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From:	General Secretariat of the Council
To:	Delegations
Subject:	Key messages from EMCO and SPC on the implementation of the Council Recommendation on ensuring a fair transition towards climate neutrality - <i>Country specific conclusions of the EMCO PAG review</i>

With a view to the EPSCO Council on 1 December 2025, delegations will find attached the Country specific conclusions of the EMCO Policy Analysis Group (PAG) review of the Council Recommendation on ensuring a fair transition towards climate neutrality.

Annex 1 – EMCO PAG country-specific conclusions

Austria

Austria, through its public employment services, offers numerous training and education opportunities in sustainability-oriented occupations, especially targeting unemployed people. Among these, training programmes for sustainable careers in the JTF territories also target employees at risk of job loss due to the green transition in carbon-intensive regions. The prevalence of green jobs in male-dominated sectors presents an opportunity for targeted efforts to include more women in these areas. Furthermore, integrating the perspectives of vulnerable people and women more deeply into the design and implementation of fair transition policies could be achieved through increased participation of relevant civil society organisations. Continuous monitoring of labour market data within green sectors and occupations remains essential.

Austria is also integrating some labour-focused health and safety measures to facilitate adaptation to climate-related risks; nevertheless, there is scope for a more comprehensive framework.

Regarding education and training, Austria appears exemplary. The country notably prioritises learning for sustainability within its education system, making these competencies compulsory in teacher training. Sustainability is mainstreamed in primary and lower secondary education, and Austria also aims to incorporate green skills into vocational education and training curricula in the future. Sharing the specific outcomes of these potentially beneficial practices would be valuable.

In terms of taxation, Austria mainly promotes environmentally friendly objectives through tax exemptions. The tax system also works to lower the tax wedge for lower- and middle-income households and small enterprises. Ensuring adequate financial resources for the fair transition should remain a priority.

Belgium

While employment in energy-intensive industries is decreasing, the share of green jobs in overall employment in Belgium remains relatively low. Against this background, Belgium is planning to roll out a new Federal Action Plan on the Circular Economy, which could help address the current lack of a comprehensive and coherent policy package for ensuring a fair green transition and the risk of uneven progress between regions.

Measures are also ongoing to improve labour market and skills forecasting systems at the regional level, which in turn could support more targeted active labour market policies. The promotion of entrepreneurship, including in the social economy, has been stepped up. There remains scope to increase adult participation in learning, notably for green skills.

Belgium is taking steps to shift taxation away from labour and is making progress in greening the tax system. Further progress could be achieved by better integrating taxation policies across different authorities.

Bulgaria

Bulgaria has made good progress in adapting employment services for a fair transition, notably through measures encouraging employers to hire unemployed people in green jobs and workers affected by the green transition in coal regions. Reaching out to the most vulnerable groups remains key to the success of a fair transition. It is also important for Bulgaria to build upon its achievements, particularly in improving working conditions and ensuring worker participation in policy design and implementation.

In education and training, Bulgaria is adapting curricula to meet green transition demands and is raising student awareness. Progress is also being made in enhancing labour market and skills intelligence and foresight. Continued efforts should focus on ensuring accessible, affordable, and inclusive initial education and training, increasing adult participation in lifelong learning, and making full use of available European funds.

Regarding the fairness of the tax and benefit system, further efforts could help address the challenges posed by the green transition. Risk-reduction solutions for households and enterprises could also significantly enhance Bulgaria's economic and social resilience.

To support a whole-of-society approach to the fair transition, Bulgaria should mainstream green objectives across all newly introduced measures.

Cyprus

Cyprus has introduced measures aimed at providing effective support for quality employment during the fair transition, with the involvement of key stakeholders, including programmes offering training for the acquisition of knowledge and skills related to green economy sectors. There is a particular emphasis on improving working conditions and introducing additional measures concerning employment services focused on the activation of vulnerable groups and NEETs, as well as on the enhancement of employability by effectively connecting jobseekers with employers. While these initiatives predominantly address broader social concerns, there is an opportunity to refine their focus to provide more targeted support for those most significantly impacted by the green transition, as well as to introduce hiring and transition incentives. Cyprus would benefit from further developing measures that foster entrepreneurship and enhance worker engagement, as these areas currently lack specific initiatives.

