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**Opinion of the European Economic and Social Committee on ‘Advancing the EU’s just transition
policy framework: what measures are necessary?’**

(exploratory opinion at the request of the Belgian Presidency)

(C/2024/1576)

Rapporteur: **Rudy DE LEEUW**

Co-rapporteur: **Arnold PUECH d’ALISSAC**

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1. Conclusions and recommendations

1.1. At the request of the Belgian Presidency of the Council of the EU, the European Economic and Social Committee (EESC) sets out in this exploratory opinion the six key elements of a Just Transition Policy Framework (JTPF), accompanied by concrete short- and long-term measures.

1.2. The EESC stresses that a just transition should be high on the political agenda of the next EU legislature and enshrined in all EU institutions through a holistic, cross-sectoral and coherent approach, and proposes concrete actions, such as the preparation and adoption of a ‘2050 EU Agenda’, the appointment of a Commissioner for Just Transition in the next legislature and the setup of a Just Transition Observatory.

1.3. The EESC believes that the JTPF should be based on the principles of environmental sustainability, the right to a decent life and the protection of social values, and should aim to promote a sustainable economy that provides for the well-being of all within planetary boundaries, including through a comprehensive 2050 EU sustainable development strategy and the necessary reforms of the European Semester.

1.4. The EESC believes that the JTPF should preserve and further develop the European social model, for example by creating a European Directive on Just Transition, and encourage Member States to update their welfare systems to ensure that the benefits of the green transition are shared equitably and to guarantee high quality, affordable and accessible services of general interest.

1.5. The EESC is convinced that the JTPF should be developed and implemented through meaningful social dialogue and collective bargaining, civil dialogue and the engagement of regional and local authorities. The EESC encourages the development of just transition plans at all levels, together with the protection and training of workers.

1.6. The EESC emphasises that the JTPF should be accompanied by EU policies that enable enterprises to become competitive in a fair way, sustainable, stronger and more resilient and to play their part in ensuring a just transition that is people-centred, responsive to local conditions, protects nature and the environment and seizes opportunities.

1.7. The EESC is convinced that adequate investment in a just transition is fundamental to realise the JTPF and suggests exploring the possibility of a golden rule and social and environmental conditionalities for investment, as well as reforming the European Stability and Growth Pact to monitor, coordinate and facilitate the spending and reforms needed to achieve the goal of a just transition.

2. General comments

2.1. The EESC believes that a just transition should be high on the political agenda of the next EU legislative period and therefore commends the Belgian Presidency of the Council of the EU for making a just transition a priority. It also sees an opportunity to take forward the ideas and proposals set out in relevant EESC opinions such as 'The transition towards a more sustainable European future — a strategy for 2050' and 'Leaving no one behind when implementing the 2030 Sustainable Development Agenda'.

2.2. The EESC welcomes the Belgian Presidency's request for an EESC exploratory opinion on the establishment of an EU Just Transition Policy Framework (JTPF) capable of fostering a carbon-neutral, environmentally sustainable, non-toxic, and fully circular society and economy by 2050 ⁽¹⁾, without further jeopardising the socioeconomic opportunities of vulnerable regions and people. This text outlines the six main elements of such a framework and proposes concrete measures for each, to be designed and implemented at the appropriate levels and in full respect of the division of competences and the principle of subsidiarity.

2.3. The EESC considers that current EU initiatives on a just transition are mainly fragmented add-ons to the climate and environmental measures of the European Green Deal (EGD) and stresses that there can be no 'Green Deal' without an integrated 'Social Deal' ⁽²⁾. While, for example, the Council Recommendation on ensuring a fair transition towards climate neutrality ⁽³⁾ encourages Member States to adopt and implement coherent measures as part of policy packages for a just transition, the actions taken so far fall short of providing the EU with a comprehensive and coordinated policy framework capable of responding to the immense challenge.

2.4. The EESC is convinced that the mission of the JTPF should be to ensure well-being, a good quality of life and a sustainable future for all people in the EU in times of overlapping crises. It should simultaneously contribute to advancing climate action and environmental protection and restoration, to enhancing social justice and respect for fundamental human rights, and to combatting poverty, social and economic inequalities, all forms of discrimination and their intersections. The transition should be just for all of society, including workers, enterprises and consumers.

2.5. The EESC believes that the objective of the JTPF should be to enable the full implementation of the Paris Agreement ⁽⁴⁾, the United Nations 2030 Agenda for Sustainable Development ⁽⁵⁾ and its Sustainable Development Goals ⁽⁶⁾, the European Pillar of Social Rights and the Long-term Competitiveness Strategy ⁽⁷⁾. The tripartite and internationally recognised ILO Guidelines for a just transition ⁽⁸⁾ should provide specific options for the formulation, implementation and monitoring of the JTPF. The EESC also recommends paying particular attention to future generations' rights, as specified by the Charter of Fundamental Rights of the European Union ⁽⁹⁾.

