

# Uncovering the Green and just Transition

Fair Fin and ODG

Observatori del Deute en la Globalització (ODG)

[www.odg.cat](http://www.odg.cat)

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OBSERVATORI DEL DEUTE  
EN LA GLOBALITZACIÓ

## What is the “Debt Observatory in Globalisation (ODG)”?

We are a team of people who elaborate critical analysis of complex and/or structural processes to show the visible (and not visible) impacts and risks of the economic and political system, producing tools that facilitate interpretation of the current context.

The ODG is also an open platform for participation, debate and action, which promotes the creation of networks and spaces for the construction of alternatives that strengthen popular sovereignties and the empowerment of communities.



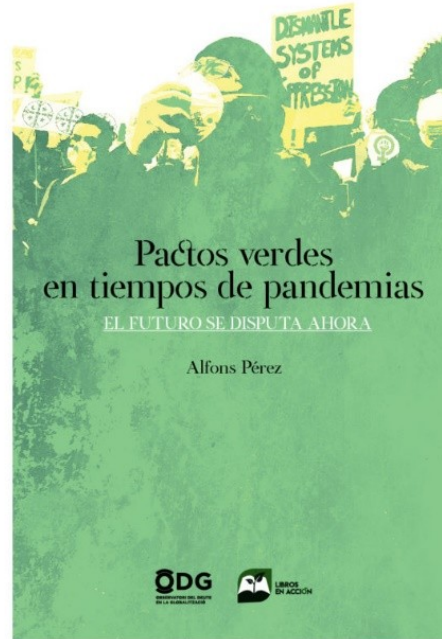


## Publications, actions, fact finding missions...



**Propuestas ecofeministas para repensar las ciudades**

© 19 de octubre de 2021



<https://odg.cat/es/publicacion/paños-verdes-pandemias/>



<https://odg.cat/wp-content/uploads/2022/07/Crisis-energetica-europa-es-p-1.pdf>



**Next Generation EU i recuperació econòmica**

<https://odg.cat/campanyes/fons-next-generation-eu/>





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EN LA GLOBALITZACIÓ

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# Critical analysis for social transformation

The Debt Observatory in Globalisation is a network of researchers and activists. We work on financial and climate justice and the defence of the commons from an ecofeminist perspective.



## Financial justice

We analyse speculative practices of finance capital and point out global economic inequalities, illegitimate debt and the interests of large corporations above the general ones.

NEWS

PUBLICATIONS



## Climate justice

We investigate the climate impacts derived from the economic and energy model, denouncing extractivist practices in the global south and propose fair eco-social alternatives.

NEWS

PUBLICATIONS



## The commons

We denounce the prevalence of private interests over the common ones, and work for the defense of collective rights and sovereignties from an ecofeminist perspective.

NEWS

PUBLICATIONS

## Do you want to collaborate with the ODG?

Collaborating with the ODG means supporting a network struggle project that, through critical analysis, communication and advocacy, works for social transformation towards a more just, eco-feminist and respectful society the biophysical limits of the planet.

MAKE A DONATION



BECOME A MEMBER



# SOM FUTUR ODG

Fest-te sòcia!

Perquè poguem seguir sent #ContraPoder  
necessitem el teu suport.

## Training - Uncovering the green and just transition

### Content:

BLOC 1 Context and what is the European Green Deal? (25 minutes power point presentation)

Video 1: The financing of the green transition (5 minutes)

Questions from participants on block 1 (10 minutes)

BLOC 2 Financing the European Green Deal (15 minutes power point presentation)

Video 2: Alternatives to finance a real green and just transition (5 minutes)

Questions from participants on block 2 (10 minutes)

BLOC 3 Towards alternatives. Group work (45 minutes)

Participatory dynamic, group work and reporting back

## **BLOC 1 Context and what is the European Green Deal?**



# 1. Green Deals in time of climate emergency

## Climate emergency

October 2018



The IPCC reported that 2 degrees Celsius could be reached in just 11 years and almost certainly within 20 years if we do not reduce carbon dioxide (CO<sub>2</sub>) emissions.

**We have a decade to act!**

# 1. Green Deals in time of climate emergency

## Global International networks on Climate Justice





# 1. Green Deals in time of climate emergency

## Civil disobedience



# 1. Green Deals in time of climate emergency

## Institutional reaction: Green New Deals



# WALL STREET CRASH!

## Black Thursday in America Stocks Plunge and Eleven Commit Suicide

Panic selling led the New York Stock Market yesterday as nearly 17 million shares changed hands in just one day.

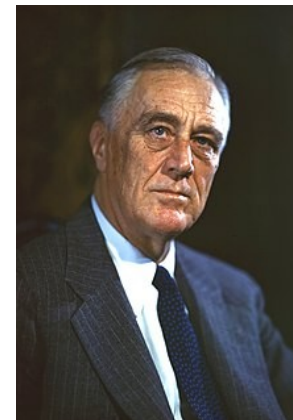
Heavy rains in the early morning created an extraordinary atmosphere of stress and gloom. Investors fled the market with orders from their brokers to sell at any price.

In the afternoon, when the market broke down entirely as the sea of broken-down shares was for non-existent buyers, stocks were traded for any price and the value of some companies halved during the course of the morning.

The hour-long morning rally followed a week of uncertainty on Wall Street and the bottom finally dropped out of the market in 15 hours, when the



Panic-stricken investors gather around the statue of George Washington on Wall Street.



