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Platform for Coal Regions in Transition

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Wednesday 16 October 2019

6th Working Group meeting - Plenary I

The 6th Working Group meeting was opened by Klaus-Dieter Borchardt, Deputy Director General of DG Energy. Mr Borchardt reminded the participants about the European Green Deal recently presented by the President-elect of the European Commission, Ursula von der Leyen, which aspires to end fragmented policymaking in the field, develop sustainability pathways, and ensure a just transition. Following this, Mr Borchardt provided an update on the ongoing discussions on the Just Transition Fund, which will be made available for all coal regions, covering the diversity of actions in those area.

Mr Borchardt highlighted the tangible progress already achieved:

- Germany is following up on the recommendations developed by the *Commission on Growth, Structural Change and Employment*, and the Czech Republic has launched a similar initiative;
- Slovakia has adopted an Action Plan for the transition of the Upper Nitra coal mining region and aims to end electricity production from coal by 2023;
- Greece and Hungary will phase out all coal-fired power generation capacity by 2028 and 2030, respectively;
- Spain will close the last of its coal power plants before 2030.

Mr Borchardt furthermore announced that the Secretariat has received seven applications of excellent quality from region to obtain support from the platform's Technical Assistance to Regions in Transition (START). All applicants have been chosen: Asturias (ES), Midlands (IE), Hunedoara County/Jiu Valley (RO) Karlovy Vary/Sokolov district (CZ), Małopolska (PL), Peloponnese/Megalopolis (EL), and Silesia (PL).

Mr Borchardt concluded his speech by informing participants that from 2020 onwards, the number of Working Group meetings will be reduced to two per year. He encouraged the participants to compensate for the reduced meetings by strengthening cooperation across the regions.

Plenary I - Recent developments in EU transition

Chair: Klaus-Dieter Borchardt - Deputy Director General, DG ENER, European Commission

Speakers

- Torsten Pöttsch - Mayor of Weisswasser, Germany
- Kamila Blahova - Mayor of Litvinov, Czech Republic
- Juliette de Granpré – WWF Germany
- Dr. Raphael L'Hoest - Deputy Director General Economic Policy, Federal Ministry for Economic Affairs and Energy, Germany

Discussion

Ms de Granpré and Ms Blahova, Mayor of Litvinov in the Czech Republic, presented the *Forum of Mayors on Just Transition*. The Forum is an initiative by Mayors supported by the World Wildlife Fund (WWF), which allows for the exchange of good practices and for the

Mayors to forge a stronger voice at the European level. The *Declaration of Mayors on Just Transition* contains the following guiding principles: (i) national governments engage in transparent and inclusive dialogue with all regional stakeholders in coal regions in order to prepare transition plans; (ii) importance of the role of local communities; (iii) importance of transparency and consultation with local governments in the Coal Platform; and (iv) capacity building and financial support for just transition is key, incl. the Just Transition Fund. As members of the Forum, Mr Pötzsch and Ms Blahova presented the challenges faced by their respective regions.

Dr. Raphael L’Hoest, Deputy Director General of Economic Policy at the Federal Ministry for Economic Affairs and Energy in Germany, finished the session by providing an update on the implementation of the recommendations of the *Commission on Growth, Structural Change and Employment*. In August 2019, the Cabinet passed the draft of the “Structural Strengthening Act”, which describes the financial needs to implement the recommendations. One pillar of the Act provides up to EUR 14 billion of financial transfers to *Länder* and communities until 2038 for significant regional investments in concrete projects. The second pillar provides up to EUR 26 billion for projects of which the federal government is in charge until 2038, including projects related to transport infrastructure, relocation of federal agencies, research institutions and research programmes.

Plenary I - International perspectives

Chair: Klaus-Dieter Borchardt - Deputy Director General, DG ENER, European Commission

Speakers

- Duduzile Sibiyi - Mpumalanga Province, South Africa
- Iurii Bobrov - Executive Director, Association of the Ukrainian Cities
- Kostyantyn Krynytskyi - Project Coordinator, Climate Department, Ecoaction
- Andrii Silych - Mayor of Vuhledar, Platform for the Sustainable Development of Coal Towns of Donetsk Region
- Rachel Perks - Senior Mining Specialist, World Bank (WB)

Discussion

The speakers shared their respective experiences tackling the challenges of just transition in regions beyond the EU, providing Platform members with insights on the challenges encountered and the solutions adopted by regions outside the EU and fosters mutual learning at a global level.

Ms Sibiyi shared the experiences of the South African Mpumalanga province –a prominent coal mining and energy producing area- in planning a just energy transition. The planned gradual phase-out of coal energy activities is expected to have a heavy impact on the regional economy and increase unemployment levels. In order to tackle these challenges, the province is engaging all stakeholders and governance levels to develop an inclusive transition plan that will result in the implementation of concrete projects.

Mr Bobrov introduced the meeting participants to the efforts undertaken by the Association of Ukrainian cities, which brings together more than 850 municipalities, to support cities in their transition processes. The first step will be to conduct an up-to-date audit of the coal cities. Once their needs are clearly identified, the Association will be able to help the cities develop adequate policy solutions for a successful transition.

