

## CASE STUDY

# Task force on Just Transition for Canadian Coal Power Workers and Communities

The Canadian government decided to significantly reduce its CO2 emissions from coal and accelerate the phase-out of coal across the country, affecting four provinces. Acknowledging that this decision may impact regions, workers, and society unequally, Canada appointed a task force to develop recommendations for the government on how to manage a just transition away from coal.

### DESCRIPTION

**Location:** Canada

**Type of action:** task force to engage with local communities and workers

**Actors:** government, local representatives, worker representatives, wide-range of experts

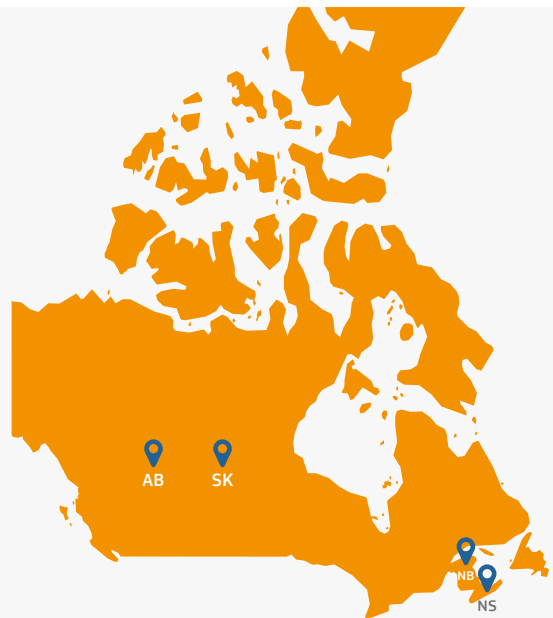
**Financing conditions:** government

**Regions:** Alberta (AB), Nova Scotia (NS), New Brunswick (NB), Saskatchewan (SK)

**Type of coal:** hard coal (NS, NB, AB), lignite (SK)

**GDP:** over national average in AB, SK; below national average in NS, NB

**Unemployment rate:** higher than national average



## KEY POINTS



### APPROACH

- A task force, established by the national government, engaged directly with people and stakeholders in Canadian coal regions to determine future challenges and to draw up recommendations for a just transition strategy.



### ENABLING CONDITIONS

- Firm political commitment to climate change mitigation and coal-phase out decision taken prior to the task force by the federal government.
- Clear terms of reference and a clear work assignment.
- Task force was comparatively small and comprised of experts, including from affected regions and workforces.



### CHALLENGES

- To secure the funding and political support that will be necessary to implement a just transition until 2030 and beyond.
- To organize alternative employment options, retraining, and social benefits in the regions and to counter negative demographic effects.



### ACHIEVEMENTS

- High legitimacy through direct interaction with local stakeholders and communities.
- Take up of recommendations regarding additional investments, as well as establishment of local transition centres shortly after final report was published.



### INCLUDING ALL PERSPECTIVES

The members of the task force provided comprehensive expertise on the issues at hand and were drawn from a variety of perspectives, including representatives from the coal sector, workers, and the affected communities, as well as advocates and experts on the environment and sustainable development. The members of the task force travelled to 15 communities, met with more than 80 stakeholders, hosted eight public engagement sessions for the general public and conducted study tours to five power plants, two coal mines, and one port in the affected regions.

## Introduction

In 2016, the Canadian government decided to accelerate the phase-out of coal burning as a means to generate electricity, setting a target to have 90% of the country's power generated by non-emitting sources (in terms of CO<sub>2</sub>) by 2030. Four Canadian provinces still produce electricity from coal – Alberta (AB), Nova Scotia (NS), New Brunswick (NB), and Saskatchewan (SK). In these provinces, around 3 900 workers are directly employed in the coal sector<sup>1</sup>. The province of Ontario had already completed a coal phase-out by 2014; a political decision taken, among other reasons, to improve the air quality in the province and in its biggest city, Toronto.

