

Event report document

Coal Regions virtual week

(5th Just Transition Platform Meeting)

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Tuesday 10 May 2022

Opening Session: The role of just transition in times of crisis with Commissioner Kadri Simson and Director-General Marc Lemaître



Introduction and welcome

Moderator: Marc Lemaître, Director-General, Directorate General for Regional and Urban Policy

The first session of the Just Transition Platform meeting was opened by Director General Marc Lemaître, who underlined the impacts of the Russian war of aggression against Ukraine on the EU's climate policies. The Director General conveyed two important messages: first, the urgency to reduce emissions within the next three years to have a fighting chance to limit the increase of temperatures to 1.5 degrees Celsius. Secondly, EU leaders reacted to the crisis by calling for the EU to free itself from Russian oil and gas. In this regard, the European Commission will make concrete proposals in the **REPowerEU** <u>Plan</u> to accelerate the move away from fossil fuels. The policy response is about more and faster climate action, and Mr Lemaître emphasised the importance, in this time of crisis, to focus on a just transition for all Europeans. In this context, the TJTPs should embody two features: first, they must have a clear focus on people and skills, and second, they must involve and embrace all stakeholders, in the design and implementation stages.

Keynote speech

Speaker: Kadri Simson, Commissioner for Energy

Commissioner Simson outlined the key features of the REPowerEU Plan in response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine. The Plan will contain an additional set of policy measures, to speed up the energy transition and strengthen Europe's energy autonomy and resilience. With this plan, the EU will accelerate the insulation of homes and the roll-out of renewables and invest in hydrogen. The Commissioner stressed the EU's 2030 and 2050 targets for reaching climate neutrality and re-affirmed the EU's goal to phase out coal. She also highlighted the need to decarbonise the EU's industries faster than ever before and to invest in clean industrial processes in order to achieve strategic independence. She emphasised that coal has no future in the EU's energy mix and industries, but that the people living in coal regions certainly do. Therefore, the transition must be just and fair, and no

region, sector or individual should be left behind. In this regard, the <u>EU Initiative for coal regions in transition</u> has provided valuable support for nearly 5 years. To conclude, Ms Simson stressed the vital role of the <u>Just Transition Platform</u> (JTP) for sharing knowledge and guidance which will help carbonintensive regions to unlock support through the Just Transition Mechanism (JTM) and Just Transition Fund (JTF). Finally, she welcomed the progress made on the Territorial Just Transition Plans (TJTP) across Member States.

Moderated panel discussion

Moderator: Marc Lemaître, Director-General, Directorate General for Regional and Urban Policy

Panellists:

- Miłosława Stępień, Just Transition Coordinator at CEE Bankwatch Network
- Malte GALLÉE, Member of the European Parliament, Group of the Greens/European Free Alliance
- Michał Bieda, Vice President, Bytom Municipality
- Dr Konstantinos Filippidis, President of Association of Active Youths of Florina (Western Macedonia)

The panellist discussed the impacts of the current crisis on the just transition processes, and how to overcome these challenges. Key messages from the panel discussion were:

- Russia's aggression in Ukraine calls for accelerated efforts to reach climate neutrality in Europe and to speed up the adoption of the Fit-for-55 legislative package. The war in Ukraine also emphasised the need to transition away from fossil fuels and raw materials imports.
- The current crisis and its impact on the economy call for affordable solutions to achieve the transition, including affordable renovation of housing, heating and deployment of renewable energies. The crisis puts an additional burden on local economies of the coal and carbon-intensive regions and brings challenges which should be considered within the transition process.
- Speeding up the transition to climate neutrality is ultimately beneficial for the EU's energy sovereignty and energy independence. The current crisis must lead to the acceleration of this process and not a slowing down or stepping back.
- Youth are impacted by the transition in coal and carbon-intensive region. They have concrete proposals for the transition, to safeguard their future in the regions. In this regard, institutionalising the participation of the youth in the transition process would be beneficial. There is a need for a youth policy to ensure a more coherent and more productive dialogue with decision makers and regional and local authorities. There is also a need to link education and vocational training with sustainable jobs.



- Public participation in the design and implementation of the regional transition plans is crucial. In that regard, project selection criteria are key to making sure projects are selected and implemented transparently and that we include vulnerable stakeholders in this process to make sure that the projects address their needs.
- Several challenges arose from the development of the TJTPs, such as the challenge to keep the territorial focus of the plans, and the varying level of decision-making and involvement of the local authorities.
- The TJTPs now focus strongly on employment, but other topics such as circular economy and digitalisation would be very important to finance as well in regions in transition.

Closing of the session

Mr Lemaître repeated two sentences from the panellists to conclude this first session: first, 'magic exists within youngsters' (a quote from Dr Konstantinos Filippidis) highlights the need to listen more to the youth, which are the ones who can best challenge the status quo. Secondly, 'just transition allows to look into the future with a positive vision' (Miłosława Stępień) is the right spirit for the JTF, the JTM and all the work ahead for the just transition.

