

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



The proposal to establish the Just Transition Fund, currently worth EUR 17.5 billion, is nearing adoption and will be discussed in the trilogues before the end of the year. While these deliberations are ongoing, countries have been encouraged to design Territorial Just Transition Plans (TJTPs), a condition to access the money from the Fund. The plans should be made with the involvement of citizens in the target regions.

The European Commission announced in May that it had selected 18 countries to receive technical assistance for the development of their TJTPs, and that this support will be delivered by the end of 2020¹. However, five months later, the selected consultants have

¹ https://ec.europa.eu/regional_policy/en/newsroom/news/2020/05/05-07-2020-commission-supports-member-states-in-their-transition-to-a-climate-neutral-economy

For more information

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CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

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not been announced in any of the countries, and therefore the process, expected to last at least 6 months, has not started yet.

While some national governments, and even some actors at the regional and local levels, have started planning, the processes so far seem mostly chaotic and unclear to many of the stakeholders that should be involved. Numerous local actors – including civil society and even municipalities – worry they will be left out entirely.

CEE Bankwatch member groups in seven countries across central and eastern Europe provide an update about where we are in the process of drafting the Territorial Plans.

1. Selecting a consultant

According to the procedures set out by the European Commission, an external consultant can be contracted (and paid for with EU funds) to provide support in the design of the Territorial Plan, after collecting input from all relevant actors through participatory processes. Six of the seven countries covered by this report have applied for technical assistance from the EU to hire such experts.

A version of this model has already been used successfully in [Slovakia](#), where an external consultant – relying mostly on input prepared by local working groups – finalised an Action Plan for the Upper Nitra coal region, which will constitute the core of that region's Territorial Plan.

However, in the case of TJTPs, the role of the consultant will be more limited – they will not write the plans, but rather support the competent authorities in each country and produce reports that contribute to the creation of the TJTPs. These reports could focus on topics such as stakeholder engagement, the transition process towards climate neutrality or the needs of the relevant regions.

For the other three Slovak regions (Banskobystrický, Košický and Bratislavský kraj), which are expected to receive money from the Just Transition Fund, the selection of consultants is expected to be finalised in mid-October.

In [Romania](#), a consultant is expected to help with writing Territorial Plans for six carbon-intensive regions (Gorj, Hunedoara, Dolj, Galați, Prahova, and Mureș); in [Poland](#), for three regions (Upper Silesia, Eastern Wielkopolska and Lower Silesia – Wałbrzych subregion); in [Hungary](#), for three regions (Borsod-Abaúj-Zemplén (BAZ), Heves and Baranya); in the [Czech Republic](#), for three (Moravian-Silesian, Karlovarský and Ústecký); and in [Bulgaria](#) for two (Stara Zagora and Pernik-Kyustendil). There is no clear public information about when these consultants will be hired and start work. In some countries, such as Bulgaria, governments have said an announcement on the selected consultants was imminent.

In [Poland](#), an additional tender is underway, funded by the government from national funds, to select a consultant to play a similar role for the three Polish coal regions not covered by the Commission's technical assistance: Łódzkie, Małopolskie and Lubelskie.

[Estonia](#) is the only country in the region that has opted out of the consultant-driven process, the implications of which remain to be seen. While the process is rapidly advancing, it is led by local officials with little formal training in designing all-inclusive deliberative processes. This in turn could impact the quality of the proposed projects. The government intends to finalise a Territorial Plan for Ida-Virumaa, the oil shale region set to benefit from the Just Transition Fund, by the end of 2020.

2. Are central governments aware of the processes?

While some governments in central and eastern Europe seem to have wrapped their heads around the process and kicked off planning already, others are still struggling to get started.

In Slovakia, which has been a regional pioneer, the central government is now busy expanding the structure it put in place for Upper Nitra to all of the country's four regions set to receive EU funds. The process will be handled by a new department at the Ministry of Investments, Regional Development and Informatisation, under the leadership of Peter Balik, a former JASPERS expert.

In Romania, the Ministry of European Funds subcontracted PricewaterhouseCoopers to create a comprehensive strategy for the redevelopment of Jiu Valley. The strategy is modeled after the Upper Nitra Action Plan and should be completed before the end of the year. This strategy is expected to serve as an example of good practice for all six TJTPs in Romania. Although it seems that most decisions taken in the strategy were made to please the most powerful actors (representatives of the public administration), a participative process at this scale had not taken place in Romania before. Furthermore, the Ministry of European Funds set up the Just Transition Operational Programme for the next EU budget financing period in order to streamline the money from the JTF.

In Estonia, a national steering committee has been created to coordinate work on the Territorial Plan. It is tasked primarily with gathering inputs from relevant stakeholders, ordering further analyses where needed, and eventually writing the Plan. The steering committee, which has met twice already, is made up of a broad array of representatives from stakeholders in the process, including environmental groups. It has already circulated a questionnaire among the general public asking for ideas and visions of the transition, receiving around 1,600 replies from citizens and organisations. A key debate which decision-makers have yet to open with the public is whether and when to phase out the polluting oil shale industry.

