To: Minister of Climate Michal, Minister of Economic Affairs and Information Technology Riisalo, Minister of Finance Võrklaev, Minister of Social Protection Riisalo,

Cc: Ambassador Orav,

Re: Joint letter to Ministers calling for an EU policy framework for a just transition

Brussels, 11th March 2024

Dear Honourable Ministers, Dear Honourable Ambassador,

As you engage in discussions and decisions on the European Union's next political agenda, we, the undersigned 21 networks of organisations from all EU Member States, representing and reaching several million people in Europe, would like to draw your attention to the urgent need to prioritise a fair and just transition, including through the development and implementation of an **EU policy framework for a just transition**.

The EU is at a historic crossroads, with wars at its borders, rising poverty and shocking levels of inequality, the erosion of public services at the heart of the social contract, and a cost of living crisis exacerbated by high inflation. Meanwhile, extreme weather events are increasingly harming our people, our economies and our public finances, underlining the scientific and political case for ambitious climate and environmental action.

The next EU cycle can be about polarisation and growing disparities between countries, or it can provide a vision built with and for the people of Europe. Simultaneously achieving ambitious climate and environmental goals, promoting equity and fostering an economy that ensures the well-being of all within planetary boundaries is the solution to the daunting and overlapping geopolitical, social, economic and environmental challenges we face. This is precisely what a just transition policy framework should be about.

The recently adopted <u>European Economic and Social Committee's Opinion</u> on **Advancing a European Policy Framework for a Just Transition** focuses on the benefits and opportunities of the green transition and provides valuable guidance on the objectives, structure and content of an EU just transition policy framework. In particular, we urge you to consider the following key components and measures in the development and implementation of such a framework:

- 1. Adopt a holistic, cross-sectoral and coherent approach to policy-making for a just transition, linking the economic, environmental and social dimensions of the green transition. This can be done, inter alia, by adopting a whole-of-government approach in the institutions, strengthening impact assessment requirements to thoroughly measure the likely social, distributional, health and employment impacts of both climate action and inaction, establishing an EU Just Transition Observatory and introducing a social dimension to the work of Climate Observatories.
- 2. Transition from an economy dependent on finite material resources to one of sustainable prosperity. To achieve this, develop an ambitious EU strategy for the sustainable management of resources and the reduction of demand for energy and other material resources, including final goods and services, and adopt an EU Green and Social Deal that anticipates, plans and implements the green transition in a transparent and participatory way, maximising its economic and social benefits while ensuring that the necessary contributions are fairly shared across society.

- 3. Strengthen the European social model to protect the rights and well-being of workers (including non-standard workers such as those in the gig and the care economy), people in vulnerable situations (including racialised minorities, women and persons with disabilities) and other marginalised communities increasingly affected by climate change, and to support them in the process of economic transformation. This can be done, for example, by adopting a European Directive for a Just Transition of the world of work through anticipation and management of change; integrating the European Pillar of Social Rights into the European Semester through a Social Convergence Framework; supporting social enterprises adapted to the specific needs of disadvantaged workers; addressing skills shortages in critical sectors; adopting a holistic approach to lifelong learning priorities and ensuring that learning, up-skilling, reskilling schemes are accessible to all age groups, backgrounds and employment statuses; and providing access to high quality, affordable and accessible services of general interest.
- 4. Mobilise adequate public and private investment for a just transition, starting with setting up an EU financing strategy for a just transition with a new fund similar to Next Generation EU and increasing resources for territorially targeted transitions such as the Just Transition Fund. Moreover, ensure that EU fiscal rules allow Member States to allocate sufficient resources to promote a just transition and meet EU objectives, align state aid and public procurement rules with just transition objectives and the characteristics of all undertakings, and advance an EU taxation agenda to raise the resources needed for the ecological transition, incentivise green and social economic activities, and reduce wealth inequality.
- 5. Ensure social dialogue and collective bargaining, civil dialogue and the involvement of regional and local authorities in decision-making on just transition, including through support from relevant funding mechanisms and capacity-building. Encourage the development of short and long-term plans for a just transition at company level, of national and regional just transition plans, and of just transition agreements at territorial level to revitalise affected areas, always with the meaningful involvement of stakeholders. Revise the Regulation on the Governance of the Energy Union and Climate Action and the European Climate Law to strengthen public participation at all levels and build a broad societal consensus.
- 6. Provide public support for a considerable upscaling of social economy enterprises and organisations and community-led initiatives that intrinsically combine social and environmental objectives. These business models, which are at the forefront of re-dignifying the workplace through their ethical and educational dimension, should become mainstream. Member States should ambitiously implement the 2023 Council Recommendation on developing framework conditions for the social economy, in particular the points calling for adapted regulatory frameworks to support social economy entities in the circular economy.

We also believe that a policy framework for a just transition should consider the external impact of Europe's green transition, as well as its historical responsibility. We call on the EU to support a **global just transition** that respects policy coherence for development, a human rights-based approach to international partnerships, and a trade policy with high environmental and social standards, in order to avoid the negative spill-over effects of Europe's economic transformation in other parts of the world, and to support partner countries in planning and implementing their own just transitions.

We urge you to work closely with other Ministers and Member States to put the development and implementation of a **strong policy framework for just transition at the heart of the EU agenda**. Building on the measures outlined in the EESC Opinion, we call on you to raise the ambition of the forthcoming Environment Council Conclusions and other relevant decisions in the coming months.

Yours sincerely,

Anne Van Lancker, President of <u>SOLIDAR</u>

Brikena Xhomaqi, Director of <u>Lifelong Learning Platform</u>

Chiara Martinelli, Director of Climate Action Network (CAN) Europe

Denis Stokkink, President of Pour la Solidarité

Ivonne Bojoh, Chief Executive Officer of Circle Economy

Judith Vorbach, Head of <u>AK EUROPA</u> and member of European Economic and Social Committee

Juliana Wahlgren, Director of European Anti-Poverty Network

Kim Smouter, Executive Director of <u>The European Network Against Racism</u>

Laura de Bonfils, Secretary General of Social Platform

Lucie Studničná, President of the Workers' Group of the European Economic and Social Committee

Mark Martin, Executive Director <u>CEE Bankwatch Network</u>

Mary Collins, Secretary General of European Women's Lobby

Neva Nahtigal, Director of RREUSE

Oliver Greenfield, Convenor of Green Economy Coalition

Patrick ten Brink, Secretary General of European Environmental Bureau

Patrizia Bussi, Director of **ENSIE**

Pegah Moulana, Secretary General of <u>Youth and Environment Europe</u>

Sophia Wiegand, Vice-President of <u>Generation Climate Europe</u>

Tracey Martin, Director of Quaker Council for European Affairs

Yannis Vardakastanis, President of the European Disability Forum

Wolfgang Teubner, Director of ICLEI Europe