**New Deal**  
Franklin Delano Roosevelt  
1930



# 1. Green Deals in time of climate emergency

## Non institutional Green Deals



**THE RED DEAL**  
INDIGENOUS ACTION TO SAVE OUR EARTH





# 1. Green Deals in time of climate emergency

GLOBAL  
**CLIMATE  
STRIKE**  
20-27 SEPT

## Institutional reaction: Green New Deals



**Green New Deal (USA)**  
Alexandria Ocasio-Cortez  
February 2019



**European Green Deal (EU)**  
Ursula von der Leyen  
1/12/2019





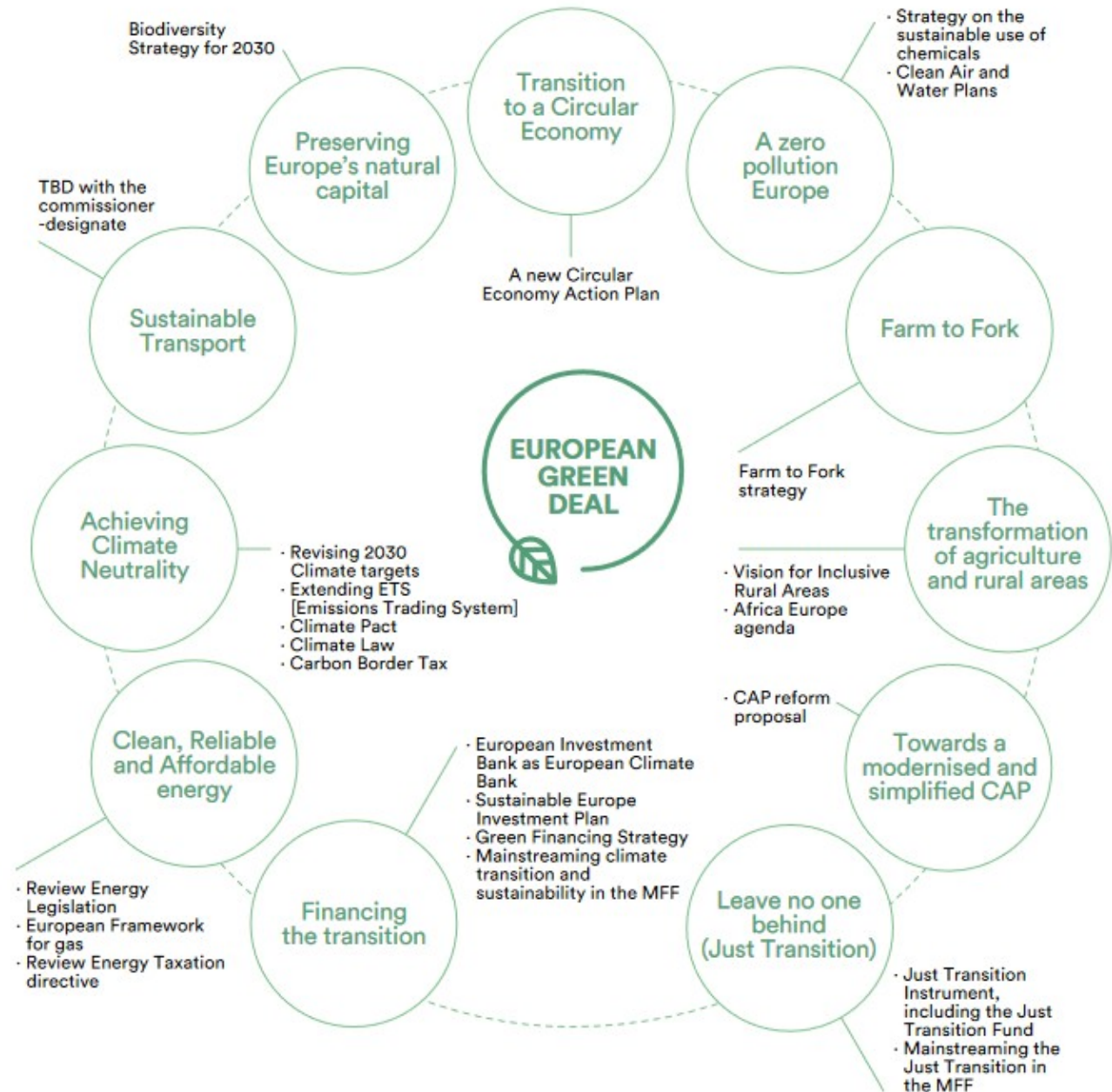
## 2. What is the European Green Deal?



European Green Deal  
Ursula von der Leyen  
2019  
1/12/2019

“To overcome the challenges of the climate emergency, the European Green Deal will transform the EU into a modern, efficient, competitive economy, ensuring that there are no net emissions of greenhouse gases by 2050”.

**Figure 1**  
Initiatives, strategies and policies within the European Green Deal framework<sup>29</sup>.



## 2. What is the European Green Deal?

### Assumptions of the EGD

- The EGD is Europe's strategy to be competitive again in the global economy (China, USA), to be a global leader.
- The EGD is Europe's growth strategy.
- Economic growth and net zero goals will be compatible, everything will be possible thanks to the new technologies and digitisation.
- Even we are in a climate crisis, economic growth (green growth) is possible, there will be a lot of business opportunity during the transition period.
- In order to finance the EGD, we need massive public investments and we need to invest those funds in "bankable" projects in order to attract lacking funds from the private sector.



## 2. What is the European Green Deal?

**BUT....**

- No structural changes are introduced in the production and consumption model (e.g. no proposals for food, energy sovereignty, local production for local consumption), nor in the economic governance (no power shift towards citizens).
- EDG is a “deal” between institutions and the main economic actors (big companies and financial actors), citizens are not involved in participating and shaping the green transition. They are considered beneficiaries, e.g. jobs.
- EGD is not taking into account the external impacts, e.g. raw materials, extractivism for green technologies and digitalisation.

	Annual demand in 2050 compared to current production		Cumulative demand compared to reserves & resources	
Aluminium	●	< 5% of production in all scenarios	●	< 5% of reserves in all scenarios
Cadmium	●	< 5% of production in all scenarios	●	< 5% of reserves in all scenarios
Cobalt	●	> 500% of production in all scenarios	●	> 100% of reserves in all scenarios and resources in total demand scenario
Copper	●	< 50% of production in all scenarios	●	< 20% of reserves in all scenarios
Dysprosium	●	> 500% of production in all scenarios	●	< 20% of reserves in all scenarios
Gallium	●	< 50% of production in all scenarios	●	< 5% of reserves in all scenarios
Indium	●	< 50% of production in all scenarios	●	> 50% of reserves in highest scenario
Lithium	●	> 100% of production in all scenarios	●	> 100% of reserves in most scenarios
Manganese	●	< 50% of production in all scenarios	●	< 20% of reserves in all scenarios
Neodymium	●	> 500% of production in all scenarios	●	< 20% of reserves in all scenarios
Nickel	●	> 100% of production in all scenarios	●	> 100% of reserves in highest scenarios
Silver	●	< 50% of production in all scenarios	●	> 50% of reserves in highest scenario
Selenium	●	< 20% of production in all scenarios	●	< 20% of reserves in all scenarios
Tellurium	●	> 100% of production in all scenarios	●	> 50% of reserves in highest scenario