Coal Regions in Transition Initiative: Outlook and Progress towards a Just Transition



RECORDING



PRESENTATIONS

Moderator: Hans Van Steen, Principal Adviser in the Directorate General for Energy in the European Commission

Welcome and introductory remarks

Speaker: Paula Pinho, Director for Just Transition, Consumers, Energy Efficiency and Innovation in the Directorate-General for Energy (ENER), European Commission

To welcome the audience, Paula Pinho underlined that despite the drastic changes in the world, the objectives of the EU energy policy haven't changed – they have only become more urgent. The transition away from fossil fuels, particularly the fuels imported from Russia, has become even more important. Independence, however, also requires accelerating mitigation measures on the ground to ensure that the transition happens in a just and inclusive manner.

With a comprehensive ban on Russian coal and oil imports under discussion, the need to find alternatives supplier is becoming more pressing, along with rolling out renewable energy and energy efficiency solutions at an unprecedented rate. This might pose a question about whether going back to coal could be part of the solution. Ms Pinho has explained that although coal might be a short-term solution in some cases, the EU will not change its course of action and will fully pursue its ultimate objective to decarbonise its energy system.

There has been tremendous progress in terms of Member States' commitments to phase out solid fossil fuels from their energy mix and related policy steps. Furthermore, the European Commission is also unlocking significant resources for transition projects on the ground and knowledge sharing among regions. In this regard, Ms Pihno shared updates about the progress achieved under the EU Initiative for coal regions in transition, such as:

- TARGET, a dedicated technical assistance facility for coal regions delivered by the European Investment Bank.
- The **START** programme for which a call for applications will open again in the second half of 2022.
- The dedicated <u>LIFE call for coal regions</u> meant to help with the implantation of community-driven projects.
- The <u>exchangeEU</u> programme for region-to-region peer learning.



Besides the above instruments, she also emphasised the international mobilisation of commitments to phase out coal. The EU has significant experience to be shared with global partners, for example within the Initiative for coal regions in transition in the Western Balkans and Ukraine and its Coal Regions Learning Academy, the Coal regions exchange programme and the Just Transition workshops. Finally, as the just transition can take place only on the ground, Ms Pinho encouraged all stakeholders to join the upcoming Annual Political Dialogue in July in Spain.

Presentation on the market outlook for renewables and coal phase-out

Presenter: Felicia Aminoff, Energy Transition Analyst, BloombergNEF

Next, Ms Aminoff presented future energy scenarios for Europe based on Bloomberg's European Energy Transition Outlook. In their work, several future energy scenarios, including the economic transition (ET) scenario ("business as usual scenario") and the net-zero scenario were considered.

The ET scenario was created by optimising the cost of the power system. According to this scenario, 80% of Europe's power demand can come from solar, wind and batteries already before 2040. Gas is used as a backup option for days when renewables output is too low, and coal becomes cost-ineffective and is, hence, phased out. Some coal power plants might stay till 2040 as backup options, but already after 2030, they will operate at less than 5% of their capacity. This scenario doesn't meet European climate targets.

The alternative net-zero scenario helps to understand Europe's energy mix if the EU and UK were to meet their 2050 emission reduction targets. Electrification and hydrogen were presented as the two key solutions, as they help with decarbonisation beyond the power sector. In the net-zero scenario, much more renewable energy is produced, because additional renewable energy is used to decarbonise sectors that currently do not use electricity such as transport, heating and industry. In the netzero scenario, hydrogen provides the needed backup capacity and replaces gas as the technology matures. To achieve this, however, solar and wind energy production needs to be tripled by 2030 in order to meet Europe's emission targets. Further in the future, a green hydrogen economy in Europe will require at least 1.2TW extra renewables in 2050. There is enough available land to build the required renewables. The annual investment in renewable energy and hydrogen production needed to reach the 2050 goal (EUR 130 billion per year) is presented as feasible. However, stronger policy signals are needed to ramp up renewables investments to get onto the net-zero path. Policy will also be crucial to make sure that this investment contributes to a just transition.

Updates from Member States and Regions

Speakers:

- Jörg Steinbach, Minister for Economy, Labor and Energy, Brandenburg, Germany
- Hardi Murula, Project Manager, Association of Local Authorities of Ida-Viru County, Estonia
- Maciej Sytek, President of the Management Board, Regional Development Agency of Konin, Poland

As the first speaker of this session, Mr Steinach presented Brandenburg's experiences in implementing just transition. The transition has put 13,000 jobs at stake, which has been linked to significant social unacceptance. Limited infrastructure is a challenge for the region; hence, the government decided to lean on existing infrastructure and industries, to convince already present big industrial players to expand their activities. invite new actors and support educational institutions and create a science park. As for the lessons learnt, Mr Steinach emphasised the tremendous tension between bottom-up and top-down activities. Local communes' approach to transition planning did not guite match top-down measures that needed to be introduced to attract investment. This tension hasn't been overcome yet, and there are concerns about whether current bottom-up activities (i..e communes can currently apply for funding for projects in the areas of industrialisation, digitalisation culture, etc) will be successful and enough to ensure social acceptance. Another lesson is a need to organise contributions of social partners in a streamlined process, as they all contribute to ongoing governmental activities. In conclusion, Mr Steinbach expressed hope that the JTF will put a special focus on SMEs.

