

ENERGY CITIES - BRIEFING

TOWARDS A

JUST TRANSITION

IN THE EUROPEAN UNION

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FUNDING STREAMS AND LESSONS LEARNT

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The Just Transition Fund (JTF) is a new financial instrument within the EU Cohesion Policy (2021-2027). It has been designed to support territories facing serious socio-economic challenges connected to the transition to climate neutrality, like traditional coal regions. The fund is related to the climate-neutral targets of the European Green Deal. It should guarantee that this transition does not exacerbate regional disparities in the EU. As part of the **Just Transition Mechanism (JTM)**, the Commission set up a **Just Transition Platform (JTP)** to help countries and regions access the support available and share good practices. The JTF represents 5% of the total budget of the Cohesion Policy, around **EUR 19.2 billion**. An additional EUR 25.4 billion is expected come from mobilised investment.

## THE TERRITORIAL JUST TRANSITION PLANS

The Commission determines which territories are eligible for funding, in dialogue with each EU Member State. Then the national governments have to draft Territorial Just Transition Plans (TJTP), **in consultation with regional and local stakeholders**. The plans are setting out the challenges faced in each territory and their development needs and objectives for 2030. They also identify the type of measures and projects that are relevant and specify the governance mechanisms.

The beneficiaries of the funds are diverse: from the most vulnerable citizens, to companies, Member States, and regions.

### The mechanism will finance projects related to three domains:

- Economic revitalization such as investments in SMEs, and the creation of new companies
- Social support, like the upskilling and the reskilling of workers
- Land restoration including investments in site regeneration and decontamination

*Bruegel* reported several limits to the drafted plans. First, not enough resources were proposed by the Commission to tackle the three domains quoted above. Moreover, there is a risk that the JTF overlaps with other EU programs as some of the eligible projects are already covered by the EU Regional Development Fund or the EU Social Fund. Some countries also declared that the

Commission's selection of eligible regions does not cover the most "at-risk" regions identified by the countries themselves. In addition, a general lack of transparency in the decision-making processes has been deplored. According to [a report by CEE BankWatch](#), a clear strategy for decarbonisation and political will was lacking in countries like Slovakia, Bulgaria, and Poland.

## LESSONS LEARNT

By looking at some of the plans already submitted, we identified good practices that could inspire the drafting of the remaining plans. **Presenting these examples to your national governments could help them develop processes that effectively contribute to a just transition.**

### SLOVAKIA: ANTICIPATE AND BUILD ON PRE-EXISTING LOCAL DEBATES

In Slovakia, the results of the required consultation built on the pre-existing local debates on a future without coal. Thus, one of the keywords, that the local and regional stakeholders should keep in mind, is **anticipation**. In the **Upper Nitra region** in Slovakia, stakeholders were already engaged in discussing coal phase-out. They showed mutual understanding and oriented their exchanges toward finding common solutions.

On the contrary, in **Bulgaria**, the debates only started at a later stage, and the stakeholders kept radical positions all the way, which made it very difficult to overcome the divisions.

## CZECH REPUBLIC: PUSH FOR TRANSPARENCY

During the drafting process of the TJTP, complaints have been reported about the lack of transparency in Czech Republic. However, **national campaigners with the help of the media** were successful in pushing the national government to share relevant information with the public. All the materials around the TJTP discussions are now available online.

## ESTONIA: CO-DESIGN

Estonia has only one region concerned by the JTF: **Ida-Virumaa**, where oil shale is extracted. A positive policy co-design process was set up by the **association of Ida-Virumaa Municipalities** along with other environmental and economic stakeholders. Such process was based on creative and participatory principles and used tools to engage all kinds of actors and opinions in public problem-solving. A group of 30 organizations co-designed together proposals for renewable energy and energy efficiency policies.

Among the solutions brainstormed by the group is the introduction of a supporting scheme for citizen's energy cooperatives as well as the promotion of wind energy for Ida-Virumaa's new narrative. The final plan integrated part of the proposals made during this co-design process.

## POLAND: FAVOUR A PLACE BASED BOTTOM-UP APPROACH

**Poland stands as the largest recipient of the JTF.** The regions of Silesia and Western Małopolska are key areas: they are receiving EUR 2.4 billion.

In Silesia, a very interesting place-based project called **Rybnik360** has been supported by EIT Climate-KIC and other European partners, since 2019. Rybnik is a coal city that is benefiting from the Just Transition Deep Demonstration program and the Post Coal Future Lab Initiative. An impressive number of participatory actions were carried out in Silesia, such as in-depth interviews, arguments mapping, joint development of innovation ideas with citizens. The Rybnik project leader

declared: “[...]it is not about imposing a particular perspective, but listening to the citizens and other stakeholders in the city to identify the pathways of this transformation”.

Focusing on a bottom-up approach, like in Rybnik, is even more important as one of the main challenges to overcome in coal regions is the change of mentality. Fostering dialogue with various stakeholders and citizens helps understand past narratives and write future ones together, in line with the climate goals.

## HOW TO SET THE SCENE FOR A JUST TRANSITION

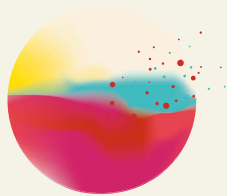
While planning the TJTPs, it is also important to consider two additional elements to set the right conditions for a just transition

1. The need for **a real and transparent monitoring of the Just Transition process** throughout its entire duration.

The criteria used to select the projects included in the plans should be made available to the public. Monitoring will also help to see if the money is actually landing in the territories that need it the most.

2. The need for **an alignment between these new funds as part of the Cohesion Funds and other initiatives** like the Resilience and Recovery Funds or the National Energy and Climate Plans.

The narratives guiding the TJTPs should be in direct alignment with the National Energy and Climate Plans to create the most coherent and effective strategy for a carbon-free future.



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