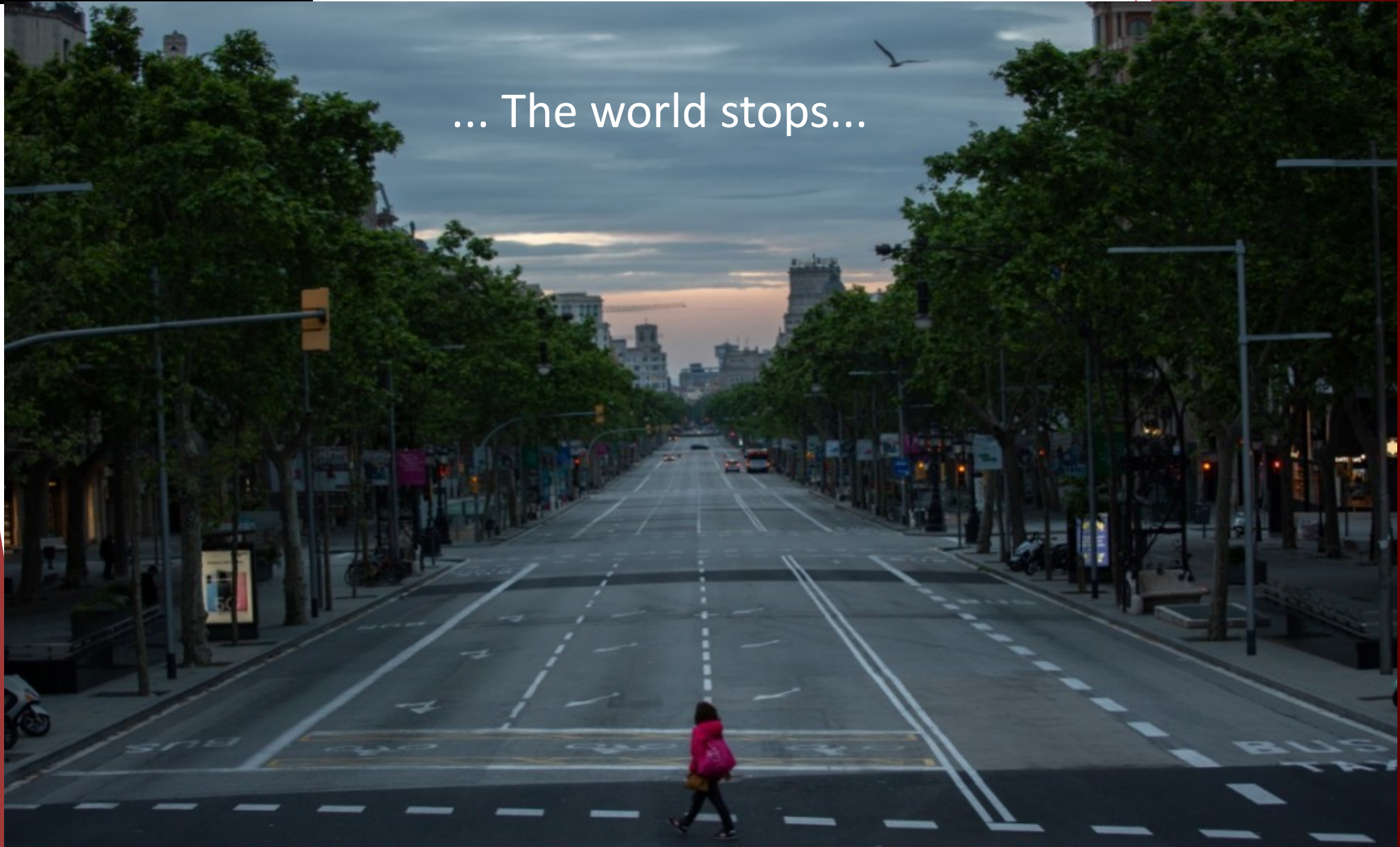
REPRODUCED WITH PERMISSION FROM INSTITUTE FOR SUSTAINABLE FUTURES, UNIVERSITY OF TECHNOLOGY SYDNEY.  
THE FULL FIGURE CAN BE SEEN ON PAGE 27 OF THIS REPORT: [https://earthworks.org/cms/assets/uploads/2019/04/MCEC\\_UTS\\_Report\\_lowres-1.pdf](https://earthworks.org/cms/assets/uploads/2019/04/MCEC_UTS_Report_lowres-1.pdf)



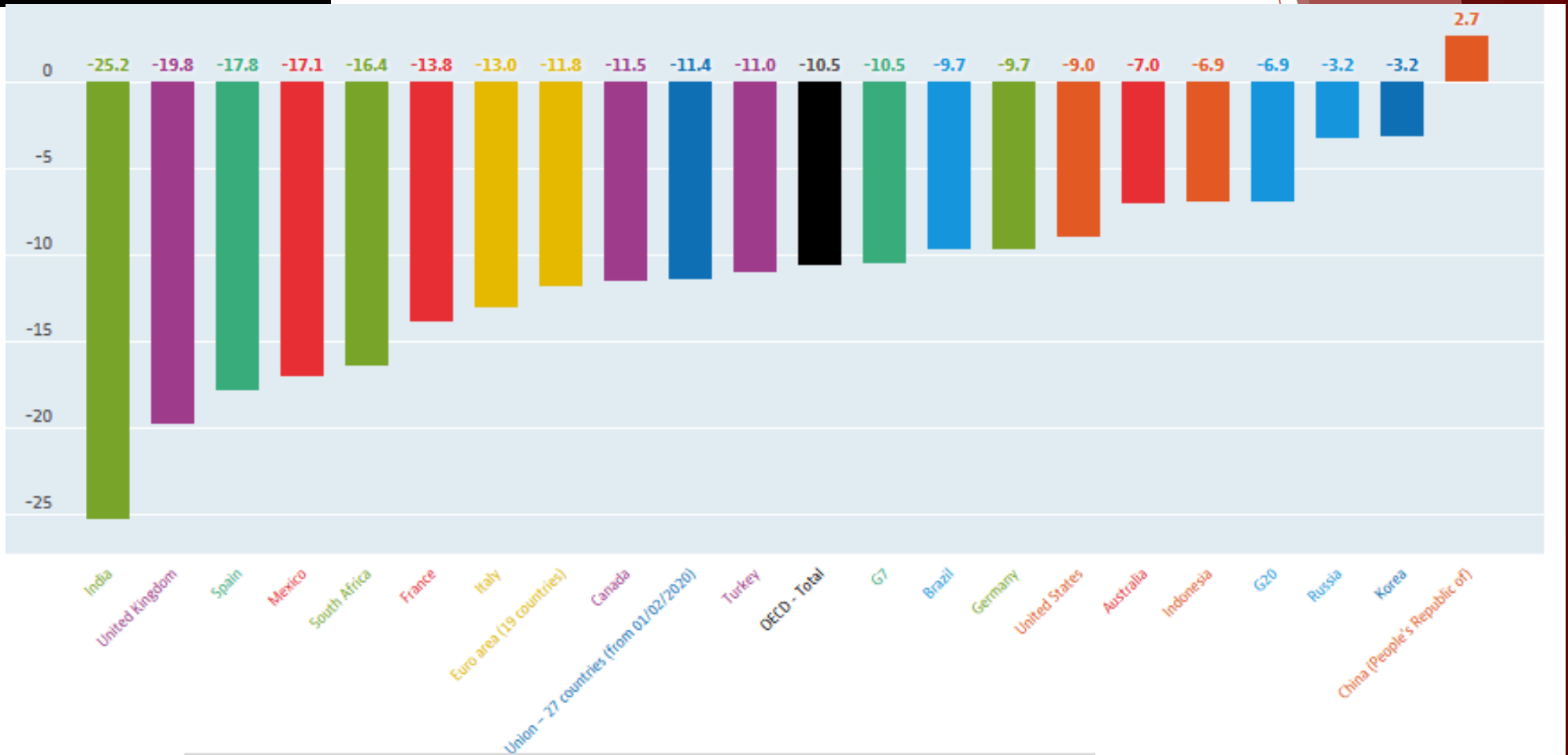
Infant work in Cobalt mine, Democratic Republic of Congo

### 3. European Green Deal in a time of pandemic

... The world stops...



