

# The Green Investment Program for Europe

## ***What is the situation?***

Climate change and its consequences are an existential threat to our survival on this planet. At the same time our economies currently suffer from historically low investment rates. The ratio of savings to investment has reached the highest value since the second world war.

## ***DiEM25 therefore proposes the following:***

Targeted investments in green technologies to produce a crowding-in effect so that idle savings are spent:

### **A) a green European New Deal – a program for economic recovery:**

1. The European Investment Bank (EIB) and the European Investment Fund (EIF) issue bonds to finance investments amounting to 5% of the gross domestic product of the Eurozone.
2. These investments will fund large infrastructure projects but also start-ups, small to medium sized companies, innovative technology companies and research into green energy.
3. To ensure the stability of these bonds the ECB stands ready to support their price by purchasing them in the secondary market if necessary.
4. This stabilisation is a kind of quantitative easing practised by the ECB already, but instead of saving private banks it is targeted towards productive investments for the green transition.

### **B) a European Green Transition Works Agency:**

This agency will plan, design and execute these investment program and therefore coordinates the green transition in Europe. It will support local and national actors to realise cross-border sustainable infrastructure projects for transport, energy, etc.

### **C) a pan-European carbon tax:**

One of the most effective and pragmatic ways to limit global warming to at most 1,5 to 2°C is a Europe-wide carbon tax. To guarantee a fair distribution of this tax agreed by all member states, DiEM25 proposes a progressive carbon price based on:

- a) GDP per person, life expectancy and average duration of schooling
- b) the amount of produced CO<sub>2</sub> emissions per country

This way industrialised countries are motivated to adapt their economies quickly to produce less CO<sub>2</sub> emissions with other countries being charged less until their standard of living catches up.

### **D) Tax credits for production processes with low CO<sub>2</sub> emissions and a gradual but quick **end to subsidies for fossil-based energy.****