

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

December 2021 update



Photo by Hasan Zahra from Pexels

This briefing is the fifth in our series of updates on the Territorial Just Transition Plans. See previous briefings:

- [Territorial Just Transition Plan Checklist: July 2020](#)
- [Status of the Territorial Just Transition Plans in central and eastern Europe: October 2020](#)
- [Status of the Territorial Just Transition Plans in central and eastern Europe: March 2021 update](#)
- [Status of the Territorial Just Transition Plans in central and eastern Europe: July 2021 update](#)

See also: [Overview of Polish Territorial Just Transition Plans](#)

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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 different funding schemes under the Just Transition Mechanism. The Just Transition Mechanism consists of three pillars: the Just Transition Fund, a dedicated Just Transition Scheme under the InvestEU package, and a new Public Sector Loan Facility. In total, the different funding sources are expected to mobilise around EUR 55 million over the 2021 to 2027 budget period. This amount will be divided amongst all the regions that fulfil the requirements and are approved for funding.

The Plans outline the expected transition process of the participating countries, including the most affected regions and the impact the transition will have on these regions, how the process will ensure public participation, monitoring and evaluation as well as the operations envisaged. CEE Bankwatch Network has been actively involved in the Territorial Just Transition Plan development process since these plans were announced in the Just Transition Fund Regulation proposal in January 2020. The European Commission announced that it would offer technical assistance for the development of the Plans to all 18 countries that requested it to ensure completion of the planning stage by the end of 2021.

In July 2020,¹ Bankwatch launched a checklist of recommendations for each section of the Plans. Our first briefing on the status of Territorial Just Transition Plans was published in October 2020 and it mainly discussed the consultant selection processes, national government awareness of the drafting and local stakeholder engagement in the regions affected by coal phase-out.² This was followed by an update in March 2021,³ which focused primarily on the establishment of working groups and technical assistance. The most recent edition was published in July 2021, with focus primarily directed to the employment of the partnership principle and the decarbonisation ambitions in the Territorial Just Transition Plans.⁴

This December 2021 briefing will consist of four sections. The first will provide an overview of the **general Territorial Just Transition Plan progress** in seven CEE countries: Bulgaria, Czechia, Estonia, Hungary, Poland, Romania and Slovakia. The second section will detail the various levels of adherence to the European Union's **partnership principle** in the aforementioned countries. The third will focus on the compatibility of the different Territorial Just Transition Plans with the Commission's recently published **Staff Working Document**⁵ on the Just Transition Plans. The fourth section will provide **our recommendations** resulting from the analyses provided in the previous parts of this briefing.

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

² CEE Bankwatch Network, [Status of the Territorial Just Transition Plans in central and eastern Europe](#), CEE Bankwatch Network, 14 October 2020.

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

⁴ CEE Bankwatch Network, [Status of the Territorial Just Transition Plans in central and eastern Europe: July 2021 update](#), CEE Bankwatch Network, 9 July 2021.

⁵ European Commission, [Commission Staff Working Document on the territorial just transition plans](#), 23 September 2021.

Section 1: Current state of play of the Territorial Just Transition Plans

Design of the process

Each of the countries examined in this briefing has designated a ministry tasked with overseeing the preparation of the Territorial Just Transition Plans. With the exception of Estonia, who did not apply, the countries also benefit from European Union technical assistance to design the plans. With slight variations from country to country, the projected timeline for finalisation of the just transition operational programmes was scheduled for the fourth quarter of 2021, while the projected deployment of the measures is scheduled to begin in the first quarter of 2022.

It should be noted that the current statuses of the draft plans remain unclear at this point in the process. The procedures to introduce amendments to the various draft documents are unclear and often appear to be overlapping at different levels of government. In such cases, the Plans have not yet officially been delivered to the Commission, and the amended versions have also not been made available to other stakeholders. In other cases, following the unofficial submission of draft versions to the European Commission, the Commission and the different national and regional authorities in charge of the just transition processes in their respective countries have exchanged feedback. However, in the majority of cases, other stakeholders in the process, such as non-governmental organisations (NGOs), have not been provided with detailed information concerning the content of this feedback from their respective ministries and/or the European Commission, nor have they received information regarding the current form the various plans have taken. As a result, **access to information concerning the updated version of the Plans and the proposed amendments has been limited; thus, the following analyses are based on the draft versions that were made publicly available prior to the ongoing amendment process.** The versions of this plan used in the document were the last versions made publicly available before 6 December 2021.

Bulgaria

Bulgaria has three Territorial Just Transition Plans under development, concerning the **Stara Zagora**, **Pernik** and **Kyustendil** regions. The consultant PricewaterhouseCoopers had a deadline to submit their recommendations for how the Plans should be structured to the European Commission for approval by the end of November. The final approval from the Commission is expected between the fourth quarter of 2021 and the second quarter of 2022. Implementation is expected during the fourth quarter of 2022.

