

Brussels, April 5, 2018

Dear President Juncker,

The co-signatories of this letter represent a broad group of business associations, civil society, think tanks and other organisations who are working together to bring strong support to the EU's commitment to achieve the UN Sustainable Development Goals and the Paris Climate Agreement objectives. We are writing to urge you to ensure that the EU's future finances are aligned with Europe's climate objectives and are consistent with the Paris Climate Agreement and Sustainable Development Goals **across all programmes**.

The EU has strived for high ambition in the Paris Climate Agreement negotiations, has led by example in adopting legislation to reduce greenhouse gas emissions, and is on the brink of adopting legislation on energy efficiency and renewable energy targets and measures for 2030. As you yourself pointed out on the 22nd of March at the Sustainable Finance Conference, the EU must go further by showing that it is prepared to direct a substantial part of its budget towards climate-specific measures and climate proof all spending. This will leverage much larger amounts of private finance, enabling Europe to cover the investment gap towards achieving the EU's climate and energy targets.¹

So far, 14 Member States² have pressed for at least 20% of the EU's post-2020 budget to be spent on climate-relevant work. The European Parliament recently adopted a similar position, calling for 30% for climate-related spending³.

We call upon you to leave a legacy that will put the EU on track to achieve the Paris Climate Agreement and Sustainable Development Goals, creating a better life for its citizens, decent jobs, and boosting innovation and competitiveness. Therefore, we ask the following:

- Increase the share of climate spending to a significantly higher level than 20% across the whole EU budget⁴.
- Climate proof the entire EU budget, and do not invest in projects that are not in line with the Paris Climate Agreement, such as spending on unabated fossil fuels infrastructure and environmentally harmful subsidies.
- Align finance flows and fiscal incentives to a low carbon pathway as committed to under the Paris Climate Agreement. EU funding should serve the achievements of EU 2030 climate and energy targets and the 2050 vision of a decarbonised EU economy, in vertical coherence with national investments.

Thank you for your consideration.

¹ The yearly investment gap for achieving the EU's climate and energy has been estimated at 180 bn. EUR between 2021-2030 alone.

² <http://www.bmub.bund.de/en/service/details-europe-and-environment/artikel/statement-of-green-growth-group-2/>

³ [European Parliament Resolution 14 March 2018](#)

⁴ President Macron, at the Sustainable Finance Conference of 22 March, called for a 40% climate action and ecological transition target for the next MFF.

Yours sincerely,

