

Towards a just transition for the Upper Nitra region

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This study is as an invitation and starting point for discussion and collaboration about just transition in the upper Nitra region of Slovakia. It outlines the criteria for prioritising projects that can have a positive impact for the region's re-development. The study also describes the limited role for fossil fuel companies so that these do not undermine the transformation process and the future of the region.



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Contents

1. Introduction to the current situation
2. Assessment of participation and support for communities, including municipalities;
3. Criteria for prioritising projects
4. Criteria for fossil fuel company projects

1. Introduction to the current situation

Transformation in a region where an end to coal was nowhere in sight just two years ago

Mining will come to an end, and with respect for the past, we are looking for new opportunities for prosperity in the region.

Talking about the necessity of preparing for life after coal period was almost a heroic act just two years ago. Organising any activities – roundtables, discussions, invitations to create an action plan – resulted in a backlash ranging from electronic campaigns and miners demanding to know about a post-coal future from local politicians. Addressing the situations of specific individuals is difficult, especially if an employer is not actively involved in planning the future of the region.

On 12 December 2018 Slovakia announced that 2023 would be the last year of state aid for the production of electricity from coal, causing even more uncertainty for the region while underlining the necessity of planning for its transformation. How the extraction of coal will be wound down without state aid remains an issue.

Indeed, the government did not clearly announce a complete phase out from coal mining, nor did it offer an opinion on the opening of a new mining field in the territory of Opatovce nad Nitrou. At the same time, the regional council in Trenčín (TSK) refused to add the relocation of a railway line and of the Nitra river to a new land use plan from May 2018, which is a crucial precondition for the continuation of mining after 2023.

Communal elections in November 2018

The districts of Prievidza and Partizanske belong to the Upper Nitra area in the Trenčín region. The largest towns are Prievidza, Partizanske and Handlova. In the first two cities, the candidates who openly expressed their views on the issues of a post-coal era and on the state of the environment achieved a strong victory in the communal elections. In Prievidza, the pre-election campaign was strongly focused on the topic of mining, and the owner of the private company HBP even publicly expressed its views on the elections. In the town of Handlova, the long-standing mayor and co-owner of the mine has not managed to defend his position and was replaced.

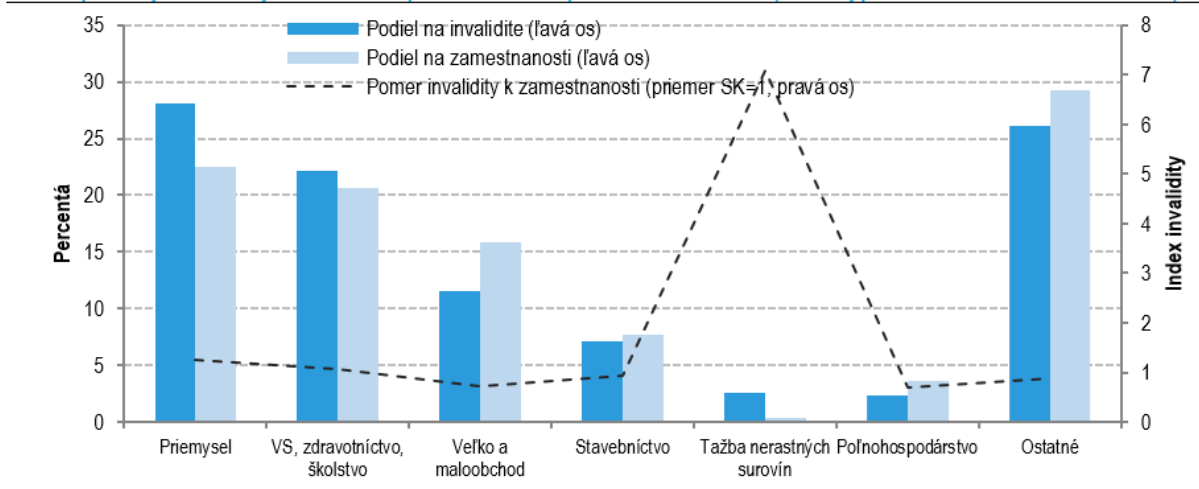
The impact of mining on health

Historically youth were taught a strong respect for the mining profession at school. Coal was one of the most important sources of energy, but at the same time, coal mining was and is still associated with increased risks of work accidents and illnesses.

