

European governance for just and fair transition

Reflecting on the NECP revision process and looking ahead

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Executive summary

- Despite increasing recognition of the key role of distributional and territorial aspects of the transition to climate neutrality in the European Union (EU), they have not been properly reflected in the updated National Energy and Climate Plans (NECPs). Although the final updated versions of NECPs contain more details, information, measures and targets compared to the draft versions, the progress is not satisfactory. Overall, the **2023-2024 NECP update is a missed opportunity for embedding the just and fair transition** in the Member States' climate and energy policy frameworks.
- **Moving forward, the role of just and fair transition in the implementation of the EU climate and energy policies needs to be clarified.** This can be done on various levels, including European Council conclusions, recommendations of the European Commission (EC), as well as via amendments of the EU regulations and directives.
- **The national-wide framework for the just transition should be given a more prominent place in the NECPs.** The NECPs typically neglect sub-national issues, and do not adequately address the problems of vulnerable groups.
- The lack of legal framework for preparing holistic actions leading to a structural reduction of energy and transport poverty is a recurring issue in the updated NECPs. Policy design and implementation should consider in more detail the impact which the climate and energy policy has on different socio-economic groups.
- The preparation and implementation of the REPowerEU Plan have shown that it is possible to tackle important cross-cutting policy challenges via coordinated adjustment of the existing legal acts, without launching a long and complicated process of creating a new directive or regulation. Just like REPowerEU, a **Just and Fair Transition Action Plan** could include concrete steps and goals that will ensure that EU institutions and Member States reflect distributional and territorial considerations on the path to climate neutrality. Another option is making the just and fair transition aspects one of the core elements of the **upcoming review of Regulation on the Governance of the Energy Union and Climate Action**.
- One of the ways to build an EU-wide approval regarding the increase of common spending on just and fair transition, is to **introduce clearly defined just an fair transition conditionality concerning the distribution of the EU funds**. However, the conditionality will only work if it is linked to the access to substantial pool of financing and provides sufficient flexibility to account for specific national and local challenges.

- **Further non-legislative support for the just and fair transition is required.** Many Member States' authorities face administrative and analytical challenges related to the climate and energy EU policy planning and need financial and technical support. Non-legislative actions can take the form of: priority for the just and fair transition in the Technical Support Instrument programme; building broad political understanding in the Council; taking into account the issues of just and fair transition in the impact assessment procedure in more detail.
- **Dialogue and public consultations are the basic conditions for implementing just and fair transition in national policies.** An inclusive, comprehensive and thorough public consultation process is crucial. National just and fair transition policymaking needs a constant and substantial engagement of local NGOs and public administration on local and regional levels.

I. Introduction

Since the publication of the first set of National Energy and Climate Plans (NECPs) in 2019, the concerns about the distribution of transition costs within societies and across different geographical regions have increased. As a result, two dimensions of just and fair (territorial and distributional) transition have gained importance in EU policymaking, highlighting the need to better reflect these aspects in the climate governance. The 2023-2024 NECP update was an important test for the Member States and the EU-wide climate governance framework in this regard.

In order to assess whether the distributional and territorial aspects of transition have been properly reflected in the updated NECPs, the Reform Institute, in cooperation with the BlueLink Foundation, ECCO and Ecologic Institute, has developed a methodological framework¹ to review both the content of the draft plans and the processes involved in their preparation from a just and fair transition perspective.

The territorial aspects of just and fair transition focus on actions in the most affected territories, identified by the Member States, for which Territorial Just Transition Plans have been developed. The distributional aspects are applied at the national level and examine whether the plans provide a coherent framework for combating energy and transport poverty and whether they prepare the ground for the use of the Social Climate Fund.

The methodology was used to assess four draft NECPs: Italian, German, Polish and Bulgarian². Then, it was adapted to determine whether the final versions of the updated plans addressed and improved issues related to just and fair transition³. In the case of Germany and Italy the assessed documents were in their final form submitted to the EC. Polish and Bulgarian NECPs however, were examined while being in the public consultation phase due to delays in the official submission to the EC.

