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Status of the Territorial Just Transition Plans in central and eastern Europe

July 2021 update



Photo credit: Katerina Davidova

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Introduction

European Union Member States are required to produce Territorial Just Transition Plans (TJTPs), which are a precondition to access the Just Transition Fund (JTF), worth EUR 17.5 billion.

The plans outline: the expected transition process of the countries participating in the process; the most affected territories and the impact that the transition will have on them; what operations are envisaged; and how the process will

ensure public participation, monitoring and evaluation. CEE Bankwatch Network has been actively involved in the TJTP development process since these plans were announced in the JTF Regulation proposal in January 2020. The European Commission announced that it will offer technical assistance for the development of the TJTPs to all 18 countries which requested it so that the plans are finished by the end of the year. In July 2020, Bankwatch launched a checklist with recommendations for each section of the plans.¹

In our March 2021² update briefing, the focus was mostly on the state of the TJTP process in each country, slight improvements in the facilitation of public participation and the disproportionate influence of the coal industry on the development of the plans.

In this July 2021 edition of the briefing, we continue to focus on the elaboration of the TJTPs in seven central and eastern European countries: Bulgaria, the Czech Republic, Estonia, Hungary, Poland, Romania and Slovakia. The briefing analyses the current status of the TJTPs on two key issues: their alignment with the EU's partnership principle, which requires stakeholder participation in all stages of the planning and distribution of EU funds, and their commitments on decarbonisation and energy transformation. The briefing also provides recommendations for how the European Commission and national governments can improve the process in the upcoming months, as TJTPs are finalised.

I. The partnership principle in TJTPs' development

Design of the process

Each country has designated a ministry which is the beneficiary of the technical assistance from the EU for drafting the TJTPs. These ministries are also in charge of overseeing the preparation of the plans, including the work of the consultants hired to support the TJTPs' drafting.

- **Bulgaria** – The Ministry of Energy is beneficiary of the technical assistance, which is carried out by PricewaterhouseCoopers (PwC). The team that leads the development of the plan consists of 15 people and includes PwC international experts, representatives of ministries and energy experts. Among them are scientists, business representatives, and former leaders in the energy sector, including two former managers at coal-fired power plants who are in favour of preserving the coal industry.
- **Czech Republic** – The Ministry of Regional Development is responsible for the TJTPs' preparation. Ministries and coal region governments participate in the preparation team, and the steering committee coordinates the communication with the European Commission and technical assistance team. The outcome reports of the technical assistance are publicly accessible. Two outcomes were published in English and presented at the Czech Transformation Platform meetings. Under the technical assistance, two

¹ CEE Bankwatch Network, '[Territorial Just Transition Plan Checklist](#)', 23 July 2020.

² CEE Bankwatch Network, '[Status of the Territorial Just Transition Plans in central and eastern Europe](#)', 3 March 2021.

workshops for non-governmental organisations (NGOs) and small and medium-sized enterprises (SME) were organised, as well as several individual interviews with representatives from the bigger companies and the government sector. It is likely that other forms of communication and coordination exist between the Ministry of Regional Development and the technical assistance team.

- **Estonia** – The process is led by the Ministry of Finance, who is at the head of the steering committee. At the local level, the regional platform is responsible for gathering inputs for the independent study, which will be approved by the government. There is no technical assistance consultant in Estonia.
- **Hungary** – The Ministry of Innovation and Technology is responsible for the TJTP process and commissioned a management consultant consortium led by KPMG to conduct background and field research and interviews on just transition, as well as a study for each of the three involved counties. They will also co-organise a series of partner workshops and consultations.
- **Poland** – In parallel to the Ministry of Climate and Environment’s development of a National Plan for Just Transition, work is underway on TJTPs in each of the six provinces that make up the coal regions. Seven plans for sub-regions have been prepared. PwC is responsible for conducting the technical assistance for the development of TJTPs in these regions. In the regions, the work on the plans is coordinated by the Marshal Offices, which have set up special working groups composed of representatives of the European Commission’s Directorates-General, national government administration (Ministry of Economy and Labour, Ministry of Funds and Regional Policy, parliamentary commissions and subcommittees), voivodship offices, regional development agencies, local governments, chambers of commerce, business environment organisations, non-governmental organisations, scientific organisations, research institutions, trade unions and the media.
- **Romania** – The Ministry of Investments and European Projects is the beneficiary of the technical assistance for TJTPs. The consultant has produced two deliverables: an inception report³ and a stakeholder engagement strategy.⁴ Furthermore, six workshops for the selected regions were held with the working groups, as well as a final workshop with all the regions.
- **Slovakia** – The Ministry of Investment, Regional Development and Informatisation is the beneficiary and leads the process of TJTP development. The consultants produced four deliverables. The final deliverable, a ‘Report on the challenges, needs and action plans at the most affected territories’, was sent by the Ministry to all members of the working groups on 10 May 2021, with a deadline for commenting and providing input by 23 May 2021.

³ Frankfurt School of Finance and Management, [Support to the preparation of Territorial Just Transition Plans in Romania – D1 Inception report](#), 29 December 2020.

⁴ Frankfurt School of Finance and Management, [Support to the preparation of Territorial Just Transition Plans in Romania – D2. REPORT ON PROPOSAL FOR A STAKEHOLDER ENGAGEMENT STRATEGY](#), 6 April 2021.

Status of the working groups

Our March briefing mentioned that working groups were established in each country in order to ensure a participatory process in the design of the TJTPs. This update focuses on the status of these working groups, which are key for the development of the draft TJTPs.

Our March briefing mentioned that working groups in **Bulgaria** would be set up; however, a few months later there are still no working groups. The consultant organised several meetings with selected stakeholders from municipalities and business and NGO representatives to collect their input. So far, there has been no feedback or any draft documents released by the consultant that would allow us to assess how the stakeholders' input was considered. In the **Czech Republic** the Transformation Platform is still the main working group, with approximately 30 stakeholders. The meetings are informative and the members are invited to ask questions and provide comments on the TJTP. However, at the regional level, the status of the working groups is quite different. There is one working group for the Karlovarský region, but in the other two regions (Ústecký and Moravskoslezský), transformation platforms are inactive or non-existent. At the moment, the TJTP is being finalised: the regional governments are deciding on the areas of support and planned allocations. Furthermore, the regional permanent conference is evaluating strategic projects and will ultimately select the projects that will be financed from the JTF. The regional permanent conference is a body responsible for regional development whose members are selected by the regional governance under specific rules, and they include municipal, business and NGO representatives.

In **Estonia** the working groups hold semi-regular meetings. In **Hungary**, the Ministry of Innovation and Technology and the KPMG-led consortium co-organised four rounds of workshops. Their invitees consisted of county stakeholders – county municipalities, companies, universities and a few NGOs active in the area. This semi-open participatory process has included personal interviews and one launch workshop in each of the three just transition counties in February 2021, followed by SWOT workshops in March, dissemination/validation workshops in mid-May and a final workshop in early July 2021. In May, summaries from the draft 'Just transition county study' with draft operational project calls were shared with the participating stakeholders and partners for their comments. These and the workshop outputs will be fed into the draft Hungarian TJTPs, which will become annexes to the new Environment and Energy Operational Programme (KEHOP+) priority 5 - Just Transition. The pool of stakeholders included in the working group evolved organically. The first group of local partners was hand-picked in each county, and they recommended additional partners. The planners were open to involve and hear the stakeholders – however, as the pool grew, it unfortunately did not lead to improved participation.

In **Poland**, the working groups continue to operate in the regions. In the more progressive regions, the groups will probably be transformed into monitoring committees. In five regions – Eastern Wielkopolska, Western Malopolska, Silesia, the sub-region Walbrzych (Lower Silesia region) and the sub-region Belchatow (Lodz region) – representatives of civil society organisations, including Polish Green Network, are members of working groups. In the region of Lublin, NGOs were not admitted to the process and the public was not informed about the process. Representatives of environmental

organisations including Polish Green Network also take part in the meetings of the Permanent Subcommittee on Just Transition in the Polish Parliament and are invited to meetings of the working group on Programming the Just Transition Fund at the Ministry of Funds and Regional Policy.

