

**1. Energy: the switch to renewable energy sources and improved energy efficiency.**

*1.1. Which policies (such as relocation grants, job-search assistance and re-skilling programs) have proven to be the most effective to support workers who are affected by the transition to renewable energy and to overcome barriers that low-skilled workers may face in entering the renewable energy sector?*

We are not aware of any specific experience in Portugal regarding the relocation of workers from jobs affected by the transition to renewable energy. The shutdown of the two thermoelectric coal fed unities of power generation has not yet been put in place.

Nevertheless, in the last decade, re-skilling programs for the unemployed have been created by *Government Institute for Employment and Professional Training*, aiming at training people for jobs in setting up solar panels in residential buildings. These were financed by grants and afterwards, the trainees received job assistance. Besides these programs, other re-skilling initiatives were promoted in the past years, like the multi-sectoral initiative INCoDe.2030 (2018), which aimed to train unemployed people with advanced digital skills, allowing them to pursue an information technology career.

*1.2. Which innovative fiscal and financial incentives can be relied on to reduce cost gaps between renewables and fossil fuel technologies, in order to make clean energy affordable to all?*

WE would like to mention the EU Emissions Trading System (EU ETS) as a financial incentive. This mechanism enabled the creation of a market for carbon emissions that establishes a price for each ton of carbon equivalent emitted. It is a procedure that reduces cost gaps between renewable and fossil fuel technologies.

The EU ETS is the world's first major carbon market and remains the biggest one. It works on the 'cap and trade' principle. A cap is set on the total amount of certain greenhouse gases that can be emitted by installations covered by the system. The cap is reduced over time so that total emissions fall. Within the cap, companies receive or buy emission allowances, which they can trade with one another as needed. They can also buy limited amounts of international credits from emission-saving projects around the world. The limit on the total number of allowances available ensures that they have a value.

In 2020, emissions from sectors covered by the system will be 21% lower than in 2005. The EU is on track to surpass this target. In 2030, emissions from sectors covered by the EU ETS will be cut by 43% from 2005 levels, as part of the EU's current 2030 climate and energy framework.

*1.3. Evidence suggests that in rural areas in particular, large-scale on-grid energy production is not cost-effective, whereas mini-grid and off-grid renewable energy systems, deployed in a decentralized manner in collaboration with local communities, are more promising and economically viable. Which obstacles does the establishment of such decentralized renewable energy systems face? Which experiences could provide a source of inspiration in this regard?*

The United Nations Framework Convention on Climate Change (UNFCCC) defines a mini-grid with a power rating below 15 MW and disconnected from larger electric grids. Mini-grids are used as a cost-effective solution for electrifying rural communities where a grid connection is challenging in terms of transmission and cost for the end user population density.

Many rural communities remain isolated from larger, traditional grids due to geographic and economic constraints. The electrification of the global off-grid rural population remains a major task of many developing and developed countries, and according to the International Energy Agency, in the 2013 World Energy Outlook, mini-grids represent the most cost-effective way to provide universal electricity access to these populations. Due to new technology innovations that have resulted in declining costs both for mini-grids and energy generation sources, specifically solar and wind power, mini-grids have the potential to electrify remote areas that would otherwise remain outside of a grid connection. Mini-grids are a cost-effective and timely solution for more isolated areas in which connection to the main electric grid is unavailable, and represent a practical option for meeting the energy demand in Sub-Saharan Africa, South and East Asia and Small Island Developing States.

The concept of a sustainable off-grid community must take into consideration the basic needs of all who live in the community. To become truly self-sufficient, the community would need to provide all of its own electrical power, food, shelter and water. Using renewable energy, an on-site water source, sustainable agriculture and vertical farming techniques is paramount in taking a community off the grid.

In Portugal, there is still no tradition of a widespread usage of mini-grids/off-grids.

## **2. Housing: encouraging energy performance of buildings.**

*2.1. Which tools have proven successful to ensure that the imposition of higher standards related to the energy performance of buildings do not lead to an increased level of rents, making housing less affordable for low-income households?*

In Portugal there is an Action National Plan for Energy Efficiency entitled PNAEE. This plan incentivizes both companies and people (private sector) and Public Administration (public sector) to invest in energy efficient solutions, such as efficiency in housing and buildings in general (e.g. Action Program n.º 25 of PNAEE). Thus, part of the investment by the candidate is financed by PNAEE.

Regarding increased level of rents making housing less affordable for low-income households, there is still no data to confirm that observation.