Czechia

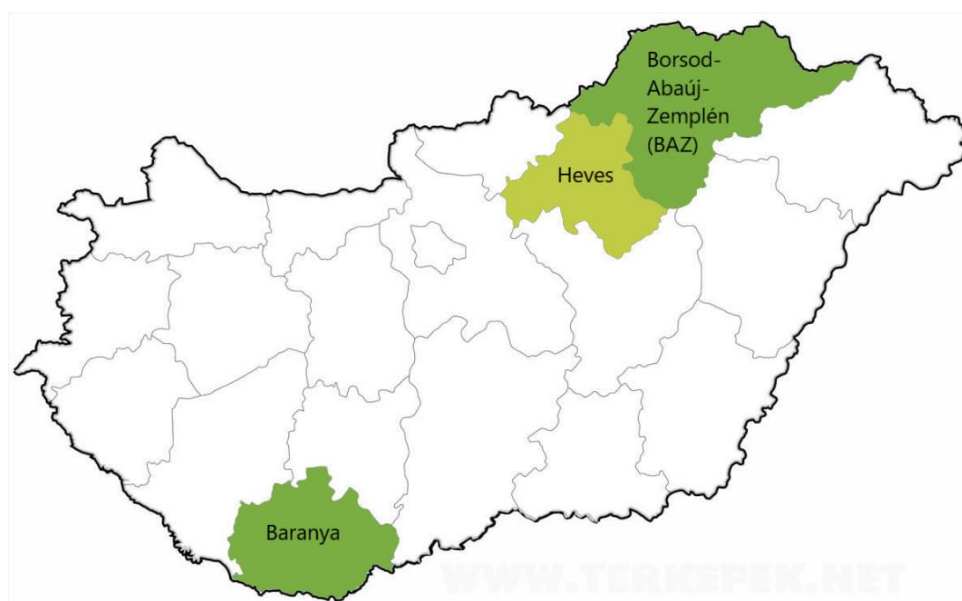
Czechia has developed three Territorial Just Transition Plans, covering the **Ústecký**, **Moravskoslezský** and **Karlovarský** regions. The plans are now subject to a Strategic Environmental Assessment and further dialogue with the European Commission. Final approval of the plans is expected by late 2021 or early 2022.

Estonia

There is one Territorial Just Transition Plan under development in Estonia, which is for the **Ida-Virumaa** region.⁶ The latest version of the Plan was presented for public consultation in October 2021. The deadline for stakeholders to provide input was 1 November 2021. No feedback has been provided concerning whether – and to what extent – comments submitted by stakeholders have been integrated into the draft. According to the latest information, the TJTP will be informally sent to the European Commission in the first weeks of December 2021. The deadline for the formal submission to the Commission is in March 2022.

Hungary

There are three Territorial Just Transition Plans being developed in Hungary. The plans are for the mining regions of **Baranya**, **Borsod-Abaúj-Zemplén** and **Heves**.



Map 1. The three just transition areas of Hungary⁷

Drafts of the Plans were circulated amongst the stakeholders for public consultation in May. After the closure of the public participation phase in June, the Ministry of Innovation and Technology finalised and submitted the Plans as Chapter 5 of the Environment and Energy Operational Programme (KEHOP+) in August 2021. In October, a summary of the plans was published as part of the Environment and Energy Operational Programme.⁸ The content of the submitted plans has not changed, only references and projected budget

⁶ [Öiglase ülemineku territoriaalne kava](#) (Territorial Just Transition Plan draft for Ida-Virumaa), Association of Ida-Virumaa Municipalities, 1 October 2021.

⁷ Original map, Laszlo Perneczky, MTVS/CEE Bankwatch Network

⁸ [Környezeti és Energiahatékonysági Operatív Program Plusz](#) (Territorial Just Transition Plan draft for Hungary), uploaded 8 October 2021, accessed 13 December 2021.

outlines have been added to the previously presented plans. The entirety of the TJTP documents have yet to be made publicly available.

Poland

Poland has drafted Territorial Just Transition Plans for five regions, including **Eastern Wielkopolska**,⁹ **Upper Silesia**,¹⁰ **Lubelskie**,¹¹ **Łódzkie**¹² and **Western Małopolska**, and for the two subregions **Wałbrzych**¹³ and **Zgorzelec**¹⁴ (both located in the Lower Silesia voivodeship). However, only the regions of Eastern Wielkopolska and Upper Silesia, as well as the Wałbrzych subregion, have been approved by the European Commission to receive assistance within the scope of the Just Transition Mechanism. The remaining regions have yet to be accepted and remain hopeful. The Plans are undergoing informal negotiations with the European Commission and decisions are expected during the second or third quarter of 2022. The Upper Silesian Territorial Just Transition Plan, for example, is still in preparation, as the regional authorities have received amendments from the European Commission and are in the process of correcting the document.

⁹ [TERYTORYALNY PLAN SPRAWIEDLIWEJ TRANSFORMACJI WIELKOPOLSKI WSCHODNIEJ PROJEKT](#) (Territorial Just Transition Plan draft for Eastern Wielkopolska), *ARR Transformacja*, June 2021.

¹⁰ [TERYTORYALNY PLAN SPRAWIEDLIWEJ TRANSFORMACJI WOJEWÓDZTWA ŚLĄSKIEGO 2030](#) (Territorial Just transition Plan draft for Silesia), *Silesia Voivodeship*, August 2021.

¹¹ [TERYTORYALNY PLAN Sprawiedliwej Transformacji dla WOJEWÓDZTWA LUBELSKIEGO](#) (Territorial Just Transition Plan draft for Lubelskie), *the Management Board of the Lubelskie Voivodeship*, May 2021.

¹² [TERYTORYALNY PLAN SPRAWIEDLIWEJ TRANSFORMACJI WOJEWÓDZTWA ŁÓDZKIEGO](#) (Territorial Just Transition Plan draft for Łódzkie), *Łódzkie Voivodeship*, 26 June 2021.

