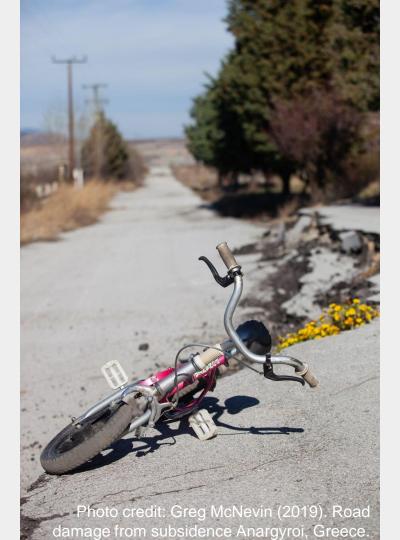


# **Just Transition plans:** seizing an opportunity Katie Treadwell WWF European Policy Office May 2022

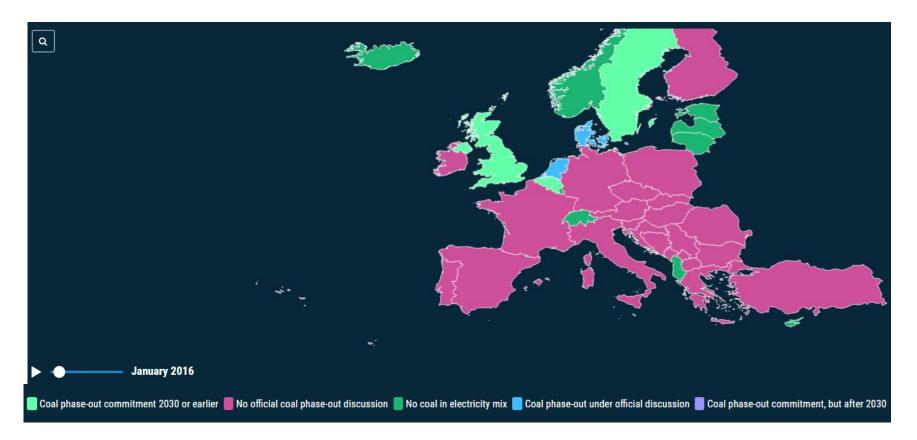
# Outline

- 1. Why just transition?
- 2. What is just transition and why are local level plans important?
- What makes a good just transition plan: introducing the WWF scorecard
- Overview of just transition plan (TJTP) progress
  - a. What's going well?
  - b. What's not going so well?
- 5. Our next steps



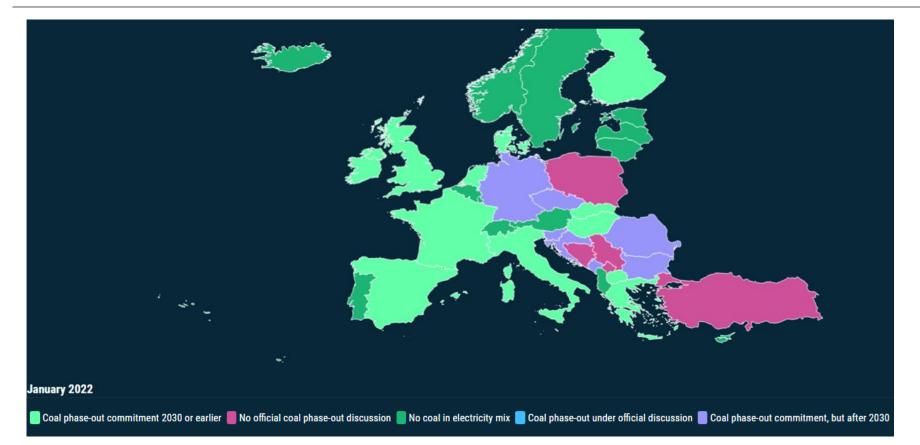
# Coal is on its way out in Europe and the world





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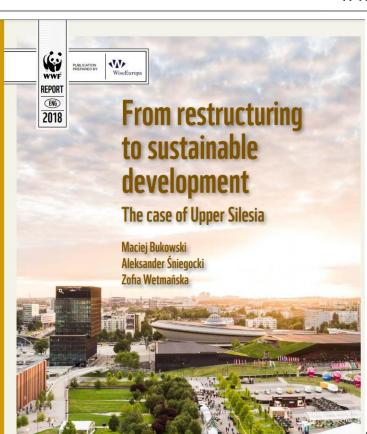




# Coal is on its way out in Europe and the world

Coal is in structural decline everywhere

- Megatrends drive it, not climate action
- Renewable energy is cheaper than coal, gas, oil or nuclear
  - Carbon price
  - Fossil fuel price
  - Decreasing investment costs as renewables scale-up
- Energy security
- Losing its social license







- 1. More than energy transition investments
- 2. Sustainable
- 3. Restorative justice
- 4. Procedurally just
- 5. Distributionally just

# The importance of local level plans





Just Transition happens at the local level  $\Rightarrow$  local people must be in the driving seat