Cyprus has developed a forecasting methodology for green skills demand within its labour market, demonstrating progress in education and training. The country is also advancing in offering accessible, affordable, and inclusive education and training through the introduction of green skills in secondary and higher education. Nevertheless, there is a clear opportunity to strengthen the focus on apprenticeship opportunities.

In 2024, Cyprus implemented legislative measures to provide tax incentives for the green transition, including accelerated capital allowances for companies and sole traders; however, the scope and expected impact of these measures remain limited in the short term.

Croatia

Croatia is making substantial efforts to increase participation in lifelong learning, develop green and digital skills, and promote employment in green sectors, notably by strengthening ALMP measures, providing incentives for internships and self-entrepreneurship, and introducing a new training voucher system with a special focus on green and digital skills.

Croatia should ensure the sustainability of the various programmes introduced, as well as encourage increased take-up of training opportunities in green sectors, especially by those most at risk of displacement and those from underrepresented groups.

Overall, there is room for a more integrated strategy for a fair transition, which should also include better coordination with local authorities and a more environmentally friendly tax-benefit system.

Czechia

Czechia, despite having one of the highest employment rates in the EU, faces significant labour shortages in sectors crucial to the green transition. At the same time, its labour market is among the most emission-intensive, indicating a high potential impact of decarbonisation on specific regions and sectors. More targeted labour market measures and training initiatives could help ensure a fair transition for the population. To achieve this, Czechia should fully utilise all available EU funding.

Further efforts are needed to improve access to funding for SMEs and to support the reskilling and upskilling of their workforce—particularly in the sectors and regions most affected by the green transition—with a focus on vulnerable groups.

Czechia could build on its analysis of emerging occupational health and safety risks in the climate transition context to foster a new culture of fair adaptation to climate-related risks.

Regarding education and training, Czechia has initiated steps concerning green skills for SMEs. However, it could further leverage its skills foresight strategy to more robustly integrate green skills into the education system. This could also help better target training for workers in sectors in decline due to the green transition.

Czechia's tax and benefit systems could be adapted to mitigate the increasingly visible effects of the green transformation, especially on low-income earners and precarious workers, who are disproportionately affected.

Stepping up the involvement of social partners and stakeholders would help ensure greater ownership and buy-in for the green transition.

Denmark

Denmark is showing progress in implementing the Council Recommendation. Many policy measures have been put in place to improve the skills of workers and the unemployed, as well as the effectiveness of VET. However, a more targeted approach in the green sector would be encouraged. The provision of green skills should also focus on the most vulnerable groups affected by the green transition. In this context, the grant schemes are particularly welcome.

Denmark has taken measures to address energy poverty by supporting households. A stronger focus on supporting the most vulnerable households and low-wage earners is expected to have a positive impact on poverty reduction.

There is still room for improvement in providing measures aimed at protecting workers by promoting more sustainable workplaces. Furthermore, incentives for social entrepreneurship and green-focused social public procurement are strongly encouraged.

Estonia

Estonia has enhanced its active employment support, building on existing incentives, particularly for job placement aid, hiring, and job-to-job transitions. There is growing attention to upskilling and reskilling, although some reported measures do not specifically address the fair transition, indicating room for improvement, especially in occupational health and safety. Estonia has also advanced entrepreneurship and corporate social responsibility, notably through the establishment of a social business index, which helps companies assess their environmental, social, and governance performance.

In education and training, Estonia has taken steps to improve labour market and skills intelligence and foresight, although fair transition dimensions could be reinforced. Programmes could be better tailored to support individuals in vulnerable situations, ensuring access to skills and training needed for the green transition.

Although social partners are involved in policy design and implementation, no new measures have been reported concerning worker participation in fair transition initiatives.

