

## RESOLUTION OF THE UEF FEDERAL COMMITTEE ON “A SOVEREIGN EUROPE FOR A SUSTAINABLE FUTURE BY 2030 AND AGAINST CLIMATE CHANGE”

*Adopted by the UEF Federal Committee, 23-24th November 2019, Rome*

The Federal Committee of the Union of European Federalists,

considering

- That the fight against climate change requires urgent action at European and global level;
- The alarming findings of the IPCC Special Report on Global Warming of 1.5°C, published in 2018;
- That the raise of awareness amongst citizens and economic actors is creating favourable circumstances for far-reaching actions at European level;
- The commitments undertaken by the European Union and its Member States under the Paris Agreement within the United Nations Framework Convention on Climate Change, and the need of far-reaching policy decisions and investments for their implementation;
- The commitments taken by the European Union within the framework of the United Nations Sustainable Development Goals (SDGs) which are a “global plan for action for people, planet and prosperity” under the pledge to “leave no one behind” (which is the core of the 2030 Agenda);
- The importance of a concrete follow up of the proposals submitted by the European Commission Reflection paper “Towards a Sustainable Europe by 2030” published in January 2019;
- That the fight against climate change is a complex challenge that requires wide-ranging actions and very significant resources at European and national level to transition European economy, especially in the field of energy production and ways of transport, versus a more sustainable economic and social model;
- That climate change features high in the priority of the new European Commission and proposals for a European Green New Deal are expected to be presented in the coming months;
- That such proposals must be ambitious and far-reaching to be up to the challenges and expectations of the European citizens and economic and social actors, in full respect of the commitments taken for empowering people and ensuring inclusiveness and equality;
- That the European Union doesn’t have all competences and resources necessary to adequately fight climate change at European level and the EU governance system hinders action in the most sensitive field;
- That only a sovereign Europe can mobilise resources for a radical renewal of European economy and society with innovative policies and investments in a green direction and play a crucial role, as a model and as a political power, in ensuring that countries in the rest of the world respect their international commitments and take more radical measures against climate change;
- That the refoundation of the European Union towards a democratic and sovereign entity and its effective engagement against climate change and implementation of the SDGs must go hand in hand;

- That the European Court of Auditors has estimated that in order to reach the EU's 2030 climate and energy target, about 1,115 billion euros of investments will be needed annually over the 2020-2030 period mostly in transport and in the residential and services sector, which is only realistic with a massive mobilisation and re-orientation of public and private investments towards the fight against climate change in the context of a European strategy and action plan;
- That the fight against climate change should not be seen as a cost for the European economy and citizens but rather as an investment in the future and an opportunity to transition to a more sustainable economic and social model creating jobs in new fields, developing new technologies creating healthier living conditions, preserving natural resources and ensuring a future to many coastal areas facing an existential risk;
- Social measures at appropriated level (including at European level), reducing inequalities and discrimination, promoting social justice and prosperity are required to ensure that the social costs of the transition are fairly distributed and those businesses and most disadvantaged sectors of society impacted by the economic transition are adequately supported;
- That a new European pact against climate change can be the new project for a European refoundation, which can play the same role played by the coal and steel community in the last century, towards a sovereign and federal Europe, gaining the hearts and mind of many young European citizens to the European project;
- That a new European Action Plan is necessary to ensure a holistic and coherent strategy for the implementation of the SDGs:

1. Submits the following policy proposals to be integrated in the new European Commission's program for the next 5 years and in particular in the package for a European Green New Deal:

#### Objectives

- The European Union must adopt and implement a credible plan, with binding commitments, towards net-zero CO<sub>2</sub> emissions as soon as possible – advancing its current target of becoming “carbon neutral” only in 2050 – and must create the social and economic conditions to make such plan possible;
- The European Union should develop in 2020 a EU Action plan on the implementation of the SDGs based on existing national (and regional) action plans;

#### Taxation

- Member States should be required to phase out subsidies to fossil fuels within an agreed time-frame compatible with the European Union's emission targets, thus preventing market distortions and freeing revenues for other measures against climate change while ensuring that social costs of such measures are adequately compensated in other forms such as lower labour taxation and decreased taxation on lower incomes;
- The use of fossil fuels in sectors currently exempted, such as aviation and shipping, should be adequately taxed in a uniform way in all Member States;
- Taxation on the transport of goods and persons should be uniform at European level to prevent market distortions;
- Taxation on CO<sub>2</sub> emissions should be harmonised at the same levels in all EU member states and extended to all CO<sub>2</sub> emission activities, to establish a consistent “floor price” on CO<sub>2</sub> across Europe, thus complementing the existing European emissions trading system;

- A Europe-wide CO<sub>2</sub> tax on aviation fuel on international flights cross-border maritime and river shipping should be introduced as an EU own resource<sup>1</sup>;
- Require Member States to shift taxation from labour to carbon emissions, both for companies and individuals (in particular in the fields of individual transport and home consumption);
- A CO<sub>2</sub> border tax should be introduced as EU own resource on the import into the European Union from non-EU countries to ensure such goods have a CO<sub>2</sub> cost equivalent to the one in the EU;

#### Carbon emission trading

- The EU's ETS cap & trade system should be amended, including (a) its extension to all manufacturing operations, including small and medium enterprises; (b) its extension to sectors currently exempted such as aviation and shipping; (c) decreasing of the existing stock of emission allowances now in circulation by increasing the thresholds required for future compliance; (d) abolishing the system of free allocations; (e) cancelling emission allowances issued for assets put out of operation;

#### Infrastructures

- The use of EU funds should be subject to a climate change impact, on the basis of which (a) funds for transport infrastructure having a negative impact on climate change should be phased out, and (b) investments in infrastructure and technologies required for an environment transition should be prioritized;
- Investment in infrastructures required to fight climate measures should be exempted from the deficit rules in the Growth and Stability Pact;

#### Financing

- A European Fund should be created to support measures by Member States to phase out fossil fuels and address the economic and social costs from the closure of stranded assets;
- A climate change impact assessment should be introduced for all investments by the European Investment Bank, penalising projects with a negative impact on climate change and prioritising projects with a positive impact;
- The European Investment Bank should set-up a dedicated fund/program to support investments with a positive impact on climate change;
- The EU should increase the size of project bonds in green investments;
- With a view to greening the future EU Multiannual Financial Framework, all projects financed by the European Union must comply with the Union's climate objectives;

#### Monitoring

- The revision of the EU regulation on non-financial reporting should be finalised during 2020 (based on the results of the existing evaluation), in order to extend the scope to new provisions which are necessary for improving transparency, accountability and responding better to global challenges;
- EU financial regulations on capital markets should require disclosures on companies' compliance with Sustainable Development Goals;
- A "Sustainability Rating Agency" should be set-up, dedicated to assessing companies' compliance with Sustainable Development Goals;

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<sup>1</sup> As put forward by the European Citizens Initiative Fairosene, ECI (2019) 000009.

## Trade Agreements

- EU trade policy should discourage the trade of energy that is contrary to the EU's sustainability goals;
- EU Trade Agreements should strengthen the sustainability chapter, including new concrete and measurable commitments to climate change standards and developing a strong implementation mechanism;
- The EU should promote World Bank sustainable development goals and climate neutrality;

## Common Agricultural and Forestry Policies

- The Common Agricultural Policy must take into account that the agricultural sector will play a crucial role to achieve a climate-neutral European economy;
- The EU budget should support investments and projects for the development of new green technologies to support a swift, competitive and fair green transition in the agricultural sector;
- Binding targets should be set for reducing the production, transportation and use of mineral fertilizers to contribute to CO<sub>2</sub> and NO<sub>x</sub> emissions;
- In the short term, pilot actions linked to the fight against deforestation and the promotion of sustainability should be developed with selected third countries;

2. Submits the following governance proposals to be implemented as soon as possible by decisions of the relevant EU institutions:

- Implementation by Member States of European regulations and measures in the field of climate change must be a priority. Such implementation should be properly monitored, reported and enforced by the European Commission, against recent trends;
- The European Semester policy cycle should include reporting and monitoring on sustainability goals, setting country-specific recommendations and related enforcement mechanisms;
- Conditionality should be introduced in EU funding in relation to implementation by Member States of measures against climate change and actions promoting sustainability;
- The comitology system should be further reformed to (a) ensure that the European Parliament has the final say on technical decisions that have a significant impact on regulations affecting climate change; (b) decisions and votes are made public and can be scrutinised;
- More resources should be made available to the European Parliament to strengthen its independent research capabilities in its law-making activities, ensuring Members of Parliament have a more independent view and don't rely only in inputs from the industry sector;
- Regulatory and monitoring powers currently in national agencies in fields affecting climate change should be transferred to European agencies with proper executive powers;
- Measures need to be taken to promote (or build) a European energy market;
- Europe's actions against climate change should feature high in the policies to be discussed in the announced "Conference on the future of Europe";

3. Submits the following governance proposals to be integrated in the new reforms of the EU Treaties:

- Climate goals should be "constitutionalised" as one of the EU goals;
- While Member States should maintain the right to decide their energy mix, the EU should be given the competences to establish limits to Member States discretion in this area and to set European-wide policies in all fields required for sustainable development;
- Qualified majority voting should replace unanimity in taxation in energy questions, but in a way that doesn't force Member States to adopt regressive measures for climate change;
- Co-decision for the European Parliament should be introduced in the field of taxation in energy questions;

- The EU should have its fiscal sovereignty (its own ability to “tax and spend”) to be able to mobilise and utilise the financial resources required for transitioning European economy and society towards its climate neutral sustainable goals.

Rome, 23<sup>rd</sup>- 24<sup>th</sup> November 2019