Mr Krynytski pointed out that the transition of Ukrainian coal regions remains challenging, in particular because most of the coal regions are affected by the conflict in the Donbass area. Together, Ecoaction, the Luhansk Regional Human Rights Center “Alternativa” and Germanwatch published a study on the “[Transformation Experiences of Coal Regions: Recommendations for Ukraine and other European Countries](#)”. Thanks to an analysis of national policies and concrete regional case studies in Ukraine, Czechia, Romania, and Germany, the authors drew up a set of recommendations for managing a proactive transition process.

In May this year, six coal towns in Donbass together set up a joint Platform for Sustainable Development to address common challenges in the context of decarbonisation through pro-active structural change policies. Mr Silych reported on the lessons learned in the early stages of the Platform: cooperation requires adequate resourcing and can be expensive; identifying low-hanging fruits is helpful to keep the momentum; coordination and structure is a key necessity; and such efforts require synergies with businesses and civil society organisations to yield innovative ideas.

Mr Borchardt reassured Ukrainian partners that they can count on the cooperation of the Platform for Coal Regions in Transition.

Ms Perks presented the World Bank’s outlook on ongoing transition processes as well the support it provides. The WB offers programmatic support and encourages eligible regions to take advantage of the support structures. The WB invites the European Commission and its other international partners to join efforts for a platform dedicated to support coal transition in the Western Balkans and Ukraine. To complement this effort, the WB is exploring the options for creating an academy that fosters mutual learning among regions on transition topics.

Conclusions

Mr Borchardt concluded the session by highlighting that large funding resources are not always the requirement, but often smaller projects can rather have a significant impact. Creating the framework for local communities to move forward is key.

Plenary I - Transition success stories

Chair: Nicola De Michelis, Director, DG REGIO, European Commission

Speakers

- Florian Woitek, State Ministry of Economic Affairs, Labour and Transport, Saxony, Germany
- Chris McDonald, Policy Analyst, Regional Development and Tourism Division, OECD
- Peter Portheine, Director, Brainport Smart District, the Netherlands

Discussion

The panel presented success stories from Leipzig (DE), Outokumpu (FI) and Eindhoven (NL) that framed the session’s discussion. Leipzig used cooperation between sectors to develop a long-term strategic approach to transition that made use of its historic legacy. Outokumpu set up a transition committee early to prepare for a long-term (60 years and counting) process that built on redeploying existing strengths, counting on national support. Eindhoven redefined themselves as a “Brainport,” which was successfully

implemented using a triple helix model of collaboration between the public, private, and research sectors.

The discussion emphasised the need for financing regions to support such transition efforts. The Just Transition Fund is a critical part of that, but cannot detract from other funds such as the Cohesion Policy. In addition, planned consultations on national energy and climate plans (NECPs) have not yet taken place, underlining the fact that more local consultation is needed.

Conclusions

The conclusions of the session are that any approach has to be flexible and place-based. General models or cases can be used, but these must be adapted to the specificities of a location. Impacts of transition are highly differentiated in each region, hence local knowledge and the involvement of local governments –in cooperation with other stakeholders– are critical.

In addition, EU funding to support local efforts is needed. Finally, transition is a long-term process and is most successful when a similarly long-term approach is used.

Coal mine closure companies

Moderator: Jan Bondaruk – Deputy Director for Environmental Engineering, Polish Mining Institute

Speakers

- Michael Haschke, Manager Research and Innovations, DMT, Germany
- María Belarmina Díaz Aguado, Director General of Energy, Mining and Reactivation, Asturias, Spain
- Zbigniew Stępniewski, ZEPAK, Poland
- Minister from Asturias
- Thorsten Diercks, DEBRIV, Germany

Discussion

Mr Bondaruk highlighted two of the most relevant barriers to mining closure processes: the lack of adequate legal instruments and solutions that are not user-friendly. Mr Haschke emphasised the need to have a vision for a closure process when developing one, given that this process is highly regulated. He presented a new software that intends to ease and standardise the mine closure procedures to comply with national and EU regulations. For Haschke, the two main challenges are the management of water from closed mines and soil subsidence. Mr Diercks presented a legal perspective of the closing mine process, stressing that acceleration is currently difficult due to understaffed public agencies, small number of trained personnel, several instances, etc. Ms Díaz Aguado presented the challenges and actions of Asturias, an old mining area in Spain. She mentioned the current support frameworks that provide research and funding, citing efforts to restore old mining sites, use already-existing capacities for dealing with difficult subsoil rescue operations overseas, refocusing the Asturias mining cluster companies towards international activities, and new activities that reuse by-products of mining: mining residues for biomass, wind energy for pumping water from closed mines, geothermal energy from underground water, etc. Mr Stępniewski presented the gradual phase-out of lignite in Konin in Poland through the conversion of district heating towards biomass and a gradual reduction of the workforce. Their main challenges are the high degree of local dependence on the sector and the lack of national support for the process –as lignite is not considered equally to hard coal.

