

**THE TOOLS TO ENSURE THE DELIVERY OF
AN AMBITIOUS GREEN RECOVERY PLAN**

**PIERRE LARROUTUROU MEP
GENERAL RAPPORTEUR FOR THE 2021 EU BUDGET**



**A 750
BILLION €
RECOVERY IS
HISTORIC**

**... BUT WILL
NOT SUFFICE**



Ursula von der Leyen #UnitedAgainstCoronavirus ✓
@vonderleyen

Generations before us have built a Union of peace and prosperity, without peer or precedent anywhere in the world. Today we face our own defining moment.

With [#NextGenerationEU](#) we can build a green, digital and resilient future for our Union. 🇪🇺 europa.eu/!Ub44dU

[Traduire le Tweet](#)



2:07 PM · 27 mai 2020 · [Twitter Web App](#)

1 k Retweets 2,4 k J'aime



**... BUT THE INVESTMENT GAP
FOR CLIMATE & JOBS
REMAINS ...**



**BUSINESS
FEDERATIONS
ASK FOR A
RECOVERY
PLAN OF “UP
TO 5% OF GDP
EVERY YEAR
UNTIL 2023”**



Nos priorités

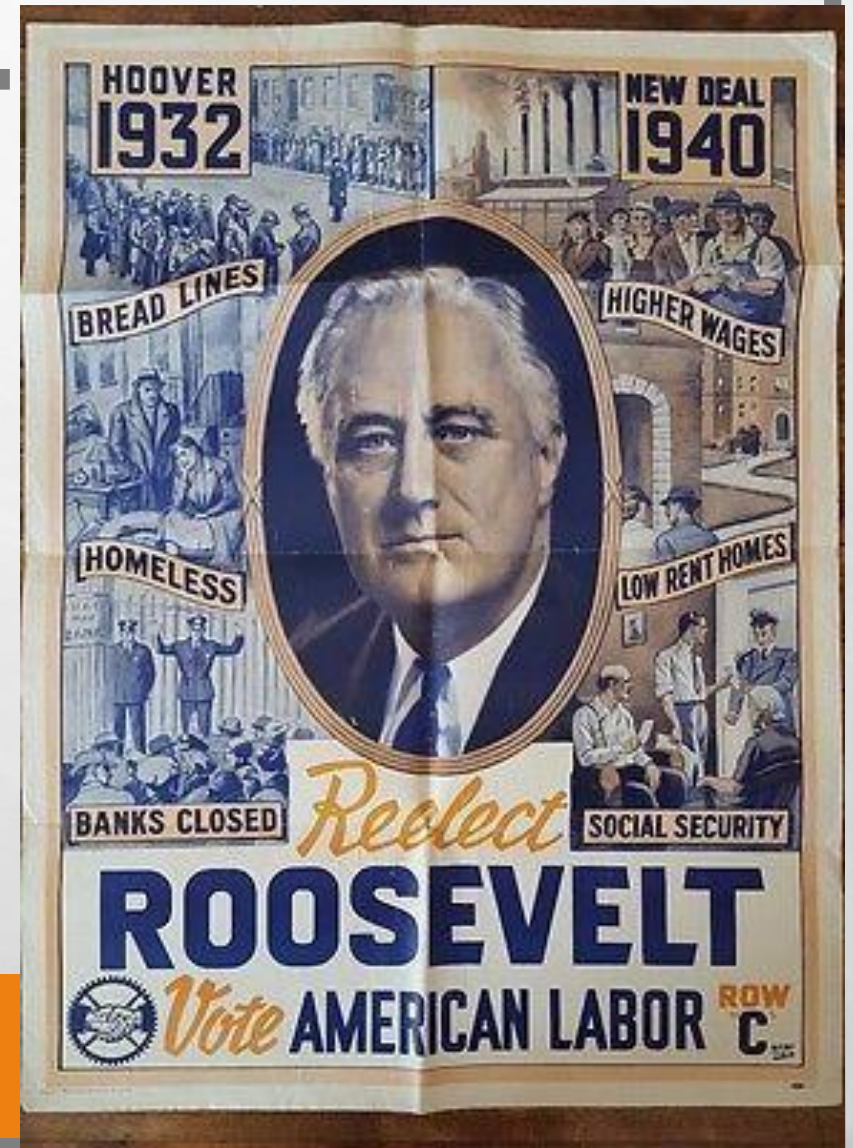
Pour la relance européenne :