Estonia also has significant opportunities to strengthen fair taxation, particularly by targeting support to those most affected by the green transition, especially when facing cumulative vulnerabilities.

Finland

Finland places great emphasis on sustainability in policymaking, and the green transition is underway. Unemployment is rising, coupled with persistent labour shortages across various sectors including in the context of the green transition. In response, Finland is developing new labour market intelligence tools aimed at better identifying and matching job vacancies and detecting skills mismatches, with a focus on the green transition. New training modules are being introduced in education, VET, and career guidance, with greater emphasis on green skills and sustainability. Responsibilities for public employment services are being shifted to the local level, which may significantly improve the targeting of services.

Attention should be paid to the current fragmentation of measures across municipalities and sectors, which could lead to uneven employment and social impacts. This could be mitigated by adopting a more comprehensive strategy - one that also expands incentives for green entrepreneurship and supports the green transition for SMEs, while strengthening training offers for the low-skilled.

France

France's green sectors are expanding, and policies are in place to increase the supply of training, support companies undergoing transitions, and identify new regulatory and financial levers to drive a fair green transition. Efforts are also ongoing to adapt the education system to green skills needs, integrate environmental issues and sustainable development into curricula, and better map and certify the skills required for the green transition. Positive steps have also been taken to address occupational health and safety risks.

Additional efforts may be needed to better target measures to workers most at risk of displacement and to people in vulnerable situations. Instruments to promote green entrepreneurship could be expanded, and more attention could be given to fostering the green transition in the social and solidarity economy.

Germany

Germany has taken active steps to support quality employment for a fair transition. Innovative decarbonisation contracts incentivise energy-intensive industries to move toward greener practices, with the active involvement of social partners. Recent measures adequately address funding needs for continuing education and training which lead to a vocational qualification for individuals who receive unemployment or citizen's benefits. With regard to working conditions, particularly health and safety at work, Germany is working to further develop an effective and modern implementation framework that takes climate-related hazards into account.

Germany has made progress on equal access to quality, affordable, and inclusive education and training. However, a concerning trend is the decline in upskilling and reskilling efforts in energy-intensive sectors, where such measures are crucial for a fair transition. While Germany is advancing sustainability-oriented vocational training, issues of accessibility, affordability, and inclusivity should receive equal attention.

Germany's significant investment in labour market and skills intelligence - such as assessing the impact of ecological transformation on employment - sets a strong example for other Member States.

Nevertheless, the fitness of its tax-benefit system for the fair transition remains an open question. Further efforts are needed, particularly to shift the tax burden from labour and reduce the tax wedge for low- and middle-income groups. Germany could also expand risk-reduction mechanisms for households and enterprises, ensuring access to affordable insurance, especially for vulnerable populations.

To enhance the effectiveness of Germany's transition strategies, the cooperation among federal government, federal states and local authorities could be further improved.

Greece

Greece is making extensive use of EU funds to invest in a fair green transition, particularly through enhanced active labour market policies, upskilling and reskilling initiatives, and employment and entrepreneurship programmes with special attention to the most impacted regions. Tax incentives for investments in energy efficiency have also been introduced.

Despite this positive landscape, Greece could improve in targeting measures, for instance by strengthening impact assessment and increasing take-up by more vulnerable groups. To further advance a fair green transition, Greece should also build on stronger worker involvement in change management and enhanced social dialogue at all levels.

Hungary

Hungary is still in the early stages of transitioning to a climate-neutral economy, although the updated National Energy and Climate Plan offers positive prospects for a more strategic and comprehensive approach.

EU funds are being used to support the labour market through in-company training and wage subsidies during training. The modernisation of vocational education and training curricula is helping to develop green professional skills. Environmental awareness and education for sustainability in the increasing number of Eco-Schools play a prominent role in promoting the cause of sustainability. These efforts - and their strategic ambition - could be strengthened by building on successful pilot projects targeting the most at-risk groups.

