Commission presents guide for a fair transition towards climate neutrality

Brussels, 14 December 2021

Today, the Commission issues policy guidance for a fair and inclusive transition towards climate neutrality to complement the package on delivering the Green Deal presented in July. The proposed Council Recommendation sets out specific guidance to help Member States devise and implement policy packages that ensure a fair transition towards climate neutrality, by addressing the relevant employment and social aspects linked to the transition in a comprehensive manner. The proposal pays particular attention to addressing the needs of the people and households that are highly dependent on fossil fuels and could be most affected by the green transition, and invites Member States to make optimal use of public and private funding and work in close cooperation with social partners.

Fairness and solidarity are defining principles of the European Green Deal. Policy actions to support people and their active participation are key for a successful green transition. With the right actions and policies in place, the green transition has the potential to create an additional 1 million jobs by 2030 in the EU and some 2 million jobs by 2050. At the same time, it is important to ensure that no one is left behind, and that the EU and its Member States continue to improve their capacities to anticipate change and to provide targeted support to the regions, industries, workers and households facing future challenges.

Putting people at the heart of the green transition

To fully realise the employment and social potential of the green transition, it is essential to use all available tools and put the right policies in place at EU, national, regional and local levels. Today's proposal encourages Member States to take measures and actions, adapted to their particular circumstances, including:

- **Measures to support quality employment and facilitate job-to-job transitions.** This includes for instance offering tailored job search assistance and promoting job creation, and facilitating access to finance and markets for micro, small and medium-sized businesses, in particular those contributing to climate and environmental objectives.

- **Measures to support equal access to quality education and training.** This concerns for example developing up-to-date intelligence on skills needs in the labour market, providing high-quality and inclusive education and training on skills and competences relevant for the green transition, and increasing adult participation in lifelong learning.

- **Measures to support fair tax-benefit and social protection systems.** The proposal invites Member States to assess and, where necessary, adapt these systems, for instance by further shifting the tax burden away from labour towards other sources contributing to climate and environmental objectives.

- **Measures to support affordable access to essential services.** Member States are invited to continue to mobilise public and private financial support to invest into renewable energy, tackle mobility challenges and promote cost-saving opportunities linked to the circular economy.

- **Measures to coordinate policy action, follow a whole-of-economy approach,** and actively involve social partners, civil society, regional and local authorities and other stakeholders. Measures to further strengthen the evidence base and advance the consistency of definitions and methodologies are also important to improve the targeting of social and labour market policies.

- **Optimal use of public and private funding.** Member States have a wide range of EU and other funding at their disposal to implement the necessary measures for a fair transition to climate neutrality. The proposed Social Climate Fund of €72.2 billion in particular will support vulnerable households, transport users and micro-enterprises affected by the introduction of emissions trading for fuels used in road transport and buildings. It will be funded by the revenues of the emission trading. Other available EU funding under NextGenerationEU includes
the **Just Transition Mechanism (JTM)** and the **European Social Fund Plus (ESF+)**, the EU's main instrument for investing in people with a budget of €99.3 billion in 2021-2027. A significant share of reforms and investments in Member States' Recovery and Resilience Plans financed by the **Recovery and Resilience Facility (RRF)** will be directed to social policies, with specific support for the fair green transition by for example promoting the creation of green jobs and the development of green skills.

**Members of the College said**

Frans Timmermans, Executive Vice-President for the European Green Deal said: "*With the Green Deal we will create a modern, sustainable economy with jobs that last for decades to come. Europe's transition to climate neutrality will not be easy and we need to have policies across the economy that bring everyone along. Today we complement our proposals on the Social Climate Fund, the Just Transition Mechanism and others with additional policy guidance to make sure we leave no one behind on our path to a healthy, green, and fair future.*"

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People, said: "*To protect our planet and future generations, we must build a sustainable economy that works for everyone. The green transition has significant economic and job creation potential. It is essential that we make the most of the opportunities offered by the green transition, while making sure it is fair and inclusive so that no one is left behind. For this, we must invest in skills, quality jobs and affordable services.*"

Nicolas Schmit, Commissioner for Jobs and Social Rights, said: "*The Green Deal is an economic and climate imperative, and we all have to collectively ensure its success. But we do not underestimate the social and employment impact of the green transition. Social fairness must be at its heart, reflecting the values of the European social market economy. This policy guidance provides detailed, tangible ways for Member States, regions and local communities to protect the people who are at risk of poverty and social exclusion, as well as to enable people to make the most of the opportunities that the climate transition offers.*"

**Background**

The **European Green Deal**, launched in 2019, sets out the EU strategy to become the first climate-neutral continent and transform the Union into a sustainable, fairer and more prosperous society that respects the planetary boundaries. The need for a fair transition is an integral part of the Green Deal which underlined that no person and no place should be left behind.

This is in line with the 2015 **Paris Agreement**, the European Council's **Strategic Agenda 2019-24** and the **European Climate Law** in force since July 2021. The **European Pillar of Social Rights Action Plan** complements and supports the green and digital transitions in line with a strong social Europe, notably through three EU headline targets in the areas of employment, skills, and social inclusion, endorsed by EU leaders in May and June 2021.

In July 2021, the Commission adopted the **'Fit for 55' package** to deliver on the EU's binding 2030 climate target of reducing net greenhouse gas emissions by at least 55% on the path to climate neutrality by 2050. This included the Social Climate Fund which aims to mobilise €72.2 billion to address the impacts of emissions trading in road transport and buildings on vulnerable households, micro-enterprises and transport users, to be funded by the revenues of the new emissions trading system. As part of the 'Fit for 55' package, the Commission announced a proposal for a Council Recommendation by the end of 2021 to provide further guidance to Member States on how to best address the social and labour aspects of the green transition.

**For More Information**

- [Questions and answers: A fair transition towards climate neutrality](#)
- [Factsheet: A fair transition towards climate neutrality](#)
- [Commission proposal for a Council Recommendation on ensuring a fair transition towards climate neutrality](#)
- [Staff Working Document accompanying the proposal for a Council Recommendation on ensuring a fair transition towards climate neutrality](#)
- [European Green Deal website](#)
- [European Pillar of Social Rights website](#)

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<tbody>
<tr>
<td>Veerle NUYTS (+32 2 299 63 02)</td>
</tr>
<tr>
<td>Flora MATTHAES (+32 2 298 39 51)</td>
</tr>
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| General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email |

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