

LIFE Project Number LIFE19 GIC/CZ/001333

Progress Report¹ Covering the project activities from 01/04/2022² to 31/03/2023

Reporting Date³ **31/03/2023**

LIFE PROJECT NAME or Acronym

RegENERate: Mobilising Regions for Energetic Re-development and Transformative NECPs

Project acronym: RegENERate

Data Project	
Project location:	Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Poland, Romania, Slovakia
Project start date:	01/01/2021
Project end date:	31/12/2023 Extension date: <dd mm="" yyyy=""></dd>
Total budget:	€ 1,303,239
EU contribution:	€ 716,474
(%) of eligible costs:	54.98%
Data Beneficiary	
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¹ Progress Report without any payment request (for Progress Reports with payment request, use the Mid-term Report template)

² Project start date in the case of the first Progress Report, otherwise date since the last reporting period

³ Include the reporting date as foreseen in Form C2 of Annex II of the Grant Agreement or as modified in agreement with the Agency

Section 1 - Overall assessment of the achievements and as to whether the project objectives and work plan are still viable (2 pages max)

Summary of the overall progress achieved under all groups of actions

The overall progress achieved under all groups of actions is satisfactory and no major problems have been reported so far. Due to the war on Ukraine and change in the political processes and situation (such as elections) in some of the countries in which we work (e.g., Bulgaria), some activities were shifted to a later delivery time. Despite the delay, the foreseen deliverables were completed by the end of 2022 or at the beginning of 2023 and other activities are either in the process of being prepared or preparatory work will be initiated at a later stage.

The communication within the project team is smooth and ongoing and we continue to have our regular meetings every 2 months in hybrid form (online via Microsoft Teams and in person). As transparency is very important to us as an organisation, we continue to work on the improvement of the project website. We regularly publish our deliverables on the page, we have created a tab Deliverables where all the key actions are indicated, and the publications are linked to the correct sub-action.

Our responses to the technical issues from the Agency letter 14th of November 2022 are attached to this report as an annex.

Brief description of the impact of the project on the main target audience and the environmental problem targeted

Through our participation in the preparation of the Territorial Just Transition Plans (TJTPs), we have monitored, assessed and improved the TJTPs in 22 coal/oil shale regions. Our consortium has already developed very close cooperation with the majority of these regions, including with local and regional authorities, trade unions, civil society and other relevant stakeholders. The just transition issue and climate ambition related to coal regions have been also raised in the preparation of the COVID-19 recovery plans, as well as operational programmes for energy and climate action in 8 countries in CEE (including Latvia in the above list).

We stimulated multi-stakeholders dialog in targeted just transition regions to ensure that the funds are used to tackle the climate crisis with improved measures contributing to saving energy, switching to renewables and ensuring that communities and citizens are involved in planning these investments. We have also been among the first actors to look deeply at decarbonising district heating. For instance, in the Upper Nitra region, we have been advocating for renewable alternatives for their district heating (fourth-generation district heating), currently supplied by a coal-based heat and power cogeneration plant. We have expanded this work to now include regions in Estonia (Ida Virumaa), Romania (Jiu Valley), the Czech Republic (Ústecký kraj), and Bulgaria (Pernik). This has ranged from advocacy towards local, national, and European decision makers, to working with researchers on decarbonisation strategies, to participating in planning processes.

Our strategy and objectives remain relevant even in context of the War on Ukraine; we are seeing a few simultaneous threads in the narrative:

- 1) the push for temporary coal prolongation;
- 2) the push towards a faster transition to Renewable Energy Sources (RES);
- 3) the higher focus on energy security and independence from Russian fossil fuels.

The push for temporary coal prolongation is a result of the fear of high energy prices over the next few years as a result of limited access to Russian fossil fuels. Our policy work remained focused on making sure that this is only temporary and that phase-out targets are met on time in line with EU 2030 and 2050 climate objective.

Despite numerous setbacks and challenges, the just transition process has already shown itself to be one that is pushing climate ambitions forward and which continues onwards no matter outside circumstances, in other words - it seems unstoppable. The regions in majority are already very much prepared for the changes and have become strongly involved in the process, attending events at all levels, and representatives from various stakeholder groups are seeking ways to increase their knowledge of the process. We are seeing growth in the amounts of people and representativeness of the groups involved. We see the just transition regions as pioneering ones that will pave the way for others. For many, it has come to be seen as an opportunity for alternative development, after years of declining coal-based mining and energy industries that monopolized the local economy and social structure.

Indirect impacts

We have been expanding our just transition work by analysing the youth involvement in the just transition process and how decarbonisation has affected the lives of the women in Jiu Valley in Romania mining area, emphasizing that efforts for just transition and those for gender equality can only work together.