Solidarité, soutenabilité, numérique

Berlin, Paris, Rome, 11 Mai 2020

**THE GREEN NEW DEAL IS OF COURSE INSPIRED
BY F.D. ROOSEVELT'S NEW DEAL**

**BUT FOR HIS NEW DEAL,
ROOSEVELT MULTIPLIED
THE US FEDERAL BUDGET
BY ... 3 !**



WE NEED A MASSIVE AND SUSTAINABLE RECOVERY

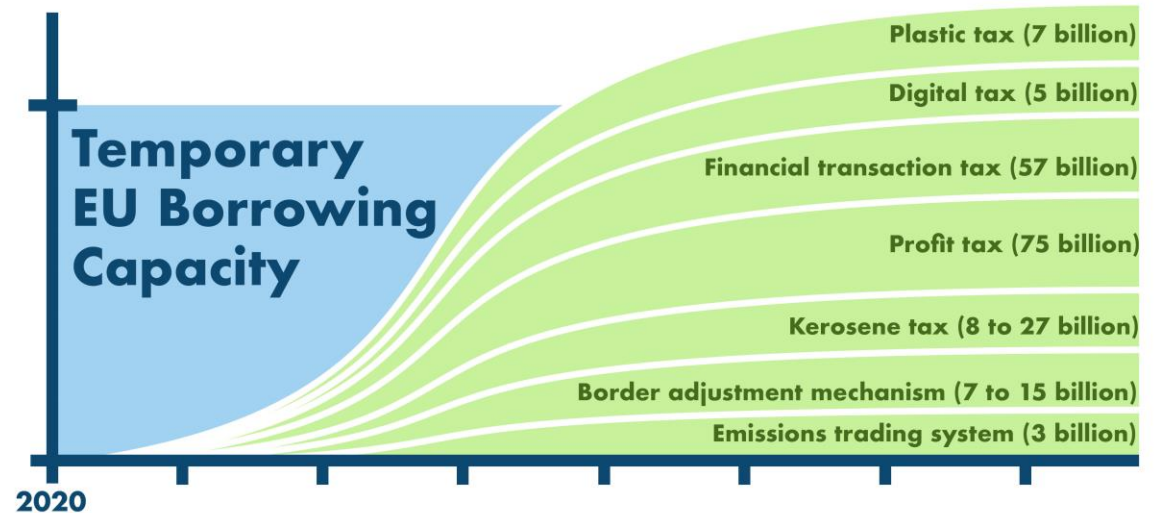


**IN JAPAN, SINCE 1989, EVERY TIME THE RECOVERY PLANS STOP
THE COUNTRY FALLS BACK INTO RECESSION**

**WE CAN
REASSURE
