



Getting started! JTP Working Groups: scope and engagement

JTP Secretariat and Working Groups' members

Tuesday 10 May 2022

Agenda

- | | |
|----------------------|---|
| 14:15 – 14:25 | Welcome and introduction |
| 14:25 – 14:40 | Presentation of the OECD study on 'Regional industrial transitions to climate neutrality' |
| 14:40 – 15:20 | Presentation of the activities and the focus areas of the JTP Working Groups |
| 15:20 – 15:35 | Q&A |
| 15:35 – 15:45 | Next steps and conclusion |



REGIONAL INDUSTRIAL TRANSITIONS TO CLIMATE NEUTRALITY

10 May 2022

Supported by DG Regio, European Commission

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 @OECD_local

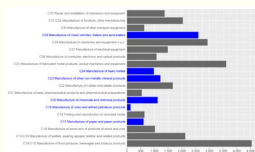
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Outline and key messages

1

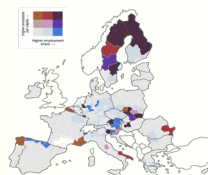
Sectors



The biggest transformation challenges are concentrated in a few sectors.

2

Regions



High sectoral employment shares and high emissions per capita in key sectors allow to identify vulnerable regions.

3

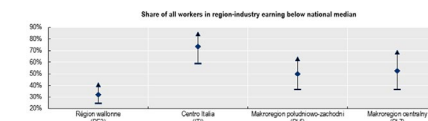
Infrastructure



Infrastructure needs of climate neutral manufacturing have regional implications.

4

Socio-economic



Governments need to pay attention to the just transition implications of industrial transitions to climate neutrality.

The data for the analysis of regional industrial transitions still need to improve. But we have advanced!



Selected sectoral challenges for regional development






- **Coke and refined petroleum products:** biggest relative employment loss
- **Cement:** most dependent on Carbon Capture and Storage
- **Basic chemicals:** biggest demand for hydrogen, followed by **Steel**
- **Paper and pulp**

The **CIRCULAR ECONOMY** can substantially reduce some of these pressures and generate further benefits.

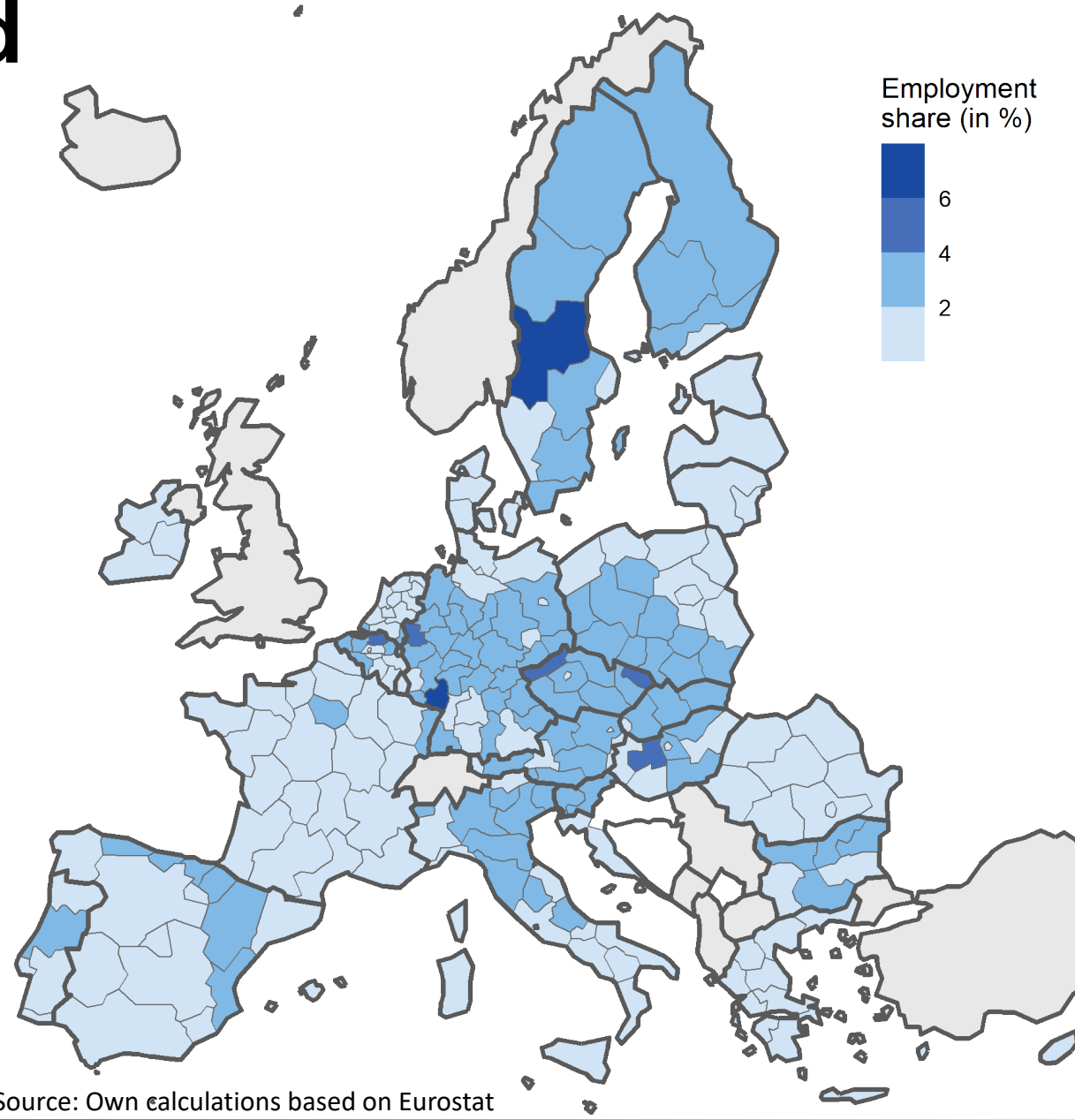


Employment in selected 2-digit manufacturing sectors

Selected sectors:

-  Coke, Oil refining
-  Non-metal minerals
-  Chemicals
-  Paper
-  Basic metals

Over **6%** of regional employment can be concentrated in selected sectors



Source: Own calculations based on Eurostat

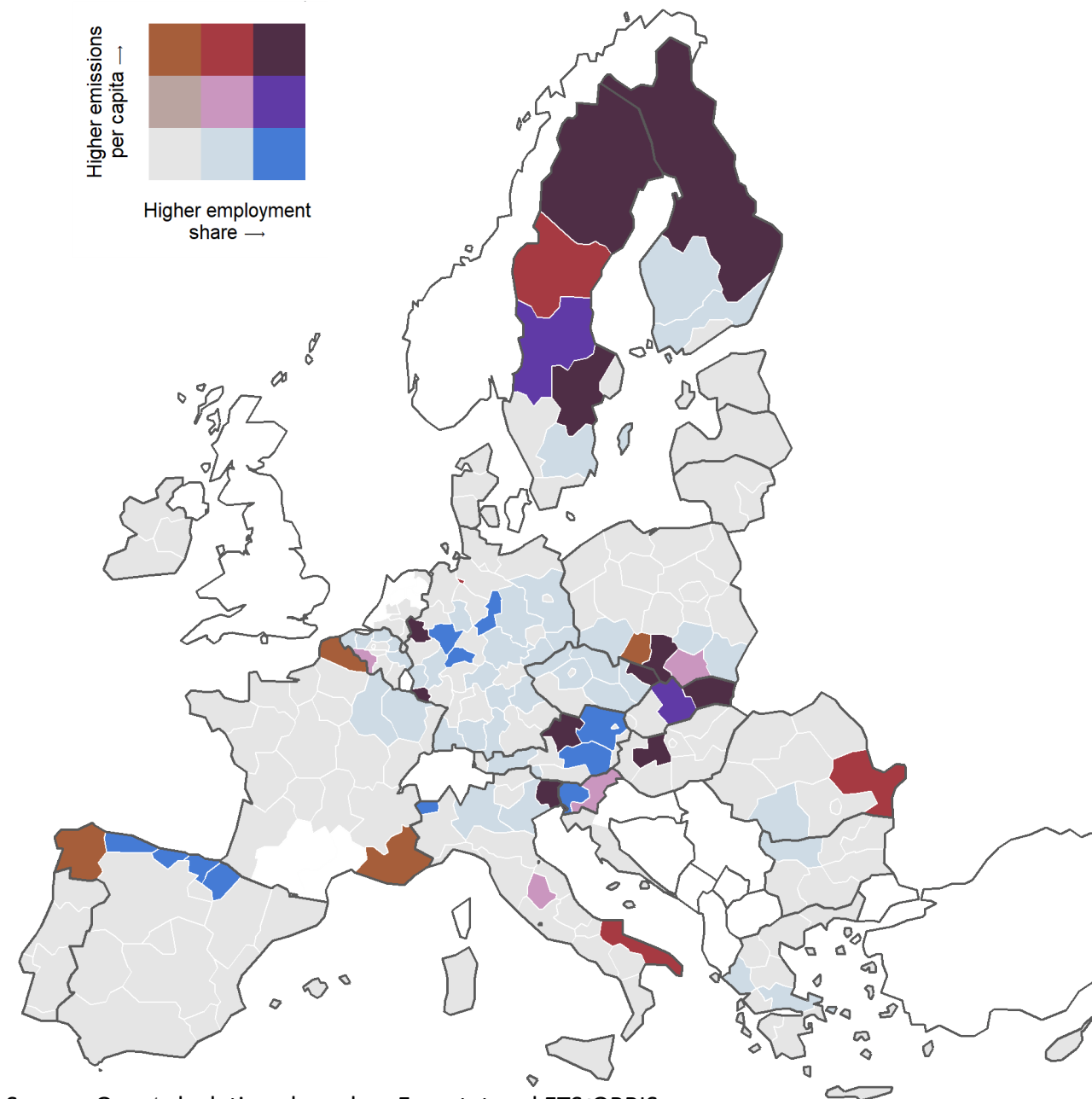


Identifying regions: Basic metals

Both **employment shares** and **emissions per capita** are indicators for the intensity of transformations

