

THE GERMAN COAL COMMISSION — A ROLE MODEL FOR TRANSFORMATIVE CHANGE?

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THE GERMAN COAL COMMISSION – A ROLE MODEL FOR TRANSFORMATIVE CHANGE?

ALEXANDER REITZENSTEIN & REBEKKA POPP

A hard-fought compromise was reached between the members of the German Coal Commission in January 2019. Germany will phase out coal by 2038 at the latest and shut down significant capacity of hard coal and lignite plants by 2022. The Coal Commission was formed in June 2018 by bringing together industry, trade unions, coal regions, environmental NGOs, research institutes and affected communities to facilitate a German coal phase out and Just Transition process. As other countries, including major coal producers and consumers such as China, Japan and Poland grapple with their own coal transitions the lessons of the German Coal Commission are more relevant than ever.

Keeping global warming to 1.5 degrees requires the decarbonisation of all sectors of the economy. The German experience with the Coal Commission shows that multi-stakeholder commissions can play a role in managing these sectoral transitions, but they are not a silver bullet to unlock transformative change. Commissions cannot replace political leadership and ambitious emissions reduction targets will be inevitable for any long-term planning and outcomes in line with the Paris Agreement. If commissions are misused to delegate political responsibility or delay climate action, they can increase costs and reduce the legitimacy and stability of the eventual outcome.

Mandating a commission to explore potential policy pathways, and thereby informing public debate and political decision-making, can lay the foundation for accelerated climate action. Including relevant stakeholders in a participatory institution provides legitimacy and ownership for the managed transition. This ensures good representation of regional



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economic, social and cultural challenges and opportunities. However, the mandate of a commission should not be overburdened with too many conflictual tasks in a short time frame as it otherwise risks failing to create outcomes and causing further political polarisation. Climate policy interventions therefore should not be blamed for the effects of a lack of structural policy in the past.

The German Coal Commission features valuable lessons for similar processes both domestically and internationally to accelerate the global coal phase out and transitions in other sectors. Our findings are summarized below:

Lessons learnt from the outcomes of the Coal Commission

- Outcomes of national commissions send strong signals to peer countries as domestic climate leadership becomes ever more important. As such, compensation payments for fossil energy producers pose a threat by driving up costs of the transition and making replicability in other regions difficult.
- It is challenging to negotiate multiple elements, such as climate ambition, implementation trajectories and transition measures within one mandate. Especially if vulnerable groups such as youth and those most affected by climate change are not represented. This can create imbalances between the prioritization of those aspects in the negotiations.
- Efficient and effective use of available funds for regional transition strategies are crucial to create economic perspectives and ensure social stability in regions.
- A diverse membership of a commission means ambiguities in the final report will be difficult to avoid. This can fuel continuous public debate instead of pacifying it.
- Outcomes of expert commissions are not set in stone. Many factors can impact the stability of outcomes as well as speed up or delay



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the process, including public support, government changes, and domestic and international climate policy trends.

- To play a key role in supporting a Just Transition of fossil dependent regions, domestic and international finance flows need to be aligned with sufficiently ambitious climate goals.

Lessons learnt from the governance of the Coal Commission

- Multi-stakeholder commissions bring organized interests to the table and ensure buy-in, particularly in countries where phase out debates are polarised, and political constellations are complex.
- A balanced setup of a large multi-stakeholder group supports inclusiveness but makes transformative change more difficult.
- Commissions should be mandated to explore multiple policy options to inform political decision making, rather than to develop one single recommendation.
- Commissions should create space for regional transition and sustainable development plans based on rigorous analysis of regions and the quality of proposed projects.
- The political context, for example elections, high level events or public protests, can impact outcomes of negotiations and the bargaining power of commission members.

