



Coal Regions in Transition virtual week

Reference document

Wednesday 1 July 2020 (10:30 – 12:00)

A new EU context: what does it mean for coal, peat and oil shale regions?

Day 1 of the Coal Regions Virtual Week was opened by Klaus-Dieter Borchardt, Deputy Director-General of DG Energy. In his opening speech, Mr Borchardt pointed to the numerous actions taken by the European Commission for a green transition and welcomed the two keynote speakers, Ditte Juul-Joergensen and MEP Jerzy Buzek.

Keynote speeches

The speakers included:

- **Ditte Juul-Joergensen**, Director-General, DG ENER
- **Jerzy Buzek**, MEP, European Parliament, ITRE Committee

Ms. Juul-Joergensen underlined the appropriate timing of the virtual week in the face of the post-COVID-19 recovery. She highlighted the resilience of the European energy sector during the pandemic for keeping steady supply, despite some mines being closed and many workers being ill or laid off. After a key set of emergency measures taken by the European Commission to face the immediate crisis, it is now time to support the long-term recovery of European economies and societies through the largest recovery plan ever proposed in EU history, Next Generation EU. This plan will largely target the ongoing climate crisis by promoting a green recovery. The various instruments discussed will give unprecedented financial and advisory support to coal and carbon-intensive regions. However, this funds, soon to be available, need to be quickly matched by project ideas that will speed up the recovery process and bring a long-lasting change to the regions' energy systems.

Next, MEP Jerzy Buzek, a key figure of the coal regions initiative, explained several key principles for a just transition that leaves no region behind:

1. Just Transition Fund resources should be dedicated to the most affected coal regions for measures of economic diversification, establishment of new business opportunities and supply chains, re-skilling and up-skilling and environmental revitalisation. The Just Transition Platform should build on the previous success of the initiative for coal regions in transition.
2. Further resources from the other Just Transition Mechanism pillars and EU programmes should be made available to all Member States and should establish a wider framework for investment opportunities, including private capital and other financial instruments.

1. There is a need to present the benefits of 2050 climate neutrality to citizens already now. The phase-out should be presented as an immediate solution to air pollution and energy poverty while investment into renewables will create future employment.
2. Territorial just transition plans should be based on discussions of all relevant local and regional stakeholders.

Presentations and poll

The presenters included:

- **Klaus-Dieter Borchardt**, Deputy-Director General, DG ENER
- **Nicola de Michelis**, Director, Smart and sustainable growth and programme implementation IV, DG REGIO
- **Mikołaj Dowgielewicz**, Director General and Permanent Representative of the EIB to EU institutions
- **Charlotte Ruhe**, Managing Director for Central and South-Eastern Europe, EBRD

Mr Borchardt shared the larger overarching policy framework around the Just Transition agenda: the European Green Deal and its guiding principles, the relevant Commissioners, and supporting initiatives (Just Transition Mechanism, Renovation Wave, New Climate Law, European Climate Pact, etc.). He then pointed to the commitments made by Member States in their National Energy and Climate Plans (NECPs) so far, with many countries planning an ultimate coal phase-out until 2030. Furthermore, Mr Borchardt emphasised the progress made so far under the initiative for coal regions in transition, which will now form part of the Just Transition Platform launched on Monday. While no major changes will occur for the 14 Member States already participating in the initiative, the work will extend to support Member States dependent on peat and oil shale (Ireland, Finland and Estonia).

In the first part of his presentation, Nicola de Michelis, elaborated on how the Just Transition Platform will provide a coherent framework for technical and advisory support and act as a single access point and helpdesk for coal and carbon-intensive regions. The platform will provide all relevant and updated information and funding opportunities for interested authorities and feature a project and expert database. Technical support will be provided by DG Reform to ensure that all regions will be able to construct project pipelines to absorb the available resources.

Next, the participants of the session were asked to answer two questions:

1. Which new EU initiatives/instruments would you like to be informed about in future events?

1. More information on the JTF/JTM (55%).
 2. The Recovery Plan (33%)
 3. The New Hydrogen Strategy (29%)
 4. The New Industrial Strategy (28%).
2. What has been the impact of the COVID-19 crisis on the transition in your region?
 1. New clean energy projects being halted or cancelled (19%)
 2. Job losses in the coal/energy sector (15%)
 3. Coal mines being temporarily closed (9%).