### 3. European Green Deal in a time of pandemic



Graph 1. Economic growth in the second quarter of 2020 compared with the previous quarter  
Source: OECD Quarterly Data<sup>[1]</sup>

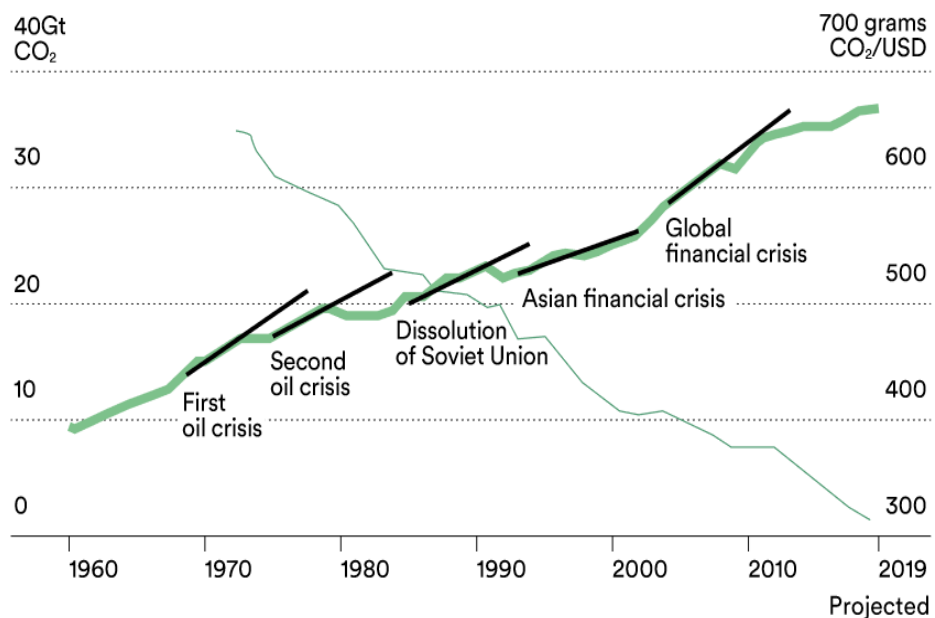
**Unexpected GDP falls.....**



### 3. European Green Deal in a time of pandemic

Graph 3.

Global CO<sub>2</sub> emissions and CO<sub>2</sub> intensity in various times of crisis.



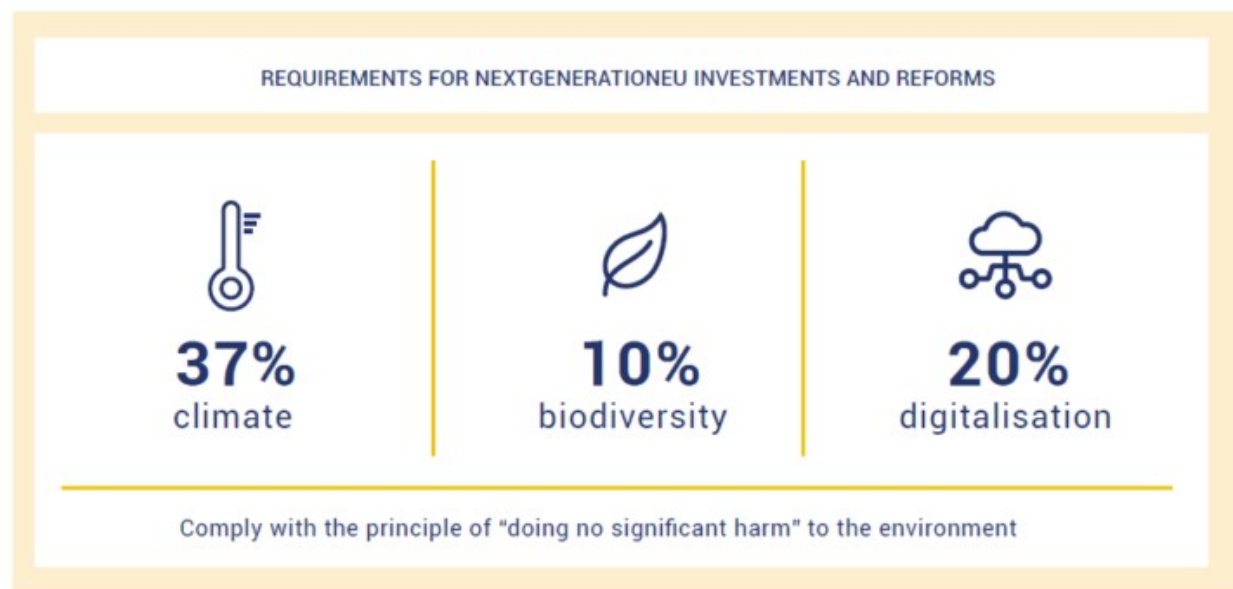
Source: Rapid growth in CO<sub>2</sub> emissions after the 2008–2009 global financial crisis, Global Carbon Project <sup>48</sup>



“The recovery plan turns the immense challenge we face into an opportunity, not only by supporting the recovery but also by investing in our future: the European Green Deal and digitalization.” Ursula von der Leyen (27/05/20)

### 3. European Green Deal in a time of pandemic

#### 2020: NextGenerationEU recovery funds + EGD



European Commission: "The European Green Deal is also our lifeline out of the COVID-19 pandemic. One third of the €1.8 trillion investment from the NextGenerationEU recovery plan and the seven-year EU budget will finance the European Green Deal."

