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DEAD END

JUST TRANSITION IN EU REGIONS

A POLICY UPDATE FOR MAYORS AND
MUNICIPALITIES

SEPTEMBER 2022





The world still has a chance to avoid catastrophic climate impacts. Limiting global average temperature rise to 1.5°C will be crucial, but the pathway to achieve this is narrow. The necessary green transition is expected to bring huge opportunities, however, for some groups and regions, the costs of the transition may outweigh the benefits. This briefing aims to raise the awareness of municipalities of the European policy developments that can assist their engagement with EU climate policy to ensure a truly just transition¹.

To achieve this the EU Just Transition Fund (JTF) was adopted in June 2021 and member states are now developing territorial just transition plans to access funding. As the EU enters the implementation phase of a just transition, it's more important than ever that local stakeholders drive the change.

Once approved by the European Commission and adopted, the Territorial Just Transition Plans (TJTTPs) will give the fossil fuel-dependent territories most affected by the transition to climate neutrality access to the support under the Just Transition Mechanism (JTM) and ensure the transition is fair and positive in the region.

This briefing provides an update on the implementation of the EU Just Transition Fund, including the TJTTPs. We include detail on the main challenges regions are facing to develop them, and give helpful pointers about deadlines and what they should include. We also provide an overview of another EU policy which is currently under negotiation and which will be relevant for mayors and those interested in ensuring the transition to climate neutrality is fair: the EU Social Climate Fund. Furthermore, the briefing gives information on the other EU institutional activities relevant for supporting the just transition across the EU: the Just Transition Platform and the Coal and Carbon-Intensive Regions in Transition Initiative. Finally, the briefing touches on the impacts of the war in Ukraine and the implications of the EU's plan to respond, known as 'RePowerEU'. This briefing aims to raise the awareness of municipalities of these policy developments to assist their engagement with – and benefit from – EU climate policy to ensure a truly just transition.

This briefing is provided by WWF for mayors in the context of the Forum of Mayors for Just Transition. To find out how to join the Forum and engage in its activities, or for any followup questions, requests or ideas please contact Zuzanna Glowacka.

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THE EU JUST TRANSITION FUND

IN A NUTSHELL

- The European Commission is in formal and informal discussion with most Member States and is hopeful all Territorial Just Transition Plans (TJTPs) can be adopted before the end of 2022
- It is important TJTPs are adopted by the end of 2022 in order not to lose the allocation from 2021
- Over 50% of the allocation from the EU Just Transition Fund (JTF) should be committed by 2023 to projects (and spent by 2026)

Important: projects can start to be implemented now, even before TJTPs are approved as payments can be made retroactively²

BACKGROUND

The JTF was adopted into EU law in June 2021. The Regulation³ sets out the rules for how the €17.5 billion (2018 prices) can be spent and how much each member state will receive. The main points are captured in an annex to this briefing.

To access the JTF money, Member States have to develop 'Territorial Just Transition Plans' (TJTPs) at the local level⁴ and these must be approved by the European Commission before any funding can be disbursed for projects. The Regulation includes a template for the TJTPs in Annex 2.

The JTF is Pillar 1 of the Just Transition Mechanism (JTM). Once approved, the TJTPs also provide access to Pillars 2 and 3 of the JTM. Together these provide much more financial support than the JTF alone.

WHAT IS THE STATUS OF TJTP DEVELOPMENT IN THE MEMBER STATES?

The JTF is a 'Common Provision Regulation' Fund, which means that it is subject to the same overarching governance and programming rules as other Cohesion Policy Funds, like the European Regional Development Fund (ERDF) and the European Social Fund (ESF+). TJTPs can be part

of an existing operational programme, or be a separate programme.