Next, Mr Murula presented the state of the art of energy transition in Ida-Viru. Although Ida-Viru is an oil shale region, it faces many similar challenges as coal regions. The peak of oil production from oil shale in Estonia has already passed, and the end of oil-based energy production is planned for 2040. Transition in Ida-Viru is an ongoing process since the 1990s, and it is happening in the context of the above countryaverage unemployment rate, decreasing numbers of jobs and depopulation. To compile Ida-Viru's TJTP, regional authorities decided to rely on ongoing strategic planning processes (Ida-Viru Action Plan until 2030; Ida-Viru County Development Strategy) and add a stronger focus on transition instead of starting a new one. Mr Murula presented an overview of transitional actions aimed at fast relief (job creation, attracting investments) as well as at a long-term economic, societal and environmental change. Among the long-term measures, building a science network to attract high-value industries is among the priorities. As for the challenges of implementing transition in Ida-Viru, Mr Murula raised his concern about the limited capacities and short timeframe for making use of the JTF. On the bright side, he concluded with a few good examples of transition projects in Ida-Viru already, such as the re-use of former mining sites for cultural and recreational purposes.



The final speaker, Mr Sytek outlined Wielkopolska Voivodeship's very ambitious goal to become climate-neutral by 2040. He noted that in his Voivodeship, coal phase-out might happen earlier, by 2028, due to plans of the biggest regional producer. This tight schedule means rapid acceleration of transition that brings challenges, especially for the labour market in which several thousand people might be affected. Therefore, collaboration and dialogue with various partners are very important. Even after submitting the TJTP, regional authorities continue communicating with stakeholders, e.g. through public hearings on the regional climate strategy. He noted that investment is crucial for implementing the transition. While the region waits for funds from the JTF, applications to other funding sources (e.g. LIFE programme and World Bank) are being submitted. Furthermore, preparatory activities are already taking place now, including preparing businesses to change their strategies to become green, the implementation of several renewable energy projects (geothermal, solar, wind), the investigation of hydrogen among renewable energy sources and the preparation of lay-off and retraining schemes for redundant workers. Overall, job creation is among the priorities, as the JTF resources will be not enough to create jobs. At the same time, investment should help the region create a new identity – people affected by the transition should be part of this process.

Wednesday 11 May 2022

Global dimension of just transition



Introduction

Moderator and Speaker: Hans Van Steen, Principal Adviser in the Directorate General for Energy in the European Commission

Mr Van Steen opened the session by stating that the just transition is central to the European Green Deal. With the EU having a robust and comprehensive approach to fairness in energy and climate policies, one needs to acknowledge that the starting points for EU Member States differ. This has been accounted for by creating specific instruments, such as the Modernisation Fund, the EU Initiative for coal regions in transition as well as the Just Transition Platform, which provide Member States, specifically regions where a transition will cause the most socio-economic disruption, with support and money to modernise their energy systems and ensure a fair transition. Mr Van Steen also pointed to other DG ENER initiatives on energy poverty, consumer policies, and more recently new skills needed to implement the energy transition.

Beyond the EU, however, just transition is a challenge that requires a global effort. Therefore, the purpose of this session was to share knowledge, exchange best practices and engage in discussions on challenges in different countries.

Short presentations by panellists

Presenters:

- Matthieu Prin (International Energy Agency)
- Lene Olsen (International Labour Organization)
- Sonja Risteska (Agora Energiewende)
- Rajiv Joshi (Scotland Just Transition Commission and Bridging Ventures)
- Tracy Ledger (Public Affairs Research Institute)
- Catherine Cobden (Canadian Steel Producers Association)

The first out of six presenters, Mr Prin, began by outlining the role of the International Energy Agency (IEA) in supporting governments around the world with their energy and climate policy and definition of energy transition strategies to meet their climate goals. Although there has been an increase in pledges to reduce carbon emissions, he noted that 2021 saw an overall increase in emissions. Upholding the IEA's peoplecentred approach, the IEA convened the Global Commission on People-Centred Clean Energy Transitions in 2021. Led by



the Danish Prime Minister and 30 other government leaders including 21 ministers, the idea behind the Commission was to come up with <u>recommendations</u> on how clean energy policy can become more people-centred. The recommendations of the Commission covered four themes:

- 1. Decent jobs and workers' protection
- 2. Social and economic development
- 3. Equity, social inclusion and fairness
- 4. People as active participants

The IEA has launched a new initiative this year (2022), <u>IEA</u> <u>Clean Energy Labour Council</u>, bringing together trade unions and union federations from across the world. It is designed to bring the voice of labour to the table through dialogue.