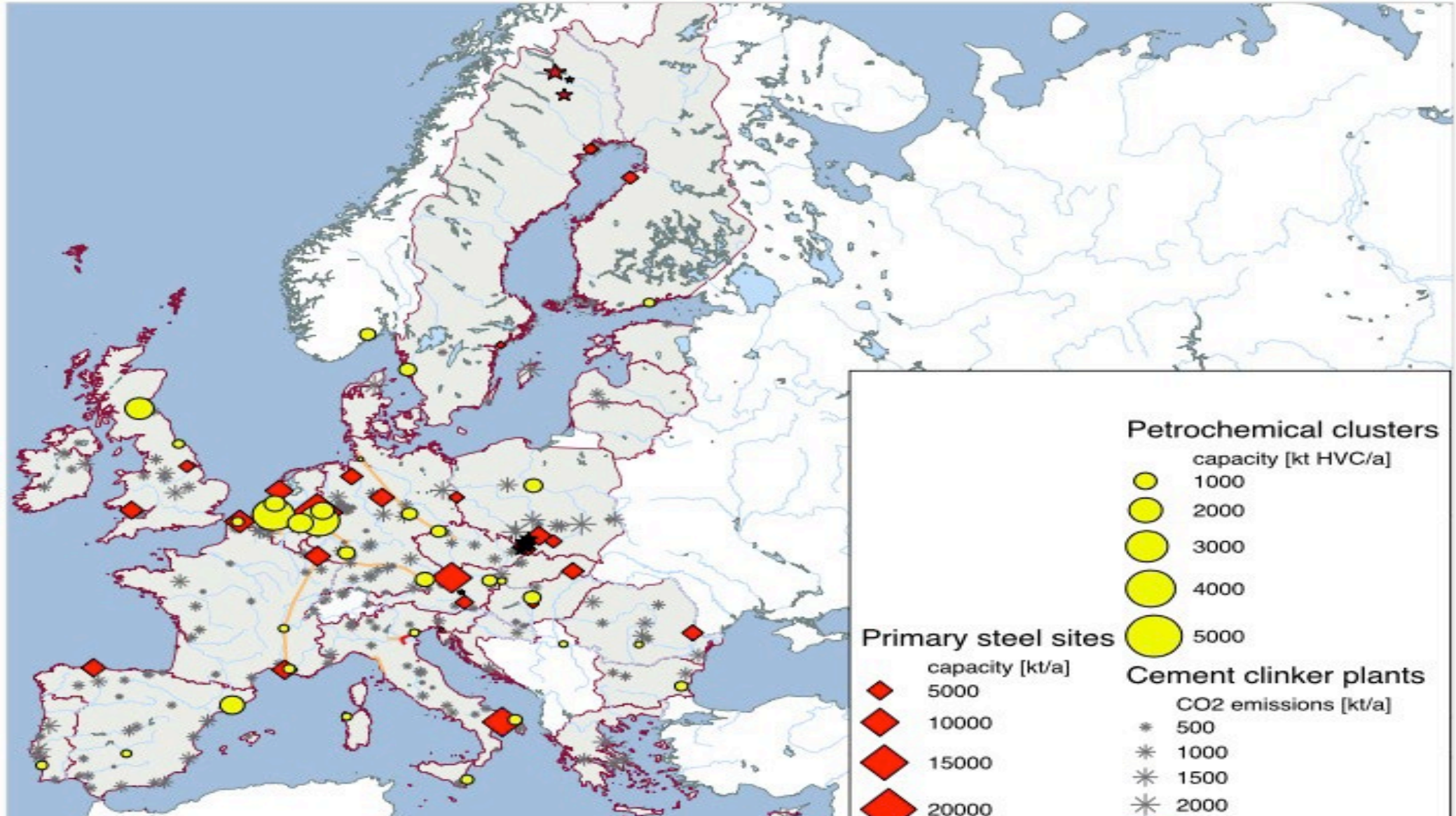
Emissions refer to installations of steel and aluminium businesses