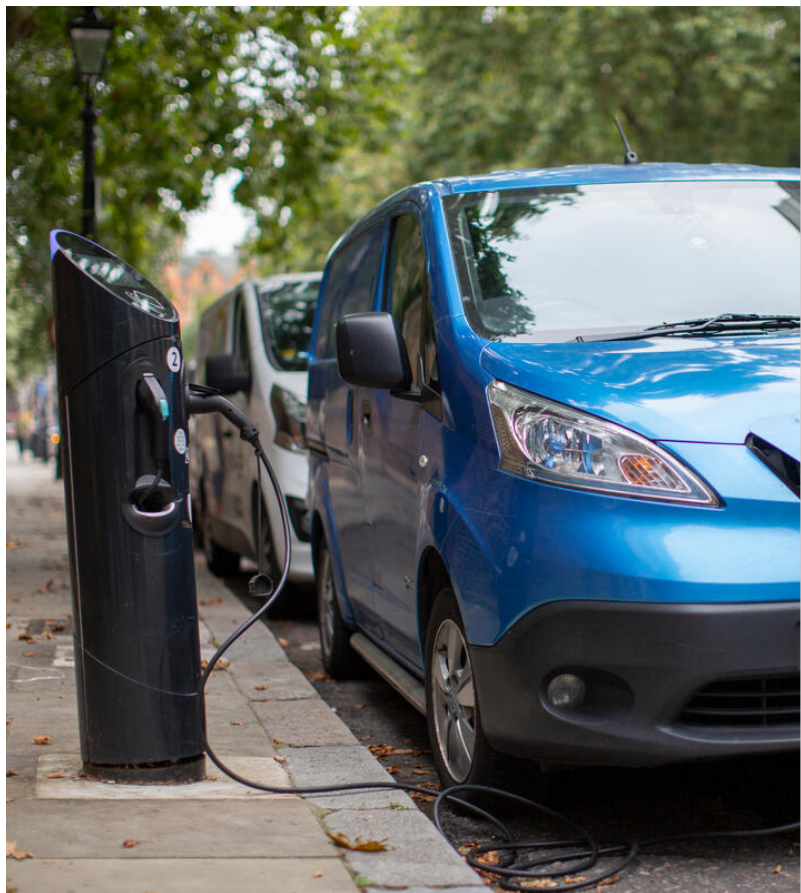
Before the TJTPs (and operational programmes) can be adopted, Member States must each submit - and the European Commission must adopt - an approved Partnership Agreement. Most Partnership Agreements have now been submitted and 9 have already been adopted⁵.

The European Commission expects all Partnership Agreements to be received by July 2022 and all to be adopted by the end of September 2022.

The adoption of the Partnership agreement should therefore not form a barrier to the adoption of the TJTPs and other operational programmes.

Of the Operational Programmes, 78% (305 programmes) had been submitted as of 21st of June 2022 to the Commission, of which 39 have been adopted already.

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² The projects will need to comply with the eventually adopted TJTP.

³ Text available here in each EU language: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32021R1056>

⁴ NUTS 3 level: there are 1166 regions at NUTS 3 level in the EU with between 150000 and 800000 residents each. The typical level for programming EU funds is NUTS 2 (a much larger regional level). Maps for each member state of the NUTS regions are available here: <https://ec.europa.eu/eurostat/web/nuts/nuts-maps>

⁵ Austria, Czechia, Greece, Finland, France, Germany, Denmark and Lithuania (correct as of 21st June 2022)

Progress with cohesion policy programme

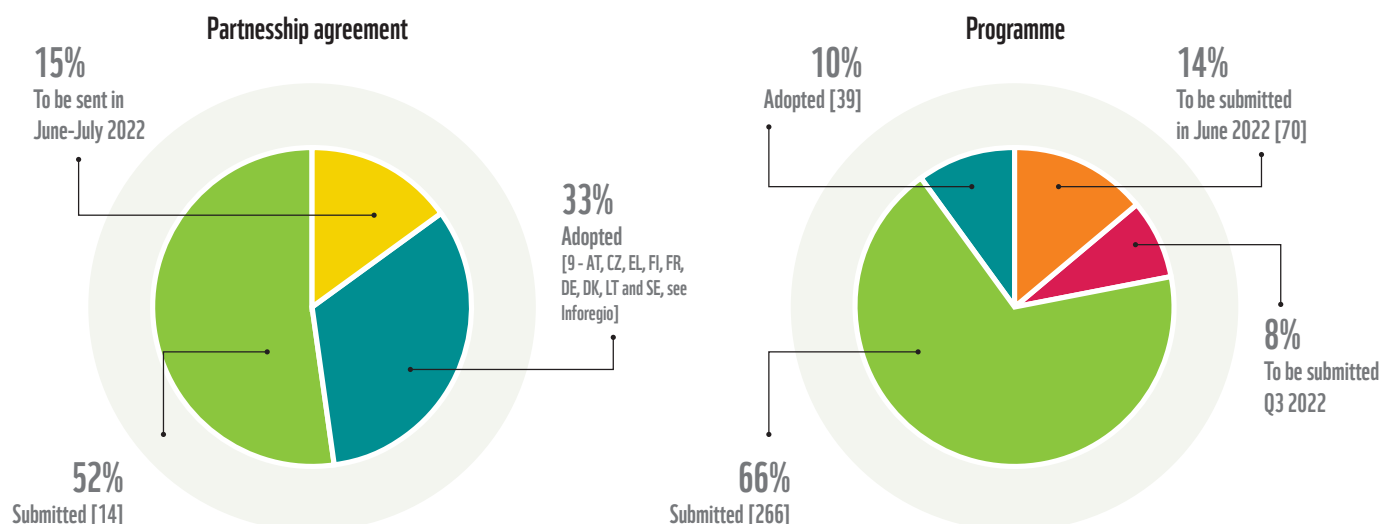


Figure 1: Progress with cohesion policy programming, from a European Commission presentation to the CPR partners' expert group on 21st June 2022. The full presentation can be found [here](#).

