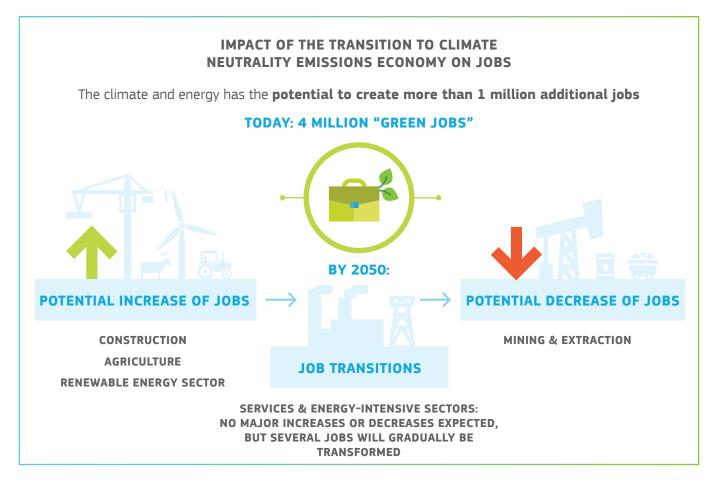


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The transformation to a climate neutral economy can have overall positive impact for the EU economy. Still, it could also increase social and regional disparities in the EU. This is why this deep modernisation process will have to be managed well, ensuring a fair and socially acceptable transition for all in the spirit of inclusiveness and solidarity. Both the EU and the Member States must take into account social implications from the outset and not as an afterthought. Targeted economic, social and cohesion policies can help mitigate this challenge.



The nature of jobs will also evolve, in particular for energy intensive sectors such as steel, cement, chemicals and car manufacturers. New types of jobs will require new types of skills. Investing in the skills of our workforce will be essential to make sure no one is left behind, and that we reap all possible benefits of this economic transformation. With the **Skills Agenda for Europe**, the EU set out a series of 10 actions that should help workers develop the skills needed for the new world of work. And as outlined in the European Pillar of Social Rights, the EU aims to make sure workers benefit from adequate social protection during these transition phases.

THE EUROPEAN SOCIAL FUND PLUS AND THE EUROPEAN GLOBALISATION ADJUSTMENT FUND

Already today, the European Social Fund is the EU's main financial tool to invest in people's skills, with a capacity of \in 86 billion for the period 2014-2020. Under the Commission's proposal for the next EU long-term budget, the new **European Social Fund Plus will dispose of** \in **100 billion** to provide an integrated and targeted support in response to the social and labour market challenges that people in Europe face today. At least 25% of ESF+ funding should be allocated to measures fostering social inclusion and targeting those most in need.

In addition, should job losses due to the transition to a low-carbon economy occur unexpectedly, the European Globalisation Adjustment Fund will be able to provide financial support to dismissed workers, to help the reskill and find new jobs.

75% OF EUROPEAN POPULATION LIVES IN URBAN AREAS



CITIES ARE THE LABORATORIES FOR TRANSFORMATIVE AND SUSTAINABLE SOLUTIONS

City refurbishment and better spatial planning including green spaces can be major drivers to renovate houses and attract people to live again close to work, improving living conditions, reducing travel time and associated stress.

With a big majority of Europeans living in cities, urban areas must be at the heart of any policy aiming to contribute to a Clean Planet by 2050. This requires action on different fronts:



CLEAN AND SAFE MOBILITY:

City planning, safe cycling and walking paths, clean local public transport, the introduction of new delivery technologies such as drones, car and bike sharing services, will alter mobility. Combined with the transition to carbon-free transport technologies, reducing air pollution, noise and accidents, this will result in large improvements in the quality of urban living.

The transport sector is responsible for more than half of all NOx pollution and for 13% of other pollution. It accounts for a significant share of city pollution. It has therefore a key role to play in our efforts towards a climate neutral economy while in the same go improving the quality of life of our citizens.

NEW CLEAN MOBILITY OPTIONS IN THE SPOTLIGHT:



Electrification: Clean and affordable public transport such as electric buses and trams



Drones as new delivery technologies



Autonomous driving as the future of Mobility as a service



CITY PLANNING

The EU will keep on supporting innovative urban solutions and sustainable urban development with advisory support, a framework for city-to-city cooperation a well as significant funding.

CONSUMER BEHAVIOUR

Transformation towards a net-zero greenhouse gas economy is also about how Europeans work, transport themselves and live together. As consumers, citizens have a powerful role to play and personal lifestyle choices can make a real difference.

In the EU, more than 85% of consumers use the Energy Label when purchasing

This means savings of up to 500 EURO per household every year, more innovative and competitive manufacturers and 800 000 more jobs.

INVESTMENT IN CITIES VIA THE EUROPEAN REGIONAL DEVELOPMENT FUND

Half of the current European Regional Development Fund's envelope is invested in cities. That amounts to €100 billion, including funding earmarked specifically for sustainable urban development and managed by the cities themselves. For the future Cohesion Policy post-2020, the Commission proposes to create the European Urban Initiative, a new instrument for city cooperation, innovation and capacity-building in key urban priorities like air quality and energy transition.

Transformation to carbon neutral economy will have to be just. No region can be left behind in the transition. Regions whose economies depend on activities that either are expected to decline or will have to transform in the future can be particularly affected – such as areas of coal mining, oil and gas exploration. Energy intensive sectors such as steel, cement and chemicals as well as car manufacturers will see a shift to new production processes with new skills required. The EU budget, employment and cohesion policies can reduce economic, social and territorial disparities across the Union can reduce economic, social and territorial disparities across the Union. Within the Clean Energy for All Europeans package, the Commission has already established a special Platform for coal and carbon-intensive regions in transition, with a view to sharing experience and spreading best practice for addressing the social and economic challenges.

