



## PUBLIC STATEMENT

# A Social and Green Investment Plan for a prosperous and just transition

As organisations committed to tackling the multifaceted crises of our times - from climate change and biodiversity loss to the cost of living and energy independence - we call for a €1 trillion investment plan for people and the planet to be at the top of the agenda for future EU leadership. These challenges are largely an investment challenge, and EU funding is more needed than ever to mobilise and boost public and private financing of Europe's resilience and competitive sustainability. Political parties' manifestos all recognise this need. Now is the time to meet citizens' expectations of a better future, invest in the transformation of our economy, and make good on the promises of the Green Deal. This statement presents our proposal for a Social and Green Investment Plan that would achieve these aims.

### The problem

The European Commission [estimates](#) that compared to the previous decade, additional investments of 1.7% to 2% of European GDP annually will be needed to meet the objectives of the Green Deal and the RepowerEU initiative. And this estimate does not include the very significant additional investment needed in climate [adaptation](#), [biodiversity](#), the circular economy and in [socio-economic recovery](#). Crucially, significant public and private resources need swiftly to be deployed to limit global warming to 1.5°C and avoid the potentially catastrophic impacts of runaway climate change. The costs of that transition are substantially lower than the [costs of inaction](#).

Europe stands at a crossroads, with the end of the Next Generation EU (NGEU) in 2026 implying a substantial reduction in investment. It will cut the EU's financial firepower in half (by about €800 billion). This means about €300 billion less available for climate and nature investment, especially affecting Central and Eastern European and Southern European countries that rely significantly on these funds to help finance their transition.

In addition, the current political agreement on the revision of the EU fiscal framework (notably the debt and deficit rules), despite marginal improvements to the current rules, suggests that [austerity is on the cards](#) for many Member States, constraining their fiscal capacity for investing in the green and just transition for the foreseeable future. As [only 60% of all green investment](#) needed by 2030 has a “bankable” business case, public investment is crucial. Coupled with the current environment of high interest rates, which places further constraints on both public and private investment, this risks strongly undermining the means to achieve the Green Deal’s 2030 goals.

As such, a new investment plan for the post-Next Generation EU period is urgently needed.

## What Europe needs

We call for a **European Social and Green Investment Plan that fosters a socially fair transition towards a more resilient and fully sustainable Europe, unlocking over €1 trillion by 2030 under a reformed EU budget (MFF) and a new fund via joint borrowing.**

While private investment is expected to contribute significantly to the transition, substantial public funding is crucial to steering the economy towards sustainable prosperity, within planetary boundaries. To address these challenges and create a level playing field across the Union, a coordinated, long-term, EU-wide response is imperative. The investment package we’re calling for should support the following:

- **Implement the Green Deal, including by over-achieving the EU’s 2030 climate targets**, and support decisive progress towards future 2040 climate targets;
- **Boost EU strategic autonomy, energy security, resilience and competitive sustainability**;
- Provide a significant contribution to **meeting additional climate investment needs** (around 1.7% to 2% of EU GDP up to 2030 and for 2030-2040 according to the Commission);
- **Close the funding gap for the achievement of the 2030 biodiversity strategy** (ca. [€19 billion](#) per year from 2021 to 2030);
- **Reinforce a just transition that provides opportunities for all and leaves no one behind**: a widely endorsed transition will only be achieved by ensuring fairness of economic and social opportunity throughout the Union.

We need to mobilise at least €1 trillion for green and just transformation investment at EU level (up from around €700 billion in the 2021-27 budget) without cutting spending lines under the MFF that target major social and development objectives. **This means we need at a minimum a €2 trillion strong EU budget for the 2028-2034 period, of which 50% must be dedicated to climate and nature-related investment. The future MFF, combined with**

**the €1 trillion investment plan coming from direct borrowing by the European Commission that we call for here, could together reach this goal.**

The new investment plan should be based on four pillars:

- A **Climate** pillar aimed at the full decarbonisation of our economy through better climate mainstreaming methodologies across the EU budget to ensure [policy consistency](#) for climate, including a permanent exclusion of all fossil fuel investment and/or subsidies from the EU budget. The climate pillar should also increase the [contribution of the EU](#) to international climate and development finance, including loss and damage.
- A **Social and Just Transition** pillar to support vulnerable households through deep energy efficiency renovation of buildings, tackling fuel, energy and transport poverty, investing in public services, fostering regional development and cohesion, and strengthening reskilling and upskilling initiatives. Social and gender mainstreaming should be integrated in all EU funds and programmes, including the three other pillars.
- A **Green Industry** pillar in support of an EU green industrial strategy to enhance the production of clean technologies, accelerate industrial decarbonisation and the transition to a circular economy to reduce the EU's climate and ecological footprint.
- A **Biodiversity and Nature** pillar in support of the EU biodiversity strategy, financing nature restoration and protection, and nature-based solutions to climate mitigation and adaptation.

Delivering this investment plan requires **new “own resources” (NORs) for the EU: EU-wide taxation revenues after 2026**. Whilst several proposals have been tabled both by the European Commission and the Parliament and should be further pursued, we consider that NORs should be based on socially just progressive taxes and the polluter-pays principle.

**Future investments should be grounded on key principles** to increase their additionality, fairness and efficiency. They should prioritise the targeting of sectors and actors with limited access to private finance, including vulnerable citizens and communities and small and medium sized enterprises, and be based on a single rulebook of simplified and harmonised procedures. They should place strict transparency, social and environmental conditions on companies benefiting from public support, and ensure all projects comply with strict Do No Significant Harm criteria. Beyond raising the volume of EU financing, the quality of investment should be a priority, by improving the monitoring and tracking of EU and national expenditure as well as absorption.

It is our collective responsibility to ensure that future EU leadership propose an ambitious investment package after the EU elections. **The European Council's “Strategic Agenda”**

**and Commission’s “Political Guidelines” should feature public and private investment as part of their top priorities.** The future President of the European Commission should announce the launch of a major investment plan at EU level during their first 100 days in office.

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