

## HOW TO ENSURE A JUST AND FAST TRANSITION TO A COMPETITIVE LOW-CARBON ECONOMY FOR THE EU

Political priorities for the next European Commission

#### **Key messages**

The new European Commission will have to deliver on putting the EU on a 1.5 °C trajectory. This requires the full decarbonisation of all sectors, with potentially disruptive effects on high-carbon regions, cities or territories and sectors. Supporting a just transition in those regions and sectors should be a key priority for the incoming Commission alongside setting and implementing new, more ambitious climate goals and ensuring a sustainable future for communities.

#### Background

With the ratification of the Paris Agreement, the EU committed to holding the rise of global average temperature to well below 2°C above pre-industrial levels and to continue efforts to limit it to 1.5°C. However, the EU's current emissions targets are not consistent with this goal. The Commission will have to step up climate policy ambition within the next five years. The necessary economy-wide decarbonisation is projected to have significant impacts on high-carbon regions and sectors, including the loss of jobs. The EU is a global rule maker, a community of law based on fundamental rights, party to international conventions and the largest single market; as such it has an important role to play in actively anticipating and shaping a just and quick transition.

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#### **Policy recommendations**

- Make the EU Long-Term Climate Strategy a powerful tool for change: The new Commission will have to put the roadmap high on the agenda to ensure it leads to the adoption of necessary policy initiatives as well as a more ambitious EU offer at the UNSG Summit. This requires establishing a process that will make clear how it fits into national, subnational and European governance systems as well the EU's Paris Treaty Commitments.
- Raise ambition of EU 2030 climate and energy targets: An ambitious upward revision of the 2030 climate and energy targets will guarantee the necessary balance between the need to provide planning security to member states, regions, cities, industry and workers and the need to ensure the just transition process takes place within a time frame when the impacts and costs of climate change are still manageable.
- Reform EU governance: Developing a supportive policy framework for a just and fast transition process requires reducing the lobbying power of incumbents when re-organising the new Commission's structure and decision making. In the agriculture sector this could for example be achieved by moving responsibility for a re-nationalised CAP from DG AGRI to REGIO, ENV, CLIM and EMPL.
- Maximise the potential of the EU budget to contribute to the just transition to the green economy: The EU budget is the EU's main tool to support just transitions in European regions and cities. The new Commission will need to play an active role in overseeing the new EU budget's spending to ensure it is used to its full potential. If the budget's objectives are set in line with the low-carbon transition, funding lines like cohesion policy can serve as a useful instrument to support the just transition.
- Ensure the European Pillar of Social Rights effectively supports the just transition: The social pillar can become a key instrument in delivering a just transition. As part of monitoring the implementation of the Social Pillar, the new Commission should assess its contribution to just transition strategies, both through its online scorecard as well as through the annual Country Specific Recommendations under the European Semester.
- Promote the quality of employment in the green economy: The Commission should strongly promote the quality of employment in the green economy. It should set up a high-level group bringing together renewables, clean tech, unions and NGOs to develop recommendations to this end.
- Turn the Coal Regions in Transition Platform into a vehicle for driving change: Discussions in the platform currently focus on transitions in European coal regions, but it is set up to expand to broader shifts from high-carbon to low-carbon economies. To turn the platform into a vehicle that effectively supports rapid regional just transition processes, the Commission should give the platform a clear climate mandate.

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### E3G's Just Transition webpage

https://www.e3g.org/showca <u>se/just-transition</u>

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