



Generation  
Climate  
Europe

**EUROPEAN PARLIAMENT**

**YOUTH DIALOGUE**

**THE EU'S JUST  
TRANSITION: ARE WE  
LEAVING NO ONE BEHIND?**

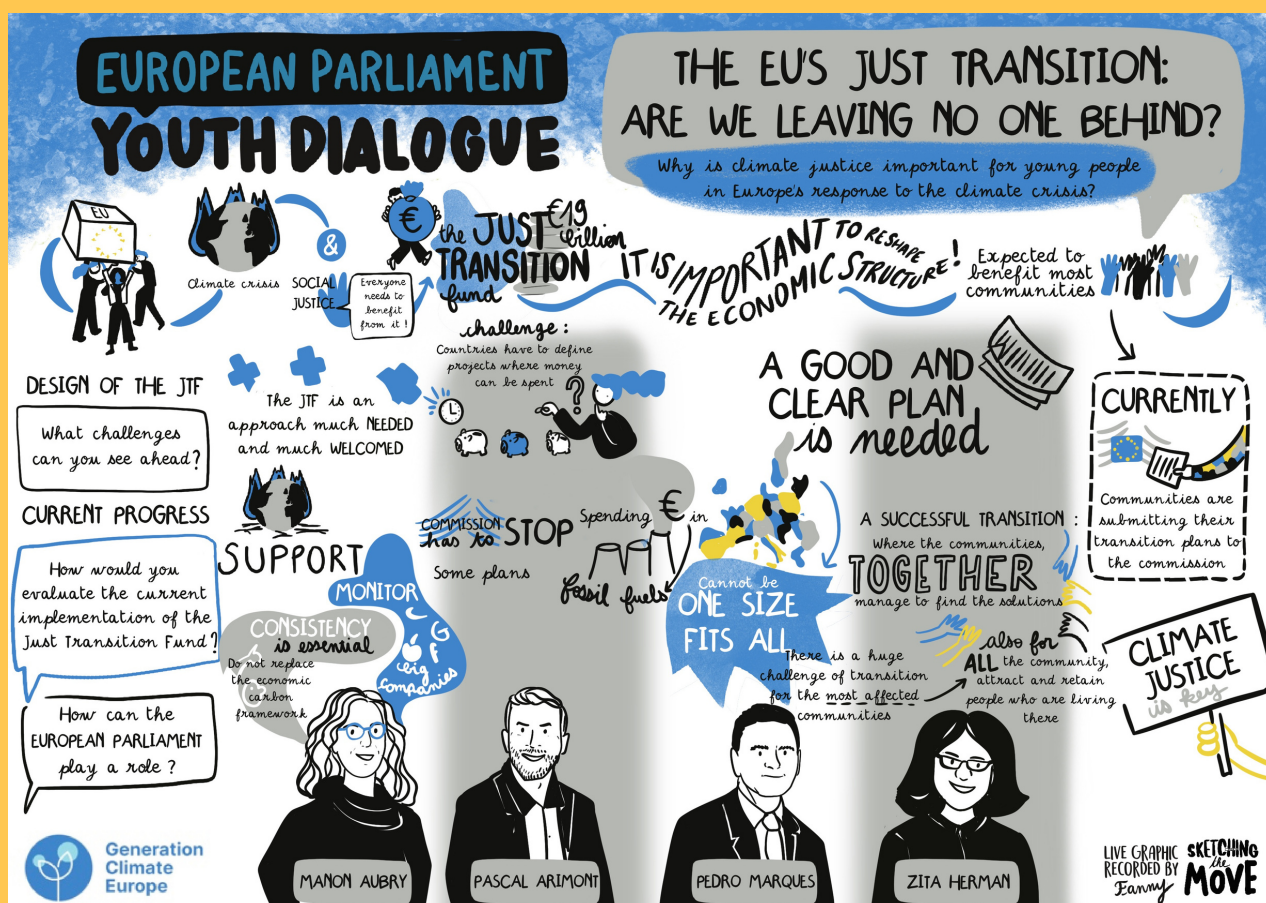


Published December 2021

# EUROPEAN PARLIAMENT YOUTH DIALOGUE

## Introduction

On 29 November 2021, Generation Climate Europe (GCE) held its third European Parliament Youth Dialogue (EPYD) with three Members of the European Parliament (MEPs) and one representative from major European political groups to discuss the implementation of the Just Transition Fund (JTF). The JTF is a special EU fund financing the economic conversion of those regions whose economy currently depends on fossil fuel production. In the context of the EU's climate neutrality 2050 goal and the resulting phasing out of fossil fuels, the socio-economic context of these communities could be potentially disrupted. The JTF aims to prevent that by financing new economic sectors and the requalification of workers. This will only be possible if it is properly implemented. We formed recommendations from the event to help make sure the JTF can act as an effective climate justice tool. They can be found at the end of the booklet.



Visual Harvesting from the session - Fanny Dldou Sketching the Move

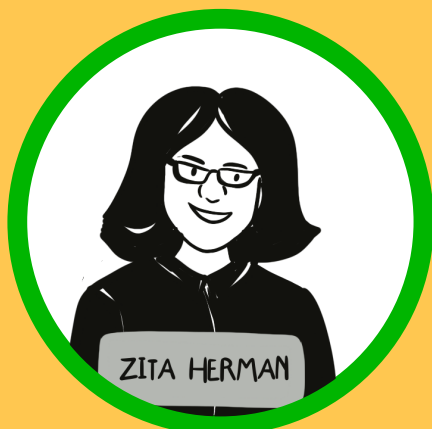
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## Who we are

Founded in October 2019, GCE is the largest coalition of youth-led networks at the European level pushing for stronger climate and environmental action by the EU. We bring together some of the largest European youth networks, representing over 460 national organisations, across 47 countries, gathering the voices of over 20 million young Europeans. Uniting students, young workers unions, high-school and university organisations, and environmental movements, GCE is an inclusive forum enabling youth to get involved in today's environmental debates.