A considerable share of participants did not answer because the impacts of the pandemic are not yet clear.

To conclude, Nicola de Michelis re-emphasised that coal and carbon-intensive regions will receive sufficient financial support from the European Commission. He pointed to the Just Transition Fund, which, in contrast to many other EU funds, will not be a sectoral fund but a broader instrument to support projects in the economic, social and environmental spheres. The territorial just transition plans will act as the main access point for the resources and their development should start shortly, despite the lack of agreement on the MFF and related regulations at the moment.

The third presentation, from Mikołaj Dowgielewicz (EIB) demonstrated the effort that the bank has taken to achieve climate neutrality, namely the Climate Bank Roadmap, JASPERS, ELENA, URBIS and InvestEU Advisory Hub. He confirmed that all financing activities of the EIB were aligned with the Paris Agreement and pointed to investment into the energy transition as a cornerstone of the EIB's energy landing policy investments. Furthermore, Mr Dowgielewicz confirmed full support of the European Commission's just transition agenda, most notably the three pillars of the Just Transition Mechanism.

Finally, the panel was complemented by Charlotte Ruhe, who presented EBRD's financial support to the transition. Ms. Ruhe emphasised that just transition was not only critical in Europe but also in neighbouring countries (Western Balkans, Ukraine and Central Asia), where the dependency on fossil fuels is still very high. Due to the vast experience with energy, regional economic development and social policy projects, Ms. Ruhe expressed the EBRD's intention to collaborate with EU partners under all three pillars of the JTM and to offer strategic support for authorities from the EU neighbourhood, for example by setting up a Just Transition Secretariat for the Western Balkans and Ukraine.

Q&A

In the Q&A session, Mr Borchardt clarified that some regions that have already closed all mines and power plants but are still undergoing fundamental economic and social transformation processes (e.g. sub-regions of Lower Silesia, Poland) could still benefit from the Just Transition Fund. Furthermore, large coal companies (in this question, in Slovakia) will remain eligible for the Just Transition Fund. The resources are, however, not to be used for financial compensation to be paid by the company (early retirement compensation) but for the social and economic impacts of the closure (re-skilling of workers, economic restructuring). For the Just Transition Fund to deliver good results, local ownership will be crucial. This will be promoted by utilising local absorption capacities where possible.

Finally, Mr Borchardt gave some final comments on the role of natural gas. As the proposal for the regulation of the Just Transition Fund is currently under discussion in the European Parliament and Council, the conditioned inclusion/exclusion of natural gas under the JTF or Cohesion Funds is still being debated. This was confirmed by MEP Buzek, who mentioned that the ITRE Committee of the European Parliament voted on opening some conditions for coal regions who wanted to invest into natural gas – not as a long-term but as an intermediate solution to bridge the gap to transition to renewable and fully clean energies.

Conclusion

The session was concluded by Mr. Borchardt who thanked all keynote speakers and panellists for their efforts. He also shared news about his upcoming retirement, which means that he will step aside from a direct involvement with the initiative for coal regions in transition from October 2020.

Authors

Edited by Adrián Lauer and Zoe Rasbash and based on the notes of rapporteurs Cristiana Marchitelli, Veronika Müller and Adrienne Kotler.

The presenters were not consulted on the content of this report.

This report is not exhaustive in content; the full content can be obtained from the streaming records of sessions, available online.

Thursday 2 July 2020 (10:30 -12:00)

The clean energy potential of coal regions in transition

Day 2 of the Coal Regions Virtual Week was opened by Andrzej Błachowicz from the secretariat of the initiative for coal regions in transition.

This was followed by an introduction by Katherine Poseidon, Policy Analyst at BloombergNEF, on investments in the recovery and transition of Europe's coal regions. The modelling exercise used a policy-agnostic least-cost approach that does not take into account more ambitious climate targets nor ETS reform. Ms. Poseidon explained how domestic coal production declined in the first months of 2020 compared to 2019-2018, and how lower demand due to the pandemic has only enhanced existing trends, with elevated prices facing competition from zero marginal cost of renewables. Ms. Poseidon finally argued that the drivers creating opportunities for coal regions are the ambitious European targets, the Recovery Plan, the Green Deal and the support for Just Transition.