Next, Lene Olsen presented the International Labour Organization's (ILO) approach to just transition: working with tripartite constituents made up of governments, workers, and employer organisations. In this work, a clear policy framework is central, centred around climate policy and leaving no one behind. The ILO guidelines on just transitions were adopted in 2015 by a tripartite expert group and since then provide a practical guide for policymaking for a just transition. The quidelines focus on planning, participation, and poverty alleviation. Planning is critical because the transition will have an impact on jobs and workplaces. There is a need to support workers in industries undergoing a transition, through social protection schemes, reskilling, and early retirement. ILO is assisting with this, by helping identify sectors that have the potential to create green jobs. Participation is needed, primarily in the form of social dialogue, to ensure that there is public support and understanding of transitions, as shown in the recent **ILO report**.

Sonja Risteska (Agora Energiewende) underlined the still very strong dependency on fossil fuels (especially domestic lignite) in the Western Balkans. She pointed to the largest pollutant of the regions, the power sector, which can mostly be attributed to very old lignite burning units. Renewables have been taken up slowly, hence, fossil fuels are still dominant. Western Balkan coal phase-out is, therefore, urgently needed. One of the main goals is to phase-out lignite by 2040. However, there is some resistance to this as lignite is supplied domestically. Ms Risteska emphasised that a lignite phase-out is feasible from a security of supply perspective if it is accompanied by a rapid scaling of renewables, enhanced interconnections, regional power market integration, and the strengthening of existing hydro storage, and limited investments in H2-ready gas plants.

Next, Mr Joshi from Scotland Just Transition Commission and Bridging Ventures began by emphasising that this is a decisive decade for the fight against climate change. Therefore, the concept of the just transition as both a process and outcome is critical. This transition is taking place amidst a deepening

energy crisis – a result of the war in Ukraine – that is not only limited to the energy sector but has an effect on various other sectors including food. With regards to the just transition in Scotland what is being looked at is the impact an energy transition will have on communities, livelihoods, and jobs. The focus lies on communities and reskilling – a transition achieved in a just and equitable manner. This requires support for new forms of economic activity and adaption and resilience for the most vulnerable communities. Other aspects that have been looked at are environmental protection and restoration, and decarbonisation.

Subsequently, Ms Ledger (Public Affairs Research Institute) pointed to the gaps in the just transition in South Africa, which so far has been rather reactive to the changes in the coal economy. This reactive approach implies that the current energy system in South Africa is not problematised. This is a serious failure given the fact that the current energy system in South Africa is entrenching poverty. Despite the relatively high level of electrification compared to the rest of the continent, the rates of electrification are declining because of its unaffordability. For electricity to have a positive socioeconomic impact, households need to consume more than they currently do. Therefore, threshold levels of consumption should be used to assess affordability and not just the actual amounts consumed. If this barrier to access is not addressed, and a transition results in higher electricity prices, a transition in South Africa cannot be just or inclusive.

The final presenter, Ms Cobden (Canadian Steel Producers Association) began with an outline of the key features of Canada's Low Carbon Transition: aiming at a reduction of emissions by 40 – 45% by 2030 and net zero in 2050. To ensure a just transition. Canada has launched a just transition consultation process on how to support workers. To this consultation, the Canadian Steel Producers Association replied in March 2020 by releasing a vision document for a netzero future for the industry. The paper showed that 3 billion dollars worth of projects could result in a 40% reduction in emissions for the Canadian steel industry. Development and demonstration projects including hydrogen tests are already underway. Ms Cobden underlined that the transformation of the Canadian Steel Industry to net-zero is not a homogenous process, with decarbonisation pathways varying by company, investment strategy, and asset base. Yet, it is all underpinned by finding workable solutions to fossil fuel usage including carbon capture storage and/or utilisation. To conclude, Ms Cobden emphasised the Canadian steel industry's long-term commitment to decarbonisation, and that this commitment is grounded in a strong systems approach.



Moderated discussion with all panellists

Moderator: Hans Van Steen, Principal Adviser in the Directorate General for Energy in the European Commission

On the question of whether a narrative that decelerates the transition could contribute to a slower stimulation of measures of legitimised stakeholders, Ms Olsen (ILO) made clear that the current challenging circumstances should not legitimise a slowdown of measures. The transition takes time and, therefore, plans need to be put in place. Policy coherence (i.e. between energy and educational/skills policies to link environmental/energy goals with the skills available) is critical in this regard. Mr Prins (IEA) reiterated Ms Olsen's comment on the importance of careful planning and the tracking of progress, to prevent badly designed policies. He underlined that the pace of transition is important, but it will differ from region to region. Therefore, transition pathways will and should differ from region to region, based on their ability to fund a transition and their historical and current levels of GHG emissions. He noted that the <u>Just Energy Transition</u> Partnership agreed with South Africa at COP27 should be extended to other countries.