The German Coal Commission

The “Commission on Growth, Structural Change and Employment” – publicly known as the Coal Commission – was established in June 2018 by the German government to facilitate a coal phase out and Just Transition process.¹ It brought together key stakeholders from industry, trade unions, coal regions, environmental NGOs, research institutes and communities affected by the expansion of coal mines. They were tasked with developing an action plan with concrete measures to:

- > Close the current gap to reaching the domestic 2020 emissions reduction goal of 40% compared to 1990
- > Reach the domestic 2030 targets for the energy sector, including a robust impact assessment
- > Gradually reduce and end power production from coal, including a phase out date and accompanying legal, structural, economic, and social measures
- > Ensure financial support for the transition in the affected regions and make funds available for the necessary structural adaptation²

A hard-fought compromise between the members of the Commission was reached in January 2019, after **negotiations had been delayed due to major disagreement** regarding the financial support for affected regions in the context of an accelerated coal phase out.³

The **final report of the Commission** only sets out recommendations.⁴ They are not legally binding and have to be translated into law and concrete political action at national and state level. The recommendations will most likely result in legislation on two elements: a transition law detailing funding priorities and investments in affected regions and a coal phase out law. Additional amendments to existing legislation or regulatory changes might be necessary as well.

The **final report** recommends:

- > A phase out of coal by 2038 at the latest. Review in 2032 if exit date can be moved to 2035. Triannual review cycles to assess progress;
- > Early closures of 12 out of 43GW of coal capacity by 2022. This includes already planned closures and the lignite reserve;
- > Reduction of coal capacity to 17GW by 2030 (mix of hard coal and lignite). Trajectory is subject to negotiations with operators and other stakeholders and will likely be detailed in the coal phase out law;

¹ E3G’s (2018) briefing paper **A Climate for Ambition?** gives an overview of the overall context of the Commission, including a detailed assessment of the initial positions of its members.

² Commission on Growth, Structural Change and Employment (2019) **Abschlussbericht** (only in German)

³ Clean Energy Wire (2018) **German Government Plans to Postpone Deadline for Coal Commission**

⁴ Commission on Growth, Structural Change and Employment (2019) **Abschlussbericht** (only in German)



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- > Investment of €40 billion in transition measures in lignite mining regions over a 20-year period, detailed in a transition law;
 - > Compensation of up to €2 billion per year for energy users (private and industry) in case of rising energy prices caused by the coal phase out;
 - > Compensation for operators of coal-fired power plants, subject to negotiations with the government;
 - > Likely conservation of the **Hambach Forest, prominent symbol of the broad and popular civil society movement to end coal.**⁵ No guarantees, however, for communities affected by the expansion of coal mines.⁶

Numerous contributions already assess the outcome of the Coal Commission.⁷ Adding to these papers, this briefing identifies lessons learnt from the German Coal Commission and analyses its transferability to other countries within and beyond Europe, both in terms of content and governance.

Lessons learnt from the outcomes of the Coal Commission

It is a significant achievement that all major stakeholders in Germany identified an end date for coal despite starkly differing preferences. In fact, a few years ago such a discussion would have been very unlikely despite Germany's high coal-related emissions. The debate about a coal phase out started late because of Germany's decision to phase out nuclear power and the economic competitiveness of particularly lignite in the absence of an effective carbon price. While the compromise backed by most key interest groups in Germany is widely recognized as an important step forward, the following section takes a more nuanced look at the outcomes of the Coal Commission and the lessons they provide.

