



WWF European Policy Office
123 rue du Commerce
1000 Brussels
Belgium

Mobile:
Skype ID:
USERADDRESS *
MERGEFORMAT @WWFEU
www.wwf.eu

EU Transparency Register Nr:
1414929419-24
VAT: BE 0460057241

European Commission
Le Berlaymont
Rue de la Loi 200
1049 Bruxelles
Belgium

2 September 2021

Reference: Territorial Just Transition Plans assessed against WWF Just Transition principles

Dear Executive Vice President Frans Timmermans,
Dear Commissioner Elisa Ferreira,
Dear Director Mr Nicola De Michelis,
Dear Director Ms Nathalie Berger,
Dear Director Ms Paula Pinho,
Dear Director Ms Catharina Sikow Magny,

The Just Transition Fund (JTF), which entered into force in June 2021, offers an unprecedented opportunity to help Europe's most carbon-intensive and fossil fuel-dependent regions transition to a climate-safe and sustainable future in a socially fair way.

We welcome the JTF Regulation and support the development of local level plans to access this support. But we also recall the concerns expressed in the letter sent by CEE Bankwatch to the Commission on 17 March 2021 underlining challenges which have been negatively impacting the process and the quality of the plans developed.

In order to assess the quality of the plans, their inclusivity, and their transparency, as well as alignment with the climate targets, WWF has developed a [scoring tool](#). 14 scorecards for plans have been published so far¹, aiming to inform stakeholders and the Commission about how the plans perform against 10 just transition principles endorsed by partners to the tool. Building on these scorecards and on discussions with stakeholders actively involved in or following TJTP development, we share observations and recommendations below on the process and the content of the plans being developed, to improve the likelihood that the TJTPs will deliver a real and just transition. **We call on the Commission to note these findings and act on the accompanying recommendations in bold when commenting on and approving TJTPs.**

¹ Czechia, Estonia (Ida-Virumaa), Greece (Megalopolis, Western Macedonia), Latvia, Poland (Eastern Wielkopolska, Lodzkie, Malopolska, Upper Silesia, Walbrzych), Romania (Hunedoara, Gorj), Slovenia (action plan from consultant only), and Slovakia



Working to sustain the natural world for the benefit of people and wildlife.

together possible. wwf.eu

1. Sustainability and delivery on long-term, international and EU climate commitments including EU 2030 and 2050 climate objectives (ambition)

The plans generally recognise the EU target of climate neutrality by 2050. On the other hand, the 2030 targets at EU and national level are not considered in all cases and actions are not always aligned with the updated 2030 targets. All plans identify opportunities for increasing the penetration of renewable energy and most for boosting energy efficiency, although some do not go into much detail and others lack any indication that efforts will be made to ensure these investments also deliver on social objectives; for example by facilitating renewable energy communities.

Latvia, Eastern Wielkopolska and Walbrzych offer particularly positive examples of regional ambition, committing to reduce regional emissions by at least 65% by 2030 versus 1990 levels. This demonstrates the potential and power of regional planning.

- **Where a plan was designed with the previous EU 2030 climate targets in mind, the Commission should recommend upward revision to align with current EU-wide targets or higher.**
- **The TJTPs should outline a process for revision if national or EU climate targets are further increased before 2027.**

2. Does not lead to prolonged fossil fuel use or promote false solutions to the transition to climate neutrality

The plans should be developed in the context of a commitment to a genuine and measurable transition towards climate neutrality. This means the EU and its Member States must phase out coal by 2030 and by fossil gas by 2035², and should not support further fossil fuel use or investment. Unfortunately, 8 of the 14 plans assessed indicate an incomplete coal or oil shale phase out by 2030³. This contradicts the commitments made in the Paris Agreement to limit global temperature increase to 1.5°C⁴.