In **Romania**, the working group for the Gorj region was active with back-and-forth feedback on each deliverable. In-person meetings were also held with the working group, and Bankwatch representatives were able to attend to one of the meetings. On the other hand, the working group for Hunedoara region was less active. They requested only one round of feedback for the final document, an activity which could not be considered a real consultation. In **Slovakia**, the work of the working group is ongoing. It is still organised in the same way: a national working group from eight ministries⁵) and four regional groups in four different regions (Upper Nitra, Banska Bystrica, Bratislava and Kosice). The four regional working group meetings are held on a monthly basis.

Improvements to the process

In the **Czech Republic**, the most recent version of the TJTP published contains no improvements toward a more participatory and ambitious just transition process. However, the current version of the TJTP was shared publicly, which is a step forward in terms of transparency. On the other hand, in **Estonia** there has been an opportunity to get in contact with officials who are responsible for very specific measure design; this opportunity has been taken as an improvement. In **Hungary**, MTVSZ-Friends of the Earth Hungary together with several other invited NGOs have been vocal and active in the consultation and workshops organised by KPMG, calling for wider consultation and more transparency. They also submitted several concrete recommendations to the draft measures, but it is not clear whether these will be incorporated in the final TJTPs.

A different and more optimistic approach was taken in **Poland**. The regional plans were subject to various forms of open public consultation in five of the regions (meetings, workshops, written comments). The regions differ in the degree of public participation in the process (e.g. the process in Eastern Wielkopolska has been transparent and inclusive from the beginning; in the region of Lublin, civil society organisations did not have access to information on the TJTP development process). For **Romania**, the Ministry of Investments and European Projects published a clear calendar of the process.

Timeline

The timeline for the process of the plans also varies from country to country. Below is the timeline for the upcoming stages in each country.⁶

⁵ Ministry of Investments, Regional Development and Informatisation; Ministry of Finance; Ministry of Economy; Ministry of Labour, Social Affairs and Family; Ministry of Environment; Ministry of Agriculture and Rural Development; Ministry of Education, Science, Research and Sport; Ministry of Transport and Construction

⁶ Bulgaria is not included in this section because information about the timeline is not available.

Czech Republic

July 2021	Select the strategic projects and finalise the plan
August 2021	Strategic environmental assessment
September 2021	Approval of TJTP by government, after the approval dialogue with the Commission
End of 2021	Finalisation of Operational programme for just transition
Beginning of 2022	Launch of the Operational programme for just transition

Estonia

Summer 2021	Finishing TJTP, meeting with European Commission, seminars with partners, developing specific measures
Autumn - winter 2021	Improving TJTP based on the Commission's feedback, government approves TJTP
Beginning of 2022	Approval by the Commission, deployment of measures

Hungary

Spring - summer 2021	<ul style="list-style-type: none"> • Four rounds in total of consultative workshops – one per county (Baranya, BAZ and Heves) and a fourth final consultative workshop • 12 February: launch workshop and interviews • March: SWOT workshop and desk research by KMPG consortium • Mid-May: Presentation of the draft background study summaries with draft measures and related online county consultations • Early July: final workshop with wrap-up of online consultations • Summer: Ministry of Innovation (MoI) will finalise and submit the three TJTPs to the European Commission as Priority 5 of the Environment and Energy Operational Program (KEHOP+) • Summer: Three rounds of comments between the Commission and MoI
Summer - autumn 2021	Improving TJTP based on the Commission's feedback, approval by government
Late 2021 - early 2022	Approval by Commission, deployment of measures

Romania

27 May 2021	County councils held and draft TJTPs sent to the Ministry of Investments and European Projects
28 May - 11 June 2021	The Ministry analyses the documents
14 - 18 June 2021	Final comments from the working groups

Poland

February - June 2021	Consultations in working groups
May - June 2021	Open public consultations in five regions (Eastern Wielkopolska, Western Malopolska, Silesia, Lublin and Lodz) and open meetings with stakeholder groups in two regions (Silesia and Eastern Wielkopolska)
March - June 2021	Consultations in the Ministry of Funds and Regional Policy
End of June 2021	Official date set for sending the plans for consultation by the European Commission

Slovakia

March 2021	Workshops of regions to decide about pillars and priorities in each analysed region
May 2021	Commenting on the report on challenges, needs and action plans (deliverable 4) by the regional and national working groups and the European Commission
May - June 2021	PWC prepares final report (deliverable 5)
June 2021	PWC finalises deliverable 4
June 2021	Ministry submits TJTP to the Commission