Conclusions

Mine closure is a highly regulated activity that required a number of steps that can take years. Whilst there are technologies and steps that can be shared across implementers of closures, the institutional frameworks under which closures happen can prove challenging and hard to change. Acting across multiple sectors and including local and subnational governments that actively advocate for solutions to improve closure processes and raise the profile of this issue at the national and EU can help to deliver better outcomes, raise funds and change current difficulties. Mining closures should also have an entrepreneurial eye when looking to the use of residual resources, as evidence by the case of Asturias. Another key issue is to keep local communities motivated and proud.

Transition success stories: public-private cooperation

Moderator: Carsten Rothballer, Secretariat of the Platform for Coal Regions in Transition

Speakers

- Florian Woitek, State Ministry of Economic Affairs, Labour and Transport, Saxony, Germany
- Chris McDonald, Policy Analyst, Regional Development and Tourism Division, OECD
- Peter Portheine, Director, Brainport Smart District, the Netherlands

Discussion

This session delved into the three success stories – from Eindhoven (NL), Leipzig (DE), and Outokumpu (FI) – presented in the morning session. Eindhoven went into detail on how they leveraged a legacy of working with the private sector on local development to attract private sector partnerships in Brainport. Mr Portheine also elaborated on the Brainport Board, with private, public and academic sectors represented, and its executing power. Questions illuminated how Eindhoven's success is feeding into the rest of the surrounding region.

In Leipzig, success happened in part thanks to connecting the city centre to the larger region, linking the strategy to budgets and ensuring residents' participation. Through discussion, Mr Woitek expanded upon how preserving Leipzig's industrial core was important for economic development: for the transition, the city did not start without any economic base.

Finally, Mr McDonald expanded upon the case of Outokumpu and presented general tenants of transition: differences for rural, remote, and urban areas; graduality of transition; use of the skill base of employees; and integration between the mining sector and local economy. Outokumpu demonstrates that transition is a long-term venture that requires support from higher governing levels, providing governments with an opportunity to make use of stranded assets. Discussion at the session led to further exploration of how organised labour should be meaningfully integrated in the transition process, and how a regionally collaborative approach should be adopted when mining infrastructure is reconverted to keep residents in the region.

Conclusions

These principles, lessons, and even models – such as the Triple Helix – can be transferrable, but they must be localised and locally adapted. Collaborations must establish a Shared Vision early on to ensure that they are based on trust. Collaboration and locally-driven responses are crucial for success.

Interregional dialogue: key elements of transition strategies

Chairs

- Birgit Urban - Desk officer, Representation of the State of Brandenburg (Germany) to the EU
- Dimitrios Mavromatidis - Director of Regional Development Fund, Western Macedonia Region, Greece

Speakers

- Martin Schön-Chanishvili - Senior Advisor, South-Eastern and Eastern European Partnerships, Germanwatch
- Maria Yetano Roche - Secretariat of the Platform for Coal Regions in Transition, and Research Fellow, Future Energy and Industry Systems, Wuppertal Institute

Discussion

This session gave continuity to the dialogues held in the previous Platform Working Groups meetings of this year under the same name.

In this meeting, participants exchanged on how to improve and implement transition strategies. Afterwards, regions attempted to identify collaborative actions to improve strategy development and delivery at regional and local levels.

Drawing on the study "[Transformation Experiences of Coal Regions: Recommendations for Ukraine and other European Countries](#)" published by Ecoaction, Alternativa and Germanwatch, Mr Schön-Chanishvili presented recommendations for shaping regional stakeholder dialogues. The first key take-away is the important role of stakeholder dialogue, as engagement is required to ensure ownership of the strategy by the different stakeholders to make the transition work.

Ms Yetano Roche introduced participants to the guidance materials that the Secretariat of the Platform is preparing to support the development of regional transition strategies. The Secretariat is publishing a set of best practices to inspire regions to learn from each other's experiences. Shortly, guidelines on transition strategies and KPIs, a toolkit on governance of the transition, and several more supporting materials will also be made available to the regions. The toolkits aim to stimulate the future discussion of the interregional dialogue. At the same time, the Secretariat will collect feedback on the support materials from these discussions.

The session participants expressed their satisfaction with the development of guidance for encouraging participatory approaches. However, it was remarked that language barriers might hinder the dissemination of support material.

Regarding good practices, it is crucial to identify those that have a high degree of transferability, so that they can be replicated in another region. The interregional dialogue should consolidate as a forum for exchanging practical experiences on implementation, and it was suggested that institutionalised frameworks are necessary to ensure exchanges between local authorities.

One of the early lessons learnt from the study "Transformation Experiences of Coal Regions" is that regional cooperation is resource-intensive. In this sense, it would be useful for regions to have a costs estimate of such processes to help define planning stages.

