

July 2021

A photograph of an industrial facility, possibly a refinery or chemical plant, featuring a complex network of elevated walkways and pipes painted in a vibrant green color. The structure is supported by concrete pillars and is set against a backdrop of a clear sky with some clouds. The foreground shows a grassy area with some dry patches.

## The governance of Just Transition in Greece and in Europe

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For citation:

The Green Tank (2021) “The Governance of Just Transition in Greece and in Europe”

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## Abbreviations

BCG: Boston Consulting Group  
CA: Ministerial Council Act  
CPR: Common Provisions Regulation  
DAM: Just Development Transition  
EMeP DAM: Special Transitional Just Transition Development Program  
EU: European Union  
EYSDAM: Just Development Transition Special Service  
GG: Government Gazette  
GT: Grant Thornton  
HBP: Hornonitrianske bane Prievidza  
IOBE: Foundation for Economic and Industrial Research  
IRR: Innovationsregion Rheinisches Revier  
JTF: Just Transition Fund  
JTM: Just Transition Mechanism  
KEDAM: Just Development Transition Government Committee  
KPI: Key Performance Indicator  
MD: Ministerial Decision  
MOU S.A.: Management Organization Unit of Development Projects S.A.  
MP: Member of Parliament  
NCEP: National Climate and Energy Plan  
NGO: Non-Governmental Organization  
NSRF: National Strategic Reference Framework  
NTUA: National Polytechnic University of Athens  
OAED: Manpower Employment Organization  
PDAM: Just Development Transition Program  
PPC S.A.: Public Power Corporation  
PPP: Public-Private Partnerships  
RPC: Regional Permanent Conference  
RUM: Regional Union of Municipalities  
SDAM: Just Development Transition Plan  
SEP: Just Development Transition Steering Committee  
SPV: Special Purpose Vehicle  
TESDAM: Just Development Transition Plan Technical Committee  
TJTP: Territorial Just Transition Plan  
ZRR: Zukunftsagentur Rheinisches Revier

## Executive Summary

With the European Green Deal, the European Union has set as its central goal the transformation of all sectors of the economy in order to reach climate neutrality by 2050. At the same time, it set as a condition that this transition be socially just, giving a new lease of life to the regions of Europe whose economy is deeply dependent on polluting activities, such as burning lignite. To this end, it has set up the Just Transition Mechanism, which is intended to fund the shift of carbon-dependent regions towards sustainability. For the successful outcome of the transition of these areas the governance mechanism plays a key role, a term that refers to the various ways in which different actors and stakeholders interact, collaborate and participate in decision-making for the design and implementation of the collective goal.

This report first reviews the relevant European Union legal framework governing the governance mechanisms of the transition and focuses on good examples of governance from three lignite regions of Europe. It then presents the key elements of the governance mechanism proposed by the government, as reflected in the Territorial Just Transition Plans (TJTTPs) and the Just Development Transition Program (PDAM). The report concludes with a critical assessment of the Greek governance mechanism and the elaboration of specific recommendations for its improvement.

The Greek government has so far held a number of consultations, although in a heterogeneous way, and has presented and explained the key elements of the transition planning in many information workshops and events. As far as the governance mechanism is concerned, however, it seems that so far a top-down approach has been followed, for the effectiveness of which many reservations and criticism are expressed. This approach contradicts the European Commission's guidelines for transition governance, good examples from other countries, and the opinion of citizens of the country's lignite regions, who seek a more inclusive model of governance with more opportunities for local communities to participate in the decision-making for their own future. Also, the proposed governance mechanism is labyrinthine and with several ambiguities in terms of the responsibilities and roles of the 11 different structures that will constitute it, mainly in terms of the way they will interact with each other. In addition, issues of adequate participation, representation, and transparency in these structures are raised. Based on the evaluation of the proposed mechanism and the analysis of good governance examples from Czechia, Slovakia and Germany, the following recommendations are made in order to form a just and effective governance mechanism for the lignite regions of Greece:

**Systematic briefing and easily accessible information** on the course of the transition, by upgrading the SDAM website to an information hub for all developments, decisions and consultations related to the transition. Launching multiple different communication channels and websites per structure should be avoided, in favor of an organized, timely and valid briefing of institutions and citizens.

**Maintaining and enhancing transparency**, by complementing the good practice of making publicly available the minutes of SEP meetings, with the timely posting of the respective minutes of the new structures that will be established.

**Open and transparent consultation procedures** with all comments being accessible to all.

**Clarification of the roles of the different structures**, in order to ensure complementarity among them and to avoid overlap of responsibilities.

**Expansion of the Partnership** to include all stakeholders in all subsequent stages of Transition planning, implementation and any revision. This expansion should also apply to all monitoring structures, including but not limited to the 2021-2027 PDAM Monitoring Committee.

**Inclusion of representatives of municipal authorities in the Steering Committee.** Due to the mayors' proximity to local communities in Greece, and, in general the key part they have played in the transition, especially from 2015 onwards, it is recommended that the SEP be expanded to include the mayors of the five energy municipalities and the Presidents of the Regional Unions of Municipalities of the five regions in transition.

**Establishment of Regional Transition Committees** according to the standards of the RPCs of the RESTART governance system in Czechia, under the chairmanship of the governors of the transition regions, as proposed by the World Bank for the governance of the transition in Western Macedonia. These Committees will be responsible for drawing up -and reviewing every two years- regional action plans that specify the central planning, and will be in contact with the central Steering Committee. The Regional Group of Western Macedonia that supported the regional authorities during the SDAM drafting phase can be transformed into such a structure with the appropriate support.

**Role distinction between the Just Development Transition Special Coordination Service (EYSDAM) and the Technical Secretariat.** In view of the merging of the Technical Secretariat and EYSDAM, and due to the non-representation of the regions in transition in either of them, it is recommended that the Technical Secretariat maintains the coordination of the implementation of the broader planning, and EYSDAM coordinates the implementation of the approved 2021-2027 PDAM. Furthermore, designated representatives of the regions in transition should be appointed to the Technical Secretariat as focal points with an advisory role.

**Representation of local government, environmental bodies and civil society in the body implementing the Transition.** The inclusion of representatives of the local government, as well as representatives of environmental bodies and civil society in "Metavasi S.A." is strongly recommended. The former will act as guarantors of the interests of local communities, while the latter will ensure that the choices made in the implementation phase respect environmental and climate sustainability, as well as promote social equity, leaving no one behind.

# Introduction

The European Green Deal, presented in December 2019, is the new development strategy of the European Union (EU) and its central goal is to make Europe the first climate neutral continent in the world by 2050, while strengthening the protection and the conservation of biodiversity<sup>1</sup>.

The primary aim of the European Green Deal is to move towards climate neutrality in a socially just and inclusive way. To this end, the EU has set up the so-called “Just Transition Mechanism” (JTM), which will provide funding and technical assistance to the regions of the EU most affected by the transition to a green economy<sup>2</sup>. This Mechanism is based on three pillars in order to financially support and mitigate the socio-economic impact of the transition in European regions with economies based on carbon-intensive activities:

- the Just Transition Fund, which will support transition areas with € 17.5 billion,
- the “Invest EU” mechanism, which will provide guarantees for private investment, and, finally,
- a public sector loan mechanism, in cooperation with the European Investment Bank.

Through the joint action and the relevant leverage of these three pillars of the JTM, the European Commission seeks to mobilize resources of the order of € 100 billion during the 2021-2027 period in transition areas, in order to shift local economies towards a sustainable direction. Finally, the JTM, via a just transition platform, will provide technical assistance to Member States and investors and ensure the engagement of affected communities, local authorities, social partners and non-governmental organizations.

However, in addition to securing sufficient resources and providing technical assistance for their utilization, a key factor for the successful outcome of the transition is its governance mechanism. This term refers to the various ways in which different actors and stakeholders engaged in and influenced by the transition work together to achieve the collective goal.

In Greece, the impasse of the lignite power generation model had become evident by the beginning of the last decade; nevertheless, the Greek government along with the vast majority of the local authorities of lignite areas chose to seek ways to perpetuate lignite activity instead of preparing the lignite areas for the next day. Thus, the planning of the transition in lignite areas was greatly delayed and only started in March 2020; meanwhile, the effects of the transition had already grown, due to the rapid decline in lignite production in recent years. Nonetheless, in a short period of time, specific plans were formulated, setting forth solutions for the transformation of the local production model. In accordance with the requirements of the new EU Just Transition Fund Regulation, the so-called “Territorial Just Transition Plans” (TJTTPs) drawn up by the Greek government for lignite areas include, inter alia, a description of the governance mechanism that will be applied in the planning and implementation of the transition.

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<sup>1</sup> European Commission (2021), “A European Green Deal”, <https://bit.ly/3yu1ib8>

<sup>2</sup> European Commission (2020), “Financing the green transition: The European Green Deal Investment Plan and Just Transition Mechanism”, <https://bit.ly/3hLWJSP>

This report aims to contribute to the formulation of a just and effective system of governance for the lignite areas of Greece.

To this end, Part I of the report examines the EU institutional framework on matters of governance, presents the relevant guidelines of the European Commission, as well as the World Bank recommendations regarding governance, as cited in its *“A Road Map for a Managed Transition of Coal-Dependent Regions in Western Macedonia”*. Part I concludes with a description of the key features of three successful governance mechanisms in an equal number of regions of the EU, where solid fossil fuels are mined. Part II of the report presents the governance mechanism for Greece’s lignite areas, which has been proposed by the government and is included in the respective published TJTPs of Western Macedonia, the Peloponnese, and the Islands of North and South Aegean and Crete, as well as the views of local communities on the issue of governance, as reflected in opinion polls. Finally, the last part of this report (Annex) includes a critical assessment of the proposed mechanism, as well as recommendations for its improvement.

# I. The European Dimension

Governance mechanisms are influenced by many factors such as the overall governance experience of a country, the history of the transition in a specific region, but mainly by the existing institutional framework.

Currently, the governance of EU transition areas is governed by the relevant provisions of the new Just Transition Fund (JTF) Regulation and the Common Provisions Regulation (CPR); JTF is subject to the latter.

In addition, the European Commission's Governance of Transitions toolkit -available to all Member States- seeks to identify and highlight principles and good practices in order to assist the Member States and regions most affected by the challenges posed by the energy transition.

The provisions of the regulations regarding governance, and the recommendations contained in the European Commission's relevant toolkit are presented next. Subsequently, the three main categories of governance mechanisms are described, along with their comparative advantages and disadvantages. Finally, the main characteristics of three different governance mechanisms of mining regions in Czechia, Slovakia and Germany are presented; these models provide useful guidance with regard to the lignite regions of Greece.

## Just Transition Fund Regulation

The JTF Regulation includes a strong governance framework, focusing on the Territorial Just Transition Plans (TJTTPs)<sup>3</sup>. Article 11 of the Regulation sets out the content of the TJTTPs to be drawn up by the Member States for each transition region in their territory, in order to receive Fund resources. In particular, subparagraph (f) of paragraph 2 of Article 11 stipulates that the plans should contain a description of the governance mechanisms, which, according to Annex II of the JTF Regulation, should consist of the following three elements:

- partnerships,
- monitoring and assessment measures,
- the bodies responsible for coordinating and monitoring the implementation of the plan, including a description of their role.

## Common Provisions Regulation

The obligations and rules governing the TJTTPs' governance mechanism are set forth in the Common Provisions Regulation (CPR), which, in fact, was revised to include the JTF in the list of funds it covers<sup>4</sup>.

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<sup>3</sup> Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund, <https://bit.ly/3dLxgb4>

<sup>4</sup> European Commission, Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund+, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the

In particular, Article 6 of the CPR on multilevel governance states that, in order to use the resources of the European funds, each Member State must organize a partnership which includes at least the following partners:

- (1) civil and other public authorities;
- (2) economic and social partners;
- (3) relevant bodies representing civil society, environmental partners, institutions responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.

Furthermore, according to article 6 of the CPR, multilevel governance means that Member States promote the participation of the above-mentioned partners throughout the planning period, from the drafting of partnership agreements to the preparation and implementation of programs and their participation in monitoring committees. The composition of these committees is described in Article 34 of the Regulation, which stipulates, inter alia, that Member States must ensure the balanced representation of the respective competent authorities, intermediaries and representatives of partners provided by article 6; moreover, they must publish the lists of committee members, as provided by the Regulation. Representatives of the European Commission also participate in the work of the committees in an advisory capacity.

In addition, as stipulated by paragraph 3 of article 6 of the CPR, the organization and implementation of partnerships is carried out in accordance with the delegated Regulation (EU) no. 240/2014 of the European Commission on the European Code of Conduct for Partnership, in the context of the European Structural and Investment Funds<sup>5</sup>. Finally, in accordance with paragraph 4 of article 6 of the CPR, the partnership shall consult at least once a year with the organizations representing the partners at Union level with regard to the implementation of the programs.

## EU Governance of Transitions Toolkit

Recognizing the key role of governance mechanisms in the successful outcome of the transition, the European Commission issued in May 2020 a relevant Governance of Transitions Toolkit that includes guidelines regarding the design of structures and procedures for stakeholder engagement<sup>6</sup>. It is addressed to regional and local authorities, civil society organizations, and government bodies responsible for regional development, and is divided into four parts:

- the design of governance models,
- stakeholder engagement and partnership,
- the role of social dialogue, and
- the role of civil society.

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Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy  
<https://bit.ly/3jFsDDc>

<sup>5</sup> Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds,  
<https://bit.ly/3ypHQfL>

<sup>6</sup> European Commission (2020), "Governance of Transitions Toolkit: Design of governance structures and stakeholder engagement processes for coal regions in transition", <https://bit.ly/3dSQxHw>

In the relevant section on the design of governance models, the toolkit, inter alia, defines the concept of “good” governance, which revolves around 6 core principles: transparency, participation, rule of law, equity and inclusiveness, efficiency and accountability. It is also emphasized that governance models must be specially designed and adapted to the needs of each region and must evolve over time. Furthermore, these models are more likely to be effective when both bodies and communities endorse them; this requires the representation of a wide range of stakeholders in governance. Thus, an effective model shall reflect the views of various -regional or not- actors and their representatives, while social dialogue and the involvement of civil society are key elements in this process.

With regard to the stakeholder engagement process, the toolkit describes forms of participation, as well as specific tools, which can be adapted to different target groups. The toolkit also cites the risks arising from insufficient stakeholder engagement, such as increased uncertainty, rejection of outcome, loss of confidence –also associated with the inefficient use of resources, as well as the development of resistance related to ethical issues, such as the lack of participation in decision-making. Furthermore, it presents three levels of increasing stakeholder engagement in the Partnerships during the planning and monitoring process: information, consultation and cooperation. In particular, information means a one-way flow of information to stakeholders, in order to ensure transparency, through information material, conferences, and seminars. Consultation involves a two-way information process, through which stakeholders can express their views and recommend directions, via questionnaires, interviews and other channels. However, at this level, there is no obligation to accept these recommendations, which may in fact contradict each other or not comply with the terms of the relevant Regulations. Finally, cooperation refers to some form of joint decision-making: at this stage, stakeholders have the opportunity to scrutinize final plans by introducing restrictive binding guidelines, through their involvement in relevant activities, such as final text consultations, licensing, approvals, public representation before administrative institutions, and negotiations with local bodies.

In particular, regarding the planning of a Just Transition in lignite areas, the toolbox refers to the *“7 Golden Rules for open and inclusive planning of a just transition at regional level”*, co-formulated by environmental NGOs and think tanks from all over Europe<sup>7</sup>:

- 1) **Open invitations:** publicize the intention to start planning in a timely manner and in multiple and accessible locations;
- 2) **Inclusion:** ensure that all partners are included in the teams implementing the transition;
- 3) **Equality:** give all partners equal status and equal voting rights at all stages of the transition process;
- 4) **Access to information:** provide all partners the same information on time and at the same time;
- 5) **Feedback:** establish clear and transparent feedback procedures;
- 6) **Disclosure:** ensure that minutes of all meetings are made public within two weeks;

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<sup>7</sup> The Green Tank (2019), “7 golden rules for just transition planning in EU coal regions”, <https://thegreentank.gr/en/2019/07/15/7-golden-rules-for-just-transition-planning-in-eu-coal-regions/>



- 7) **Engagement and participation:** facilitate public engagement in the transition process and ensure that the public is fully informed about it.

The implementation of these rules is important to enable a rapid and socially just transformation of local economies beyond lignite and hard coal, as well as to ensure transparency and effective stakeholder participation in the process of selecting and implementing specific projects.

According to the toolkit, social dialogue is the key to the success of the transition. Based on international experience from different regions, effective social dialogue can lead to more socially just and balanced transition processes, through the management of potential conflicts, for instance, between environmental protection and employment priorities. The principles governing this dialogue, along with the right to collective negotiations in the EU, are included in the Treaty on the Functioning of the European Union (articles 151-156), the European Pillar of Social Rights and the EU Charter of Fundamental Rights. Successful examples of social dialogue between government, employers and employees, according to the toolkit, have been implemented in the lignite regions of Spain, the Saarland and Ruhr regions of Germany and the Yorkshire region of the United Kingdom.

The toolkit also highlights the multiple benefits of including civil society in the governance mechanism. These include the following:

- Building a climate of trust, which increases awareness and acceptance between parties, which in turn enhances the sense of legitimacy of the plans produced and leads to greater ownership on the part of citizens. This reduces the risk of local resistance at later stages of the transition, namely, local communities are more likely to comply with the plans and implement them;
- Contribution to overcoming additional obstacles that may arise, by increasing the understanding of resistance and contradictions, such as imbalances of power and organized interests, which in turn contributes to overcoming them more effectively;
- Increasing the impact and pace of transition processes;
- Strengthening the transition process with know-how, contacts, local social capital expertise, or even with material resources;
- Multiplier action for citizen groups and motivation for their further involvement in the transition process.

## Categories of Governance Models

Different governance mechanisms have been applied so far in the transition of lignite regions in different countries of the world, both with regard to planning and implementation. Several of these mechanisms are presented in the World Bank study on the transition of the lignite areas of Western Macedonia<sup>8</sup>, which was exclusively funded by the European Commission in the context of that Region's participation in the Coal Regions in Transition platform; the study's end recipients were the Greek government and the Region of Western Macedonia.

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<sup>8</sup> The World Bank (2020), "A Road Map for a Managed Transition of Coal-Dependent Regions in Western Macedonia", <https://bit.ly/2TtP8Ap>

In the eight case studies examined by the World Bank, there are differences in the range of actors involved in governance during both the planning and implementation stages of the transition, as well as in their level of participation in decision-making. In certain cases, governance models were implemented with the planning and decision-making carried out by the central government (top-down approach), while in other cases, local participation was more pronounced (bottom-up approach); a third category consisted of hybrid approaches between the above two modes. Table 1 below lists the advantages and disadvantages of the various approaches.

**Table1: A comparative presentation of governance models**

	Advantages	Disadvantages
<b>Top-down approach</b>	<ul style="list-style-type: none"> <li>• Quick decision-making</li> <li>• Short-term efficiency</li> <li>• Alignment with national priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Tendency to ignore specific regional needs</li> <li>• Lack of broad of stakeholder engagement</li> <li>• Risk of encountering local opposition</li> <li>• Obstacles in the implementation stage, due to the inadequate inclusion of local authorities</li> </ul>
<b>Bottom-up approach</b>	<ul style="list-style-type: none"> <li>• Locally generated transition plans</li> <li>• Local engagement is ensured</li> </ul>	<ul style="list-style-type: none"> <li>• Requires a strong bond with the central government in order to secure funding</li> <li>• Policies between levels of government may not be aligned</li> </ul>
<b>Hybrid approach with a Special Purpose Vehicle</b>	<ul style="list-style-type: none"> <li>• Governance levels are aligned depending on their vision regarding transition</li> <li>• Wider range of stakeholders</li> <li>• The Vehicle can serve to improve management, implementation and monitoring</li> <li>• Distinct roles and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• The distribution of roles and responsibilities per governance level must be clear to avoid overlap</li> </ul>

The governance mechanism proposed by the World Bank for the transition of the lignite areas of Greece is presented in the Annex.

## Good practices – Examples from other countries

This section presents the main features of three specific examples of governance from Czechia, Slovakia and Germany, in an effort to draw conclusions that can serve to improve the governance model of the transition in the lignite regions of Greece.

## Czechia

Czechia's RE:START program is listed by the European Commission as a successful example of governance<sup>9</sup>; the World Bank considered that certain elements can be useful in formulating an effective governance mechanism for the lignite areas of Greece.

This was an initiative launched by the three regional units of the country where lignite or hard coal is mined (Karlovy Vary, Usti, and Moravia-Silesia), following their requests to the government for financial “injections” to restart their economies<sup>10</sup>. The program quickly passed onto the hands of the government, when, in 2014, the government reinstated the post of Government Plenipotentiary (Commissioner); this post entailed the coordination of the collaboration between individual ministries, in order to meet the needs of reconstruction of the affected lignite and coal areas of the country<sup>11</sup>. The position was occupied by Dr. Jiří Cíenciala, who since 2013 had been Czechia’s Minister of Industry and Trade. The latter was tasked with drawing up and presenting to the government a plan for the economic and social restructuring of these regions.

The first phase of the project, namely that of planning, lasted from 2015 to 2018 and focused on the development of a strategic framework, the collection of information, the assessment of the regions’ needs, as well as the establishment of an effective governance mechanism. The latter was characterized by the engagement of a wide range of stakeholders. Thus, although the program has received negative reviews, as it does not explicitly support the de-lignitization of these areas<sup>12</sup>, the relevant EU toolkit cites the case of Czechia and RE: START as a successful example of governance, in which the distribution of tasks and responsibilities was communicated to the general public, and the model proved to be flexible and evolved in parallel with the strategy.

In 2015, one year after the establishment of the Government Plenipotentiary post, the government adopted a resolution which laid the foundations for the development of a strategy for the economic reconstruction of the three regions. The preparation of the strategy, which had a three-year horizon, lasted more than a year and was adopted in January 2017; the Government Plenipotentiary was also in charge of preparing special measures for the regions under this framework, which would be implemented through annual Action Plans. At the same time, he took on the role of mediator and facilitator, as he would have to communicate with stakeholders from all three regions, in order to develop and agree on the Plans<sup>13</sup>, as well as manage the work of both the executive team that would coordinate the activities in the three

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<sup>9</sup> European Commission (2019), “RE:START-Strategy for economic restructuring of Czech coal regions”, <https://bit.ly/3xrTgQ6>

<sup>10</sup> Heuer D. (2018), “Just Transition in Czech Republic”, Centre for Transport and Energy, <https://bit.ly/3ywJ8FK>

<sup>11</sup> RE:START (2019), “Strategy of Economic Restructuring of Usti, Moravian-Silesian and Karlovy Vary regions: Basic facts”, <https://bit.ly/3wmU5br>

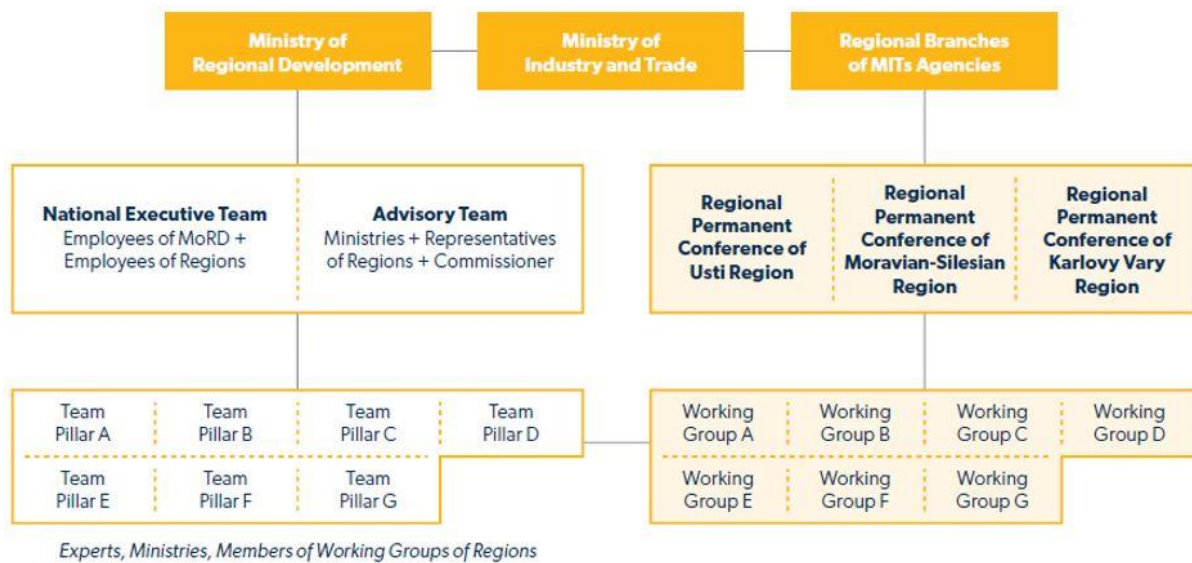
<sup>12</sup> Czechia, at the time of this report, has not announced a date for the complete phase-out of solid fossil fuels. On February 1, 2021, the Czech Cooperation government postponed a decision on a 2038 target date, which had been recommended by the country's special Lignite Commission, due to disagreements between the parties, and a counter-proposal for 2033 (Reuters, “UPDATE 1-Czech government parties fail to agree on 2038 coal phase-out target”, <https://reut.rs/3yAU5q0>)

<sup>13</sup> Restartregionu (2018), “RE:START will win the trust of the people if it's stable”, <https://bit.ly/3qSusON>

regions and joint working groups. In other words, at first, the system of governance was central, with all responsibilities held by the Government Plenipotentiary.

The big change in the governance model came following the relevant requests of regional governors in 2018 and 2019 for a higher level of participation decision-making with regard to program planning and implementation. Since then, the second phase of the project began, with the structure presented in Figure 1:

**RE:START Governance Structure**



**Figure 1:** RE:START program Governance Structure (Czechia)

The most important change observed is the transfer of responsibilities from the Government Plenipotentiary to the Ministry of Regional Development, which took over the leadership of the whole process with the assistance of the Ministry of Industry and Trade. In turn, the Ministry of Regional Development set up structures at two levels: national and regional. Specifically, at national level, it created the National Executive Team, which consists of employees of the Ministry of Regional Development as well as employees of the Regions concerned; this Team acts as the managing and coordinating authority of RE:START with regard to the administration of the transition. The Ministry also set up an Advisory Team comprising of representatives of ministries, their regional counterparts, and the Government Commissioner. At regional level, it established the Regional Permanent Conferences (RPCs) as the central governance structure of the transition. It is worth noting that in the new governance model, the Government Commissioner now acted solely as an advisor, as a member of the program’s Advisory Team, together with representatives of the relevant Ministries, and representatives of the three Regions.

Even though it remains a centrally managed strategy, RE:START brings together national decision-makers and regional experts, in order to implement a just transition for all three areas. This is accomplished in various ways, such as the upgraded role of the RPCs. The additional autonomy given to the latter concerns the process of strategy implementation, mainly in order to ensure the maximum absorption of resources in each region, so as to eliminate imbalances in

the implementation of RE: START. Therefore, RPCs became regional guarantors of the Action Plans, **as they have the power to propose regional objectives, transition priorities and preliminary ideas for transition projects, namely, to define and implement the Action Plans**, but also to provide relevant regional data on request. At national level, of course, the Czech government, through the Ministry of Regional Development, remains the strategy's beneficiary.

In this mechanism, each governor chairing the respective RPC is accountable for the implementation of the strategy; moreover, he or she is responsible for preparing and submitting to the RPC for approval the Annual Strategy Statement, which contains the vision of each region and the roadmap for regional action towards Just Transition. The RPCs meet at least twice a year in order to manage the entire strategy, occasionally in an expanded format, which includes representatives of the other two RPCs. This structure, as illustrated in the figure below for one of the three relevant regions, ensures the engagement of local government (Regions and Municipalities) members, economic and social partners, the university community, workers' associations, etc.



**Figure 2:** Composition of the Regional Permanent Conference of the Usti Region, Czechia

Finally, the "mirror" system that operates between the National Executive Team/Advisory Team and the RPCs also extends to the lower level of governance, that of working groups/teams, which were set up to address seven (7) important issues - pillars of the transition: entrepreneurship and innovation, investment, research and science, human resources, social stabilization, environment and infrastructure, and public administration. The local working groups include municipalities, regional offices, Czechia's respective Manpower Employment Organization (Labor Office), the Czech Agency for Social Inclusion, businesses and NGOs; moreover, each group at national level includes representatives of Ministries, experts and regions, including regional authorities, which represent the local working groups.



The latter collect recommendations for development programs on a biannual basis, through electronic questionnaires, public appeals (e.g. through the media), or stakeholder meetings, while the recommendations that have been previously discussed within the RPCs are also taken under consideration. These recommendations are further developed and elaborated and, thus, drafts of the Action Plans are prepared, along with their support measures. These are then submitted to the RPCs to be approved and signed by the local governors, to be sent, in turn, to the Ministry of Regional Development. The latter is responsible for initiating interdepartmental consultations and submitting the final versions of the Plans to the Government for discussion.

Summarizing, as this review of the Czech governance system illustrates, the country initially operated with a top-down approach; nevertheless, this was gradually adapted to the needs and development of the transition, by strengthening the participation of local community representatives in its governance. The responsibilities of the Government Plenipotentiary were reduced and he was limited to an advisory role. Following the Regions' requests for a higher level of participation in the processes, a hybrid model is now being implemented in Czechia, combining top-down and bottom-up procedures. The regions have a say and an active role in the transition process, as, in their capacity as regional guarantors of the plans, they meet on a biannual basis and provide annual feedback. Moreover, the governors are responsible for the implementation of these plans. In other words, there are substantial responsibilities held at the local level, and there is no absolute central management of the transition process.

It is however emphasized, that more inclusive structures do not automatically lead to greater citizen participation. More specifically, despite the provision for the existence of more inclusive structures, in this case, the general public had a limited understanding of both the relevant strategy and the ways in which the local community could participate in the restructuring of lignite and coal areas. Also, as Gabriela Nekolová, Deputy Government Plenipotentiary for RE: START, stated, the citizens' contribution to the consultation was limited, in the sense that most of the ideas coming from the public were rather vague. In particular, citizens sought assistance with regard to unemployment or highlighted environmental problems, so those in charge had to contact them to turn their needs into more specific ideas and recommendations. This, of course, in no way negates the value of consultation and citizen participation. As stipulated by the EU toolkit, only when citizens participate in the process do they legitimize and 'own' its results. In the case of Czechia, this phenomenon is likely due to the Czech government's hesitation over its decision to completely phase out lignite and hard coal; furthermore, the lack of information on how local actors can become involved, along with the lack of clarity as to whether their views and ideas will be taken into account, also had a negative effect. According to the European Commission, another important factor may be people's frustration caused by the economic problems that still persist thirty years after the dissolution of Czechoslovakia.

## Slovakia

The EU's governance toolkit cites Slovakia as a bottom-up governance mechanism model<sup>14</sup>.

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<sup>14</sup> European Commission (2020), "Governance of Transitions Toolkit: Design of governance structures and stakeholder engagement processes for coal regions in transition", <https://bit.ly/3dSQxHw>

The journey towards Just Transition began in September 2017, when Katarína Macháčková, mayor of Prievidza, the financial and administrative center of Upper Nitra, a sub-district of the greater Trenčín region, set up a round table to discuss the region's future. The then Prime Minister, the Minister of Finance, as well as experts from the Ministry of Finance and Environment declined the invitation to participate. So did Hornonitrianske bane Prievidza (HBP), the largest Slovak lignite company and owner of the local mines, which claimed that decisions regarding the future of lignite in the area were too significant to be made at a local level.

Two months later, in December 2017, Trenčín was selected as one of the first three pilot regions to be included in the Coal Regions in Transition Platform that had just been established by the European Commission. In January 2018, Mayor Macháčková launched a participatory process to draw up an action plan for the post-lignite development of Upper Nitra. HPB again refused to participate, this time claiming that similar negotiations were taking place under the auspices of the government. Indeed, despite the fact that, initially, the government was openly and clearly in favor of lignite, it launched its own debate on the future of the region in February 2018. In fact, this initiative was approved by the European Commission, after it was presented during a meeting in Trenčín, also attended by representatives of the Commission and the Government.

Until April 2018, both initiatives operated in parallel, working separately. While the working groups set up by the local government were participatory and open to all interested parties, the structure set up by the government and the region was limited to government and business actors; in other words, it was a non-inclusive process, which excluded MPs, NGOs and other stakeholders, while the private sector was only represented by HBP and GA Drilling, another fossil fuel company.

For these reasons, civil society in Upper Nitra was demanding from both the European Commission and the Slovak Government to modify procedures to render them more efficient and inclusive. The government eventually succumbed to political pressure and confirmed that the action plan that was being prepared through the local initiative of the mayor of Prievidza would be the one to evolve into the corresponding national strategy for Upper Nitra. The Slovak Government also requested the European Commission's support in the drafting process of the action plan, which was considered valid and had been endorsed by the local community and civil society, affirming the Slovak Government's acceptance of bottom-up participatory processes in determining the future of the region. Thus, in May 2018, the two initiatives began collaborating.

The Mayor then expanded the activities, in an effort to include as many regional actors as possible<sup>15</sup>.

As shown in the following figure, which illustrates the consultation process of the Regional Action Plan, approximately 60 individuals of different backgrounds volunteered to take part in the process: residents, specialists/experts, NGOs, municipalities, school principals, municipal

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<sup>15</sup> CEE Bankwatch Network (2019), "Upper Nitra, Slovakia: an exemplary approach towards just transition", <https://bit.ly/3ho5ROA>; CEE Bankwatch Network (2020), "Just transition: Slovakia's Upper Nitra", <https://bit.ly/3xtcTXT>

solidarity centers, entrepreneurs, unions, and associations. As decided, the priorities for the transition would be based on four pillars: economy, mobility, social infrastructure and tourism; moreover, four respective working groups were set up, in order to formulate the final Action Plan from July to October 2018. During a meeting of all stakeholders in September of the same year, the results of the local working groups were approved. Subsequently, as requested by the European Commission, the results were delivered to a consulting firm (PWC), in order to finalize the process and formulate a final, national Action Plan<sup>16</sup>.



**Figure 3:** Upper Nitra Regional Action Plan consultation process (Slovakia)

The draft Action Plan prepared by the four working groups was then presented to the public for feedback through four public hearings that took place in all the cities of the region during April and May 2019, and was also submitted to an open public consultation online. The invitation to the hearings was published in both the local press and on the websites of the municipalities concerned, and was also sent directly to the 150 members of the working groups, the heads of Municipalities, and to 2000 companies in the region. The hearings were attended by stakeholders and citizens; the content of the Action Plan was presented and the attendees had the opportunity to comment, as well as to contribute ideas for exploiting the potential of Upper Nitra<sup>17</sup>.

Through this process, the final draft was prepared and became, in turn, the subject of formal public consultation. Finally, in July 2019, the government approved the Action Plan for the Transformation of the Upper Nitra lignite area, which was based on the extensive participation of citizens, entrepreneurs and civil society. The Plan, inter alia, confirmed the rejection of a new lignite mine in Novaky, which HBP had intended to open, as well as the cessation of lignite power generation by 2023. It contained the vision for the area, as well as a series of ideas for programs, which had been directly recommended by local participants. As it has been

<sup>16</sup> European Commission (2020), “Governance of Transitions Toolkit: Design of governance structures and stakeholder engagement processes for coal regions in transition”, <https://bit.ly/3dSQxHw>

<sup>17</sup> Halasz T. (2020), “From local initiative to national strategy: how citizens in Upper Nitra took control of their region’s post-coal future”, <https://bit.ly/3qStnq2>; European Commission (2019), “Welcome Transition Strategy I: The cases of Slovakia and Greece”, <https://bit.ly/2TQPkto>



eloquently stated in the plan, residents are calling for an “*more attractive and self-sufficient region where the economy will develop in symbiosis with a clean environment and good economic connections to other economic centers*”<sup>18</sup>.

In summary, the case of Upper Nitra in Slovakia is a successful example of a bottom-up transition governance model, with high stakeholder engagement in the transition process. Despite the initial interference by the central government and companies (HBP and GA Drilling), thanks to the Mayor’s persistence, this local initiative finally prevailed. Engagement at local level was a defining element of the entire process, in both the initial planning of the strategy -starting from the lowest level of government (municipality)- and the subsequent evolution of the plan, through consultations attended by the private sector, civil society, and even ordinary, individual citizens.

## Germany

Lignite and coal is extensively used in Germany’s energy mix, and more importantly, the coal phase-out process and the transformation of local economies in various parts of Germany has been going on for decades; therefore, Greece can draw valuable data and practices regarding transition.

Germany is known for implementing innovative models, such as setting up government agencies or special purpose vehicles (SPVs). Indicative responsibilities of such vehicles are the collaboration with operators, the assumption of ownership of abandoned industrial areas, including the cost of their restoration, as well as the auction of such lands, which returns profits. While mining or mine retirement companies can adequately handle the consequences of natural withdrawal and rehabilitation, SPVs can manage such cases more effectively, by being more flexible and efficient in their transactions with domestic and foreign investors.

In the second half of the 20<sup>th</sup> century, coal phase-out began in Germany in areas such as the Saarland and the Ruhr, in conjunction with the restructuring of local economies<sup>19</sup>. Despite Germany’s trade union culture and tradition of organized social dialogue, the first phases of the transition were characterized by top-down structural policies and limited consultation with local institutions. Nonetheless, in the late 1980s, a more bottom-up approach (regional structural policy) began to be implemented, empowering local bodies to implement projects designed in collaboration with national and state authorities<sup>20</sup>.

This shift in the transition governance approach culminated in the beginning of the past decade. More specifically, in 2010, the government of the North Rhine-Westphalia federal state (where the Ruhr Valley is located) announced the launch of an “action plan” regarding coal in the region. Thus began the “*Innovation Programme Rhenish Coal Region*”, led by the Aachen

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<sup>18</sup> CEE Bankwatch Network (2019), “Upper Nitra, Slovakia: an exemplary approach towards just transition”, <https://bit.ly/3ho5ROA>; Halasz T. (2020), “From local initiative to national strategy: how citizens in Upper Nitra took control of their region’s post-coal future”, <https://bit.ly/3qStnq2>

<sup>19</sup> European Commission (2020), “Toolkit: Sustainable employment and welfare support, How to accompany the labour market transition I coal regions in transition”, <https://bit.ly/3hpNg4Q>

<sup>20</sup> World Resources Institute (2020), “Germany: The Ruhr Region’s Pivot from Coal Mining to a Hub of Green Industry and Expertise”, <https://bit.ly/3wo28oj>

Chamber of Industry and Commerce. This program aimed to harness the potential of the region in order to address the anticipated profound structural changes that would result from the shift of the production model and the phase out of coal. However, the relatively low funding from the state of North Rhine-Westphalia, as well as the prejudice and concern expressed by stakeholders from both industry and the environmental movement, hindered the development of a suitable model for the entire region.

Nevertheless, following the signing of a coalition agreement between the Social Democrats and the North Rhine-Westphalia Green Party, the “Innovationsregion Rheinisches Revier” (IRR) was formed. This is a regional development organization, which contributed to the understanding of the comparative advantages, as well as the weaknesses of the region, and ultimately to the formulation of a long-term transition strategy combined with short-term actions. IRR seems to owe its success to the individuals involved, who were constantly coming up with new ideas that substantially enhanced the narrative of sustainable alternatives. In this way, they significantly helped to gradually bring all stakeholders in contact and acted as intermediaries between the interests of industry, politics and civil society.

In 2014, these efforts began to bear fruit. Municipalities, local business associations and the trade union for the mining, chemical and energy industries (IG BCE) joined forces and became shareholders in the IRR, which was soon renamed as “Zukunftsagentur Rheinisches Revier” (Organization for the Future of the Rhineland area – ZRR). There were discussions regarding its scope, namely, whether it would include large neighboring cities, such as Cologne, which could make a significant financial contribution. In the end, it was decided to focus solely on the coal mining area itself.

One of the main concerns of ZRR was the conversion of large steam power plants into other uses. Germany had announced it would phase out lignite by 2038; thus, plant retirement was due much later on. However, via the mediation of ZRR, various stakeholders began to develop ideas for future uses of the existing infrastructure. ZRR is now one of the key players in the region with regard to the management of the transition, being the key coordinating body of the state of North Rhine-Westphalia and the former mining region. Its main responsibility is the development of a broad “Economic and Structural Program”, of which it will be fully in charge, from the planning stage up to the creation of a structure to carry out project invitations and tenders. The technical implementation part includes a central funding consultation service, the initiation, identification and coordination of projects, as well as the coordination of the selection process.

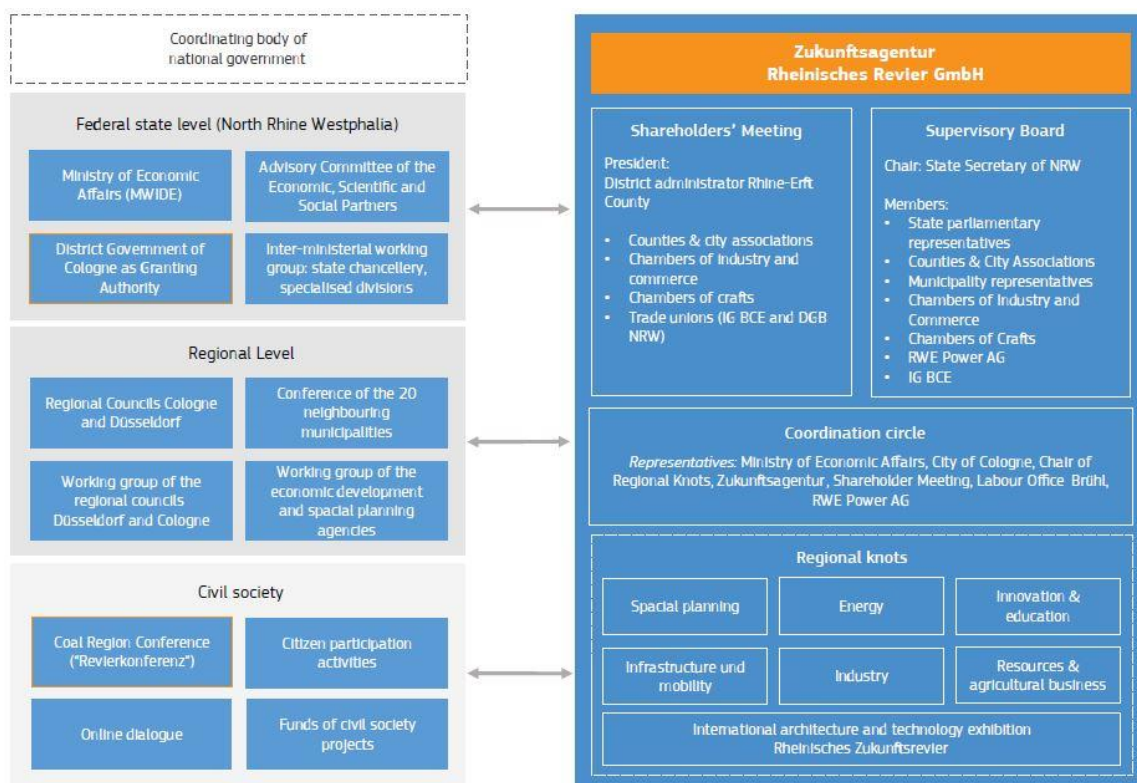
Indeed, following its expansion in 2014 onwards, ZRR has been supported by reliable funding, and, as a result, by 2017, it has developed a common vision for the region and the corresponding strategy for its implementation. It has also conducted studies on the prospects of specific industrial sectors, and even organized competitions inviting ideas, as well as networking events to bring stakeholders together.

In fact, ZRR has encountered various obstacles along the way, such as its weak mandate and, as it turned out, its insufficient, albeit reliable, funding, as it raised only € 500,000 per year from all sources of funding. In addition, due to its weak institutional structure, it was initially overridden by both local government (municipalities) and the private sector (companies).

Furthermore, ZRR was also criticized for under-representing local municipalities and, consequently, local communities and civil society, even though their interests were, in theory, represented by state and regional officials.

In order to deal specifically with the latter issue, ZRR decided to set up an advisory committee, consisting of 20 representatives of the Rhineland lignite region municipalities. The role of the committee was purely advisory; however, 3 of the 20 members were given a seat on the organization's board and a joint vote. ZRR now serves, on the one hand, as an intermediary between the numerous municipalities in the region and the next higher administrative unit (the federal state), and on the other hand, as a platform for dialogue. Thus, the second issue, that of civil society inclusion, has been addressed to a certain extent. Civil society did not gain a seat on the ZRR board; nonetheless, it was present in the proceedings in a variety of ways, such as in public meetings regarding the region, online dialogues, meetings, and in various activities in the municipalities. Finally, the advisory committee and the dialogue platform were also effective in reducing competition between different levels of local government, with regard to attracting businesses.

Therefore, in the case of North Rhine-Westphalia, the governance mechanism is a hybrid, which employs a Special Purpose Vehicle (SPV). The SPV operates as a central multi-stakeholder coordinating authority in the form of a Limited Liability Company, which manages the entire transition process of the federal state. Its shareholders are regions, municipalities, local business associations, chambers and trade unions. ZRR is responsible for creating an Economic and Structural Plan for the area and redefining the use of large power plants, from the planning stage, to the creation of a body in charge of publishing project invitations and tenders, and up to the stage of technical implementation.



**Figure 4:** Organizational structure of structural change in Rhineland (Germany)

As shown in the figure above, the Ministry of Economic Affairs, the Advisory Committee of the Economic, Scientific and Social Partners, the respective District of Cologne and an inter-ministerial thematic working group are participating at the federal state level. At regional level, governance includes the Cologne and Düsseldorf regional councils, a conference of 20 neighboring municipalities, a working group of the two regional councils and another working group on economic development, as well as spatial planning authorities. Civil society participates in transition-related meetings and online consultations/dialogues.

In addition, with the aim of involving as many experts as possible, seven thematic regional knots were set up to support ZRR in developing the economic and structural program:

1. spatial planning
2. energy
3. innovation and education
4. infrastructure and mobility
5. industry
6. agricultural businesses and resources
7. international architecture and technology exhibition

At each knot, a consortium of experts works to formulate the appropriate funding programs. ZRR oversees the regional knots in the coordination cycle and places particular emphasis on the goal of developing and promoting a specific and directly relevant implementation action for the entire regional transformation process. To this end, the ZRR liaises with external experts and scientists coming from industry, politics and associations within and outside the region, creating a formal consultation process that includes citizens in a variety of ways. The draft Economic and Structural Program was presented to the regional stakeholders at a relevant meeting. The next stage is the further development of the project by regional experts<sup>21</sup>.

In summary, Germany constitutes a very useful example of transition processes that illustrates the importance of multilevel governance and planning, which encourages the interaction among distinct political levels, in order to design and implement effective strategies. Moreover, this example shows that planning and decision-making should involve a high level of engagement of all relevant stakeholders from the very start of the process, and provide consensus-based solutions in order to both increase endorsement and utilize endogenous potential<sup>22</sup>. In this process, the application of a model that employs a development organization (SPV) as a systemic mediator can make a powerful contribution by providing solutions to many of the issues that arise. In particular, it can help transition areas create a long-term oriented “platform” that includes a wide range of measures; moreover, the integration of all actions under the SPV can contribute to the development of appropriate strategies, based on the specific advantages and challenges of each area. Finally, the creation of a network of stakeholders can alleviate prejudice and competition among actors, leading to a consensus on the general course of the transition. Participation and public consultation may be a challenge, but are indispensable to the successful outcome of the transition.

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<sup>21</sup> European Commission (2020), “Regional Development Agency Rhenish Lignite Mining Area”, <https://bit.ly/3jSoT15>

<sup>22</sup> Brauers H. et al. (2018), “Coal transition in Germany: Learning from past transitions to build phase-out pathways”, IDDRI and Climate Strategies, <https://bit.ly/3vAalaK>

## II. The Governance of Transition in Greece

The first systematic proposal for a system of governance with regard to the transition of the lignite areas of Greece was included in the aforementioned World Bank study for Western Macedonia, which was completed in June 2020. The World Bank proposal is presented in detail in the Annex for the purpose of comparison to the mechanism that has been officially proposed so far in different publicly available texts, and which shall be described in detail below.

This section presents the gradual evolution of the governance structures, which have been officially proposed by the Greek government and were developed following the Prime Minister's announcement of the decision to phase-out lignite in September 2019. First are presented the initial structures created at national and regional level, prior to the presentation of the Just Development Transition Plan (SDAM) in September 2020. Next, the other structures that make up the proposed full governance mechanism are described; these evolved over time, both between the two versions of the Territorial Just Transition Plans (TJTTPs) and between the concept paper and the first draft of the Just Development Transition Program (PDAM).

At the same time, the different consultation procedures implemented by the government for the different planning texts (SDAM, TJTTPs and PDAM) are described. Finally, the opinion of the country's lignite areas' citizens on governance issues is presented, as it was reflected in opinion polls and public debates.

### The initial governance structures

Following the announcement on September 23, 2019<sup>23</sup> of the decision to completely phase-out lignite from Greece's power generation by 2028, on December 23, 2019, the **Government Committee for Just Development Transition (KEDAM)** -the first governance structure- was established by a Ministerial Council Act (CA)<sup>24</sup>. KEDAM consists of: the Ministers of a) Environment & Energy (Chairman), b) Finance, c) Development & Investment, d) Interior, e) Shipping and Island Policy<sup>25</sup>, f) Rural Development & Food and g) the Deputy Minister of Development & Investment for Public Investment and the NSRF. KEDAM is the supreme political body related to the transition of lignite regions; its primary responsibilities are: the approval and monitoring of SDAM, the coordination of public consultations with competent bodies and local communities, as well as the coordination regarding the utilization of the available funding sources, such as the Public Investment Program, the Green Fund, the European Structural and Investment Funds, the Just Transition Fund, the Recovery and Resilience Facility, etc. Representatives of competent Ministries, public bodies, local authorities and any other person

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<sup>23</sup> Speech by Prime Minister Kyriakos Mitsotakis at the Climate Summit, 23.9.2019,

<https://bit.ly/2SMW9Mh>

<sup>24</sup> Ministerial Council Act 52/23.12.2019 (GG A 213/24.12.2019) <https://bit.ly/3AnxkHP>

<sup>25</sup> The Minister of Shipping and Island Policy was not part of the initial six-member composition of KEDAM, as presented in the SDAM; he was included upon its expansion, by virtue of CA 49/7-12-20 (GG A 259/27-12-20), <https://bit.ly/3yBFR84>. According to the latter, KEDAM remained a six-member committee, following the removal of the Deputy Minister of Environment and Energy, responsible for Energy and Mineral Raw Materials, who initially participated.

deemed to be able to assist in its work -on a case-by-case basis- may participate in the meetings of the Committee, upon the Chairman's invitation, however, without the right to vote.

In addition, according to the provisions of the same Council Act, a **Steering Committee (SEP)** is appointed, responsible for the preparation and implementation of the SDAM, the Just Development Transition Program (PDAM) and the Territorial Just Transition Plans in the context of the Partnership Agreement and the Regulations of the European Structural and Investment Funds. It is the supreme governing and directing body of the relevant activities and processes, being liable to KEDAM with regard to their effectiveness. The Committee consists of: a) a person of recognized status acting as Coordinator of SDAM and Chairman, appointed by decision of the Government Committee, b) the Secretary General of Economic Policy, c) the Secretary General of Public Investments and NSRF, d) the Secretary General of Energy and Mineral Raw Materials, e) the Secretary General of the Aegean and Island Policy f) the Secretary General of Rural Development and Food<sup>26</sup>, g) the Regional Governor of Western Macedonia, h) the Regional Governor of the Peloponnese and i) the CEO of the Public Power Corporation (PPC S.A.) and j) the Director of the Manpower Employment Organization (OAED). As in the case of KEDAM, representatives of competent Ministries, public bodies, local authorities and any other person deemed to be able to assist in its work may participate at SEP meetings, upon the Chairman's invitation, without the right to vote.

By decision of KEDAM on March 17, 2020, Kostis Mousouroulis was appointed **Coordinator of the SDAM** and Chairman of the Steering Committee<sup>27</sup>. Following an open tender conducted on 26.03.2020 by the Hellenic Holding & Property Company S.A. (EESYP S.A.), Boston Consulting Group (BCG) and Grant Thornton (GT), the consortium of international consulting companies, along with the participation of professors from the National Technical University of Athens (NTUA), undertook to support the SEP in drafting the SDAM<sup>28</sup>.

Finally, in order to further support SEP, the **Technical Secretariat of SDAM** was established in May 2020<sup>29</sup> and was staffed following an *"Internal Call for Interest for the staffing of the MOU S.A. Support Group for SDAM"*, carried out by MOU S.A. on 9 April 2020. The Technical Committee supports SEP in the planning and monitoring of the implementation of the SDAM, in the planning and drafting of the TJTPs and the 2021-2027 PDAM, in the coordination and monitoring of the implementation and achievement of their objectives, and in scientific, technical and legal issues; in addition, it is in charge of introducing the necessary legislative regulations.

In parallel with the above initial governance structures at government level, in May 2020, a 34-member **Working Group** was established in Western Macedonia by decision of its Regional

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<sup>26</sup> The initial composition of the SEP, as presented in the SDAM, was eight-member and did not include neither the Secretary General of the Aegean and Island Policy nor the Secretary General of Rural Development and Food; they were included upon its expansion, by virtue of CA 49/7-12-20 (GG A 259/27-12-20), <https://bit.ly/3yBFR84>

<sup>27</sup> Online Publication Number: ΨΙΩΕ4653Π8-ΓΚΓ: Government Committee Decision on Just Development Transition to the post-lignite period for the Region of Western Macedonia and the Municipality of Megalopolis ΥΠΕΝ/ΥΠΠΓ/28804/2842, <https://bit.ly/3wo8TXd>

<sup>28</sup> SDAM Steering Committee (21.12.2020): 2020 Project report <https://bit.ly/3dJknyj>

<sup>29</sup> Establishment of the Technical Secretariat of the Steering Committee for the Just Development Transition, Law No. 4685/2020, article 104, par.5 (GG A 92, 7.5.2020) <https://bit.ly/3dKAZp8>



Governor, in order to prepare for the transition of the Region to the post-lignite period<sup>30</sup>. The Group was appointed in May 2020, while in July of the same year, seven working sub-groups were formed to delve into distinct issues of transition, such as land rehabilitation, utilization of existing infrastructure, investment assessment, etc. The Regional Group includes representatives of the local government, the academic and scientific community, chambers, PPC, trade unions, a representative of environmental NGOs, as well as the Coordinator and Chairman of the SEP.

## Just Development Transition Plan

The first official reference to a governance mechanism for the lignite regions of Greece can be found in the Just Development Transition Plan (SDAM), also known as “Master Plan”. A draft of the SDAM was completed in late August 2020 and submitted to the SEP, which presented it to the two Regional groups in September for comments. Following the completion of the consultation process with the regional groups, an updated version of the SDAM was put to an open on-line public consultation from October 3 until November 10, 2020<sup>31</sup>. Despite the long duration of the consultation, participation was limited, with a total of just 85 public comments, most of which were submitted by stakeholders and a few coming from citizens, while another 12 comments were sent directly, off the consultation platform. The results of the consultation were presented to KEDAM on November 24; the final version of the SDAM was approved and subsequently published on December 11, 2020<sup>32</sup>.

As far as governance is concerned, the SDAM merely cites the provisions of article 6 of the Common Provisions Regulation regarding Partnership and Multilevel Governance, stipulating that “*National Authorities shall actively collaborate with bodies at all levels of government as well as with the Social Partners, including workers' associations*”. The SDAM refers to the 2021-2027 Just Transition Operational Program regarding the detailed presentation of the governance mechanism.

## Territorial Just Transition Plans

The preparation and approval of Territorial Just Transition Plans (TJTTPs) is a prerequisite for EU Member States to have access to JTF resources. In this sense, TJTTPs constitute the principal planning texts of Just Transition.

In accordance with the JTF Regulation (article 11), Member States shall establish, together with the competent local and regional authorities of the territories concerned, one or more TJTTPs covering one or more affected territories, which correspond to the NUTS 3 regions, or units

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<sup>30</sup> Regarding the composition and responsibilities of the Group, see Online Publication Number: ΨΣΛΔ7ΛΨ-MMB: “Amendment of the composition and Establishment of the Working Group for the preparation of the transition of the Region of Western Macedonia to the post-lignite period”, <https://bit.ly/3xsh8D1>

<sup>31</sup> Ministry of Environment and Energy (2020), Publication of the consultation on the Just Development Plan (Master Plan) for the lignite areas of Western Macedonia and Megalopolis, <https://bit.ly/3hQoV72>

<sup>32</sup> Ministry of Environment and Energy (11.12.2020), Updated Master Plan for the Just Development Transition of lignite areas. <https://bit.ly/3dl4NTt>

thereof. These areas are those most affected, due to the economic and social impact of the transition -in particular with regard to the expected adjustment of the labor force or the expected loss of jobs in fossil fuel production and uses- and due to the need to transform the productive processes of industrial plants with the highest greenhouse gas emissions.

In consultation with the European Commission, the Greek government decided to draw up and submit for approval three TJTPs, one for Western Macedonia<sup>33</sup>, one for Megalopolis<sup>34</sup> and one for the islands of the North & South Aegean and Crete<sup>35</sup>. All three TJTPs fall under a single Special Program (PDAM), in accordance with the provisions of article 10 of the Just Transition Fund Regulation.

The procedures followed for the drafting and consultation of the three TJTPs and the description of the partnerships and governance structures that are common to all three TJTPs are presented next.

## Drafting and Consultation

Out of the three draft TJTPs for the lignite areas of the country, two were prepared by the same group of consultants that had undertaken the formulation of the SDAM. In contrast to the open public consultation process selected for the SDAM, on February 8, 2020, the TJTPs of Western Macedonia and Megalopolis were sent in the form of a questionnaire<sup>36</sup> to a limited number of recipients: only 27 for the TJTP of Western Macedonia<sup>37</sup> and 22 for the TJTP of Megalopolis<sup>38</sup>. The consultation lasted 40 days with a deadline for comment submission set for March 19, 2020, in accordance with the SEP's relevant decision<sup>39</sup>.

The drafting of the third TJTP for the islands was completed in April 2021, with the support of a different consultant and following a relatively different process compared to the other two TJTPs. Specifically, a Working Group set up by a ministerial decision<sup>40</sup> was tasked to identify the participants in the TJTP drafting process, approve the information and consultation process along with the participants, and coordinate the latter throughout the consultation process. The Minister of Shipping and Island Policy was appointed Chairman of the Working Group and the Deputy Secretary General of the same ministry acted as Deputy Chairman; members were the Secretaries General of Energy & Mineral Raw Materials and Public Investments & NSRF, the

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<sup>33</sup> Ministry of Environment and Energy (February 2021). Territorial Just Development Transition Plan for Western Macedonia, <https://bit.ly/2TCApTx>

<sup>34</sup> Ministry of Environment and Energy (February 2021). Megalopolis Territorial Just Development Transition Plan, <https://bit.ly/3hzMlrj>

<sup>35</sup> Ministry of Environment and Energy (April 2021). Territorial Just Development Transition Plan of North and South Aegean Islands & Crete, <https://bit.ly/36c1903>

<sup>36</sup> Consultation questionnaire for the Territorial Just Transition Plan of Western Macedonia <https://bit.ly/3hguNY8>

<sup>37</sup> Letter of K. Mousouroulis (8.2.2021) regarding the "Preparation of a Territorial Plan for the Just Transition of the Region of Western Macedonia" <https://bit.ly/3jMajbE>

<sup>38</sup> The list of recipients who were officially requested to complete the questionnaire regarding Megalopolis TJTP was obtained from SDAM at the request of The Green Tank.

<sup>39</sup> Minutes of the 12th Meeting of the SDAM Steering Committee, 04.02.2021 <https://bit.ly/3wi30uP>

<sup>40</sup> Decision of the Minister of Shipping and Island Policy (15.02.2021) Establishment of a Working Group for the preparation of the Territorial Just Transition Plan (TJTP) of the Aegean islands and Crete: Online Publication Number: ΨΒ5Ω4653ΠΩ-Ε9Γ <https://bit.ly/36eyis4>



Chairman of the SEP, the Regional Governors of the North Aegean, South Aegean and Crete, the Presidents of the Regional Associations of the Municipalities of North Aegean, South Aegean and Crete, and the CEO of PPC. In addition, meetings were attended by a consultant (Deloitte/Exergia), hired by the European Commission to provide technical support in the preparation of this TJTP<sup>41</sup>. As in the case of the TJTPs of Western Macedonia and Megalopolis, after its completion, on April 28, 2021, the TJTP of the islands was sent to 110 specific bodies and services<sup>42</sup>, in the form of a questionnaire<sup>43</sup>, in order to obtain comments. However, in this case, the consultation was much shorter in duration compared to that of the other two TJTPs, lasting only 16 days, until May 14, 2021.

In the cases of Western Macedonia and Megalopolis, the questionnaire sent to the institutions of the two regions contained the same four targeted questions. These concerned, on the one hand, any addition and recommendation regarding the **identified needs and development objectives** that arise per sector according to the TJTP, based on the experience and know-how of each recipient, and on the other hand, any supplementation/change in the **priorities** set, or an additional priority, as well as additions to the indicative **categories of interventions per priority** that were considered to be important by these bodies and, in their opinion, absent in the relevant joint chapter of the two TJTPs. In contrast, the questionnaire sent regarding the TJTP of the Islands did not have a specific structure, as it contained only one open-ended question, set on three axes: **Islands' TJTP Chapter - Commentary/Observation - Documentation**.

At a meeting on June 16, 2021, the results of all three TJTPs consultations were jointly presented<sup>44</sup>, highlighting the low level of body participation in the consultation process. The consultation of Western Macedonia's TJTP had the largest participation with answers obtained from 78% of the institutions, followed by Megalopolis with a 50% response rate to the questionnaire; only 35% of the institutions that were invited to submit comments on the islands' TJTP responded. In addition to answering the questionnaire items, 22 bodies commented on broader issues, related to the NECP timetable, soil restoration, the PDAM etc. In order to better manage and integrate them, comments were assigned to 12 sub-categories, one of which was the category "Governance mechanism and partnership". Following their classification into sub-comments, 249 corresponded to Western Macedonia-Megalopolis and 199 to the islands; of these, 15 (6%) and 8 (4%), respectively, related to this category. However, no further details have been released regarding the exact content of these comments. The analysis of the answers, however, provided recommendations for the enrichment of actions and interventions. According to the consultation report by SEP, the bodies' responses were taken into consideration and incorporated as much as possible into the new version of the TJTPs, with particular attention to:

- removing ambiguities by providing details regarding specific issues (e.g. timeline, affected soils);

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<sup>41</sup> Minutes of the 13th Meeting of the SDAM Steering Committee, 15.04.2021 <https://bit.ly/3qKNqXo>

<sup>42</sup> Letter of K. Mousouroulis (28.4. 2021) regarding the "Preparation of a Territorial Just Transition Plan for the North & South Aegean Islands and Crete", <https://bit.ly/3jOximf>

<sup>43</sup> Questionnaire employed in the consultation of the Territorial Just Transition Plan of North & South Aegean Islands and Crete <https://bit.ly/3k86EF3>

<sup>44</sup> Ministry of Environment and Energy (16.6.2021). Results of the consultation of the Western Macedonia - Megalopolis - Islands TJTPs, <https://bit.ly/3wniX2O>

- the statistical processing and methodology used with regard to the documentation of economic data, social figures and other parameters;
- strengthening rational intervention and linking it to development needs and objectives;
- the proposed actions-operations on which JTF funding will focus.

The second versions of the TJTPs of Western Macedonia<sup>45</sup>, Megalopolis<sup>46</sup> and the islands<sup>47</sup> were put to a different form of consultation compared to both the open public consultation of the SDAM and the invitation of a limited number of selected bodies and services implemented in the first version of the TJTPs. This time, TJTPs were posted on the SDAM page in a closed type consultation (the comments of each citizen or body were not publicly available), where any interested party could submit comments to a specific email address, from 9 to 25 June 2021 (16 days).

## Partnership

A key component of governance mechanisms -especially in cases involving co-financing from European funds- is the establishment of partnerships with various categories of partners, in order to strengthen social dialogue and collaboration, and achieve a more efficient absorption of resources for the transition. The JTF Regulation defines the partnership that must be included in the TJTPs, describing the engaging partners as well as the provisions for their participation in the preparation, implementation, monitoring and evaluation of the TJTPs. Regarding the provisions for the participation of institutions, with the aim of providing all available information to all stakeholders, SEP operates a website<sup>48</sup>, where all strategic and program documents are published, along with the minutes of the meetings of the Steering Committee<sup>49</sup>. Regarding the partners included in the partnership, all three TJTPs include the following categories of bodies:

- Competent local authorities: Regional authorities, Municipal authorities, other bodies
- Chambers: Chambers of Commerce and Industry, Technical Chambers, Geotechnical Chambers, Economic Chambers
- Associations / Federations: Labor Centers, Trade Associations
- Scientific centers: Educational institutions; institutes and centers of research, technological development and economic research.

A serious omission in the above composition is the absence of any environmental body, or other representatives of civil society, as well as the absence of bodies responsible for promoting social inclusion, fundamental rights, the rights of persons with disabilities, gender equality and non-discrimination. Article 6 of the CPR on multilevel governance explicitly states that representatives from all these categories must be included in the partnership. Furthermore, the first version of the three TJTPs of Greece provide for the possibility of the partnership being

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<sup>45</sup> Ministry of Environment and Energy (June 2021). Territorial Just Transition Plan for Western Macedonia, <https://bit.ly/3hzH5tD>

<sup>46</sup> Ministry of Environment and Energy (June 2021). Territorial Just Transition Plan for Megalopolis, <https://bit.ly/3his68I>

<sup>47</sup> Ministry of Environment and Energy (June 2021). Territorial Just Transition Plan for the North & South Aegean Islands and Crete, <https://bit.ly/3hAjEAs>

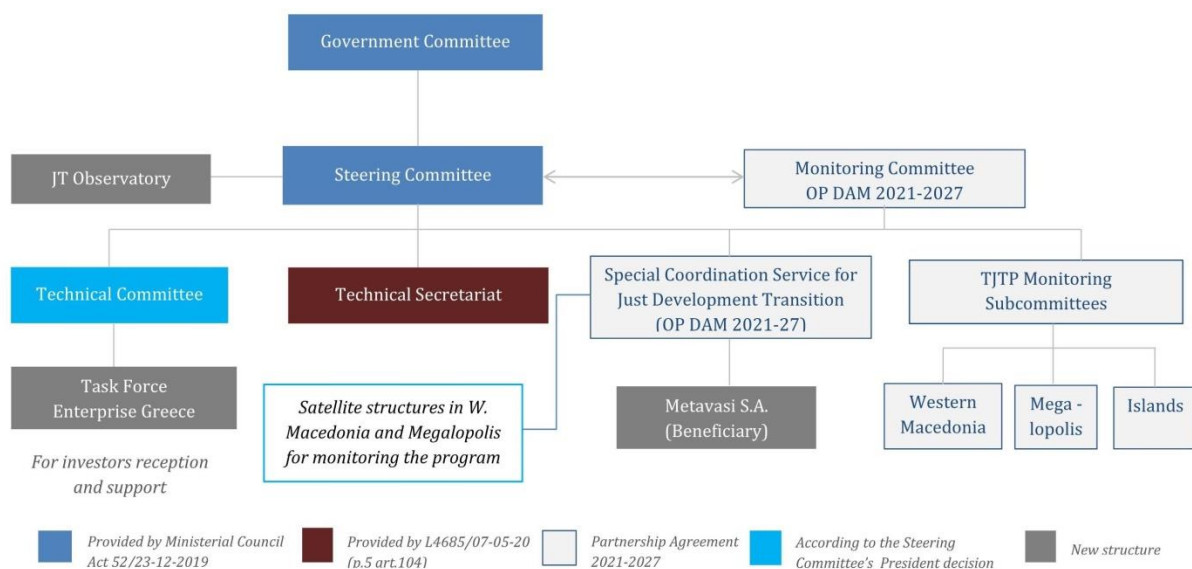
<sup>48</sup> Just Development Transition Plan (SDAM) <https://www.sdam.gr/>

<sup>49</sup> Minutes of SDAM meetings: <https://www.sdam.gr/index.php/praktika-sdam>

complemented during the consultation, while only that of the islands states that this is going to happen. Despite the fact that the exclusion of environmental NGOs was pointed out to the SEP<sup>50</sup> during the consultation on this first version of the TJTPS, no relevant corrective action has taken place so far.

## Governance structures

The governance mechanism required by the JTF Regulation is described in all three TJTPs and includes 11 basic structures that interact, as illustrated in the figure below. In addition to the Government Committee for Just Development Transition (KEDAM), the Steering Committee (SEP) and the Technical Secretariat, which were established in the initial stages of planning prior to the preparation of the SDAM and have been presented above, the proposed governance system contained in the first version of the TJTPs includes 8 additional structures and sub-structures, which are described below.



**Figure 5:** Organizational structure of the just development transition in Greece

**EYSDAM - Special Just Development Transition Coordination Service (Special Management Service):** In addition to the Technical Secretariat, the governance mechanism will include a second support structure for SEP, and, more specifically, the Just Development Transition (DAM) Special Coordination Service (EYSDAM), which shall evolve into a Managing Authority and undertake part of the Technical Secretariat's work. Its establishment has not yet been completed; however with the primary assistance of MOU S.A., the Service will be properly staffed and will acquire all the necessary resources, infrastructure and systems to operate smoothly. In addition to assuming part of the responsibilities of the Technical Secretariat, it will be in charge of the following:

- The immediate implementation of all the necessary precursor management actions required for its transformation into a Special Management Service for the Operational Program of the Just Development Transition for 2021-2027 (2021-2027 EYD PDAM), following the approval of the new PDAM 2021-2027;

<sup>50</sup> The Green Tank (18.3.2021), "20 comments on the Territorial Just Transition Plan of Western Macedonia", <https://thegreentank.gr/2021/03/18/esdim-20-simeia/>

- The planning and coordination of programs and policy applications of the actions in the context of the SDAM implementation, the preparation and monitoring of the implementation of the business plans included in the SDAM, and the coordination of the utilization of the available relevant funding sources, whether national or European;
- The fulfillment of the special responsibilities cited in article 17 of law 4314/2014<sup>51</sup>, which will be exercised as appropriate for the projects financed by national resources or by European or international programs and funding, as well as responsibilities related to the administration, organization and monitoring of the SDAM and the monitoring of the natural and economic progress of projects and programs in transition areas;
- The preparation and management of PDAM 2021-27, the monitoring of its implementation, and the support of beneficiaries.

**SDAM Technical Committee:** According to the TJTPs, the Technical Committee of the SDAM (TESDAM) was established and set up by decision of the SEP Chairman, and is chaired by the Rector of the University of Western Macedonia. The Committee's task is to support the DAM Steering Committee with regard to the private investment proposals and the development plans submitted to the latter, in the context of the SDAM.

- Indicatively, the following actions are included in the scope of the Technical Committee:
- Elaboration of criteria and methodology during the pre-screening of proposals and plans in the transition Regions/areas;
- Preparation of a manual for the pre-screening of proposals and plans;
- Screening of proposals and projects submitted to the SEP;
- Preliminary analysis of the impact of the above recommendations and development plans on the economy, employment, energy and environment;
- Evaluation of proposals regarding the use of Technical Assistance tools of the European institutions of EU and International Organizations, in order to develop mature and sustainable investment projects in the transition Regions/areas.

**Task Force Enterprise Greece (One stop shop):** During the phase of transition planning implementation, the work of TESDAM will be undertaken by the new Task Force, which was established by the organization "Enterprise Greece", and which will be in charge of attracting, receiving and supporting potential investors at all stages of the investment process. As mentioned in the concept paper of the PDAM, it was decided to transform the Task Force into an Operational Unit of the organization "Enterprise Greece", which will act as a general point of contact and a one stop shop, due to the complex nature of the decision-making process regarding investments and the need for a strategy to attract the latter in transition areas.

**Just Development Transition (DAM) Observatory:** This Observatory was established in order to monitor and evaluate the course of the transition in all the areas under transition. Its mission is to provide systematic and valid information and analysis on the type and extent of economic and social changes suffered by the affected areas, in order to formulate policies and take corrective action. The responsibilities of the Observatory -in detail- will be the following:

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<sup>51</sup> Law No. 4314/2014, article 17, "Responsibilities of Strategic bodies of Ministries", <https://bit.ly/3AI0j9a>

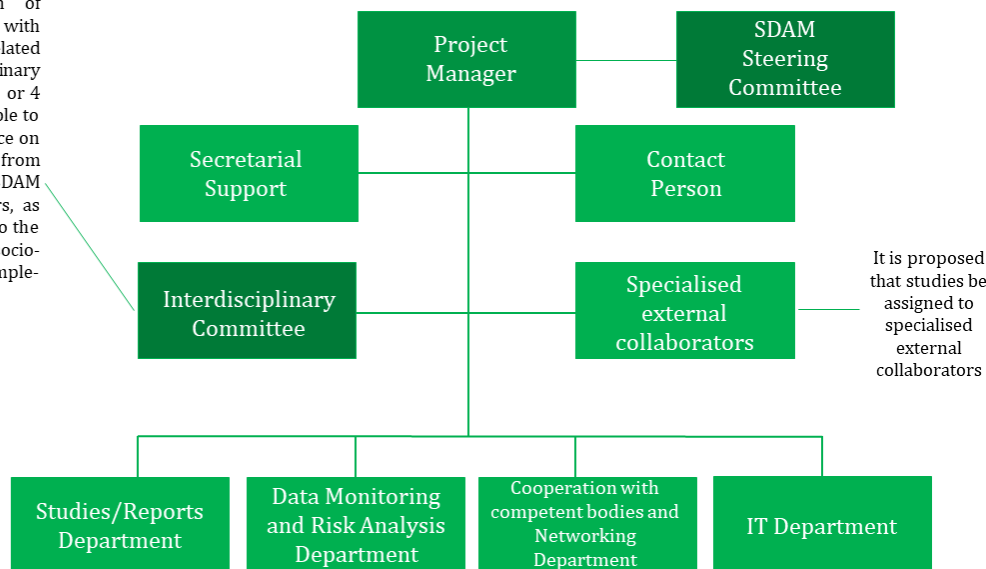
- Supporting policy-making based on social, economic and development data and formulating a plan to promote a neutral economy and environmental protection, in line with European and national statutes;
- The collection and systematic processing of quantitative and qualitative data related to local/regional actions via comparative statistical analysis;
- The design and development of a database with information on the above actions and projects, especially those co-financed by national and European programs;
- Collaboration with the competent services and bodies, at central, regional and local level, in order to access their needs with regard to the SDAM;
- Guidance in making necessary corrective decisions;
- Information on the course of the transition in the transition areas;
- Monitoring and evaluation of key performance indicators (KPIs);
- Collaboration with international organizations with similar objectives and organization of events to exchange know-how and experiences on relevant issues;
- Elaboration of studies and research on issues of transition strategy and development transformation;
- Compilation of regular progress reports to be submitted to the SEP;
- Preparation of an annual report on the developments regarding the implementation of its actions.

To date, the technical specifications for the operation of the Observatory have not yet been published; nonetheless, a study is anticipated by the Foundation for Economic and Industrial Research (IOBE), which will also concern the Observatory's organizational structure. Regarding its composition, the TJTP of Western Macedonia provided for the Observatory to be composed by seven members; however, in an online event held in May 2021<sup>52</sup>, a representative of IOBE presented the following indicative organizational chart, which obviously requires a larger staff. Finally, the headquarters of the Observatory, as well as the inclusion of local bodies and their role remain unknown.

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<sup>52</sup> Regional Union of Municipalities of Western Macedonia (2021), "Model of Governance of Just Transition: Territoriality, Justice and Efficiency", Minutes of a Social Dialogue Meeting entitled Phasing out Coal, of the project "Supporting the clean energy transition of coal-intensive EU regions" (DeCarb), 10/5/2021, pp. 19-20.

Pro bono participation of experienced academics with proven work in related subjects. The interdisciplinary committee will convene 3 or 4 times a year and will be able to provide support and advice on issues that have arisen from the study of the relevant SDAM implementation indicators, as well as on others related to the environmental and socio-economic impact of its implementation.



**Figure 6:** Indicative Organizational Chart of the Observatory

**Just Development Transition (DAM) Monitoring Committee and Subcommittees:** In addition to the Just Development Transition Observatory, the governance mechanism also includes special structures in charge of monitoring the implementation of the PDAM. The Monitoring Committee is the supreme body with this objective and makes all relevant decisions jointly with the SEP. Its role shall be broad and shall include -for practical reasons- three Subcommittees, each in charge of monitoring the implementation of the Program with regard to individual actions and projects under the TJTP of the respective region (Western Macedonia, Megalopolis, islands). The staffing of the Committee and subcommittees is expected to be determined upon approval of the new 2021-2027 NSRF, while it remains unknown whether local bodies will participate in these committees.

It is noted that the composition of these committees is described in Article 34 of the Common Provisions Regulation, which, inter alia, stipulates that Member States must in each case ensure the balanced representation of respective competent authorities, intermediaries and partners provided for by article 6 of the CPR<sup>53</sup>; moreover, they must publish the lists of committee members, in line with the Regulation. Representatives of the European Commission also participate in the work of these committees in an advisory capacity.

**Satellite monitoring structures:** The governance mechanism includes the establishment of additional auxiliary satellite structures in two of the lignite areas (Western Macedonia and Megalopolis), which appear to be subject to/accountable to EYSDAM, in order to improve the monitoring of the respective program, without, however, any further reference to these structures or their composition and responsibilities.

<sup>53</sup> civil and other public authorities; economic and social partners; relevant bodies representing civil society, environmental partners, and bodies/institutions responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination.

**Special Purpose Vehicle (SPV):** Legislation is being prepared for the establishment of a specialized organizational entity in the form of a “Special Purpose Vehicle” (SPV); this entity will gain ownership of all land within the wide lignite mining zones -along with all fixed structures- except for the land committed by PPC S.A. for the company’s activities. This SPV will be responsible for the restoration, rehabilitation and upgrading of these areas of land, the wide zones where lignite is mined and PPC S.A.’s steam power plant operate; moreover, the SPV will develop plans for their repurposing, in accordance to the general land uses set forth by the national SDAM -mainly through Public-Private Partnerships- and their allocation to the development of new economic activities, through uniform and rapid licensing procedures.

Given its relevant experience and flexibility, PPC S.A. will undertake the implementation of land restoration projects, either as a contractor itself or through subcontractors; this possibility has already been legislated. The time constraints set by the Recovery and Resilience Facility, which will cover the relevant costs, as well as the actions required to complete the necessary interventions to serve the new land uses will be taken into account in the process of selecting the lands to be rehabilitated.

**“Metavasi S.A.”, beneficiary of PDAM projects:** The second version of the TJTPs puts forth a distinction between the Special Purpose Vehicle and the body responsible for project implementation in the areas under transition. To this end, an additional structure is created and more specifically, a subsidiary of “Egnatia Odos S.A.”, which will undertake the implementation of PDAM projects and the support of the beneficiaries at local level, with regard to the maturation of their projects. These are actions that require a holistic approach, from the initial design, to licensing, possible expropriations, studies and their implementation, procedures for the award of individual projects, as well as their supervision and delivery. In more detail, this body will be in charge of the following:

- Carrying out projects based on the 5 development pillars of the SDAM, including the restoration of soils;
- Building the necessary infrastructure for the implementation of the SDAM (e.g. business parks where existing and new businesses will be based, their connection with roads and networks, etc.);
- Completing transport networks (e.g. the vertical axis of the Florina-Egnatia road);
- Supporting administrative structures and bodies (local authorities, development companies, etc.) in the implementation of projects and plans within their competences. This support may entail providing know-how or undertaking implementation on behalf of these bodies;
- Implementing projects (mainly maturation) that will be included in the 2020-23 Special Transitional Just Transition Development Program (EMeP DAM), which was prepared following a decision by KEDAM and will be funded by the 2014-20 NSRF;
- Preparing and drafting all necessary documents for the integration of actions/projects into the new 2021-27 PDAM and/or into other programs financed by EU or national resources;
- Acting as a beneficiary in these projects’ implementation processes (conducting studies, obtaining necessary permits, preparing tender documents, awarding and carrying out projects), as well as supervising the execution of the respective contracts and monitoring the relevant studies;



- Other relevant actions, such as supporting the SEP and the Technical Secretariat in matters of planning, project prioritization, etc.

The composition of “Metavasi S.A.” remains unknown, as its staffing will begin following its launch.

## Just Development Transition Program

The concept paper of the Just Development Transition Program (PDAM), drafted by the government, contained almost the same governance structures as the TJTPs; it was published in April 2021<sup>54</sup> on the SDAM website and was submitted to a 20-day public consultation (6-26.4.2021) in the form of questionnaire responses<sup>55</sup>, as in the case of the first version of the TJTPs. However, in contrast to the TJTPs, this consultation was open to any interested party and was not limited to specific bodies.

The analysis of the consultation results<sup>56</sup> shows that participation was limited; one third of participants were citizens related to PPC’s activities, while the vast majority came from the lignite areas. Beyond comments and recommendations on the content of actions eligible for PDAM funding, and specifically with regard to governance, several participants stressed the need to increase the engagement of municipal authorities in the governance mechanism.

Following the presentation of the PDAM concept paper consultation results, the 1<sup>st</sup> draft of the PDAM, this time entitled “Program Strategy and Priority Analysis”, was submitted for consultation<sup>57</sup>. The consultation entailed submitting comments to a specific email address and lasted only 16 days (9-25.6.2021), concurrently with the consultation of the 2<sup>nd</sup> version of the TJTPs.

## Citizens’ views

The planning of the transition of the lignite areas actually began in March 2020, upon appointment of the SDAM Coordinator. Processes, which should normally unfold over an extended period of time, were initiated and developed in haste and under pressure, due to the rapid decline in lignite production and the very tight schedules set by the European Regulations for the utilization of financial resources. In addition, the process of drawing up the transition plans was clearly central and followed a top-down approach. Under these circumstances, citizens' views on planning and governance issues were either never expressed or did not reach the appropriate recipients.

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<sup>54</sup> Ministry of Environment and Energy (April 2021), Just Development Transition Program 2021-2027: Concept paper <https://bit.ly/3hgvFfw>

<sup>55</sup> SDAM (6.4.2021), Questionnaire employed in the Consultation of the Just Development Transition Program 2021-2027, <https://bit.ly/3d09jzE>

<sup>56</sup> Ministry of Environment and Energy (16.6.2021), Results of the concept paper consultation and Presentation of PDAM, <https://bit.ly/3AAgfdK>

<sup>57</sup> Ministry of Environment and Energy (June 2021), PDAM 2021-2027: Program Strategy and Priority Analysis, <https://bit.ly/2SR8Zlr>



The Green Tank, in collaboration with diaNEOsis and E. Dousis, Professor at the National and Kapodistrian University of Athens, prepared and analyzed an opinion poll, in order to shed light on the views of the citizens of lignite areas regarding the transition to the post-lignite period. The poll was conducted by polling company Marc during the public consultation on SDAM in October 2020 and was published in November 2020<sup>58</sup>.

It is remarkable, yet unsurprising, that more than half of the citizens (50.6%) were not aware of the consultation on the SDAM, the very plan which set forth the new development strategy for their region. Great ignorance was also recorded with regard to the content of the SDAM, as only one in three (32%) citizens who were aware of the SDAM consultation actually knew its content. Similarly, only 32% of respondents considered the possibility or intended to participate in the consultation. Moreover, an additional issue recorded in the poll was that the vast majority of respondents (69.7%) did not even know in what way they could participate in the consultation.

Thus, it was no coincidence that very few citizens participated in the public consultation on the SDAM, which lasted 40 days.

In particular, the answers to the questions related to governance clearly demonstrated that **the model for the implementation of the transition and the management of financial resources sought by citizens is clearly less centralized and more based on municipal and local authorities (cumulative 46.5%) rather than on central government**; in addition, they are apprehensive of PPPs -and even more so of PPC- with regard to these issues. This preference shown by citizens towards local government regarding the governance of the transition is in line with their answers to a different question regarding the responsibilities they ascribe to the governments; their responses pointed to the long delays and wrong choices that exacerbated the challenges that local communities face today.

This view regarding an enhanced role of local government in the governance of the transition was also reflected in the opinion poll entitled “Opinion Barometer” conducted by the municipal movement “Kozani, a place to live” of the municipality of Kozani; its second phase (10/03/2021 - 18/03/2021) dealt with more specialized governance issues. Specifically, the vast majority of respondents (91.6%) maintained that the Region and the municipalities should participate in both the shareholding and management of the special purpose vehicle (SPV) that will be set up for the exploitation of lignite soils. In fact, 66.3% stated that not only should these authorities participate, but they should also hold the majority of shares. That same view in favor of strengthening the local “voices” in the transition process is further reflected in other questionnaire replies. For instance, 93.9% of respondents contended that the SPV should provide the local community with financial resources based on its turnover, while 92.9% of citizens suggested that an instrument, such as that specific Opinion Barometer, should be incorporated in the Observatory described in the TJTPs; this, however, is currently not foreseen<sup>59</sup>.

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<sup>58</sup> The Green Tank (27.11.2020). Analysis: What do the citizens of the lignite areas think about the de-lignitization and the transition to the post-lignite era?

[https://thegreentank.gr/2020/11/27/analysis\\_poll\\_lignite\\_regions\\_el/](https://thegreentank.gr/2020/11/27/analysis_poll_lignite_regions_el/)

<sup>59</sup> “Kozani, a place to live”, Municipal Movement (2021), “Analysis of the answers to the 2nd Questionnaire (10/03/2021 - 18/03/2021); Contribution to the consultation of the Territorial Just Development Transition Plan of Western Macedonia”, <https://bit.ly/3hqsZfz>

Finally, the views of institutions and citizens on the key issue of governance were also recorded in a digital structured dialogue workshop organized by The Green Tank in May 2020<sup>60</sup>. The analysis of the positions expressed by the institutions and citizens of Western Macedonia that participated in the workshop highlighted the need for:

- A governance mechanism that is **more participatory and inclusive** in nature than the existing one. The more institutions, social groups and citizens the governance system includes in a structured and transparent way, the more positive are the outcomes: the transition process is endorsed, citizen participation in the process is facilitated, the effectiveness of the plan is secured, and justice is ensured.
- **A more long-term horizon:** the transition process is not limited to just one program and one programming period; moreover, it includes many actors and levels of operation and mobilizes both financial and social resources. Therefore, the governance mechanism should be able to meet the increased needs for social participation in all transition planning and implementation stages in the long-run.
- **A strengthened role of local government,** as it is up to the local authorities to ensure the connection with the local community and to make a decisive contribution to the successful implementation of the transition. In any case, an inclusive governance system that assigns a more dominant role to the local government, on the one hand ensures the participation of the local community in both the planning content and its implementation, and on the other hand, strengthens the two-way feedback channel among all governance levels.

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<sup>60</sup> The Green Tank (18.06.2021). "The course of Just Transition in Western Macedonia - Digital Consultation Workshops: Conclusions and Recommendations", <https://bit.ly/3yall9p>

## III: Critical Assessment and Recommendations

### Critical Assessment

This section presents a critical assessment of the course of the Just Transition in Greece to date, with regard to issues of governance. It focuses on both the consultations that have taken place and the governance structures that have been proposed, as well as on the way in which the latter interact.

#### Consultation

A positive feature of the transition planning process so far is the fact that there have been **several consultations** on the key planning texts. Specifically, a total of nine consultations took place, one for the SDAM, and two for each of the three TJTPs and the PDAM. In addition, the fact that members of the Steering Committee and especially K. Mousouroulis, its Coordinator, participated in **a number of events, conferences, public debates and local media shows**, explaining key elements of the planning and answering many relevant questions, is considered particularly positive. Moreover, the **publication of all SEP meetings' detailed minutes on the SDAM website** significantly contributed to promoting transparency.

However, **four (4) different formats were applied to carry out the nine (9) consultations**, without documentation to support the need for such large differences. Specifically, the following formats were employed: open public consultation on [opengov.gr](http://opengov.gr); closed consultation but with an open invitation on the SDAM website to send comments to a specific e-mail address; and closed consultation with a closed invitation for submission of comments sent to a limited number of bodies. Furthermore, certain consultations imposed no format restrictions on comments, while others specifically required the completion of a questionnaire. Format choice was not consistent among consultations as significant differences were observed even within the same category of texts. For instance, the first version of Western Macedonia and Megalopolis TJTPs was sent to a limited number of bodies; the consultation on their second version, however, consisted of an open invitation to any interested body or citizen to submit comments to a specific e-mail address. In addition to the different formats, and partly due to these differences, the information regarding the consultation was not evenly distributed to all stakeholders and citizens.

In addition, large **differences were observed between the duration of consultations**. The first consultation on the SDAM lasted 40 days, and the same time was given to selected bodies to submit their comments on the first version of the two lignite areas' TJTPs. On the other hand, the respective time allowed was 20 days in the case of the PDAM Concept Paper, and a mere 16 days for the islands' TJTP, as well as for the first draft of PDAM and the second version of all three TJTPs. The above differences in terms of consultation format and duration are illustrated in Table 2.

