptation in line with its fair share and make multi-year pledges to the new Loss and Damage Fund. The EU can lead the way by building high-ambition climate coalitions on investment, sectoral and technological priorities for decarbonisation. We will fight for policy coherence across all internal policies to reflect their global implications with a legislative check for how they will help reach the Sustainable Development Goals and avoid any negative impact on third countries' ability to achieve them. As Greens, we go beyond the do-no-harm-principle. We will use all tools at hand to engage with partners to jointly change people's lives for the better and take action against the climate crisis, biodiversity loss, and environmental degradation. We will continue our push for the international recognition of the crime of ecocide.

**Green Deal partnerships for global justice.** We want the EU to make Green Deal Partnerships with countries, regions, and civil society actors to support the necessary *Global Green Deal* with investment, access to technology, and expertise. We want the EU to shape and share the technological development and economic frameworks of the decarbonized world, including by facilitating technology transfer to the Global South. Initiatives such as the Global Gateway and Just Energy Transition Partnerships must become key vehicles for opening green and resilient development pathways with partners and regions. The EU should seek to unlock as much investment in the green transition globally as it spends in the EU.

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**Decolonize now!** We call for a deep comprehensive and inclusive review of Europe's colonial legacy to ensure reparation, which can be material and symbolic, as well as accountability for past crimes. We support the push for the return of cultural artifacts. We want to correct disadvantageous clauses in trade agreements and push for reforms in development banks. The EU and its member states must work for sound debt restructuring and debt relief for particularly burdened countries. Official development assistance must be allocated in consultation with partners and civil society, in particular at the local level, and ensure local needs are met. Moving beyond a post-colonial posture means that EU external action should not put European interests or those of European companies over and above those of its partners.

## Appendix 1

### DELIVERING THE EUROPEAN GREEN DEAL

**On the path to a climate-neutral Europe by 2050.** Making Europe the first climate-neutral continent in the world is a binding commitment under the EU Climate Law. We set out proposals in July 2021 to make all sectors of the EU economy fit to meet this challenge, starting by reducing emissions by at least 55% by the end of this decade. The [‘Fit for 55’ legislation, now fully adopted](#), sets the EU on a path to reach its climate targets by 2030 in a fair, cost effective and competitive way. This comes ahead of the crucial COP28 UN Climate Conference, and next year’s European elections. It also shows that Europe is delivering on its promises made to citizens and international partners to lead the way on climate action and shape the green transition for the benefit of citizens and industries.

**Transforming our economy and societies.** Climate change is the biggest challenge of our times. And it is an opportunity to build a new economic model. The European Green Deal set the blueprint for this transformational change. A change which will bring with it many benefits, from creating new opportunities for innovation, investment and green jobs, to improving our health and wellbeing. All 27 EU Member States committed to turning the EU into the first climate neutral continent by 2050. To get there, they pledged to reduce emissions by at least 55% by 2030, compared to 1990 levels.

The EU now has **legally binding climate targets** covering all key sectors of the economy. The overall package includes:

- emissions reduction targets across a broad range of sectors
- a target to boost natural carbon sinks
- an updated emissions trading system to cap emissions, put a price on pollution and generate investments in the green transition
- and social support for citizens and small businesses

Member States will now spend 100% of their emissions trading revenues on climate and energy-related projects and the social dimension of the transition.

The new **Social Climate Fund** will dedicate €65 billion from the EU budget, and over €86 billion in total to support the most vulnerable citizens and small businesses with the green transition. This will ensure there are opportunities for everyone, by tackling inequality and energy poverty, and strengthening the competitiveness of European companies, leaving no one behind. To ensure a level playing field for European companies, the new **Carbon Border Adjustment Mechanism** will ensure that imported products will also pay a carbon price at the border in the sectors covered. This is a valuable tool for promoting global emissions reductions and leveraging the EU market to pursue our global climate goals.

**Making transport sustainable for all.** Our transition to greener mobility is offering clean, accessible and affordable transport and logistics solutions to all Europeans, connecting rural and remote regions. With the new CO2 standards, **all new cars and vans registered in Europe will be zero-emission by 2035**. As an intermediary step towards zero emissions, average emissions of new cars will have to come down by 55% by 2030, and new vans by 50% by 2030. This will put road transport on a firm path to zero-emission mobility in 2050: 55% reduction of emissions from cars by 2030; 50% reduction of emissions from vans by 2030; 0 emissions from new cars by 2035.