3. A holistic, coordinated and integrated policy approach is at the heart of the JTPF

3.1. The EESC believes that a forward-looking JTPF should enshrine a just transition in all EU institutions and enhance policy coherence across different policy areas, setting clear and measurable objectives and ensuring that all EU policies are consistent with the cross-cutting objective of a just transition. It should adopt an integrated approach across the economic, environmental and social dimensions, as well as across portfolios and sectors. The JTPF should also take into account other ongoing transitions and trends such as the digital transition, demographic changes and geopolitical developments, and allow for adaptation to specific contexts and challenges rather than adopting a 'one size fits all' approach.

⁽¹⁾ <https://www.europarl.europa.eu/news/en/headlines/society/20210128STO96607/how-the-eu-wants-to-achieve-a-circular-economy-by-2050>

⁽²⁾ Opinion of the European Economic and Social Committee on 'No Green Deal without a social deal' (OJ C 341, 24.8.2021, p. 23).

⁽³⁾ OJ C 243, 27.6.2022, p. 35.

⁽⁴⁾ https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf

⁽⁵⁾ <https://sdgs.un.org/2030agenda>

⁽⁶⁾ https://international-partnerships.ec.europa.eu/policies/sustainable-development-goals_en

⁽⁷⁾ https://commission.europa.eu/document/af444130-5a3e-44f2-bea6-5b9ddcb46012_en

⁽⁸⁾ https://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf

⁽⁹⁾ OJ C 326, 26.10.2012, p. 391.

Proposals:

- Introducing a social dimension to the work of Climate Observatories and establishing an EU Just Transition Observatory responsible for research, data collection, monitoring of stakeholder involvement and the development of a Just Transition Scoreboard setting out methodologies, targets and monitoring processes based on an agreed set of principles. The Observatory should assess and anticipate internal and external impacts and monitor just transition processes and strategies using quantitative and qualitative data. It should research and monitor the involvement of the social partners in all stages of transitions and provide detailed information on redundancy and transition numbers, retraining and apprenticeship numbers, public funding, and monitoring, enforcement and outcomes of contingencies.
- Adopting a whole-of-government approach in the institutions, including integrating the objectives and principles of the JTPF into the agenda of relevant ministries, Directorates-General and Council configurations, and promoting better coordination between them, including through joint monitoring and evaluation of policies and actions through working groups, joint Council meetings, etc., guided by the facts and figures provided by the Just Transition Observatory.
- Appointing the Executive Vice-President of the European Commission and Commissioner for the EGD as Commissioner for the Just Transition, with a mandate to implement a just transition in coordination and close cooperation with the other Directorates-General of the European Commission and Council configurations, including in the European Semester. In the European Parliament, appointing a permanent rapporteur on a just transition with reporting obligations and integrating a just transition in all committees and files.
- Revising the Regulation on the Governance of the Energy Union and Climate Action ⁽¹⁰⁾ and the European Climate Law to enable a systemic approach to multi-level governance dialogue and facilitate the integration of just transition considerations into climate and energy planning and policy processes, as well as all other policy areas, including the Common Agricultural Policy.
- Ensuring policy coherence in terms of the EU's international relations in order to maximise the benefits and limit the burdens of a JTPF for third countries, taking into account common but differentiated responsibilities and respective capabilities, through mutually beneficial international partnerships and agreements underpinned by a human rights-based approach ⁽¹¹⁾.

4. The JTPF enables a sustainable economy that provides well-being for all within planetary boundaries

4.1. The EESC has called for a comprehensive sustainable development strategy in several previous opinions, including the opinions on a Strategy for 2050 ⁽¹²⁾ and Leaving no one behind ⁽¹³⁾. The JTPF should be based on the same principles as the EU strategy for 2050: the principles of environmental sustainability, the right to a decent life and the protection of social values ⁽¹⁴⁾, the economy being an enabler.

4.2. The EESC points out that the EU should design and implement a key strategy to pave the way for a rapid phase-out of the fossil economy based on the endless extraction of finite material resources, promote greater cohesion between EU Member States and regions, strengthen economic resilience and facilitate the massive public and private investment needed to realise a just transition. The JTPF must contribute to these objectives, inter alia, by promoting circular and decarbonised economy activities such as reuse, repair and recycling in line with the EU Waste Hierarchy ⁽¹⁵⁾, and its scope should cover all sectors of the economy, starting with the most carbon-intensive ones.