Energy efficiency and improved comfort are concerns that must underlie any construction or housing rehabilitation intervention. However, the imposition of high energy performance standards for buildings can be problematic in certain contexts, especially regarding low-income householding. In these cases, the main concerns are the following:

- The increased cost of construction or rehabilitation of highly efficient housing, which can represent an obstacle for low-income households;
- The true return on investment regarding energy performance requirements for the inhabitant of the dwelling, which will be more difficult for the inhabitants who consume less energy;
- The market's frequently excessive recognition of certain aspects of the dwelling, such as energy performance certificates, imposing particularly high standards which, in certain cases, may not reflect a true improvement in comfort and basic housing conditions.

Bearing these concerns in mind, it is important that the solutions found to mitigate these concerns allow to establish a balance between the family's comfort needs with the investment in the energy efficiency of their homes, never jeopardizing other basic needs of households. In order to pursue this goal, there are fundamental aspects that can be considered such as:

- Develop regulatory models of energy performance requirements adapted to the country's cultural, social and climatic reality. These models should promote general measures to improve the energy performance of all buildings and guarantee the comfort and health of the homes;
- Create national strategies that, in line with regulations, define practical measures, deadlines and goals, as well as tools for its accomplishment;
- Establish social and economic policies aimed at different groups in the community, especially focused on low-income households, that can simultaneously stimulate energy consumption management and minimize the discomfort;
- Promote energy literacy and energy awareness, informing citizens on behavioural issues leading to higher consumptions but also helping them make better investment choices. This would be particularly important in low-income households, where the consumptions are already quite low, but where the discomfort levels can be minimized.

## **3. Planned obsolescence and life cycle of products,**

*3.1. What have proven to be the most effective ways to combat planned or “built in” obsolescence of products, i.e., to prohibit or to discourage manufacturers’ practice of deliberately designing products to fail prematurely or become out-of-date? What are the obstacles in implementing regulations banning such practices?*

In our view, the most effective way to combat planned or “incorporated” obsolescence of products is through multidisciplinary responses.

The European Commission has adopted a new Action Plan on Circular Economy on March 2020, which includes initiatives along the entire life cycle of products, targeting for example their design, promoting circular economy processes, fostering sustainable consumption, and aiming to ensure that the resources used are kept in the EU economy for as long as possible.

The new Action Plan on Circular Economy foresees legislative and non-legislative measures targeting areas where action at the EU level brings real added value.

The aim of the Action Plan is to reduce the EU's consumption footprint and double the EU's circular material use rate in the coming decade, while boosting economic growth. This will be done in full cooperation with stakeholders and business. Applying ambitious circular economy measures in Europe can increase EU's GDP by an additional 0.5% by 2030 and create around 700,000 new jobs.

The main obstacles in implementing regulations banning such practices might be to fully understand in which situations it can be unquestionably proven that the obsolescence of a product was pre planned.

*3.2. Consumers of long-life products incur greater purchase costs upfront, but lower total costs per annum, compared to consumers of short-life products (excluding repair costs). What policies should governments consider implementing, in order to encourage consumers to choose long-life products, whose environmental impacts are much less significant? In particular, for persons in poverty, their limited disposable income at the time of the purchase may discourage buying long-life and thus more sustainable products. Which policies could help overcome this obstacle?*

The Sustainable Product Policy Framework aims to create incentives for producers to implement strategies based on sustainable products in order to have green products as the norm. This framework includes three main building blocks: actions on product design, on empowering consumers and on more sustainable production processes.

Regarding design, the Commission will launch a sustainable product legislative initiative. This initiative will have at its core a proposal to widen the Ecodesign Directive beyond energy-related products. The approach is to make the Ecodesign framework applicable to the broadest possible range of products and make it deliver on circularity.

Regarding consumers and public buyers, the Commission will work towards strengthening the reparability of products. The aim is to embed a “right to repair” in the EU consumer and product policies by 2021. The Plan foresees also actions to give consumers more reliable information about products at the point of sale, including on their lifespan and other environmental performance.

Regarding the production processes, the Commission will propose that companies substantiate their environmental claims by using Environmental Footprint methodologies, and will also propose stricter rules to reduce greenwashing and practices such as planned obsolescence.

By introducing mandatory minimum ecological criteria or targets for public procurement, the adoption of green public procurement will increase.

Greater demand generates greater supply, allowing a reduction in production costs per unit and, as a consequence, a reduction in the selling price to the public.

