WWF

SUMMARY REPORT

TERRITORIAL JUST TRANSITION PLAN SCORECARD ASSESSMENT

FEBRUARY 2023

This report highlights the key findings from an analysis of 13 Territorial Just Transition Plans developed by 8 EU Member States to access the EU Just Transition Fund. The analysis has been carried out using the WWF Territorial Just Transition Plan scorecard tool. The findings should be useful for future analyses of the use of the EU Just Transition Fund, and may help to inform WWF's response to future cohesion policy proposals and the evolution of cohesion policy and just transition support.

HEADLINE FINDINGS

Overall, all TJTPs could be improved. No plan receives the highest (green) rating overall and most only cover some aspects of the just transition. They tend to focus on economic or technological investments and workforce skills, rather than improving quality of life and addressing existing inequalities.

As a result, although they will likely accelerate the technological and economic transition in the regions covered while addressing some negative impacts of the transition to climate neutrality; most plans miss the opportunity to act as the roadmap to guide a complete social, environmental and economic transformation of the region to a fairer and more sustainable future.

WHAT'S WORKING WELL

Solid fossil fuel phase-out: TJTPs are likely to accelerate the phase out of solid fossil fuels like coal, peat and oil shale in the regions they cover. 8 of 13 assessed plans will phase out coal peat or oil shale before 2030, while 5 set a later phase out date.

Economic diversification and skills: all TJTPs recognise the need to (and most will) support economic diversification, SMEs, education and skills, although it is not always clear that new sectors will be sustainable. This reflects their tendency to focus on economic transition, rather than social, environmental and economic transformation. 8 of the 13 plans assessed provide programme specific indicators for SMEs, but only 5 set out clearly how they will support SMEs.

Locally-specific: all TJTPs identify and include measures that are specific to the locality (the NUTS 3-level region) that the cover, and this represents an innovation compared to other cohesion policy management plans that is invaluable to delivering a just transition.

WHAT'S NOT WORKING SO WELL

Environmentally harmful activities: while most plans avoid indicating support for interventions that would generate significant environmental harm, some do include measures that might be environmentally harmful and none incorporate an exclusion list. Moreover, fewer than half of plans assessed include actions that would increase environmental quality and biodiversity.

Fossil gas: 3 of the 13 plans assessed explicitly recognise a continued role for fossil gas in the region, even if it won't be financed with the JTF.

Quality of life and decent work: plans often fail to recognise existing inequalities, and will fail to tap the potential synergies between the transition to a sustainable economy and the achievement of social goals. They rarely take into account quality of life effects and most ignore the importance of the quality of new jobs in emerging and transforming sectors.

Polluters don't pay: Of the €15.2 billion approved as JTF resources to date, almost €1.2 billion will rehabilitate contaminated land and industrial sites, or be used for water management and resource conservation. It is deeply concerning that this has not been fully addressed, in spite of NGOs raising the issue in September 2021 following an analysis of the draft plans.

Plans rarely provide detail on how polluters will be made to pay beyond mentioning the principle that polluter pays should be respected. 7 plans are rated red, meaning that they fail to identify entities responsible for environmental damage, or they plan to use JTF resources to pay for land restoration without an analysis of the possible application of the Polluter Pays Principle. This will divert valuable public resources away from investments that can ensure a just transition for the communities most affected.

Polluters and big industry are paid: Of the €15.2 billion approved as JTF resources to date, almost €1.4 billion is planned to support large enterprises directly and we identify that support from the JTF is probably excessive in at least 6 of the plans. Few plans appear to prioritise using the Pillar II of the Just Transition Mechanism for productive investments in large enterprises.

Transparent and inclusive processes: On process, plans tend to lack specific detail about how stakeholder input has influenced the development of the plan and provisions to enable and ensure effective public participation are vague. All plans provided for public consultation at some point in their development, but the quality of that participation is unclear and consultation periods were typically short.

It is concerning that only 1 plan clearly indicates social dialogue has been a feature of the development of the plan, although it should be noted that in most cases, development of TJTPs has involved trade unions.