The analyses of youth involvement are done in collaboration with a youth organisation, Generation Climate Europe, and so far, we have published two briefings and the third one is being prepared and is planned to be published in April 2023.

In addition to the youth briefings, we published an analysis of Women's participation in the just transition process (in Romanian and English language), workshop on the same topic where women were invited, and a YouTube video was also created.

Policy implications

One of the most significant results of our just transition advocacy work came in the first year of the project with the establishment of the Just Transition Funds, that set up the clear framework for just transition planning and exclusion of any fossil fuel investments from its support within the Regulation of the European Parliament Just Transition Fund (JTF) Regulation of 24 June 2021. The RegENERate project builds successfully on this ambitions policy framework and the consortium worked towards successful approval of the TJTPs in 6 of the targeted 7 countries.

Due to our policy advocacy and recommendations to the EC as part of National Recovery and Resilience Plans negotiations, we have seen two major changes in the commitment to coal phase out. Romania committed to phase out by 2032 and Bulgaria withdrew the proposal for coal-togas conversion for Maritza East 2 (the biggest energy producer in Bulgaria after the nuclear power plant). The quality of the final drafts of the TJTPs in at least 5 regions substantially improved due to our comments. More than 60% of our recommendations in Romania and Poland were taken on board for the TJTPs in the Eastern Wielkopolska (PL), Gorj (RO) and Jiu Valley (RO) regions.

Furthermore, our team gathered in Brussels from 29 November to 2 December 2022 to meet with decision makers from EU institutions and other relevant stakeholders. The complexity and multidimensionality of the transformation of these regions require a wide range of actors coming not only from different backgrounds, but most importantly representing the three main levels: EU, national and regional. However, too often communication and intelligence sharing are inefficient and flawed. This is where we step in to help fill the dialogue gap. We are currently entering an equally demanding implementation phase that will require continuous effective support from the EU level. During the meetings, we also listened carefully so as to understand the needs and concerns of EU officials, mainly in relation to project selection criteria and technical assistance.

To meet existing needs for more information on EU financial instruments and policy processes in 2022 we developed two publications: the project implementation checklist with a methodology that should be taken into account when analysing the project implementation phase and the 'How can we assist you' briefing, which shows what kinds of technical assistance are needed in just transition regions. In fact, the European Commission has taken into account some of our recommendations, as can be seen in the new technical assistance launched on 6th February 2023 by the Just Transition Platform, called <u>Just Transition Groundwork</u>. In answer to some of our suggestions, JT Groundwork has been structured as "including technical assistance on the ground, knowledge products and case studies, an expert database, and a peer-to-peer exchange programme for practitioners".

On the level of national governments, one example of our impact has been the suggestion made by the Ministry of Regional Development in Poland to all just transition region managing authorities (Marshall's offices in charge of the European funds) that just transition working groups should be introduced by default in the appropriate Monitoring Committees overseeing funds in just transition regions.

Section 2 - Identified deviations, problems and corrective actions taken in the period (max 2 pages)

Problems or difficulties encountered or foreseen and their implications for future actions

No major problems or difficulties have been encountered during the implementation period. There were of course some minor delays in some of the implementation actions and we foresee that there will be shift in the deadlines until the end of the project, mostly shifting the deadlines for some of the activities to the end of December 2023.

Main deliverables and milestones not completed as foreseen in the Grant Agreement

The main deliverables are on track, with a minor shift in the deadlines. Overall, all deliverables will be achieved in 2023 as they are either already completed or in the preparatory process.

Anticipated significant deviations from the Key Project Indicators targets set initially and comment on targets already met or exceeded

At the moment, we do not see significant deviations from the Key Project Indicators target. When we submitted the Mid-term report at the end of September 2022, we noted that we exceeded the numbers.

Assessing the extent to which these problems will affect interdependent actions and the timely completion of the project

The overall review and negotiation process of each TJTP done by the European Commission in terms of compliance of the JTF regulation was slow; therefore, concrete projects will appear only in 2023. These concrete pipeline projects will require monitoring on how the funding will be distributed.

The second issue is that due to high inflation rates and the energy crisis some of the countries in CEE are considering re-carbonisation, such as the case in Hungary, and postponing the closure of coal-fired power plants in Poland.

The measures taken or foreseen to overcome or alleviate the problems in question

As the TJTPs went through the process of approval during the late summer until late autumn 2022, we will closely monitor the projects that will appear this year. In order to follow the process, we will be involved in the Monitoring Committees to ensure the process is transparent and clear. We will continue our work in advocating against any projects supporting fossil fuels, be they from this JT Fund or others, but we will also support those which can have a meaningful impact on communities and might also inspire similar such investments elsewhere, so that acceptance of the energy transition improves.