Regarding the TJTPs specifically:

- 7 TJTPs have been adopted so far⁶
- 9 countries have formally submitted their TJTPs to the Commission⁷
- 16 other countries have shared their TJTPs informally with the Commission
- 1 member state has yet to share any version of its TJTP(s) with the Commission

Municipalities in the just transition regions should have been engaged in the process of developing TJTPs. **If you were not involved in developing the TJTPs, or if you feel the consultation was inadequate, please raise this with WWF or with the European Commission directly.**

Directorate-General for Regional and Urban Policy (DG Regio), which leads on the JTF in the European Commission emphasises that member states should submit their TJTPs formally as soon as possible in order to guarantee access to the full funding available. For countries who have submitted their TJTPs informally and formally, the Commission is fairly confident that the plans can be approved by the end of 2022, provided member states make the changes requested.

The geographical scope of the JTF has been confirmed after discussions with member states.

WHAT ARE THE MAIN CHALLENGES AND BARRIERS TO THE COMMISSION APPROVING TJTPS?

The European Commission has to approve TJTPs before they can be adopted and before support from the JTF and JTM can flow to the regions. Some TJTPs, that were formally submitted by Member States, have already been rejected.

The main problems that are preventing the European Commission's approval of plans are:

- No indication of a transition process at national level to 2030 and/or lack of a timeline for the 2030-2050 climate targets
- Unclear impact of the transition timeline and process outlined at the territorial level (on social, economic, demographic, environmental and health indicators)
- Not enough consideration of skills, reskilling and economic diversification needs

More generally, for operational programmes problems are arising from member states failing to carry out sufficient Do No Significant Harm assessments of planned activities, as required under the EU Taxonomy Regulation and low fulfilment of enabling conditions⁸; however this situation has improved over the last 6 months.

⁶ The regions are shown on this map: https://ec.europa.eu/regional_policy/en/funding/jtf/just-transition-platform/

⁷ Austria, Czechia, France, Greece, Netherlands, Poland, Portugal, Sweden (correct as of 21st June 2022)

⁸ It is risky to adopt many programmes without enabling conditions in place (payments might not be granted).

SHOULD TJTPS INCLUDE PROJECTS?

TJTPs do not need to – and should not – include specific projects as a general rule. The only projects which must be included are investments planned in activities or installations in Annex 1 of the existing Emissions Trading System Directive, such as thermal power generation facilities (including thermal combustion plants exceeding 20MW) and industrial sites (such as steel plants).

Where support is foreseen to be provided to productive investments in enterprises other than SMEs, an indicative list of operations and enterprises to be supported and a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment should be included in the TJTP.

The European Commission does not approve projects under shared management programmes. Projects are allocated funding within the framework of the operational programme through decisions made by the Monitoring Committee⁹ in the member state.

A good TJTP instead should include, or set out a methodology to design, project selection criteria for transparency purposes.

CAN PROJECTS START BEFORE TJTPS ARE APPROVED?

Projects can start before a TJTP is approved and payments of support can be made retroactively for projects starting in 2021 or 2022. However, payment of support is conditional on the TJTP being adopted and the project being eligible within it.

Decisions to start projects before approval of a TJTP should be made with the Managing Authority.

WHEN IS THE DEADLINE FOR DEVELOPING TJTPS?

There is no official deadline for submitting TJTPs. However, **the de facto deadline for adopting TJTPs is 2022.** This is because if the TJTP is not adopted by the end of this year, the allocation for 2021 is lost. Therefore, plans should be formally submitted by around September 2022 at the very latest, in order for them to be approved and adopted in time to prevent the loss of the financial allocation for 2021.

Managing authorities will then have to commit funds to projects by the end of 2023 to make use of the proportion of the JTF (€10 billion) that comes from NextGenerationEU (the EU Covid recovery funds). This money must be spent by 2026, according to the NextGenerationEU Regulation. Therefore, 57% of the available JTF money (grants) must be committed by the end of 2023.

In order to leave sufficient time to develop high quality and relevant projects, member states should strive to have the TJTPs adopted as quickly as possible.

WHAT TECHNICAL ASSISTANCE IS AVAILABLE?

The website of the Just Transition Platform¹⁰ acts as an information hub for EU just transition support. On the 'Funding Opportunities' page¹¹, detail is provided about technical assistance relevant to just transition. Links to relevant technical assistance can be found on this page.

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⁹ See Annex with EU glossary definitions.

¹⁰ A link to the Just Transition Platform online is available here: https://ec.europa.eu/regional_policy/en/funding/jtf/just-transition-platform/

¹¹ Available at: https://ec.europa.eu/regional_policy/en/funding/jtf/just-transition-platform/opportunities

For developing TJTPs

Most plans are now at quite an advanced stage. Support has already been provided in the form of technical assistance (often provided by consultants, with mixed success), including through START (Secretariat Technical Assistance to Regions in Transition) under the Coal Platform. Seven regions received this support, which lasted until 2021. A useful output of the programme is a library of resources¹² developed in the context of the regions and their planning processes, examples include:

- A summary report from the START workshop in Małopolska, Poland, on the role women should play in just transition
- The “Midlands engagement process document” provides guidance on the process of registration and eligibility criteria for projects and programmes. It contains information on opportunities and emerging economic activities in rural communities, together with examples of innovative and community-led rural development projects.
- A transformation Options Framework in Silesia, providing guidance for identification and assessment of options for the transformation of former mining and industrial sites
- The “Midlands Pathway to Transition”¹³ document, which sets out a potential pathways for transition, how partners should be engaged, alignment with national and local plans achieved, and how this can be monitored and risks managed over time.

The Commission’s Technical Support Instrument¹⁴, provides tailor-made technical support to EU Member States to design and implement regulatory, administrative and other necessary reforms, without cofinancing. Member States may request support under the TSI via a national Coordinating Authority.

For developing projects

The most useful assistance for municipalities is perhaps the dedicated just transition support, TARGET¹⁵. This technical assistance facility aims to support EU coal, peat and oil shale regions with the identification and preparation of sustainable clean energy and energy efficiency projects that can create local jobs and follows on from START. It can support the preparation of individual projects and provide capacity building. Crucially, municipalities can apply directly by sending a completed application form to target@eib.org.

Other support includes:

- **JASPERS¹⁶**: a partnership between the Commission and the EIB. JASPERS provides advisory support to beneficiaries of cohesion policy funds (including local authorities), for free. They can offer support for project development to ensure they meet the standards demanded by EU funds, improve administrative capacity through knowledge provision about project development, EU legislation and processes as well as assess project and planning proposals for their quality.
- **ELENA¹⁷**: a joint initiative by the EIB and the Commission under the Horizon 2020 programme, it provides technical assistance for energy efficiency and renewable energy investments targeting buildings and innovative urban transport. ELENA is led by a team of experts, consisting of engineers and economists with extensive experience in the energy and transport sectors.
- **InvestEU Advisory Hub¹⁸**: this mainly targets project promoters. It will act as a central entry point for those seeking advisory and technical assistance for projects under pillars 2 and 3 of the JTM (InvestEU and Public Sector Loan Facility), as well as for some projects to be financed under the JTF. It is managed by the Commission, providing tailor-made, EU budget supported technical assistance and capacity-building support, depending on the needs of the project promoter. The hub connects project promoters and intermediaries with advisory partners, who work together directly to help projects reach the financing stage. It supports the identification, preparation and development of investment projects, as well as capacity-building of project promoters. Investors and project promoters are brought together into on a single EU-wide database of investment opportunities by the InvestEU Portal.

12 https://energy.ec.europa.eu/topics/oil-gas-and-coal/eu-coal-regions/secretariat-technical-assistance-regions-transition-start_en

13 https://energy.ec.europa.eu/system/files/2020-10/midlands_pathway_to_transition_0.pdf

14 https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en

15 https://energy.ec.europa.eu/topics/oil-gas-and-coal/eu-coal-regions/target-technical-assistance_en

16 <https://jaspers.eib.org/>

17 <https://www.eib.org/en/products/advising/elena/index.htm>

18 https://investeu.europa.eu/what-investeu-programme/investeu-advisory-hub_en

WHAT SHOULD I BE AWARE OF WHEN DEVELOPING TJTPS AND PROJECTS?

The Managing Authority should define project selection criteria which align with the TJTPs, and which reflect the legal rules around the Pillars of the JTM. This means, in order to access JTF money (grants), projects must:

- Comply with the exclusions list in article 9 of the JTF Regulation:
 - Exclude any fossil fuel investment, including anything related to the production, processing, transport, distribution, storage or combustion of fossil fuels. This means investments in e.g. energy efficiency of fossil fuel combustion plants are excluded.
 - Exclude investment in nuclear, tobacco.
- Comply with the list of eligible activities in Article 8 of the JTF Regulation.
- Any investment planned in large enterprises should be justified by the indicative list of projects included in the adopted TJTP.
- Any investment in ETS installations must be listed in the adopted TJTP.

To access Public Sector Loan Facility (Pillar 3), the exclusion list of the JTF also applies.

The support under the Just Transition Mechanism is available for the 2021-2027 financial period and should be used by 31st December 2029 (as for all Cohesion Funds)¹⁹.

What are the different pillars under the Just Transition Mechanism about?

The JTM consists of 3 pillars which can be accessed once a TJTP is adopted:

1. A Just Transition Fund

- a. Worth 17.5 billion (€19.2 billion in 2021 prices and €25.4 billion with national co-financing).
- b. Provides grants and is therefore targeted at smaller actors, including community projects and SMEs.

2. An InvestEU Scheme:

- a. There is no fixed budget for the scheme.
- b. Aims to incentivise private investment in transition regions by providing an EU budgetary guarantee to implementing partners (like the European Investment Bank) to provide financing directly or indirectly to project promoters located in just transition territories with an approved TJTP.
- c. Unlike the other two pillars, projects not located in the territories with a TJTP can also benefit from the scheme, provided that those projects contribute to meeting the development needs stemming from the transition of those territories as set out in the relevant TJTP.
- d. The scheme works by providing lighter conditions for access to the budgetary guarantee for investments in regions with adopted TJTPs.

InvestEU builds on the 2014-2020 European Fund for Strategic Investments. With a budget of €15.2 billion, the fund hopes to leverage a further €650bn in additional investments.

3. A Public Sector Loan Facility

- a. Is worth €10 billion in EIB loans and €1.5 billion in EU budget grants
- b. It aims to support public investment in the just transition regions by providing investment guarantees to public sector entities. These investment guarantees should leverage public financing to support projects that do not generate a sufficient stream of revenues to cover their investment costs.

19 According to Article 63 of the Common Provisions Regulation (Regulation EU (2021/1060))

THE EU SOCIAL CLIMATE FUND

HEADLINES AND KEY DATES

The European Commission proposed a new EU fund known as the Social Climate Fund (SCF) in July 2021. The SCF accompanied a proposal to put a carbon price (through ‘emissions trading’) on buildings and road transport.

The European Parliament and the member states (through the Council) adopted their positions on the new SCF in June 2022.

The SCF will be negotiated further by the EU institutions and should be adopted sometime next year.

A key feature of the new SCF is that member states will have to prepare and submit ‘Social Climate Plans’ to the European Commission.

- These plans should set out the social and economic challenges for vulnerable households, micro-enterprises and transport users arising from the introduction of a European carbon price to road transport and buildings (heating) and the measures that will be taken to counter any negative distributional effects.
- However, the European Parliament proposes instead that these plans are broader. It proposes that plans should contain a coherent set of measures and investments to address energy and mobility poverty arising in particular from the impact of the transition towards climate neutrality, including the impact of carbon pricing²⁰.

Important: no action needs to be taken by municipalities now, but member states will each publish a progress report on the implementation of their National Energy and Climate Plans (NECPs) in March 2023. This should include information on their progress implementing a just transition and will be valuable when member states draft their national social climate plans, which should be developed in consultation with local and regional authorities. The deadline for final Social Climate Plans is expected to be June 2024.

WHAT IS THE SOCIAL CLIMATE FUND?

The SCF has been proposed as part of the Fit for 55 legislative package to help the EU reach its -55% net greenhouse gas emissions reduction target by 2030. The SCF aims to accompany the introduction of a carbon pricing system for buildings (heating) and road transport and address the social impacts that might arise from this system. This carbon pricing system is known as the ETS for buildings and road transport, also known as the ETS2.

The objectives of the SCF are to support vulnerable households with direct income support (as needed) and to finance measures and investments that will help households reduce emissions from transport and buildings in the long-term (and so avoid a carbon price).

To finance the SCF, the initial proposal foresees that a dedicated share (€72.2 billion) of the ETS2 revenue provides the budget for the fund. Member states should then develop a Social Climate Plan which sets out the kinds of measures and investments – as well as any direct income support – they plan, and once approved, the plans will give member states access to the fund. For each euro a member state receives from the fund, it should provide a euro from its national budget as ‘co-financing’, meaning the total spending directly leveraged by the SCF should be €144.4 billion.