WHAT IS NEEDED NOW

The TJTPs represent a real opportunity for regions to take control of their transition, enabling them to reduce their emissions faster, while responding to their needs. The lessons and experience of developing TJTPs will be useful for informing the development of future just transition frameworks and of shared management funds. Going forward:

- Lessons learned must be drawn to inform the future development of cohesion policy and just transitions support, notably including:
  - Guidance and assistance to ensure polluters really do pay and to verify that public resources are not being used to cover their responsibilities.
  - Stricter rules on access to EU support for regions planning fossil fuel prolongation investments, including in fossil gas.
  - Support for, and encouragement of, the use of pillars 2 and 3 of the just transition mechanism, so that productive investments in large enterprises are, by default supported with loan guarantees, instead of the Just Transition Fund.
  - The immediate exclusion of fossil fuels from all future public support, to send a clear signal that they have no future in a fairer and more sustainable society.
- Participation must not end once plans have been approved. Current evidence suggests additional support is needed to ensure it improves going into project selection and implementation. The European Commission should raise awareness and boost access to procedures for stakeholders to highlight concerns about processes. Technical and capacity support to strengthen inclusion will also be needed in the regions.
- Additional support and frameworks should be adopted to plan and facilitate the transformation to a more sustainable and fairer society across the economy, so that not only just transition regions, but the whole of society undergoes a just transformation.


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INTRODUCTION

The Territorial Just Transition Plans (TJTPs) are a unique and new element of EU Cohesion Policy. They are developed at a more local 'territorial' level than the regional plans traditionally developed in order to access EU cohesion funds like the European Regional Development Fund and should set out a plan for a just transition in fossil fuel dependent regions towards the EU's 2030 and 2050 climate goals. This means they need to include a timeline and assessment of the impacts of the transition to 2030 in the region, as well as the types of actions or 'interventions' which will be supported by the EU Just Transition Fund (JTF)[1].

The European Commission must approve TJTPs before any money from the JTF can be received by the Member State. This can be either as an operational programme itself, or as part of a broader operational programme. Approval of the TJTPs is also required to access further financial support under Pillars 2[2] and 3[3] of the Just Transition Mechanism. In total, the TJTPs therefore unlock around €55 billion over the 7 years from 2021-2027.

Over 90 TJTPs are expected to be submitted for approval to the European Commission and each will be unique to the territory it concerns. In order to compare the plans and to assess their potential to deliver a just transition, WWF European Policy Office has developed a TJTP scorecard tool[4] to assess TJTPs in a standardised way. The tool is available online for anyone to use and the website includes a full overview of the scorecards run so far (on available draft and final plans).

In this headline summary report highlights the key findings from an analysis of 13 Territorial Just Transition Plans (TJTPs) that were among the limited number available online[5] at the time of writing. These were developed by 8 EU Member States[6] to access the JTF. The analysis has been carried out using the WWF TJTP scorecard tool and an attempt to provide a broad representation from across the EU and of regions with declining and transforming sectors was made. We also draw on information available in the Cohesion Data portal[7] about budgetary allocations per Member State.

An overview of the assessment of the plans is presented, before we dive into more detail on each principle. The intention is to highlight areas for improvement in future just transition support and where the implementation of the plans should receive additional attention to ensure they drive a real just transition in the regions.

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1 Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1056

2 The dedicated InvestEU scheme is the second pillar of the Just Transition Mechanism. This provides €1.8 billion to support the implementation of the TJTPs by providing an EU budget guarantee for private investments.

3 The public sector loan facility provides €1.5 billion in EU budget grants to support €10 billion in EIB loans, expected to mobilise between €25 and €30 billion in public investments in just transition regions.

4 Available at: https://just-transitions-plan.wwf.eu/en

5 https://ec.europa.eu/regional_policy/funding/just-transition-fund/just-transition-platform_en: Member States are responsible for making their plans public however and although some regions are highlighted as having had their plans approved, some Ministerial websites do not (yet) provide access to the relevant documents.