To the question of whether the EU Initiative for coal regions in transition could – with additional support – be replicated outside the EU with additional support, Mr Van Steen responded that something similar should be considered in other parts of the world. There is also climate finance available in other parts of the world which could be used for similar initiatives in other parts of the world. Answering from a South African perspective, Ms Ledger said that it is important to understand that the energy sector in Sub-Saharan Africa is not homogenous. There, the main issue is not how to move away from coal but that of electrification and provision of energy infrastructure. From a Scottish perspective, Mr Joshi answered that the climate crisis cannot be addressed without simultaneously addressing the deep levels of inequality in society. There is a need to prioritise and support countries in the development of their just transition plans and overall just transition narrative. This should lead to trust building amongst civil society, businesses, investors, and the government. Finally, Ms Risteska noted that the speed of a transition is dependent on the political will of policymakers. Nonetheless, even where there is a lack of political support for a transition, renewables are being adopted because there is a market in place.

Closing remarks by the session's chair

To close the session, Mr Van Steen reiterated that a community approach is needed for a transition to be just and inclusive. He thanked all presenters for providing an understanding of what a just transition means for different parts of the world. He pointed to the need to continue this discussion in this decisive decade for the global energy transition, possibly at COP27 or other occasions.

Peatland restoration



RECORDING



PRESENTATIONS

This session focused on the presentation of four projects in the area of peatland restoration.

Presentation of four cases

Presented:

- LIFE MULTIPEAT multinational project (DE, PL, NL, BE, IE) by Leticia Jurema
- <u>LIFE IP Peatlands and People</u> Irelands Climate Action Catalyst by John MacNamara
- <u>LIFE Restore</u> Sustainable and responsible management and re-use of degraded peatlands in Latvia by Andris Širovs
- Hydrology LIFE Towards flourishing peatlands in Finland by Eerika Tapio

The first speaker, Leticia Jurema provided some insights into the multinational <u>LIFE MULTIPEAT project</u>. She started off by explaining the role of peatland restoration in climate change mitigation and how is it essential to reach the Paris agreement goals. Drained peatlands can become a carbon source and contribute to global warming. She then introduced the different objectives of the project and the challenges faced during project implementation in Lithuania, Estonia, and Poland. The overall planning and approval procedure for peatland restoration requires extensive planning and resources which could take years. Getting consent and approvals from residents as well as overcoming the bureaucracy is one of the biggest challenges, they faced in the planning process. She also stated that in the restoration process; the desired results aren't always guaranteed due to the unpredictability of the weather conditions, especially in heavily degraded sites. Hence the support from the JTF is crucial for peatland restoration. She also stressed the importance of collaboration and communication between the stakeholders and policymakers. Lastly, she emphasised that the current national legislation needs to be updated to provide the proper legal frameworks for peatland restorations and allow that to reduce GHG emissions and help achieve carbon neutrality in 2050.

Next, John McNamara head of sustainability at Bord Na Mona presented insights on the peatland restoration and rehabilitation across Ireland's Midlands. Bord Na Mona together with the support from Integrated Projects Peatlands and People plans to explore the best practices in peatland restoration and rehabilitation. Bord Na Mona is a semi-state energy generation and peat harvesting company that has, however, shifted its focus to become a climate solution



business focusing on renewable energy and peatland rehabilitation. As Ms Jurema, Mr McNamara also noted that the planning for proposed improvements can be challenging. The dissemination of scientific and technical details to the different stakeholders is particularly difficult. He concluded by mentioning the potential of a win-win situation in terms of peatland rehabilitation and the delivery of renewables (i.e. the possibility of building wind turbines directly on the peatlands.).

As the next speaker, Andris Širovs the deputy director of the nature conservation agency of Latvia presented an overview of LIFE Restore project experience in Latvia. He began by listing the main objectives of the project which include developing a tool for planning for the future use of degraded peatlands and providing improved data for GHG emissions accounting. He then pointed to the different challenges that they faced during the project as well as ways they tackled those challenges. Based on the outcome of the projects, berry cultivation and afforestation have a great potential to reduce GHG emissions and even become carbon sinks if managed properly. The results of the optimized models for degraded peatlands have been included in the Latvian Peat Strategy.

As the last speaker, Eerika Tapio presented the Hydrology LIFE project. She gave a precise overview of the current situation of peatlands in Finland, where the project is working to restore the hydrological integrity of wetland habitats. She then stated the aim of the project which includes active conservation, restoration, and management measures that provide valuable data on the effects of restorations. Ms Tapio also agreed that the work of restoration takes a lot of planning, training, and supervision. She also stressed the uniqueness of each of the sites, meaning that the techniques used must be modified in each of these areas to fit the purpose. She emphasised the need to utilize the knowledge-based solution and work towards responsibly safeguarding the ecosystem and ended the presentation by highlighting the importance of adding more similar projects to accelerate the restorations.

Q&A with participants & closing

Moderator: Paul Speight, DG ENV, European Commission

On the question of whether the project coordinators have seen people whose previous business was to cut the peats move into other more sustainable jobs (tourism, berry cultivation, etc.), Ms Jurema answered that she finds that there are a lot of job opportunities in peatland restoration as it provides alternatives where new job creation is possible.