Employment refers to basic metals



Source: Own calculations based on Eurostat and ETS-ORBIS

Chemicals, steel and cement production is spread across Europe

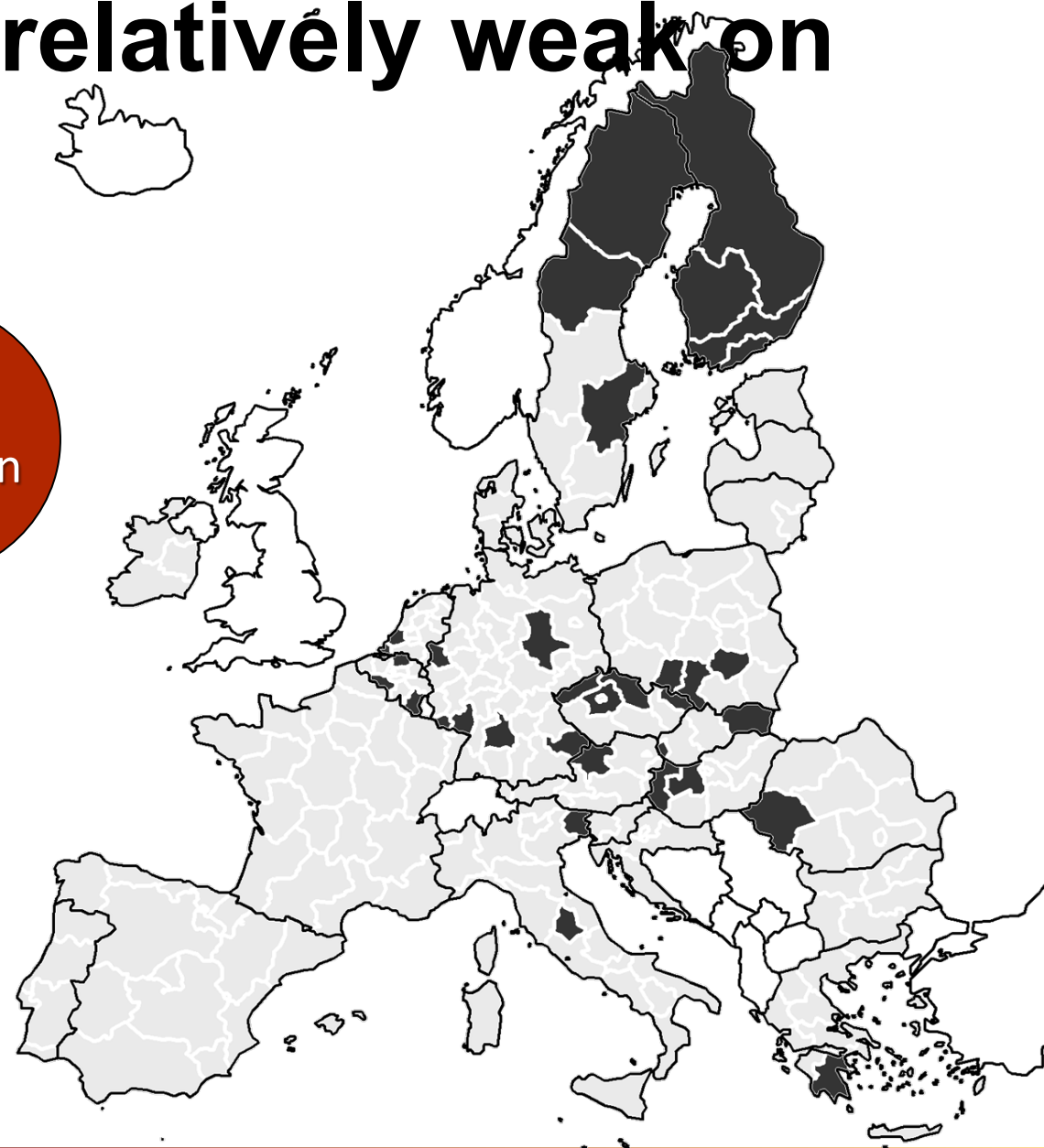




Identifying socioeconomic vulnerabilities



Vulnerable regions are relatively weak on GDP and wages



GDP per capita

Employee Compensation

Net Migration

Educational Attainment

Broadband Access

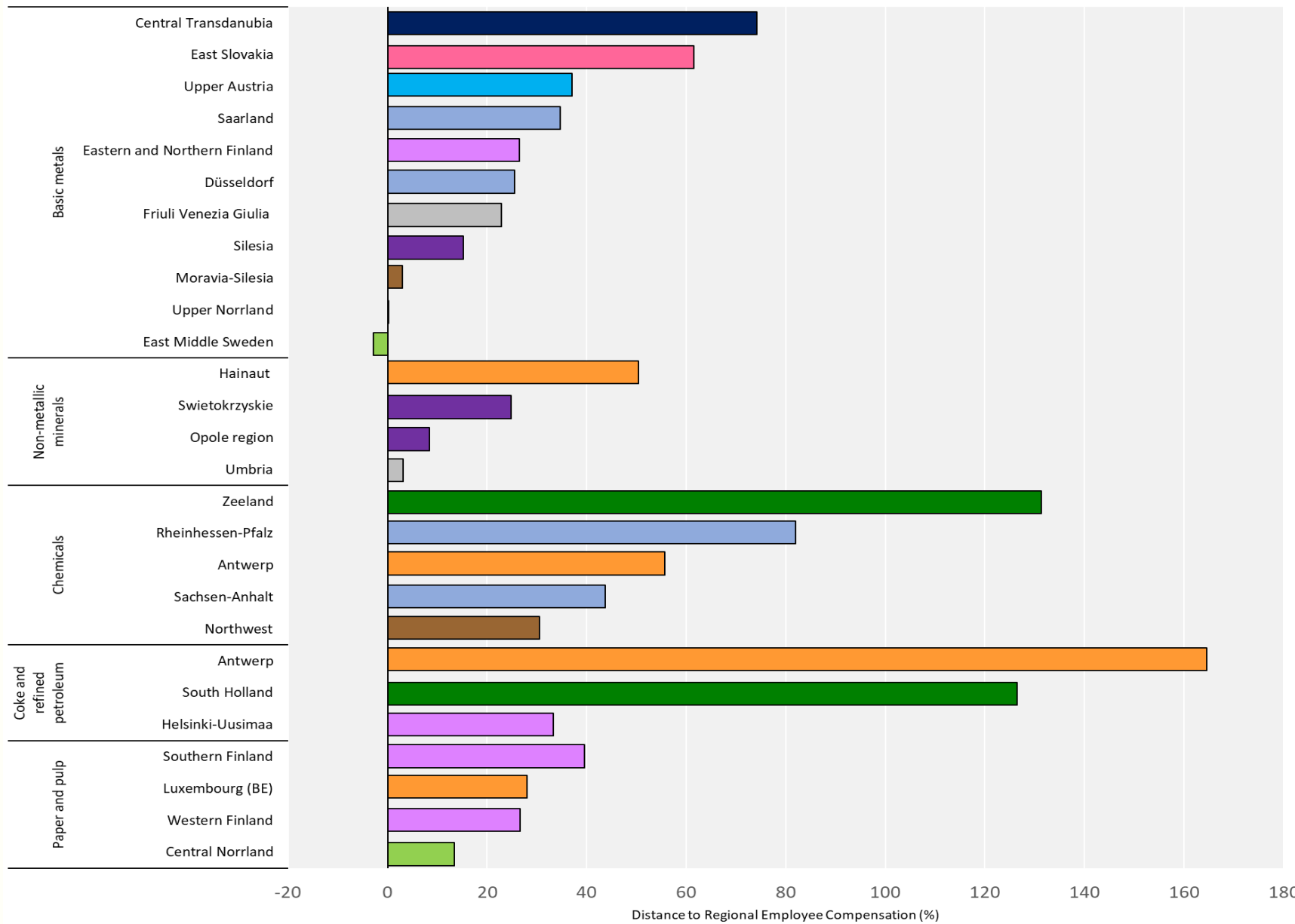
Poverty Risk

Unemployment Rate