*3.4. Functional economy and sharing economy (collaborative consumption) initiatives, such as the sharing of tools, cars, or tractors, encourage and facilitate the exchange or sharing of underutilized assets, and enlarge access to goods and services whilst reducing environmental impact. Which regulatory or policy measures have been most successful in encouraging such forms of consumption? Which are the most important factors limiting the growth of the repair sector (for example, availability of spare parts, skilled labour, time constraints facing consumers, costs)? And how might such obstacles be overcome?*

Since 2010, the Portuguese Public Administration has promoted the adoption of good practices to reduce these impacts, by reducing the total amount of vehicles that belonged to its fleet. In 2015, the Portuguese government also adopted a sustained mobility program for the public administration (ECO.mob - 2015-2020), based on three main areas of activity: mobility management, technology and behaviors. Along with the significant reduction in environmental impacts, this program allowed a cost reduction of around 50 M €, until 2020.

Currently, with a view on incentivizing and providing trust to those citizens who are looking for an alternative way of transportation, the Government has created a Mobility Fund, with an allocation of 3 M€. Half of those are meant to finance the acquisition of conventional bicycles and the other half has the purpose of providing means to acquire electrical bicycles.

Nevertheless, at this moment, there are yet few policy measures that promote the collaborative consumption in Portugal. However, in the last years, there has been and increased growth of private businesses exploring not only car sharing, but also other vehicles for urban use such as bikes, motorcycles and electric scooters.

#### **4. The impacts of the transition on employment.**

*4.1. Payments for ecosystem services (PES) schemes, when carefully designed, can both help maintain healthy ecosystems and provide additional revenue for individuals and communities in poverty. This requires the careful and complex integration of economic, ecological and social criteria into the design and implementation of PES to promote economic resilience, environmental integrity and social development. How could PES be designed to ensure that people in poverty (landless poor and smallholders) are not excluded from them, which could occur by requiring formal land title, minimal land size or expensive application processes?*

To support the long-term sustainability of nature and agriculture, the European Biodiversity Strategy was recently created at EU level. This strategy will work in tandem with the new Farm to Fork Strategy and the new Common Agricultural Policy (CAP), including by promoting eco-schemes and result-based payment schemes.

The Commission will ensure that the CAP Strategic plans are assessed against robust climate and environmental criteria, and that Member States set explicit national values for the relevant targets established within the European Biodiversity Strategy, as well as in the Farm to Fork Strategy. These plans should lead to sustainable practices such as precision agriculture, organic farming, agro-ecology, agro-forestry, low-intensive permanent grassland and stricter animal welfare standards.

Agroecology can provide healthy food while maintaining productivity, increase soil fertility and biodiversity, and reduce the footprint of food production. Organic farming in particular holds great potential for farmers and consumers alike. The sector creates jobs and attracts young farmers, providing also 10-20 % more jobs per hectare than conventional farms, and creating added value for agricultural products. However, to make the most of this potential, at least 25% of the EU's agricultural land must be organically farmed by 2030. In addition to CAP measures, the Commission will put forward an Action Plan on organic farming, helping Member States to stimulate both supply and demand of organic products. It will also ensure consumer's trust through promotion campaigns and green public procurement. In the implementation of the EU-wide agro-ecological targets set out in this strategy and in the Farm to Fork Strategy, the different starting points and differences in progress already made in Member States will be taken into account.

The uptake of agroforestry support measures under rural development should be increased as it has great potential to provide multiple benefits for biodiversity, people and climate.

*4.2. For green restructuring, new skills will be needed by workers in many existing occupations and industries. Governments, worker representatives and employers should work together to: (1) identify early potential job losses in emitting industries and (2) propose skills upgrading and training to the workers of those industries either to adapt their skills to a new green technology or to move to green industries. What labour market policies or measures can ensure that the most vulnerable workers in the labour market receive targeted assistance and preferential treatment to identify their skills' deficiencies and ensure their access to green jobs through tailor-made training, directly linked to specific job openings?*

The main aim of the proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund – COM(2020) 22 final, 14.01.2020 is precisely to identify and solve issues created by job losses in emitting industries and proposing skills upgrading and training to the workers of those industries.

The Just Transition Mechanism will focus on those regions and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes.

Taking into account the Commission's analysis, Member States will prepare one or more territorial just transition plans, providing an outline of the transition process until 2030, consistent with the National Energy and Climate Plans and the transition to a climate-neutral economy and identifying subsequently the most impacted territories that should be supported. For each of these territories, the territorial just transition plans will set out the social, economic and environmental challenges and give details on needs for economic diversification, re-skilling and environmental rehabilitation as appropriate.

The Just Transition Fund is a pillar of a broader scheme - the Just Transition Mechanism and will come in addition to the substantial contribution of the EU's budget through all instruments directly relevant to the transition, notably the European Regional Development Fund ('ERDF') and the European Social Fund Plus ('ESF+').