To the question of how Bord Na Mona is trying to transform tourism in the Midlands region, Mr MacNamara said that all Bord Na Mona peat-employees are receiving training and retraining to ensure that they gain transferable skills for employment in other sectors such as forestry, sustainable agriculture which potentially will boost the economy of the region.

Mr Širovs was asked about the economic viability of the alternatives provided in his project in Latvia, to which he responded that blackberry and blueberry plantations are the most profitable and provide great incomes as well as create jobs.

Closing remarks by the session chair

After the Q&A, Mr Speight congratulated the presenters on their important contribution to successful peatland restorations both from a social and environmental perspective and emphasised again that restoration must be properly considered in the long run.



Thursday 12 May 2022

REPowerEU: Opportunities for Regions in Transition



RECORDING



PRESENTATIONS

Welcome and introductory remarks

Chair: Carlo Della Libera - Secretariat for the Initiative for coal regions in transition

Carlo Della Libera opened the session by introducing the REPowerEU Plan which was first proposed by the European Commission in March 2022 (final communication published in May 2022) in response to Russia's invasion of Ukraine. The Plan aims to make Europe independent from Russian fossil fuels by 2030 whilst also including measures to respond to rising energy prices, boosting energy efficiency and boosting renewables and electrification.

Scene-setting presentation on "REPowerEU: Skills for Opportunities in Regions in Transition"

Presenter: Veronika Czako, Joint Research Centre, European Commission

Veronika Czako set the scene with a presentation focused on the skills aspect of REPowerEU. She pointed to the key human resources challenge of the green transition - having enough people with the right skillsets in the right places. She mentioned that the critical professions with skills bottlenecks sit within STEM (science, technology, engineering, and mathematics). In order to support adult reskilling and upskilling across these sectors, the European Commission has set out a European Skills Agenda comprised of 12 actions. Ms Czako then introduced the labour market challenges associated with the building and construction sectors and highlighted the skills blueprint that has been launched to assist the changing landscape of this sector. The **BUILD UP Skills initiative** includes several programmes to develop skills for the modernisation of the construction sector, consisting of on-site training, e-learning platforms, training and certification programmes and knowledge centres, and others.

Panel discussion moderated by the session chair with Q&A from the audience via chat

Panellists:

- Jeppe Jensen, European Energy Poverty Advisory Hub (EPAH), Project Coordinator Climate Alliance
- Gaspard Demur, Team Leader, National renovation strategies and recovery; international cooperation on buildings policy, European Commission (DG ENER)
- Louise Sunderland, Senior Advisor, Regulatory Assistance Project (RAP)
- Veronika Czako, Joint Research Centre, European Commission

Carlo Della Libera introduced the discussion by asking Mr Jensen about the key challenges of energy poverty and how the EU can respond to these challenges. Mr Jensen addressed the question by elaborating on the REPowerEU initiative, which together with accelerating the energy transition, also includes extra measures to support those disadvantaged by it. He stressed the importance of local and regional authorities to take action to support vulnerable consumers, those who are in or are facing energy poverty.

Next, Gaspard Demur was asked about the opportunities and policy tools to support regions in transition. Mr Demur stated that many Member States are focussing on energy efficiency to ensure energy security in the current difficult geopolitical context. One of the main challenges, he stated, is combining short term efforts such as measures to reduce energy consumption with long-term renovation waves. Other challenges are the implementation of structural reforms needed to efficiently allocate funding, especially on the ground and how to inform consumers about these opportunities. He also highlighted the need to engage the banking and private investment sectors to reinforce public resources allocated to this cause.

Next. Louise Sunderland was asked about REPowerEU's support for energy efficiency in the long term and how this can reduce the burden on the more vulnerable. To this, Ms Sunderland responded that energy efficiency is the most effective long-term solution to alleviating energy poverty, especially in comparison to other measures such as price and income support which require consistent funding. The EU energy efficiency policies not only provide energyrelated benefits, but they also provide social benefits such as improved health and education as well as creating jobs. In this way, energy efficiency policies should be prioritised in the long- or short-term strategies of Member States. Ms Sunderland also raised the issue of the rate of deployment of energy efficiency strategies, agreeing with Jeppe Jensen on the important role that local authorities play in the just energy transition



To her scene-setting presentation, Veronika Czako, then added some views on community engagement in the energy transition process. Ms Czako highlighted the diversity of communities across the Member States and presented some details on alternative reskilling or education opportunities that may be better suited for these different communities.

The Q&A launched with a guestion on available support measures for low-income households for renovation and energy efficiency. As a first respondent, Gaspard Demur pointed to the National Recovery and Resilience Plans that will be supporting vulnerable households as well as other programmes and EU funds dedicated to alleviating energy poverty. He also noted Cohesion policy operational programmes that support citizens that lack the resources to renovate their homes. He finished by restating the need to increase access of different communities to information on and funding from various resources. Jeppe Jensen further elaborated on this point stating that the **European Energy Poverty Advisory Hub** is providing various forms of support such as capacity building and e-learning that aim at empowering local authorities by providing a step-by-step handbook to support their communities. Louise Sunderland added that although there are a number of funds available for Member States, there is often some competition on their allocation in which renovation usually does not take priority. She addressed some of the barriers for lower-income households to access these opportunities such as lack of internet access. Ms Sunderland then proposed a dedicated programme for low-income households where they are not in competition with higher income households and finished by lauding the Social Climate Fund.