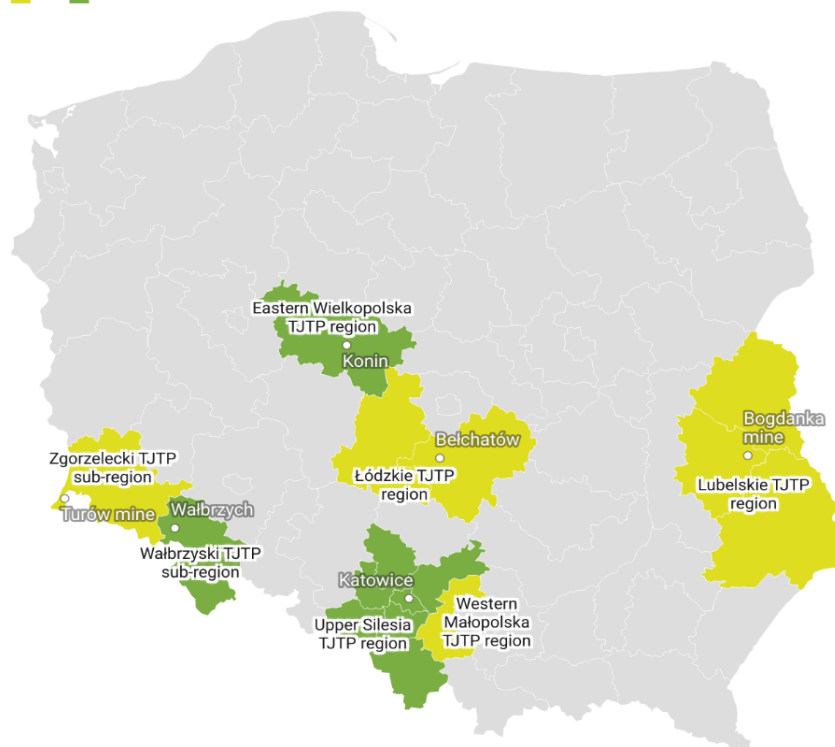
¹³ [TERYTORYALNY PLAN SPRAWIEDLIWEJ TRANSFORMACJI DLA WOJEWÓDZTWA DOLNOŚLĄSKIEGO 2021-2030 SUBREGION WAŁBRZYSKI WERSJA 2.0](#) (Territorial Just Transition Plan for Wałbrzych, Version 2.0), *Department of Economy - Marshal's Office of the Lower Silesian Voivodeship*, June 2021.

¹⁴ [TERYTORYALNY PLAN SPRAWIEDLIWEJ TRANSFORMACJI DLA WOJEWÓDZTWA DOLNOŚLĄSKIEGO 2021-2030: POWIAT ZGORZELECKI](#) (Territorial Just Transition Plan for Zgorzelec), *Department of Economy - Marshal's Office of the Lower Silesian Voivodeship*, March 2021.

Just Transition regions in Poland

Priority Just Transition region

■ No ■ Yes



Map of Polish Just Transition regions based on the Program on European Funds for Just Transition, prepared by the Department for the Coordination of Implementation of EU Funds at the Polish Ministry of Funds and Regional Policy, April 2021.

Map: CEE Bankwatch Network • Created with Datawrapper

Map 2. In green, the map shows the three regions which have already been confirmed as recipients of the Just Transition Fund: 1) Eastern Wielkopolska with the main mining/energy sector related town of Konin; 2) the Wałbrzyski subregion (part of Lower Silesia) with its main town of Wałbrzych; and 3) Upper Silesia with its main city of Katowice. In yellow, the map shows the regions that have not yet been confirmed as recipients of the Just Transition Fund: 4) Łódzkie with the main mining and energy sector related town of Bełchatów; 5) Lubelskie with just transition activities mainly focusing around the Bogdanka mine; 6) the subregion of Zgorzelec (also part of lower Silesia), focusing mainly around the Turów mine; and 7) Western Małopolska.

Romania

There are six Territorial Just Transition Plans under development in Romania. The Plans are for the **Hunedoara, Gorj, Dolj, Galati, Prahova** and **Mures** regions. Only Gorj and Hunedoara are coal mining regions, while the remaining four have been designated as greenhouse gas-intensive areas that will also undergo a transition process within the coming years. All six plans were submitted to the European Commission in July 2021 and are currently under review. The Commission provided feedback to the regions, which has been integrated into the draft plans.

Slovakia

Slovakia has been developing Territorial Just Transition Plans for the **Upper Nitra, Banskobystrický** and **Kosický** regions. The Plans were submitted to the European Commission on 16 November 2021.



Rovinari coal power plant, Romania. Photo: Mihai Stoica, 2Celsius

Section 2: Partnership

Design of the process

A ministry from each country has been designated as a beneficiary of the EU's technical assistance for drafting the Territorial Just Transition Plans. These ministries are also in charge of overseeing the preparation of the Plans, including the work of the consultants hired to support the Territorial Just Transition Plan drafting.

Bulgaria

The Ministry of Energy has been designated for overseeing the development of Territorial Just Transition Plans in Bulgaria. PricewaterhouseCoopers is contributing technical assistance. The consultants held meetings with municipalities, businesses and NGOs, but have not formed working groups in any Bulgarian just transition region.

Due to the complicated political situation in Bulgaria, with three parliamentary elections in 2021 and the failure to establish a permanent government, the country's just transition process is significantly delayed. Following

the elections on 14 November 2021, a new four-party coalition government looks set to take power. PricewaterhouseCoopers is expected to deliver its recommendations for the Territorial Just Transition Plans on 12 December 2021 and the new government will thereafter start drafting the Plans.

Czechia

The Ministry for Regional Development is responsible for developing the Territorial Just Transition Plans in Czechia. Technical assistance provided by the European Union is carried out by the Frankfurt School of Management and Finance and the Technical University of Prague.

A Transformation Platform was set up by the Ministry in late 2020, consisting of approximately 35 to 40 stakeholders. The platform is responsible for preparing and implementing the Just Transition Operational Programme as well as setting up a participative process for the development of the Territorial Just Transition Plans. The coal industry and Ministry representatives have a strong presence in the platform, whereas the NGO sector has only a single representative. The platform meets once every 1 to 2 months, and the meetings consist of one-way communication about the current state of play regarding the just transition process. There is a one-week deadline for submitting feedback on the information received during the meeting. The short deadline significantly inhibits the possibility of providing meaningful comments.

In addition to the Transformation Platform, the Ministry has set up a preparation team tasked with preparing the Territorial Just Transition Plans as well as a steering committee tasked with coordinating communication with the European Commission and the technical assistance team.

The outcome reports of the technical assistance are made publicly available, but are not actively disseminated.

Estonia

The just transition process in Estonia is the responsibility of the Ministry of Economic Affairs and Communications. A national steering committee has been created to oversee the process and coordinate the work. The steering committee consists of 21 members (and 21 alternates) from different sectors, including members of parliament, officials from the Ministry, entrepreneurs, business representatives and NGOs. The steering committee is responsible for gathering input from stakeholders, ordering specific analyses when needed and submitting opinions to the government when required. The committee meets once a month; a one-week deadline following the meeting is set for feedback submission.