MARK RUTTE:**

**NETHERLANDS
WILL NOT
HAVE 1€ TO
REPAY**

 **OWN RESOURCES FOR A SUSTAINABLE RECOVERY**



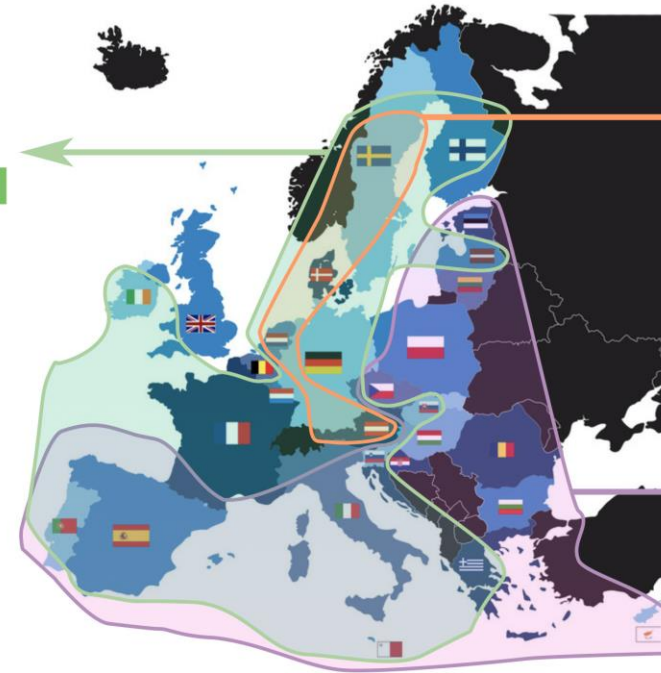
**OWN RESOURCES
MAY BE THE KEY TO
RE-UNITE**

**THE FRIENDS OF
COHESION,
AND THE FRUGAL 4,
WHICH ARE AMONG
THE CHAMPIONS
OF THE GREEN DEAL**



Re-uniting the Union

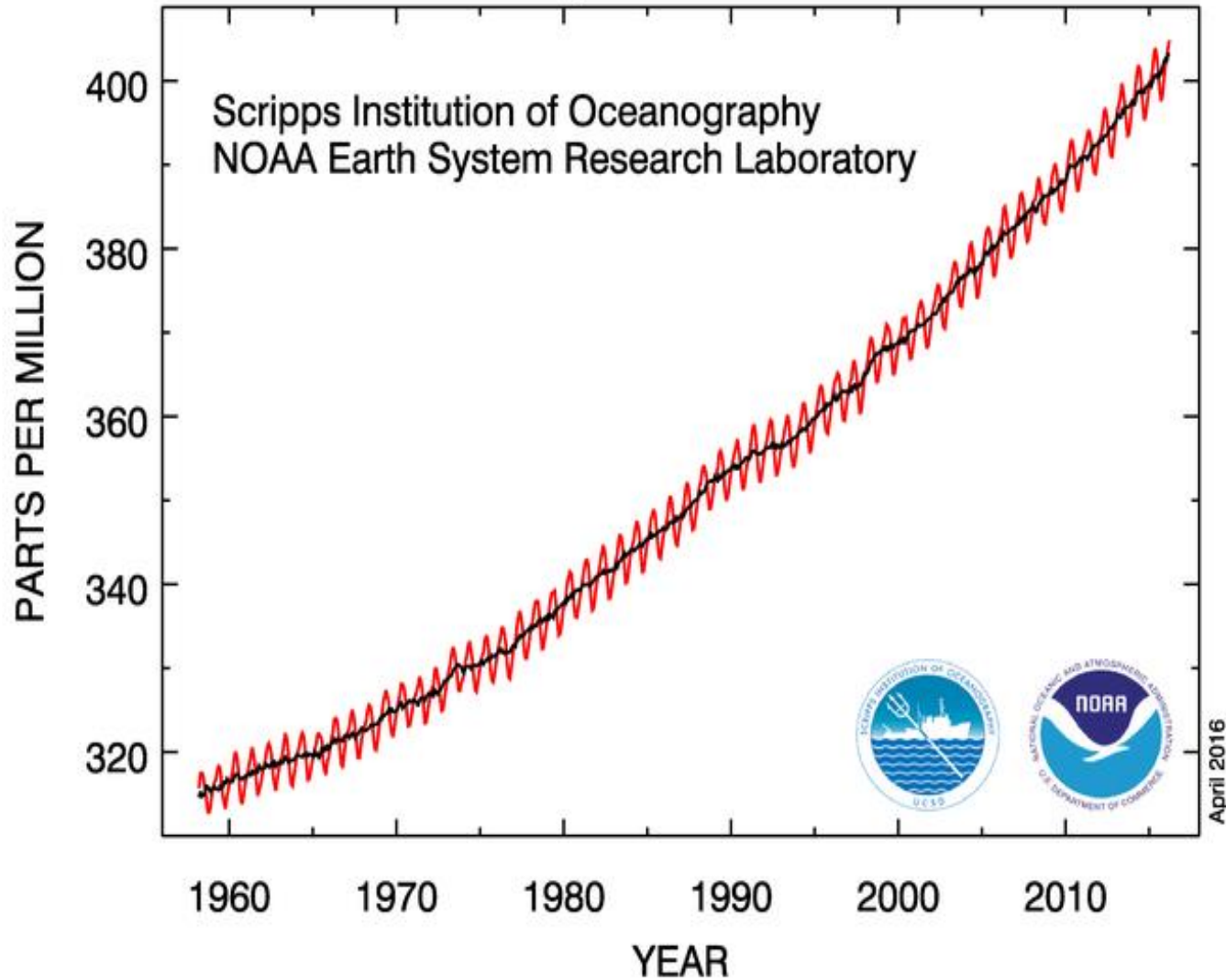
**“Green Deal
must be central
to a resilient
recovery”
more budget
for Green Deal**