¹ The methodology can be found [here](#).

² Four assessments of the draft NECPs with the translations can be found [here](#).

³ Four assessments of the final updated NECPs with the translations can be found [here](#).

II. Summary of the updated NECPs assessment

The analyses of the draft and final NECPs led to a crucial observation: the national-wide framework for the just and fair transition should be given a more prominent place in the NECPs.

Italy has improved its NECP the least among the countries assessed. Stakeholder engagement and public consultations (the aspect where the improvement was observed) have taken place, but it is unclear how they influenced the plan and policies implemented in the country. While energy poverty is relatively well-addressed and includes good practices, the plan lacks specifics about financing, including the Social Climate Fund and guiding principles for its use.





Germany has made slight progress in addressing just and fair transition issues in the final updated NECP (compared to the draft version). Improvements include a stronger focus on reducing demand for fossil fuels, tackling energy poverty and proposing strategies to retrain workers. The plan also pays more attention to renewable energy sources, although these efforts largely overlook the specific needs of the most affected territories. Territorial aspects, inclusion in regional transitions, local clean energy initiatives and transport poverty remain insufficiently addressed. There is also a lack of detail on funding needs and sources, which limits the overall effectiveness of the plan.

Poland is on track to deliver a better NECP than the 2019 version. The updated NECP is more ambitious, especially in terms of coal phase-out, and provides more detailed descriptions of the ongoing measures. However, the lack of specific details and measurable outcomes weakens the impact of the plan. Stakeholder engagement and public consultation are the weakest aspects, as the ongoing process was not reflected in the document. On the other hand, comments made during the previous consultations have influenced the updated NECP, indicating a willingness to adapt and improve the plan.

Bulgaria shows a moderate improvement, with notable progress in supporting local economies and communities, as well as working conditions and retraining. The inclusion of financial measures for employment and retraining is recognised as good practice. The just and fair transition received attention during the consultation, which is a step forward. The assessed version of the NECP was published in June 2024, followed by a two-week comment period.

The aspects that have improved the most in the four assessed NECPs and those that have not received sufficient attention are shown in the tables below.

Average scores for aspects of just transition in the draft version and updated NECPs

		Italy 			Germany 			Poland 			Bulgaria 		
		NECP Score			NECP Score			NECP Score			NECP Score		
		Draft		Final	Draft		Final	Draft		Final	Draft		Final
Territorial Aspects	1. Ambitions and targets	0.33		0.33	0.67	→	1.5	0.33	→	0.83	0	→	0.33
	2. Supporting local economies and communities	1		1	1	→	1.25	1.5	→	2	1.25	→	2
	3. Local clean energies and decarbonised industries	1		1	0.5		0.5	1		1	1		1
	4. Inclusivity of regional transition	1		1	1		1	1		1	0	→	0.33
	5. Regional just transition governance	1.3	→	1.67	1		1	1	→	1.33	0.67	→	1.33
Distributional Aspects	6. Overarching assessment of distributional impacts	0.67		0.67	1	→	1.33	0.3	→	1.33	0.33	→	0.67
	7. Energy poverty	2		2	0.6	→	1	1.6	→	2	1.8		1.8
	8. Transport poverty	0.25		0.25	0.25		0.25	0.75	→	1.25	0.5		0.5
	9. Financing needs and sources of funding	0		0	1		1	0.5	→	2	2		2
	10. Tax, insurance and social security policies	0.5	→	0.75	0.75	→	1.25	0.5	→	1	1		1
	11. Work conditions and re-training	0.67		0.67	0.33	→	0.67	0.67	→	1	0.33	→	1
	12. Stakeholder engagement and public consultation	0	→	1.25	0.75	→	1	0.25	→	0.5	0.5	→	1

In general, the final updated NECPs are an improvement in comparison to the draft versions. They contain more information, details, measures and targets. However, the progress is not significant. Across four countries with different starting points and challenges, the NECPs received similar low scores, and the average result can be defined as mediocre in the context of properly planning a just and fair transition. Overall, the NECPs are focused on the national level and do not pay enough attention to subnational territorial issues. For example, clean energy development actions are focused exclusively on the national level. Furthermore, the NECPs do not adequately address the problems of vulnerable groups. Measures to support people with disabilities, older people, young adults at risk of migration and the need for gender balance are not sufficiently addressed.