⁽¹⁰⁾ <https://eur-lex.europa.eu/EN/legal-content/summary/governance-of-the-energy-union.html>

⁽¹¹⁾ Opinion of the European Economic and Social Committee on a new framework for free trade agreements, economic partnership agreements and investment agreements that guarantees the real involvement of civil society organisations and the social partners and ensures public awareness (OJ C 290, 29.7.2022, p. 11).

⁽¹²⁾ OJ C 81, 2.3.2018, p. 44.

⁽¹³⁾ OJ C 47, 11.2.2020, p. 30.

⁽¹⁴⁾ Opinion of the European Economic and Social Committee on 'The sustainable economy we need' (OJ C 106, 31.3.2020, p. 1).

⁽¹⁵⁾ https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

Proposals:

- Strengthening the EGD to enhance a just transition ⁽¹⁶⁾ and ensuring that it is followed up by a comprehensive EU sustainable development strategy encompassing a Green and Social Deal that anticipates, plans and implements the necessary green transition in a just and equitable way, maximising the economic and social benefits of the transition while ensuring that the required contributions are fairly shared across society.
- Strengthening the implementation of the environmental and social dimensions of the European Semester by exploring social and environmental conditionalities, ensuring that country-specific recommendations pay proper attention to all three dimensions, and improving the Social Scoreboard to effectively monitor the implementation of the European Pillar of Social Rights.
- Reforming the Stability and Growth Pact to monitor, coordinate and facilitate the spending and reforms needed to achieve the objective of a just transition, including the possibility of introducing a ‘golden rule for investment’ ⁽¹⁷⁾ to allow Member States to allocate sufficient resources to support a just transition and meet EU targets ⁽¹⁸⁾.
- Building on the work of the Council of the European Union, exploring the possibility of introducing a ‘Social Convergence Framework’ in the European Semester, aimed at promoting upward social convergence and the pursuit of social priorities, embedded in the European Pillar of Social Rights, as reaffirmed by EU Heads of State and Government in the 2021 Porto Declaration ⁽¹⁹⁾.
- Adopting an ambitious EU strategy to manage resources sustainably and to reduce demand for energy and other material resources through the promotion of energy efficiency and sufficiency measures, ensuring that this does not weigh disproportionately on low- and middle-income people.
- Encouraging Member States to adopt green budgeting practices, including roadmaps for phasing out direct and indirect fossil fuel subsidies, which will create significant fiscal space to support the energy poor and low-income people in particular.
- Encouraging the development of strong national strategies aimed at creating an enabling environment for the social economy in Member States, unlocking the unmet financial needs of social economy actors and supporting the shift towards more environmental and socially responsible consumption, including via public procurement.

5. The European Social Model and Member States’ welfare systems are the backbone of the JTPF

5.1. The EESC is convinced that addressing the social aspects of the green transition is essential for its success and sustainability and is in line with the values and objectives of the EU. The JTPF should therefore preserve and further develop the European social model, advancing social justice, equality, inclusion and non-discrimination in the EU.

Proposals:

- Encouraging Member States to fully implement the Council recommendation on ensuring a fair transition towards climate neutrality ⁽²⁰⁾.

⁽¹⁶⁾ Resolution of the European Economic and Social Committee on Jointly tackling an existential threat: social partners and civil society for implementation of ambitious climate action (OJ C 75, 28.2.2023, p. 1).

⁽¹⁷⁾ Opinion of the European Economic and Social Committee on reshaping the EU fiscal framework for a sustainable recovery and a just transition (OJ C 105, 4.3.2022, p. 11).

⁽¹⁸⁾ Opinion of the European Economic and Social Committee on ‘Proposal for a Council Decision on guidelines for the employment policies of the Member States’ (OJ C, C/2023/870, 8.12.2023, ELI: <http://data.europa.eu/eli/C/2023/870/oj>).

⁽¹⁹⁾ <https://www.consilium.europa.eu/en/press/press-releases/2021/05/08/the-porto-declaration/>

⁽²⁰⁾ OJ C 243, 27.6.2022, p. 35.

- Conducting independent research to improve knowledge of the opportunities and challenges of the green transition, and collecting and contributing to the development of EU-wide comparable data on the needs of vulnerable people in areas concerned by green transition policies, such as transport, housing, energy supply, household consumption, waste management, labour market, education, internet access, urban and rural development, etc.
- Undertaking impact assessments to thoroughly measure the likely social, distributional, health and employment impacts of both climate action and inaction.
- Adopting an intersectional and gender-sensitive approach to policy-making and analysis, taking into account the intersecting forms of discrimination that people face on the basis of their ethnicity and race, migrant or refugee status, socioeconomic background, sexual orientation, religion, age, ability, gender, etc., which place them in particularly vulnerable situations in the face of the climate crisis and the green transition.
- Ensuring the meaningful participation of people experiencing poverty and social exclusion, including minority groups, in the design, implementation, monitoring and evaluation of just transition policies and strategies.