## Who was involved

Nine people in total participated in the debate. From our partner political groups, we were joined by three members of the European Parliament: Pascal Arimont (European People's Party); Manon Aubry (The Left); and Pedro Marques (Socialist & Democrats). In addition, Ms Zita Herman, Budget Advisor, joined us on behalf of the Greens. No representative from Renew Europe was able to join us for this Dialogue



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GCE Project Lead for this Dialogue Lorenzo Manca moderated the Dialogue, with two other GCE representatives – Eva Luna Maes and Emily Bankert – taking a central part in the discussions for the first session of the debate.

Finally, two young members of European NGOs supported the second session of the debate. Jens Schreuder from Bankwatch presented to the audience the latest updates on the implementation of the Just Transition Fund. Drejc Kokosar, from ID20, took part in the discussion to present the experience of his local NGO in Slovenia. On top of that, Fanny Didou from Sketching the Move visually recorded the discussion and presented her latest live sketch to conclude the session. Hosted by GCE, the event was live-streamed and publicly accessible for youth all over Europe via Facebook, LinkedIn and YouTube, and participants could send in questions for the pane

## Structure of the Event

The event lasted one hour and comprised three sections: the first one was a presentation introducing the audience to the just transition and how the EU intends to tackle it through the Just Transition Mechanism. The remaining two sections focused on the Just Transition Fund and comprised discussions between the MEPs, members of GCE and the two guest speakers. In particular, the second section dealt with the design of the Fund, asking whether it is fit for purpose. The third and final section dealt with how the Fund has been implemented since its launch in June 2021, and what role young people can play.

# The Dialogue

## Overview of the Just Transition Mechanism

Eva Luna Maes started the dialogue by giving a broad overview of why we need a just transition for the European Union and why it is fundamental in the context of the transition to a carbon-neutral economy started by the EU Green New Deal.