The coverage of issues related to energy poverty received relatively high marks compared to other evaluated dimensions of the documents. Transport poverty stands out as a contrast. Policies and measures related to transport are linked to the need for decarbonisation and emissions reduction rather than mobility exclusion. Lack of ambition is also a general problem that affects other policies and implemented measures.

These are issues that need to be addressed, and there are opportunities to do so. It is worth emphasising the significant role of public consultations. The examples of Poland and Bulgaria show that comments related to just and fair transition have been taken into account in the updated versions of the NECPs. This demonstrates a potential that can be leveraged in the development of future documents that will serve as a basis for the implementation of just and fair transition in society.

III. Looking ahead – recommendations to strengthen just and fair transition governance in the EU

1. The role of just and fair transition in the implementation of public policies needs to be clarified.

Just transition has been a subject of discussion among experts and politicians for many years, mainly in relation to climate policy. The climate and energy transition is necessary, but it can bring social and economic challenges. A just transition is supposed to prevent the deepening of inequalities, protect the most vulnerable communities and enable an inclusive transition to a climate-neutral economy.

In recent years, there has been an increased interest in the need to take just transition into account in policymaking. There is also a process of its redefinition by increasing the emphasis on the distributional aspect – the first manifestation of which may be the use of the extended term: just and fair transition.

Even though the just and fair transition is key to defining the socially responsible aspects of energy transformation, its meaning remains elusive. Just and fair transition is not defined in legal regulations. It is also not a concept described in the same detailed way as other key principles of European environmental policy, e.g. DNSH (do no significant harm principle).

Just and fair transition is a type of paradigm that sets the framework for the debate, framing the goals and assumptions of climate policy. The aim of the just and fair transition idea is to ensure a sustainable economic and social transformation and minimise the negative effects of the transition to a low-carbon economy on workers, communities and regions most affected by the changes.

Considering the fact that the significance of the just and fair transition paradigm should grow and is expected to play an even greater role in political decisions in the near future, it is necessary to define its role and place in European policies. The just and fair transition will be the foundation for social acceptance of achieving the EU's climate-related goals for 2050.

The role and place of just and fair transition in European policies may be clarified at various levels, e.g.:

- **Political specification**

Political specification can be achieved, for example, by issuing appropriate European Council conclusions. The European Council in its conclusions indicates the topics to be addressed and the objectives to be achieved. The European

Council’s conclusions can also set a deadline for reaching an agreement or for submitting legislative proposals. In this way, the conclusions have a real impact on the EU’s political agenda.

- **Non-legislative recommendations**

One type of documents anchored in the EU Treaties are the Recommendations of the European Commission. Such Recommendations are not binding, like a regulation or directive, but they have a real impact on the actions taken by the Member States and other stakeholders. Through Recommendations, institutions can present their point of view and propose a course of action, without imposing any legal obligations on the entities to which the recommendations are addressed.

- **Defining a legal norm**

A legal norm can be defined at the level of a regulation or directive. Definition at the level of regulation seems to be the most effective and appropriate, as it is applied directly by the Member States and does not require implementation into national law. A regulation must be applied in its entirety throughout the EU.

Member States do not have any margin left for national interpretations. A just and fair transition can be defined, for example, as a so-called principle (in the same way as defining the DNSH principle in Regulation 2019/2088 on the disclosure of information related to sustainability in the financial services sector). It can also be defined as a specific legal provision, for example in Regulation 2018/1999 on the governance of the Energy Union and Climate Action, in the part concerning the NECPs, which is a key system for planning and implementing transformation actions at the national level (taking into account the monitoring and reporting system).