A local-level platform is also operational to collect input from local stakeholders; however, the meetings have primarily been attended by the same stakeholders as the national steering committee.

Hungary

The Ministry of Innovation and Technology is responsible for the just transition process in Hungary. Technical assistance is provided by KPMG, who has held research interviews in all three Hungarian just transition regions. Four rounds of just transition forums have also been arranged, one in each region (twelve in total) and one final

consultative forum. The process has been generally satisfactory. The forums and workshops have been inclusive, with the participants recommending additional stakeholders to attend future meetings. The facilitated meetings used interactive discussion techniques, while the final forum included online voting and weight methods. A selection of the input and recommendations from the stakeholders has been included into the draft Territorial Just Transition Plans.

The main challenges have been the lack of availability, lack of capacity and lack of capacity-building activities for local stakeholders. While the public participation process was meant to be open and inclusive, it seems that the process was able to mobilise few local stakeholders, NGOs, municipalities and citizen interest groups. The draft summaries of the Territorial Just Transition Plans were circulated amongst the participating stakeholders from May to June 2021, with a rough skeleton draft made publicly available on palyazat.gov.hu. The Ministry finalised and submitted the just transition plans as Chapter 5 of the Operational Programme for Environment and Energy (KEHOP+) in August 2021, and a summary of the final plans was published on palyazat.gov.hu. The detailed plans in their entirety seem to not have been published. The content of the submitted plans is said not to have been significantly changed, with only references, projected budget outlines for the Strategic Environmental Assessment and public participation added to the previously presented plans.

Poland

The Polish just transition process is the responsibility of the Ministry of Development Funds and Regional Policy, with technical assistance provided by PricewaterhouseCoopers. Work on the Territorial Just Transition Plans is led by the Marshal's Office (on the voivodeship level), which has set up dedicated working groups in all the Polish just transition regions. The groups are composed of government officials, representatives of the European Commission, local government officials, business associations, academics, trade unions and NGO representatives.

The working groups have generally been quite inclusive and transparent, particularly so in Eastern Wielkopolska, Western Małopolska and Upper Silesia. By contrast, the regional authority has prevented NGOs and other stakeholders from participating in the Lublin working group.

NGOs have been invited to the working group meetings pertaining to the Just Transition Fund and have attended the meetings of the permanent subcommittee on just transition in the Polish parliament. This group is devoted to incorporating the support from the Just Transition Fund into the scope of the new Multiannual Financial Framework under the Ministry of Funds and Regional Development.

Romania

The Ministry of Investments and European Projects has been entrusted with the just transition process in Romania. Technical assistance for the development of the Plans is provided by the Frankfurt School of Management and Finance. The assistance is based on independent research, information provided by interviews with relevant stakeholders and input received from local working groups, all of which will be reviewed by the Ministry.

There are working groups operating in each of the six Romanian just transition regions. Working groups in the coal mining regions, Hunedoara and Gorj, have 45 members, most of whom represent business interests, and 24 members, respectively.

Public consultation has been significant and generally satisfactory in Gorj. The consultants responsible for technical assistance have requested feedback regarding the information provided, some of which has been implemented in the draft documents. In Hunedoara, feedback was requested for the final document only.

Slovakia

The Ministry of Investments, Regional Development and Informatisation is in charge of the just transition process in Slovakia. PricewaterhouseCoopers is contributing technical assistance, the scope of which provides support for the preparation of Territorial Just Transition Plans.

Four working groups have been created to assist in the work; one for each of the three just transition regions in Slovakia and one on the national level. The national working group has members from eight different ministries and is led by the Ministry of Investments, Regional Development and Informatisation. All of the aforementioned groups have held meetings approximately once a month.

The Ministry, together with the consulting company, gathers information via interviews with stakeholders and working group members. Trilateral meetings between stakeholders, Ministry officials and the consultant have enabled a deeper dialogue, resulting in better input than in many other countries. The consultant has thus far prepared four deliverables:

- 1) a project inception
- 2) a report on stakeholder engagement
- 3) a report on the transition towards climate neutrality
- 4) a report on the challenges, needs and action plans of the most affected territories

Deliverables 3 and 4 were commented on by members of all working groups in May 2021; they have yet to receive feedback or information as to whether their comments have been included in the draft plans. The Territorial Just Transition Plan is expected to be shared and submitted for comments in December 2021.

The Slovak government has also taken proactive steps to involve local stakeholders and has prepared explanatory documentation to promote meaningful participation of stakeholders with limited experience.

Section 3: Compatibility with the Staff Working Document



Konin lignite mine, Eastern Wielkopolska, Poland. Photo: Adam Jaroński

A Commission Staff Working Document on the Territorial Just Transition Plans was published on 23 September 2021.¹⁵ The primary purpose of the document is to provide clarifications to the Commission staff working to provide feedback on the draft plans. The document provides useful explanations and outlines key criteria required for approval of the Plans.

This section will present the criteria and explore the degree to which the currently available draft Territorial Just Transition Plans live up to them. **Although various earlier draft plans have been made available to all stakeholders involved in the process, at the present stage, the current versions of the documents, following amendments resulting from feedback from the relevant Ministries and the European Commission, are not accessible. This means that other stakeholders in the just transition process (such as NGOs) have not been made privy to the most recent versions of the Territorial Just Transition Plans. As a result, the following analysis is based on the latest known versions that were made publicly available.**

The Staff Working Document specified a number of requirements for Territorial Just Transition Plans, which result from approved specifications set out primarily in the Just Transition Fund Regulation (2021/1056). Thus, when analysing the Territorial Just Transition Plans, the European Commission will be checking a number of aspects that should have been taken into account when preparing the document. These include the following:

¹⁵ European Commission, [Commission Staff Working Document on the territorial just transition plans](#).