Hungary's industrial policy emphasis on specific sectors, such as energy, carries a risk of technological lock-in, which should be carefully assessed. At the same time, Hungary supports entrepreneurship in the face of green and digital transition challenges, with specific measures for SMEs in regions most exposed to the transition. Occupational health and safety could also be further enhanced in this context, although Hungary has already implemented several measures to analyse and address the impacts of climate change.

Measures to shift taxation away from labour - especially for low- and middle-income groups - toward sources that contribute to environmental objectives could support the transition.

Lastly, stakeholder involvement, particularly of social partners in the planning and implementation of fair transition policies, as well as broader public awareness, could be improved.

Ireland

Ireland's strong commitment to a fair transition is reflected in its significant progress. A whole-of-society approach is clearly embedded in Ireland's national framework for a fair transition and could serve as a model for other Member States, particularly in terms of stakeholder engagement, such as the participatory social dialogue initiatives in the Midland Region following the end of peat-fired electricity generation.

Ireland's skills policies are grounded in strong evidence-gathering, supported by a network of analytical institutions that assess skill needs and engage stakeholders in designing and implementing fair transition policies. Nevertheless, there is scope to improve participation and accessibility in upskilling and reskilling activities. Young learners could also benefit from more education focused on skills and competencies relevant to the green transition. While there is scope to increase opportunities to engage young learners in the Fair Transition, short VET modules providing a taster of FET, including in the area of green skills, are being provided for secondary students in their transition year. Financial incentives are available to support self-employment, including in the area of green entrepreneurship, though not specifically targeted at this area. Additionally, there are a range of financial supports available to aid enterprises in meeting fair transitions goals.

In terms of fair taxation, environmental taxes are expected to increase. At the same time, further measures could be taken to reduce the tax wedge on labour.

Italy

Italy has made progress in implementing the Council Recommendation.

Promoting inclusive labour markets is essential to accelerate the transition to climate neutrality and to ensure social fairness throughout the process. In recent years, investments in upskilling and reskilling workers and unemployed people in transforming sectors have increased. However, there is still a need for a more targeted focus on the green transition.

Italy has adopted several policy measures to enhance the skills of workers and the unemployed, but their proper implementation and monitoring - particularly to address skills shortages - remains a challenge. In this regard, it is essential to establish effective labour market monitoring tools in the green economy.

Moreover, there is significant potential to reduce the tax burden, particularly by shifting it from labour to green taxation. To address energy poverty, more targeted measures could also be introduced.

Latvia

While adult participation in education and training is below the EU average, Latvia has made efforts to address adult learning and unemployment, by investing in vocational education and reskilling programmes, supporting social enterprises and providing targeted support to vulnerable groups. However, there is a lack of specific attention to the transition into green jobs, as well as to skills foresight in the context of the green transition. Supporting entrepreneurship in the green sector through targeted programmes could further boost the green economy, particularly in the most affected regions.

Research projects undertaken should better reflect the strategic direction of the green transition in Latvia. To more effectively integrate green measures into existing policy frameworks, continued efforts are needed to address significant research gaps. Social dialogue should also play a stronger role in both the design and implementation of policies, as well as in identifying green skills shortages.

Lithuania

Lithuania is stepping up efforts to develop green skills and support business creation and entrepreneurship, with a particular focus on disadvantaged groups. This also includes strengthening partnerships at all levels - particularly with employers and public employment services - to better serve local needs and address regional inequalities. Education and adult training curricula are also being revised to meet the skills demand of the green economy.

Lithuania is also paying attention to occupational health and safety, with the adoption of a dedicated Action Plan, though additional measures could be considered. Hiring and transition measures could benefit from ongoing impact assessment, especially with a view to better targeting support to the individuals and regions most in need. Lithuania is also taking steps to enhance the involvement of Social Partners, though there remains some scope for further improvement.

Luxembourg

Luxembourg has adopted a comprehensive approach to the fair transition. In the field of employment support, it facilitates training in green skills for workers, especially in the construction and energy sectors, highlighting potential gaps in other sectors, which could be addressed through better identification of target groups. Social entrepreneurship is actively promoted, targeting women and underrepresented or disadvantaged groups, although not always in sectors linked to the green and fair transition.

