



Brussels, 26 March 2020

Dear President von der Leyen,
Dear President Sassoli,
Dear President Michel,

As the COVID-19 pandemic continues to spread across Europe, citizens worry about their health and that of their loved ones, and also about the impacts on their jobs and livelihoods. During this time of crisis, which is putting many people's livelihoods at risk, it is essential that our leaders issue a strong response, helping to alleviate the uncertainty, especially for the most vulnerable. This response must address the immediate health, social and economic urgency, in a way that improves the resilience of our economy towards crisis and well-being of people and nature.

Governments are already providing urgent support to address the health crisis itself, and emergency rescue measures will be required to avoid bankruptcies of SMEs due to the sudden collapse of the economy.

Beyond such immediate measures, public stimulus packages will be developed to relaunch the economy, and crucial decisions will need to be taken on where these substantial financial flows should be directed. We are calling on the European Union and its governments to demonstrate leadership and foresight by **continuing and reinforcing on the trajectory towards a resilient and sustainable economy, in line with the European Green Deal.**

This is the time to bounce forward and accelerate the shift towards an economy which is climate neutral, protects and restores our natural world, health and wellbeing, and lets nothing go to waste - in a way that is fair and leaves no-one behind. The European Commission has already taken important steps in this direction by proposing an Industrial Strategy and Circular Economy Action Plan, as well as the Just Transition Mechanism, which should be complemented with national support measures and funding, in order to deliver on the scale of the challenge.

From the start, public money must be invested in a transparent, viable and sustainable way. Business as usual is not an option, and economy-wide untargeted measures would risk putting on life-support obsolete and polluting industries and technologies today that have no future in tomorrow's economy. Instead, the stimulus packages must support 'future-proofing' companies through a rapid shift of their business models towards sustainability, thereby ensuring a much higher return on public investment. For large companies in particular, public support should be conditional on a full alignment with the Paris Agreement, and a substantial greening of capital expenditure plans.

Channelling stimulus investments in such a way will create long-lasting jobs in clean sectors, helping Europe's economic recovery, and make our economies more resilient against future shocks. In the long term, this will leave us better equipped to tackle the ongoing climate and biodiversity emergencies, which, if left unchecked, will pose ever greater threats to our health, livelihoods and wellbeing.

Concretely, we believe that the EU and its Member States must:

1. Make distribution of stimulus funds and bail-outs conditional on consistency with the European Green Deal

As massive recovery plans are being put in place, EU leaders must ensure these investments will deliver long-term benefits for our society, and help make our economies more resilient to increasing shocks. In particular, these investments must be fully aligned with the objectives and proposals of the European Green Deal, as well as the 1.5°C target of the Paris Agreement.

2. Reform fiscal rules to ensure continued public investment in decarbonising the economy

In the immediate emergency response, governments are making significant investments and tax exemptions to avoid bankruptcies and job losses and ensure the healthcare sector is supported in these difficult circumstances. These investments will stretch national budgets and force governments into debt, which in turn may lead to less room for sustainable investments. In order to counteract this, the EU should exclude public investment in decarbonising the economy from the calculation of the national deficit, at least temporarily.

3. Launch large scale sustainable initiatives in line with public interest

By launching large scale sustainable initiatives supported by public and private investments, governments can provide direct employment for those affected by the economic downturn and help relaunch the economy. These projects must be in the public interest and be guaranteed to lead to direct emission reductions, health benefits and ecosystem restoration, e.g. the large scale initiative for the decarbonisation of transport, infrastructure improvements to allow zero emission transport modes, the renovation of buildings to make them energy efficient, accelerate the deployment of renewable energy, and large-scale nature restoration projects.

4. Accelerate EU sustainable finance policies to shift the trillions from brown to green

Now more than ever, it is essential for public and private investors to be able to distinguish between sustainable and non-sustainable investments. In order to provide greater clarity and transparency, the EU should develop a "brown taxonomy" to complement the green one, which would enable financial institutions to identify their risk exposure. Also, standardised corporate sustainability disclosure should be introduced to ensure comparability between peer companies. In addition, large corporates and financial institutions should be required to set sustainability strategies and targets in line with the EU's climate neutrality target, and the Paris Agreement.

5. Limit future health crises by acting globally against climate change and biodiversity loss

Climate change and biodiversity loss are increasingly exacerbating the spread of infectious disease according to the [World Health Organization](#). These effects can only be limited by acting globally. We are also calling on the EU to take on a global leadership role in international fora such as the UNFCCC COP26 and the CBD COP15. The EU must take its responsibility seriously and set a target to cut greenhouse gas emissions by at least 65% by 2030 and reach net-zero emissions by 2040, in line with science and equity. It must also adopt ambitious, legally binding targets and commitments to address the alarming loss of nature.

During this time of worry and uncertainty for many, we recognise the efforts undertaken by our leaders to overcome the immediate health crisis, and provide support to the most vulnerable. Our organisations stand ready to work with decision makers at EU and national levels to ensure that despite these challenges, we continue down Europe's chosen path of a just and fair transition towards a genuinely sustainable economy, in which no-one is left behind.

Yours sincerely,

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