The EU is working to create the infrastructure citizens will need to charge zero-emission vehicles, for short and long journeys. Targets will be mandatory to deploy electric recharging and hydrogen refuelling infrastructure along European roads. Sufficient public charging capacity will be in place to meet the demands of the bigger fleet of zero-emission cars that will come onto the market as well as further supply of private chargers at home or at work.

In addition, from 2027, road transport will be covered by emissions trading, putting a price on pollution, stimulating cleaner fuel use, and re-investing in clean technologies. Carbon pricing also applies to the **aviation sector**. Until now, it applies to flights within the EEA and departing flights to Switzerland and the UK. From 2024, non-domestic flights to and from outermost regions are covered too. To promote sustainable aviation fuels (SAF), the minimum share of SAF required to be blended with kerosene by aviation fuel suppliers and supplied to EU airports has been increased. Carbon pricing has also been extended to the **maritime sector**. A target for gradual reductions for the annual average greenhouse gas intensity of the energy used onboard by ships has been established to promote the uptake of renewable and low-carbon fuels.

**Leading the green industrial revolution.** The green transition presents a major opportunity for European industry by creating markets for clean technologies and products.

With the [Green Deal Industrial Plan](#), presented in February 2023, we want to enhance the competitiveness of Europe's net-zero industry, and accelerate the transition to climate neutrality. Over €100 billion is the value of EU's net-zero start-ups ecosystem in 2021, doubling since 2020. More than 400 GW of wind and solar renewable energy production capacity in the EU in 2022, an increase of over 25% compared to 2020. 4.5 million green jobs in the European economy in 2019 up from 3.2 million in 2000.

The aim of the Green Deal Industrial Plan is to secure Europe's place as the home of industrial innovation and clean tech. To achieve this, the plan covers four key pillars:

- Predictable and simplified regulatory environment
- Faster access to funding
- Enhancing skills
- Facilitating open and fair trade for resilient supply chains

The **Net-Zero Industry Act**, presented in March 2023, is part of the Green Deal Industrial Plan to scale up manufacturing of clean technologies in the EU, create green jobs and make sure the Union is well-equipped for the clean-energy transition. It will create better conditions to set up net-zero projects in Europe and attract investments. **Objective:** at least 40% of the EU's annual deployment needs for strategic net-zero technologies by 2030.

**Cleaning our energy system.** Reducing greenhouse gas emissions by at least 55% by 2030 requires higher shares of renewable energy and greater energy efficiency. The Russian aggression on Ukraine and subsequent disruption of the energy market and prices, only reinforced the idea that the EU needs to end its dependence on Russian fossil fuels and accelerate the green transition.

With the [REPowerEU plan](#), presented in May 2022, the Commission unveiled its plans to help the EU: deploy more renewable energy; save energy; diversify its energy supplies

In March 2023, the EU agreed on stronger legislation to **increase its renewables capacity**, by **raising its binding target for 2030 to a minimum of 42.5%**, up from the current 32% target, with the ambition to reach 45%. This would almost double the existing share of renewable energy in the EU.

In addition, reducing energy consumption is essential to bring down both emissions and energy costs for consumers and industry. A new binding EU-level target is established to **improve energy efficiency by 11.7% by 2030**. Member States will have to make annual savings of an average of 1.49% from 2024 to 2030. Member States will now have to also implement energy efficiency improvements as a priority among people affected by energy poverty.

**Targets:** *42.5% new renewable energy for 2030 (with the ambition to reach 45%); 11.7% improvement in energy efficiency by 2030.*

The tax system for energy products must also support the green transition by giving the right incentives. Still under negotiation, the Commission proposed to align the minimum tax rates for heating and transport with our climate objectives, while mitigating the social impact and supporting vulnerable citizens.

**Renovating buildings for greener lifestyles.** Renovating our homes and buildings will save energy, protect against extremes of heat and cold and help tackle energy poverty. The Commission aims to at least **double renovation rates in the next ten years** and make sure renovations lead to higher energy and resource efficiency. This will enhance the quality of life for people living in and using the buildings, reduce Europe's greenhouse gas emissions, foster digitalisation and improve the reuse and recycling of materials.

To spur the necessary renovations, we proposed in 2021 a revision of the EU's **Energy Performance of Buildings Directive** to gradually improve the energy performance of buildings across Europe, taking carefully into account national circumstances. The necessary improvements can be achieved through a number of individual measures, such as installing insulation, replacing old windows or doors, upgrading heating systems, or installing solar panels.