Outcomes of commissions send strong signals to peer countries as domestic climate leadership becomes ever more important. Internationally, Germany was long seen as a leader on the energy transition and ambitious climate policy. As one of the largest (and richest) users of coal, the outcome of Germany's Coal Commission has high significance for coal exits elsewhere. It sets a precedent for countries aiming to also transition away from coal. Problematically, the trajectory suggested by the Coal Commission to shut down Germany's last coal plants between 2035 and 2038 is **not in line with Germany's commitment to the Paris Agreement.**⁸ A study by Climate Analytics argues that **all OECD countries need to phase out coal by 2030** to limit global warming to 1.5 degrees.⁹ The end date for coal that the Coal Commission recommends

⁵ DW (2019) **Germany: Thousands Hold Anti-coal Protest in Hambach Forest**

⁶ Commission on Growth, Structural Change and Employment (2019) **Abschlussbericht** (only in German)

⁷ E3G (2019) **The End of Coal – Germany Needs to Get Real on Ambition**; Germanwatch (2019) **Germanwatch Assessment of the Coal Commission Outcome of 26 January 2019**; Heinrich Böll Stiftung (2019) **Coal Commission Final Report – Assessment**; Heinrich Böll Stiftung (2019) **Zur Dialektik des Kohlekompromisses** (only in German); Oeko-Institut e.V. (2019) **Die deutsche Kohle-Verstromung bis 2030** (only in German); Wuppertal Institut (2019) **Assessment of the Results of the Commission on Structural Change**

⁸ UNFCCC (2015) **The Paris Agreement**

⁹ Climate Analytics (2016) **Implications of the Paris Agreement for Coal Use in the Power Sector**



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also **lags behind other Western European countries**.¹⁰ In addition, the potentially high compensation for utilities for closing coal-fired power plants could become a powerful argument for other, economically weaker coal burning countries to refrain from phasing out coal and create an incentive to utilities to drive a hard bargain.

It is difficult to negotiate climate ambition, its implementation and accompanying transition measures at the same time. This triad of variables as well as specific external events such as the **announced logging of the Hambach Forest** or **elections in Bavaria** and Eastern German states played a key role throughout the negotiations, turning out to be powerful bargaining chips in different stages of the Commission's negotiations.¹¹ This made it inevitable for all actors to prioritize specific elements, for example early closures of coal plants or the survival of the Hambach Forest. As the government did not decide on a clear exit date (for example 2030) itself but delegated this to the Commission, discussions about ambition, implementation and transition all directed the negotiations towards different paths and logics. This resulted in relatively ambitious immediate reductions of coal capacity, generous transition measures and potential compensation payments for utilities as well as a late exit date. The high complexity of each of these elements and their interlinkages created a difficult working environment, exacerbated by high media attention and expectations for the Commission to present a single coherent plan for the phase out. Especially if the most vulnerable groups such as youth and those most affected by climate change are not represented, this can create imbalances between the prioritization of those aspects in the negotiations.

Available funds for transition strategies need to support the sustainable development of affected regions. Financing the transition in affected regions, including through the disbursement of funds for concrete projects, was a key focus during the negotiations. As a result, the **final report** includes a list of hundreds of potential projects in affected regions and recommends generous funds for regional transition measures.¹² A proper scrutiny of the regional transition strategies would have overburdened the Commission, hence high attention should be given to the cost-effective use of public funds in the coming months. The details of the funding mechanism, conditions for regional spending and prioritization of projects which support sustainable development in regions should also be a focus. **Initial investigation** suggests that several proposed projects would not create significant added value for the regions.¹³ While the available funding presents a unique opportunity for German coal regions to create innovative low carbon economies, monitoring of funded projects will be key to ensure these are sustainable and strategic investments. Importantly, however, climate policy interventions should not be blamed for the effects of (a lack of) structural policies in regions in past years and decades. This is important to keep in mind in all transition processes.