Presentations of the study “RES Potential in Coal Regions”

Presenters:

- **Zoi Kapetaki**, Project Officer, Knowledge management, Fossil power generation in transition, JRC - Petten
- **Pablo Ruiz-Castello**, Project Officer, Knowledge management, Energy scenarios Analyst, JRC - Petten

Ms Kapetaki and Mr Ruiz-Castello jointly presented the study [Clean energy technologies in coal regions: opportunities for jobs and growth](#), which explores the potential to deploy renewable energy potential in coal regions, the available options and the existing examples of former coal mines being transformed for solar or wind energy production, and related job creation possibilities. The modelling, published before the COVID-19 outbreak, is even more relevant now in a new policy context, with a focus on recovery, job creation and the Green Deal.

Online questionnaire ahead of the Panel

Q1: Do you believe that Europe will succeed in using the COVID crises to truly boost the Clean energy transition?

36% were not sure

Q2: Where do you identify the major roadblock to fully realise the post-COVID green energy transition?

35% National policies. Other roadblocks: mentality, lobbying and systemic inertia. 9% European Policies

Q3: How are you feeling in this moment about the clean energy transition of Europe?

41% did not answer. 41% of other respondents did feel hopeful, only 1% feel certain, 8% puzzled, 8% anxious, only 2% disappointed. Overall, people are ready to discuss and implement change.

Roundtable Discussion on Policy and industry talk on the green recovery

The panel participants included:

- **Andrzej Błachowicz** - Secretariat of the Platform for CRIT, Moderator
- **Michaela Holl**, Policy Analyst, Renewables and CSS policy, DG ENER
- **Viktoriya Kerelska**, Head of Advocacy and messaging, WindEurope
- **Naomi Chevillard**, Policy Advisor, SolarPower Europe
- **Katherine Poseidon**, Policy Analyst, Bloomberg New Energy Finance

Mr Błachowicz addressed to Ms Holl from DG ENER the following question: “People are overwhelmed by the varied legislative proposals, so what are the three major actions in renewables during the next 12 months to support the Green Recovery?”

Ms Holl replied that DG ENER is currently studying the possibility to revise the energy and climate target for 2030 to have a 55% reduction in greenhouse gas emissions by 2030. More ambitious targets will possibly result in an upward revision of renewable energy targets, specifically. Moreover, the EU climate law is in negotiation to enshrine the net-zero emission target by 2050 into EU law. Finally, enacting the EU Recovery Plan, which intends to provide technical assistance and support to all Member States who need to national recovery plans, and to boost cooperation for renewable energy projects among them. Ms Holl then provided the example of cooperation between Portugal and the Netherlands, as a former coal region in Portugal was used to build a large-scale PV production site and the hydrogen produced is transferred to the port of Rotterdam.

As wind and solar are often mentioned together, Ms Kerelska and Ms Chevillard were asked how concretely wind and solar technologies will contribute to the European energy transition.

Ms Kerelska replied that wind energy industries and coal regions in transition are already collaborating. The potential

for wind is significant and the cost argument leans toward renewable electricity. Moreover, local and economic benefits are already being realised when transitioning toward wind. She provided the example of job creation in the Polish supply chain for offshore wind, which has created 4000 jobs. Reskilling workers -with visible examples in Poland and Romania- with adequate funding will be a critical enabler for achieving the JTM goals.

Ms Chevillard stressed that the European Union is a leader in the solar panel and solar cells technologies and that once again cost is a strong argument to invest in the potential of coal regions. The JTF will help to invest in training programmes to have the right skills locally, as the solar sector is highly labour-intensive (1,100 jobs created per TWh in the EU). She provided a concrete example of a project in Poland, where a company proposed to invest in a solar project on a former coal mine and employing former miners in the project.

Ms Poseidon commented on the benefits of the recovery package for coal regions, stating that the stimulus at European level is welcome, but without a domestic policy framework and a transition plan laid out, funds may not go directly where it is most needed.