In addition, 9 of the 14 plans reviewed show no indication of a reduction in fossil gas use by 2030 and a phase out by 2035. Several plans rely on aspirational expectations of green/renewable hydrogen (produced through renewables energy, solar or wind) availability to avoid new gas capacity being left stranded. Renewable hydrogen will remain limited up to and beyond 2050⁵ and its use must be prioritised. Intensive high-energy

² “Building a Paris Agreement Compatible (PAC) energy scenario”, CAN Europe and the European Environmental Bureau (2020). See also Fossil Gas Manifesto 2021, signed by 20 organisations: <https://caneurope.org/20-organisations-release-eu-fossil-gas-manifesto-2035-phase-out/>

³ Czechia, Estonia, Romania (Gorj), Poland (Lodzkie, Upper Silesia, as well as Walbrzych and Malopolska - to be verified as the latter two concern only to heating/residential use), and Slovenia

⁴ The IEA Flagship report, “Net Zero by 2050: A Roadmap for the Global Energy Sector” published in June 2021 recognises that by 2030, advanced economies must have phased out unabated coal from electricity and heating, while natural gas-fired generation should peak globally in the same year.

⁵ According to the Europe-wide energy scenario “Building a Paris Agreement Compatible (PAC) energy scenario”, developed by CAN Europe and the European Environmental Bureau in 2020 to project energy supply and demand in a transition aligned with the Paris Agreement’s objective of limiting global heating to 1.5°C: only 6.9% of 2030 final

industrial processes would benefit from renewable hydrogen and direct electrification, while low-temperature industrial processes and household heating and cooling would benefit from direct renewable heat, such as solar thermal, geothermal or air-source heat pumps. For low grade heating, the use of direct renewable heat solutions is more effective, as is the use of renewables for power generation.

- **Coal, peat and oil shale must be phased out by 2030 at the latest in Europe. The Commission must reject any plan which does not set out a clear plan and timeline to phase out coal, peat or oil shale activities in the region. In its comments, the Commission should also explicitly encourage Member States to adopt a clear and legally binding national path to phase out those activities by 2030, in order to be consistent with the consensus that these activities must be phased out to meet the international climate target to limit global average temperature rise to 1.5°C, as set out in the Paris Agreement.**
 - **National strategies referenced by TJTPs should foresee a phase out of fossil gas no later than 2035. No new fossil gas projects should be included in TJTPs.**
 - **The Commission should critically review inclusion of hydrogen projects for electricity generation against the availability of other green and sustainable technologies.**
3. Sustainable economic diversification: it is welcome that nearly all the plans⁶ assessed recognise the value of SMEs and start-ups, but only 8 set out clearly how they will support them. Moreover, at least 6 of the plans already indicate excessive or unjustified support for large enterprises⁷. However, the JTF is intended to provide support to SMEs and start-ups as a default option. Finally, although economic diversification is always promoted, only 4 of the reassessed plans are judged as recognising that all sectors must also become sustainable.
- **The Commission should demand that TJTPs include measures to support SMEs and start-ups, and encourage Member States to develop project selection criteria that ensure that all sectors of the economy become sustainable and do not significantly harm EU environmental objectives.**
 - **The Commission should critically review the list of large enterprises which can receive funds and should not approve a plan where the list is open or undefined.**

energy demand (20% by 2050) will come from renewable gases (biogas and renewable hydrogen). All this renewable (or “green”) hydrogen will be needed in transport and industry, not in residential heating or power generation.

⁶ Latvia’s plan did not recognise the value of SMEs explicitly.

⁷ TJTPs in Estonia, Slovenia, Latvia, Lodzkie and Malopolska prioritise energy transition investments in companies with grants from the just transition fund, without a clear justification of why the companies cannot cover these costs by alternate means. In Eastern Wielkopolska, Ze Pak is a potential applicant for support to develop degraded areas, but polluter pays weightings are not mentioned in the assessment of eligibility. In Upper Silesia, a list of PGG projected operations is included and a decision will be made on whether financing will come from the national just transition plan or the JTF “at a later date”.