- 1) The Territorial Just Transition Plans **should detail the transition process that will be implemented in the region in order to achieve a climate-neutral economy.**
- 2) The Plans **should contain a descriptive and detailed plan of the transition process at the national level,** consistent with the National Energy and Climate Plan and other national-level strategic documents, **including a timeline** for key transition steps towards the 2030 climate and energy targets and towards the 2050 climate neutrality target.
- 3) They **should demonstrate clear evidence of a transition process and its impact at the level of the affected region** by 2030 or before.
- 4) They **should not extend beyond their geographical scope** into regions in which there is no clear transition process with associated analyses of negative socio-economic impact by the 2030 deadline or before.
- 5) They **should cover coherent geographic areas and, to the extent possible, reflect functional regional economic areas, which correspond to the communities, labour markets and economic activities affected by the installations and related firms** involved in fossil fuel activities or greenhouse gas-intensive industrial processes.
- 6) They **should not contain any uncertainty about the implementation of a transition process due to the continuation or beginning of fossil fuel activities,** i.e. maintaining or opening new extraction or production capacity based on traditional fossil fuels.
- 7) They **should enable regions and people to address the social, employment, economic and environmental impacts of the transition.**
- 8) They **should provide a plan for economic diversification.**
- 9) They **should outline plans for projects that are eligible** for support under the Just Transition Fund.
- 10) They **should not include any proposals for investments in projects that are excluded from the Just Transition Mechanism** (nuclear, tobacco, fossil fuel production, storage, transport or distribution).
- 11) They **should address gender-related issues** typical for heavy-industry regions.

The degree to which the just transition processes in different countries have been consistent with the criteria has varied. This section will outline the processes in the different countries with regard to the requirements set out in the Staff Working Document.

Bulgaria

[No information available. See pages 7 and 8 for more information.]

Czechia

	<u>Question</u>	<u>Answer</u>
1.	Do the Territorial Just Transition Plans detail the transition process that will be implemented in the territory in order to achieve a climate-neutral economy?	No
2.	Do the Plans contain a description and detailed plan of the transition process at the national level, including a timeline for key transition steps towards the 2030 climate and energy targets?	Partial
3.	Do the Plans demonstrate clear evidence of a transition process and its impact at the level of the affected region by 2030 or before?	No
4.	Do Plans extend the geographical scope into territories where there is no clear transition process with an associated negative socio-economic impact by 2030 or before?	No
5.	Do the Plans cover coherent geographical areas and, to the extent possible, reflect functional regional economic areas, which correspond to the communities, labour markets and economic activities affected by the installations and related firms involved in fossil fuel activities or greenhouse gas-intensive industrial processes?	Yes
6.	Do the Plans contain any uncertainty about the implementation of a transition process due to the continuation or beginning of fossil fuel activities?	Yes
7.	Do the Plans enable regions and people to address the social, employment, economic and environmental impacts of the transition?	Partial
8.	Do the Plans provide a path for economic diversification?	Partial
9.	Do the Plans outline paths for other projects that are eligible for support under the Just Transition Fund?	Yes
10.	Do the Plans include any investments in projects that are excluded from the Just Transition Mechanism?	No
11.	Do the Plans include a strategy for dealing with gender-related issues?	No

The Czech Territorial Just Transition Plans are currently lacking in several important areas. Firstly, they fail to provide sufficient details and timelines for the transition processes. The Plans are consistent with the Czech National Energy and Climate Plan, but the national plan itself is not very ambitious and has not been updated to reflect the 55 per cent emission reduction target for 2030 adopted at the EU level in 2019. The Plans are currently too vague and too light on real commitments, such as coal phase-out dates, plans for phasing out public funding for fossil fuels and measures against energy poverty.

The Plans are better concerning such issues as economic diversification, even mentioning this as the foundation of the transformation process. They also highlight other projects eligible for funding. However, more concrete information is needed on energy efficiency and support for small and medium-sized enterprises.

The Plans also fail to mention gender equality and do not include any references to the specific issues facing women in coal-mining regions.

Estonia

	<u>Question</u>	<u>Answer</u>
1.	Do the Territorial Just Transition Plans detail the transition process that will be implemented in the territory in order to achieve a climate-neutral economy?	Yes
2.	Do the Plans contain a description and detailed plan of the transition process at the national level, including a timeline for key transition steps towards the 2030 climate and energy targets?	Partial
3.	Do the Plans demonstrate clear evidence of a transition process and its impact at the level of the affected region by 2030 or before?	No
4.	Do Plans extend the geographical scope into territories where there is no clear transition process with an associated negative socio-economic impact by 2030 or before?	No
5.	Do the Plans cover coherent geographical areas and, to the extent possible, reflect functional regional economic areas, which correspond to the communities, labour markets and economic activities affected by the installations and related firms involved in fossil fuel activities or greenhouse gas-intensive industrial processes?	Yes
6.	Do the Plans contain any uncertainty about the implementation of a transition process due to the continuation or beginning of fossil fuel activities?	Yes
7.	Do the Plans enable regions and people to address the social, employment, economic and environmental impacts of the transition?	Partial
8.	Do the Plans provide a path for economic diversification?	Yes
9.	Do the Plans outline paths for other projects that are eligible for support under the Just Transition Fund?	Yes
10.	Do the Plans include any investments in projects that are excluded from the Just Transition Mechanism?	Partial
11.	Do the Plans include a strategy for dealing with gender-related issues?	Partial

The Estonian Territorial Just Transition Plan aligns well with the Staff Working Document, but certain issues remain. The Plan contains a detailed overview of investments both at the national and regional level. The national plan is consistent with the Estonian National Energy and Climate Plan and other long-term strategies. The National Energy and Climate Plan from 2017 is widely regarded as outdated due to a 2050 emission reduction target of 80 per cent, rather than the 2050 carbon neutrality target adopted by the European Commission in 2019. To comply with EU targets, the Estonian National Energy and Climate Plan should therefore increase its ambition.