### Just Transition

The European Green Deal has set the path to cut emissions in the EU and make its economy more sustainable. According to the EU Employment in the Energy Sector Report 2020, some entire new sectors linked to the **green economy** are going to be created or strengthened, with **the potential to create around 1.2 million new jobs by 2030 (1)**. The sectors that are going to benefit the most are building, transport, services, electrical machinery manufacturing, and especially renewable energy, whose number of employees in the EU has surpassed those of the fossil fuels sector at the end of the 2000s.

At the same time, as of 2016 there were still **400,000 workers in the EU and UK employed directly in fossil fuel production**, particularly coal mining and oil refining. Although over 250,000 jobs have been lost in the sector since the beginning of the decade, there are still millions of people living indirectly from the earnings of those workers in the communities where fossil fuels are produced. Here, it must be considered that **fossil fuel production tends to be concentrated in specific regions**, where it dominates the local economy. Some examples include Silesia, in Poland, where most of the 100,000 Polish coal miners operate (2), or the Ruhr region in western Germany.

Thus, since the beginning, the Green Deal has officially recognised the need for a transition to a green economy that is just and does not leave fossil fuel producing regions without jobs and economic alternatives.

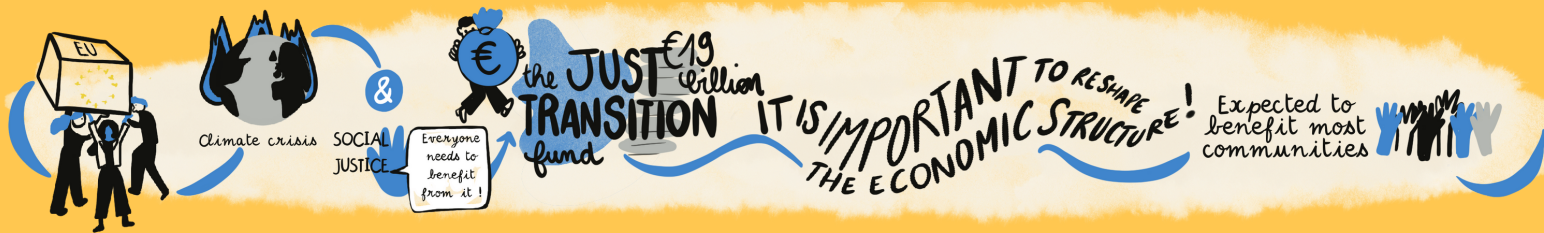
### The Just Transition Mechanism

In order to support the various fossil fuel producing regions in EU Member States to convert their economy and reskill their workforce, the EU has set in place a Just Transition Mechanism operating under its Multiannual Financial Framework 2021-2027. The Mechanism consists of three pillars:

1. A **Just Transition Fund (JTF)** providing EUR 19.1 billion (in 2021 prices) to finance the general Territorial Just Transition Plans of Member States defining how the economy of coal/oil producing regions is going to be reshaped.
2. A **Just Transition Scheme** under the EU program InvestEU using funds from the EU budget to mobilise EUR 10-15 billion of private investments in the green economy.
3. A **Public Sector Loan Facility** using capitals from the European Investment Bank and EU budget to mobilise around EUR 18.5 billion of public investments in the green economy.

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For this Dialogue, GCE decided to focus on the Just Transition Fund because it is the pillar(3) that is supposed to pave the way for the whole economic transition set in motion by the Mechanism. The JTF has been implemented since July, when the Regulation establishing it entered into force. Since then, Member States have been refining and presenting their Territorial Just Transition Plans to the Commission to receive funding. As plans were still being presented as of November 2021, and they could be potentially decisive for the future of young people in the communities they are supposed to reshape, GCE was strongly committed to keeping a spotlight on the JTF decisions are while they were being made.



## The Just Transition Fund (JTF) and climate justice

To begin the discussion, Emily Bankert gave an overview of the Just Transition Fund to the audience.