- **The Commission should ensure TJTPs include sufficient reskilling programmes and provisions for renewable energy by 2030, before approving them.**
4. Inequality and interregional solidarity: all of the TJTPs assessed include measures to address social inequality, improve interregional solidarity, and tackle injustices, but Czechia notably performs poorly on several indicators. Areas for improvement in all plans include the need to introduce measures to ensure new jobs created are of similar quality and remuneration as jobs in declining industries. No assessed plan explicitly highlights the need to consider all factors determining decent and fair working conditions, such as access to collective bargaining, or safe, healthy working conditions and reasonable working hours. Gender equality measures are not reflected in 7 of the plans, but 3 of the assessed plans actively propose measures to combat gender inequality⁸ (particularly for employment). The need to consider the impact of the transition on quality of life measures is not reflected in every plan.
- **The Commission should assess all plans against their contribution to the European Pillar of Social Rights, particularly to ensure they include measures to tackle gender inequality and that new jobs create fair and just working conditions**
5. Do no significant harm: none of the plans assessed include a clear commitment to ensure respect for the principle of do no significant harm. It is concerning that 3 of the plans foresee new or potential new waste incineration capacity, although 8 plans include measures to actively increase the circular economy⁹. Investment in new fossil infrastructure is included in 4 of the plans, while all plans except Malopolska and Slovenia¹⁰ foresee investments in infrastructure which could indirectly lead to greater greenhouse gas emissions and fossil fuel-based activities, such as motorways.

The risk of significant harm to EU environmental and climate objectives could be reduced by adding an exclusion list to the plans, as well as a do-no-significant-harm test for investments, but no plan includes such provisions. Moreover, some draft plans include plans to increase or to introduce forest biomass combustion, which lacks any clear assessment of sustainability and likely targets a loophole in the Renewable Energy Directive Revision proposal¹¹.

⁸ Lodzkie, Wielkopolska and Estonia

⁹ Czechia, Estonia, Eastern Wielkopolska, Lodzkie, Hunedoara, Gorj, Slovenia, Slovakia

¹⁰ Estonia (Ida-Virumaa), Greece (Megalopolis, Western Macedonia), Latvia, Poland (Eastern Wielkopolska, Lodzkie, Upper Silesia, Walbrzych), Romania (Hunedoara, Gorj), and Slovakia. Czechia did not provide enough information.

¹¹ Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2018/2001 of the European Parliament and of the Council, Regulation (EU) 2018/1999 of the European Parliament and of the Council and Directive 98/70/EC of the European Parliament and of the Council as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652

- **The Commission should not approve any plans which foresee new waste incineration capacity or other GHG intensive activities, such as building motorways, given that 2030 is a key decade on the path to decarbonisation.**
 - **The Commission should encourage Member States to adopt exclusion lists and to include project selection criteria that seek to improve EU environmental and biodiversity indicators.**
 - **TJTPs should also include respect for a “do no significant harm” principle, which is implemented using the technical screening criteria developed by the EU Technical Expert Group on Sustainable Finance in its March 2020 report on the EU Taxonomy¹².**
 - **The Commission should demand that any fossil gas projects are explicitly mentioned in the plan and that their consistency with a fossil gas phase out by 2035 is stated.**
6. Polluter pays: the assessed plans perform worst overall on the principle of respect for the polluter pays principle. 9 of the plans clearly propose the use of JTF resources to pay for land restoration and rehabilitation without an analysis, or commitment to such an analysis, of the applicability of the Polluter Pays Principle¹³. None of the plans establish how the Polluter Pays Principle will be respected when making investment decisions.
- **The Commission should insist that TJTPs respect the polluter pays principle, including through the introduction of a mandatory check on whether operators or other private entities are liable for environmental damage before it can be remediated using JTF grants.**
 - **Wherever new mining, coal, oil or gas exploitation operations are planned, the Commission must reject plans by default. Similarly, to increase ambition, the Commission should expedite approval of TJTPs that foresee investments in sustainable, renewable and diversified energy projects.**
7. Adequate, coordinated and long-term public and private funding sources: plans rely too heavily on public funding sources, and particularly the JTF. Walbrzych and Eastern Wielkopolska stand out as counterexamples however, with measures to leverage private financing or investment in the plans.
- **The Commission should verify that plans clearly indicate how they will use Pillar 2 of the JTM, as well as how other sources of finance beyond the JTM**

¹² Available here:

https://www.google.com/url?sa=t&source=web&rct=j&url=https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf&ved=2ahUKEwiM0Y7JwKzyAhWDO-wKHcDQARMQFnoECAYQAQ&usq=AOvVaw2p3-vuUh1f9whb6sgUMPgg

¹³ Most TJTPs do not indicate respect for polluter pays and only 4 (Slovakia, Gorj, and the two assessed Greek plans) received an amber rating for this principle. This should still be investigated further for these TJTPs.

will be used, while ensuring coherence and complementarity with other Cohesion policy funds that flow to the just transition regions¹⁴. Where plans do not include this information, the Commission should insist on such information being provided in its observations.