In education and training, support for upskilling and reskilling workers in companies facing challenges from the green transition has recently been adopted. The effects of this measure should be monitored as a potential good practice for other Member States. Green and digital skills are still at an early stage of broad integration into curricula, being mostly present in training, VET, and lifelong learning, but less in initial education. Luxembourg is also continuously improving its skills intelligence to better match skills supply with demand.

Several tax credits and tax-neutralisation measures, including for investments in ecological and energy transition projects and to promote the acquisition of low-energy-consumption housing—are contributing modestly to a fair transition. However, high reliance on fossil fuels in the transport sector remains evident. Additional measures to shift the tax burden from labour to other sources could contribute to meeting Luxembourg's and the EU's climate and environmental objectives.

Malta

Malta is improving the employability of its workforce and vulnerable groups - including unemployed people, NEETs, and persons with disabilities - through upskilling and reskilling activities. These could be more closely targeted toward transforming sectors and areas most affected by the green transition, including sustainable and social entrepreneurship.

Malta has improved education and training curricula through evidence-based skills analysis, aiming to equip young learners, job seekers, and the adult workforce with future-oriented skills. An assessment of the impact of the 2021–2030 Education Strategy is planned.

On taxation, Malta's efforts to introduce incentives promoting climate-friendly objectives could be intensified to achieve maximum impact.

In line with a whole-of-society approach to policymaking, Malta has engaged stakeholders in both policy design and reform monitoring.

Netherlands

The Netherlands has introduced several measures to expand lifelong training and job opportunities in key sectors for the green and digital transitions, as well as to advise and support companies - especially SMEs - in developing climate-neutral business models. Heat-related stress studies have been conducted in preparation for a revision of occupational health and safety legislation. Worker involvement in climate change adaptation is also ensured through well-established Works Councils at company level.

Building on these positive steps, increasing access to training for disadvantaged groups and workers in flexible jobs could yield greater benefits. A more detailed mapping of ongoing transformations - possibly through the enhancement of labour market foresight systems - may be needed to inform more targeted education and training pathways. The Netherlands could also explore whether current efforts on risk reduction and risk-transfer solutions are adequate to cover future climate-related damages, particularly for vulnerable groups and SMEs.

Poland

Poland is one of the Member States facing major challenges in ensuring a fair green transition, due to the large share of employment in energy-intensive sectors, notably mining. In this context, Poland is making effective use of EU funds particularly to support job transitions from energy-intensive sectors to others, and to promote green and STEM skills, including by adapting qualification frameworks to match the profiles required by the green economy. The full development of the new skills forecasting mechanism could add value to these measures.

Further efforts may be needed to promote transitions towards green sectors, especially from mining. In this regard, more structured involvement of Social Partners would be welcome. Awareness-raising campaigns could also help inform people about the opportunities and risks associated with the green transition.

Portugal

Portugal has taken several steps to improve the implementation of the Council Recommendation on ensuring a fair transition. Employment in the green economy is growing; however, targeted measures to support employment in this sector - especially those focusing on disadvantaged groups - could further promote the green transition.

In the field of education and training, measures have been presented to increase participation in programmes related to transforming sectors. Nevertheless, there is room for improvement in expanding such programmes to emerging sectors and in addressing regional shortages.

Regarding taxation policies, Portugal has initiated a reflection on potential solutions to ensure greater sustainability of the system, including through a shift to green taxation.

Romania

Romania is making progress in implementing policies to support a fair green transition. Measures have been introduced to promote employment, skills development, and entrepreneurship. In the area of adult learning, expanding training for specific target groups in green skills could improve their employability and job retention. For this purpose, it is important to make full use of skills intelligence tools, such as the ReCONNECT platform developed by the national PES. The development of education and training services tailored to the green sector is also encouraged. In addition, to ensure effective implementation of the Recommendation, the role of social dialogue could be further strengthened.