Key sectors provide well paid jobs

AT BE CZ DE FI HU IT NL PL SE SK





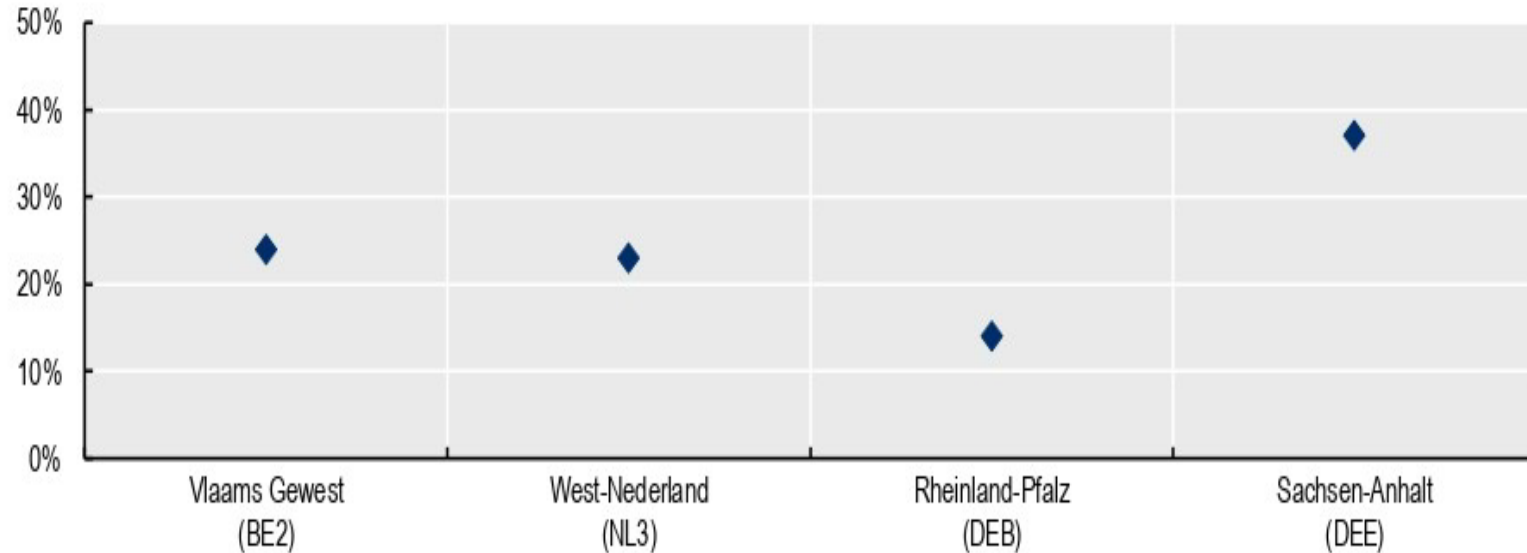
Worker vulnerabilities differ across regions



The vulnerability of workers to low earnings
Manufacture of chemicals(NACE 24)

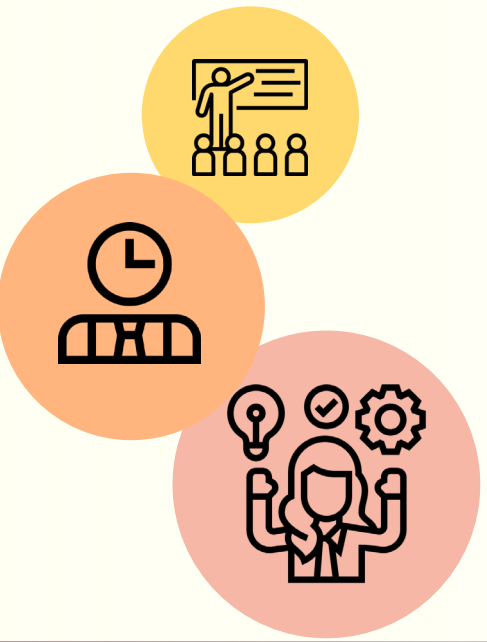


Share of all workers in region-industry earning below national median



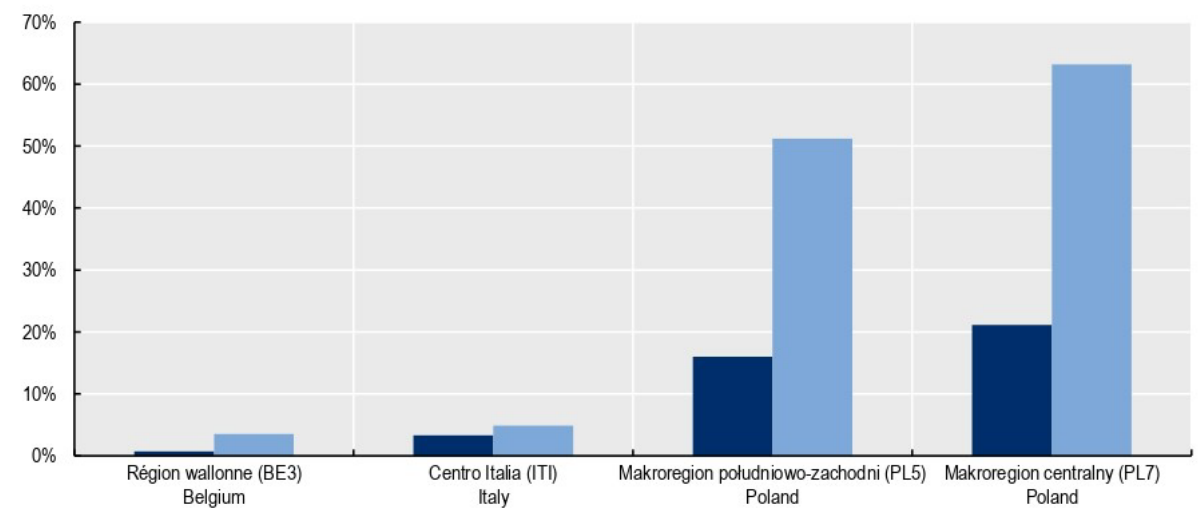


Temporary contracts and low skill occupations may hold back reskilling especially among young workers.