8. Respect for social dialogue and the partnership principle: while some examples of good practice exist, all plans assessed could improve measures for partnership and for better cooperation with the wider public in developing plans¹⁵. Poor identification of stakeholders is a common problem. Limited detail is often given on how views and consultation inputs are, or have been, integrated into the plans; in many cases provisions for consultation have been poor, with insufficient time for stakeholders to comment. In no plan is it clear that social dialogue has been a part of developing plans.

- **The Commission must not approve any plan which does not clearly indicate how all stakeholders, as outlined by the European Code of Conduct on Partnership, have been consulted and how their views have been integrated into the plan submitted to the Commission.**
- **Where there is doubt about the sufficiency or success of stakeholder consultation, the Commission should reach out to civil society groups and other industry partners to verify whether consultation on the plan was adequate before approving it.**
- **The Commission must also not approve any plan which does not clearly indicate how all stakeholders will be involved formally in the implementation of the plan. The management model needs to outline what formal bodies will be appointed and how representation of all stakeholder groups will be assured, including voting rights.**
- **To facilitate the work of regions in finding stakeholders, a common database of NGOs, associations and industry, and their field of expertise should be offered to Member States and their regions¹⁶.**

9. Place-based, local approach: the plans are generally well-targeted towards the local level and include some specific measures for the regions concerned, although this could be strengthened further in several plans. It is less clear however that communities have been properly engaged - and will continue to be engaged - in the development of plans to ensure all their needs, rights and values are respected. A good practice worth highlighting is Upper

¹⁴ As required by article 5 of the Common Provisions Regulation (Regulation (EU) 2021/1060 of the European Parliament and of the Council) Article 5(3)

¹⁵ Public understanding of just transition is often low. For example, according to research conducted for Greenpeace Czechia only 3% people know what "just transition" means in Czechia. By contrast, a good practice can be highlighted from Upper Silesia, in which the TJTP makes provisions for communicating the just transition strategy to the public throughout the entire 2021-2027 financial period.

¹⁶ The helpful 'governance of transitions toolkit' produced by the Coal Regions in Transition secretariat should also be highlighted and can be considered as relevant to non-coal regions.

Silesia's commitment to, and inclusion of plans for, coal community engagement in the just transition process throughout the financial period (2021-27), but caveats include a concern that some stakeholders were not invited to the structured consultations in this region.

- **The Commission should encourage best practices such as a commitment to continue engaging with the community and communicating on the implementation of the TJTP when submitting observations to the plans and in fora such as the Just Transition Platform.**
 - **The Commission should encourage consultation of a wide diversity of stakeholders, in line with the European Code of Conduct on Partnership.**
10. High-quality, independent and objective analysis: the plans generally include indicators that are focused at the regional level and are appropriate to the goals of the fund. However, several of the plans include analysis which is based on unverified data sources, such as in Lodzkie, where indirect job creation of mining multipliers significantly exceed those proposed by on the ground studies conducted by non-industry bodies, thereby generating a misleading impression of the relative importance of mining to employment in the region.
- **The Commission should challenge poor or unusual data analyses and insist on their correction before approving plans.**
11. No TJTP can be considered an outstanding example of good, just transition practice. There are good practices and examples in many of the plans so far assessed and we consider that the overall process of developing TJTPs offers a lot of potential and good lessons learned which could strengthen transition processes in future. However, it is clear that improvements can and should be made in every plan before they are approved by the Commission.
- **We call on the Commission to publish any observations made regarding the submitted TJTPs, even if the plans are not eventually approved.** This is essential to ensure that all stakeholders can engage effectively in further improvement of the plans, as well as raise further issues.

We sincerely hope that this information will be taken on board and we will be pleased to respond to requests for further information or questions on any of the points or recommendations elaborated above.

On behalf of the undersigning organisations,



Ester Asin,
Director WWF EPO

The above letter, sent by WWF, is supported by the following organisations:

