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## 12 years to save the planet

### **We have the money (to finance it). What we need is political will!**

The latest [Special IPCC report on Global warming](#), published in October, warned that we only have **12 years left** to reduce greenhouse gas emissions and shift our economies and societies to **keep within a maximum of 1.5°C** global warming. Scientists agree that there is no compromise possible here - either we stay within 1.5°C or we risk destroying our life support system on the planet.

Yet we keep hearing that there isn't enough money to finance a green transition. Let's go back 10 years: October 2008, when the European Central Bank rapidly created trillions of euros of fresh money to save a bloated and fragile financial system.

The Greens/EFA Group challenges the view that we cannot finance the green transition and that it will be extremely costly. Financing the Green transition is clearly possible, and acting on it now will deliver a **triple dividend**: environmental, social and economic.

### **The transition is cheaper than the cost of non-action**

According to the European Commission, the total additional investment needed for a green transition in the EU could reach [175 to 290 billion euros per year](#) (up to 3.2 trillion by 2030). **To recall, that's much less than the EUR 5 trillion bail-out funds** approved for banks at the height of the financial crisis!

### **The money is there, it needs to be invested in the right way**

We also need to stress the fact that the EUR 3.2 trillion sum is not "lost money" but an investment that will generate environmental and societal benefits **and even economic returns**. When we compare it with the cost of **NOT acting, which is estimated at EUR 190 billion per year (\*)** and when we know that waiting until 2025 could add hundreds of [billions more](#), we clearly understand that it does make sense to hasten this transition!

### **No more subsidies for fossil fuels**

If we are serious about limiting the terrible impacts of global warming, there is clearly no possibility for polluters to get a free ride and for fossil fuels to continue being subsidised anymore when so many green

options are now available. Money needs to be spent and invested wisely: A green and just transition will not only generate replacement jobs for those working in fossil fuel industries, but also **create 2 million new jobs**, thereby improving many households' living standards. Longer-term economic gains could support ordinary citizens through tax-neutral mechanisms, such as transferable rebates.

Ensuring that heavy polluters pay their part and putting a price on carbon gives the right economic incentives to lower consumption and switch to renewables. It also provides revenues to promote a **socially just green transition where the most vulnerable in society receive adequate support, and that sustainable sectors are encouraged and promoted as much as possible.**

The example of renewables speaks for itself: powering society off renewables will save up to 150 billion euros per year in fossil fuel imports. It will tackle health and environmental damages caused by fossil fuels. Where governments have shown leadership, renewables are even becoming cheaper than fossil fuels.

### **Funding the Green transition - where should the money come from?**

In the short term:

- Shift the burden away from ordinary citizens and on to the polluters, by putting a price on environmentally damaging activities according to the “polluter pays” principle
- Shifting public funding and subsidies from polluters (tax break guarantees, free issuance of emissions certificates, European Central Bank asset purchases, etc.) toward sustainable activities (over EUR 105 billion).

In the short to medium term:

- Tackling corporate and individual tax evasion and avoidance (EUR 400 - 1,000 billion), as well as [shifting short-term investments](#) toward meeting long-term sustainability objectives (EUR 180 billion).
- Introducing a steadily rising minimum price for carbon by revising the EU's Emissions Trading System and carbon tax, and including border adjustments to charge for imported emissions (EUR 30 billion \*\*).

Clearly, one cannot argue that the green transition is too expensive or complicated to put in place. There are numerous cost-effective solutions: polluters must play their part, subsidies must go to sustainable sectors and renewables rather than fossil fuels or any other false solutions such as nuclear or carbon capture and storage. The priority for politicians and companies when thinking of job creation should be **creating green jobs**. Not supporting a system that has for too long now shown its limits and the disastrous impacts at social and ecological level.

[Read more about the Greens/EFA climate plan](#)

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\*Using taxes to set a minimum price on fossil fuels gives the right economic incentives to lower consumption and switch to renewables, while providing revenues to promote a **socially just, Green transition**. Such revenues as well as other taxes on polluters can be redistributed to the public to **offset the economic costs to ordinary people and sustainable sectors**.

\*\* Read the [Greens/EFA Investment Plan for Europe](#) for more information

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