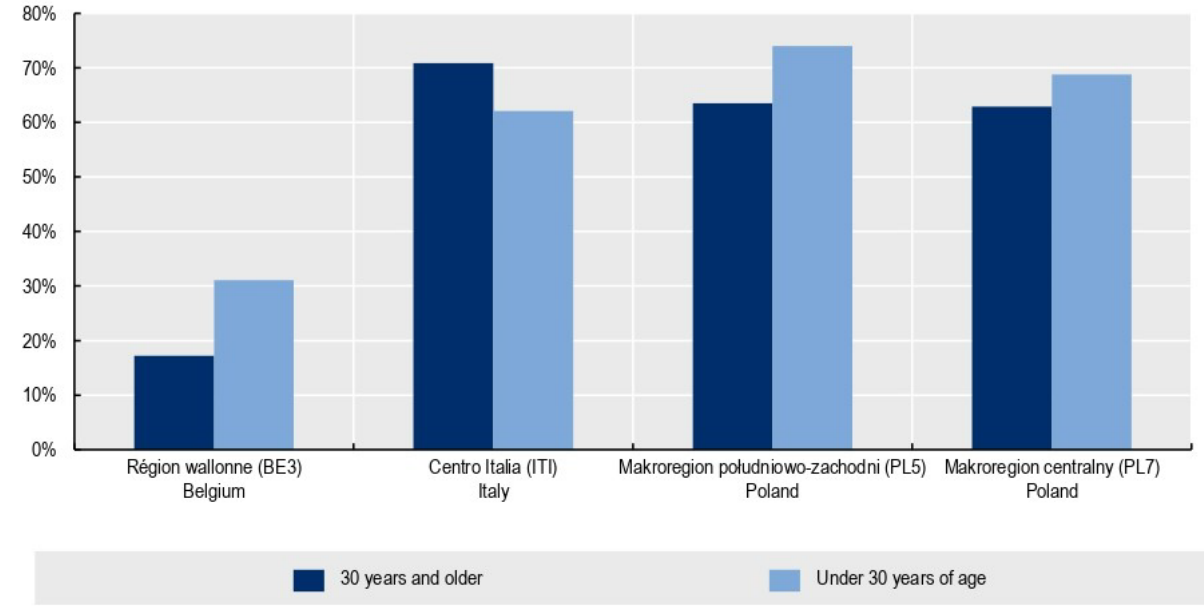


Manufacture of non-metallic minerals (NACE 23)

A. Share of temporary workers

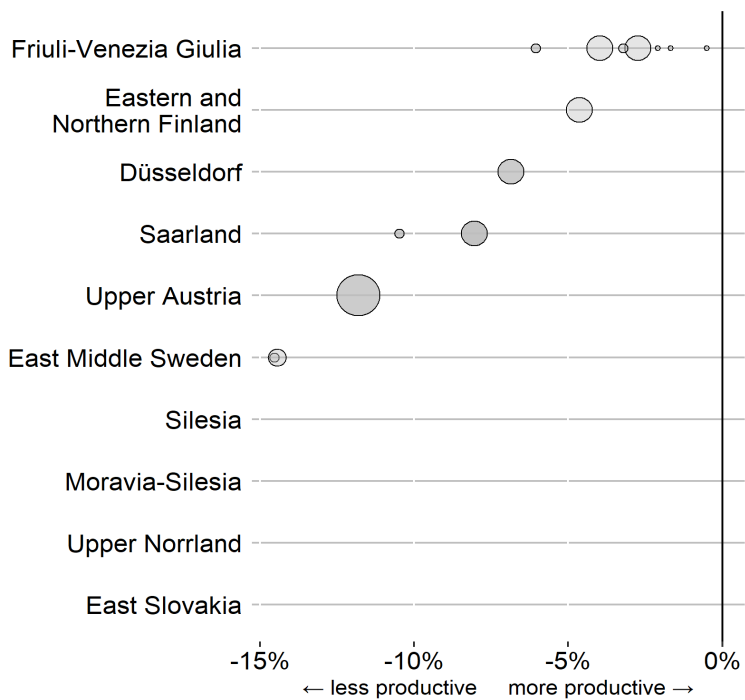


B. Share of workers in low-skilled occupations

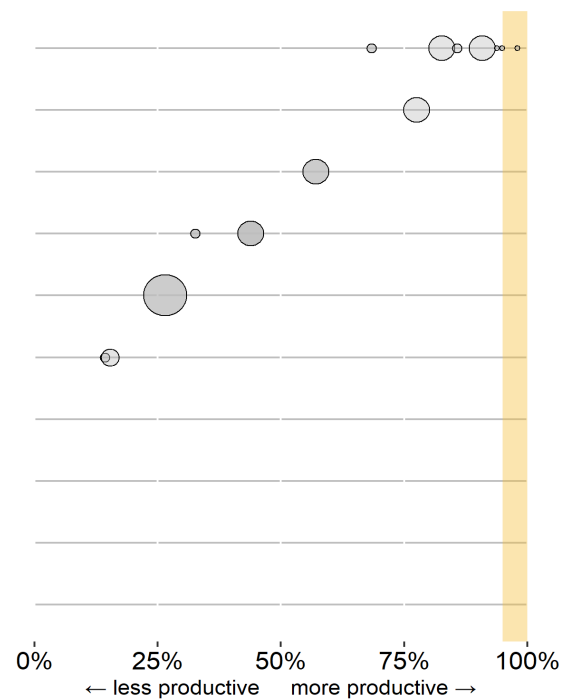




Steel
Distance to the frontier



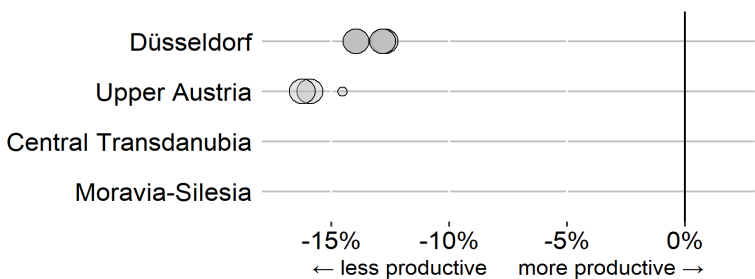
Steel
Distribution across firms in EU ETS



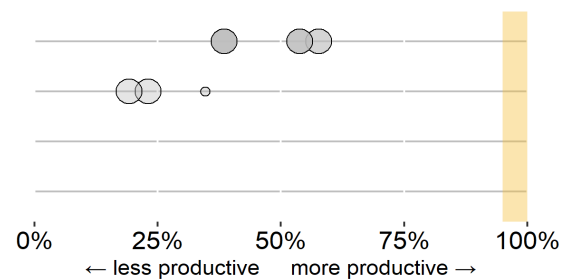
Regions with less productive firms may be more vulnerable

Firm productivity across most vulnerable regions for basic metals

Aluminium
Distance to the frontier



Aluminium
Distribution across firms in EU ETS



Number of employees: ◦ 0-100 ◦ 100-500 ◦ 500-1000 ◦ 1000-5000 ◯ 5000+

■ Frontier


Thank you!