5.2. The EESC emphasises that a JTPF should help anticipate and manage changes related to the green transition and the world of work and enable decent, meaningful, sustainable, inclusive, safe and quality jobs that are geographically and practically accessible to all. Moreover, Member States should be encouraged to update welfare systems to meet today's social, environmental and economic challenges and to strengthen them to ensure that the costs and benefits of the green transition are shared equitably.

Proposals:

- Establishing a European Directive for Just Transition of the world of work through anticipation and management of change, with social dialogue and collective bargaining as leading principles.
- Carrying out comprehensive employment mapping at NUTS 3 level that supports just transition strategies and that maps current employment, jobs and skills profiles, potential jobs losses, and employment creation, including new jobs and skills profiles.
- Supporting setting up active labour market policies, including job banks, social aid and Job Guarantee programmes, to promote quality employment, working conditions and re-skilling opportunities.
- Encouraging Member States to facilitate the transition of workers who may be particularly vulnerable to the transition and ensure that workers made redundant as a result of the transition receive unemployment benefits and adequate support for job search and requalification.
- Recognising the role that activities such as care, especially domestic work, the informal economy, the social economy, platform work, undocumented work and the work of people in prison may play as part of a just transition.
- Monitoring and assessing social protection systems with the aim of ensuring their adequacy, especially for vulnerable workers at risk of poverty or living in poverty.
- Strengthening social protection systems through both research on innovative programmes and national measures such as collective bargaining and adequate minimum wages, access to social protection for all, social programmes for the unemployed, and more.
- Exploring possibilities to develop initiatives similar to the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) mechanism for the most impacted sectors.

- Adapting the labour market to the specific needs of disadvantaged workers by supporting Work Integration Social Enterprises and scaling up initiatives such as the Zero-Unemployment Zones, ensuring that the participation in such programmes is voluntary without negative repercussions.
- Ensuring that national authorities work with non-for-profit and other social service providers to identify and support vulnerable households and individuals accessing temporary measures such as eco-vouchers, direct income support, etc.

5.3. The EESC reiterates its call for equal access for all to quality training, education and lifelong learning for new, existing and future work, as well as for democratic participation and active citizenship. Recognising that achieving sustainability requires not only a skilled workforce but also an active citizenship, the EESC calls for a holistic approach to lifelong learning priorities ⁽²¹⁾, encompassing well-being, sustainability and citizenship education alongside employment, and recognising global citizenship education and education for sustainability as key tools to promote a just transition.

Proposals:

- Addressing skills shortages for critical sectors and ensuring that learning, up-skilling, reskilling schemes are accessible to all age groups, backgrounds and employment statuses, and that these processes take into account the needs of the labour market, are co-produced with learners and are coordinated with social partners and, where appropriate, civil society and other stakeholders.
- Encouraging large-scale skills partnerships, such as the EU Pact for Skills ⁽²²⁾, at the appropriate levels between public authorities, education providers, industry and social partners to engage in mapping and building skills intelligence to support just transition strategies.
- Integrating the skills and education agendas and extending the European Skills Agenda to key competences.
- Encouraging Member States to introduce a skills-based compensation system for companies accessing public funds for upskilling workers, in agreement with social partners, and ensuring that current financing models, such as Individual Learning Accounts and Paid Training Leave schemes, are conducive to trainings for the green transition.
- Updating education curricula ⁽²³⁾ and vocational education and training with skills for the green transition ⁽²⁴⁾ and making science, technology, engineering and mathematics, manual labour and apprenticeships more attractive in a gender responsive manner, while ensuring the resilience of education and training systems.
- Recognising the skills and qualification of refugees and migrants.
- Investing in formal, non-formal and informal learning and promoting existing guidelines and strategic frameworks to recognise and validate transversal competences, while supporting educators and learning providers with adequate funding and professional development opportunities.

⁽²¹⁾ Opinion of the European Economic and Social Committee on 'How to promote, based on education and training, from a lifelong learning perspective, the skills needed for Europe to establish a more just, more cohesive, more sustainable, more digital and more resilient society' (OJ C 286, 16.7.2021, p. 27).

⁽²²⁾ https://pact-for-skills.ec.europa.eu/index_en

⁽²³⁾ Opinion of the European Economic and Social Committee on 'Supportive education systems to avoid skills mismatches — what transition is needed?' (OJ C 228, 5.7.2019, p. 16).