**Table2: Planning texts consultation features**

Text	Format	Duration	Number of Comments
SDAM	A	1.10-10.11.2020 (40 days)	97
Western Macedonia TJTP - Version 1	B	8.2-19.3.2021 (40 days)	249*
Peloponnese TJTP - Version 1	B	8.2-19.3.2021 (40 days)	249*
Concept Paper (PDAM)	C	6.4-26.4.2021 (20 days)	Unknown
Islands TJTP - Version 1	B	28.4-14.5.2021 (16 days)	199
Western Macedonia TJTP - Version 2	D	9.6-25.6.2021 (16 days)	Unknown
Peloponnese TJTP - Version 2	D	9.6-25.6.2021 (16 days)	Unknown
Islands TJTP - Version 2	D	9.6-25.6.2021 (16 days)	Unknown
PDAM - Version 1	D	9.6-25.6.2021 (16 days)	Unknown

*A: Open consultation on [opengov.gr](http://opengov.gr)*

*B: Closed consultation based on the completion of a questionnaire sent to a limited number of bodies*

*C: Open invitation on the SDAM webpage to fill out a questionnaire and send it to a specific e-mail address.*

*D: Open invitation on the SDAM webpage for comment submission*

*\*jointly for the TJTPs of Western Macedonia and Megalopolis*

The consultation of the SDAM for the two lignite regions of the country was open on [opengov.gr](http://opengov.gr), and, therefore, comments were publicly available; in contrast, **limited information was made public regarding the content of the comments submitted** in the remaining consultations. Two reports on the consultations of the 1<sup>st</sup> version of the TJTPs and the PDAM concept paper were presented publicly on June 16 and while the subsequent version of these texts had been put to consultation. The reports included numerical data that reflected questionnaire response categories. Nevertheless, the recommendations and specific comments submitted by the bodies were not made public; furthermore, no in-depth analysis or elaboration was presented, nor was there any documentation as to the reasons that led to their partial or complete acceptance or rejection. As a result, it was impossible for anyone interested to understand how many and which comments were incorporated or rejected and, more importantly, the reasoning guiding these decisions.

The great differences in the format and duration of the consultations, and especially the utterly **insufficient publicity regarding their starting date**, contributed to the limited participation of citizens and institutions therein.

Significant changes were observed between the two versions of the TJTPs and PDAM, in terms of content (and not governance); this was extremely positive, as the first versions of the TJTPs contained various weaknesses. However, due to the insufficient presentation and analysis of the comments submitted in the first version of the texts, it is not at all clear whether the changes were due to stakeholders' and citizens' comments or to the recommendations of relevant European Commission Directorates, which received these drafts before the approval and publication of the final Regulation texts.

## Governance mechanism

First of all, it should be stressed that, in Greece, the first governing body of the Just Transition was established three months after the announcement of the decision to phase out lignite. This body is a government committee, consisting of the co-competent ministries at both the level of Ministers and the level of Secretaries General, in which the Ministry of Environment and Energy acts as the competent authority. This choice is particularly positive, as it emphasizes that there is more to the transition than its energy dimension: this process requires cross-sectoral cooperation with the aim of shifting the lignite areas' local production model towards a sustainable direction. In addition, this body does not, in principle, have an expiration date; therefore, it will be able to monitor the full course of the transition, which is expected to greatly outlive the implementation of the PDAM.

Yet, ever since the announcement of the JTF launch and the pressing timetable for the drafting of the TJTPs and the PDAM, the governance mechanism appears to be limiting its scope and political power; instead, it is being reduced to a mechanism for the drafting and management of a program of the new programming period, with a short-term horizon. Nonetheless, **Just Transition is not just a resource management exercise; it is a long-term process of economic and social transformation**, which requires broader and inclusive governance structures with long-term prospects, and which will go on well beyond the end of the current 2021-2027 programming period.

In addition, there are issues regarding the **complementarity of the available resources**. Specifically, even if one accepts the emphasis put on the effort to absorb the € 1.6 billion of the PDAM budget, it is a known fact that the PDAM resources are not the only ones available for the Just Transition. Resources are already provided by the 2014-2020 NSRF for the transitional program; moreover, the PDAM provides for additional resources by the 2021-2027 NSRF sectoral and regional programs, the Recovery and Resilience Facility, and the 2023-2027 Common Agricultural Policy Strategic Plan, while resources are already available from the Green Fund. The governance mechanism, however, focuses mainly on the PDAM, without recognizing the institutional and complementary role of other funding sources or providing a space and role for them in the overall scheme.

Since the first decision until today, the country's transition governance mechanism has been developed and enriched with additional structures, while plans for its future evolution have now been included in the strategic and programming texts for the 2021-2027 period.

The governance mechanism proposed in the TJTPs and the PDAM, which was presented in the second part of the report, and the one proposed by the World Bank study on the transition of the Region of Western Macedonia to the post-lignite period, which is presented in the Annex, present great similarities. Given the governance mechanism's key role to the successful outcome of the transition and the fact that the full World Bank report was completed in June 2020, it is unclear why the key elements of the governance mechanism were not included in the SDAM, which was put on public consultation in October 2020. Allowing **more time for consultation** and improvements would certainly have had beneficial effects in terms of formulating the mechanism that will eventually be submitted to the European Commission. Instead, the first

version of the governance mechanism was presented in February 2021 only to the limited number of bodies which received the questionnaire regarding the TJTPS of Western Macedonia and Megalopolis. More importantly, citizens were absent during this entire process. This mechanism will govern the implementation of the plan that will drastically change the economic and productive model of these regions; nevertheless, the citizens were not briefed and had no opportunity to comment on it before April 2021, when the PDAM concept paper was finally submitted to an open consultation –provided, of course, them being aware of its very existence. All the above resulted in the key issue of governance being left in the "shadow" of the planning content and the various large investments that made their appearance in the lignite areas at that time, thus, depriving citizens all information regarding the core elements and structures of the proposed governance mechanism.

In essence, the proposed **mechanism is intricate, with several ambiguities** regarding the responsibilities and roles of the various structures and especially the way the latter interact. A typical example is the chain of responsibility in the case of EYSDAM, which was launched to support the Technical Committee, which was set up together with the Technical Secretariat in order to support the Steering Committee. Furthermore, there is great ambiguity regarding the distinction –or lack thereof- among the roles of the monitoring structures (Observatory, Monitoring Committee and Subcommittees, and satellite structures of Western Macedonia and Megalopolis), the flow of information among the latter and the remaining structures, as well as regarding their role in decision making and corrective actions. Moreover, and despite the fact that this is also recommended by the World Bank, there isn't sufficient documentation as to why the Special Purpose Vehicle (SPV), which will obtain a significant part of PPC lignite lands, and the body implementing the transition (Metavasi S.A.) should be two separate entities.

The initial cross-sectoral approach to the system of governance at the level of ministers and secretaries-general (in KEDAM and SEP, respectively) is a positive feature of the proposed governance mechanism; nonetheless, it is not at all clear **how this cross-sectoral synergy shall apply at the technocratic level within the remaining governance mechanism structures.**

Overall, there is no detailed description of the operation of each structure; this description should include -inter alia- its objectives, its composition, the frequency with which its members shall meet or participate in meetings of other structures, as well as their accountability obligations.

In addition, from the highest to the lowest level of the proposed governance mechanism, there appear to be issues of **inadequate inclusiveness and representation**, given that the composition of the organizational chart structures that have been announced lacks sufficient representation of local authorities, local communities and civil society.

It is generally acknowledged that transition planning is a process that must be constantly evolving to meet the escalating challenges, especially with regard to lignite areas. However, apart from the provisions of the Regulations that focus specifically on the approved TJTPs and the PDAM, the possibility of revising the SDAM has not been foreseen. In addition, beyond the formal obligations set forth by the PDAM, **there is no provision for the way in which the transition will be monitored as a whole** or the way in which the results obtained via the

monitoring of all the proposed structures and the assessment of the transition course will be utilized in these review processes.

**Partnerships lack transparency.** TJTPs cite the categories of bodies that shall participate in the partnership, however, without specifying which bodies constitute each partnership. Furthermore, SEP minutes reveal that the selection of partnership entities was solely based on a simple recommendation by regional governors and its acceptance.

In addition, **partnerships do not include key categories of bodies** cited by the relevant European Common Provisions Regulation (CPR). In particular, the municipal authorities are absent in the partnerships included in the TJTPs of Western Macedonia and Megalopolis. Moreover, contrary to CPR provisions, representatives of civil society, environmental partners and other socially proactive bodies (promoting social inclusion, rights, equality, non-discrimination) are entirely absent. In essence, there is a tendency to include bodies that represent economic sectors, with the respective stakeholders dominating the partnerships, while the provisions for bodies that could promote collective rights and interests -with the exception of labor centers and trade associations- are lagging behind. The partnership provided by the Islands' TJTP is more inclusive compared to that of the other lignite areas, as it includes the presidents of the Regional Associations of the Municipalities of North and South Aegean and Crete, as well as environmental institutions, such as protected area management bodies, which are, however, under the supervision of the Ministry of Environment and Energy. **Representatives of environmental NGOs and think tanks have been excluded from the partnerships of the lignite areas, as well as from the proposed governance mechanism;** this omission is striking, given their contribution to the Just Transition cause in these very areas, via the systematic documentation and support they have offered at local, national and European level from 2015 onwards, which has already borne fruit<sup>61</sup>.

To date, the governance mechanism and the planning process are central, clearly applying a **top-down approach**; only a very limited number of individuals have access to all the information and they are the ones making final decisions. Decision-making does not even include the mayors of the transition areas; this is an important omission, given their decisive role as advocates of the lignite areas' transition issues. Indeed, mayors have significantly contributed to the course of the transition, especially in the period 2015-2019, both nationally via the establishment of the Just Transition National Fund, as well as at European level, through the inclusion of the Region of Western Macedonia as one of the first three pilot areas in the Coal Regions in Transition platform.

## Recommendations

The course of the transition is expected to be long and will certainly outlast the 2021-2027 programming period. Therefore, its governance mechanism should take into account and cover the long-term horizon of the Just Transition, ensuring continuity, irrespective of political affiliations or specific funding means.

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<sup>61</sup> The Green Tank (July 2020). "Just Transition: History, Developments and Challenges in Greece and Europe", <https://bit.ly/3ryvn76>



This mechanism should maintain its cross-sectoral nature, at both the political and the technocratic level. At the same time, it should be complemented so as to become more inclusive and decentralized, allowing the meaningful participation of additional actors in the -constantly evolving- planning of the transition, as well as in its implementation.

The hybrid systems of Czechia and Germany -and even that of Slovakia, which is based on a purely bottom-up approach- demonstrate that the broad inclusion of local actors and civil society representatives in governance, in no way reduces efficiency, when carried out in a gradual and systematic way. On the contrary, international experience has shown that the more actors, social groups and citizens are involved in a structured and transparent way, the more the transition plan becomes endorsed, thus enhancing efficiency on the one hand, and social justice on the other.

Particular emphasis should be placed on increasing the participation of representatives of the local government, environmental bodies, and agencies promoting social inclusion, fundamental rights, disability rights, gender equality and non-discrimination in decision-making processes. This is not just a formal obligation under the Common Provisions Regulation, which governs funding from the European Just Transition Fund; it is a meaningful political choice and a decisive factor in the success of this great effort to completely transform the productive model of these deeply lignite-dependent areas.

In this direction, the following are recommended:

**Systematic briefing and easily accessible information** on the course of the Transition, by upgrading the SDAM website to an information hub for all developments, decisions and consultations related to the Transition. Launching multiple, different communication channels and websites per structure should be avoided, in favor of an organized, timely and valid briefing of institutions and citizens.

**Maintaining and enhancing transparency**, by complementing the good practice of making publicly available the minutes of SEP meetings, with the timely posting of the respective minutes of the new structures that will be established.

**Open and transparent consultation procedures** with all comments being accessible to all.

**Clarification of the roles of the different structures**, in order to ensure complementarity among them and to avoid overlap of responsibilities.

**Expansion of the Partnership** to include all stakeholders in all subsequent stages of Transition planning, implementation and any revision. This expansion should also apply to all monitoring structures, including but not limited to the 2021-2027 PDAM Monitoring Committee. The following recommendations identify specific opportunities to broaden the range of partners involved in the governance of the Transition.

**Inclusion of representatives of municipal authorities in the Steering Committee.** The SEP is the executive “heart” of the governance mechanism in both the planning and implementation phases; nonetheless, mayors have not been included in this committee. In Greece, mayors are

close to the local community; moreover, the mayors of the lignite areas played a key part in the transition, especially from 2015 onwards. Thus, their exclusion from the SEP is a serious omission, which must be corrected. To that end, the SEP should be expanded to include the mayors of the five energy municipalities and the Presidents of the Regional Unions of Municipalities of the five regions in transition.

**Establishment of Regional Transition Committees** according to the standards of the RPCs of the RESTART governance system in Czechia, under the chairmanship of the governors of the transition regions; this, in fact, has also been proposed by the World Bank regarding the governance of the transition in Western Macedonia. These Committees will be responsible for drawing up -and reviewing every two years- regional action plans that specify the central planning, and will be in contact with the central Steering Committee. The Regional Group of Western Macedonia that supported the regional authorities during the SDAM drafting phase can be transformed into such a structure with the appropriate support, in line with the relevant recommendation of the World Bank. This Regional Committee will also be responsible for disseminating information to the citizens of the areas in transition via targeted information actions and public consultations.

**Role distinction between the Just Development Transition Special Coordination Service (EYSDAM) and the Technical Secretariat.** As explained in the second part of this report, EYSDAM will evolve mainly into the Managing Authority of the Just Development Transition Program (PDAM), while, at the same time, it will assume many of the responsibilities of the Technical Secretariat. However, Just Transition will not be completed during the 2021-2027 funding period. Therefore, if EYSDAM and the Technical Secretariat merge, as proposed, a significant gap will emerge in the governance mechanism after the end of the period. In addition, to date, the transition regions are not represented in either EYSDAM or the Technical Secretariat; thus, two pivotal governance structures are kept isolated from transition regions, which, in turn, reduces their effectiveness.

To address this double challenge, it is recommended that the Technical Secretariat, which will operate after the end of the funding period, maintain the coordination of the implementation of the broader planning; on the other hand, EYSDAM should coordinate the implementation of the approved 2021-2027 PDAM. Furthermore, designated representatives of the regions in transition should be appointed to the Technical Secretariat as focal points with an advisory role. These representatives should come from the General Directorates of Development Planning and Environment and the Special Management Services of the respective regional programs, while they should also be members of the Regional Transition Committees presented above, so as to achieve an optimal coordination between the Technical Secretariat and each of these regional structures.

**Representation of local government, environmental bodies and civil society in the body implementing the Transition.** The composition of “Metavasi S.A.”, which will have the principal role in the implementation phase of the transition, will be announced after its establishment; therefore, no relevant description is included in the TJTPs. The inclusion of representatives of the local government, as well as representatives of environmental bodies and civil society in “Metavasi S.A.” is strongly recommended. The former will act as guarantors of the interests of local communities, while the latter will ensure that the choices made in the

implementation phase respect environmental and climate sustainability, as well as promote social equity and inclusion. In Germany, several local actors -regions and municipalities- are, in fact, among the shareholders of the respective Special Purpose Vehicle (ZRR). The regional councils of Cologne and Düsseldorf, as well as an advisory committee of 20 representatives of neighboring municipalities in the Rhineland lignite region participate in its operations. Furthermore, civil society is included in meetings and online consultations/dialogues regarding the transition.

## Annex

### World Bank Road Map

In February 2019, the World Bank launched a study, as tasked by the European Commission, in the context of the Coal Regions in Transition Platform, which included Western Macedonia as a pilot region. In June 2020, the results of the study, entitled “A Road Map for a Managed Transition of Coal-Dependent Regions in Western Macedonia”, were delivered to the Greek authorities. This road map is a set of recommendations, tools and methodologies to support the Region of Western Macedonia and the government in formulating a specific transition plan. In order to prepare it, the World Bank examined various cases of lignite area transition in eight countries: Germany, Canada, South Africa, Poland, Romania, Russia, Czechia, and the USA. The Road map contains three chapters: strengthening government systems, preparing people and communities, and repurposing land use and assets.

In the first chapter, related to governance, the study presents recommendations regarding the optimal administrative structure to oversee the planning and implementation of a comprehensive transition, based on international best practices, as well as on practices previously employed in Greece (for instance in the Olympics Games, the Attiko Metro, and the Egnatia Odos). It also divides the transition of the country's regions into two phases: planning and implementation. The planning phase should last at least until the end of 2021 and is based on an extensive analysis of the economy and labor market of the country's transition regions. The second phase –implementation- is proposed to last from 2022 to 2028, in line with the 2021-2027 operational program<sup>62</sup>.

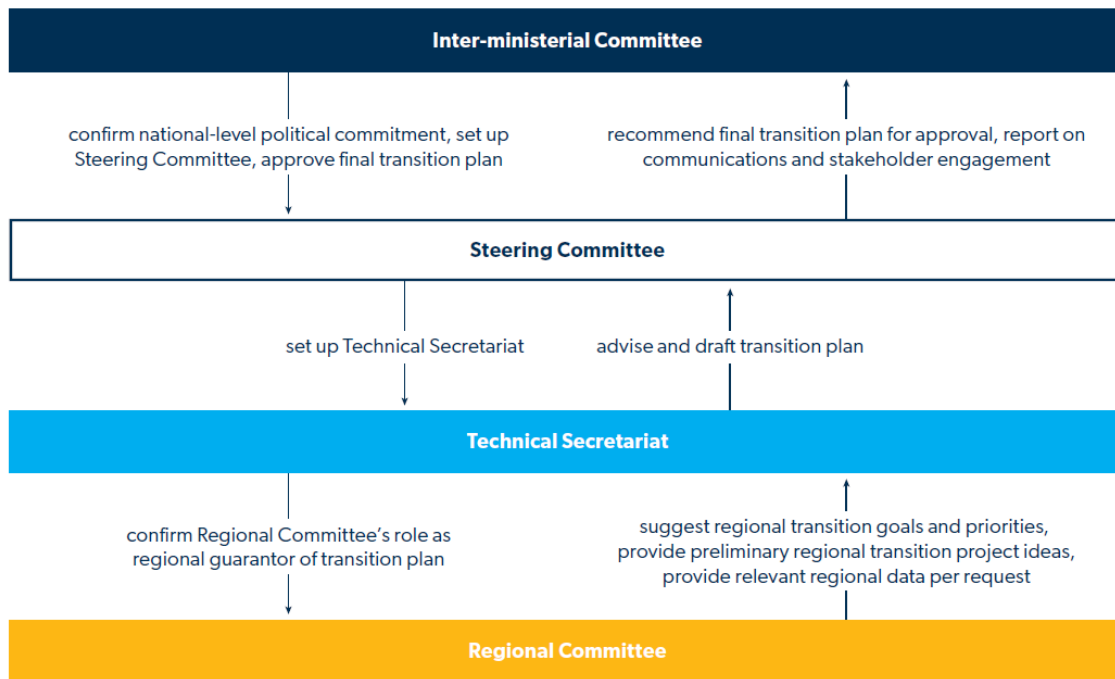
### Recommendation for Greece

Of all case studies, that of Czechia (RE:START) was considered by the World Bank to be the most applicable to Greece and Western Macedonia, mainly due to the two countries' similar administrative structures. In the case of Czechia, ministries extend to the regions and regional administrations play an active coordinating role jointly with the central government on policy issues. A similar scheme was proposed for Greece, in a hybrid model that will follow both a top-down and a bottom-up approach in both phases of the transition.

The recommended governance structure shown in Figure 7 was based on structures, most of which had already been set up in Greece. Specifically, the Inter-ministerial (Government) Committee, the Steering Committee and the Technical Secretariat already existed when the Road map was being drawn up (the Technical Secretariat was established last, in May 2020, while the study was delivered to the Greek authorities a month later).

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<sup>62</sup> The World Bank (2020), “A Road Map for a Managed Transition of Coal-Dependent Regions in Western Macedonia”, <https://bit.ly/2TtP8Ap>

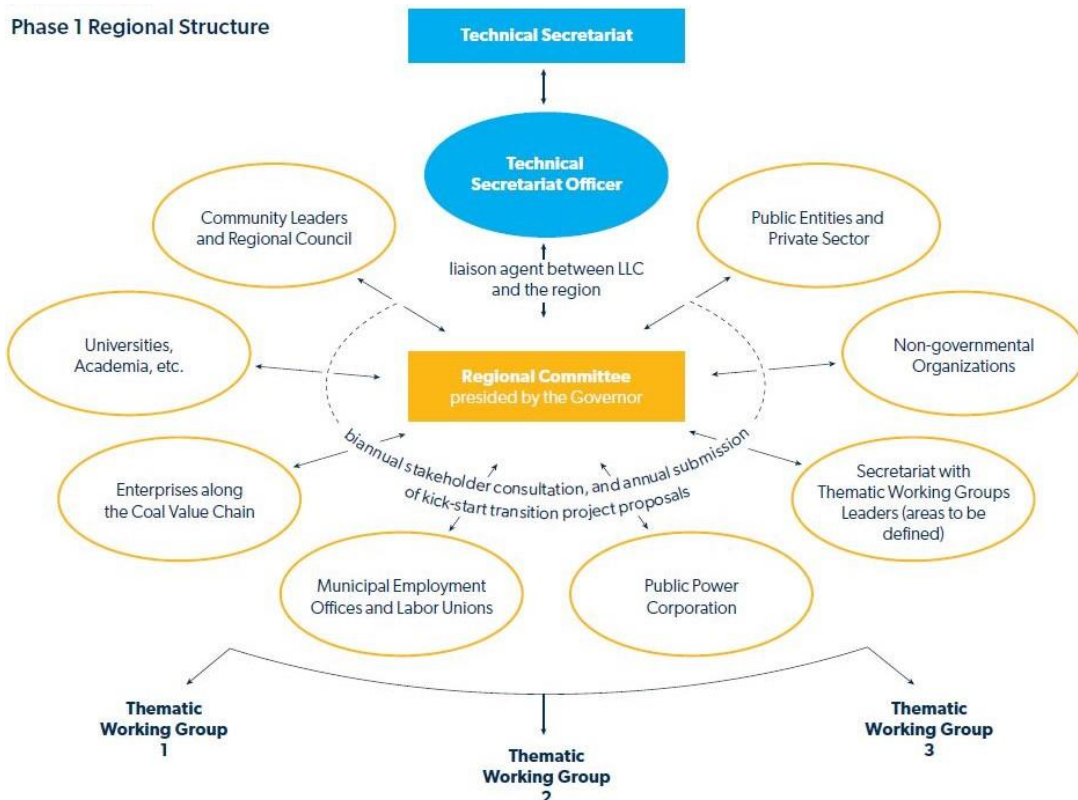


**Figure 7:** Proposed Transition Governance Mechanism for Greece – Planning Phase

In addition to the existing structures, in the first phase, that of planning, the Road map recommends the establishment of a Regional Committee in Western Macedonia –the area in focus; this committee acts as the local-regional guarantor of the transition plan and provides upward feedback. The Road map also puts forth regional transition goals and priorities, preliminary ideas for transition programs, as well as relevant regional data on request. Subsequently, the Technical Secretariat advises the Steering Committee and prepares a draft transition plan, while the Steering Committee makes recommendations for the final plan to be approved, and presents data regarding stakeholder communication and engagement to the Government Committee. In fact, the existing Working Group for Western Macedonia could play a secretarial role for this Committee in support of the Regional Governor’s Office.

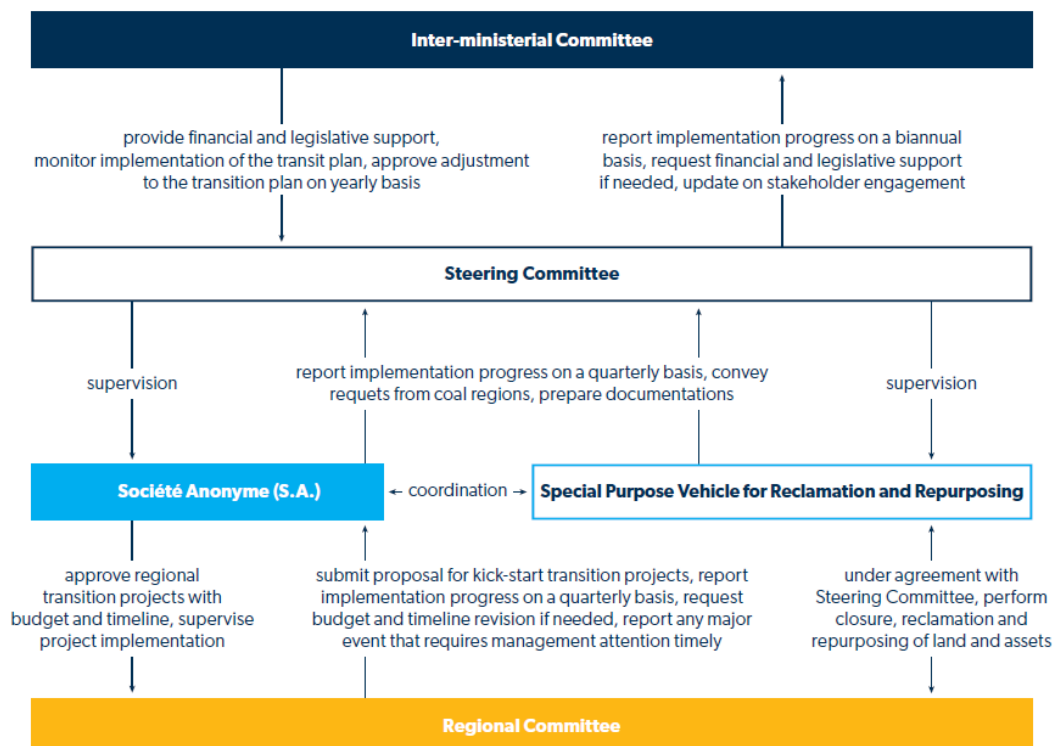
Again, based on the recommendations of the Road Map, as shown in Figure 8, the Regional Committee is chaired by the respective Regional Governor. Members include community and regional council presidents, universities and academia, lignite value chain companies, municipal employment agencies, trade unions, PPC, NGOs, other public bodies, the private sector, as well as the Secretariat of the Working Groups (according to the Czech standards), the specific objectives of which had not yet been defined. Finally, an official of the Technical Secretariat shall participate in the Committee and act as an important link between this lower level of governance and the higher ones (Committee to Technical Secretariat).

Furthermore, it is recommended that all stakeholders play an active role throughout the transition process, as consultations will take place on a semiannual basis and program recommendations will be submitted annually to boost the transition process.



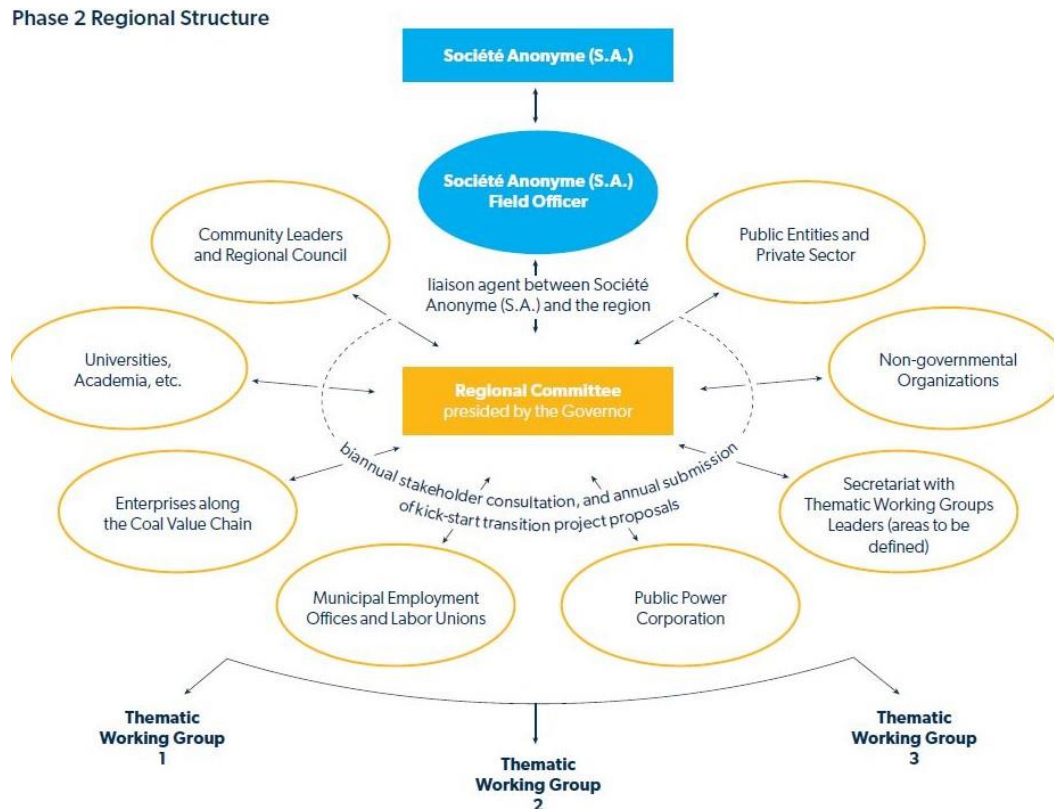
**Figure 8:** Proposed composition of the Regional Committee of Western Macedonia – Planning Phase

In the implementation phase, stakeholders retain their role, given that the proposed structure is almost identical to that of the planning phase. As shown in Figure 9, the only difference lies in the proposed establishment of a Société Anonyme and a Special Purpose Vehicle.



**Figure 9:** Proposed Transition Governance Mechanism for Greece – Implementation Phase

The composition of the Regional Committee during the implementation phase of the transition is proposed to remain unchanged, as shown in Figure 10, with the only difference being that the regional stakeholders –via the Regional Committee- will now communicate with the Société Anonyme (Metavasi S.A.), instead of the Technical Secretariat. Semiannual consultations and annual reports are also recommended at this stage.



**Figure 10:** Proposed composition of the Regional Committee of Western Macedonia – Implementation Phase

In addition, in the World Bank’s governance proposal, the continued involvement of stakeholders is a core element in all stages of the transition planning and implementation. The Road Map proposes the development of a specific engagement strategy regarding stakeholders, with the aim to ensure understanding and integration during the planning process, while promoting transparency and accountability of the relevant authorities. In other words, **it is paramount to ensure that all decisions regarding government plans for the transition are informed and well documented, taking into account the views of all those affected by the transition.** Therefore, the Road map recommends the establishment of a platform, which will be convened on a quarterly basis, bringing together all groups of stakeholders. The government will thus be able to communicate its plans and obtain feedback and insights from these groups. This platform could be coordinated by the Technical Secretariat and the Société Anonyme (Metavasi S.A.) in the planning stage and the implementation phase, respectively. The strategy implementation plan shall also include consultations and workshops on intended actions, to be attended by the relevant interested parties.





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