The Just Transition Fund operates under the EU territorial cohesion policy and Multiannual Financial Framework 2021-27 to finance the reshaping of the economy of those regions relying on fossil fuel production. The Fund is endowed with EUR 17.5 billion in 2018 prices (19.1 billion in 2021 prices) allocated to Member States based on the size of fossil fuel producing regions in their territory. Its aim is to support those regions with the economic, social, and environmental effects of the transition related to the EU climate targets and the ensuing national measures. In order to access funding, Member States must define the economic conversion projects for fossil fuel producing regions in one or more Territorial Just Transition Plans to be submitted to, and approved by, the Commission.

All plans must be consistent with the national strategy of each state to cut emissions, and only those states with clear national climate goals will access 100% of the funding, while those lacking them will only access 50%.

As for how the capital of the JTF was allocated to Member States, all Member States had been reserved a share of funding based on the size of their fossil fuel industry. Thus, while all Member States will be eligible for funding, around 60% of the total funding will go to the five members with the biggest coal and oil sectors, namely Poland (20%), Germany (13%), Romania (11%), Czechia (9%), and Bulgaria (7%).

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Considering such a design, **the MEPs and the representative of the Greens were asked whether the Just Transition Fund is fit to ensure a just transition.** Pascal Arimont replied that the JTF has been launched by Member States in an attempt to spend less on territorial cohesion policy in general by targeting investments in those areas where they will be most needed. The design of the Fund was similar to other cohesion funds, which meant it was under the control of the Commission. The main question remained whether Member States would find enough projects to be funded. Manon Aubry welcomed the approach of the Fund targeting marginalised communities and social projects. The main issue she found with the Fund was the limited budget, well below the 50 billions advocated by the Parliament.



*“ I want you to take climate change seriously it must be mainstreamed and not set aside as a separate issue, as if you solved the social issues of the climate transition in that Fund and then the rest is not dealing with it ”*

Pedro Marques remarked that the JTF negotiations were based on the assumption that all regions can convert their economy from one day to another. The differences among regions and the difficulties of reskilling the workforce had been being largely underestimated.



*“ It is not really a magical click that is going to give us the transition from one day to the other ”*

All MEPs and the representative of the Greens emphasised that the Parliament was vocal when designing the JTF on the need for a strong social dimension and more funding. After that, it was up to the Commission and Member States to define together the Just Transition Plans. Pedro Marques was concerned that the social needs of the communities would not be taken fully into account. Zita Herman (The Greens) highlighted that the JTF represented the first time the EU had dedicated funding to major social issues, and hopefully it could be used together with other EU funds to guide the transition.

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## The implementation of the JTF

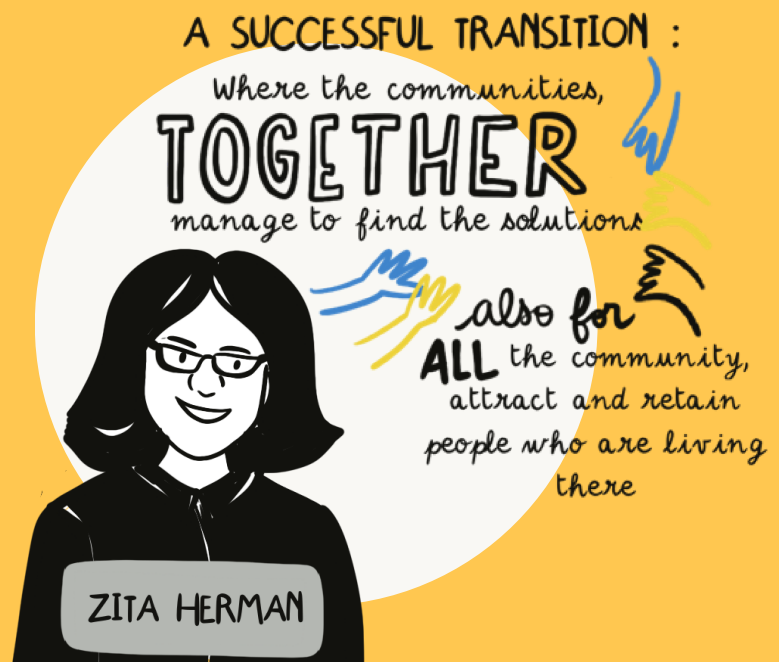
In the second section of the debate, the guest speaker Jens Schreuder, Just Transition Officer at Bankwatch, introduced the debate on the concrete implementation of the JTF since July and state of the art of the Territorial Just Transition Plans.