6 Austria, Czechia (Karlovy Vary, Moravia Silesia and Usti region), Estonia (Ida Virumaa), France (Hauts-de-France and Bouches-du-Rhone), Germany (Northern Ruhr, Rhenisches Revier, Lusatian Region), Greece (N. & S. Aegean Islands and Crete, Megalopolis, Western Macedonia), Slovakia (Trencin), Sweden (Norbotten)

7 https://cohesiondata.ec.europa.eu/funds/jtf/21-27

WHAT WE DID AND HOW TO READ THIS REPORT

13 TJTPs were run through the WWF TJTP scorecard tool to generate assessments. The final TJTPs to assess were selected on the basis of their availability online[8] as provided in links from the European Commission website JTF regions map and the selection was intended to be as broad and representative of the different EU regions declining and transforming sectors as possible.

The plans were translated into English using freely available online machine translation tools and the resulting assessments were shared for comment with civil society organisations active in the relevant countries before they were finalised and published on the website.

The scorecards consist of an assessment of the plan against 10 principles for good just transition plans. These principles were developed on the basis of a literature review, as well as through WWF's experience and through consultation with partner organisations. The principles assess the likely effectiveness of the plans to enable just transition, defined as the ability to enable regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy. In reality, they also go further, looking at how effective the plans will be at facilitating a net positive social, economic and environmental transformation in the region.

The report first provides an overview of the assessment of the plans, looking at the trends across the principles and the overall scores of the plans. This is followed by a summary of the results per principle.

The scorecard's traffic light system can be used to rate plans semi-quantitatively. A score of 1 is given for the lowest performance (red), 2 for an intermediate (amber) rating and 3 for the highest (green) rating. This is then used to rank plans. An example of this in practice is given in the table on page 7. The maximum score per principle is 39 (on the basis of 13 plans having been assessed). The score is used to develop a percentage rating for the plans per principle.

Where relevant, it also draws on information available in the Cohesion Data portal[9] about budgetary allocations per Member State.

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8 https://ec.europa.eu/regional_policy/funding/just-transition-fund/just-transition-platform_en: Member States are responsible for making their plans public however and although some regions are highlighted as having had their plans approved, some Ministerial websites do not (yet) provide access to the relevant documents.

9 Cohesion Data Portal available at: https://cohesiondata.ec.europa.eu/funds/jtf/21-27

OVERVIEW OF THE ASSESSMENT OF THE PLANS

Overall, all TJTPs could be improved. No plan receives the highest (green) rating overall and most only cover some aspects of the just transition. They perform well on climate ambition, which is perhaps credit to the European Commission's insistence on the need for a timeline to show a real transition to 2030 in order to access funds. As a minimum, this ensures that the limited available public resources are targeted at those regions which really do plan to implement transition over the period of operation of the Fund.

However, the TJTPs perform best (33 out of a potential 39 points across the 13 plans assessed) on sustainable economic diversification. This reflects that they tend to focus on economic or technological investments and workforce skills, rather than improving quality of life and addressing existing inequalities. Although this means they will drive a transition of their economies, it is also likely that most TJTPs will miss the opportunity to act as the roadmap to guide a complete social, economic and environmental transformation of the region to a fairer and more sustainable future.

A potentially powerful lever of the plans is demonstrated by the fact that all TJTPs identify and include measures that are specific to the locality (the NUTS 3-level region) that the cover, and this represents an innovation compared to other cohesion policy management plans that is invaluable to delivering a just transition.

However, even though the TJTPs will facilitate unprecedented support to ensure the transition to climate neutrality's worst negative impacts are avoided, they don't always go far or fast enough for a fully just transition. TJTPs will accelerate the phase out of solid fossil fuels like coal, peat and oil shale in most regions covered, with 8 out of 13 plans including phase out date of 2030 or sooner. But because regions with fossil gas expansion plans, often grounded on the flawed assumption that abundant renewable hydrogen will be available (and affordable), new and expensive fossil fuel dependencies may be established in the TJTP regions.

No TJTP systematically addresses existing inequalities and some do not appear to consider that the current socioeconomic system in the region might be unfair. For example, although 11 of the plans recognise gender inequality, only 2 propose specific measures to address it and 2 fail to recognise gender inequality explicitly. None scored a green rating for ensuring that new jobs are high quality and a majority scored the lowest rating for tackling quality of life issues. This risks leaving many potential synergies between the transition to a sustainable economy and the achievement of social goals unfulfilled.