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The background features a light blue gradient with several white-outlined hexagons of varying sizes. Some hexagons are filled with a green leaf-like texture. A network diagram with white lines and small blue circles is visible on the left side. The text is centered in a bold, dark blue font.

**Presentation of the activities
and the focus areas of the JTP
Working Groups**

Progress of the JTP Working Groups

Steel

8 core members
8 close observers

Cement

6 core members
7 close observers

Chemicals

13 core members
7 close observers

Horizontal Stakeholder Strategy

20 core members
42 close
observers

142 WG members selected in total (1st, 2nd and 3rd circles)

2 WG meetings held in Nov. 2021 and Feb. 2022

Core members **drafted the WGs' Scoping Papers**

Close observers were **consulted on the draft WGs' Scoping Papers** to provide feedback and suggestions.

The final WGs' Scoping Papers are **published on the JTP website**



Scoping
Paper

- The Scoping Papers are the **first documents of the Working Groups**
- They lay down the **foundations of the preparation of the Implementation Plan.**
- The Scoping Papers describe the **challenges and focus areas** identified by the core members of the WGs

More information on the JTP website!



Just Transition Platform Working Groups

Home >

PAGE CONTENTS

About the Working Groups

Objectives

Membership and operation

Activities and milestones

News

About the Working Groups

The Just Transition Platform (JTP) manages four dedicated Working Groups for carbon-intensive regions. Launched during the [JTP Meeting](#) in November 2021, these groups bring together all stakeholders from across Europe, with a common concern for the people and places affected by the transition to a climate-neutral economy.

The Working Groups for **Steel**, **Cement** and **Chemicals** each have a focus on a specific carbon-intensive sector that is heavily impacted by the transition, while a fourth Working Group focuses on **Horizontal Stakeholder Strategy**.

For information about working groups and stakeholder dialogue linked to the coal regions in transition initiative, you can visit the initiative's [connecting stakeholders](#) web page.

Objectives

Through principles of problem-solving, advocacy and stakeholder inclusion, the Working Groups provide a forum for strategic exchange on challenges shared by stakeholders involved in the transition process in carbon-intensive regions. They aim to:

- establish and strengthen networks of stakeholders;
- develop a common vision of the just transition for all people involved in the process;
- collect and share knowledge and good practices on challenges, impacts and strategies;
- find practical solutions and tools to tackle local challenges and mitigate the adverse effects of the transition process;
- support the Commission in identifying and developing inclusive approaches to the transition in carbon-intensive regions.

The sectoral groups focus on challenges and perspectives for their respective sectors. They aim to ensure that the decarbonisation of the respective industry happens in a fair way, leaving no one behind. The horizontal group will tackle common, cross-thematic issues in the most-affected regions and engage all stakeholder groups.

Membership and operation

The Working Groups' members come from national, local and regional authorities, associations representing regional, local, urban and other public authorities, organisations representing economic and social partners, and bodies representing civil society, such as non-governmental organisations.

Each group is chaired by the JTP Secretariat, managed by an external contractor under the supervision of the European Commission's Directorate-General for Regional and Urban Policy. The Working Groups do not have the status of Commission expert groups.

STEEL
List of members
Email: steel.wg@justtransitionplatform.eu

CEMENT
List of members
Email: comant.wg@justtransitionplatform.eu

CHEMICALS
List of members
Email: chemicals.wg@justtransitionplatform.eu

HORIZONTAL
List of members
Email: horizontal.wg@justtransitionplatform.eu

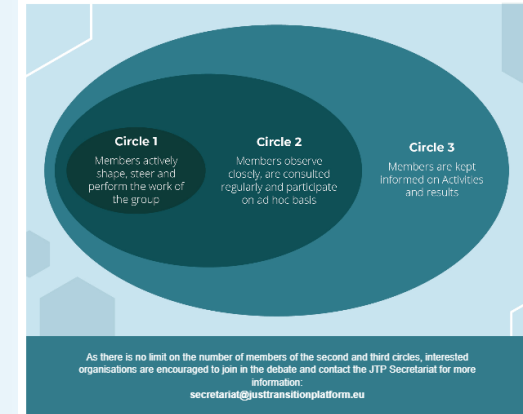
News
Follow the latest news on the JTP, including from the Working Groups:
04/04/2022
Just Transition: Share your good practices and projects

Membership and operation

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Members were selected following a call for expression of interest launched in September 2021. Each group has three 'circles' of members. The first circle consists of up to 20 members who actively shape, steer and perform the work of the group. These core members also support actions of their Working Groups in the implementation phase. A second circle of close observers participates in some of the group's work on an ad hoc basis and is consulted on a regular basis. The third circle is kept informed on Working Group activities and results of the work.



Horizontal Stakeholder Strategy Working Group

Main challenges

- The role and engagement of social partners and civil society in the development of the TJTPs is insufficient in many countries and regions.
- Decarbonisation is still seen as a threat in most regions
- Disinformation and misinformation on the transition is circulating.
- The main challenges for the WG is to achieve sufficient stakeholder consultation and engagement in the transition process.
- We also need to increase the level of stakeholder involvement and its effectiveness

Focus Areas

Horizontal Focus Areas

1. Communicating and raising awareness around just transition
2. Stakeholder identification and stakeholder involvement (measuring, monitoring and impacts)
3. Knowledge exchanges across the EU on just transition lesson learnt

Stakeholder group-specific Focus Areas

4. Engaging the 'hard-to-reach' and 'vulnerable' groups
5. Supporting capacity building of stakeholders
6. Engaging social economy, research and private sector in planning and implementation process
7. Strengthening social dialogue

Horizontal Stakeholder Strategy Working Group

Communicating and raising awareness around the just transition

Why?