The session continued with reflections from Veronika Czako on the importance of local authorities as intermediaries and facilitators of participation in the most vulnerable communities. Louise Sunderland complemented this point and shared a bad practice example from Scotland. Gaspard Demur then pointed out that the current political context has put energy efficiency at the top of the agenda and that unprecedented funds have been prepared to support this. Looking forward, he ensured that the Member States are considering energy poverty through dedicated chapters in their long-term renovation strategies. To support this, Jeppe Jensen highlighted an EPAH resource with two hundred case studies of activities at the local level across Member States.

To close the session, Mr Della Libera then asked for the panellists' views on including young people in the RePowerEU Plan, and the opportunities that might come out for them. To this, Ms Sunderland answered that the Plan is an opportunity to motivate young people within this huge spectrum of opportunities. Veronika Czako agreed, pointing to the need to raise awareness through intermediaries such as teachers. Gaspard Demur highlighted that more and more young people see opportunities in this field as a way to act directly. Finally, Jeppe Jensen emphasised that younger generations are taking the climate crisis much more seriously than older ones and that those currently in power must increase their climate ambitions to enable youth to act on this.



Closing session: Peoplecentred just transition



Welcome and introduction from the session moderator

Moderator: Carsten Rothballer, Coordinator, Sustainable Resources, Climate and Resilience, ICLEI - Local Governments for Sustainability

Closing the May 2022 JTP event, Carsten Rothballer introduced the scope and speakers of the final session, emphasising the need to focus also on the human and cultural factors of the transition in order to increase public acceptance of socioeconomic changes to come. He underlined the objective of the session, to show the different life-centred perspectives related to the transition process.

Understanding the people-centred transition

Presenters:

- Marie Claire Brisbois, University of Sussex Business School
- Iulia Serban, DG REGIO, European Commission

As the first presenter, Ms Brisbois, introduced her research done on transition coping strategies within Horizon 2020 CINTRAN project. There, she and her team looked at the transition trajectories of various coal- and carbon-intensive regions (from Germany, Greece, Estonia and Poland) and how different actors are coping with the transition (in the CINTRAN project). She presented an inventory of coping strategies covering three different ways of coping: resisting, adapting and transforming. Ms Brisbois then showed some examples of strategies that support a people-centred just transition, notably co-developed strategies that are meaningfully implemented to create new and evenly distributed economies and give people options to develop new skills and opportunities. As a conclusion, she noted that prevailing inequalities and injustices can be addressed through meaningful transition strategies.

Next, Ms Serban explained people-centred transition approaches with the example of the European Commission. After walking the audience through the main facts about the NEB and its principles (local, New European Bauhaus (NEB) Initiative participatory and transdisciplinary), she explained how the NEB depends on local co-design and involvement processes. Reinforced by Cohesion Policy and the TJTPs, she underlined the multi-stakeholder and multi-disciplinary approaches that were at the heart of the NEB and explained how the NEB is expected impacts to have an impact at three levels: by transforming places on the ground; by transforming the enabling ecosystem for innovation; and by diffusing new meaning through education and culture. Ms Serban presented some concrete NEB support actions including the NEB prizes

awarded in 2021 and 2022, local initiatives (planned for 2022-2023) through support by the Urban Development Fund, and the dedicated call planned under the European Urban Initiative. To conclude she underlined that the NEB was not a solely infrastructural, outcome-focused initiative about renovation but that it was a much more comprehensive initiative about community engagement and regional transformation.

Facilitated discussion round 1 with questions from the audience

Panellists:

- Werner Möller, Stiftung Bauhaus Dessau
- Francoise Poos, Director of Cultural Programmes, Esch2022, European capital of culture
- Marie Claire Brisbois, University of Sussex Business School

The first round of discussion revolved around concrete examples demonstrating the need for a people-centred transition. To start, Ms Poos from Luxembourg's capital of culture outlined the history of her steel-dependent town of Esch and the transition it has undergone since the 90s. She pointed to the Minett citizen initiative that was born in 2011 to ensure a just transition and the green projects that have been implemented since then. Collaborating with 250 cooperators demonstrated the people-centred approach of this initiative that eventually generated responsibility, commitment and acceptance among citizens.

Next, Mr Möller presented his experience in Dessau, the birthplace of the Bauhaus style. He told a story about projects implemented to combat the shrinking of cities in the last few decades and the transformation process that came with it. He noted the transferability of past transition approaches to the current situation, however, emphasising the need for openness and creativity. At the example of an old building in Dessau that has now become the university and Stiftung Bauhaus Dessau library, he noted that to find solutions transmission between different institutional levels was necessary.

Then Ms Brisbois gave a concrete example from her work on collaborative decision-making processes in the water area. She noted that when there is a need for high numbers acceptance of people, you need to include all stakeholders in the discussion. People are invested in seeing their inputs realised.

