



July 2021

A SOCIALLY FAIR TRANSITION

Tackling the climate and biodiversity crises is this generation's defining task. The green transition has to be fair and just.

All Europeans need to be able to benefit from this transition as fairly and as quickly as possible. This principle of our social market economy is also guiding our fight against climate change.

ADDRESSING INEQUALITIES THROUGH THE GREEN TRANSITION

Overall, the economic and employment impacts of the green transition are expected to be positive. With the right accompanying policies in place, the transition could create around **1 million jobs** in the EU by 2030; and **2 million jobs by 2050** - particularly middle-skilled, middle-paying jobs, in construction and manufacturing. However, the impact will vary across countries and sectors.

1 million

ADDITIONAL
GREEN JOBS

in the EU
By 2030



2 million

ADDITIONAL
GREEN JOBS

in the EU
By 2050

The Commission will support a fair transition, based on European solidarity.

Through emissions trading, we can raise revenues to address energy poverty and mobility challenges, spur economic growth - and create employment.



A new Social Climate Fund will provide funding to Member States to support vulnerable European citizens.

THE SOCIAL CLIMATE FUND WILL:

- Mitigate the costs for those most exposed to fossil fuel price increases
- Mobilise **€72.2 billion** for the period 2025-2032 to:



> **support households, transport users, and micro-enterprises** affected by the impact of the new emissions trading system for building and transport fuels

> **support investments** in energy efficiency and renovation of buildings, clean heating and cooling, and integration of renewable energy



> **provide direct income support** for vulnerable households

> **help finance zero-and low-emission mobility**



INCLUSIVE AND SOCIALLY CONSCIOUS POLICIES



- > The **Energy Taxation Directive** offers possibilities for exempting vulnerable households from higher energy taxes.
- > The **Energy Efficiency Directive** and **Renewable Energy Directive** stimulate energy savings which can alleviate energy poverty. The Energy Efficiency Directive proposal includes a specific obligation for Member States to achieve energy savings among energy poor and vulnerable households.
- > The **Alternative Fuels Infrastructure Regulation** will ensure that charging and refuelling infrastructure for zero emission vehicles will reach all parts of Europe.

FAIRNESS AND SOLIDARITY BETWEEN MEMBER STATES

With an increased emissions reduction target, every Member State has to contribute, but different starting points and different capacities are taken into account across our proposals. These instruments aim at a **fair distribution of efforts between Member States, to leave no country and no region behind**:



Effort Sharing Regulation

- Sets emission reduction targets for Member States based on GDP per capita;
- Includes flexibilities to make reductions cost efficient.



Carbon removals from land and forests

- National targets which take into account GDP per capita;
- Includes flexibilities to facilitate removals where they are most cost-efficient.



Modernisation Fund

- Supports 12 lower income EU Member States in the clean energy transition;
- The Fund is doubled with the Commission's new proposals.



Renewable energy and energy efficiency targets

- GDP per capita is taken into account when fixing Member State targets.



Emission Trading Revenues

- Most revenues from auctioning under the Emissions Trading System go to Member States;
- Lower income Member States get more allowances to auction to increase revenues;
- Between 2018-2020, revenues amounted to €14-16 billion annually;
- Now Member States have to invest all their revenues in climate-related projects.