**=> NEW "no significant harm" principle for investments**

## 4. European Green Deal in a time of energy crisis

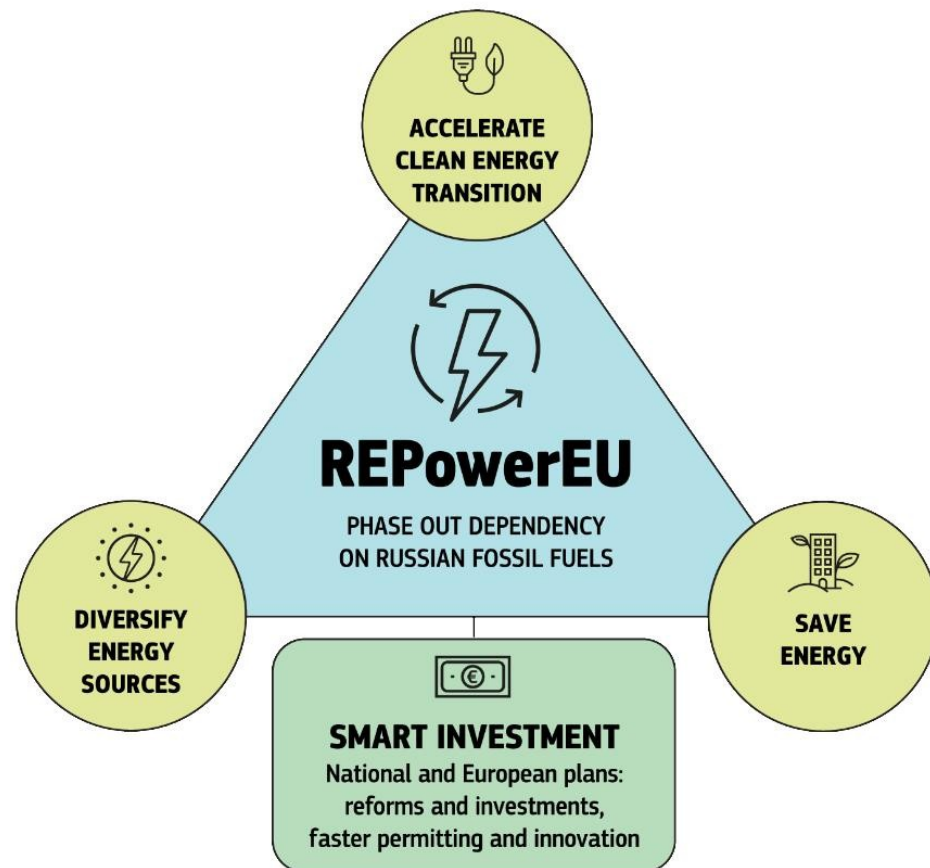
### 2022: REPowerEU Plan + EGD

Double emergency: Russian dependency  
+ climate emergency

- save energy
- diversify providers
- accelerate renewables
- reduction administration processes

Financed through NextGenerationEU funds (€225 billion available in loans from NextGenerationEU funds) + €20 billion in grants from the sale of EU Emission Trading System (ETS)

=> Allows ignoring “no significant harm” principle





## 5. European Green Deal and re-industrialization

### 2023: Green Deal Industrial Plan

Simpler regulatory framework  
Faster access to funding  
Trade - securing raw materials

**=> Attract private capital to invest in EU's reindustrialization**



A screenshot of a news article from the website CincoDías 45. The article is titled "Bruselas busca un plan para contrarrestar las ayudas verdes de EE UU" (Brussels seeks a plan to counter US green aid). The sub-headline reads "El objetivo es contrarrestar las multimillonarias ayudas de EE UU y mejorar su competitividad y evitar un éxodo empresarial" (The objective is to counter the multimillion-dollar aid from the US and improve its competitiveness and avoid an exodus of companies). The article is categorized under "Economía" and "CONSEJO EUROPEO".



ECONOMÍA  
**Europa entre EE.UU. y China: ayudas masivas y nueva guerra comercial**

## CONCLUSIONS

**Video: Uncovering the Green Transition | 1. El paper del finançament privat en la transició**

<https://www.youtube.com/watch?v=9ZyBO2SoBJU>

## **BLOC 2 Financing the European Green Deal**



## The «Financing gap»

Governments have limited budgets to invest in the transition.

“Not enough money” for the transition.

± 50% of needed investments are not bankable

So private capital is not interested.

**MONEY AVAILABLE**

**FINANCING GAP**

**MONEY WE NEED**

## **DERISKING transition projects**

Make non-bankable investments attractive anyway

⇒ Private capital will fill the financing gap

**Strategy: Use limited public funds to take away risks. Privatize benefits, socialize losses.**

Support & enabling framework

- Public guarantees (through banks)
- Public-private partnerships (concessions between public entity and company)
  - Public loans (favorable conditions)
  - Public grants/subsidies (non returnable)

**Different tools and mechanisms but the same objective!**

## UP-SCALING transition projects

LARGE – LARGE – LARGE: Large projects – Large investments – Large companies



La Mula, Murcia



Burgos



MidCat, Catalunya



## Example 1: InvestEU

In the European Green Deal Investment Plan (2019), the European Commission explained how to mobilize at least €1 trillion to finance the EGD.

### InvestEU

= “Green” successor to Juncker Plan

€26,2 billion from the EU-budget will be offered as guarantees to mobilize €372 billion of private finance.

InvestEU provides an EU budget guarantee to allow the European Investment Bank Group and other implementing partners to invest in more and higher-risk projects, crowding in private investors. Should an investment fail, the EU budget will bear (a part of) the cost.



## Example 1: InvestEU

### InvestEU

Financing four sectors:

- Infrastructure (energy, digital connectivity, transport...)
- Research, innovation and digitalization
- Small and medium-sized companies
- Social investment and skills