⁽²⁴⁾ Opinion of the European Economic and Social Committee on the Proposal for a Council decision on guidelines for the employment policies of the Member States (OJ C 486, 21.12.2022, p. 161).

- Developing and implementing effectively, supported by adequate funding, the existent competence frameworks at EU level — such as the LifeComp ⁽²⁵⁾ and GreenComp ⁽²⁶⁾ frameworks, and the Key Competences for Lifelong Learning; moreover, monitoring these processes through instruments such as the Recovery and Resilience Facility and any follow-up.

5.4. Given that a just transition requires rapid changes in our energy, mobility, communication and other systems, the EESC stresses the need for governments to invest in sustainable and secure infrastructure and to provide access to high-quality, affordable and accessible services of general interest that are well organised and funded.

Proposals:

- Accelerating the deployment of renewable energy, including through better transposition of the EU legislative frameworks on public and stakeholder ownership and energy communities.
- Accelerating the renovation wave, paying particular attention to low-income households and tenants, e.g. through non-repayable grants, competitive interest rates to support the renovation of the housing stock. The risk of renoviction and increasing rents should be addressed adequately.
- Strengthening efficient, multi-modal clean and affordable public transport systems with increased investment in fully integrated infrastructure, rolling stock and personnel and through better subnational, national, and international coordination ⁽²⁷⁾.

6. Social dialogue, civic dialogue and the participation of local and regional authorities are the cornerstone to realise the JTPF

6.1. The EESC firmly believes that the green transition can only succeed if it is widely supported by workers, employers, individuals and civil society at large, and that people must be part of designing and realising a just transition. The EESC stresses the fundamental importance of the participation of workers' representatives and trade unions in the anticipation and socially sustainable management of industrial closure and transformation in accordance with the applicable rules, and underlines the role and responsibility of employers, entrepreneurs and private sector engagement in driving and benefiting from a just transition ⁽²⁸⁾, for example through the re-skilling and up-skilling of workers and support for the diversification of SMEs.

6.2. The EESC therefore considers that the JTPF should foster the development and implementation of just transition plans at national, regional, sectoral and company levels and ensure that the social partners (representatives of management and labour unions) are involved early and effectively in discussions on the green transition ⁽²⁹⁾. This must be done through strengthened social dialogue ⁽³⁰⁾ and systems of collective bargaining ⁽³¹⁾ and processes of workplace democracy in the EU and the Member States, as well as at global level, implementing and strengthening the existing structures and schemes for negotiation and possibly creating new ones where they do not exist and upon joint request of the social partners, all this in accordance with national rules and practices and with due respect for the characteristics of national industrial relations systems and the autonomy of the social partners.

Proposals:

- Strengthening and monitoring the implementation of the fundamental rights of workers to organise and join trade unions without retaliation and to bargain collectively, including in emerging green sectors.

⁽²⁵⁾ https://joint-research-centre.ec.europa.eu/lifecomp_en

⁽²⁶⁾ https://joint-research-centre.ec.europa.eu/greengcomp-european-sustainability-competence-framework_en

⁽²⁷⁾ Opinion of the European Economic and Social Committee on The importance of public transport for Europe's green recovery (OJ C 75, 28.2.2023, p. 115).

⁽²⁸⁾ Opinion of the European Economic and Social Committee on 'Industrial transition towards a green and digital European economy: regulatory requirements and the role of social partners and civil society' (OJ C 56, 16.2.2021, p. 10).

⁽²⁹⁾ https://www.ilo.org/wcmsp5/groups/public/-ed_norm/-relconf/documents/meetingdocument/wcms_886647.pdf

⁽³⁰⁾ <https://www.europarl.europa.eu/factsheets/en/sheet/58/social-dialogue>

⁽³¹⁾ Opinion of the European Economic and Social Committee on green collective bargaining: good practices and future prospects (OJ C 293, 18.8.2023, p. 27).

- Encouraging and supporting business actors and private companies to develop and implement, through social dialogue, short and long-term plans for a just transition at company level. This should be done in addition to the development of genuine decarbonisation plans, with the aim of anticipating and managing the change at this level and informing sectoral and national plans, through proper information, consultation and participation of workers, in accordance with the applicable rules and practices, and through the training, re- and upskilling of workers. Long-term employment and skills needs should be taken into account and, where necessary, internal placements, outplacements or other support measures should be organised.
- Encouraging the development of long-term just transition agreements at territorial level to revitalise affected areas with a variety of stakeholders including public administrations, social partners and civil society, with the aim of promoting new industrial ecosystems in an equitable way, taking into account local history, culture, aspirations and opportunities.
- Encouraging Member States to create Just Transition Commissions⁽³²⁾ to allow regional authorities, social partners and civil society organisations to participate, where appropriate, in the development, implementation and monitoring of national and regional just transition plans.
- Facilitating the negotiation of social protection measures in social dialogue, to support workers made redundant as a result of the transition.
- Encouraging social dialogue on issues such as training, and arrangements related to time and financial resources, benefitting workers.