**“Frugal 4”
less budget**

**“Friends
of cohesion”
more budget**

Atmospheric CO₂ at Mauna Loa Observatory



**In May 2020,
CO₂ levels reached
417 ppm**

**It rises today
3 times faster
than in the 1960s**

**Despite the economic crisis
the climate situation is
getting worse and worse**

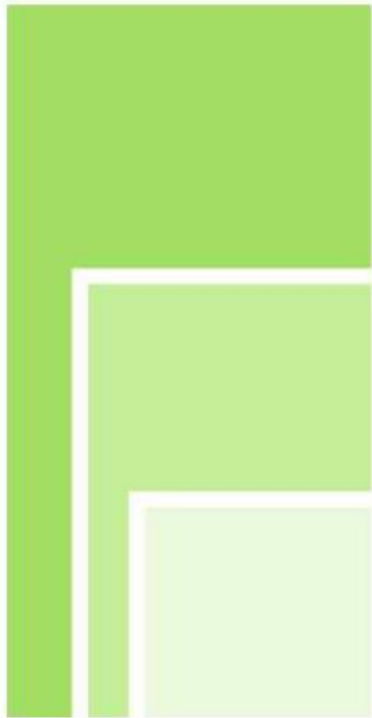
**Earth has hottest May on record, with
2020 on track to be one of the top 10
warmest years**

THE GREEN DEAL IS INSUFFICIENTLY FINANCED, EVEN TO MEET PAST CLIMATE OBJECTIVES

 | IS THERE ENOUGH "GREEN MONEY" FOR THE "GREEN DEAL" TO SUCCEED ?

How much more is needed ?

How much more is promised ?



> **??** billion/year
with new target of **-55% CO2**
European Commission 2019

> **529** billion/year
with target of **- 47% CO2**
European Commission
Impact Study, Energy efficiency, 11/2016

> **260** billion/year
when target was **- 40% CO2**
European Commission
Green Deal Communication 12/2019

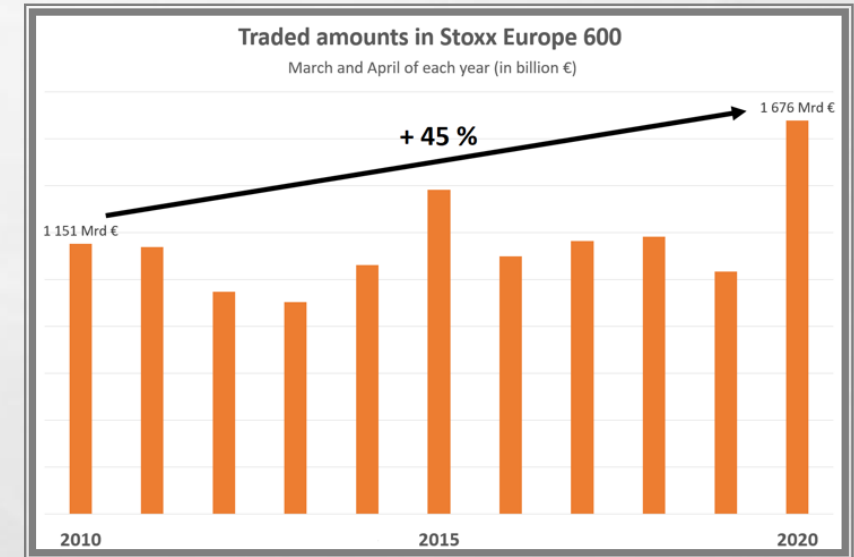


... **total : 100** billion/year ??
through "Sustainable investment plan"

5 to 13 billion/year
additional EU Budget climate expenses
14 billion/year
Just Transition Mechanism
16 billion/year
as of 2025 through EIB lending
+ InvestEU, ETS, ...