Regulation 2021/1056 establishing the JTF was first proposed in January 2020 and approved in May 2021. Since it entered into force in July 2021, Member States have been preparing their Territorial Just Transition Plans in cooperation with the Commission.

While at the moment it is not clear yet when the Commission will finalise the review of the plans, there are suggestions that it should happen around February/March 2022. Territorial Just Transition Plans are supposed to be prepared by national authorities with local partners and stakeholders. In practice, however, we can see several discrepancies in the way this requirement is implemented among Member States and within regions in Member States. Another requirement is including a timeline to phase-out fossil fuels by 2030, which is another element lacking in several plans presented so far.

Following the presentation, guest speaker Drejc Kokosar (ID20) joined the debate. **All the speakers and guest speakers were asked to comment on the state of implementation of the JTF and what role the European Parliament can play in ensuring its aims are fulfilled.** Pascal Arimont highlighted that in the context of cohesion policy the role of the EP is to set the criteria for funding at the beginning, but then it is up to the Commission to ensure proper implementation.

From the point of view of regions, Pascal Arimont highlighted that they have to spend money from so many different cohesion funds with different requirements and targets that they have to prioritise their spending. The JTF was to be activated alongside investments from Next Generation EU (NGEU) and existing regional funds, but regions were focusing on NGEU in particular. Concerning the implementation of the JTF, Arimont acknowledged it was useful to receive data from the civil society, as there was not enough from the Commission, in order to know if plans were respecting the requirements.





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All MEPs agreed with Pascal Arimont in saying that it was up to the Commission and Member States to implement the criteria of the JTF, and the Parliament could only monitor, question, and alert in case of breaches. Manon Aubry highlighted that one good thing about the JTF is that, unlike other funds, it clearly sets criteria to prevent polluting industries from being funded again. Still, the possibility to fund big companies was left open, which would require particular attention in the future to prevent the funds from financing big polluting industries once again.

At the same time, Ms Aubry defended that the JTF must be accompanied by similar measures across all EU policies to stop investments in fossil fuels. Pedro Marques highlighted that the main challenge of the JTF was to involve local communities in the projects from the very beginning. If they did not, the JTF would become just one of the many bureaucratic cohesion funds provided by the EU. Another challenge was identifying where the money should go. Several small communities rely on fossil fuel, and countries must choose whether to spread out funding to small communities or concentrate it in specific regions. The Commission has tended to put all the money in the same basket, but according to Mr Marques an approach tailored to the single regions was needed.

**“THIS IS WHERE EITHER WE CAN GET THE COMMUNITY INSIDE THE PLANS AND INSIDE THE IMPLEMENTATION DYNAMICS OF THE PLANS OR THE COMMUNITY WILL BE OUT OF IT.”**

**PEDRO MARQUES**

**“We really need to create opportunities that really cope with the different nature of the regions. It cannot be one-size-fits-all. And that’s the biggest challenge at this moment.”**

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Drejc Kokosar related the experience of ID20 with creating opportunities for young people in the Slovenian industrial town of Idrija. Like in most towns hosting extracting activities, Idrija's mercury mine dominated the local economy for a long time until it was closed in the 70s. Since then, Idrija has been an industrial town whose economy is still dominated by one sector, although now it is the automotive industry. ID20 was created in the late 2010s in order to provide young people with new opportunities both for work and leisure while diversifying the economy of Idrija. Projects tend to rediscover the town's cultural heritage and natural beauties, in particular, creating an alternative sector where young people can find jobs while re-estimating the place where they live. Since ID20 draws most of its funding from EU funds, GCE decided to present their story to MEPs to see a practical example of what EU funding can create for former mining areas. Concerning ID20's experience with EU funding, Kokosar said the EU and ID20 generally share the same goals, and EU funding was key in powering the diversification projects of ID20 for the economy of Idrija. At the same time, the bureaucracy entailed in obtaining funds proved challenging for inexperienced young people, especially as in a rural community like Idrija there were no strong local authorities to support them.