6.3. In addition to the effective involvement of social partners, the EESC points out that a JTPF should be designed and implemented through an inclusive and democratic model of multi-level governance, ensuring adequate and informed civil dialogue and taking into account the needs of marginalised groups. The EESC also recognises the importance of the active and informed participation of regional and local public administrations, as the level of government closest to the people and to employment sectors, and of broadening their engagement with social partners, civil society, individuals and local communities.

Proposals:

- Supporting the implementation of civil dialogue for policy-making, focusing on capacity building and mainstreaming the engagement of organised civil society at all stages of the policy cycle, taking into account the inclusion of and outreach to marginalised and under-represented groups, and implementing follow-up and accountability mechanisms.
- Establishing public participation processes through which local stakeholders such as civil society and local communities, representing citizens in all their diversity, are involved in decision-making, and further fostering the cooperation between civil society and the public sector.
- Encouraging bottom-up civic participation such as, for instance, participatory budgeting, citizens' assemblies, youth energy councils, etc., representing people in all their diversity and paying attention to the gender and anti-racist approach.
- Strengthening the governance framework of the Just Transition Mechanism to ensure a comprehensive involvement of all stakeholders in the Just Transition Fund, and further developing the European Climate Pact to create meaningful participatory democracy in climate action.
- Considering simplifying the process for submitting European Citizens' Initiatives to make it more effective.
- Making funding for civil society sustainable, long-term and flexible in terms of rules and procedures at European, national, regional and local levels, and guaranteeing the openness of the civic space to facilitate and encourage the work of civil society.

⁽³²⁾ Opinion of the European Economic and Social Committee on Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality (OJ C 275, 18.7.2022, p. 101).

- Encouraging working with municipalities on local and regional projects through just transition tenders to develop activities such as sustainable tourism, rehabilitation and repurposing of mining and industrial areas and renewable energy projects.
- Providing municipal and regional authorities with best practices on how to participate in just transition processes and equipping them with capacity-building and financial resources to do so.
- Fostering public ownership of the Territorial Just Transition Plans.

7. Strong and resilient sustainable businesses are a prerequisite for the functioning of the JTPF

7.1. The EESC emphasises that industries and enterprises, from large companies to MSMEs, cooperatives and social economy actors, have an important role to play in a just transition, as they undergo the transition in their own operations and at the same time contribute to the transition of other actors, by creating quality jobs, providing climate and environmental solutions and helping regions and local communities to develop and prosper. The EESC believes that the JTPF should be accompanied by EU policies that enable enterprises to become competitive in a fair way, sustainable, stronger and more resilient and to play their part in ensuring a just transition that is people-centred, responsive to local conditions and seizes opportunities.

Proposals:

- Enhancing EU enterprises' access to a secure and renewable energy and a circular use of raw material supply, while ensuring an equitable distribution of resources, global just transitions and the needs of future generations. Moreover, promoting decarbonisation, circularity and sustainable resource management by businesses in all sectors, not just those sectors or technologies labelled as 'green' or 'clean'.
- Exploring and developing the EU's carbon leakage policy such as CBAM with the aim of covering all relevant sectors critical to the EU's open strategic autonomy and essential functions of society, while ensuring that this does not mean protectionism, particularly against developing countries.
- Within the EU, strengthening the single market and its proper functioning in terms of trade in products, technologies and services that contribute to and accelerate the green transition; outside the EU, promoting the export opportunities for EU enterprises to provide sustainable products and solutions to global markets and facilitating their contribution to the EU's partnership programmes with developing countries.
- Ensuring that a stable, predictable and long-term policy and regulatory framework allows businesses to become strong and resilient. Such a framework should provide a level playing field for EU enterprises within the single market and in relation to their international competitors, thereby enhancing the economic security, resilience and sovereignty of the EU.
- Developing roadmaps for sectors and businesses to decarbonise in line with the Fit for 55 legislation and the future 2040 climate target, and setting out the appropriate industrial policy tools to protect industry and businesses from carbon and investment leakage, subject to companies' decarbonisation and just transition plans.
- Providing public support towards a considerable upscaling of social economy enterprises and organisations, and community-led initiatives focusing on social goals and just environmental protection.

- Enhancing the availability of appropriate advisory services and cooperation platforms for MSMEs, including cooperatives and social economy enterprises, to help them respond to the challenges of the twin transition, in terms of daily operations, innovation and skills development ⁽³³⁾.