Next steps

- The chairs encouraged regions to continue the dialogue themselves beyond the Brussels meetings of the Platform. Regions are invited to join a “core group” that will continue in-depth discussions on one or two topics before reconvening at the next Platform working group. The chairs proposed to focus those discussions on *skills and requalification*. Interested regions should identify a person with sufficient capacity to take part in the core group and also propose specific topics to be discussed by the core group. Contact details and topic suggestions can be sent to secretariat@coalregions.eu. The Secretariat will forward any suggestions to the chairs of the next interregional dialogue session.
 - In the same spirit of intensifying the exchanges between neighbouring regions, Brandenburg, Saxony, Silesia and Czech regions expressed their intention to have more regular exchanges in an informal setting beyond the Platform meetings.
 - In preparation of the Annual Dialogue 2019, the Free State of Saxony (Germany) is preparing a declaration that underlines the commitment of European coal regions to a just transition and that outlines their expectations. Saxony invites all regions to sign the declaration during the Annual Dialogue, It will then be presented to the European Commission, serving as a starting point for continuing discussions under the umbrella of the interregional dialogue and the Platform in general.
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International Perspectives and Experiences

Moderator: Aleksandra Tomczak - Policy Coordinator, Coal Regions in Transition, DG ENER, European Commission

Speakers

- Duduzile Sibiyi - Mpumalanga Province, South Africa
- Iurii Bobrov - Association of the Ukrainian Cities
- Kostyantyn Krynytskyi - Project Coordinator, Climate Department, Ecoaction
- Rachel Perks - Senior Mining Specialist, World Bank
- Chris McDonald - Policy Analyst, Regional Development and Tourism Division, OECD

Discussion

The panel provided an overview on coal transitions in non-EU countries, featuring experiences and lessons learned from coal regions in South Africa and Ukraine, as well as input from the World Bank and the OECD on how they can support international dialogue. Just transition is a global subject, not just for the EU, as it has been highlighted by the Just Transition Declaration signed at COP24. The exchange of lessons learnt in South Africa and Ukraine can benefit EU regions and vice-versa.

Ms Sibiyi stressed the importance of bottom-up and community-driven approaches and the participation of all stakeholders when it comes to start a transition. After taking part in a study trip and visiting some European coal regions, she acknowledges that, for South Africa, there are many development possibilities to be discussed, though financing and interdependencies will pose major challenges.

For Mr Bobrov, Ukraine is mostly in need of development alternatives that secure decent jobs, as the coal industry is still the economic backbone in many regions. However, it has become clear that a new approach for energy production is needed. This argument was reiterated by Mr Krynytskyi, from the Ukrainian NGO Ecoaction, who reiterated the key findings of the study "Transformation experiences of coal regions: Recommendations for Ukraine and other European countries". He stressed that the Ukrainian coal sector is already in a phase of decline - a transition is already happening and long-term planning is urgently needed. The rebuilding of coal towns will need innovative solutions.

Ms Perks reported about the World Bank's efforts to establish a platform for Ukraine and the Western Balkans. They are currently looking for regional partners. In parallel, they envisage the establishment of a "Just Transition Academy" as a platform to exchange about transition models and strategy development approaches.

Mr McDonald provided insights on analysed effects and characteristics of a coal transition. He announced that the OECD is now shifting its focus from observation and analysis to developing recommendations, signalling support to work together with other stakeholders in overlapping projects.

The audience furthermore expressed the need for demand-driven and well-structured approaches, so that efforts of international exchange are useful for action. The representatives from South Africa and Ukraine agreed to further exchange on bilateral possibilities to share experiences.

Analytical approaches to regional transition

Moderator: Andrzej Błachowicz, Secretariat of the Platform for Coal Regions in Transition

Speakers

- Paola Yanguas Parra - Decarbonisation Strategies Team Lead, Climate Analytics
- Stavros Mavrogenis - Energy and Climate Policy Leader, WWF Greece
- Vlad Catuna – Energy campaigner, Greenpeace Romania
- Csaba Vaszkó – Independent consultant
- Rebekka Popp, E3G

Discussion

The first presentation, by Ms Yanguas Parra, made the case for coal phase-out plans aligned with the Paris Agreement and the IPCC suggestion of 2031– delaying it would increase the risk of stranded assets in the economy and be better prepared for steeper plans. Mr Mavrogenis emphasised that decarbonisation roadmaps require reliable statistics, considering current strategic documents, the earmarking of new and exclusive funding, and sharing evidence across regions to foster social acceptance. On this last point, Mr Catuna highlighted the need to build a favourable atmosphere for studies and technical assistance in regions, citing the case of the Jiu Valley where both solid modelling and political backing from the EU were key in building acceptance.

Ms Popp presented the experience of the German Coal Commission: its main measures, the definition of pathways and aspects that could be replicated. A key element of that commission was its modelling in the German institutional traditions of federalism and corporatism that has permeated policymaking in the country. The final presenter, Mr Vaszkó, presented a tool -in current elaboration- to improve comparability and definition of coal regions, suggesting the use of NUTS-3 level regions.

Conclusions

The purpose of the session was to present curated relevant information on regions in transition, as often the abundance of information gets lost, and different angles were covered. Research and knowledge from policies, pathways and social situation is key to increase the chances of successful transitions.

Social Dialogue in transition

Moderator: Jörg Tagger - Head of Unit Social Dialogue, DG EMPL, European Commission

Speakers

- Luc Triangle - Secretary General, IndustriAll – scene setter
- Ralf Bartels - Head of department Economy and Sustainability Policy, IG BCE, Germany
- Klaus-Peter Heinrich – State Ministry of Economic Affairs and Energy, Brandenburg, Germany
- Jean-Pierre Damm - Secretary General, FO Mines-Energies, France
- Victor Fernandez - Secretary of Mining Sector, UGT/FICA, Spain
- Jesus Crespo Torres - CCOO Industria, Spain

Comments from

- Lucie Studničná - CCMI Chair, European Economic and Social Committee
- Pedro Iglesia Gómez - President, Carbunión, Spain

Discussion

During this session, speakers and participants discussed concrete cases of social dialogue with trade union participation. As coal regions engage in transition processes that deeply affect regional economies, the workforce faces restructuring and employment shifts. Dialogue among stakeholders is essential to find effective solutions and compromises that are supported by all those involved and affected.

As representatives of the interests of the employees, trade unions are key partners in the transition process: they can contribute to finding responses to the employment challenge in regions undergoing transition. The discussion explored several cases of social dialogue in different countries and on different governance levels.

Mr Triangle mentioned that a socially successful transformation rests on three pillars: (i) A long-term strategy for diversification; (ii) Anticipation and management of re-structuring; (iii) Decarbonisation that ensures coherence with cohesion objectives and leaves no region behind.

Mr Bartels and Mr Heinrich introduced the audience to the cooperation between the State of Brandenburg and the social partners in the forthcoming structural funding and industrial development of Lusatia. The German “Coal Commission”, composed of representatives from civil society groups and communities, including union representatives, developed a series of recommendations for “growth, structural change and employment”. The recommendations resulted in a public funding commitment that will support the region of Lusatia through the strengthening of its industries, improvement of infrastructure and the promotion of research and innovation in the region.

Mr Damm explained the challenges and outcomes of the social dialogue in France, following the decision to shut down all coal power plants in the country by 2022. Although unions were not engaged in every step of the development of the national strategy, the social dialogues nonetheless resulted in a series of tailored support measures for the affected workers.

Messrs Fernández and Crespo Torres presented the Spanish experience in developing a framework agreement for a just transition and sustainable development of mining regions for the 2019-2027 period.

Ms Studničná highlighted the importance of involving all parties in a social dialogue from the very early stages in transition process.

Participants discussed on concerns about the level of labour protection and the role and presence of trade unions in new energy sectors in comparison to the coal sector. It was also pointed out that the decline of the coal sector is particularly impactful in many regions as the loss of well-paid jobs has a knock-on effect on local economies.

Conclusions

Mr Tagger concluded that the different cases of social dialogue in Germany, France and Spain all present similar challenges, but that the regional and national specificities of each of them mean that the solutions need to be specific to the respective context.

Participants agreed that social dialogue is the tool to build acceptance and ownership of the processes, which in turn are a key requirement for a successful and just transition. It is not about fighting the (inevitable) change; social cohesion and social acceptance should be animated through the whole transition process. This is essential to provide new job opportunities and avoid the resignation of being left behind.

Thursday 17 October 2019

Just Transition Projects I: Energy transition and Heating

Moderator: Aleksandra Tomczak - Policy Coordinator, Coal Regions in Transition, DG ENER, European Commission

Speakers

- Martin Klika - First deputy governor, Ústí region, Czech Republic
- Thomas Neuenhahn - Lead "Green Hydrogen Power" Project, Siemens AG, Germany
- Zbigniew Stępniewski - Advisor, ZE PAK Management Board, Poland
- Tomasz Rogala – President of the Management Board, PGG, Poland

Discussion

In light of the ongoing discussion on the Just Transition Fund, this session discussed what constitutes a 'just transition project'. In this context, Mr Klika presented the planned initiatives to address the issues of de-population, social exclusion and environmental degradation of the Ústí coal basin in the Czech Republic. In order to make the region fit for the 21st century, they will create a linked system of lakes by filling the mines with water, enhance the economic activities in agriculture and forestry, as well as create new housing projects and leisure areas.

Mr Neuenhahn introduced Siemens' *CO₂-free energy supply and mobility* project, which focuses on greening the electricity, heat and mobility at the RWTH Aachen Campus. The project can serve as a good demonstration plant for the hydrogen economy, considering that more than 1000 students attend energy education every year at Aachen University. Nevertheless, he explained that whilst CO₂-free systems are feasible, more public funding programmes are needed to build a business case for the companies.

Mr Stępniewski presented a variety of projects in the Konin region on electricity production, energy storage and low-emission means of transportation currently undertaken by ZE PAK. Being the fourth largest electricity producer in Poland, ZE PAK is a dominant employer in the region. It is therefore important for the company to introduce new technologies that can allow for the re-skilling of people. Although the projects will be successful in generating a great amount of new jobs, they will not be able to create as many jobs as needed.

The final presentation was delivered by Mr Rogala on the initiatives undertaken by the Polish Mining Group (PGG), which employs up to 40,000 people. In order to ensure a just transition with enough job opportunities, PGG plans to develop knowledge and competences in four areas: low-carbon and renewable energy, circular economy, modern industrial technologies as well as in a laboratory that uses the energy resources of mining areas.

