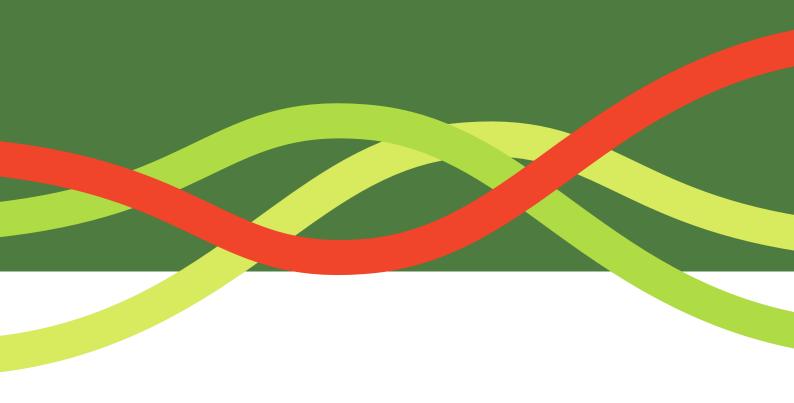


Science-policy solutions for a more sustainable Europe



16.11.2023 Session Brief

Just Transition in Europe and lessons learned from the Spanish experience





Just Transition in Europe and lessons learned from the Spanish experience

The <u>Think2030 Dialogue Spain</u>, held on 16 November 2023, gathered decision-makers and analysts from policy, business and research communities across Europe to debate the key sustainability issues at stake for EU policy. The Think2030 Dialogue Spain is one of several activities within the Think2030 platform, created by <u>the Institute for European Environmental Policy</u> in 2018 to provide science-policy solutions for a more sustainable Europe.

As part of the Think2030 Dialogue, the <u>Basque Center for Climate Change</u> (<u>BC3</u>) organised a session titled "Just Transition in Europe and lessons learned from the Spanish experience" and this session brief summarizes the key take-aways from this session.

Lead: BC3

Moderator: Mikel Gonzalez-Eguino, Ikerbasque Professor, BC3 (Basque Centre for Climate Change)

Speakers:

- Laura Martín, Director of the Just Transition Institute, MITERD
- Juan Alvarez, Head of Business Development, Endesa-Enel
- Manuel Riera, Climate Action and Just Ecological Transition, UGT
- Xaquín García-Muros, Ikerbasque researcher, BC3
- Matthijs Van Marcke, Cabinet of the Belgian Federal Minister for Climate, Environment, Sustainable Development and the Green Deal

Key recommendations

• Just transition focus should not only be on mitigation, but also on adaptation measures.

The Spanish experience in the implementation of the just transition process shows that with the appropriate institutional framework and the participation of companies, unions and local actors, net job creation can be achieved in coal areas thanks to industrial and renewable projects and restoration activities.

• To maximize the existing industrial and labour opportunities in coal areas, anticipation, the participation of workers, companies, local and regional governments is key to ensure their success.

Coupled with social innovation in the design of policies and plans, this participation and the inclusion of several voices ensure the success of the Just transition plans.

• Just transition needs to be mainstreamed in other sectors as well.

Just transition must be extended beyond the coal mining regions and industries and existing funds such as the Just Transition Fund and the Social Climate Fund need to be scaled up. The Just transition plans should also be extended.

The objective should be to integrate social justice in a systemic and holistic way in other sectors and in the transition in general.

• Collaboration at the European level is crucial to achieve the just transition.

The challenge of ensuring a just transition is not something that one country can achieve independently. In 2024, the role of a new European Parliament and the European Commission will be fundamental. **Social justice has to be integrated into the entire political agenda associated with the European Green Deal** if the new European institutions do not want to leave anyone behind.

Summary of policy session 2

Just transition policies in Europe have focused mainly on offering an alternative to workers and territories that depend on the coal industry. The Just Transition Fund, with a budget of 17.5 billion euros for the period 2021-2027, seeks precisely to support the most vulnerable territories that face the socioeconomic challenges derived from the transition process towards net zero emissions. Likewise, the Social Climate Fund (SCF), endowed with 65 billion euros, has been created to ensure that the climate transition is fair and socially inclusive and benefits vulnerable households, micro-businesses and vulnerable transport users affected by the energy and transport poverty.