8. Adequate investment in a just transition is fundamental to the realisation of the JTPF

8.1. The EESC emphasises that a JTPF should be backed by sufficient financial resources, mobilising both public and private investment and redistributing the costs and benefits of the transition equitably. The Just Transition Mechanism ⁽³⁴⁾ is a valuable tool for enhancing and managing a just transition at the regional and sectoral levels. However, it is limited in size and scope, addressing only a small part of the transition process. The Social Climate Fund ⁽³⁵⁾ is seeking to prevent the regressive distributional effects of the Emissions Trading System 2 (ETS 2) for buildings and road transport, but the amounts are not at all commensurate to the needs.

Proposals:

- Setting up an EU funding strategy for a just transition that builds upon lessons learned from existing EU funds, including the Recovery and Resilience Facility (RRF), and paves the way for proper funding the green transition in a socially just manner, along the lines of the ground-breaking NextGenerationEU. This EU funding strategy must ensure that the EU funds essential to meeting the challenges of a just transition are available after recovery funding ends in 2026 and that the funding is sufficient to achieve the EU's new 2040 emission target.
- Supporting a revision of the Multiannual Financial Framework, as already proposed by the European Commission to create more flexibility for an EU budget under strain from multiple crises.
- Increasing funding of the Just Transition Mechanism and Fund and extending it to other regions and sectors, with priority given to the most polluting ones identified on the basis of a thorough impact assessment of the EU's 2040 climate target and sectoral transition and decarbonisation roadmaps.
- Increasing funding under the Social Climate Fund and rebating a more substantial portion of carbon price revenue to households.
- Ensuring that Common Agricultural Policy (CAP) funding and other instruments support Just transition objectives.
- Making sure that the updated National Energy and Climate Plans adequately assess the spending gap for a just transition and address ways to close it, map all fossil fuel subsidies (explicit and implicit) and include a time-bound plan to phase them out in a socially just manner, so as to free up public resources for a just transition.
- Ensuring coherence and synergies between different funding mechanisms, e.g. NextGenerationEU/RRF, the European Social Fund Plus (ESF+) and cohesion funds, and that EU funds facilitate, monitor and coordinate the green and social investment policy required for a just transition, while promoting convergence between Member States.
- Ensuring that the next generation of cohesion policy funds are guided by the principles of a just transition and based on a detailed analysis of the vulnerabilities of the different areas of Europe vis-à-vis the green transition.

⁽³³⁾ Opinion of the European Economic and Social Committee on SMEs, social economy enterprises, crafts and liberal professions / Fit for 55 (OJ C 486, 21.12.2022, p. 1).

⁽³⁴⁾ Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund' and on 'Amended proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument' (OJ C 311, 18.9.2020, p. 55).

⁽³⁵⁾ Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council establishing a Social Climate Fund' (OJ C 152, 6.4.2022, p. 158).

- Prioritising and monitoring the use of EU and national funds to benefit first and foremost those most in need, through targeted measures for people in vulnerable situations.
- Ensuring proper implementation of the ‘polluter pays’ principle in climate and environmental policies.
- Aligning the implementation of State aid and public procurement rules with just transition objectives and ensuring that the conditions for access to public funding in Member States are met and that companies that do not comply with tax obligations and environmental and labour legislation should be excluded from access to public funding ⁽³⁶⁾.
- Ensuring that taxation reduces inequality and guides and encourages businesses and individuals to take measures that contribute to the green transition.
- Due to the importance of technological and social innovation in advancing a just transition, ensuring intensive public and private investment in research and innovation, including effective Research and Development and Innovation (R&D&I) infrastructures and innovation ecosystems that involve grassroots citizens’ initiatives, businesses, trade unions, universities and research organisations, as well as other relevant stakeholders.

Brussels, 14 December 2023.

*The President
of the European Economic and Social Committee*
Oliver RÖPKE

⁽³⁶⁾ Opinion of the European Economic and Social Committee on ‘Proposal for a Council Decision on guidelines for the employment policies of the Member States’ (OJ C, C/2023/870, 8.12.2023, ELI: <http://data.europa.eu/eli/C/2023/870/oj>).