Status of local participation in and understanding of the process

Unfortunately, when we compare the overall status of local participation and understanding of the process today with the situation three months ago, there has been little improvement. In **Bulgaria** local participation is still poor; there is no meaningful engagement in the process from the local people and there is a poor flow of information. In the **Czech Republic**, there is poor local participation and understanding of the process. The information is publicly accessible, but is not actively shared. The bigger key players are enabled to participate in the process, but the decision-making is happening at the Ministry of Regional Development and Regional Governance. There is a similar situation in **Estonia**, although the Ministry of Finance is trying to cover the real status by preparing high profile events. The shale oil industry is not communicating clearly with the workers, choosing to make unexpected announcements about a green transition that leave the workers puzzled.

In **Hungary**, the process has significantly improved: the forums held contained innovative forms of online interaction and some of the recommendations from non-governmental organisations were actually built into the plans. Outreach to local stakeholders and workers affected by the process is still limited, resulting in their limited participation and engagement. The consultation was dominated by the non-governmental organisation MTVSZ - Friends of the Earth Hungary, but it is the local voices that need to be further strengthened in the drafting of the measures. The draft TJTPs are not yet public, and only the study and measure summaries have been shared between the forums' invitees. In **Romania** the status has not changed either. In the two coal regions, the local participation and understanding of the process is not ensured. For **Slovakia**, the news is optimistic: the process has followed the steps and deadlines as designed, and the engagement of youth in the transition via online discussions kicked off in May 2021. In **Poland**, interest in the topic is growing, but there is still no widespread involvement. Eastern Wielkopolska, where the authorities have involved all interested parties in the transformation and consultation process, has the most advanced public participation.

Conclusions and recommendations on the partnership principle and public involvement

While some improvements are visible in most countries since our last assessment in March 2021, the application of the partnership principle is not optimal and has not been able to guarantee an inclusive and transparent TJTP development process. One concern is the lack of meaningful engagement from local people and the poor flow of information to them. Lack of local ownership of the transition process could put the success of the just transition at stake, and if this is not addressed in a timely way can create uneasiness regarding EU climate objectives. In order to implement the partnership principle and the principle of 'no one left behind', we would expect that the European Commission and national governments improve the transparency, awareness raising and public involvement in the TJTPs drafting, with special attentions on the regions that lagging behinds on partnership. Specifically, we recommend that the Commission and national governments:

1. **Share all information about the draft plans (including preparatory documents) and timeline of the TJTPs process in the public domain.** Special effort should be made to ensure that the information is accessible and actively shared with local communities.
2. **Organise a public consultation process and strategic environmental assessment for all draft TJTPs.** A target consultation for youth and women should be encouraged and financed following the example of Slovakia.
3. **Establish working groups involving all stakeholders as required by the European Code of Conduct on Partnership** in Bulgaria and also at the local level in the regions where they are missing such (like Ústecký and Moravskoslezský in the Czech Republic and Lublin in Poland).
4. **Require that stakeholders receive feedback on their input, which is required to make the partnership principle effective.** The Code of Conduct also requires that managing authorities provide information on the involvement of partners: a list of partners, actions

taken to ensure active participation, the role of partners, results of consultations and the added-value of partners.

5. The European Commission should **encourage more good public participation practices, better application of the partnership principle and the exchange of practices between regions** before finalisation of the plans.



Maritsa Iztok, Bulgaria. Photo credit: Za Zemiata

II. Decarbonisation ambition of the TJTPs

Overview of the number of regional plans prepared and their relationship to other national documents

In the **Czech Republic** there is one Just Transition Plan at the national level and three TJTPs at the regional level: each region has its own plan (approved in the Ústecký region, in preparation in the Karlovarský region and prepared but not publicly available in the Moravskoslezský region). The regional plans are related to other strategies referred to in the TJTP, but there is no strategy dealing with the phase-out of coal other than the TJTP. In **Estonia**, one plan is prepared, which is a combination of national and regional development plans for the region. The Estonian plan is linked with Estonia's National Energy and Climate Plan (NECP). In **Hungary** three grounding study

summaries with draft measures were presented to the public by KPMG for each of the three counties. The full texts of the plans are not yet publicly available.

In **Poland**, seven TJTPs are being prepared for six regions and one national plan is being prepared. They are related to the National Plan for Just Transition, the Polish Energy Policy, the NECP and the National Environmental Policy. In **Romania** plans are prepared for each of the six counties: Gorj, Hunedoara, Dolj, Prahova, Mureş and Galati. The Gorj plan is related to the Restructuring Plan of Oltenia Energy Complex and the Hunedoara plan is linked to the Strategy for Jiu Valley prepared by PwC. Finally, in **Slovakia** one plan is prepared for the four just transition regions.

Status of the allocation of Just Transition Fund per region

For **Bulgaria** the European Commission has approved funds for three coal regions: Pernik, Kyustendil and Stara Zagora. In the **Czech Republic** the allocation for regions has been set in the following way: 46 per cent is allocated for Moravskoslezský, 39 per cent is allocated for Ústecký and 15 per cent is allocated for Karlovarský, a division that was not welcomed by regional authorities. **Estonia's** government thought about expanding its only just transition region, Ida Virumaa, with the Fund, but quickly gave up on the idea. In **Hungary**, HUF 104 billion (approximately EUR 300 million) from the Just Transition Fund will be allocated in thirds among the three participating counties (Baranya, Heves and BAZ). The situation does not differ much in **Poland**, where the allocation of funds for each region has not been precisely determined yet. The national programme European Funds for a Just Transition will include an allocation for horizontal projects covering all regions (according to the National Just Transition Plan) and an allocation for each of the six regions (TJTPs). The allocation of funds for **Romania** and **Slovakia** have still not been decided and are under discussion.

Overall goal of the plans

In the table below the overall goal of the TJTPs, what the plan represents in one sentence to each country, are outlined.⁷

Country	Overall Goal
Bulgaria	Just transition
Czech Republic	Each region sets their own targets and areas of support
Estonia	Economic diversification
Hungary	Job-creation and economic innovation
Poland	Decoupling the regional economy from hard coal and lignite mining, improving people's quality of life and preventing the development of undesirable social effects
Slovakia	Each region has specific pillars which are then further subdivided into priorities

⁷ Romania is not included in this table.

Coal phase-out timeline in regions

Country	Timeline
Bulgaria	There is no deadline for coal phase-out; elections will be held on 11 July 2021 and the next government may make a decision by the end of the year.
Czech Republic	No coal phase-out date at the national level. The government postponed the decision to the end of the year. <ul style="list-style-type: none"> • Moravskoslezský: the mining of hard coal will end within two years (by 2022 at the latest). • Karlovarský: the only coal company, Sokolovská uhelná, plans to phase out coal by around 2030. • Ústecký: no date.
Estonia	By 2035 at the latest, oil shale electricity generation will end. By 2040 at the latest, shale oil production will end.
Hungary	By 2030, coal will be phased out from energy production by government decree and by 2050 climate neutrality should be achieved. However, closing down all coal/lignite mines and/or a full coal phase-out from household heating is not a clear obligatory part of this commitment.
Poland	The Polish government has declared a coal phase-out by 2049 and region have also set their own various dates for phase-out: <ul style="list-style-type: none"> • Eastern Wielkopolska and Lower Silesia (Walbrzych sub-region): by 2030 moving away from coal in power and heating and achieving climate neutrality in the sub-region by 2040. • Lodz region: closure of power units in the Belchatow Power Plant will take place from 2030 to 2036, completion of ongoing lignite mining in the Belchatow and Szczercow fields in 2026 and 2038 respectively. • Lublin region: by 2040 the hard coal mine plans to reduce coal extraction by almost 75 per cent. • Lower Silesia (sub-region Zgorzelec with Turow mine): end of lignite mine exploitation in 2044. Silesia and Western Malopolska: end of hard coal mine exploitation in 2049.
Romania	The hard coal phase-out date is 2032.
Slovakia	The coal phase-out date is 2023.

CO₂ reduction by 2030

TJTPs should include estimates of how the plan will contribute to CO₂ emissions reductions, taking into account the EU's target of a 55 per cent reduction in greenhouse gas emissions by 2030. The European Commission has already stated that regions that do not provide clear decarbonisation plans will not be able to benefit from the JTF. In **Bulgaria**, the government has been pressuring

Brussels to explain the CO₂ reduction requirements. As there will be elections on 11 July 2021, a new government will be established and may take a stronger stance on CO₂ reduction.

In the **Czech Republic** the government has postponed the decision on the coal phase-out date until the end of the year, and therefore, the current plans for CO₂ reductions are very general and vague. The TJTP states the new European target of 55 per cent, though it does not include a timeline for coal phase-out and emissions reductions. In **Estonia**, oil shale electricity is being phased out, and CO₂ reduction targets are locally planned. In **Hungary** CO₂ emissions reductions have not been a key argument for coal phase-out; rather, economic interest is the main driving force. The annual losses of the Matra power plant in 2020 were one-third of the total TJTP budget, so a faster coal phase-out would save money.

In **Poland**, each region has plans to reduce greenhouse gas emissions. Eastern Wielkopolska plans to implement activities that will result in the reduction of emissions by over 55 per cent by 2030. This includes a reduction of CO₂ emissions in the electricity sector of 90 to 95 per cent by the year 2030, and in the other sectors 80 to 90 per cent by the year 2040; increasing the share of renewable energy sources in total energy consumption to over 32 per cent; and increasing energy efficiency by 32.5 per cent. In Lodz (the sub-region Belchatow), a close to 80 per cent reduction of CO₂ emissions is planned for 2030. In Western Malopolska, the TJTP references the previous EU climate targets for 2030 (40 per cent greenhouse gas reduction, 32 per cent renewable energy source increase and 32.5 per cent energy improvement). Lublin plans a 35 per cent greenhouse gas emissions reduction by 2030. Silesia references the reduction goals set in Poland's NECP (which are unambitious in terms of reduction targets compared to the EU goal and some other TJTPs). Finally, Lower Silesia (the sub-region Walbrzych) has also set its target at a 55 per cent reduction in CO₂ emissions by 2030, and climate neutrality should be reached in 2040. In **Romania**, the TJTPs do not explain how the just transition measures proposed will contribute to CO₂ emissions reductions. In **Slovakia**, most of the regions lack official CO₂ emissions reduction commitments. The only exception is Upper Nitra, where the government confirmed the coal phase-out for electricity production by approving the Transformation Action Plan in 2019.

Status of the project selection criteria

Project selection criteria are key elements to ensure that the investments which will receive funding from the JTF are of good quality. The criteria are part of the investments measures and should be subject to input from stakeholders as part of the Code of Conduct on Partnership requirements. In this section we review the status of the project criteria per country. In some of the countries, the criteria are not settled yet, but in others the information has been indicated through formal and informal channels.

The **Bulgarian** government has received questions from the consultant about which projects are appropriate and relevant, and the municipalities also received a questionnaire from the consultant to share their opinions about which project criteria are relevant for them. In the **Czech Republic** the draft of the operational programme for just transition is not published yet. Only the criteria for strategic projects (including projects of large companies) is accessible. This information is stated in

the document ‘Methodology for data collection and access to strategic projects in the TJTP’. It also states that the strategic projects must meet the condition of having a significant impact or potential for change in the place of project implementation or in a larger area of the region. These projects are a special Czech category type for larger projects (above EUR 2 million for non-investment projects and above EUR 8 million for investment projects) that will be included in the TJTP and approved by the government. They are then assessed on three criteria:

- transformation potential, which shows the ability of the project to contribute to the economic transformation of the region;
- the feasibility of the project, which shows whether the project can actually be implemented;
- environmental impact, which determines whether the project endangers the environment.

In **Estonia** the conditions are optimistic, and the project criteria seem to be sufficient. In **Hungary**, projects for job retraining and the incubation of new innovative enterprises sound promising. The planners seemed to have accepted the recommendation from non-governmental organisations to ‘keep it simple and local’; in other words, local actors and local solutions will be preferred in the projects. In **Poland** the criteria are not yet fixed. In **Romania**, the Ministry wanted the projects to fit the JTF criteria and Bankwatch Romania focused on eliminating projects which do not meet these criteria from Hunedoara’s TJTP. **Slovakia** has not made this information available in official written form, but informal information indicates that the criteria are the key objectives for socio-economic and environmental impact. The draft TJTP also proposes a set of indicators for project evaluation. These are not finalised, but could be a way to strengthen the focus on results during the implementation phase.

Specific topics for the regions

In each region, the countries will be focusing on different topics with their just transition plans. For instance, in **Bulgaria**, the main focus will be the alternative employment of workers; however, in **Estonia** the focus will be on decoupling district heating from oil shale. In Gorj, **Romania** the focus will be on the solar energy potential, and the Hunedoara region will be focusing on tourism. In **Hungary**, plans for BAZ and Heves counties in north-east Hungary are dominated by the Matra power plant and the repurposing of lignite mines. Baranya County, on the other hand, is in the south-western corner of Hungary, where the cement and building material industry is dominant, and so the phase-out of a power plant is not an important part of its plans. Otherwise, the planned actions are fairly similar in all three counties. In **Poland**, the focus in each region is on employment and enhancing energy transformation:

- Silesia: support for employees of the mining industry and related sectors affected by the transformation: restoring functions to degraded areas and post-mining and post-industrial facilities.
- Lower Silesia: support for small and medium-size enterprise investments – in particular aimed at creating new permanent jobs, reducing greenhouse gas emissions and decarbonising processes and services in the region.

- Eastern Wielkopolska: accelerating the energy transformation of enterprises by increasing their use of RES energy and innovative green technologies and support aimed at the transition of energy enterprises to renewable energy sources.
- Western Malopolska: support for employees of mining and related industries affected by the transition.
- Lodz: support for companies in energy transition with the aim of creating and maintaining sustainable jobs.
- Lublin: support for residents in the area of non-mining employment opportunities, e.g. through aid for setting up or developing a business in connection with the creation of new jobs for specific target groups in new industries.

In **Slovakia**, the Ministry is collecting projects. The first batch, collected by 30 April 2021, included approximately 350 projects with an investment value of EUR 6 billion. The Ministry plans to divide them into three groups: strategic projects; support for small and medium-sized enterprises; and support for innovation, science and renewable energy.

Opportunities and threats

The biggest threat in **Bulgaria** is the attempt made by oligarchs to obtain European funding through these plans. The lack of real discussion about the objectives of the just transition and lack of genuine involvement of the local authorities and communities in the process solidify the concern that the TJTPs will benefit just a few and maintain the status quo in the coal regions. The **Czech Republic** is becoming more transparent: the most recent version of the TJTP was published and will be presented to the public. Further, there is a low risk that the country will support just transition projects that are inconsistent with climate goals, due to the JTF Regulation's conditions prohibiting support for gas and fossil fuels. On the other hand, the biggest threat is that significant support may be provided for large projects and large companies but little support for activities and small companies. In addition, the lack of public engagement and low support for the requalification of coal workers is also a threat to the plan's success. **Estonia** is trying to pivot from oil shale burning to shale oil production, phasing out fossil fuels only on paper. The European Commission has started questioning this strategy, which might jeopardise Estonia's just transition funding.

In **Hungary**, the major risk seems to be that the polluting industry could receive the lion's share of the JTF, as the Matra power plant would engulf a major part of the funds for its coal phase-out. However, many new jobs and trained or re-trained employees may appear in these regions, and potentially many innovative enterprises could launch. Energy efficiency and household refurbishment projects can also be supported – the question will be how 'deep and thorough' these refurbishments will be. Local community energy production projects may be launched in the three counties, if the calls and implementation are properly designed.

Poland has not officially committed to climate neutrality in 2050. In this context, the declaration of the mine closure and climate-neutrality by 2040 in the most progressive regions has been a significant positive, but the biggest threat still remains the lack of political will to accelerate the

phase-out of mining in the biggest coal regions and thus the delay of concrete actions and the creation of new job possibilities for people. In five regions, coal extraction is foreseen long after 2030. Three regions with plans to continue coal extraction – the sub-region of Belchatow (Lodz) and the regions of Western Malopolska and Lublin – are negotiating with the European Commission over their allocation of funds. Meanwhile, the European Commission has rejected the request of the sub-region of Zgorzelec, which has the Turow mine and power plant, to receive support from JTF. The Commission has pledged support for Silesia region, despite the fact that the extraction of coal will be extended, as it is currently the largest coal-producing region in Europe. It is possible that the Commission will require an acceleration of decarbonisation in Silesia in return. In **Slovakia** the biggest threat remains the lack of capacity to carry out innovative and ambitious projects.

Conclusions and recommendations on decarbonisation ambition



The Adamow Lignite Mine in Eastern Wielkopolska region, which declared by 2030 moving away from coal in power and heating and achieving climate neutrality by 2040. Photo credit: Adam Jaroński

How the plans are developed is directly related to the plans' objectives and who will benefit from the just transition process. It is evident from the process so far that those regions that have had a more open and inclusive drafting process for the plans have also been more likely to undertake a discussion on just transition and not just a transition. Eastern Wielkopolska, with its ambitious objectives for reducing emissions by more than 55 per cent by 2030, proves that just transition regions can lead the decarbonisation of the country and turn a disadvantage into an advantage. Upper Nitra sustained discussion with local communities and also brought pioneering approach such collecting 350 local projects for the total amount of EUR 6 billion.

The Just Transition Fund Regulation provides a framework, as identified in Bankwatch's TJTP checklist,⁸ for the standards each plan should meet with respect to decarbonisation and energy transition. Our assessment of the plans' quality, where plans are available, is that they are still not optimal. We urge the European Commission and national authorities to address following recommendation in the discussion of the draft plans:

1. **Avoid turning TJTPs into a wish list of projects for coal and shale oil companies.** The TJTPs need to have clear objectives for achieving climate neutrality as required by the JTF Regulation. So far, the link between the TJTPs and NECPs is not evident in all the plans, but the NECPs of some countries are also unambitious and fail to make a substantial contribution to EU climate targets. Considering the fact that Member States have committed to reduce greenhouse gas emissions by at least 55 per cent, as well as the new climate law framework that is expected in mid-July, the TJTPs should have higher decarbonisation targets than the current NECPs (most drafted with the outdated goal of a 40 per cent greenhouse gas emissions reduction in mind). The example of the Matra power plant demonstrates that the decline of coal mining and energy production is already advanced and that the early closure of the plants would be economically viable and free up resources for alternatives.
2. **Make the energy efficiency first principle (EE1st) a key approach to prioritising the measures and investments** as required by a recently adopted Common Provision Regulation⁹ governing the JTF. EE1st is of relevance for just transition regions because of its economic, social and environmental benefits – it is more effective and cheaper, and the reduction of energy waste creates more jobs than increasing the energy supply or reducing the negative impacts of that supply.
3. **Ensure selection criteria for projects financed by the JTF are transparent and discussed with relevant stakeholders** to guarantee that EU support is allocated for investments with the biggest transformative impact, promote best practices and prioritise local action.
4. **Include capacity building for local stakeholders and local authorities as one of the investment measures in TJTPs and technical assistance for the regions.** When preparing the TJTPs, regions must also take into account that their training and education systems will need to focus on new skills that companies managing and building the local infrastructure will need in order to implement new technologies. Financial resources for the preparation of local projects, monitoring and evaluation of the just transition process and awareness raising and consultation with public will need to be planned to sustain the efforts of local authorities.

⁸ CEE Bankwatch Network, '[Territorial Just Transition Plan Checklist](#)'.

⁹ European Parliament and Council of the European Union, [REGULATION \(EU\) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL](#), 24 June 2021.

This publication has been produced with the financial assistance of the European Union. The content of this publication is the sole responsibility of CEE Bankwatch Network and can under no circumstances be regarded as reflecting the position of the European Union.

The project ‘No time like the present: reframing political debate for the energy transformation in CEE’ is funded by the European Climate Initiative (EUKI). EUKI is a project funding instrument by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMUB). It is the overarching goal of the EUKI to foster climate cooperation within the European Union in order to mitigate greenhouse gas emissions. It does so through strengthening cross-border dialogue and cooperation as well as exchange of knowledge and experience.

Supported by:



Federal Ministry
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and Nuclear Safety



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based on a decision of the German Bundestag