**BUT..... LESSONS  
LEARND FROM THE  
PAST**

**Counter Balance** Challenging Public Investment Banks

ABOUT US ▾ PRIORITIES ▾ NEWS PUBLICATIONS ▾ MEDIA ▾ CONTACT US

CLIMATE JUSTICE • 15 JUN 2022

### EU bank hands out billions to companies complicit in burning fossil fuels

# EIB # European Investment Bank

← Back to overview

← Back to overview

**Counter Balance** Challenging Public Investment Banks

ABOUT US ▾ PRIORITIES ▾ NEWS PUBLICATIONS ▾ MEDIA ▾ CONTACT US

TRANSPARENCY & ACCOUNTABILITY • 25 APR 2022

### EU Ombudsman reprimands EIB for lack of transparency on funding's environmental impacts

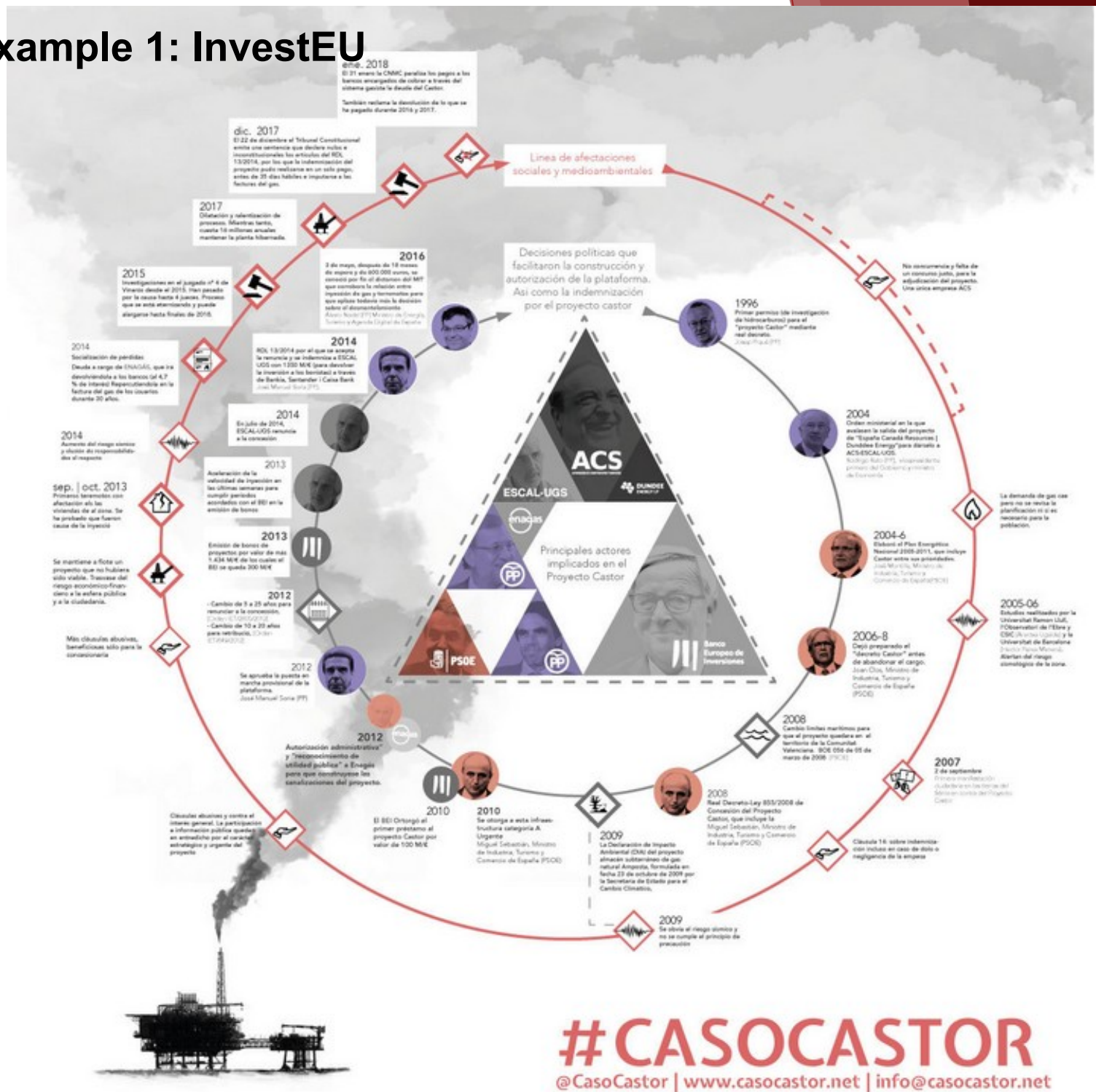
# EIB # European Investment Bank # transparency

# EU Ombudsman

← Back to overview

# Example 1: InvestEU

The Castor project is a failed gas storage facility. It caused hundreds of earthquakes on the Mediterranean coast and it never worked. The infrastructure was a project financed through the Junker Plan. Its largest investor ACS de Florentino Perez was indemnified for his losses. The project cost more than 1,350 million euros to Spanish taxpayers