The newly created **Social Climate Fund** will support EU citizens most affected or at risk of energy or mobility poverty. It will provide over €86 billion in total to support the most vulnerable citizens and small businesses with the green transition. The Fund will support these vulnerable groups through structural measures and investments in energy efficiency, the renovation of buildings (e.g. insulation), clean heating and cooling (e.g. heat pumps), and integration of renewable energy (e.g. solar panels) as well as in zero- and low-emission mobility and transport, including public transport.

To complement new EU rules on buildings and guide Member States' efforts, there is a new indicative national benchmark of 49% of renewable energy in the buildings sector. The **public sector** will also be subject to a new annual energy consumption reduction target of 1.9%. The obligation of Member States to renovate each year at least 3% of total floor area of buildings owned by the public administration is extended from the central government to all levels of public administration. In addition, from 2027, **building and transport fuels will be covered by emissions trading**, putting a price on pollution, stimulating cleaner fuel use, and re-investing in clean technologies.

**Working with nature to protect our planet and health.** Nature is an important ally in the fight against climate change. Restoring nature and enabling biodiversity to thrive again offers a quick and cheap solution to absorb and store carbon. The [EU's biodiversity strategy for 2030](#) is a comprehensive long-term plan to protect nature and put Europe's biodiversity on the path to recovery, for the benefit of people, climate and the planet.

The strategy contains specific commitments and actions:

- enlarging the existing Natura 2000 areas, the EU-wide network of protected land and sea areas
- launching an EU nature restoration plan, including the first ever [Nature Restoration Law](#) currently under negotiation
- unlocking funding for biodiversity, to enable the necessary transformative change
- introducing measures to tackle the global biodiversity challenge

In particular, nature restoration plays an important role in limiting the progress of global warming by **capturing and storing carbon**, and in adapting to climate change, as well as in mitigating the impact of increasingly violent natural disasters such as floods, droughts and heat wave. Additionally, the unsustainable use of natural resources, in particular the degradation and pollution of soils, is a major driver of the climate and biodiversity crises. To tackle this, the Commission proposed a [Soil Monitoring Law](#), which will put the EU on a pathway to healthy soils by 2050, by gathering data on soil health and making it available to farmers and other soil managers.

Enhancing net carbon removals and boosting carbon sinks in the EU is paramount. The EU target for net carbon removals by natural sinks will increase to 310 million tonnes of CO<sub>2</sub> equivalent by 2030. Member States share responsibility for removing carbon from the atmosphere, they are responsible for caring for and expanding their carbon sinks to meet the new EU target.

**Bioenergy** contributes to the phase-out of fossil fuels and the decarbonisation of the EU economy. But it must be used sustainably. A strict, new criteria to avoid unsustainable forest harvesting and to protect areas of high-biodiversity value will be applied in line with the increased climate and biodiversity ambition.

**Boosting global climate action.** We can only solve the global threat of climate change by working with our international partners. The European Green Deal has already set a positive example and led major international partners to set their own target dates for climate neutrality. With investment in renewable energy technologies, we are developing expertise and products that will also benefit the rest of the world. With the shift to green transport, we are creating world leading companies which can serve a growing global market. By working with our international partners, we will reduce emissions together in maritime transport and aviation around the world.

At the UN's [COP28 Summit](#) in Dubai in 2023, the EU pushed for substantially scaling up global climate ambition to keep the 1.5°C objective within reach, in line with the Paris Agreement. The EU has also secured agreement to accelerate the global transition away from fossil fuels and triple renewables and double energy efficiency this decade. The EU, its Member States and the European Investment Bank are together the biggest contributor of public climate finance to developing economies, providing **€28.5 billion in 2022**.