The activities that can be financed should principally benefit vulnerable households, microenterprises²¹ and transport users include:

- Boosting energy efficiency of buildings
- Decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources
- Supporting improved access to zero- and low-emission mobility and transport

Support from the SCF is foreseen to start in 2025 (although the European Parliament and the Council have different positions on a start date).

²⁰ WWF also supports that social climate plans should be broader in scope.

²¹ Enterprises with fewer than 10 employees.

HOW DO THE POSITIONS OF THE EUROPEAN PARLIAMENT AND THE COUNCIL COMPARE?

The table below compares the positions of the European Parliament and the Council on elements of the SCF. A compromise will need to be found in the final adopted SCF.

| | EUROPEAN PARLIAMENT | COUNCIL OF EU | COMMENTS |
|------------------------------|--|--|---|
| Budget | At least 25% of the value of ETS2 revenue, meaning the budget increase with the carbon price. A minimum budget is also set for 2024-2027 of €16.4 billion. | A fixed budget for 2027-2032 of €59 billion euros | WWF is calling for the SCF budget to increase with the carbon price and be equal to at least 25% of the ETS2 revenue |
| Timing | The SCF should operate and support households the 3 years before the ETS2 starts | The SCF should start supporting households only once the ETS2 has started. | WWF wants the SCF to operate at least 3 years before the ETS2. |
| Partnership | Provisions are strengthened and consultation/ engagement of stakeholders should be assessed by the Commission when approving plans | No change from the initial proposal: no assessment of partnership is required to approve the plans, although consultation should be carried out. | WWF supports strengthened partnership provisions to ensure that local circumstances and needs are taken into account. |
| Eligible groups | Vulnerable households, transport users and microenterprises | Vulnerable households, transport users and microenterprises | WWF rejects extension of beneficiaries beyond households, transport users and microenterprises |
| Direct income support | Limit direct income support to 40% of the value of the Social Climate Plans | Limit income support to 35% of the value of the Social Climate Plans | WWF prefers scrutiny over direct income support, not a limit. |
| ETS2 | Should enter into force for households only in 2029, and should apply to commercial operations from 2027. There is also fixed carbon price cap and fuel suppliers should absorb half of the carbon price cost. | No change from the initial proposal, except that the ETS2 should enter into force in 2027, not 2026 and member states with an existing carbon price for households may opt-out of the ETS2 until 2029. | WWF thinks the ETS2 should be introduced with safeguards, like a large SCF and rising price corridor to protect vulnerable households from an unbearably high carbon price. |

WHERE NOW FOR THE SOCIAL CLIMATE FUND?

The European Parliament and the Council will negotiate a final compromise on the SCF. Once they have agreed this position, the SCF will become EU law (expected by mid-2023).

Once adopted, member states can start developing their Social Climate Plans. They will need to submit final plans, together with the update to their NECPs, by the end of June 2024.

WHAT ARE THE SOCIAL CLIMATE PLANS AND WHY ARE THEY RELEVANT?

The Social Climate Plans will set out the measures and investments, including (where necessary) direct income support to households, to address and avoid negative social impacts of the transition – and specifically the introduction of a carbon price for heating and road transport.

The plans should be submitted alongside the updates to the NECPs²² to minimise administrative burdens. The Council has proposed to integrate the Social Climate Plans and NECPs, which may also help to strengthen synergies and improve coordination between efforts to tackle energy poverty and climate action.

The plans are national level plans. However, emphasis is placed on the need to develop plans in consultation with (local and) regional authorities to ensure that they are adapted and targeted to local, regional and national circumstances. They should complement, not replace the Territorial Just Transition Plans (TJTPs) developed at the local level. As such, municipalities should beware of these plans and ready to contribute to them to ensure that their specific local circumstances are reflected in the support eventually made available under the Plans.

The final versions of the Plans should be submitted by the end of June 2024. Financial support is foreseen to commence in 2025, but this will be subject to agreement by the Council and the European Parliament.

OTHER EU ‘FIT FOR 55’ POLICIES

In addition to the Social Climate Fund, the European Commission proposed the revision of many other climate and energy Directives and Regulations in July and December 2021. These revisions aim to increase the ambition of EU climate and energy laws to ensure that the EU reaches its legally binding emissions reduction target of -55% net emissions reductions by 2030.

The European Parliament and the Council of the EU have adopted their positions on most of the ‘Fit for 55’ legislative proposals, although the positions on a limited number of files remain to be adopted. These include:

- Energy Taxation Directive
- Renewable Energy Directive (the European Parliament should adopt its position in September 2022)
- Energy Efficiency Directive

Once both the Council of the EU and the Parliament have adopted their positions, they should negotiate a common position during the process known as ‘trilogues’. We can expect most legislative revisions to be adopted by early 2023.

For further information on individual files and WWF’s positions on them, please reach out to Zuzanna Glowacka, or Katie Treadwell²³.

22 The 10 year NECPs outline how the EU Member States intend to address energy efficiency, renewables and greenhouse gas emission reductions. They should already cover energy poverty.

23 ktreadwell@wwf.eu

THE EU JUST TRANSITION PLATFORM

The EU Just Transition Platform is part of the wider European Just Transition Mechanism, which includes both financial and technical assistance for regions facing particular challenges as a result of the transition to climate neutrality. The Platform acts as a single access point and helpdesk for EU countries and regions on the just transition, providing technical and advisory support for EU funds, including opportunities, relevant regulatory updates or sector specific initiatives. The Platform also promotes the exchange of best practices among all stakeholders involved, including through regular physical and virtual gatherings.

The most recent EU Just Transition Platform event was held on 10th-12th May 2022. This was the fifth version of the platform.

The next EU Just Transition Platform event is expected to take place on the 24th-26th October 2022. Attendance is likely to be possible in person and online. The European Commission has indicated that further technical assistance – focusing on helping regions to design and implement just transition projects – will be announced.

In addition to the events, the European Commission has set up working groups bringing interested organisations around particular issues related to the implementation of just transition. These working groups are finalising their deliverables and planned actions from now until the end of the year and will deliver these actions during 2023. Municipalities can take part in these working groups, which comprise:

- Chemicals
- Steel
- Cement

Horizontal Stakeholder strategy (focusing on issues such as involvement of partners in developing and implementing just transition plans).

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COAL AND CARBON INTENSIVE REGIONS INITIATIVE

The initiative for coal regions in transition was established in 2017 as the EU Coal Platform. Now a chapter under the EU Just Transition Platform, it focuses assistance on EU countries and coal regions tackling challenges related to the transition to a low-carbon economy by connecting stakeholders to promote good practices and exchange information, delivering technical assistance and capacity building, and by providing a hub of resources. An annual political dialogue takes place once a year to take stock of the challenges and progress on the transition in these regions.

The Coal Platform is now one of the ‘working groups’ under the just transition platform, as the Platform builds on and expands on it. Further information on activities can be found on the website of the Initiative for Coal Regions in Transition²⁴. The latest annual political dialogue of the EU coal regions in transition initiative took place on 7th-8th July in Asturias, Spain.

In addition to the Coal Platform, initiative for coal regions in transition in the Western Balkans and Ukraine was launched in December 2020²⁵. This aims to help countries and regions to move away from coal towards a carbon-neutral economy, while ensuring that this transition is just. The 17 focus regions for this initiative are located in:

- Bosnia and Herzegovina
- Kosovo
- Montenegro
- North Macedonia
- Serbia
- Ukraine

Further background: The initiative for coal regions in transition in the Western Balkans and Ukraine

The initiative for coal regions in transition in the Western Balkans and Ukraine is organised by the European Commission in collaboration with 6 partners²⁶. It aims to provide a space to facilitate region-wide, multi-stakeholder

dialogue on the transition from coal and to encourage ties between coal regions in the Western Balkans and Ukraine and their EU counterparts through coal region-to-region exchanges.

To facilitate stronger ties between coal regions, the European Commission has launched the Coal Regions Exchange programme²⁷. 14 delegations have been selected and will participate in 6 exchanges during 2022. The 3 first exchanges started in April 2022 and the others should start by the end of July, if they have not taken place already.

In addition, the initiative includes a Coal Regions Learning Academy²⁸ to tackle capacity gaps that are creating barriers for regions to deliver just transitions in the Western Balkans and Ukraine. This functions primarily through e-learning courses and materials. A questionnaire is available online in 8 languages to help prepare courses to tailor them in ways that ensure they best address stakeholder needs.

Further background on the initiative for coal regions in transition in the Western Balkans and Ukraine is available on the dedicated website²⁹. Encourage ties between coal regions in the Western Balkans and Ukraine and their EU counterparts through [coal region-to-region exchanges](#). To get in touch with the secretariat, you can email secretariatWBUA@coalregions.eu and you can also sign up for a newsletter³⁰.

24 https://energy.ec.europa.eu/topics/oil-gas-and-coal/eu-coal-regions/initiative-coal-regions-transition_en

25 Further information, including the regions in focus, is available at: https://energy.ec.europa.eu/topics/oil-gas-and-coal/coal-regions-western-balkans-and-ukraine/initiative-coal-regions-transition-western-balkans-and-ukraine_en

26 The World Bank, the Energy Community Secretariat, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), Poland's National Fund for Environment Protection and Water Management (NFOSiGW), and the College of Europe in Natolin.

27 https://energy.ec.europa.eu/topics/oil-gas-and-coal/coal-regions-western-balkans-and-ukraine/coal-regions-exchange-programme_en

28 https://energy.ec.europa.eu/topics/oil-gas-and-coal/coal-regions-western-balkans-and-ukraine/coal-regions-learning-academy_en

29 Further information, including the regions in focus, is available at: https://energy.ec.europa.eu/topics/oil-gas-and-coal/coal-regions-western-balkans-and-ukraine/initiative-coal-regions-transition-western-balkans-and-ukraine_en

30 <https://ec.europa.eu/newsroom/ener/user-subscriptions/2330/create>



THE WAR IN UKRAINE AND REPOWEREU

The war in Ukraine has had immense ramifications of European energy supply. Energy prices have been rising since 2021 and have spiked further since the start of the war, due to a combination of sanctions on Russian fossil fuels, real reductions in fossil fuel supply from Russia and fears about further supply cut offs. The war has underlined the fundamental risk of price volatility in fossil fuels, in addition to the threat they pose for energy security.

National governments and the EU have publicly recognised the urgency to leave fossil fuels behind, not only for the climate, but for energy security too. Energy saving measures and renewable energy investments can - and will - provide sovereign, secure and affordable energy solutions.

As such, the European Commission put forward a plan known as RePowerEU in May 2022 aiming to rapidly reduce Russian fossil fuels in the EU energy mix. For WWF, the plan includes a number of good proposals on energy efficiency and renewables. However, there are also some black spots hidden in the details which risk undermining the EU's transition to a 100% renewable and nature-friendly energy system.

Examples of some of the positive measures in the Plan include:

- Mandating rooftop solar installations
- Reducing bureaucracy and speeding up the permitting of renewable energy projects
- Speeding up the roll out of heat pumps
- Increasing the renewable energy target in the EU to 45% of energy generation by 2030, compared to 40% proposed in July 2021

The European Commission is proposing to mobilise €300 billion, mainly from the already existing EU Recovery Fund, to finance the investments needed. However, WWF is very concerned about the proposal to provide further financial support through auctioning additional ETS allowances, because this could lead the EU to miss its climate targets and, but introducing new permits to the market, will decrease the carbon price, making harmful polluting power generation methods more economical, while reducing

revenue generated by the ETS (revenue which should be used for supporting the transition to climate neutrality).

The amendments to existing Directives, such as the Renewable Energy and Energy Efficiency Directives will be negotiated as part of the existing revisions during the 'trilogues' between the Council and European Parliament and should be adopted quickly (expected by early 2023).

The most notable development for municipalities is that in order to access the EU support available to implement the Plan, member states must develop (and have approved) RePowerEU chapters in their national Recovery and Resilience Plans (RRPs).

These new chapters should focus on accelerating the transition to renewable energy and boosting energy efficiency. They should provide the necessary framework to ensure that investments and reforms strengthening the EU energy resilience are mobilised as soon as possible. The RRP were developed and adopted as part of the recovery from the COVID pandemic and set out reforms and investments to be implemented by end-2026.

When developing their RePowerEU chapters, member states are required to consult stakeholders and should involve them in the design, implementation and monitoring of any new or revised measures, in line with their national legal frameworks, in a timely and meaningful way. These include local and regional authorities, social partners, non-governmental organisations and, where relevant, stakeholders from the agricultural sector.

Member states must provide a summary of the consultation process conducted in accordance with their national legal frameworks, leading up to the submission of the modified RRP / addendum. Should you believe that there has been insufficient consultation, or that views of stakeholders were not taken properly into account in the development of a plan, you can raise this with the European Commission or with your Forum of Mayors contacts³¹.



WWF'S MISSION IS TO STOP THE DEGRADATION OF THE PLANET'S NATURAL ENVIRONMENT AND TO BUILD A FUTURE IN WHICH HUMANS LIVE IN HARMONY WITH NATURE

For more information

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Front cover: "Coal = Dead End" is written on a now-closed expressway outside Keyenberg, in western Germany. The expressway, like the Hambach forest and many nearby villages, is being demolished to make way for the expansion of coal utility RWE's Garzweiler lignite mine. © Greg McNevin / Europe Beyond Coal

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