

Good for the climate: Just Transition

GUE/NGL shadow's position on the 'Just Transition Fund '(JTF)



What's at stake

Just transition can be defined as the politically desired transition to a socially balanced environmentally friendly economy, which is essential for the survival of our planet and for achieving the goal of climate neutrality without leaving anyone behind. The new Structural Fund is aimed primarily at regions that are most dependent on the coal and (fossil) energy intensive industries.

As the left-wing social and ecological group, GUE/NGL attaches particular importance to ensuring that the urgent ecological restructuring is socially just and inclusive. Socioecological restructuring

should not be postponed because of the COVID19 crisis. On the contrary, it must be the guiding principle for all policy areas and recovery measures. #NoRegionLeftBehind.

'Just transition 'is more than just a new fund. It must be a horizontal EU policy approach that enshrines the values of respect for social and environmental rights, wellbeing and access to sustainable livelihoods for frontline communities in the regions most affected by climateneutral transition, in convergence with a radical, systemic and ultimately global revolution in our way of producing, consuming and distributing.

What is the role of the EU?

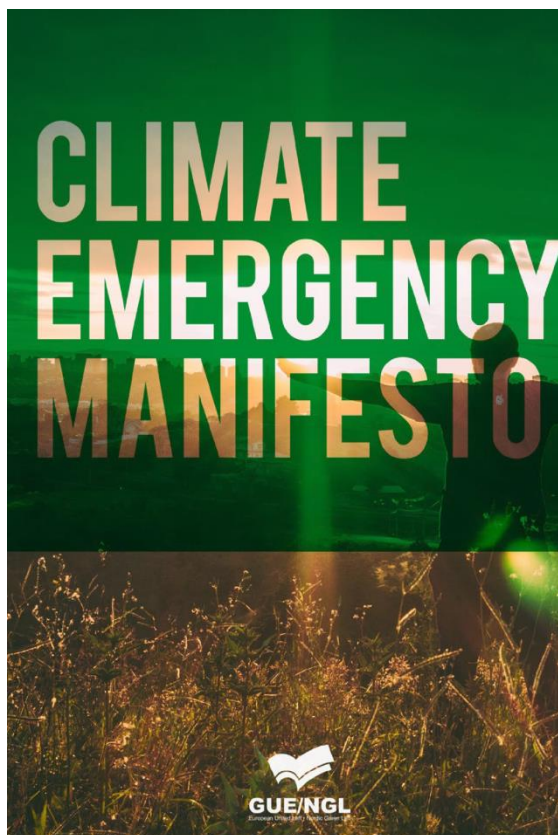
The EU has committed itself to the climate targets of the Paris Agreement of 2015. The Green Deal proposed by the Commission reaffirms the EU's goal of becoming climate neutral by 2050 and proposes to include more ambitious interim greenhouse gas emissions reduction targets in the new EU Climate Law.

The phasing out of coal and the conversion of energy-intensive industries that are dependent on fossil fuels are important elements in achieving these common objectives. The Just Transition Fund

should become an instrument to support the regions, municipalities, local communities and workers affected by this change. It is embedded in the tried and tested system of EU structural funds, meaning that there are many parallels in how it functions. However, it should help to solve problems that are not equally pronounced in all Member States and regions. Specific regulations are therefore necessary and justified.

In this context, the left side of the political spectrum has requirements for the new fund.

Just environment



The EU's climate policy objectives are not enough. A reduction in greenhouse gas emissions of 70% is needed by 2030 in order to meet the required 1.5 degree

target of the Paris Agreement and the JTF should also commit to this. The EU climate neutrality target should be reached by 2040.

In order to safeguard the fundamental principle of European solidarity, access to this fund should be restricted and the national allocation partially suspended for those Member States that have not yet committed themselves to achieving a national climate neutral target by 2050 at the latest. Member States that have pledged in their national climate and energy plans to adhere to timetables for phasing out fossil fuels by 2030 should be rewarded for their ambition.

The 'polluter pays' principle refers to the polluter's responsibility to rectify any damage caused: whoever makes the mess must clean it up. Companies must be obliged to decontaminate and regenerate former business premises. Only when this is not possible should the public sector bear a financial burden.

Just Social



The JTF needs to address the challenges posed by the transition to climate neutrality and focus on individual needs and social wellbeing. The impact of the fund must be tangible and visible to local communities. The human and social dimension must be given greater focus. The majority of carbon intensive regions often have very high unemployment rates. It is therefore necessary to support training, retraining and skills upgrading for decent, modern, as well as green, jobs.