Another major issue with the Plan is its failure to provide clear evidence of a transition process in Ida-Virumaa before 2030, namely due to a lack of clarity regarding the phase-out date of oil shale extraction in the region.

There have not been any attempts in Estonia to extend the geographical scope of the Just Transition Fund to regions without clear transition processes. The Territorial Just Transition Plan also covers a coherent geographical area and reflects issues linked to the labour market and economic activities adequately.

However, the Plan does contain some uncertainty about the implementation of the transition process due to the above-mentioned lack of clarity on oil shale phase-out. While Estonia has committed to end the burning of oil shale for electricity production by 2035, and by 2040 for energy production, oil shale is expected to be used in the chemical industry instead. The process envisions a transformation of oil shale (as a form of rock) into shale oil through pyrolysis. A new shale oil plant is due to be opened in 2024. This has a potential to result in carbon lock-ins and an increased mitigation deterrence risk, thereby underlining the uncertain nature of the transition in Ida-Virumaa.

The Territorial Just Transition Plan seeks to enable the region to address social, employment, economic and environmental impacts of the transition through an emphasis on financial support for affected employees, upskilling and re-skilling. However, little emphasis is placed on supporting start-ups and business creation.

The Plan outlines adequate strategies for economic diversification, focusing on support for big and medium-sized projects, fostering infrastructure, research and development, developing small enterprises, reskilling and upskilling, as well as providing compensation for workers who will lose their jobs. It also contains several other eligible projects within the fields of innovation, development, and research.

The Territorial Just Transition Plan highlights the need for matching the Just Transition Fund criteria, but there may be reason for concern regarding some grey areas in the list of potentially eligible investments that could apply for the funds. For example, two projects claim to develop technologies for turning plastic waste into oil and gas without using any fossil fuels, but the development of the technology relies directly on further developing shale oil production from oil shale. This indicates that a shale oil plant is expected to be opened, and that Estonia will not execute a full transformation.

Another huge challenge stems from the measures required for decoupling district heating from oil shale while relying heavily on biomass. Environmental civil society organisations are advocating for a mix of alternatives instead (e.g. installing heat pumps, investing in 100 per cent renewable energy and fostering the housing renovation projects that have been outlined in the operational programme). It is also inevitably clear that the overall energy production and demand must be downscaled to stay within safe ecological limits.

Finally, the Territorial Just Transition Plan does not explicitly mention gender equality. It does, however, mention that Ida-Virumaa is amongst the areas with the highest rates of inequality in Estonia related to age, gender, physical capabilities, etc., and that this problem urgently requires attention.

Hungary

	<u>Question</u>	<u>Answer</u>
1.	Do the Territorial Just Transition Plans detail the transition process that will be implemented in the territory in order to achieve a climate-neutral economy?	Partial
2.	Do the Plans contain a description and detailed plan of the transition process at the national level, including a timeline for key transition steps towards the 2030 climate and energy targets?	Partial
3.	Do the Plans demonstrate clear evidence of a transition process and its impact at the level of the affected region by 2030 or before?	Yes
4.	Do Plans extend the geographical scope into territories where there is no clear transition process with an associated negative socio-economic impact by 2030 or before?	No
5.	Do the Plans cover coherent geographical areas and, to the extent possible, reflect functional regional economic areas, which correspond to the communities, labour markets and economic activities affected by the installations and related firms involved in fossil fuel activities or greenhouse gas-intensive industrial processes?	Yes
6.	Do the Plans contain any uncertainty about the implementation of a transition process due to the continuation or beginning of fossil fuel activities?	Yes
7.	Do the Plans enable regions and people to address the social, employment, economic and environmental impacts of the transition?	Partial
8.	Do the Plans provide a path for economic diversification?	Partial
9.	Do the Plans outline paths for other projects that are eligible for support under the Just Transition Fund?	Yes
10.	Do the Plans include any investments in projects that are excluded from the Just Transition Mechanism?	Partial
11.	Do the Plans include a strategy for dealing with gender-related issues?	No

The Hungarian Territorial Just Transition Plans align well with the criteria set out in the Staff Working Document. However, some issues and concerns still remain. The Territorial Just Transition Plans detail the planned transitions adequately, both at the national and regional levels, but seem to keep the concrete details as flexible as possible. These planned transitions are consistent with the National Energy and Climate Plan and other relevant mid-term strategies. The main concern is that the National Energy and Climate Plan itself is not ambitious enough. In particular, this is due to an envisaged reliance on fossil gas and nuclear energy sources until 2050, in accordance with the Hungarian National Energy and Climate Plan.¹⁶

¹⁶ European Commission, [National energy and climate plans](#), accessed 13 December 2021.

There are no issues with the geographical aspect of the plans. They are all linked to coherent areas with interlinked labour markets and infrastructure. There have also not been any moves to extend the geographical scope of just transition funding to regions outside the scope of the Just Transition Mechanism.

The Territorial Just Transition Plans do not contain any uncertainty about the implementation of transition processes. None of them make direct references to the continuation or opening of fossil fuel activities. It should be noted, however, that this does not correspond to other 2030 and 2050 plans and official statements that refer to coal-to-gas projects and nuclear energy as key elements of the transition processes – although those activities are not planned to be financed from European Union or Recovery and Resilience Facility funds.

The Plans appear well suited for enabling the regions to partly address the social, employment, economic and environmental impacts of the transition adequately. They place great emphasis on job creation, capacity building and re-education for affected workers and their families. The Plans also provide some details for economic diversification and other eligible activities. The main concerns in this section are linked with weak fund absorption rates. It will require a considerable and targeted effort, as well as capacity building, to ensure that enough funding flows to small and medium-sized enterprises, start-ups and local communities in the regions. Another concern is that the funding allocated to research and innovation through regional universities (which have been privatised and are maintained by trust foundations) in the regions is excessive at 10 per cent of the total funding.