- Resistance slows transition, which has worse impacts
- Misinformation and disinformation about the transition
- Enhances engagement in design and implementation

What?

- Identifying what needs to be communicated
 - Rationale
 - Design and implementation process
 - Practice
 - Progress / milestones
- Identifying how to communicate that information
 - Transparency and targeting
 - Localising information where needed

Approaches for Actions

Collecting good examples / analysing barriers to awareness / developing guidelines / advice on information campaigns etc.

+ Exploring regional transition observatories or centres: potential, guidance, barriers and support needs

Steel Working Group

Main challenges

- Steel production **that is largely greenhouse gas neutral** is a great technological challenge, but possible.
- The social implications result not only from the direct conversion of steel production, but arise along the entire value chain.
- Education and training are two key factors in countering job losses.
- Social acceptance and participation are further key elements. From a social perspective, a gender-specific view is also important.

Focus Areas

1. Regional labour market: Assessing the impact of transition on the workforce

Adequate resources, new jobs linked to circularity, employment consequences, social dialogue, ...

2. Environmental dimension of a Just Transition

Recycling, carbon reduction, carbon avoidance, ...

3. Governance: The issue of governance in the Just Transition

Steel Working Group

The issue of governance in the steel just transition

Challenges:

Starting from recognition of the multidimensional nature of the transition of the steel industry, the governance issue raises challenges concerning the capacity of public institutions:

- to promote collaborative decision-making;
- to manage the transition according to just and inclusive principles.

Approaches for Actions: The implementation phase should:

- appreciate the wide range implications of the transition to clean steel related to, for example, production processes, employment and training, territorial reconversion, communities' promotion;
- identify ways to strengthen democratic participation; enhance multi-level, coherent, and long-term planning and targeted administrative actions for steel workers, families and communities;
- embed the JT principles of social justice and equity in the planning, legislation and evaluation of processes concerning the transition of the steel industry, of steel territories and communities with specific attention to vulnerable groups.

Cement Working Group

Main challenges

- Process-related CO₂ emissions can only be avoided through industrial Carbon Capture and Storage (**CCS**) and Carbon Capture and Usage (**CCU**)
- Significant need for **infrastructure** for CCUS
- New production processes will require **new skills**: prevent shortages and mismatches at regional and national level
- Effective **partnerships** will be needed at regional level
- (Public) **acceptance** of the necessary transition-related activities and dealing with **distributional consequences**

Focus Areas

1. **Regional labour market** - assessment of the impact of the transition on the workforce
2. **Governance and networks** - need and challenges for public-private cooperation for a just transition in the cement industry
3. Socio-economic and infrastructural impacts - **regional attractiveness and identity**

Cement Working Group

Governance and networks: public-private cooperation

Importance and significance of the problem: 94 mio. t. CO₂ in 2021, carbon leakage risk, negative regional socio-economic impact risk

Hypothesis: New infrastructure and value chain is required – carbon capture, usage and storage (CCUS)

Challenge: Accelerated public-private cooperation on open-access CCUS infrastructure, enabling market models for carbon management

Opportunities: Open-access public “grids” (electricity, natural gas, water), popular resistance to polluting CO₂-transport by trucks and shipping is massive

Approaches for Actions: Systems thinking –> open access CO₂ pipeline infrastructure –> market models including voluntary carbon credit markets (e.g. willingness to pay for carbon-neutral cement)



Chemicals Working Group

Main challenges

- Shift from fossil fuels towards carbon-free energy sources challenging due to high dependency on fossil fuels of the sector
- Availability of renewable energy decisive for the transition
- Infrastructure investments needed to develop/use new technology & ensure competitiveness
- Support for the labour market concerning avoidance of job losses (re-/upskilling, creation of new jobs)

Focus Areas

1. Strengthening the role of regions in the multi-level governance
2. Enhancing industrial networks for transition
3. Supporting innovation at the infrastructure level
4. Supporting labour market and employment in the chemical industry
5. Supporting welfare systems and care economy for the affected communities in chemicals-heavy regions

Chemicals Working Group

Strengthening the role of regions in the multi-level governance

Challenges:

Local and regional authorities are dealing with the challenges on the ground and they should have a bigger influence on the undertaken decisions:

- Coherent, integrated policy,
- Assessment of the needs and consequences,
- Cooperation with regional stakeholders,
- Specific measures for the implementation

Approaches for Actions:

- Additional support for regions to scale-up the renewable energy projects
- Exchange of the best practices and support the inter-regional cooperation
- Green public procurement
- Regional one-stop-shops
- Campaigns to raise the public awareness



3

Next steps

Next steps



3rd WG meeting

May

**JTP
Event**
10-12
May



WG meeting
September (*tbc*)



WG meeting
November (*tbc*)

**JTP
Event**
November



5th WG meeting
May (*tbc*)

2022

2023

Development of Actions

Implementation of Actions



**Scoping
Paper**



**Draft Implementation
Plan**
October



**Final Implementation
Plan**
January

Join the Working Groups!

The JTP Working Groups are still open for application of new members!

If your organisation would like to join:

- one of the three sectorial Working Groups (Steel, Cement, Chemicals) as a **core member (1st circle)**
- or one of the four Working Group as a **close observer (2nd circle)** or an **observer (3rd circle)**,

Contact us at: secretariat@justtransitionplatform.eu

Visit the [JTP website](#) for more information on the Working Groups' activities and membership!

Thank you

Presenter: Elodie Salle, JTP Secretariat

Contact: secretariat@justtransitionplatform.eu