The decision on which form of specifying a just and fair transition is up to European decision-makers. It should be preceded by a detailed assessment of its adequacy and potential effectiveness. Regardless of the type of measure taken, it is legitimate to point out the role and place of just and fair transition in European policies, so that they are more socially responsible.

2. Conducting an assessment of the implementation of national actions regarding just and fair transition.

Although just and fair transition activities do not have a precisely defined role in European policy, it is a concept that appears in various documents, regulations and commitments at international, EU and national levels. In particular, it is an important element of the European Green Deal, which emphasises support for regions and social groups that are particularly vulnerable to the effects of transition, while aiming to achieve climate neutrality. In the Commission’s agenda for the 2024-2029 ‘Supporting people, strengthening our societies and our social model’ is one of the 7 priorities⁴. Moreover, in the recent mission letter to Teresa Ribera Rodriguez, Ursula von der Leyen writes, “Europe’s future competitiveness depends on getting decarbonisation right and **ensuring a just transition**”⁵.

Among the national documents that should consider just transition issues to a significant extent are first and foremost:

- **Territorial Just Transition Plans (TJTPs)** – their publication was a condition for benefiting from the Just Transition Fund. They were used to choose the areas most affected by transition – usually coal regions.

⁴ Commission’s 2024-2029 priorities are available [here](#).

⁵ Teresa Ribera Rodriguez’s mission letter is available [here](#).

- **National Climate and Energy Plans (NECPs)** – among the chapters required in the NECP, an 'Impact Assessment of Planned Policies and Measures' is mandatory and should include 'macroeconomic and, to the extent feasible, the health, environmental, employment and education, skills and social impacts, **including just transition aspects**'. A chapter on energy poverty is also mandatory. In the 'Guidance to Member States (MS) for updated NECPs 2021-2030', among the 'Principles and good practices for updating national energy and climate plans', this point stands out - 'Strengthen planning within NECPs to ensure a fair and just transition, mitigating social and employment impacts, tackling labour and skills shortages, reducing energy poverty and ensuring affordable access to essential services for all'⁶.
- **Social Climate Plans (SCPs)** – the document should be submitted to the European Commission by June 2025. The plans will form the basis for the disbursement of funds from the Social Climate Fund (SCF) to tackle energy and transport poverty – key issues for the just and fair transition. The NECP should prepare the ground for the use of the Social Climate Fund at the national level.

⁶ Guidance to MS for the update of the 2021-2030 NECPs is available [here](#).

These documents should be consistent. Unfortunately, in practice, the consistency turned out to be a challenge. The project carried out by the Reform Institute shows that issues of just and fair transition have not been given sufficient attention in the NECPs. The provision in the Guidance that 'Member States shall reflect in the updated NECPs the transition process outlined in the TJTPs' has only been marginally implemented. The TJTPs continue to address territorial issues. This approach is in line with the core intent of these documents. Unfortunately, the 2021 TJTPs are based on the 2019 NECP. In many countries, targets for renewable energy, emission reductions, etc. have been increased when the NECPs were updated. Therefore, the NECPs, even if they refer to the TJTP, refer to outdated documents.

Moreover, in the context of the creation of the SCPs, it was only the adoption of the regulation concerning the Social Climate Fund that triggered a broader reflection of the social issues in NECPs. According to the aforementioned Guidance, the Commission encourages Member States to include the analysis underlying the preparation of the Social Climate Plans in the updated NECPs as far as possible. This has had limited success.

The primary goal of the just and fair transition approach is to ensure that no one is left behind. However, assessing its success is challenging due to the incomplete and fragmented nature of existing documents. Ensuring a just and fair transition requires addressing the needs of all affected groups, including workers, local communities and industries most vulnerable to change. A key concern is the practical implementation of these objectives. While they may be outlined in policy frameworks, their translation into effective action remains uncertain. The existing Just Transition Platform⁷ does not provide an answer to the question of whether all the objectives are being sufficiently addressed.

