2% OF GDP TOWARDS CLIMATE SOLUTIONS

To keep global warming below 1.5ºC, strong action by national governments is urgently needed. As long as GDP is the main indicator for the financial health of a country, European governments should incorporate at minimum of 2% of their GDP towards a just transition in their annual budgets. As the former colonial powers of Western Europe bear a historical responsibility for the climate crisis, they should also bear a greater financial responsibility for implementing climate solutions. Translating the 1.5ºC goal agreed on in the international Paris Agreement into a national commitment of a minimum 2% of GDP towards climate solutions, makes the fight for 1.5ºC more tangible. This clear and reasonable demand allows young green activists to effectively put pressure on the budgeting of their governments, and keeping them accountable in the execution of their financial plans.

The focus of these investments should be in line with the focus points and priorities stated in the FYEG Political Platform for a just transition towards climate neutrality. Technical fixes thus cannot be the center of these investments. The budget should be used for genuine climate positive solutions, and not practices that project a misleading climate positive image while continuing to damage the environment, a practice also known "Greenwashing". National governments should think how they could invest public money towards climate solutions in the most cost-effective way, aligned with their national policy matters. Solutions should also be thought about from an entire supply chain perspective to ensure EU countries do not use the budget for projects where carbon emissions are passed on to other countries. Climate solutions oftentimes are interlinked and feed into each other. For thematic practical implementation, we again refer to our views in the FYEG Political Platform. Since more than 75% of greenhouse gas emissions in the EU stem from the energy sector and as example case, the investments of public money towards a just energy transition will be displayed in the following:

Energy efficiency should be a high priority for public spending by national governments. Investments should go towards the insulation of all homes and buildings by 2030. For a society that should run 100% on renewable energy by 2050, public money should flow towards the electrification of the energy grid and energy infrastructure.

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Energy should be generated from renewable sources. Investments in wind and solar energy can be part of the minimum 2% GDP towards climate solutions package. Although nuclear energy emits less carbon emissions, they must not be included in this budget, as they have other serious environmental implications (like the extraction of uranium, security risks and the production of nuclear waste). Investment in fossil fuels will not belong within this budgeting package, as it is an energy source from the past and needs to be phased out of the energy mix completely and as quickly as possible. As the production of hydrogen is energy-intensive, it can only be considered a sustainable and green source of energy if produced in a 100% renewable way and used only when no more energy efficient options are available. Investments in research & development of hydrogen power are eligible, yet should not be the core objective of the minimum 2% of GDP towards climate solutions. In this investment package, the focus stays on the funding of an urgent just transition, rather than the development of technical fixes. Also ‘green hydrogen’ imported from the Global South can not be considered an investment in a sustainable energy transition, as the transportation of hydrogen is an energy-intensive process in itself and threatens the energy security of communities in the exporting countries. In addition, the EU should freely share solutions for generating renewable energy sources with the rest of the world, and should end the use of patents for pro-climate solutions, to ensure profit does not come before achieving sustainable energy for the whole globe.

These investments will not only save us from climate catastrophe, but will also generate economic & societal gain. European governments have a greater budgetary capacity to contribute towards 'loss & damage' for countries in the Global South, and many bear a historical responsibility to do so. Former colonial powers have benefitted historically from the subjugation and theft of others, and should thus make a greater contribution towards climate solutions which the planet needs.

The EU should implement a minimum 2% rule for all member states and encourage countries to aim for a higher proportion of their GDP to spending on climate saving solutions.

The EU should encourage countries outside the EU to set their own minimum GDP expenditure targets during international events such as COP.

From FYEG we claim to the member states of the European Union and the Council of Europe:

- Urge all member states to make an annual investment of minimum 2% of GDP in climate change mitigation and adaptation projects.These projects must focus on systemic change and therefore contemplate social, economic, and technical interdependence. The transition should not solely focus on technical aspects and the reduction of greenhouse gas emissions.

- Urge the member states to distribute all the benefits and burdens fairly, give equality and representativeness within the decision-making processes and equally recognise all actors affected by the climate changes. For that Climate justice must be at the centre of all these projects.