**Where does the EU fund climate action? Geographical distribution EU climate finance**

Global climate funds, multilateral organisations: Africa: 31.68% Africa: 31.68% Asia: 26.65% Asia: 26.65% Americas: 15.79% Americas: 15.79% Europe: 8.27%Europe: 8.27%Other\*: 17.63% Other\*: 17.63%

(From the *European Commission*: 6<sup>th</sup> February 2024)

## Appendix 2

### STATEMENTS FROM SOME EUROPEAN LEADERS

By **Josep Borrell**, High Representative of the European Union for Foreign Affairs and Security Policy.  
Vice-President of the European Commission

and **Wopke Hoekstra**, European Commissioner for Climate Action

“Present trends are racing our planet down a dead-end three-degree temperature rise,” United Nations Secretary-General [António Guterres](#) recently [warned](#). He is right. Unless we act decisively – beginning at the United Nations Climate Change Conference (COP28) underway in Dubai – the threat that climate change poses to humanity will become nothing short of existential. Already, climate change is a major risk multiplier for conflict and instability. Extreme weather events like floods and heatwaves have led to the [forcible displacement](#) of more than 20 million people each year since 2008. By 2050, more than one billion people may have [insufficient access to water](#), and more than 200 million may be forced to [migrate](#).

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The European Union is doing its part to avoid such an outcome. With the [European Green Deal](#), we are aiming, by 2030, to reduce our greenhouse-gas emissions by at least 55%, ensure that more than 42.5% of our energy comes from renewable sources, and increase energy efficiency by at least 11.7%. We strive to become climate-neutral by 2050.

Central to our strategy for achieving these goals is putting a price on carbon dioxide emissions. But imposing a carbon price only on EU production risks simply pushing carbon-intensive activities beyond our borders. Such “[carbon leakage](#)” would mean losing jobs in the EU without achieving any reduction in global emissions.

That is why we implemented the [Carbon Border Adjustment Mechanism](#) (CBAM), which ensures that the most carbon-intensive imports are subject to a carbon price in line with that put on European goods. This is not protectionism. Rather, it is a necessary step to ensure that our ambitious decarbonization measures are helpful for the global climate.

We also want to take responsibility for the greenhouse-gas emissions caused outside the EU by our consumption of imported goods, which is why we are “greening” our trade policy. In particular, we want to ensure that the products we import no longer contribute to [deforestation](#) – one of the greatest threats to the climate and biodiversity. We know that the requirements stemming from this EU law are causing tensions with some of our partners. We are ready to support them in implementing these measures and to address together the challenge of deforestation.

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While Europe bears an important historical responsibility for climate change, we account for just 7.5% of [global emissions today](#), meaning that **the actions we take at home can have only a limited impact on the world’s climate. The only solution to climate change is a global one.** At a time when multilateralism is under growing pressure, agreement on how to meet the [targets](#) set at COP21 in Paris would not only ensure a safe future for our children, but also would show that multilateral institutions can still deliver.

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**The green transition will succeed only if it is just and benefits all.** The most climate-vulnerable countries have contributed little to climate change but risk bearing the brunt of it. While they must be part of the global race to net-zero emissions, they need and deserve greater support when it comes to climate adaptation and the green-energy transition. The EU is prepared to deliver such support – and help our partners avoid repeating our past mistakes.

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It is time to align both public and private financial flows with the goals laid out in the Paris climate agreement, and take climate finance from billions to trillions. At the same time, the international financial institutions and multilateral development banks need to be reformed, so that they can do more to support the delivery of global public goods. And the new [Loss and Damage Fund](#) needs the appropriate financial firepower. The [first substantial pledges](#) are encouraging. Here, too, China will be an indispensable partner.

In an increasingly multipolar world, shaped by the return of great-power politics, concerted international cooperation might seem far-fetched. But in the face of such a global existential challenge, we must succeed.

(Exerpts taken from *Project Syndicate* 1-12-2023)

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### **Emmanuel Macron, President of France**

We must not allow the ongoing war in Ukraine and the fighting in Gaza to distract us from collective efforts to reduce our greenhouse-gas emissions, achieve carbon neutrality by 2050, save our biodiversity, and fight poverty and inequality. A flurry of summits in recent years has clarified the main priorities in the coming years.

The ongoing war in Ukraine and the fighting in Gaza following Hamas’s October 7 terrorist attack must not distract the world from our collective priorities: reducing our CO<sub>2</sub> emissions, aiming for carbon neutrality by 2050, preserving biodiversity, and fighting poverty and inequality. This is the doctrine France is implementing at an international level, through the Paris Pact for People and the Planet and the One Planet summits. The cornerstone of our strategy must be to speed up the ecological transition as well as the fight against poverty. After all, it is now crystal clear that no country will work to protect the planet if the price it must pay leads its citizens into a socioeconomic dead-end.