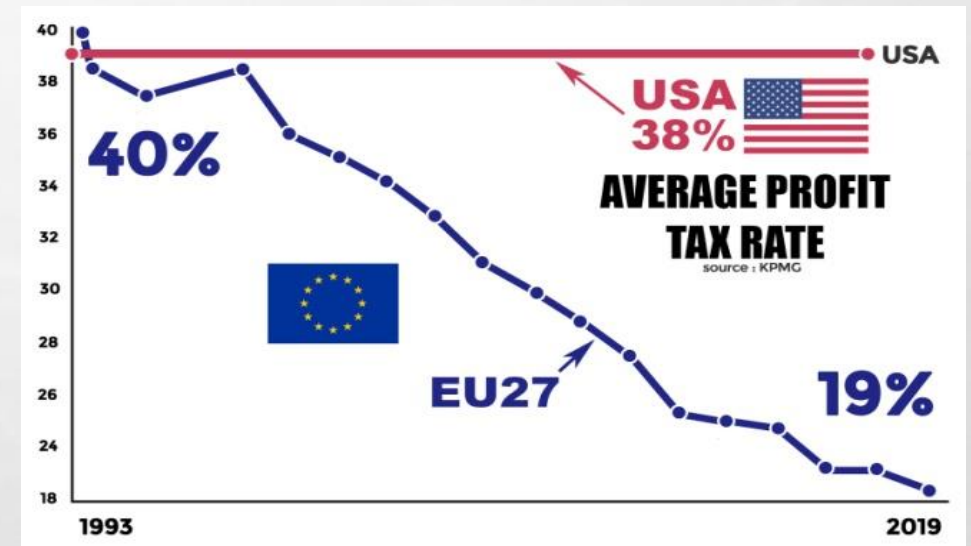
MAKING FINANCIAL MARKETS CONTRIBUTE : 57 BILLION € / YEAR

- **IN SEPTEMBER 2011, THE EUROPEAN COMMISSION HAS PROPOSED A DIRECTIVE TO CREATE A SMALL TAX OF 0.1% ON FINANCIAL TRANSACTIONS**
- **IN ALL OUR COUNTRIES, FOR BASIC NECESSITIES, EVEN THE MOST VULNERABLE MUST PAY 5.5% VAT. BUT BUYING STOCKS ON FINANCIAL MARKETS IS TAXED AT A 0,0% RATE.**
- **HOW CAN WE EXPLAIN TO CITIZENS THIS 0.0% RATE? ARE STOCKS AND BONDS EVEN MORE ESSENTIAL TO LIFE THAN WATER OR FOOD?**
- **EVEN AFTER BREXIT AND IN A CONTEXT OF CRISIS, A SMALL TAX BASED ON THIS DIRECTIVE COULD RAISE 57 BILLION € PER YEAR. 10 TIMES MORE THAN THE DIGITAL TAX. THE EUROPEAN COMMISSION STATED THAT THIS TAX CAN BE INTRODUCED IN LESS THAN 2 YEARS.**



FIGHTING TAX COMPETITION : 75 BILLION € / YEAR

- THE AVERAGE PROFIT TAX RATE IN EUROPE **WAS DIVIDED BY 2** OVER 30 YEARS. IT FELL FROM 40 TO 19%.
- MEANWHILE, ROOSEVELT'S TAX POLICY ENSURED A **STABLE PROFIT TAX** IN THE US OVER MOST OF THE 20ST CENTURY AT 38 %.
- AND EVEN WITH THE TRUMP TAX REFORM, THE PROFIT TAX RATE REMAINS AT 24% IN THE US (21% AT FEDERAL LEVEL AND 3% ON AVERAGE AT STATE LEVEL).
- **24% IN THE US VERSUS 19% IN EUROPE.** THERE IS ROOM FOR AN EU TAX ON PROFITS.
- STARTING FROM THE STATUTORY RATES IN EACH COUNTRY, A ROUGH CALCULATION SHOWS THAT, IN A FEW YEARS (IF THE RECOVERY PLAN WAS SUFFICIENTLY STRONG AND LASTING TO LIFT US OFF THE RECESSION), **A 5% EU PROFIT TAX WILL BE ABLE TO YIELD AROUND € 75 BILLION PER YEAR.**



2 NEW OWN RESOURCES TO ALMOST DOUBLE THE EU BUDGET

THESE 2 OWN RESOURCES CONSTITUTE TOGETHER A ROBUST SOLUTION TO ALMOST DOUBLE THE EU BUDGET, WITHOUT ASKING 1€ MORE TO THE BUDGET OF MEMBER STATES.

THEY COMPLEMENT EACH OTHER WELL AND A RESILIENT IN THE FACE OF THE CRISIS:

THE CCCTB (OR EU PROFIT TAX) REVENUE TENDS TO DECREASE IN A TIME OF CRISIS, WHILE THE FTT INCREASES.

THEY WILL NOT BURDEN THE MOST VULNERABLE CITIZENS AND WILL NOT PUT MILLIONS OF YELLOW JACKETS IN THE STREETS

... AND MOST IMPORTANTLY :

THEY ALLOW US TO MEET THE CLIMATE EMERGENCY AND TO FIND AN AGREEMENT AMONG EUROPEAN COUNTRIES



**IN 1950, EUROPE WAS BORN WITH
THE COAL AND STEEL UNION.**

**IN 2020, IT CAN BE REBORN
WITH A RECOVERY PLAN FOR
CLIMATE AND JOBS.**