⁷ Just Transition Platform [here](#).

Conducting an assessment of the implementation of national just and fair transition policies could provide an adequate answer. The implementation of effective monitoring measures would be an important tool to ensure that the planned processes proceed as intended.

The implementation of monitoring is strongly recommended as it offers the following key benefits:

- It makes it possible to track progress towards transition goals and to verify the effectiveness and social equity of the measures implemented. It also helps to identify obstacles, challenges and areas for improvement.

- It helps prevent the marginalisation of vulnerable groups by assessing the effectiveness of policies designed to support them and addressing any gaps in their support.
- It promotes social dialogue and builds public acceptance of change. Regular reporting on monitoring results and demonstrating that the transition is equitable and inclusive can significantly increase public trust and support. By providing reliable data and evidence, monitoring serves as a basis for constructive dialogue and evidence-based decision-making.

The National Climate and Energy Plans, Territorial Just Transition Plans and Social Climate Plans could form the basis for monitoring. Now is a very opportune time to develop a strategy for monitoring and introduce new tools based on these documents. The process of submission of the final versions of the NECPs updates and their evaluation is delayed, as most countries submitted the document late and, as of January 2025, five countries have still not yet fulfilled the obligation (Belgium, Croatia, Estonia, Poland and Slovakia). What is more, by 31 March each year, countries submit annual progress reports on the implementation of the NECP. Therefore, Member States are up to date in reviewing the implementation of measures regarding just and fair transition.

Additionally, the preparation of the SCPs is in progress and will need to be accelerated as the June 2025 deadline for its submission to the Commission approaches. Without the SCP Member States cannot benefit from SCF and use the funds to strengthen a just and fair transition, so the finalisation of the process is expected to be taken seriously by national governments.

Developing monitoring strategies and tools is also an opportunity to update the TJTP in line with the current, more ambitious objectives, and include them in the monitoring.

There are other reasons why now is an important time to prepare new monitoring tools. In the face of the shift in the direction of climate policy in the US, and the threat of a reversal of this green direction in the European Union, the social, just and fair nature of the transition should become even more important. It should be reinforced in policies and promoted to communities to ensure that no one is truly left behind, while not abandoning the ambitions that have been set.

3. Introducing formal requirements for just and fair transition.

Issues related to the just and fair transition are not clearly and separately recorded in the provisions of European law – they are an additional element of other regulations, e.g. energy poverty issues mainly included in the Energy Efficiency Directive.

In the past, looking at just and fair transition was limited mostly to the regional dimension. Regional just transition policies written into NECPs are consistent with the Territorial Just Transition Plans and guide actions on the regional and local level. However, in the NECPs the distributional impacts of the proposed climate and energy policies are not present enough. Still, there is often no legal framework for preparing holistic actions leading to a structural reduction of the problem of energy and transport poverty. New policy design should consider in more detail the distributional issues beyond the topic of energy poverty, including in particular transport poverty and the overall distributional impact of the climate and energy policy on different socio-economic groups.

To face this challenge, there needs to be a reflection on whether a separate EU-level document on just and fair transition aspect is required. REPowerEU has shown, that raising awareness about an important EU-wide issue and tackling it without triggering a long and complicated process of creating a new directive or regulation, is possible. Just like

REPowerEU, a Just and Fair Transition Action Plan could show concrete steps and goals that increase the pressure on EU institutions and Member States of achieving a responsible green transition that is supported by the European society. The new initiative could be an important argument in the 2028-2032 Multiannual Financial Framework (MFF) negotiations to increase the pool of funding available for the just and fair transition, as well as to prolong the ones already available – Just Transition Fund and Social Climate Fund.

Another path that can be considered to emphasise the just and fair transition topic on EU level, is using the opportunity of the upcoming review of Regulation on the Governance of the Energy Union and Climate Action. The analysis of the Reform Institute shows, that specifying the obligations of Member States in just and fair transition aspects at the level of Regulation on the Governance of the Energy Union and Climate Action, gives better results than on the level of guidelines.

For instance, the NECP updates prepared by the Member States better define issues related to energy poverty than other aspects of just and fair transition – for example, transport poverty. This may be because Regulation on the Governance of the Energy Union and Climate Action in the scope of preparing the NECP quite well only specifies the issue of energy poverty. It can be expected that the aspect of energy transformation related to transport poverty will only be specified by the Member States in the Social Climate Plan, because this results directly from the obligations of the regulation of the Social Climate Fund. Including the just and fair transition aspects substantially in the Governance Regulation, could achieve the aim of increasing public attention to the topic, ensuring Member States' appropriate planning and reporting, and mobilising EU-wide funding initiatives in the area.

4. Providing financing for investments and measures enabling a just and fair transition.

According to Mario Draghi's report on competitiveness⁸, to achieve the strategic objectives highlighted in the report (inc. digitalisation, decarbonisation and increasing hard security), the EU needs investments reaching a minimum of EUR 750-800 billion annually (around 5% of EU GDP). Multiple challenges in a wide range of areas, and financing needs that come with them, limited pool of already available financing make it even more challenging to acquire financing for new and continued projects focusing on the just and fair transition aspects. Especially as the main priorities for the new Commission and the Polish Presidency in the Council are the security and the economic competitiveness of the EU, making it harder for the just and fair transition to get the due limelight, which is crucial to acquire sufficient financing in the coming years.

Moreover, achieving the required financing for the monumental changes is still a challenge with no clear solution. There is no agreement among the Member States on the new EU-wide common borrowing, increasing the Member States' regular contributions, and new substantial sources of the EU's own resources. What is more, in 2028, the repayment of the borrowing undertaken for the Recovery and Resilience Facility (RRF) will start which will put further strain on the EU and Member States budgets.

Taking all of this into account, opening the negotiations on the new 2028-2032 Multiannual Financial Framework is, at the same time, a challenge and an opportunity to increase the regulatory pressure and availability of funds for crucial (but not underlined enough) challenges such as the just and fair transition.

One of the ways to build an EU-wide approval to **increase common spending on just and fair transition is to introduce clearly defined conditionality concerning the**

⁸ The future of European competitiveness – Report by Mario Draghi is available [here](#).

disbursement of the EU funds, as was done with RRF and the Social Climate Fund.

Including the just and fair transition aspect should become a condition for obtaining financial resources for activities related to energy transformation. The recommendation for disbursement of EU funds for national green transition on the condition of achieving clear milestones listed in the NECPs (inc. achievement of measures and reforms tackling the distributional impacts of climate and energy policy) can also be found in the recent Bruegel's Policy Brief.

However, the conditionality will only work if it is linked to the access to a substantial (larger than today) pool of financing with realistic conditions, that take into account national and local specifics. The conditions should be focused on ensuring overall socio-economic effects (such as reducing the number of households in energy and transport poverty, employment in broadly defined 'green sectors' or reducing the emissions in specific sectors), not on the popularisation of specific technologies, making them less controversial for Member States and society.

Also, defining specific and feasible responsibilities on the national level in terms of monitoring the spending gives better results than actions similar to the open method of coordination. Until now, Member States do not have formal obligations linked with clear conditionalities in the NECPs (such as lack of access to funds) and current guidelines for designing and implementing a comprehensive energy transformation in the just and fair manner. The functioning of the Just Transition Fund was strengthened by the territorial aspects of energy transformation, but omitting the distributional aspects. It was only the launch of the Social Climate Fund that triggered national actions to plan a broader perspective of social support, also in the NECPs.

Another important point in the future of financing is closer coordination of already existing funds for the area to achieve the maximum gains. In practice, the NECPs should be a tool which shows a clear and holistic plan of spending EU funds from different sources on the just and fair transition goals.

5. Non-legislative support for just and fair transition.

At the same time, in order to review and possibly clarify the issues of just and fair transition in the provisions of European law, it is valuable to plan the implementation of short- and long-term non-legislative actions.

Non-legislative actions are those that, in a way other than legal regulations, influence the implementation of systemic change. Among non-legislative actions, we can mention educational and communication activities, exerting social and political pressure on decision-makers, supporting innovative social solutions, or testing proposals for legislative actions on a small scale.

Non-legislative actions regarding the just and fair transition are primarily intended to build consensus, understanding and trust in actions in the field of climate and energy transformation of Europe, which should translate into increased effectiveness of the implementation of potential legislative solutions.

As stated in the 2024 Report on the Review of the Regulation on the Governance of the Energy Union and Climate Action, many Member States' authorities face administrative and analytical challenges connected with climate and energy EU policy planning and need financial and technical support to implement the Governance Regulation. Non-legislative actions can respond to these identified challenges, for example:

- **priority for the just and fair transition in the Technical Support Instrument programme**

The European Commission is successfully implementing the Technical Support Instrument (TSI) programme⁹.

TSI is the Commission's instrument to provide technical support for reforms in EU Member States. TSI is part of the Multiannual Financial Framework 2021-2027 and of the Recovery Plan for Europe. It has the general objective to promote the Union's economic, social and territorial cohesion by supporting Member States' efforts to implement reforms.

The TSI instrument is generally well known in individual Member States at the level of offices responsible for developing and implementing national public policies. By defining thematic priorities in a given year, the European Commission generates demand from Member States for implementing reforms.

The TSI instrument should encourage the implementation of the just and fair transition principle both in public policies implemented at the central level, and in agreement with the government and local governments. Activities implemented in the TSI may also have the nature of international cooperation. Giving a high priority to the just and fair transition issue in the TSI programme can significantly support activities in the non-legislative area.

Projects implemented by individual countries in the TSI instrument should also focus on strengthening local initiatives, increasing social involvement and education. Extremely valuable projects implemented in the TSI would also be those conducted in cooperation, or requiring the involvement of the private sector and promoting investments in accordance with the idea of just and fair transition.

An effective complementary action for the prioritisation of just and fair transition in the TSI instrument may also be the review, adaptation and promotion of the already available REGIO Peer2Peer tool. According to the information provided on the European Commission website, The REGIO Peer2Peer + scheme enables staff of programme authorities and other public bodies involved in managing and implementing European Regional Development Fund, Cohesion Fund and Just Transition Fund programmes to meet and exchange knowledge and good practice on both a bilateral and multilateral level. Moreover TAIEX-REGIO Peer2Peer helps organise short-term exchanges with one or more peers from other EU countries to meet specific learning needs and offer a platform to develop a longer-term dialogue with peers from several EU countries on topics of common interest to allow for in-depth analysis and co-creation.

- **building a broad political understanding via the Council of the European Union**

The key action that has an impact on increasing the importance and role of just and fair transition in shaping public policies, including legal provisions, is the readiness and openness of the political environment. It is the decision-makers who ultimately make the decision on the shape of legal regulations, or the scope and scale of the actions taken.

It is important that the issue of just and fair transition is discussed not only among politicians who deal directly with the issues of energy transition. Just and fair transition is a horizontal issue that also requires the involvement of decision-makers focused on other areas of the state or the European Union. Activities around the preparation of Social Climate Plans show how multi-contextual this issue is and how important it is to include non-standard stakeholders in this process – both at the political and social levels.

⁹ More information about TSI is available [here](#).

Therefore, it is important that issues related to just and fair transition are the subject of ministerial discussions not only at the Environment Council configuration (ENV) or Transport, Telecommunications and Energy Council configuration (TTE) meetings, but also at other ones. These issues should be the subject of political debate at least at the meeting of the Agriculture and Fisheries Council configuration (AGRIFISH), Economic and Financial Affairs Council configuration (ECOFIN) or Employment, Social Policy, Health and Consumer Affairs Council configuration (EPSCO). It is crucial that the issues of just and fair transition are not limited only to groups already actively working for a just and fair transition.

- **by taking into account the issues of just and fair transition in the impact assessment procedure**

The issue of just and fair transition should become the subject of the impact assessment procedure. Among the impact assessments carried out, which are posted on the European Commission's website¹⁰, there are none that comprehensively analyse the issue of just and fair transition.

¹⁰ Evaluations and impact assessments can be found [here](#).

The impact assessment procedure plays an important role in the process of creating law at the European level. Therefore, apart from the very necessity of conducting an assessment for the issue of just and fair transition, it is worth emphasising the need to mark this issue as one of the criteria for a universal impact assessment.

It will contribute to taking this aspect into account in the future assessment of projects for other public policies. Such an approach will allow a verification at an early stage of work of the potential social effects of the proposed legal solution or non-legislative actions for which the assessment is carried out.

6. Dialogue and public consultations are the basic conditions for implementing the just and fair transition in national policies.

Another crucial dimension of planning and successfully implementing the just and fair transition on the national level is an inclusive, comprehensive and thorough cooperation with stakeholders. The proper dialogue should be one of the crucial conditions of positive evaluation of any actions.

It is worth paying attention to the multi-level dialogue on climate and energy, which is defined in Article 11 of Regulation 2018/1999. This is an important instrument, defined by a legal norm, which indicates, among other things, that:

- each Member State should establish a permanent, multi-level dialogue platform on energy, bringing together local governments, social organizations, entrepreneurs, investors and other relevant stakeholders,
- the multi-level dialogue platform is to serve to discuss individual solutions planned in energy policy, including energy and climate policy scenarios,
- the dialogue should serve to discuss the national energy and climate plan, as well as its long-term strategy in these areas,
- the way in which the dialogue is organized remains at the discretion of the given country.

National just and fair transition policymaking needs a constant and substantial engagement of local NGOs and public administration on local and regional level. Any strategies

and policies developed in this dimension should be formally consulted on sub-national level to include other perspectives than only the national one. The consultations need not only to be conducted in the areas where relevant investments take place, but also in other parts of the country to catch the distributional aspect of the just and fair transition among the most vulnerable to the green transition policies so that no one is left behind.

It is also important that the results of this dialogue should be discussed by the Member States in the energy and climate progress report prepared pursuant to Article 17 of Regulation 2018/1999.

The European Commission thus has a functional tool to oblige the Member States to conduct structured cooperation between the States and all stakeholders, and to monitor the scale and scope of this cooperation.

However, the challenge remains to use these opportunities. Individual Member States implementing both this horizontal obligation to conduct dialogue and smaller, specific public consultation processes, including the consultation of the national energy and climate plan, with varying degrees of commitment.

The inclusive and thorough public consultation process on national, regional, and local levels is going to be even more important in the case of broadening of conditionality mechanisms (as described in one of the previous parts of the report).

The already mentioned Commission's Report on the Review of the Regulation on the Governance of the Energy Union and Climate Action argues that even though public consultations on the updated NECPs took place, they were often insufficient. The report underlines the consultation process should be more inclusive and should start on the earlier stage of preparation of the NECPs. The lessons learned from the process should be used in the next NECPs, during the ongoing preparation of the Social Climate Plan and any other future planning and monitoring related to the just and fair transition aspects (e.g. the potential continuation of the Just Transition Fund).

A truly inclusive and thorough public consultation process cannot happen if there is a lack of public access to information, concerning both the timeline of the process of drafting the strategies and policies, as well as the assumptions of its authors, current situation, good practises in the area concerning policy, and the contents of the draft legislation. Lastly, sufficient time should be granted to stakeholders to actively take part in the consultation process.