In the discussion, Ms Poos pointed to the power of citizen laboratories to facilitate social innovations. She emphasised the role of culture in sustainable development and transition as it is intrinsic to humans, an independent element and a human right. She noted how culture embraces sustainable development and can be seen as a form and tool of empowerment that should be harnessed. Responding to a question on how the Dessau examples could be a role model for coal and carbon-intensive regions, Mr Möller responded



that it was not only relevant to coal regions right now but to all regions undergoing transformation processes. The focus should lie on collaborative approaches (workshops, laboratories, incubators) demonstrated in the old and new (European) Bauhaus initiative. In response to another question on the key conditions necessary to go from adaptive to transformative coping strategies, Ms Brisbois noted that support of the government was crucial. Furthermore, she pointed to the need to think about transition more systemically, not only resolving the immediate problem at hand but more broadly the overall issue.

Inspired by people working and shaping a just transition

Statements by:

- Andrea Casamenti, Solidar Foundation/European Alliance for a Just Transition
- Dr Rumyana Grozeva, Executive Director, Stara Zagora Regional Economic Development Agency, Bulgaria

In her pre-recorded video statement, Ms Grozeva talked about the transition in her strongly coal-centred region, Stara Zagora, and the role of the Stara Zagora Regional Economic Development Agency in the process. She pointed to the negative attitude that the community first had against the transition and how recently sentiments changed through consultations and engagement of people. The Development Agency had organised many events with the local communities that reassured them that the change will be fair and just. Finally, Ms Gorzeva expressed her worries about the effects of the war in Ukraine and the current energy crisis that could sweep away the important progress made thus far.

In the final presentation by Mr Casamenti, the precarious situation of the most marginalised people who are also most vulnerable to climate change was underlined. To include them in the just transition process, civil society organisations that represent the most vulnerable need to be involved in consultations and decision-making processes. He noted the risk of misidentification of the needs of society, favouring already privileged groups over the vulnerable and also pointed to the threats of the current war and global crisis. Instead of slowing down, he emphasised the need to keep accelerating the energy transition, in order to stop Europe's dependency on Russia, however not with undemocratic solutions. A peoplecentred just transition can only be possibly achieved if trade unions, civil society and the people are comprehensively included in all its diversity.

Facilitated discussion round 2 with questions from the audience

In the final discussion among panellists, Ms Poos exemplified again some approaches to inspire people for a just transition that were used in the <u>European Capital of Culture Esch</u>, e.g. an interactive museum experience to get people in touch with the environment, an exhibition with an art school about breathing, or an escape room about the UN Sustainable

Development Goal 12. Then, Mr Casamenti gave an example of a group of organisations that came together informally in the European Alliance for a Just Transition to cooperate and ensure that a just transition is possible. He underlined that most stakeholders agree that a just transition needs to be achieved but that the main issue is to understand how this can be done. Mr Möller then pointed to the need for cultural education and outreach on the transition across generations and the need for exchanging transmission experiences across Europe for a systematic change to happen. Ms Poos agreed about the long-term and collaborative approach to projects. Having worked at the Secretariat for the <u>initiative</u> for coal regions in transition (CRiT) since 2017, Carsten Rothballer noted that exchange between regions was now way more advanced than some years ago, thanks to exchange programmes and JTP meetings. Moreover, Ms Brisbois urged stakeholders to look at existing inequalities in society and to build capacity amongst those who have been treated unequally. Mr Casamenti supported this argument, saying that policies that transform socio-economic inequalities are crucial. Empowering social NGOs and trade unions and giving them a say in the transition discussion will facilitate such a change.

Closing remarks of the 5th JTP event

The 5th JTP event was closed by a speech by Myriam Bovéda (Team Leader, European Commission) who drew some important conclusions from the three-day event:

- Despite the current crisis, stakeholders have delivered some positive messages about the just transition which gives some optimism about the future: all participants have shown a strong commitment to leaving no one behind.
- The event was attended by over 1000 participants from the EU and beyond with a variety of stakeholders represented as speakers and audience.
- We see an acceleration of the finalisation of TJTP and are now looking at the implementation to take off.

In addition, Ms Bovéda noted that various sessions have pointed to the many opportunities for regions in the transition: the inclusion of the community (notably the youth) as a driver for change; the possible repurposing options (circular economy and peatland restoration); to policies accelerating the clean energy transition (RePower EU); to available funding and support for regions (through JTF, JTM and CRIT); and through available tools for communication and sharing of knowledge.

As the key conclusion of the event, she stated that transition cannot take place without strong partnerships and stakeholder engagement. Public authorities will need to take ownership of their region's transition and create a new dynamic that will benefit all citizens. The Just Transition Platform will remain available to support all efforts. The European Commission is looking forward to the next JTP event taking place in autumn 2022, hopefully in physical or hybrid mode.



Initiative for coal regions in transition

The Initiative for coal regions in transition is an initiative by the European Commission.

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