Conclusions

A just transition offers opportunities for new jobs by reskilling within companies and by investing in new areas. The participants hoped that such actions can lead to positive secondary effects on regional economies in the sub-contracting sectors. To concretise all

aspects of a just transition, the participants agreed that in addition to EU funding, both national and private funding sources should be sought.

Private sector investments

Moderator: Adam Abdulwahab - Policy Analyst, Financial Instruments and International Financial Institutions Relations, DG REGIO, European Commission

Speakers

- Vicky Bullivant - Group Head of Sustainable Business, Drax, United Kingdom
- Helen Wildsmith - Stewardship Director, Climate Change, CCLA, United Kingdom
- Russell Bishop - Principal Economist, Economics, Policy and Governance, EBRD

Discussion

In this breakout session, the panel discussed ways to engage private sector investments to support transition efforts, backed by three input presentations.

Ms Bullivant explained how Drax decarbonisation projects work and how they had shifted from coal to biomass, hydrogen and natural gas. The company's approach includes efforts to explore the use of carbon capture storage, as well as an educational focus on local communities, creating strategic partnerships for educational skills needs.

Covering the financial stakeholders of a coal transition, Ms Wildsmith presented the Powering Past Coal Alliance (PPCA) and its Finance Principles, which aim to provide guidelines for financial institutions committing to an energy transition by phasing out financial services and investments in unabated coal-fired power and investing in clean forms of energy. Up to date, there are seven signatories to those principles. Set up by UK and Canadian governments two years ago, the PPCA brings together different players involved in coal phase out, including utilities, finance, insurance and investment.

Mr Bishop explained the approach of EBRD, including their sustainability principles, quality indicators and transition architecture. To support a just transition, Bishop recommended five instruments: Supporting investments via local banks, reusing existing assets, improving access to employment and skills gaps, supporting local businesses to grow and investing in transformative infrastructure.

Conclusions

First and foremost, decision makers need to implement a legal framework and set up specific policies, including some form of carbon pricing, to reduce uncertainty for private investments. Meanwhile, donors and investors should obtain better access to information on sustainable investment options, and a diagnosis of what is holding back the private sector investments region by region would be highly beneficial. The session was concluded with questions about social issues and job perspectives that also need to be addressed.

Coal phase-out: Alternatives and Solutions

Moderator: Katherine Poseidon – Policy Analyst, Bloomberg New Energy Finance

Speakers

- Paola Yanguas Parra – Decarbonisation Strategies Team Lead / Climate Policy Analyst, Climate Analytics, Germany
- Aleksandra Gawlikowska-Fyk – Head of the Power Project, Forum Energii, Poland
- Ruud de Bruijne – Project leader, Offshore Wind Energy, Netherlands Enterprise Agency

Discussion

This session discussed the technology mixes and pathways that offer a viable transition for coal-dependent countries in their power supply, focusing on economic opportunities for zero-carbon technologies and policies to deliver full decarbonisation, based on the cases of Poland and Netherlands.

Ms Poseidon presented an overview of the economic and policy implications of transitioning the energy mix and technologies. There will be a substantial shift in the energy mix by 2025, as renewable technologies are undercutting fossil-based power plants. Battery costs are also falling rapidly, making renewables with energy storage a competitive alternative. Economic growth of wind and solar energies offer opportunities in terms of economic diversification, R&I and employment. However, a successful transition requires adequate financing, investment, and available capacity at all levels.

Ms Yanguas Parra developed the strategy and policy context. She underlined the necessity of a complete coal phase-out, allowing for no new instalments and electrification across all sectors by 2030, to achieve the Paris Agreement goal of 1.5°C. National climate strategies in Europe –with the exception of Germany– are largely in line to with the Paris Agreement, and the risk of stranded assets increases in countries without a transition plan. The necessity of a holistic long-term strategy for energy-mix diversification was made apparent on the UK approach, where the share of coal in the energy mix has dropped dramatically since policy signalling, though the increase of gas-fired power has increased to a point of having a possible overcapacity.

Ms Gawlikowska-Fyk presented the case of Poland, exploring challenges faced during the modelling for lignite phase-out regarding adequacy (emissions performance standard), and prices and import, both record high in Poland. This is relevant, as exporting countries (namely Germany and Czechia) are phasing-out their coal and nuclear-based power plants, affecting their exporting capacity. She reiterated that the business-as-usual scenario is already challenging for countries like Poland that lack both a strategy aligned with global and EU targets and funding. Transition approaches should be built on local contexts rather than broad models. However, transition efforts imply possible energy security problems as few power plants provide a major share of electricity to the Polish grid. On the other hand, the cost of inaction will translate into a rise of electricity prices, imports and lack of solutions at both national and local level.

Mr de Bruijne presented the Dutch case, where a comprehensive Climate Agreement, including 100 parties and covering five sectors. It builds on cross-sectoral exchange and coherence, defining a clear timeline, overhead GHG reduction goals and sector-specific agreements. The future energy mix aims at sourcing a large share from offshore wind in the 'North Sea Powerhouse' through international cooperation and complemented by a wide web of distributed generation through local and regional renewable sources.