ANNEX

The following amendments, which received at least a quarter of the votes cast, were rejected during the discussion (Rule 74 (3) of the Rules of Procedure):

AMENDMENT 1

Tabled by:

- DANISMAN Mira-Maria
- MINCHEVA Mariya
- PUECH d'ALISSAC Arnold
- PUXEU ROCAMORA Josep
- SCHWENG Christa
- SVENTEK David

Point 5.2

Amend as follows:

Section opinion	Amendment
<p>The EESC emphasises that a JTPF should help anticipate and manage changes related to the green transition and the world of work and enable decent, meaningful, sustainable, inclusive, safe and quality jobs that are geographically and practically accessible to all. Moreover, Member States should be encouraged to update welfare systems to meet today's social, environmental and economic challenges and to strengthen them to ensure that the costs and benefits of the green transition are shared equitably. Proposals:</p> <p>— Establishing a European Directive for Just Transition of the world of work through anticipation and management of change, with social dialogue and collective bargaining as leading principles.</p> <p>[...]</p>	<p>The EESC emphasises that a JTPF should help anticipate and manage changes related to the green transition and the world of work and enable decent, meaningful, sustainable, inclusive, safe and quality jobs that are geographically and practically accessible to all. Moreover, Member States should be encouraged to update welfare systems, where needed, to ensure their sustainability and to meet today's social, environmental and economic challenges and to strengthen them to ensure that the costs and benefits of the green transition are shared equitably. Proposals:</p> <p>— A part of the EESC calls for establishing a European Directive for Just Transition of the world of work through anticipation and management of change, with social dialogue and collective bargaining as leading principles, while another part of the EESC does not support the idea of creating such a Directive.</p> <p>[...]</p>

AMENDMENT 2

Tabled by:

DANISMAN Mira-Maria

MINCHEVA Mariya

PUECH d'ALISSAC Arnold

PUXEU ROCAMORA Josep

SCHWENG Christa

SVENTEK David

Point 1.4

Amend as follows:

Section opinion	Amendment
<p>The EESC believes that the JTPF should preserve and further develop the European social model, for example by creating a European Directive on Just Transition, and encourage Member States to update their welfare systems to ensure that the benefits of the green transition are shared equitably and to guarantee high quality, affordable and accessible services of general interest.</p>	<p>A part of the EESC believes that the JTPF should preserve and further develop the European social model, for example by creating a European Directive on Just Transition, while another part of the EESC has serious doubts about the added value of a possible Directive, considering the wide-ranging instruments focusing on just transition that already exist and the different challenges and contexts at the national level. Member States should be encouraged to review and update their welfare systems, where necessary, in order to make their systems sustainable and to ensure that the benefits of the green transition are shared equitably and to guarantee high quality, affordable and accessible services of general interest.</p>

Reason for both amendments

The added text clarifies that the employers' group do not share the idea of creating a directive on a just transition for the following reasons:

- There are already wide-ranging instruments focusing on just transition.
- In June 2022 the Council adopted Recommendation on ensuring a fair transition towards climate neutrality. This Recommendation, in line with the principles of the European Green Deal and the European Pillar of Social Rights, aims to ensure that the Union's transition towards a climate-neutral and environmentally sustainable economy by 2050 is fair and leaves nobody behind. In that Recommendation Member States are invited, for that purpose, to adopt and implement, in close cooperation with social partners as relevant, comprehensive and coherent policy packages, addressing the employment and social aspects to promote a fair transition across all policies, notably climate, energy and environmental policies, as well as to make optimal use of public and private funding. The Recommendation focusses for instance, on issues such as quality employment and skills and underlines the vital role played by social partners in contributing to addressing, through dialogue, the employment and social consequences of the challenges of the green transition. The Commission intends to review progress made in the implementation of the Recommendation in the context of multilateral surveillance in the European Semester building on existing scoreboards and monitoring frameworks, extended by additional indicators where necessary in close cooperation with Member States.

- Furthermore, the issue is being discussed in the relevant EU bodies. For instance, the EPSCO Council of 27 November 2023 endorsed the key messages of the Employment Committee and the Social Protection Committee ⁽¹⁾ as regards the implementation of the recommendation on ensuring a fair transition towards climate neutrality, where it is clearly visible that Member States are undertaking different measures aligned with their national context. The possible directive may have adverse effects, especially given the time needed to adopt it and transpose it into national legislation.
- Furthermore, as stated in the EU level social partners Work Programme for 2022-2024 '[t]he speed and scale of this transformation in the labour market requires the early and effective involvement of the social partners in order to raise awareness and to identify solutions that can be tailored to sectors specificities and implemented at the local level. Social partners should play an active role to ensure that a just transition, underpinned by appropriate public funding and investments, creates quality jobs and supports enterprises and workers adapting to change, including new skills needs, upskilling, redesign of jobs, organising job-to-job transitions and work organisation improvements'. According to the work programme, the EU level social partners will negotiate a framework of actions on green transition.
- Finally, the EU *acquis* already provides a wide-ranging set of rules concerning information and consultation of workers.

Outcome of the vote in block on both amendments:

In favour: 71

Against: 112

Abstention: 17

⁽¹⁾ <https://data.consilium.europa.eu/doc/document/ST-15439-2023-INIT/en/pdf>