The Mechanism will consist of three pillars: (1) a Just Transition Fund implemented under shared management, (2) a dedicated scheme under InvestEU, and (3) a public sector loan facility with the EIB Group to mobilise additional investments to regions concerned. The Just Transition Fund will be used primarily to provide grants; the dedicated transition scheme under InvestEU will crowd in private investments, and the partnership with the EIB will leverage public financing.

The New Strategic Agenda for EU 2019-2024 recognizes the crucial role of education and training in supporting the EU transition to an economy with a climate-neutral, green, fair and social impact. Europe needs to step up its action to manage climate change, which is an 'existential threat'. It also needs to embrace technological evolution and globalisation while making sure that no-one is left behind. Countries' future growth and prosperity increasingly depend on creative, qualified and well-educated citizens. The priority actions include, among other, the following: (i) ensuring that EU policies are consistent with the Paris Agreement; (ii) implementing the European Pillar of Social Rights at EU and member state level; (iii) accelerating the transition to renewables and increasing energy efficiency; (iv) reducing dependence on outside sources, diversifying supplies and investing in solutions for the mobility of the future; and (v) calling on all EU countries to move forward and step up their climate action.

Within this framework, Portugal has committed itself to achieving carbon neutrality by 2050. This will mean the end of coal-fired electricity production at the Pego and Sines Thermolectric Power Plants by the end of 2023 and a commitment to renewable production, together with a fair and cohesive energy transition. Currently, these thermolectric plants use coal and are two of the installations with the greatest weight in greenhouse gas emissions in Portugal.

In terms of employment, Portugal is beginning a study to retrain and identify employment opportunities for workers affected by the closure of thermolectric plants, which is expected to be completed by the end of 2020. This study aims to identify the impact on employment and new job creation opportunities. It also includes retraining and/or requalification processes for the workers affected by the closure of the thermolectric plants.

In the area of the Institute for Employment and Vocational Training (IEFP) every year priority professional areas and outlets are defined. In this process several opportunities are identified in the area of renewable energies. However, the candidates, as a rule, do not fit the requested profiles. The impact of this transition mainly takes the form of changing task profiles and new "green" skills that will need to be developed.

Currently, the IEFP is also preparing the Action Plan for the Circular Economy, which foresees the development of "tailor-made" training for disadvantaged and vulnerable publics, guaranteeing them a qualification in these areas and integration into the labour market.

In the education and training for adults, Portugal has set as a political priority the revitalization of adult education and training and the focus on Lifelong Learning (LLL).

The Qualifica Programme has assumed a central role in mobilizing and guiding adults towards different types of education and training, enhancing their qualification and employability. The Qualifica program is promoted by the National Agency for Qualification and Professional Education<sup>1</sup> (ANQEP) and began in 2017. It is an education and qualification of adult's integrated strategy that aims to promote their participation in education and training activities. Several measures have already been undertaken under its scope, namely reinforcement of specialized centers for adult qualification – the Qualifica Centers, including diagnosis, training, non-formal skills recognition and guidance services.

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<sup>1</sup> Agency under the tutelage of the ministries responsible for Education and Labour.

Under the National Reform Programme, the Qualifica Programme is meant to contribute to raise up to 15% in 2020 the rate of population in adult education and training programs, and to assure that 50% of the adult population (and 90% of those of age 18-24) are studying or hold at least an upper secondary education degree (ISCED 3-4).

The access of adults, employed or unemployed, to the Qualifica Program is allowing almost half a million people to participate in lifelong training and to improve their school and professional qualifications, essential conditions for the promotion of their employability. Through the activity of the Qualifica Centres, Portugal has sought to cover in qualification pathways the least qualified and those in a situation of greater exclusion in the labour market.

The ANQEP activities include coordination and dialogue between the various relevant stakeholders at the level of the National Qualifications Catalog (CNQ), the Sectorial Councils for Qualification (CSQ) and the Qualification Needs Anticipation System (SANQ). It is important that SANQ diagnoses qualification needs at national, regional and sub-regional levels and defines priority levels that are taken into account when planning the level 4 educational and training supply network of the National Qualifications Framework (QNQ).

In the scope of the National Reform Program 2020, regarding adult education and training, the national response should continue to focus mainly on segments of the adult population with shorter and less qualified school pathways to respond to challenges of the digital transition. The focus will be the most affected by the consequences of the progressive automation and digitization of tasks and processes, therefore most subject to the risk of technological unemployment.

In this context, certainly augmented by the socioeconomic effects of the COVID-19 pandemic, the strengthening of the Qualifica Program will play an important role in enhancing the qualifications of adults, with a special focus on promoting digital skills. In order to achieve this objective, the action plan for the digital transition, which is based on the principle of generalized training in digital skills in the context of public employment and vocational training services, will also be relevant.