A Q&A session followed.

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Friday 3 July 2020 (10:30 – 12:00)

Regional transitions in a time of uncertainty: perspectives and insights from coal and peat regions

Day 3 of the Coal Regions Virtual Week was opened by Carlo Della Libera from the secretariat of the initiative for coal regions in transition. This was followed by insights from Maria Yetano Roche and Paul Baker on the support tools and assistance provided by the Secretariat. Finally, an informative panel discussion with representatives from four regions participating in the Secretariat's Technical Assistance to Regions in Transition (START) initiative highlighted diverse perspectives on how to ensure the transition is properly supported and just.

Presentation of the activities of the Secretariat

The presenters included:

- **Maria Yetano** – Secretariat of the Platform for Coal Regions in Transition
- **Paul Baker** – Secretariat of the Platform for Coal Regions in Transition

Ms. Yetano Roche covered the support materials available via the initiative for coal regions in transition. Support materials include 12 Case Studies (with two more to be published soon) and 4 Toolkits (and two more to come), all accessible [here](#). The toolkits serve as guidance documents and function as a whole, with a specific focus on a particular aspect of the transition in each toolkit.

Mr. Baker then covered activities under the Secretariat's technical assistance (START). Seven different regions were selected, spanning across Europe, in both rural and urban areas, with different local issues and transition pace, etc. The secretariat is working with them across several areas. Support varies and amounts to about 100 days per region, which is complementary to other support received from the EU or national government. Field visits have begun, workplans are being developed, and support has been adapted to new COVID-19 challenges. The secretariat is working with each of the regions to create regional profiles that outline the current situation as regards the transition. Documents are also available with information on engagement processes, emerging economic opportunities, and examples of community-led rural development. The secretariat has also undertaken regional surveys on the COVID-19 pandemic's impact at the regional level.

Roundtable Discussion on Regional Transitions in a Time of Uncertainty: Perspectives and Insights

The panel participants included:

- **Robert Pollock** – Secretariat of the Platform for CRIT, Moderator
- **Timon Wehnert** – Secretariat of the Platform for CRIT
- **María Belarmina Díaz Aguado** – Director-General for Energy, Mining and Reactivating, Principality of Asturias, Spain
- **Kieran Mulvey** - Just Transition Commissioner, Ireland
- **Jiří Štěřba** - Deputy Assignee to Karlovy Vary Region Governor for RE:START and Coal (CRiT) Platform, Czechia

Mr Pollock noted the sweeping impacts of COVID-19 on coal regions in transition. He also noted that we cannot return to business as usual, challenging participants to apply what has been mentioned throughout the week as we envision a new normal. This should include policymaking that is more seamless between departments and government levels and engages in a genuinely collaborative manner with local communities.

Ms Díaz Aguado presented the case in Asturias (Spain) where multilevel, multistakeholder work that includes local communities is being consolidated into a more permanent partnership. Asturias wishes to ensure that transition is replicable, with support from the European Commission. The goal is that, for coal regions in transition, "you will never walk alone."

Mr Mulvey presented the case in the Midlands (Ireland), a peat harvesting area, which is being closed down much more rapidly than anticipated, with the timeline for closure moving up from 2027 to 2020. He has proposed a strategic plan covering the entire Midlands, working across county borders to identify areas of economic strength outside of peat harvesting.

Mr Wehnert from Wuppertal Institut summed up the current state of (pandemic) uncertainty, which seems to be leading to a quicker phase-out of coal than expected. One of the few certainties now is that phase-out of coal *is* happening. We need to be careful that our response to the COVID-19 crisis is long-lasting, using the JTF to support creative, forward-looking projects that bring real change locally.

Q&A for the Panel

Q1: In response to the recent recommendations from the Committee of the Regions, where should support be focused? In specific areas, or across regional areas?