Finally, none of the Hungarian Territorial Just Transition Plans mention gender equality or a strategy for dealing with gender-related issues typical for areas with a history of heavy industry, especially coal mining.

Poland

	<u>Question</u>	<u>Answer</u>
1.	Do the Territorial Just Transition Plans detail the transition process that will be implemented in the territory in order to achieve a climate-neutral economy?	Partial
2.	Do the Plans contain a description and detailed plan of the transition process at the national level, including a timeline for key transition steps towards the 2030 climate and energy targets?	Partial
3.	Do the Plans demonstrate clear evidence of a transition process and its impact at the level of the affected region by 2030 or before?	Partial
4.	Do Plans extend the geographical scope into territories where there is no clear transition process with an associated negative socio-economic impact by 2030 or before?	Partial
5.	Do the Plans cover coherent geographical areas and, to the extent possible, reflect functional regional economic areas, which correspond to the communities, labour markets and economic activities affected by the installations and related firms involved in fossil fuel activities or greenhouse gas-intensive industrial processes?	Yes

6.	Do the Plans contain any uncertainty about the implementation of a transition process due to the continuation or beginning of fossil fuel activities?	Yes
7.	Do the Plans enable regions and people to address the social, employment, economic and environmental impacts of the transition?	Partial
8.	Do the Plans provide a path for economic diversification?	Yes
9.	Do the Plans outline paths for other projects that are eligible for support under the Just Transition Fund?	Partial
10.	Do the Plans include any investments in projects that are excluded from the Just Transition Mechanism?	No
11.	Do the Plans include a strategy for dealing with gender-related issues?	Partial

The state of play in Poland differs greatly from region to region. The region of Eastern Wielkopolska has a very strong Territorial Just Transition Plan, which details the transition process and includes steps toward the 2030 target. Eastern Wielkopolska is also one of few TJTPs with targets that surpass the National Energy and Climate Plan in ambition. Another would be the Wałbrzych subregion in Lower Silesia, which has, similarly to Eastern Wielkopolska, stated that it would achieve climate neutrality by 2040. The regions of Upper Silesia and Małopolska do not adequately fulfil the criteria at the moment. The mines in Silesia do not have any set phase-out dates, while the mines in Western Małopolska are planned to continue extraction until 2049. Similarly, major issues remain in the regions of Łódzkie, Lubelskie and Zgorzelec. Lubelskie has not committed to a phase-out date for coal and has proposed a plan to extract coking coal in order to prolong its activities. The Turów mine in the Zgorzelec subregion is projected to remain in operation until 2044.

Uncertainty about the implementation of transition processes is a key concern in Poland. Several regions are planning to maintain fossil fuel extraction or energy generation far beyond the timelines consistent with the 2030 and 2050 emission reduction targets. A coal mining licence was recently issued in Upper Silesia and at least one more is pending licence acquisition. The Turów mine in the Zgorzelec subregion, which is scheduled to remain operational until 2044, is another example of this tendency.

The Polish TJTPs, with the exceptions of those from the Łódzkie, Lubelskie and Zgorzelec regions, are generally adequate in enabling regions to address the social, employment, economic and environmental impacts of the transition. The Bełchatów Mine in Łódzkie does not have any plans to support the local economy in terms of creating jobs for miners. All the Territorial Just Transition Plans provide plans for economic diversification and all – with the exception of the Plan from the Zgorzelec subregion – provide other possible activities eligible for support under the Just Transition Mechanism.

Finally, most of the Plans fail to mention gender-related issues, but the one for Eastern Wielkopolska mentions targeted support for female job applicants.

Romania

	<u>Question</u>	<u>Answer</u>
1.	Do the Territorial Just Transition Plans detail the transition process that will be implemented in the territory in order to achieve a climate-neutral economy?	No
2.	Do the Plans contain a description and detailed plan of the transition process at the national level, including a timeline for key transition steps towards the 2030 climate and energy targets?	Partial
3.	Do the Plans demonstrate clear evidence of a transition process and its impact at the level of the affected region by 2030 or before?	Yes
4.	Do Plans extend the geographical scope into territories where there is no clear transition process with an associated negative socio-economic impact by 2030 or before?	No
5.	Do the Plans cover coherent geographical areas and, to the extent possible, reflect functional regional economic areas, which correspond to the communities, labour markets and economic activities affected by the installations and related firms involved in fossil fuel activities or greenhouse gas-intensive industrial processes?	Yes
6.	Do the Plans contain any uncertainty about the implementation of a transition process due to the continuation or beginning of fossil fuel activities?	Yes
7.	Do the Plans enable regions and people to address the social, employment, economic and environmental impacts of the transition?	Partial
8.	Do the Plans provide a path for economic diversification?	Yes
9.	Do the Plans outline paths for other projects that are eligible for support under the Just Transition Fund?	Yes
10.	Do the Plans include any investments in projects that are excluded from the Just Transition Mechanism?	Yes
11.	Do the Plans include a strategy for dealing with gender-related issues?	No

The Romanian Territorial Just Transition Plans are currently quite weak, with major concerns remaining. The Plans do not provide sufficient detail or timelines for the transition processes, as the processes are laid out in overly general terms. A more holistic and integrated approach is needed. While a climate-neutral economy is mentioned in the Plans, a credible path toward it is lacking. The Plans are consistent with the Romanian National Energy and Climate Plan, but this document itself is outdated and lacking in ambition.

Moreover, the Plans contain uncertainty regarding the implementation of the transition, primarily due to repeated references to gas as part of the solution. The Territorial Just Transition Plan for the Hunedoara region also refers to hydrogen, without specifying whether the hydrogen will be created with renewable or fossil fuel energy sources.

The capabilities of enabling the regions to address social, employment, economic and environmental impacts of the transition appear to be adequate in the Plans, and outlines are in place for reskilling, job creation and emission reductions. The Plans also include detailed paths for economic diversification and other eligible activities. While the project plans are generally good, they could be further improved through adopting a more integrated approach with a greater emphasis on creating synergies.

