

More public money needed in Just Transition Fund



(Press Release 14 January 2020) The European Commission has announced today that the just transition fund will include €7.5 billion of “fresh money”. The fund will help finance the transition of affected regions and workers into the new green economy. This new just transition mechanism will rely heavily on private investment, and only a modest part of the money will come from public loans and Member States’ budgets.

EPSU, The European Public Service Unions, notes the Commission’s aim to take into account the social dimension of decarbonisation policies, especially by putting fresh money on the table to finance the just transition. EPSU’s General Secretary Jan Willem Goudriaan states however *“that this amount of fresh money won’t be enough as we already know that private investment and private actors are not delivering; so we need a different approach to the Just Transition Fund”* and he adds, *“The goal, “No one should be left behind!”, will not be accomplished if we have to rely on private investment for a large proportion of the needed funds. “*

The transition into a net-zero carbon economy, and the ensured well-being of affected communities, must not depend on the willingness of private actors to finance it. Publicly and municipally owned energy companies are already leading the way in terms of alternative models, and provide a good example of how public investment can speed up the green energy transition.

Addressing the need for more funding to ensure a just transition for workers, one of the groups most affected by the Green Deal, [EPSU calls upon the European institutions](#) to include the following elements into the Just Transition Mechanism:

1. ***An increase in public funding in the Just Transition Mechanism (direct contributions from Member States budgets and Central Banks' public loans);***
2. ***Promotion of public ownership of utilities to ensure a just transition for workers;***
3. ***Fair and effective taxation as a new funding method: strengthened measures in the fight against tax avoidance and in support of progressive taxation;***
4. ***Allocation of public funds for the fight against energy poverty (in order to ban disconnections and to renovate low-income dwellings); and***
5. ***Involvement of trade unions in national and regional transition plans and the just transition mechanism.***

The recent report “[Going Public: A Decarbonised, Affordable and Democratic Energy System for Europe](#)” commissioned by EPSU demonstrates that the only way to ensure a just transition is through public ownership and public investment.

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