**DREJC**

**"IT WOULD BE NICE IN THE FUTURE IF EU FUNDS COULD BE MORE ADAPTED TO THE NEEDS OF YOUNG PEOPLE WHO DON'T HAVE 30 YEARS OF EXPERIENCE, AND ESPECIALLY YOUNG PEOPLE IN RURAL AREAS WHO DON'T HAVE INSTITUTIONS AROUND WHO CAN GIVE THEM QUICK INFORMATION"**

## Recommendations

### JTF Design

- It is necessary to upscale the JTF and reach at least EUR 50 billion, as advocated by the European Parliament. This can be done, for instance, during the next scheduled review of the fund allocations in 2024.
- The European Parliament must make sure the Commission accepts only the Territorial Plans with the highest degree of ambition in terms of emission cuts and phasing-out of fossil fuels.
- The European Parliament must urge the Commission to reject all Territorial Just Transition Plans that were designed without including local stakeholders and representatives.

### Role of the European Parliament in the implementation of the JTF

- In order to properly monitor the JTF implementation in the future, the European Parliament must place itself as a pivotal actor in the flows of information from local stakeholders to the Commission, making sure that all voices are heard.
- As a first step, the European Parliament should organise a public hearing by February 2022 to gather updated information from as many sources as possible on the making of Territorial Just Transition Plans.
- Secondly, the European Parliament should urge the Commission to provide an update on the progress of the Just Transition Platform and the general progress of Territorial Just Transition Plans.
- Thirdly, MEPs could make sure to use existing monitoring systems to act as a permanent forum for the civil society to provide feedback on the implementation of the JTF.

## The process for developing these recommendations

Primarily, we formulated our recommendations by consulting GCE members, studying scientific reports from other environmentally-conscious NGOs and through meetings with Fons Janssen, from the NGO GreenDeal4People, and Jens Schreuder, from the environmental NGO Bankwatch. The opportunity to deliberate with the MEPs about the issues at stake during the public and the private sessions was also crucial in refining our position.

Our recommendations aim to help make the upcoming start of project financing under the JTF a success, and thus help the EU achieve its climate targets for 2030 (and 2050 respectively). Our aim is to ensure that the voice of young people is present in the discussions on the Just Transition Fund and climate justice in the transition to climate neutrality. The implementation of the Fund is about building a new future for the communities it supports, and young people must have a say as the people who will live that future.

## Endnotes

- (1) Czako, V., Employment in the Energy Sector, EUR 30186 EN, Publications Office of the European Union, Luxembourg, 2020, ISBN 978-92-76-18206-1, doi:10.2760/95180, JRC120302.
- (2) Politico, November 2021. Breaking up is hard to do for Poland and coal <https://www.politico.eu/article/poland-coal-energy-green-deal-eu/>
- (3) European Commission, 2021. The Just Transition Mechanism: making sure no one is left behind. [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en)
- (4) EU Regulation 2021/1056



## Acknowledgment

The European Parliament Youth Dialogue is a series of three events between the youth and the European Parliament in 2021. It is organised and coordinated by Generation Climate Europe, with operating support from Youth and Environment Europe. It is equally supported by the five main political groups in the European Parliament: the Greens / European Free Alliance; the Left (GUE/NGL); the Socialist and Democrats (S&D); the European People's Party (EPP); and Renew Europe.

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Published: December 2021

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**Suggested citation:** Generation Climate Europe (2021). *European Parliament Youth Dialogue on The EU's Just Transition: Are we leaving no one behind?* Brussels: GCE.

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