Spain, the first country to have a Just Transition Strategy, has focused its policies on providing alternatives to workers and territories that depended on mining and coal plants. These policies led by the Just Transition Institute have created an innovative framework, through the Just Transition Agreements. These agreements have been articulated through projects to generate new jobs in the affected territories, including areas affected by nuclear elimination, and in which companies, administrations, unions and local actors participate.

The session allowed to reflect on the design of just transition policies in Europe and the lessons learned in Spain, particularly based on the experience of the just transition in the coal areas of Spain.

As presented during the session, a recent study on the impact on employment of the National Integrated Energy and Climate Plan (NECP) of BC3, and also a joint work of the ThinkSustainableEurope network on the social impacts of the extension of the ETS and the use of Social Climate Fund, show how throughout the energy transition, 525,000 jobs will be created in Spain, which will also benefit low-income households. According to Xaquín García-Muros, "the correct design of the new policies at national and EU level will be fundamental to be able to ensure a fair energy transition."

However, these job opportunities may not exactly occur in coal-intensive regions. This is the case of the just transition zones where coal mining and coal plants have already been eliminated in Spain. For this reason, a new Just Transition institutional framework was established in Spain, with a country-based Just Transition Strategy and the creation of the Just Transition Institute (JTI), including sectoral agreements and some specific projects in coal areas through the utilization of Next Generation-EU recovery funds. According to Laura Martín, "although it is not an easy task, a just transition is possible." According to the JTI, current initiatives and support plans in Spain will create a greater number of jobs than those lost with the closure of the coal sector. Electricity companies have already announced important industrial projects that would mobilize more than 7,000 million euros in investments in these areas. Likewise, more than 200 municipal projects have been approved that will promote support for entrepreneurship, tourism, health infrastructure and social housing, among others. Finally, an ambitious

Environmental Restoration Plan is currently restoring 3,700 hectares of former mining facilities, preparing the land for new uses, a process carried out in consultation with local communities and prioritizing the hiring of former miners into such activities.

Along the same lines, Juan Álvarez stated that "there are many industrial opportunities in just transition zones" but "we need public policies that promote business initiative." After Endesa decided in 2019 to start closing all its coal plants in Spain, they implemented the Future-e plan to promote the just transition. This plan demonstrates at a company level that lost jobs at coal plants can be replaced with jobs of the same quality with projects in the renewable energy, hydrogen, and storage sectors.

The role of workers was also discussed during the event. Manuel Riera highlighted the importance of workers' participation for this transition to be fair, and the need for the government, companies and all actors in general to anticipate the changes and engage with workers before the process is too advanced to do it. He also pointed out that it is not just the coal sector that needs a just transition approach. All panellists emphasized that the approach used in the coal sector should be applied to more sectors. Many regions will be affected by climate change mitigation policies and by the physical impacts of climate change. Just transition plans for both mitigation and adaptation to climate change are needed. In addition, a more ambitious Social Climate Fund was requested to avoid the risk that public opinion will not accept an increase in carbon prices.

Bearing in mind the responsibility of Belgium as incoming Presidency of the Council of the EU from January 2024, Matthijs van Marcke noted that the historical transition from coal in Belgium was carried out mainly due to economic factors and with negative impacts on its fairness. Therefore, according to van Marcke, "the goal now is to integrate social justice in a systemic and holistic way." Many sectors will have to undergo a transformation to operate within planetary boundaries, and it was noted that in Belgium, sectors such as agriculture, petrochemical industry, construction, and many others will also have to transform. A government that supports these initiatives from a financial and regulatory point of view will be crucial to the success of these transformations.

Overall, speakers (unions, companies and think tanks) all agreed that the just transition policies in the coal sector in Spain in recent years have been successful and assessed as positive the establishment of a national Just Transition Institute.

Lastly, the challenge of ensuring a just transition is not something that one country can achieve alone emerged, and that collaboration at the European level is crucial. The future European Parliament elected in 2024 and the next European Commission will be fundamental for the implementation and reinforcement of the European Green Deal.

About Think2030

Launched by IEEP and its partners in 2018, Think2030 is an evidence-based, non-partisan platform of leading policy experts from European think tanks, civil society, the private sector and local authorities.

By focusing on producing relevant, timely and concrete policy recommendations, Think2030's key objective is to identify science-policy solutions for a more sustainable Europe.



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