Aware of the geographically and socially uneven distribution of the negative effects of a coal-phase out, the Canadian government established the “Task Force on Just Transition for Canadian Coal and Power Workers and Communities”. This task force was instructed to provide knowledge, options, and recommendations to the Canadian Minister of Environment and Climate Change. The overall question



Figure 1

### SEVEN GUIDING PRINCIPLES FOR A JUST TRANSITION AS PUT FORWARD BY THE TASK FORCE

on the issues at hand. Members included the majority of workers representatives from trade unions, the coal sector, affected communities as well as advocates and experts for the environment, sustainability and community development.

Early in 2019, after nine months of concentrated work, the task force presented their results in two final reports. The members of the task force had travelled to 15 communities, met with more than 80 stakeholders, hosted eight public engagement sessions for the general public and conducted study tours to five power plants, two coal mines and one port in the affected regions. Based on these first-hand exchanges with workers and their families, employers and business representatives, labour union representatives, provinces and local authorities, non-governmental

# 80

STAKEHOLDERS

The task force travelled to 15 communities, met with more than 80 stakeholders, hosted 8 sessions for the public and conducted several study tours.

was: how can we ensure this low-carbon transition is a fair one, especially for affected coal workers and communities? Recommendations were built on seven guiding principles (see figure 1). Although the task force was relatively small in terms of members, the members represented a distinct set of perspectives and provided comprehensive expertise

<sup>1</sup> Excluding those employees who work on coal extraction for export and metallurgical industries.



organisations and other stakeholders in each of the Canadian coal regions, the task force provided a detailed report on the types and scale of challenges, new economic opportunities, funds to be harvested, policy opportunities and gaps, as well as recommendations on a consultation process regarding skills and training efforts needed to make communities fit for the upcoming transition. The information gathered was then summed up in 10 recommendations on structuring a just transition plan for the phase-out of coal:

1. Develop, communicate, implement, monitor, evaluate, and publicly report on a just transition plan for the coal phase-out, championed by a lead minister to oversee and report on progress.
2. Include provisions for just transition in federal environmental and labour legislation and regulations, as well as relevant intergovernmental agreements.
3. Establish a targeted, long-term research fund for studying the impact of the coal phase-out and the transition to a low-carbon economy.
4. Fund the establishment and operation of locally-driven transition centres in affected communities.
5. Create a pension bridging programme for workers who will retire earlier than planned due to the coal phase-out.
6. Create a detailed and publicly available inventory with labour market information pertaining to coal workers, such as skills profiles, demographics, locations, and current and potential employers.
7. Create a comprehensive funding programme for workers staying in the labour market to address their needs across the stages of securing a new job, including income support, education and skills building, re-employment, and mobility.
8. Identify, prioritise, and fund local infrastructure projects in affected communities.
9. Establish a dedicated, comprehensive, inclusive, and flexible just transition funding programme for affected communities.
10. Meet directly with affected communities to learn about their local priorities and to connect them with federal programmes that could support their goals.

## Key challenges

While there are no challenges known to the public that significantly inhibited the task force in their work progress, there are challenges to come in implementing the recommendations into a sound transition strategy. So far, the Canadian government has pledged an investment of \$35 million, but achieving the goal of a just transition will likely require additional investment. Although this fund will certainly enable the regions to start their transition process, according to the task force the direct and indirect costs of the phase-out could climb to hundreds of millions of dollars. It will be up to the Canadian government to secure long-term financial and political support up until 2030 and possibly beyond.

A challenge to the implementation both of the coal phase-out process and its accompanying structural support for coal regions could be that not all provinces support the approach to phase out coal power. Changes in provincial governments (recently in Alberta) as well as potentially on the federal level (elections in 2019) might reshuffle the cards for energy policy and just transition measures.

