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Statement on the EU Green Deal

Speech of Jean-Eudes Moncomble, chair of SGI Europe Sustainability Board
at the joint event "EU Green Deal: From Vision to Actions", co-organised with the EESC Employers' Group
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- On 11 December 2019, the European Commission presented its Green Deal, an ambitious roadmap to achieve climate-neutrality by 2050, boost the efficient use of resources, restore biodiversity and cut pollution. The action plan intends to make the EU sustainable by turning climate and environmental challenges into opportunities, whilst channelling investments through innovative financing instruments and ensuring a just and inclusive transition for all.

- Since the beginning of 2020, the COVID-19 pandemic has been striking the world, a shock of unheard-of violence that surprises more and more each day by its power, its persistence and the extent, still poorly estimated, of its consequences.

- We have not yet fully emerged from the health crisis that has already caused more than 3 million deaths worldwide, including 700,000 in the EU. It is also only the beginning of one of the worst economic crises for the EU, whose devastating effects will be felt by enterprises, public authorities and citizens, on activities and employment, and will ultimately lead to an increase in poverty and inequality. Beyond the figures, we are witnessing a gigantic destruction of human, economic and financial wealth.

- Without questioning the relevance of the Green Deal, it now seems impossible to "act as if nothing had happened" and continue its implementation without the slightest questioning.

- Like other environmental objectives, the climate one is still there, but other risks must now be taken into account. EU citizens, although privileged compared with those of other regions of the world, have discovered the weaknesses of their health system.

- Addressing the resilience of our economic and social systems to future risks, such as the emergence of new viruses or the cybernetic risks, should be a major objective. Building this resilience, which will often are by services of general interest, must be a priority and will be addressed in a context of tight budgetary constraints.

- This leads us to favour, without ideology, the immediate deployment of mature and operational technologies whose effectiveness regarding the objectives pursued is proven and significant, whilst risks and costs are under control. Research, innovation and development will provide the solutions of tomorrow, but we need to acknowledge that it is no longer possible to wait to effectively deploy current high-performance solutions.

- The EU Green Deal rightly places a strong emphasis on investment and the financing challenge. In addition to the investments already foreseen at the end of 2019, most of which are geared towards the objective of carbon neutrality, new financing challenges appeared, such as rebuilding parts of the economy destroyed by the crisis, or the "reindustrialisation" or "relocation" of strategic industries to boost EU sovereignty in various sectors.

- However, tomorrow's industry cannot be built without relying on the assets of the past, which is a prerequisite for restoring the competitiveness of the European economy, its employment, and the well-being of its citizens. A new approach to taxonomy must certainly be put in place, and a greater place should be given to industrial strategy, to avoid repeating mistakes of the past.

- The conditions for financing an investment are linked to the borrower's ability to present financial soundness. However, this has deteriorated dramatically for all economic players, including essential services of general interest: it is imperative to restore the ability to borrow.

- If everyone agrees to recognise that "exceptional periods require exceptional measures", there are many innovative solutions to address the financing challenge. It is essential in the current context to think "outside of the box" and implement extraordinary decisions without ideology. No solution should *a priori* be excluded to find the way back to a more serene EU construction.

- The social dimension is a major dimension of the crisis Europe is facing. Although increases in inequality and poverty are observed across Europe, there is a risk that the situation will further deteriorate when support mechanisms put in place during the crisis will be lifted.

- Whilst there has been a dramatic increase in the use of digital technology, the social divide and the digital gap has never been more visible, from the difficulty of working and studying at home to the difficulty of adapting to new lifestyles (shopping, health, mobility...).

- The EU Green Deal cannot leave citizens on the side. Parts of the industry of tomorrow will require skills that are today rare or even non-existent, and the training of a significant number of people to be qualified will take time, both for developing skills in new or more traditional economic sectors. Through their closeness to citizens and their links with local authorities, as well as their values of cooperation, solidarity and inclusion, SGI Europe members are committed to building a more united and inclusive EU.

- The Green Deal remains today a major axis of the European construction, but it seems difficult to continue its implementation without taking into account the historical crisis that Europe and the world are going through. It is now necessary to establish priorities and adjust the timetable. No one can believe that doing more and better can be possible whilst Europe and the world are emerging from the pandemic weaker and with fewer resources.

- Determining priorities is now a political choice: SGI Europe wants to move towards a Europe that is more sustainable, resilient and inclusive. However, the EU efforts in the fight against COVID-19 and climate change will be vain if they are not placed in a broader context of international cooperation. These two crises being global, they also raise questions on the right balance to find between globalisation and localism.

- **It is essential, alongside environmental objectives and in particular the climate challenge, the urgency of which is constantly being reaffirmed, to consider the need for resilience to other risks and for social inclusion, that the pandemic has highlighted. The upcoming 2021 Annual Foresight Report, to be presented during the summer, should address these emerging risks, as well as their potential consequences on the economy and on citizens.**

- **The implementation of the EU Green Deal will inevitably require a boost in our investment capabilities, calling for the quick restoration of economic actors to finance them over the long-term and support the development of the skills needs of the future.**

- **Services of general interest, which have been and remain at the forefront in these times of crisis, are at the heart of these transformations through their local presence and their proximity to European citizens: they will be partners and actors in a Green Deal adapted to the new requirements imposed by the COVID-19 crisis.**

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