Slovakia

Slovakia is making progress in implementing policies to support a fair green transition. Although training opportunities have been made available to direct workers towards the green economy, there is room to expand these programmes through a more integrated and inclusive approach. Additionally, improving skills foresight tools is expected to yield better results in addressing labour and skills shortages in the green sector.

Regarding taxation, Slovakia could benefit from shifting the tax burden from labour to activities that are harmful to the environment. Measures have also been taken to address energy and transport poverty. In this regard, the new action plan is welcomed, as it aims to further reduce poverty particularly among the most vulnerable. The role of social dialogue is also expected to have a positive impact on the development of green transition policies.

Slovenia

The contribution of energy-intensive sectors in Slovenia to the economy remains significant, especially in some regions, and the occurrence of extreme weather events is increasing. In response, Slovenia is stepping up efforts to support the still subdued growth of the circular economy and to address gaps in green skills, notably by developing a new labour market foresight system. Leveraging this system can help Slovenia better design hiring and transition initiatives related to the green transition.

Sustainable development competences, including climate change impact awareness, are being streamlined into learning curricula, from early childhood education to adult learning. Enhanced dialogue between labour market actors (including social partners) and educational institutions could mitigate the perceived labour market mismatches. The action plan on occupational health and safety contains provisions to protect workers from high heat loads and teleworking-related mental health risks.

Overall, Slovenia could work towards a more strategic approach, including by considering the establishment of a public body tasked with coordinating policymaking for a fair and just transition across different policy areas. The meaningful involvement of workers in restructuring processes could help smooth labour market transitions and address skills gaps. There is also room to revise the tax system to promote sustainable business models and consumer behaviours.

Spain

The number of green jobs in Spain is rising rapidly, while job assistance is provided in areas affected by the closure of coal-fired power plants and coal mining through green job training. To bolster its robust evidence-based approach, Spain would benefit from more detailed mapping of the employment impacts of the green transition. This is especially relevant in light of growing labour shortages in key sectors such as construction. Public employment services could be further strengthened to better support the unemployed, those at risk of job loss due to the green transition, and underrepresented groups in green occupations, such as women. Job transition incentives, as well as reskilling and upskilling opportunities, could help reduce persistent labour market mismatches.

In response to the rising demand for qualified workers for the green transition, Spain has established an intelligence and foresight system to identify occupation-specific and transversal skills needs and to examine challenges related to the gender gap in green occupations. Spain offers training courses in green sectors that count as certified micro-credentials, especially for women, unemployed people, and individuals more affected by the green transition. Moreover, Spain has organized several projects that promote sustainable and inclusive education and gathered several best practices. New education curricula are also created in the energy efficiency sector, representing welcome efforts to mainstream learning for sustainability in educational and teacher curricula. However, Spain would benefit from increasing the supply of training, particularly for the less qualified and older population, to bridge the current skills gap. It could also expand vocational education and training in green transition-related fields.

Social protection reforms are also designed to safeguard workers from economic challenges and facilitate transitions to emerging sectors linked to the green transition. Spain could enhance protection against climate risks by improving the availability and affordability of insurance solutions, particularly for vulnerable households.

Spain continues to build on existing tripartite agreements initiated through its Just Transition Strategy. The inclusion of sustainable mobility plans in collective bargaining in regions severely impacted by climate-induced extreme events is particularly noteworthy.

A shift in the taxation of individuals and enterprises towards environmentally and climate-friendly measures and investments could also contribute to a fair transition.

Sweden

Sweden's green sector is developing, with some shortages hampering further growth in certain regions. In response, the Swedish Government has increased support for labour mobility among jobseekers while specific training for green skills can be provided under the national ESF+ programme. Effective measures are in place to limit the negative social and employment impacts of the green transition. A national STEM Strategy has been adopted, also aiming to strengthen technical competences and close the gender gap in STEM sectors. Further tax incentives have been provided to encourage labour market participation.

Overall, Sweden could consider introducing additional measures, notably to secure increased support for workers most at risk of unemployment, to advance in the areas of labour market and skills intelligence and foresight, and to improve coordination between central and local authorities.