## Enabling conditions

The government's decision to accelerate the coal phase-out can be seen as part of a longer political process: the governing liberals ran their 2015 campaign for the national elections on an environmental agenda, Ontario made the decision to phase-out coal burning for electricity production in an effort to cut down carbon emissions and air pollution, and the first federal coal-fired electricity greenhouse gas regulations were introduced in 2012. Thus, the 2016 decision, implemented in 2018, was a continuation of a process that started in Ontario in 2005. However, it must be seen that coal is of lower economic importance to Canada compared to oil and gas. The number of jobs related to oil and gas extraction are more than a factor 10 higher than in coal mining, thus the phase out of domestic coal use can be considered a moderate challenge within Canada's climate transition process.

An important success factor for the Task Force was that it operated within a clear framework provided by a firm political commitment to the coal phase-out, including a target date for this phase-out to be completed. The Canadian government had also provided clear guidance in the form of terms of reference, specifying mandate, duration, as well as composition of the task force in advance. The work of the task force was supported by a secretariat in the Canadian Ministry of Environment and

Climate Change. All of these factors contributed to the effective implementation of the task force's mission.

Finally, the size of the task force, with only nine members and two co-chairs, had a considerable and positive impact on its work efficiency. It is well known that smaller teams reduce the friction losses that often occur in diverse working groups. Members also agreed on sharing the work to visit as many affected communities as possible. At the same time, the selection of members, as well as the working process of the task force itself, ensured that the small number of members was not perceived as a strong imbalance resulting in important stakeholders' views going unrepresented.

### Achievements

» *We are confident that other countries will be looking to Canada's leadership on just transition actions as an example of how to put people at the center of progressive climate policy.*

### Task Force - Final Report

One of the major achievements of the task force was to take affected workers and their families, employers, labour union representatives, municipalities, community members, business representatives, and economic development and non-governmental organisations seriously by engaging directly with them. To be true to the goal of designing and implementing a just transition it requires taking in all of these perspectives and regarding them as valid in their own right. By sticking to that principle, the task force gave their recommendations the necessary legitimacy towards the national government and Canadian society. A further aim of this effort was also to ensure recognition for affected workers and communities and to make their voices heard.

In the 2019 national budget, in response to the task force's recommendations, the governments devote \$35 million over the next five years to create worker transition centres, and to explore new ways to protect wages and pensions. Furthermore, a \$150 million infrastructure fund is to be created – starting in 2020-21 – to support priority projects and economic diversification in impacted communities.

Most importantly, the government has started to establish the first regional transition centres in Alberta – centres which support the communities through cutting edge technology to

### IMPORTANT LEARNING POINTS

- Acknowledging that the adverse effects of a coal phase-out will be unequally distributed among Canadians, as well as creating a transparent process on implementing this transition in as just a way as possible, proved to be a good political strategy.
- In turn, the work of the task force itself was effective because of the clear framework provided by a firm political commitment to the coal phase-out, including a target date.
- The work of the task force was efficient because it comprised all relevant perspectives and expertise with only 11 members and was guided by clear terms of reference.
- The recommendations of the task force were regarded as legitimate because they were based on first-hand exchanges with affected communities.

help provide education, make governmental services more accessible, give assistance with government forms, facilitate meetings, work on business opportunities, and help with the search for jobs. What is unique about these centres is that former coal miners provide assistance to fellow miners who are looking for new employment opportunities.

### References

#### Website of the task force

🔗 <https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition.html>

#### Final report of the task force

🔗 <http://publications.gc.ca/site/eng/9.867000/publication.html>

#### Transition centre

🔗 <https://www.castoradvance.com/news/battle-river-innovation-centres-are-now-open/>

#### Canada's Climate Plan

🔗 <https://www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework/climate-change-plan.html>

*For further information please contact the Secretariat for the Just Transition Task Force, of the Government of Canada: [ec.rae-ier.ec@canada.ca](mailto:ec.rae-ier.ec@canada.ca)*

# Platform for Coal Regions in Transition

The Platform for Coal Regions in Transition is an initiative by the European Commission.

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