

Minister Jack Chambers TD  
Minister for Public Expenditure, Infrastructure, Public Services Reform and Digitalisation  
Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation  
Government Buildings,  
Upper Merrion Street,  
Dublin 2,  
D02 R583

09 September 2025

RE: Letter from Just Transition Commission

Dear Minister Chambers and Minister Donohoe,

The Climate Action and Low Carbon Development Act 2015, as amended, established a National Climate Objective to "pursue and achieve, by no later than the end of the year 2050, the transition to a climate resilient, biodiversity rich, environmentally sustainable and climate neutral economy". The 2021 Act provides that, in the transition towards the National Climate Objective, Ministers and the government as a whole, must have regard to the requirement for a just transition to a climate neutral economy, which endeavours, in so far as practicable, to maximise employment opportunities, and support people and communities that may be negatively affected by the transition.

The Just Transition Commission was established as an independent advisory body to provide the government with impartial, strategic, and evidence-based advice to inform policy planning related to a just transition across sectors and to support the government and wider societal stakeholders in managing this transition. The Programme for Government commits to "Supporting the Just Transition Commission's work to listen to communities, address their concerns, and ensure they benefit from the green transition."

Applying a just transition lens to Budget 2026 is essential to ensure that climate action delivers not only environmental gains but also social and economic benefits. Without deliberate planning, the costs of the climate transition risk falling disproportionately on lower-income households, rural communities, and those most vulnerable.

The Commission recommends Budget 2026 includes the following priorities:

### **1. Carbon Tax Revenues for Just Transition**

The Commission strongly recommends the use of all ring-fenced carbon tax revenues to support a just transition. The Comptroller & Auditor General has found that between 2020 and 2023, only 61% of the increase in carbon tax revenues during that period i.e. the portion of carbon tax collected that was to be ring-fenced, were spent on the intended measures. The Commission recommends that all ring-fenced revenues in Budget 2026 be allocated and reported in a fully transparent manner, clearly demonstrating how the measures alleviate hardship, support those without viable alternatives, and providing detailed accounts of how the funds are utilised.

The Commission also identifies the need for broader funding sources to support a just transition. This should include the phased removal of fossil fuel subsidies which, in 2023, amounted to €4.9 billion in foregone revenue. Redirecting these significant resources into just transition measures such as community supports, renewable energy projects, measures to tackle energy poverty, a rural green jobs strategy, accessible public transport, and a deep retrofitting programme for homes and community facilities would deliver both climate and social benefits while strengthening long-term economic resilience.

## **2. Establish Stronger Links between Climate Action and Social Welfare Measures**

In our Introductory Report, the Commission demonstrated support for the definition of just transition adopted by the Just Transition Taskforce in its 2024 report to government:

*"A Just Transition to a climate neutral Ireland will build a better future for all and ensure no-one is left behind. This will be achieved through social dialogue, promoting decent living standards, and proactive planning to anticipate change. It will support and develop sustainable and quality jobs and employment opportunities, reskilling and training. Through investment in services, infrastructure and social protection, people and communities that may be affected by this transition will be supported in a manner that is inclusive, equitable and fair."*

*Report of the Just Transition Taskforce, 2024*

A just transition requires a robust social protection system along with appropriate services and infrastructure that prevents poverty and social exclusion for vulnerable groups and those that lose employment or income due to the effects or mitigation of climate change. The Commission calls for a clearer link between climate action policies and any additional cost-of-living measures in Budget 2026, ensuring that climate policy does not increase hardship but instead improves wellbeing.

## **3. Invest in Communities**

Communities must be placed at the centre of Ireland's climate transition. However, current support mechanisms for local climate and biodiversity action are inadequate. Funding is frequently fragmented and short-term, which undermines continuity, impedes the ability to attract and retain skilled personnel, and results in the repeated restarting of projects, diluting both resources and community effort.

Across the country, community-led initiatives have demonstrated their effectiveness by building trust, capacity, and tangible momentum in advancing climate action. To consolidate and expand this progress, the Commission recommends that Budget 2026 allocates dedicated, multi-annual core funding to community climate action. In particular, the continuation and strengthening of programmes such as the Community Climate Action Programme, providing stable support for existing projects while enabling new initiatives to emerge. Long-term policy backing will preserve built capacity, prevent disruption, and protect community trust.

#### 4. Applying Just Transition Principles to Budgetary Planning

The Commission recognises the importance of competitiveness but warns that focusing solely on economic efficiency, without embedding just transition principles, risks social divides, greater inequality, and a weakened transition overall. A balanced approach combining economic resilience with social equity is essential to ensure Ireland's shift to a low-carbon economy is both sustainable and fair.

The Commission recommends the use of the Just Transition Principles as part of the overall Budgetary design process. The Just Transition Principles Framework is made up of four principles:

1. An integrated, structured, and evidence-based approach to identify and plan our response to just transition requirements;
2. People are equipped with the right skills to be able to participate in and benefit from the future net zero economy;
3. The costs are shared so that the impact is equitable and existing inequalities are not exacerbated; and
4. Social dialogue to ensure impacted citizens and communities are empowered and are core to the transition process.

A just transition approach to Budget 2026 presents a strategic opportunity for Ireland to demonstrate that climate ambition and social progress are mutually reinforcing. Central to this is an unequivocal commitment to achieving the State's existing climate targets, which must serve as the foundation for a fair, orderly, and credible transition. By integrating emissions reduction with measures that strengthen communities, protect vulnerable households, and create pathways for people to adapt and thrive, Budget 2026 can ensure Ireland's climate transition becomes a driver of stronger, more connected, and more resilient communities.

This approach will help to safeguard public trust, reduce inequality, and ensure that the costs and benefits of the transition are shared equitably. Clear targets, aligned policies, and decisive action will be essential to delivering a transition that is fair, inclusive, and supported by the people it serves.

Yours sincerely,



Ali Sheridan  
Chair  
Just Transition Commission