Conclusions

Discussions highlighted that the lack of funding, commercially available technologies and capacities across the levels are key barriers to the transition process. There is no one-size-fits-all solution, and issues need to be addressed step-by-step - a transition strategy is elementary to avoid stranded assets, and secure flexibility and security of energy supply.

Just Transition Projects II: Economic diversification, reskilling, environmental rehabilitation

Moderator: Lucie Zackova - Deputy Head of Unit, Poland, DG REGIO

Panel participants

- Karsten Ivan - Project Manager, HBP
- Bartłomiej Szewczyk - Director, Coal Mining Museum, Zabrze, Poland
- Janusz Michałek - President, Chairman of the Board of the Katowice Special Economic Zone Co., Poland
- Marcin Wilk - Vice-President, Upper Silesian Fund, Poland
- Zdeněk Karásek - Deputy Governor, Moravian Silesian region, Czech Republic
- Roman Szełemej - Mayor of Wałbrzych, Poland

Discussion

To ensure a just transition, substantial efforts must be made to invest in the restoration of the post-mining environment and in activities that can help diversify the local economy. Mr Ivan introduced several projects by HBP that aims to diversify the economy in the Upper Nitra, Trenčín region. Their transition towards into non-mining production started 10 years ago when they engaged in new production plants using renewable energy sources. Five years later, they established tomato greenhouse farming and indoor fish farming, which both receive energy based on low-temperature geothermal energy from mine water. Additional current and planned projects include the installation of large heat pumps, the production of biomass for wood chips and the creation of innovative railway carriages.

Mr Szewczyk presented the Coal Mining Museum in Zabrze, established in former mining facilities. The museum is responsible for revitalising the area through its wide range of tourist attractions aimed at exploring the region's mining heritage. He emphasised that the creation of the museum is a great example of how cooperation between two local governments can overcome regulatory, technical and financial challenges.

Mr Michałek spoke about the Katowice Special Economic Zone (KSSE), established in 1996 to facilitate the transformation of the post-industrial region. Through a variety of projects, the KSSE aims to create an economic ecosystem consisting of universities, local governments and companies. Thus far, the KSSE has created over 80,000 direct jobs.

Mr Wilk introduced the *Internationalisation of SMEs in the Silesian Voivodeship* project. It aims to increase the value of enterprises in the region and enhance local SMEs to enter foreign markets. Two central tools to reach such goals are the internationalisation centre and a platform, which will facilitate cooperation between local and global actors.

Mr Karásek presented the *IP Life Post-Coal Mining Landscape Adaptation* for the Moravian-Silesian region in the Czech Republic. Project activities include the development of a general vision of post-coal mining landscape adaptation and the creation of tools and capacities to turn the vision into reality through pilot projects.

Mr Szełemej closed the session presenting the project for a mine water treatment plant in Wałbrzych, which uses underground water flowing out from former mining sites. Once completed, it will supply the city of Wałbrzych and other nearby municipalities. Whilst the initial proposal of the water treatment methods has been prepared, the next step is the finalisation of the concept allowing the investor to develop the plant.

Cohesion policy funds in coal regions

Moderator: Mathieu Fichter, Policy Officer, Smart and Sustainable Growth, DG REGIO, European Commission

Speakers

- Gabriela Nekolová, National Manager, RE:START Strategy, Czech Republic
- Jaroslav Straka, Programme officer Poland, European Commission, DG REGIO
- Krzysztof Wojcik, Programme officer Slovakia, European Commission, DG REGIO

Discussion

The Cohesion Policy for 2014-2020 deployed funding to coal regions under the three priorities of smart, sustainable and inclusive growth, using shared management to ensure programmes and projects are selected at more local levels. This has supported the RE:START government strategy programme in the Czech Republic to assist coal regions in transition through, for example, supporting low emission transport initiatives, education and healthcare improvements, SMEs, and to address environmental degradation. In the next funding period, RE:START would like to see more EU funds available, and strategic exemptions to accommodate for the long-term and large-scale nature of transformation processes.

In Poland, Cohesion Policy funds have been helpful specifically because of the shared management approach that empowers more local levels of government in financial decisions. Unfortunately, most of these funds for Polish regions have already been used, forcing more creative approaches, reshuffling of funds, and prepare projects to be ready to start when new funding arrives. Poland benefits from special support, as seen in separate selection criteria.

In Slovakia, transition efforts have included EU support with data gathering and analysis, and have focused on SMEs, which need skilled workers. The clear message that retraining and education will be critical.

Throughout the Q&As, participants expressed concerns that the Just Transition Fund would be too broad, not leaving enough funding for coal regions specifically.

Conclusions

EU funds have been crucial to many coal transitions. Panellists from the Czech Republic and Slovakia expressed that specific, targeted calls and tenders are particularly important and useful.

Coal Plant Repurposing

Moderator: Rachel Perks, Senior Mining Specialist, World Bank

Speakers

- Christoph-Peter Bartsch, Officer Regional initiatives and projects, RWE, Germany
- Jozsef Magyari – CEO, Vértési Erőmű Zrt, Hungary
- Dominique Ganiage – Head of sustainable development, EDF Power Generation, France

Discussion

During this session, case studies on the repurposing of coal plants for alternative uses were discussed, with presentations from Germany (RWE), Hungary (Vértési Erőmű Zrt.) and France (EDF).