Set the direction to lower transition costs and incentivise investment

## JTF: more than money - local just transition plans



### Must be approved by Commission to access funds

- Guidance from the Commission available
- NUTS 3 level
- Partnership principle requirements
- Sets how the other 2 JTM pillars can be used

#### ANNEX II

#### TEMPLATE FOR TERRITORIAL JUST TRANSITION PLANS

1. Outline of the transition process and identification of the most negatively affected territories within the Member State

Text field [12000]

#### Reference: Article 7(2)(a)

1.1. Outline of the expected transition process towards a climate-neutral economy, in line with the objectives of the National Energy and Climate Plans and other existing transition plans with a timeline for ceasing or scaling down activities such as coal and lignite mining or coal fired electricity production

Reference: Article 7(2)(b)

1.2. Identifying the territories expected to be the most negatively affected and justifying this choice with the corresponding estimation of the economic and employment impacts based the outline of Section 1.1

#### 2. Assessment of transition challenges, for each of the identified territory

2.1. Assessment of the economic, social and territorial impact of the transition to a climate-neutral economy

Reference: Article 7(2)(c)

Text field [12000]

Identification of economic activities and industrial sectors impacted, distinguishing: - declining sectors, expected to cease or significantly scale down their activities related to the transition, including a corresponding timeline;

 transforming sectors, expected to undergo a transformation of their activities, processes and outputs.

4

For each of the two sectors:

expected job losses and requalification needs, taking into account skills forecasts;

economic diversification potential and development opportunities.

# The importance of meaningful participation



### SEVEN GOLDEN RULES FOR JUST TRANSITION PLANNING

#### **1. INVITE OPENLY**

Publicise your intention to start planning early and in multiple, accessible locations

#### **4. SHARE INFORMATION**

Provide all partners with the same information, on time and at the same time

#### **2. BE INCLUSIVE**

Ensure all partners are included in teams implementing the just transition

#### **5. ALLOW FEEDBACK**

Establish clear and transparent routes for feedback

#### **3. GIVE EQUAL STATUS**

Give all partners equal status and equal voting rights at all stages of the transition process

#### 6. GO PUBLIC

Ensure minutes of all meetings are made public within 2 weeks

#### 7. ENGAGE THE COMMUNITY

Facilitate public engagement in the transition process and ensure the public are fully informed about the transition process

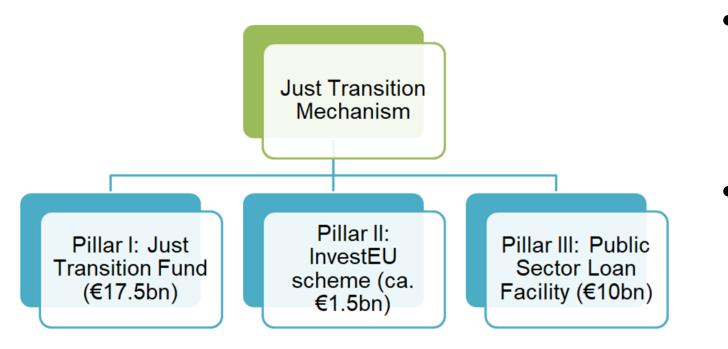




"The JTF shall contribute to the single specific objective of enabling regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union's 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement."

## The Just Transition Mechanism: more than money



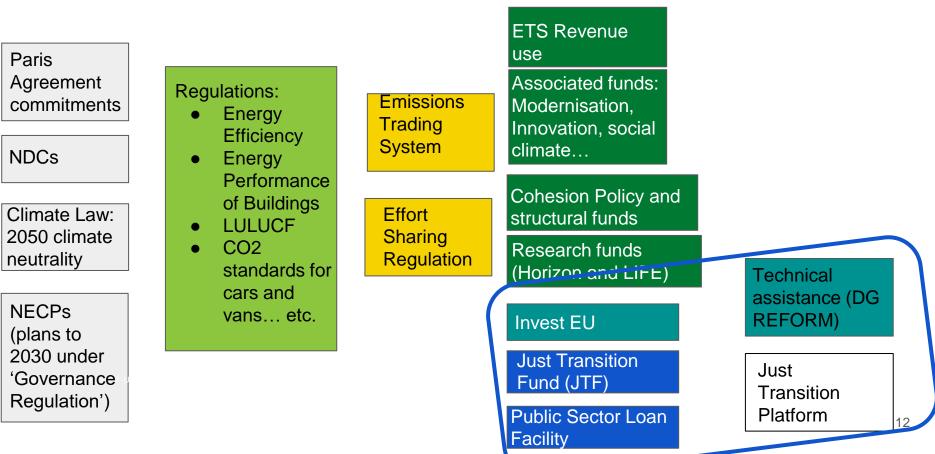


- 3 pillars to bring in EU public grants, national public investment and private finance
- Access to JTM depends on approval of strategic 'Territorial Just Transition Plans'

And a **'Just Transition Platform'** which hosts 2-3 annual 'events', online information hub including toolkits and helps centre technical assistance.