HBP is the only coal and lignite mining company in Slovakia, and the National Centre for Health Information states that mining had the highest number of occupational diseases in the last four years (2014-2017), in each year 2015 (37 cases), 2016 (38 cases) and 2017 (29 cases).

The impact of the mining industry on the invalidity rate is seven times higher than in other sectors.

Podiel priznaných invalidných dôchodkov podľa odvetvia v pomere k ich veľkosti (meranej podielom zamestnanosti odvetvia)



Zdroj: Sociálna poisťovňa, administratívne údaje, Eurostat

Source: IFP, 2018, [available online](#)

The impacts of coal mining and combustion on the environment

A coal-phase out by 2023 in Novaky would reduce the impact of extracting and burning coal, a toll estimated at EUR 160-500 million annually. ⁱ

The European Pollutant Register has identified 53 pollutants from coal-fired power plants that contaminate air, water and soil. ⁱⁱ

Climate impact

Up to half of the greenhouse gases produced by Slovakia come from the power industry, and most originate from burning coal, with brown coal as the most polluting fuel. Ending coal mining and combustion at Novaky will reduce greenhouse gas emissions by at least six per cent and will significantly contribute to meeting the Slovak climate goals. ⁱⁱⁱ

Air pollution

According to the World Health Organization (WHO), air pollution is one of the most significant impacts on our health. The latest European Environmental Agency report on Slovakia estimates nearly 6 000 people die prematurely as a result of low air quality.

Impacts on water

At a meeting of the local working group for the transformation of the Upper Nitra region, the drying up of streams in the villages of Cigel and Sebedrazie is often discussed. The lack of water has also complicated life for farms in Sebedrazie. HBP polluted the 'Takov potok' fishing ground in March 2018, for which it could be fined up to EUR 165 000. ^{iv}

The Nitra River should not be displaced for water protection

The Slovak University of Agriculture states that the Nitra river is one of the most polluted rivers in Slovakia. Industrial enterprises, especially the chemical plant in Novaky, HBP and the Novaky power plant are significant sources of pollution for the river.^v Under the EU Water Framework Directive, Slovakia has an obligation to prevent any activity that could worsen the state of the Nitra river, especially if this authorisation was granted before 2021.^{vi vii}

It is also important to consider the following part of the Mining Act no. 44/1988: (10) "The extraction of an exclusive deposit must not be stopped until it has been ensured that its later mining will be technically feasible and economically efficient and safe, unless the cessation of mining requires an important public interest, in particular, the safety of life or the protection of human health."^{viii}

People's health, clean air, water, soil and climate protection are an important public interest that should take precedent over the interests of a private mining company.

Economic and social aspects

Slovakia faces a phenomenon it has not encountered in the last 25 years. The lowest unemployment rate on record is putting pressure on businesses across the country, as people find it difficult to recruit new labour to the workforce. Even Slovak prime minister Peter Pellegrini stated a lack of a qualified workforce as one of the country's main problems. With the unprofitable mining of the most polluting fuel being subsidised until 2023, mostly to maintain these jobs, it is important not to lose sight of the fact that even employers in the Upper Nitra area have a lack of skilled workers.

2. Assessment of participation and support for communities, including municipalities

An Action Plan for the Upper Nitra Region Transformation has been under preparation since January 2018, with government approval slated for April 2019. Led by the Deputy Prime Minister's Office, the plan is being prepared with local working groups in cooperation with a private consultancy, TSK, and the Association of Municipalities of the Upper Nitra area (ZMO HN).

Office of the Deputy Prime Minister

The plan to change the focus of the region's economy in the medium and long term must be transparent and comprehensive and emphasise sustainable development and environmental protection. There are concerns that support for HBP will come at the expense of other entities in the region. When Maroš Šefčovič, Vice-President of the European Commission, Richard Raši, Deputy Prime Minister, and Peter Žiga, Minister of Economy, announced in December 2018 an end to subsidies for domestic coal from 2023, Raši also suggested that future projects for the transformation of the region would be done by HBP. Similarly, the original draft document on ending coal mining support from the Ministry of Economy prepared in November 2018 contained exclusively HBP projects, despite the fact that more than 30 entities submitted proposals in March and April 2018.