¹⁰ Europe Beyond Coal (2019) **Coal Phaseout Plans**

¹¹ DW (2018) **German Court Orders Suspension of Hambach Forest Clearance**; Clean Energy Wire (2018) **Shake-up in Bavaria's Election May Impact German Energy Policy**

¹² Commission on Growth, Structural Change and Employment (2019) **Abschlussbericht** (only in German)

¹³ ARD (2019) **Milliarden für den Braunkohle-Ausstieg: Symbolprojekte statt Strukturwandel?** (video; in German)



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Ambiguity of outcomes can fuel continuous public debate instead of pacifying it. Despite the length and depth of the report, various loose ends result in further negotiations and interventions. This concerns for example the specifics of immediate plant closures, the phase out trajectory after 2022 and the exit date as well as the use of additional budgetary funds and instruments for implementation.¹⁴ In fact, key concerns from all sides, such as the **lack of climate ambition** (NGOs), the **stability of energy prices and security of supply** (energy-intensive industry) as well as **compensation for power plant closure** (utilities) are not considered resolved according to public statements by stakeholders and could rather fuel political polarization than pacify the public debate in coming months.¹⁵ For example, although the Commission recommends a compensation for utilities it is **debated to what extent compensations are legally necessary** and purposeful in all cases.¹⁶ Similarly, the report foresees a compensation mechanism (up to €2bn per year) in case of rising energy prices even though **recent studies suggest prices could even decrease**.¹⁷ Planned legislation will need to provide clarity on these issues.

Many factors can impact the stability of the deal, the exit date and the transition process in the medium and long-term. Cornerstones of the deal will likely be translated into law but the medium and long-term stability of key elements of the outcome is questionable. In particular, the triannual reviews and other policy moments will likely be used by stakeholders to exert influence. For example, less ambitious stakeholders such as high carbon industries and **utilities** have already announced that they would observe closely to what extent the phase out has negative impacts on energy prices, jobs and supply security.¹⁸ The expansion of the grid and the growth of renewables in the energy mix is seen as a litmus test for the feasibility of the phase out. Major pushback can be expected if Germany's goal to reach 65% renewables in the power mix by 2030 is not met. In contrast, **the climate community demands a faster phase out by 2030 to align the decision with the Paris Agreement**.¹⁹ Other factors, such as rising CO₂ prices, climate-related litigation, a change of government or multi-faceted civil society engagement could also push the exit date towards 2030, impacting transition planning for industry, regions and communities.

¹⁴ Euractiv (2019) **Germany Urged to Stand Firm on Coal Phase out**

¹⁵ Greenpeace (2019) **Sondervotum der Kommissionsmitglieder Martin Kaiser, Greenpeace, Kai Niebert, DNR, Hubert Weiger, BUND und Antje Grothus vor der abschließenden Abstimmung über den Kommissionsbericht** (only in German); Handelsblatt (2019) **Germany to Phase Out Coal-fired Power Plants by 2038**; ICIS (2019) **'Over-zealous' Germany energy transition risking industrial competitiveness - Wacker CEO**; Energy Post (2019) **IEEFA Germany: RWE's Coal Phaseout Compensation Demands Defy Market Prices**

¹⁶ Energy Post (2019) **IEEFA Germany: RWE's Coal Phaseout Compensation Demands Defy Market Prices**; Wissenschaftliche Dienste Deutscher Bundestag (2018) **Stilllegung von Kohlekraftwerken**

¹⁷ Agora Energiewende (2018) **65 Prozent Erneuerbare bis 2030 und ein schrittweise Kohleausstieg** (only in German)

¹⁸ Die Welt (2019) **RWE Chef rechnet mit signifikantem Stellenabbau bis 2023** (in German)

¹⁹ Greenpeace (2019) **Sondervotum der Kommissionsmitglieder Martin Kaiser, Greenpeace, Kai Niebert, DNR, Hubert Weiger, BUND und Antje Grothus vor der abschließenden Abstimmung über den Kommissionsbericht** (only in German)



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Lessons learnt from the governance of the Coal Commission

Multi-stakeholder commissions are an important instrument to facilitate complex political decision-making in Germany. In its coalition treaty, the current government committed to set up **21 new commissions** to address concerns of societal importance, including on the pension system, digitalization and climate change.²⁰ The importance of multi-stakeholder commissions reflects various key features of the German political system, namely federalism, corporatism and consensus seeking. It partly also explains the high influence of organized interests (industry associations, unions, federal states, NGOs) on political decision-making. The following section examines the governance features of the Coal Commission to determine to what extent such a commission can deliver the transformative change needed in all sectors to limit global warming to 1.5 degrees.