The world’s most advanced economies, which have also been the main CO<sub>2</sub> emitters since the industrial revolution, must move away from fossil fuels. If we want to meet the goals of the Paris climate agreement, this is nonnegotiable.

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The threat posed by coal must be addressed first. Today, the 2,000 gigawatts of installed capacity emit enough CO<sub>2</sub> to take us above 1.5°C. While the International Energy Agency recommends withdrawing 92 GW per year, 500 GW of additional capacity is already planned. While it is the G7’s responsibility to move away from coal by 2030 (France will have done so in 2027), emerging economies are now the biggest coal consumers. In these countries, we need to speed up the financing of renewables, as well as nuclear power, which, as a manageable and a decarbonized energy source, must play a key role.

We must also put private financing and trade at the service of the Paris agreement. The cost of investment must be higher for players in the fossil-fuel sector. We need a green interest rate and a brown interest rate. Similarly, we need a climate clause in our trade agreements, because we cannot simultaneously demand that our industries become greener while supporting the liberalization of international trade in polluting products.

For the most vulnerable countries, we must create conditions that enable them to finance their climate-change mitigation and adaptation efforts and access the green technologies that are the new engines of growth. This implies going further than traditional “official development assistance”

and doing for vulnerable countries what rich countries did for themselves during the COVID-19 pandemic: pursue an unorthodox fiscal and monetary policy.

The results are already there: in two years, following the initiative we took in Paris in the spring of 2021, we have released over \$100 billion in special drawing rights (SDRs, the International Monetary Fund’s reserve asset) for vulnerable countries. By activating this “dormant asset,” we are extending 20-year loans at near-zero interest rates to finance climate action and pandemic preparedness in the poorest countries. We have begun to change debt rules to suspend payments for such countries, should a climate shock occur. And we have changed the mandate of multilateral development banks, such as the World Bank, so that they take more risks and mobilize more private money.

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Moreover, we must focus on building the basis of a “bio-economy” that will pay for the services provided by nature. Nature is our best technology to sequester carbon on a large scale. The countries with the most important carbon and biodiversity reserves, especially in the three main tropical forest basins, must obtain much greater resources, determined on a country-by-country basis, in exchange for their stewardship of these vital reserves. France has already launched three contracts of this type at COP28, with Papua New Guinea, the Republic of the Congo, and the Democratic Republic of the Congo.

But reform of the voluntary carbon market is essential. We need to create an international carbon and biodiversity exchange that will allow governmental and private actors to organize voluntary carbon credit swaps, based on sufficiently ambitious criteria to avoid greenwashing, and to remunerate local communities.

The ocean is our most important carbon sink, and we must protect it. France and Costa Rica will convene the third United Nations Ocean Conference in Nice in June 2025, with the aim of updating international law, including on the prohibition of plastic pollution and on protection of the deep sea and seabed. These reforms would also enable the development of national strategies for seaboard protection by countries with exclusive economic zones.

Finally, **we will not succeed if we cannot reform the World Bank and the IMF**, which play a prominent role in establishing the norms and financing the green transition on a global scale. Eighty years after their creation, these institutions remain underfunded, relative to the size of the global economy and population, and emerging and developing countries continue to be shut out of their governance. But we will not be able to agree on goals and financing until every country negotiating is on an equal footing. To this end, **we must review Bretton Woods governance**, and ask emerging countries to assume their share of accountability in financing global public goods.

(Exerpts from Project Syndicate 27 December 2023)





## Appendix 3

### CAN THE IMF AND THE WORLD BANK REALLY BE CHANGED?

by JAYATI GHOSH

As the [Bretton Woods institutions](#) complete 80 years of existence—since they were agreed upon at an allies’ conference on a postwar financial and monetary order in the New Hampshire town—some stocktaking is inevitable. This is however a rather depressing exercise.

The international financial institutions, the International Monetary Fund and what came to be known as the World Bank, were created in a buzz of optimism about the potential for international economic co-operation as the second world war was coming to a close. But their functioning has fallen far short of what the architects of the system then would have hoped. In their first decade, both institutions were heavily focused on lending for reconstruction.

Thereafter, when lower-income countries did start receiving funds, the conditionalities associated with the loans—heavily oriented towards ‘fiscal discipline’, expressed as austerity and privatisation of public goods and services—became highly controversial and very often did not deliver the desired outcomes. Through the debt crises of the developing world in the 1980s and 90s, the IMF effectively became the debt collector, enforcing programmes designed to benefit (or even save) the creditor banks based in the global north.