The Territorial Just Transition Plans contain references to activities, in the shape of gas projects, that are outside the scope of the Just Transition Mechanism. The Staff Working Document explicitly states that fossil fuel production, storage, transport and distribution is not eligible for support under the Just Transition Mechanism, but the Romanian Territorial Just Transition Plans nonetheless contain gas projects.

A final concern is that all the Romanian Territorial Just Transition Plans fail to mention gender equality, despite the Staff Working Document making it clear that such references would strengthen the Plans.

Slovakia

The Slovak Territorial Just Transition Plan cannot be assessed yet. It is expected that it will be shared and submitted for comments in December 2021. Based on Deliverable 3, *Report on the transition process towards climate neutrality*, we expect that the transition process to achieve a climate-neutral economy will be rather vague. Most of the analyses of the just transition process done so far have been based on the Slovak Action Plan.

Section 4: Conclusions and recommendations

There are large differences from country to country and from region to region. A number of the Territorial Just Transition Plans are ambitious and based on a sound diagnosis of the situation, while remaining realistic and well suited for engaging local populations. Others are weak in terms of their ambition; some fail to provide credible paths and timelines for achieving their targets; and still others have been developed without input from local stakeholders, raising doubts about their ability to create local enthusiasm and project absorption. The smaller stakeholders (small municipalities, local businesses, small and medium-sized enterprises, local NGOs, etc.) previously signalled that a major challenge in the upcoming year will be a lack of capacity to prepare projects that need to be implemented to fulfil the requirements of the Just Transition Mechanism.

Major improvements should also be made to the transparency of the process in the majority of countries, and similarly during the submission phase of the process itself. Timelines, feedback response times and other practical modalities have often been found lacking, complicating both participation in and the monitoring of the process. Access to information concerning the updated version of the Plans and the proposed amendments has been limited. This is counter to the partnership principle itself, in that at the moment various stakeholders do not know what amendments were proposed to the draft versions of the documents and what corrections were actually made. Thus, currently only select, privileged authorities have been provided with updated information about the final shape taken by these documents.

As Territorial Just Transition Plans start being approved and the implementation phase begins, it is vital that the European Commission sticks to the criteria set out in the Just Transition Mechanism regulation and the Staff Working Document on the Territorial Just Transition Plans, while also improving its own approach based on improved knowledge of the challenges faced by those on the ground in the various countries and regions.

In particular, we make the following recommendations:

Access to information and a high level of transparency and partnership should be maintained at all phases of the process.

- All stakeholders in the process should be granted access to the recommendations for amendments to be made to the draft Territorial Just Transition Plans. Thorough feedback concerning how these amendment proposals were taken into account in the final versions should also be provided.
- Stakeholders should be provided with an opportunity to comment on the final versions before they are delivered to the European Commission.
- All stakeholders should be provided access to the final versions of the Territorial Just Transition Plans that are sent to the European Commission as soon as possible.
- In addition, easy access (e.g. in the form of a dedicated webpage, as in the case of START) should be provided for all expert reports prepared as part of the technical assistance provided by the European Commission to the just transition regions. Currently, they are not always made easily available.

Efforts should be maintained to ensure the application of the partnership principle.

- The European Commission should not approve any Territorial Just Transition Plans that have been developed without extensive and meaningful stakeholder consultation.
- Monitoring committees should have at least one-third of their members from civil society organisations. Voting rates as well as timely and equal access to information for all members should be provided to ensure genuine dialogue on the implementation of the Territorial Just Transition Plans.
- Commitments to stakeholder engagement and support for capacity building during the implementation phase should be assessed by the European Commission.
- Concrete steps should be taken to involve underrepresented groups, such as youth and women, in the monitoring committees.

Climate ambitions should be increased and fossil fuels excluded from all transformation plans.

- If the Territorial Just Transition Plans have been developed to be consistent with **outdated** emission reduction targets in the National Energy and Climate Plans, the European Commission should

strongly recommend increasing ambition to comply with the targets set out in the European Climate Law.

- The Territorial Just Transition plans that fail to set out a clear plan and timeline for phasing out coal and oil shale by 2030 should not be approved.
- While many of the Territorial Just Transition Plans do not include plans that would be non-compliant with the requirements of the Just Transition Mechanism, the countries are known to be planning investments in fossil fuels and the opening of related production facilities, such as a shale oil plant in Ida Virumaa in Estonia, the opening of new mines in Upper Silesia in Poland or the planned coal-to-gas transition in the Matra Power Plant in Hungary. In the case of Romania, gas production is even directly included in the Territorial Just Transition Plans. Gas is also being suggested as a transition fuel for district heating challenges in many central and eastern European countries. Such projects should be assessed in terms of their coherence with just transition objectives, the impact from lock-in periods with unsustainable solutions and the crowding out of better alternatives. These projects threaten the possibility that given regions will be able to receive European Union funding and should be flagged as such.

Capacity-building activities should be provided for smaller stakeholders.

- Local and regional information campaigns should be organised to increase the involvement of smaller stakeholders (small municipalities, local businesses, small and medium-sized enterprises, local NGOs, etc.) in the just transition process.
- Better targeted support and aid in preparing just transition projects needs to be provided to smaller stakeholders so that they can also participate in the implementation of the Just Transition Funds.
- Smaller stakeholders need to be provided with more information about the just transition requirements and opportunities.

Gender-related strategies need to be introduced meaningfully into the just transition process.

- Since the majority of Territorial Just Transition Plans in central and eastern Europe do not have such strategies, or they only touch on the topic in a very general manner, it is our recommendation that more pressure should be put on including plans for dealing with gender-related social and economic issues, typical for most regions that have a history of an economy based on heavy industry.
- As most plans and discussions focus on providing alternative jobs for the men employed in the relevant sectors in just transition regions, more attention should be paid to the women, for example in administrative jobs, who will also be losing their source of income.