In the Czech Republic, an expert preparatory team has been put in place to coordinate the Territorial Plan writing process. So far, it includes representatives of ministries (including the Ministry of Environment and the Ministry of Regional Development), officials and regional authorities from the target regions. However, it remains unclear how inputs from other key stakeholders – mayors, local civil society or the business sector, for example – will be included in the process, as well as what the timeline and scope of the consultation process will be.

In Hungary, the Ministry of Innovation and Technology is in charge of the process, and national negotiations are already underway both at the national (governmental-institutional) level and with EU representatives. The Ministry has promised broad consultations with relevant organisations, community representatives and actors of the affected regions, as well as their involvement in the planning. Nevertheless, Bankwatch's member group in Hungary (as a relevant NGO) has not received information about the timeline, scope and participants for this broad consultation process. (The range of activities and projects that will be supported in each region will be determined on the basis of *ex-ante* regional surveys and consultations.)

In Poland, the Ministry of Climate is reportedly working on a National Just Transition Plan to serve as a basis for the Territorial Plans, although information about the process is missing and there is no draft available yet (the process is in early stages). It appears that the central government intends to keep control over the Just Transition Fund sources that will eventually be made available to Polish regions. Regional authorities, however, are demanding a decentralised structure where they themselves can coordinate the use of funds for their own regions. The situation is further complicated by the fact that the national government has not officially committed to a coal phaseout date, but is sending mixed messages instead – speaking about accelerating the coal exit with European audiences at the same time as it speaks to protesting mining unions about keeping coal alive until 2049.

In Bulgaria, the Ministry of Regional Development will be in charge of the planning process, despite its reputation for corrupt practices (which Bulgarian protesters are challenging on the streets as this briefing is written). While the government has made media statements claiming that work is underway on the Territorial Plans, there is no clarity as

to who is working on them, in which structures they are being prepared and what they are proposing. Relevant stakeholders, including municipalities, civil society, scientists and businesses, have been excluded from the process so far.

3. Local involvement

The viability of any Territorial Plan depends on insights from the region and the support of citizens – those same people that will later have to carry the burden of implementing the Plan’s provisions.

So how involved have locals in central and eastern European fossil fuel regions been so far?

Citizens in Upper Nitra, [Slovakia](#) have offered a model of involvement to the whole region, by preparing their own vision for their community back when the central government was not paying any attention to them – and eventually ensuring that precisely those ideas became national strategy.

In Jiu Valley, Hunedoara County, in [Romania](#), locals got involved in creating a strategy for the region, which is expected to be made public in a few months. A few activists had been generating ideas for the future of the region at the local level for years. When a consultant took over the process, they were able to get involved and share their vision, ensuring that locals’ voices are represented in the process. Lignite-dependent Gorj and the other four coal-dependent regions in Romania are also expected to design a regional development plan in order to access funding from the next EU budget – but there is no sign that these plans will be participatory or lead to climate neutrality.

In [Poland](#), the regional governments of Upper Silesia and Eastern Wielkopolska have set up thematic working groups to discuss where Just Transition Fund money should go. The groups have collected project proposals, and are now proceeding to formulate inputs to their respective Territorial Plans. There is no clarity, though, on whether they should be writing the actual plans, or just contributions to plans that will be drafted by the government.

In [Estonia](#), the association of local municipalities in the just transition regions of the country has hosted several Just Transition Platform meetings with stakeholders, including environmental organisations, as a way to collect ideas at the local level. The process needs to be improved, however, to facilitate a more structured presentation of ideas and dialogue. There are only a few small local environmental NGOs in this region, so national environmental organisations have stepped in to lead a co-creation process of concrete future plans for the renewables and energy efficiency sectors in the region.

There seems to be limited mobilisation so far on the local level in [Bulgaria, Hungary and the Czech Republic](#), and this is in large part because of the current lack of clarity on avenues for involvement, or information about whether the governments will take into account local input. Even in these countries, some local mayors and citizens have expressed a desire to be involved, but remain unsure about what they can do.

4. Conclusions

Although the design of the Territorial Just Transition Plans is not off to a great start, since it was delayed by a few months, cutting corners is not an option: these documents will be essential for the redevelopment of coal and carbon-intensive regions during the next decade. The process surrounding their development is not sufficiently participative in any of the countries analysed in this report, and the European Commission should therefore ensure that the scope of the consultants’ contracts includes broad and inclusive public consultation to fully take into account the bottom-up work already done by the communities and local governments.

Detailed recommendations for what the TJTPs should contain can be found in a [Bankwatch briefing from July 2020](#). The briefing is based on Annex 2 to the Proposal for the establishment of the Just Transition Fund, and it includes concrete indicators, such as how to address emissions and jobs; criteria on how to make sure the Plans do not support polluting or outdated industries in the regions; or specific advice on how to make participation work.

Finally, as the interaction between state and non-state actors varies from country to country, the European Commission should make it a priority to announce the selected consultants as soon as possible. They should also ensure that the process is as participative as possible by facilitating the interaction between the selected consultant and different stakeholders, making sure that the consultants' contact details and work plans are public.

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