- Mr Mulvey: Peat bogs are not confined to counties but spread across the Midlands, so it was deemed important to expand the target region. This means that all communities impacted (either directly or indirectly) by the decision not to harvest peat will be considered. This work may evolve in Ireland into a national-level Just Transition plan and mechanism.
- Ms. Díaz Aguado: The JTF should focus on the territories that are suffering, concentrating resources on those who really need them. Specific regions will be hit particularly hard, particularly early, so resources must be concentrated there. This cannot be a “one-size-fits-all” sharing of resources.
- Mr Wehnert: Whether support should be focused (geographically) depends highly on the region. It should not be the narrowest community where the coal mine is, because there are spillover effects.
- Mr Štěřba: Although resources should support the whole impacted area, they must be concentrated on the towns or even micro-regions that will certainly be hit the hardest.

Q2: How to strike a balance between the (often) opposing views of trade unions, civil society, industry, and environmentalists? We know we must collaborate, but there are often tensions. How do we develop a collaborative model in this context?

- Mr Mulvey: Those most immediately affected have to be given priority consideration with respect to, for example, new ideas for transition, employment, opportunities, etc. In the Midlands, locals have responded positively to the suggestion of creating coordinating bodies across the region and involving many stakeholders – to create new opportunities. There is a feeling of wanting to work together. Locals are not opposing the transition; they just want to be treated fairly.
- Ms Díaz Aguado: Miners were brought in primarily through social dialogue. In Asturias, a committee was created under the umbrella of the national ministry to look into impacts of transition and potential alternative paths. This committee was made up of highly diverse groups spanning government, industry, environmentalists, workers, unions, etc. This dialogue – which was clear, transparent, cooperative – led to a rich document, now being further developed.
- Mr Štěřba: in Czechia, efforts have been made to communicate with the people who will be most affected. This is highly complicated. Many are surprised by how quickly the transition is happening

and are doing what they can to create plans and reach out to workers – many of whom have been working in mines for decades – in this process.

- Mr Wehnert: It is important to acknowledge that actors could have very different views. Even within unions, views are highly heterogeneous – not all unions have the same perspective and speak with the same voice. It helps to consult workers on both the challenges and opportunities. All of these facets are also true for civil society and environmental activists. They are heterogeneous, and many environmental activists, for example, are strongly engaged in the social factors as well.

Q3: How do we balance between recovering by using what has worked, while also trying more innovative, bold experimental responses?

- Ms Díaz Aguado: We have to take the entire ecosystem created around coal – including knowledge, research, culture, etc. – and shift it towards the future. We have to identify which experiences can be viable in the future and be ready to take risks. Most of all, we must ensure that we can maintain social and economic fabrics that tie local communities together today as we move ahead and not lose it.
- Mr Wehnert: It is not just substituting technology A with technology B. We must consider things like new business models. This perspective helps us identify more creative solutions. With the pandemic, we have seen that, despite the serious hardships, there are new actions that have been possible (e.g. political cooperation) and that we didn't expect to happen before.
- Mr Mulvey: You must take risks. The peatlands are such an extraordinary natural resource, that there are opportunities to develop new opportunities in the fields of conservation, aquaculture, organic farming, and more. There is a need to upskill and retrain employees who will lose jobs in the transition. Their skills cannot be lost as a consequence of innovative change.
- Mr Štěřba: There is quite a challenge ahead of us. When it comes to planning for the future, we should stay realistic, while seeing opportunities to experiment with new and quickly evolving technologies. But, first and foremost, we must stay realistic and keep the wellbeing of regions in mind. Any experimentation is purely added value.

To summarise, Mr. Pollock explains, this discussion has shown us that we can be systems thinkers. We have to be leaders of change – we cannot be victims of change. We have to become those leaders of change very quickly.

Conclusion

As a conclusion, Carlo Della Libera from the secretariat of the initiative for coal regions in transition presented the next steps planned: an online poll of views on future activities regarding the formats of Working Group meetings, communications tools, and which themes to be covered in the next meeting. Most poll participants voted for a mix of physical and virtual events; there was a strong rate of success of webinars (with newsletters and emails being the next most appreciated communication tools). There was more variety regarding themes that were of interest for the next meeting.

This intensive week began with the launch of the Just Transition Platform. In difficult times, communities come together. The coal regions are one such community, and the Secretariat is there to support coming together amidst global challenges.

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Initiative for coal regions in transition

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

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