Multi-stakeholder commissions ensure buy-in and bring organised interests to the table, particularly in countries where phase out debates are polarised, and political constellations are complex. Germany has historically had good experiences with such decision-making processes in challenging policy fields, for example regarding sectoral wage setting or the nuclear phase out. Commissions allow for broad public participation and the hearing of many, often dissenting interests. This gives outcomes credibility and legitimacy, often allowing for high stability of the reached policy outcomes. A multi-stakeholder agreement on a coal phase out was unthinkable only five years ago and the Commission helped to bring many relevant stakeholders to the same table and trigger an intense public debate on the end of coal. It might not come as a surprise that one of the groups which was not represented in the Commission – the youth – is now the most **vocal opponent of the outcomes**.²¹

A large multi-stakeholder group that balances different interests supports inclusiveness but makes transformative change more difficult. The setup of the Coal Commission made an ambitious outcome in line with the global temperature goal unlikely. The Commission consisted of 28 members, representing different, often dissenting interests (plus non-voting members, sherpas, representatives of ministries). The large size of the Commission reflects the challenge to balance inclusiveness and the ability to work effectively. A consensual decision was strongly preferred by the government. With individual groups representing each more than one quarter of the Commission and favouring either an ambitious or slow phase out date, it was clear from the beginning that the outcome would be a hard-fought compromise. This suggests that large commissions with blocking minorities for specific interests cannot deliver transformative change if the government does not mandate a commission with an ambitious goal from the beginning.

Commissions should be mandated to explore multiple policy options to inform political decision making and support political leadership. The Coal Commission was mandated to develop both a coal phase out and transition plan in a difficult political setting in which none of the governing parties supported an early coal exit date. Setting

²⁰ Tagesspiegel Background (2019) [Handlungsspielraum statt Entscheidungen](#) (only in German)

²¹ Fridays for Future (2019) [Jugend fordert schnellstmöglichen Kohleausstieg und echte Zukunftspolitik](#) (only in German); Clean Energy Wire (2019) [Students Demand Climate Action with 'Fridays for Future' school strikes](#)



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up a commission was seen by many as a shift of political responsibility for a politically contentious issue from the government to an expert committee. At the same time, attempts by **responsible ministries, federal states, the Chancellery** and **civil society** to influence discussions challenged the Commission's independence and resulted in a strong politicization and emotionalization of its debates.²² Research suggests that **commissions are better placed to create the conditions for transformative policy change if they are tasked to outline multiple policy pathways**, including the challenges and opportunities of each in the light of different moral values.²³ Ultimately, the government has a clear responsibility through its democratic mandate to then opt for a specific pathway. On the other hand, the politicization of the Commission helped to place the phase out discussions in the centre of the political debate.

Commissions should create space for the development of regional transition plans and local participation. Experiences from other transitions in coal regions show that such processes are most effective if regional stakeholders are brought to the table and regional priorities, strengths and weaknesses are incorporated into transition strategies. This worked well in the Coal Commission. Three of the four heads of the Commission came from the states most affected by a coal phase out (including an end of lignite mining) and state governments were included in many steps of the process. The **Commission's interim report** as well as the **final report** contain regional analyses, regional interventions and prioritise plant closures in the (richer) coal regions of Western Germany.²⁴ In addition, the final report lists hundreds of potential projects for a Just Transition, including investments in public infrastructure, innovation, training, reskilling and social support schemes. Reflecting the interests of all affected regions is inevitable for the legitimacy of outcomes. It will however need to be linked to a rigorous assessment of the quality of projects in terms of their effective contribution to a sustainable future for the region.

The political context impacts the negotiations within commissions. Several domestic and international events influenced the negotiations of the Coal Commission. First, the Commission was tasked to present key decisions on a coal phase out and transition plan before the UN climate talks in Katowice, Poland (COP24). This was an important milestone for environmental NGOs trying to secure a compromise before the conference, whereas **state governments used their leverage to delay a deal**.²⁵ Second, looming elections in three East German coal mining states put pressure on regional governments as they feared landslide gains for the far-right party AfD. This provided these regions with substantial bargaining power in the Commission and backed their demand for higher investments into social and economic programmes for the regions. Third, the heatwave during the German summer in 2018 and the conflict about the

²² Rbb24 (2018) **Wirtschaftsminister: Braunkohle-Ausstieg nicht vor 2030**; Clean Energy Wire (2018) **German Government Plans to Postpone Deadline for Coal Commission**; Clean Energy Wire (2018) **Court's Halt to Forest Clearing Fans Talk of easier German Coal Exist**

²³ The **Mercator Research Institute on Global Commons and Climate Change** has an established track record of analysing scientific assessments and other formats of scientific policy advice. Their assessment of the Coal Commission can be found in Tagesspiegel Background (2019) **Standpunkt: Handlungsoptionen statt Entscheidungen** (only in German).

²⁴ Commission on Growth, Structural Change and Employment (2018) **Zwischenbericht zu möglichen Maßnahmen zur sozialen und strukturpolitischen Entwicklung der Braunkohleregionen** (only in German); Commission on Growth, Structural Change and Employment (2019) **Abschlussbericht** (only in German)

²⁵ Clean Energy Wire (2018) **German Government Plans to Postpone Deadline for Coal Commission**

clearance of the Hambach Forest for the expansion of RWE's nearby lignite mine led to increased media coverage and large mobilisation of civil society. This broad public support in favour of protecting the forest and moving out of coal increased the bargaining power of environmental NGOs and made the expansion of mines a crucial issue in the negotiations.

Transferability of the lessons learnt to other countries

While the Coal Commission failed to create the conditions for transformative change in line with the Paris Agreement, certain elements of its work can be adopted by other countries which intend to phase out coal and manage its socio-economic consequences in a just way. In fact, lessons from the structure of the Coal Commission can also be useful for other sectors.

Multi-stakeholder formats are useful instruments for countries where phase out debates are complex and contentious. In countries with a high reliance on coal and many workers and communities affected by a transition, commissions can help initiate a conversation, create a broad compromise and develop tailored strategies for coal regions. Dialogue formats that have been applied in transition processes in other countries provide similar learnings to engage stakeholders, such as the **Just Transition Task Force in Canada** or the **Advisory Panel on Coal Communities in Alberta, Canada**.²⁶ Setting up regional task forces and national multi-stakeholder institutions is a good way of including stakeholders into a conversation and informing domestic policy.

Multi-stakeholder commissions need a strong regional component to ensure that coal regions receive enough social and economic support to transition towards a low carbon economy. Clear spending criteria, prioritization of projects and monitoring are key for an effective transition. Projects should both add value to regional economic, social and cultural development and be in line with the **Paris Agreement** and the **Sustainable Development Goals**.²⁷ The suggested projects in German coal regions that aim to accelerate the energy transition, upgrade public infrastructure or improve innovation capabilities are concrete examples for similar processes elsewhere. However, a more nuanced assessment is required to understand whether another coal region would in fact benefit from these specific investment as socio-economic conditions differ between coal regions.

Availability of domestic, European or international funding sources for Just Transition is essential. The compromise of the Coal Commission foresees large investments into coal regions that are derived mainly from the federal budget. In many other European countries, for example in Eastern Europe, large shares of public investments come from the European budget. In the international context, development banks and foreign aid play an important role, while there is also increased recognition for the role of private finance in supporting a Just Transition. For EU coal regions, the design of the next EU budget will determine to what extent they will be able to transition away from coal in a socially just and economically sustainable way. For this reason, a clear link between

²⁶ Government of Canada (2019) **Task Force: Just Transition for Canadian Coal Power Workers and Communities**; Government of Alberta (2019) **Advisory Panel on Coal Communities in Alberta, Canada**

²⁷ UNFCCC (2015) **The Paris Agreement**; UN (2019) **About the Sustainable Development Goals**



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the EU Coal Regions in Transition Platform and the next EU budget is important. Moreover, clear alignment of the budget with the European Commission's proposed vision of net zero emissions by 2050, an increase in the share of climate-related spending, an end to investments into fossil fuels and direct access to funding for regions and municipalities could all be **cornerstones of a budget which supports the Just Transition to a low carbon economy**.²⁸ Negotiations and final decisions on the EU budget and the proposed vision for a climate neutral EU by 2050 will be made in the coming months, and domestic action, but also voting behaviour in Brussels with regards to the next EU budget, should be aligned with a Just Transition. Similarly, EU legislation on sustainable private finance is important. In the global context, the picture gets more complicated. In many countries with little industrial infrastructure and high growth rates, the challenge is not only about a Just Transition but also about just development. Alignment of global financial flows, both private and public, will therefore be of utmost importance for any effort to reach the Paris Agreement. The high costs of the German phase out make it hard to transfer a similar deal to other poorer countries.

The governance of the German Coal Commission holds important lessons for other countries and sectors beyond coal. Large commissions will ensure inclusivity but if specific interests hold blocking minorities transformative change is unlikely if the government does not exert political leadership from the beginning. In addition, the mandate of a commission should not be overburdened with too many tasks in a short time frame to allow for both scrutiny and consistency. **By mandating a commission to explore potential policy pathways and thereby informing the public debate and political decision-making, it can lay the foundation for accelerated climate action.**

Multi-stakeholder commissions – an instrument for transformative societal change?

Keeping global warming to 1.5 degrees requires the decarbonisation of all sectors of the economy. The German experience with the Coal Commission shows that multi-stakeholder commissions can play a role in managing these sectoral transitions, but they are not a silver bullet to unlock transformative change. Commissions cannot replace political leadership and ambitious emissions reduction targets will be inevitable for any long-term planning and outcomes in line with the Paris Agreement. If commissions are misused to delegate political responsibility or delay climate action, they can increase costs and reduce the legitimacy and stability of the eventual outcome.

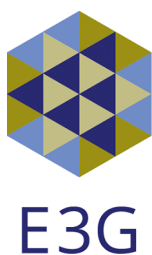
Mandating a commission to explore potential policy pathways, and thereby informing public debate and political decision-making, can lay the foundation for accelerated climate action. Including relevant stakeholders in a participatory institution provides legitimacy and ownership for the managed transition. This ensures good representation of regional economic, social and cultural challenges and opportunities. However, the mandate of a commission should not be overburdened with too many conflictual tasks

²⁸ E3G's (2018) report **Funding the Just Transition to a Net Zero Economy in Europe: Opportunities in the next EU Budget** explores how the 2021-2027 Multiannual Financial Framework can be aligned with a Just Transition.



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in a short time frame as it otherwise risks failing to create outcomes and causing further political polarisation. Climate policy interventions therefore should not be blamed for the effects of a lack of structural policy in the past. The German Coal Commission features valuable lessons for similar processes both domestically and internationally to accelerate the global coal phase out and transitions in other sectors.



About E3G

E3G is an independent climate change think tank operating to accelerate the global transition to a low carbon economy. E3G builds cross-sectoral coalitions to achieve carefully defined outcomes, chosen for their capacity to leverage change. E3G works closely with like-minded partners in government, politics, business, civil society, science, the media, public interest foundations and elsewhere. In 2018 E3G was ranked the fifth most globally influential environmental think tank for the third year running.

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