Climate action boosts air quality, improves the quality of housing and will avoid the worst damage on health, people and prosperity from climate change. Faced with today’s fossil-fueled energy price crisis, energy efficiency improvements and renewable energy investments in particular can provide a lifeline to a more stable, healthy and resilient future. But to maximise the full social benefits, climate action must be implemented methodically, be targeted and be accompanied by measures that help to share the upfront costs equitably. The following seven recommendations outline how this can be achieved.
1. The European Commission must include provisions in all climate legislation to ensure Member States identify who may be adversely affected, how this adverse impact could potentially be mitigated, what are the social benefits and how they could interplay (social, distributional and employment impact ex-ante assessments1). Terms such as low-income households, vulnerable/marginalised groups, energy and transport poverty should be treated in a consistent way across all files, but as circumstances largely differ among Member States, they should have flexibility to translate such guidance at national level in the most appropriate way in order to avoid too narrow approaches and maximise inclusivity. Member States should agree on a methodology to identify who will fall under these definitions, in the framework of implementing the Council Recommendation on ensuring a fair transition towards climate neutrality.

2. Member States should implement policies methodically so that households can get ready to minimise potential negative impacts and maximise the benefits stemming from energy savings and renewables. This means ensuring that support measures are in place before the new policy comes into effect, and incentivising transition to technologies which would run on sustainable renewable sources as well as energy savings. For example, financial incentives could be made available for deep renovation before carbon pricing or energy taxation, prioritising those buildings occupied by low-income, vulnerable and energy poor households in order to shield them from any increase in energy bills. Member States must also phase out fossil fuels’ use in buildings in a timely and adequate manner. For example, in order to limit the exposure of people in vul-

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Vulnerable situations to the impacts of an increased price or a ban on fossil fuels in heating, they first need to be supported to modernise their individual heating systems to shift towards highly efficient, clean and renewable-based solutions. In this regard, structural pre-conditions that severely limit access of marginalised people to renewables should be addressed: amongst these, access to the grid-scale deployment of energy storage systems, maintenance and technology replacement costs, inequality in access to funding and capital, limited control of their living environment.

In the short run, Member States must provide lowest-income households with support to cope with high energy costs arising from the dependence on fossil fuels, for instance in the form of direct income support. These measures would help shield households from unbearable price increases (through means-testing or other similar measures) and guarantee the respect of their fundamental rights (i.e., to energy, food, health, education). Such support measures must be implemented with certain conditions in order to avoid leading to perverse incentives to continue fossil fuel use. They must be temporary, designed with the intention to facilitate the gradual participation of the lowest-income-households in the just energy transition, and accompanied by measures which oblige and support energy efficiency improvements and uptake of renewables. A part of such measures of income support may come from carbon pricing and energy taxation revenues of the Member States. It is fundamental though that short-term fixes do not obfuscate the need for structural reforms, a bold regulatory approach and targeted investments to address prevailing inequalities and energy poverty. The European Commission must set a clear EU-level governance mechanism to incentivise progressive carbon pricing and taxation across Member States, ensure equitable redistribution of carbon pricing revenues and make the investments needed in the energy transition.
4. Member States must ensure sufficient and equitable access to upskilling and increase public investment in education for sustainability. Member States should make sure enough training schemes are made available, and public support is in place to make this impactful (i.e. costs of quality training, adequate infrastructures for adult education etc.). This may require employees in contracting sectors (such as coal, oil and certain automotive industry value chain manufacturing) to be made eligible for paid training leave, and for upskilling and reskilling programmes to be made available free of charge to all who cannot afford to pay for it (i.e. means tested, whether or not they are unionised), or through salaried in-work training. Ideally, free childcare should be available for parents to ensure they can attend, and in some instances, subsidised transport may also be needed to ensure truly equitable access to all. This support should also include people not in employment nor training. Furthermore, more public investment in education and training is necessary. A just transition can only happen if every member of society is able to build sustainability competences that will allow them to participate actively in society and live in harmony with others and with nature. For this it is necessary to ensure the provision of education as a public good. A mainstreaming of the Sustainability competence framework developed by the Commission together with the Council Recommendation on learning for the green transition and sustainable development will be key towards achieving a just transition.

Where digital services are deployed (such as using only online forms to apply for subsidies, assessments, etc.), the European Commission must include additional provisions to address the digital and territorial divide. Member States must provide alternative access options and learning opportunities to residents who have limited access, or ability to use, digital services (access, language barriers, literacy barriers, disability, territorial inequalities, etc). Identifying this digitally excluded group should be part of ex-ante impact assessments as often these are the same groups likely to suffer disproportionately from climate change.

Member States should ensure that the funds for mitigating potentially adverse distributional effects of climate policy are not redirected from existing social support programmes that are directly addressing the needs of the most vulnerable households, such as free school meals, discounted public transport or state-funded care services. Where new funding streams are developed, Member States must consider the possibility of using existing administrative structures and distribution mechanisms to reduce administrative costs (such as exemptions through tax credits) and effectively reach those most in need.

"ADDRESS THE DIGITAL AND TERRITORIAL DIVIDE AND PROVIDE ALTERNATIVE OPTIONS TO ACCESS SUPPORT."

"INVESTMENT FLOWS FOR SOCIALLY JUST CLIMATE ACTION MUST BE ADDITIONAL TO EXISTING SOCIAL SUPPORT PROGRAMMES."
Civic participation is crucial to ensure that climate action and the just transition deliver for people and contribute to reducing inequalities. Social dialogue and the right to collective bargaining of workers and their representatives must be promoted and protected in the framework of the just transition. In addition, civic participation of communities, CSOs, affected stakeholders and other social actors has to accompany the design and implementation of climate policies in the process of a broader social-ecological transformation. Information, consultation, and participation rights need to be strengthened at all levels of EU, national and local administration. The implementation of the European Pillar of Social Rights (EPSR) and strengthened social protection taking into account the risks from climate change must be of utmost importance. Better integration between climate legislation and the principles and rights of the EPSR must be ensured. Trade unions play a unique role in the social dialogue at all levels, starting with the company level, and Member States have to make a greater effort to promote and protect workers’ rights and the role of trade unions, including in new “green jobs”, where unionisation is not always strong and which can be accompanied by precariousness.

Endorsed by:

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