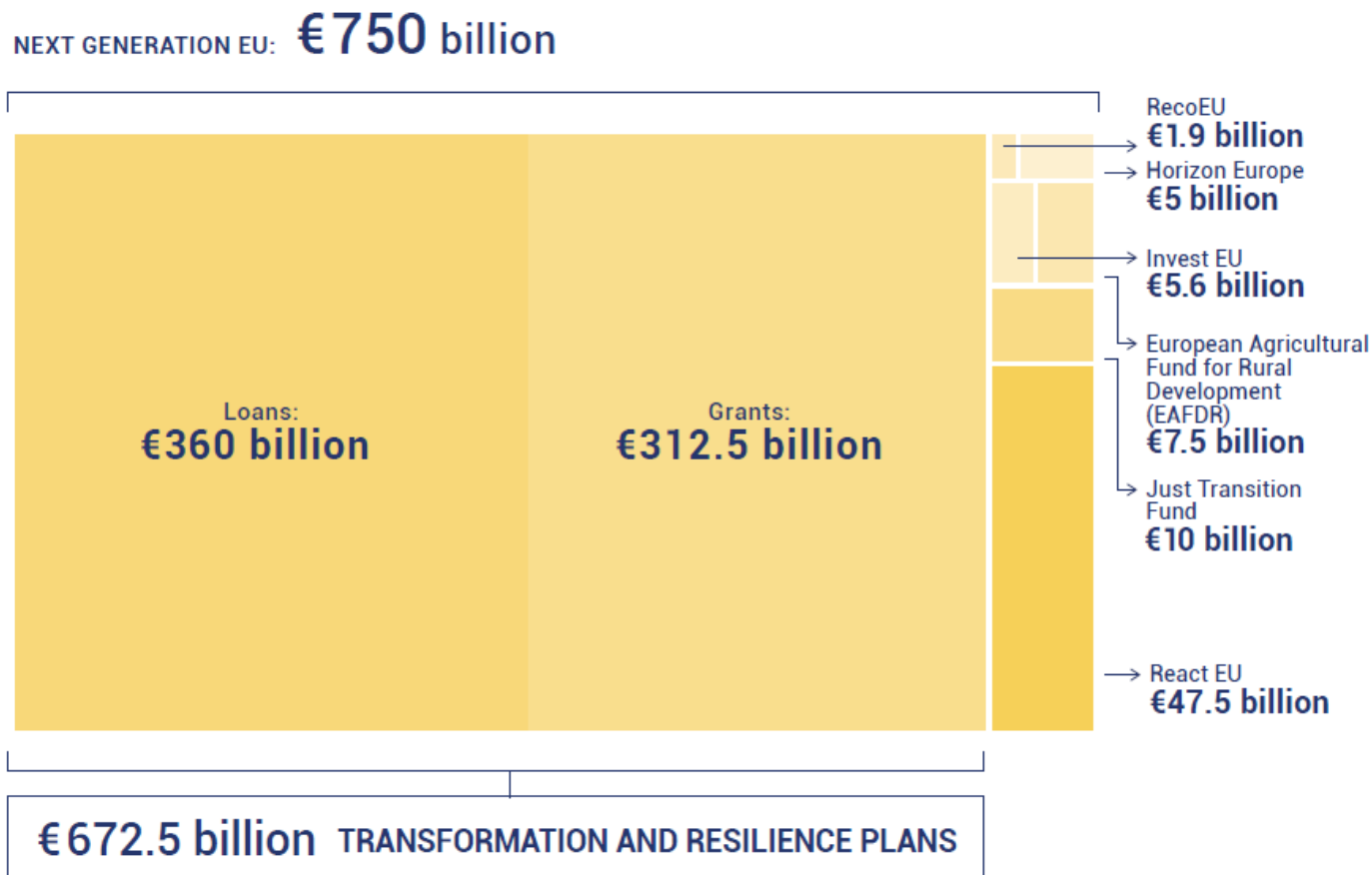


## Example 2: InvestEU



## Example 2: Recovery funds NextGenerationEU

Figure 2: THE NEXTGENERATIONEU INSTRUMENTS

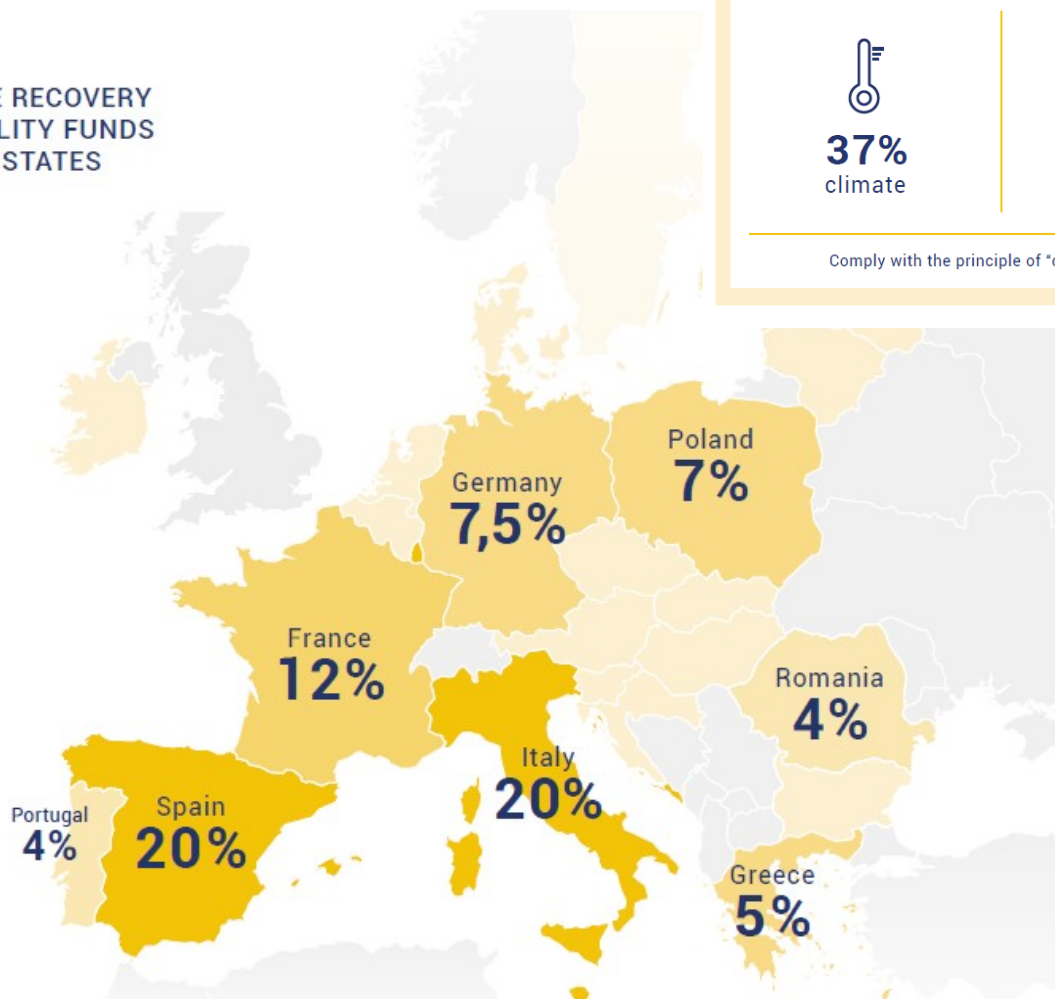


According to the European Union, NGEU is a temporary instrument for financing the green, digital transformation and modernisation of the European economy. It contains €750 billion which will provide loans and grants to EU Member States over the next 7 years. **€390 billion is allocated to grants, and slightly less (€360 billion) is allocated to loans.**

## Example 2: Recovery funds NextGenerationEU

Figure 3:

DISTRIBUTION OF THE RECOVERY AND RESILIENCE FACILITY FUNDS AMONG THE MEMBER STATES



REQUIREMENTS FOR NEXTGENERATIONEU INVESTMENTS AND REFORMS

<p><b>37%</b> climate</p>	<p><b>10%</b> biodiversity</p>	<p><b>20%</b> digitalisation</p>
-------------------------------	------------------------------------	--------------------------------------

Comply with the principle of "doing no significant harm" to the environment

### The Recovery and Resilience Facility (RRF)

Among the various NGEU instruments, the Recovery and Resilience Facility (RRF) is the most prominent as it is equipped with 90% of the total budget: that is to say, with €672 billion euros. To access RRF funding, Member States must present national plans and commit 70% of the money in the first two years (2021 and 2022).



## Example 2: Recovery funds NextGenerationEU

How is NextGenerationEU financed?