Mr Bartsch presented the case of Frimmersdorf power plant, currently in security stand-by and shut down by 2021. The site will be demolished to be reconverted into a technology and innovation centre. For the Weissweiler plant that will be shut down in 2030, RWE is considering two repurposing options, either deep geothermal or thermal energy storage run by renewable energy and heated salt technology. The former will extract deep groundwater and can provide either electricity or heat, whilst the latter can build on the existing infrastructure and act as a buffer for overcapacity of renewable energy sources. A pilot plant is currently in development in cooperation with the DLR and FH Aachen.

Mr Magyari then presented the case of the Vertesi power plants and mine, closed in 2014. Regarding the social impact of the mine closure, the state-owned company developed a human resources concept and work plan with social partners and agreements ensuring future employment. Over 1,100 directly affected employees received support in reskilling and relocation to nearby industrial parks through job fairs, financial assistance and housing support. The environmental aspects are in progress, but their finalisation is at risk due to a lack of financing resources.

Ms Ganiage finally presented the case of EDF's closing and repurposing of power plants in France. She underlined the necessity to analyse the site potential, understand the local situation, remain in constant dialogue with local and social stakeholders and provide new perspectives. EDF cooperated with research institutes and defined strategies to integrate perspectives for the development of a local circular economy and biodiversity.

Conclusions

The discussion underlined the necessity for continuous involvement of stakeholders and local actors (such as labour unions, employment centres and local innovative businesses). It also focused on the social responsibility of companies regarding the lower employment intensity of alternative energy sources, such as PV facilities. The shutdown of sites offer a range of opportunities for various new activities. In case of land ownership, there are differences across the regions, remaining under company or state ownership. Financing is required to develop innovative technologies at large and small scale (e.g. combining large and small-scale energy storage technologies). Generating and/or identifying new financial sources to achieve environmental remediation is also key to attract investors and promote post-mining landscape utilisation.

Plenary II

Chairs

- Klaus-Dieter Borchardt, Deputy Director General, DG ENER, European Commission
- Hervé Martin, Head of Unit, DG RTD, European Commission

The moderators of the breakout sessions reported on the discussions that were lead over the course of the two-day meeting and the Secretariat provided an update of its support activities for the Platform. Finally, Mr Borchardt and Mr Martin provided final remarks before concluding the 6th Working Group meeting of the Platform for Coal Regions in Transition.

Secretariat update on activities

Working Group meetings and Annual Dialogue

The second edition of the annual political dialogue of the Platform for Coal Regions in Transition will take place on 25-26 November in Görlitz, Germany, and will be organised by the European Commission in close cooperation with the two German host states of Brandenburg and Saxony. More information can be found [here](#).

The Secretariat helps the Commission to organise the Platform Working group meetings and the Annual Dialogue. In 2020, two Working Group meetings and the Annual Dialogue conference will take place. Queries regarding the meetings can be addressed to events@coalregions.eu.

Development of support materials

The Secretariat has developed several good practice case studies. They are accessible on the [webpage](#). More case studies are being prepared. By the end of the year, the following materials will be made available: i) Guidelines on transition strategies and KPIs; ii) Governance of Transition toolkit; iii) Sustainable employment and welfare support toolkit; and iv) Site rehabilitation and repurposing toolkit. Two additional support materials are planned to be published in 2020: Guidance on EU funds and programmes; and Technology solutions for transition.

Secretariat Technical Assistance to Regions in Transition (START)

The delivery of technical support seeks to address economic diversification and decarbonisation. START will deliver capacity building, knowledge sharing and advice on strategy development, governance and planning, project identification, and project development. Seven regions will receive up to 120 days of support. The work plan is being developed and the delivery will begin in second quarter of 2020.

Communication of Platform activities

- Redesigned webpages ([accessible here](#))
- Online resources ([accessible here](#))
- Newsletter ([sign up here](#))
- DG Energy Twitter ([@Energy4Europe](#))
- Hashtag #CoalRegionsEU
- Video interviews ([Platform's YouTube playlist](#))
- Webinars

Contact point

Finally, the Secretariat operates a contact point for Platform members. General queries can be addressed to secretariat@coalregions.eu.

Since early 2019, the Secretariat of the Platform is operated under the direction of the European Commission by a consortium of four organisations: Ecorys, Climate Strategies, ICLEI Europe, and the Wuppertal Institute for Climate, Environment, Energy.

Final remarks

Mr Martin remarked that the community of coal regions in transition has now reached cruising speed and is making good progress. In his closing words, Mr Borchardt thanked the participants and the Platform Secretariat for the progress that has been achieved since the first meeting of the Platform. Nonetheless, the Commission recognised that more efforts will have to be undertaken and intends to create the conditions to accelerate the necessary research and innovation. The Commission's directorate-general for research and innovation (DG RTD) manages the Research Fund for Coal and Steel, which offers funding opportunities to Universities, research centres and private companies to support research and innovation projects in the coal sector.

Authors

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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.