So well-known was this pattern that by the early part of this century, most lower-income countries had opted for self-insurance, holding excess foreign-exchange reserves to avoid having to approach the IMF. The institution was in decline, with few client countries, and increasingly irrelevant. It was, ironically, saved by the Global Financial Crisis, when G20 countries decided to use the IMF as the conduit for rescue funds. Thereafter, the eurozone crisis became yet another opportunity for the IMF to provide very large (and [controversial](#)) loans—and since then it has been very much back in business. The underlying politics of the choice of recipients and the varying amounts of loans offered have unfortunately become even more evident. A record loan of (ultimately) \$57 billion was offered in 2018 to the then president of Argentina, Mauricio Macri, because of his closeness to the United States president, Donald Trump, and his willingness to engage in blatantly neoliberal policies. That loan was so [poorly designed](#) that it was associated with massive outflows of private capital, so that in a few years Argentina was back in a debt crisis, with Macri’s successor having to clean up the mess.

#### **Fit for purpose?**

The deeply geopolitical nature of the operations and the problems with the programmes are not the only reasons why the revival of the IMF as the supposed financial stabiliser of the global economy is problematic. There is a real question about whether the IMF and the World Bank are fit for purpose in a global economy which has changed dramatically.

During those eight decades, there has been a transformation in the relative sizes and significance of national economies while, among other trends, private financial flows have risen markedly. The institutions now betray major inadequacies in their organisation and functioning.

The sharply increasing [economic](#) and [ecological](#) inequalities across the world are thereby accentuated, creating social and political tensions and geopolitical conflicts which are ever more intense. Humanity faces common challenges which require global public investment [on a large scale](#). But the IMF and the World Bank are too slow, unwieldy and (let’s admit) miserly in their responses, exacerbating rather than assuaging these problems.

Some of this is because of the outdated governance of both institutions. Quotas and voting rights are skewed heavily in favour of a few rich economies with a small minority of the world’s

people. This is now even more difficult to justify, given those states' diminished shares of global output and world trade, which obviously affects their credibility and legitimacy. The 'gentlemen's conventions' on the leadership of these institutions—an American at the head of the World Bank, a European at the head of the IMF—can no longer be justified at all.

More open, transparent and democratic processes must be introduced for choosing the leadership. The IMF's executive board should be expanded to ensure more representation from global-majority countries, especially from Africa. For important decisions, a double-majority voting mechanism would ensure that decisions had the support of principal shareholders as well as the majority. There should also be a general increase in quotas and shares to reflect the changed contours of the global economy.

Changes in functioning may be even more important. For too long, both institutions have operated within a narrow and excessively market-oriented economic framework. This has repeatedly failed to resolve the problems of indebted countries and those with foreign-exchange difficulties, and is unable to address the big questions that fall outside the very restrictive and unrealistic assumptions informing the underlying economic model.

The result has been imposition of conditions associated with lack of development, extreme volatility and periodic crises in many countries—and repetitive need for assistance. The economic model must change, to take account of demand-side factors, the multipliers of public investment, the impact of specific policies on social and economic rights (employment, economic inequalities, access to basic goods and services, social protection and environmental conditions) and climate change.

### **Preserving power**

Many things could be done even within the current restrictive framework of the institutions. One of the most obvious is the issuance of new special drawing rights (SDR)—the liquidity created by the IMF—and subsequent annual new issues in line with the increase in global gross domestic product. The United Nations [High Level Advisory Board on Effective Multilateralism](#) (of which I was a member) has recommended that the IMF introduce a system of 'selective SDR allocation', rather than new allocations being based on quotas which disproportionately provide SDR to rich countries that **do not need** or use them. Only those countries that face weak external positions would then receive additional SDR, automatically triggered by specific conditions—such as climate, terms-of-trade or interest-rates shocks or capital flows resulting from global dislocations. Similarly, with regard to sovereign debt, the IMF should actively create a multilateral legal framework ensuring the participation of all public and private creditors in debt workouts. Relief packages should promote a revival of economic activity and progressive realisation of human rights. These reforms are obvious, but they appear very unlikely given the resistance of a few rich countries, intent on preserving their power in these institutions. Given so many rapid and often unforeseen changes in the global economy, such foot-dragging could doom the institutions to irrelevance once more. With multilateral action so urgently needed, that would be not just a missed opportunity but a tragedy.

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