NGEU is financed by taking on debt through the financial markets. The European Commission plans to issue bonds (debt) to the value of €900 billion euros up to 2026

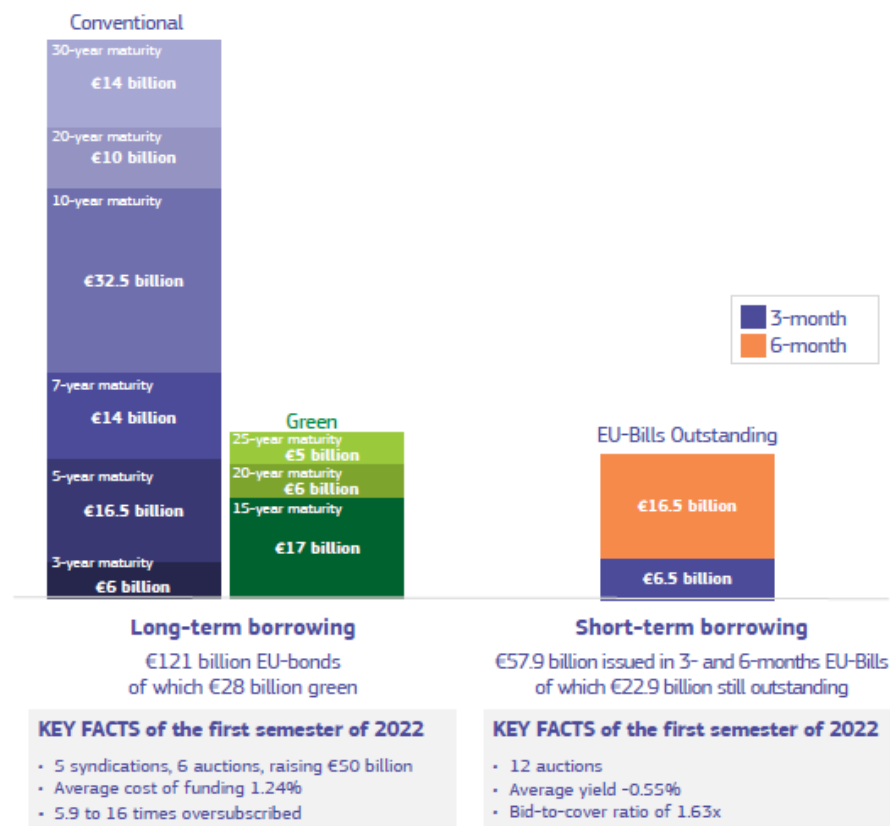
"Eurobonds"

- bonds issued by the European Union
- mutualized debt: The 27 member states share the risk and responsibility before private creditors.

+ Co-financed by new sources of income:

- Tax on plastics
- Digital tax

### NextGenerationEU funding at 30 June 2022



### Use of proceeds at 30 June 2022



## Example 2: Recovery funds NextGenerationEU

### Strategic projects for economic recovery and transformation (PERTE)

= large public-private partnerships, consortia led by large companies such as Repsol, Enagas or Seat.

The Spanish Recovery, Transformation and Resilience Plan, will receive 160,000 million euros from the NextGenerationEU funds.

These are public subsidies and loans to be spent between 3 and 7 years on projects for industrial modernisation -mainly for digitalisation, and for the energy, automotive and transport sectors- in order to “fast-track” the green and digital transition of the European economy.

+84 billion euros loans to be repaid to Brussels.

+76 billion euros of public subsidies, more than half will be delivered through PERTEs  
= 160 billion euros



# Example 2: Recovery funds NextGenerationEU

Darrere l'hidrogen finançat pels Next Generation EU: 5 estudis de cas

## Projectes H2 Next Generation EU



# REPowerEU

**R** Plan de Recuperación,  
Transformación  
y Resiliencia





## COMUNITATS ENERGÈTIQUES LOCALS (CELS)



CIUTADANIA ORGANITZADA  
PER LA SOBIRANIA ENERGÈTICA



## Impulsem la sobirania energètica dels municipis

Proposta Municipalista 2023  
Xarxa per la sobirania energètica



## Example 2: Recovery funds NextGenerationEU



OPINIÓN · OTRAS MIRADAS

### *Los fondos para la nueva economía de los cuidados deben llegar a las cuidadoras*

MARÍA PALOMARES AREAS

DIRECTORA EJECUTIVA DE CALALA FONDO DE MUJERES, FUNDACIÓN QUE FINANCIA ORGANIZACIONES FEMINISTAS DE BASE EN CENTROAMÉRICA Y EL ESTADO ESPAÑOL



Trabajadoras del hogar durante una protesta reciente.- Imagen de archivo de EFE



### How public investment undermines ecofeminist transition

Analysis of five strategic projects for economic recovery and transformation (PERTEs)

Blanca Bayas Fernández  
Mirene Begiristain Zubillaga  
Irene González Pijuan  
Mónica Guiteras Blaya  
Ruth Pérez Lázaro  
Amaia Pérez Orozco

**XXK** **ODG** **OMJA** **Enginyeria Social Perifèrica**

## Cómo la inversión pública socava la transición ecofeminista

## Cómo sería un futuro ecofeminista posible

### How public investment undermines ecofeminist transition

Analysis of five strategic projects for economic recovery and transformation (PERTEs)

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Reorganización y revalorización de los trabajos esenciales



Desprivatización y colaboración público-comunitaria



Ajuste de nuestros consumos a los límites del planeta y los territorios



Democratización de la economía: más participación y autogestión



Garantía de derechos para todxs



Relocalización de los servicios y la producción



Problematización de la digitalización en términos de soberanía tecnológica



Reconocimiento y reparación de la deuda ecológica del Norte con el Sur Global





# Example 2: Recovery funds NextGenerationEU



fiscalitat@gmail.com

**Plataforma per una fiscalitat justa, ambiental i solidària**

Qui som Manifest de la plataforma Documentació Butlletí

 **Plataforma Auditoria Ciudadana de la Deuda**  
¡No debemos, no pagamos!

La caixa de... Plataforma en Defensa dels Serveis Públics

19 October, 2021 b 2,797 Tweets #LaDeuda

 **PLATAFORMA EN DEFENSA DELS SERVEIS PÚBLICS**

**Plataforma en Defensa dels Serveis Públics**  
@100x100Publics

 **Money Watchers: The Next Generation**  
48 Tweets

 **Money Watchers: The Next Generation**  
@MoneyWatchers Te sigue

¿Dejarás que las grandes corporaciones laven su imagen y se queden otra vez con todo el pastel?  
#NextGenerationEU

**¿Permitiremos que las grandes corporaciones se queden otra vez con todo el pastel?**



- REPSOL
- Grupo Agbar
- ferrovial
- CEPSA
- IBERDROLA
- INDITEX
- Telefonica
- EdiCarre Ingles
- AirEuropa
- endesa
- ACS
- acciona

**money WATCHERS**  
NEXT GENERATION EU

#PasteleoFondosEuropeos

## **BLOC 3 Towards alternatives**

**Video Uncovering the green transition | 2. Alternatives per finançar una transició verda realment justa**

**<https://www.youtube.com/watch?v=ud65ZEXCTZ4>**

## **Towards alternatives**

### **Group work**

**What alternatives for a green and just transition do you like, what could work and why?**

Think of: Different focus for a green deals, what means just, what should a responsible financing look like, what kind of projects should we finance, scale of project, different decision making processes...?

Reporting back to the group.



**Muchas gracias! Thanks a lot!**

Nicola Scherer

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