The requirement to organize a broad public debate by preparing a good communication strategy to ensure stakeholder engagement is an essential part of the working group. However, the Office of the Deputy Prime Minister has so far not responded to such requests in any way. Only public presentations and hearings have been promised to organisations that have already submitted projects, with the deadline for submissions continually being revised. So far questions of how to mobilise the public to further create and improve projects, increase the willingness and readiness of people to start their own businesses in the long term, or

to further the efforts of local workgroups remain so far unanswered. Local entities that submitted project ideas in March and April 2018 have yet to receive any official feedback from TSK.

The Office of the Vice-President of the Slovak Government for Investment and Information does not communicate transparently, and information about the National Working Group, Rules of Procedure and minutes are not properly published on the office's website.

Local municipalities

Transformation cannot happen only by investors from outside. Development must include local governments, municipalities and communities. Municipalities are democratically elected and should therefore have priority access to public funding. Municipal enterprises may not only generate short-term profit but may focus on social and environmental added value, for example, through the re-qualification of unemployed workers and the greening of cities and municipalities improving air quality. At the same time, they can provide job opportunities for people with just primary and secondary education.

Some proposals were already submitted by local governments and should be considered good examples, like in Prievidza where a municipal social enterprise for flower and tulip cultivation is proposed, the city spa complex in Handlova, or a home for social services in Krasno.

Civil society organizations

One example of redevelopment comes from the NGO Jasmine in Handlova, which provides social services and is considering tutoring for unemployed and hard-to-employ people. Tutors will lead and motivate clients towards positive thinking, in order to increase their self-esteem, healthy self-confidence, and activities for personal growth, showing them ways to solve unemployment. This project worked well in Handlova, and this experience could be extended elsewhere.

3. Criteria for prioritizing projects

We propose these criteria for prioritising projects to secure just transition with the most benefits:

- ✓ Tailor transformation to regional needs, with an emphasis on broad public participation; activities that do not comply with the partnership principle should not be funded;
- ✓ Support projects that lead to a net zero carbon economy;
- ✓ Invest in self-government projects, family, small and medium-sized enterprises, and involve local people and civic organizations during project selection;
- ✓ Focus on projects that have positive social impacts, like long-term employment, for example, and enterprises for retraining; and
- ✓ Support quality work with:^{ix}
 - Good wages;
 - Reliable employment and affordable social protection;
 - Lifelong learning opportunities;
 - Safe and healthy workplaces;
 - An appropriate work life balance; and
 - Representation of trade unions and bargaining rights.

4. Criteria for fossil fuel company projects

We propose these criteria for companies with a high proportion of fossil fuels in their energy and entrepreneurial portfolio:

- ✓ Fossil fuel companies should be eligible to draw EU funds only after they deliver a decarbonisation plan that is in line with the obligations of the Paris Agreement. The first emission reductions must be measurable already during the implementation of the project supported by EU funds.
- ✓ No financial support should be directed to companies planning new extraction or new energy production from fossil fuels, including the purchase or upgrade of existing fossil fuels activities. There is a risk that investment in fossil-fuel infrastructure projects will lead to the construction and prolongation of the lifetime of unnecessary resources that will produce overpriced energy.
- ✓ Any support from EU funds to companies involved in the extraction and production of energy must lead to an absolute reduction in greenhouse gas emissions in both the short and long term.
- ✓ The reclamation of land affected by mining and coal burning, mining works and the decontamination of buildings in the areas affected by mining should be in line with statutory requirements funded by the mining company from the provision of reserves so as to comply with the polluter pays principle and public finances. EU funds have not replaced the statutory obligations of private polluters.

Cover photo: Municipality of Prievidza

This publication has been prepared with the financial assistance of the European Union, the Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit and the European Climate Foundation and the European Climate Foundation. Its content is the sole responsibility of CEE Bankwatch Network and can under no circumstances be regarded as reflecting the position of the donors.

Supported by:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety



European
Climate Initiative
EUKI



European
Climate
Foundation

based on a decision of the German Bundestag

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