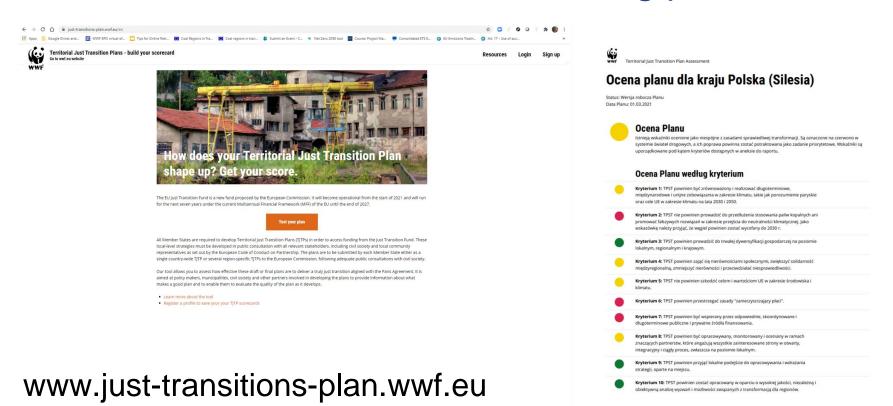
# Plans set direction and boost investor confidence at local level





### WWF scorecard for assessing plans







| Principle | What  | Red | Amber | Green |
|-----------|---|-----|-------|-------|
| 1         | Ambition: be sustainable and deliver on long-term climate commitments | 0   | 8     | 6     |
| 2         | Fossil fuel use: not lead to prolonged fossil fuel use                | 6   | 8     | 0     |
| 3         | Sustainable economic diversification                                  | 0   | 10    | 4     |
| 4         | Address social inequalities and increase solidarity                   | 1   | 11    | 2     |
| 5         | Do no harm to EU environmental and climate objectives                 | 0   | 14    | 0     |



| Principle | What   | Red | Amber | Green |
|-----------|--|-----|-------|-------|
| 6         | Polluter pays  | 9   | 5     | 0     |
| 7         | Adequate public and private funding sources                    | 3   | 11    | 0     |
| 8         | Social dialogue and partnership principle respected            | 0   | 14    | 0     |
| 9         | Place-based, local approach                                    | 0   | 8     | 6     |
| 10        | High quality, independent and objective (performance) analysis | 1   | 11    | 2     |

# The not so good

WWI

- Polluter pays not respected
- Inconsistent partnership provisions and processes
- Heavy focus on money and finance: but it won't be enough
- Coal to biomass, coal to gas risk and aspirational hydrogen + lack of small-scale innovation



# Where are TJTPs now?



- "Territories must **justify how they are most negatively affected** based on the economic and social impacts resulting from the transition, in particular with regard to expected job losses and the transformation of the production processes of industrial facilities".
- "Each TJTP should contain a description of the transition process at national level, including a <u>timeline</u> for key transition steps towards the 2030 climate and energy targets."
- "The TJTP will also need to demonstrate <u>clear evidence of a transition process and its impact at</u> <u>the level of the concerned territory</u> in the near future (**by 2030 or before**). If the (planned) implementation of a transition process by 2030 cannot be demonstrated in a given territory, the corresponding TJTP will not be complete."
- No fossil-based hydrogen, 'clean coal', CCUS from active coal mines, no investment in fossil fuel by-products or non-energy uses when inseparable from fossil fuel production, no fossil fuel-based heat production or waste-to-energy in relation to district heating etc.
- "The TJTPs can only reflect and address the real situation on the ground and have an impact on the just transition if all relevant national, regional and local stakeholders are involved and take ownership of the transition in their territory."

# Where are TJTPs now?



- 9+ with the Commission
- Most Member States in dialogue
- To be approved and to deliver real just transition, plans will need to:
  - Exclude unsustainable investments and maximise funds
  - Contain real, local and detailed transition plans
  - Respect polluter pays and ensure adequate resources for land reclamation
  - Be transparent and involve the local community



### Thank you

### **Contact:** ktreadwell@wwf.eu

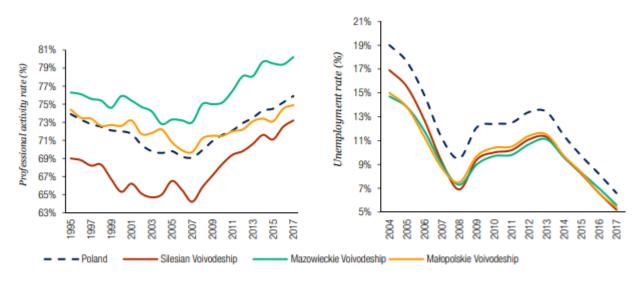


Figure 4. Professional activity rate of people aged 18-59/64 in Poland in years 1995-2017 (%) Figure 5. Unemployment rate in the years 2004-2017 (%)

From\_restructuring\_to\_sustainable\_development.\_The\_case\_of\_Upper\_Silesia report showing that unemployment is declining while coal is also on its way out.