All JTF investments must be compatible with social and environmental protection needs, be eligible under the EU Sustainable Taxonomy Regulation and follow a communitydriven approach in terms of planning and ownership of investments. Just like cohesion policy as a whole, the JTF must be committed to the social pillar and the EU Green Deal, as well as the UN sustainable development goals.

The JTF should support measures in favour of social and public infrastructure

Just Energy

We want Europe to phase out coal by 2030 at the latest. The consequences for coal regions and regions that are heavily dependent on fossil fuels must be mitigated by this specially created JTF and

that can keep pace with economic developments, strengthen community and solidarity in areas such as healthcare, housing, social protection and energy efficiency.

In addition to the physical infrastructure, local governments and stakeholders need to be strengthened and supported in setting up their projects and in using the fund.

The basic supply of energy should be enshrined as a fundamental right in the EU climate law. The JTF should be able to support measures to combat energy poverty by promoting measures to improve energy efficiency in buildings, with a focus on benefitting low income households and strengthening the role of renewable energy communities in the regions and communities concerned.

We are calling for the promotion of public ownership of utilities to ensure a fair transition for workers and consumers.

the European structural funds. The JTF should initially be there for these regions and later be expanded.

We want to see the complete phasing-out of fossil fuels, including oil and gas, and the promotion of only sustainable renewable energy. As with the European Regional Development Fund (ERDF), the JTF must not provide any funding for fossil fuels or related infrastructure (which includes in particular the transport, extraction, production, processing, distribution, storage or combustion of fossil fuels). This also means that the JTF may not fund any measures related to the opening of new mines or the construction of new power plants using fossil fuels in exchange for outdated ones.

Hydrogen as a storage medium for surplus renewable electricity is welcome if it is clean hydrogen: hydrogen from coal or

Just governance

We believe it is important that the JTF is covered by the Common Provisions Regulation (CPR) of the cohesion policy, as it should help local and regional authorities and social and environmental partners to be better involved in the process, through the partnership principle.

However, in the Commission's proposal, the role of national governments seems to be to the detriment of local and regional authorities. That is why we are calling for a JTF that puts communities and workers 'in the driving seat.' This means that the process of developing the just transition

Just Financing

Adequate financial resources are needed to achieve the set objectives. The EUR 7.5 billion proposed by the Commission falls very much short of the amount needed. The Just Transition Fund should be strengthened by increasing the additional resources in order to achieve the ambitious goals. Funding from the JTF

nuclear power is not. In order to produce enough clean hydrogen for the production of steel, for example, a massive expansion of renewable energies, with the strict exclusion of nuclear energy, is required.

The risk of deadweight effects must be avoided. Industrial companies receiving support from the JTF or other EU programs for their conversion to non-fossil fuels should not be allowed to sell their surplus of emission allowances in order to make a profit.

Large-scale joint EU projects that run counter to the objectives of environmental and social protection goals cannot be in the common interest and should therefore not receive EU funding.

plans should be community-driven and include meaningful consultation with all relevant social partners.



should be accessible independently of other EU structural and investment funds.

The structural funds are justifiably geared towards sustainable economic and social development, too. The JTF can complement them well. Joint project financing is desirable. However, the

financing of the new fund must not be at the expense of cohesion policy as a whole. A compulsory transfer of funds from the ERDF or the European Social Fund (ESF) would be wrong. In order to achieve the minimum amount proposed by the Commission, the new budget line for the JTF must be increased to at least EUR 30 billion (7.5 + 7.5 x 3).

Cohesion policy is for everyone. The socio-ecological restructuring of our economy and society affects us all. In principle, the JTF can be used in all Member States, but should primarily support regions with specific characteristics. It is therefore justified that the distribution of funds should initially be targeted at coal regions and those that rely on a high consumption of fossil fuels.

The relaxation of the European state aid rules and austerity policies, which were temporarily allowed during the COVID19 crisis, should be maintained if they make a positive contribution to cohesion, to the socioecological restructuring of industrial policy and to an actual social Green Deal.

We welcome the new proposal of the EU Commission dated May 27th 2020 to increase the budget for the JTF from 7,5 to 40 billion € in the next 7-year funding period. Our assessment of any additional changes to the JTF will depend on the positions outlined here.

Our GUE/NGL shadow



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