The Polluter Pays Principle remains a vague and largely unenforced concept. Not only do the TJTPs signal that a significant proportion of the JTF may be swallowed up by land rehabilitation, as well as water resource management and conservation to address legacy impacts from mining (around 8% of the approved JTF resources so far), no plan provides convincing detail that sufficient efforts have been made to ensure that polluters responsible for damage could not cover this cost.

Moreover, of the €15.2 billion approved as JTF resources to date[10], a further approximately 9% (almost €1.4 billion) will support large enterprises, of which at least €1 billion is likely to support productive investments that might otherwise have been supported by the investment loan guarantees provided under Pillar II of the Just Transition Mechanism[11]. This sucks money away from activities that could directly help communities to adapt to and address the impacts of the transition and may contribute to maintaining the status quo and economic power balance in regions, even if this is a driver of inequality. It is deeply concerning that the issue of polluters paying has not been fully addressed, in spite of NGOs raising the issue in September 2021 following an analysis of the draft plans.

Although the analysis only examined the reported participation and partnership provisions in the TJTPs, it is apparent that processes could be much more transparent and inclusive, both for the development and implementation of the plans.

In summary, most TJTPs appear to miss the opportunity to bring about positive social, economic and environmental transformation, focusing instead on avoiding the creation of new harms. Indeed, some TJTPs indicate the entrenchment of existing inequalities and social imbalances because of a lack of enforcement of the polluter pays principle. Although they will likely accelerate the technological and economic transition in the regions covered while addressing some negative impacts of the transition to climate neutrality; most plans miss the opportunity to act as the roadmap to guide a complete social, environmental and economic transformation of the region to a fairer and more sustainable future.

However, the approved TJTPs do all include a timeline and analysis of impacts of the transition to 2030 in the region; a

10 Correct as of 20/12/2022 based on data available on the Cohesion Data Portal. Although 21.1billion is reported to have been approved, a total is provided based on that available in the breakdown under 'finances planned (detailed)' section, in which some forms of technical assistance may not yet be included.

11 Around 1.073 billion will go to '014 digitising large enterprises', '022 support or large enterprises with financial instruments', '039 energy efficiency in large enterprises' and '076 environmentally friendly production processes in large enterprises'

valuable guide to ensure that potential negative impacts on some groups and communities are avoided and offering the potential to tap some of the potential synergies between social and climate goals in a systematic way.

Another positive impact of the plans may also be more intangible, but may have a more potent effect over the long- term: the plans have empowered some regions to start thinking about their transition and to begin planning for it, which will enable them to take a more active control of their future and ensure that their response to the transition meet their needs[12].

The table below provides an overview of the plans by principle[13].

LEGEND

- highest score
- intermediate score
- lowest score by principle

Total score column shows the total score of the plan based on the sum of the scores by principle. Darker shading corresponds to a lower overall score.

Principle	1 Climate ambition	2 Fossil fuel phase-out	3 Sustainable economic diversification	4 Addressing inequalities	5 Supporting environmental objectives	6 Polluter Pays	7 Adequate public and private funding	8 Participatory processes	9 Place-based, local approach	10 Review and indicators	Total score
Austria	2	2	3	2	2	1	2	2	2	1	19
Czechia - Karlovy Vary, Moravia Silesia and Usti	2	1	2	1	2	2	2	2	2	2	18
Germany - Northern Ruhr	2	2	2	2	2	3	2	2	2	1	20
Germany - Rhenisches Revier	3	1	3	2	2	2	2	2	2	1	20
Germany - Lusatian Region	2	1	3	2	3	2	2	2	2	1	20
Estonia - Ida Virumaa	3	2	2	2	2	1	2	2	3	2	21
France - Hauts- de-France	2	2	2	2	2	1	2	2	2	2	19
France - Bouches- du-Rhone	2	2	2	2	2	1	2	2	2	1	18
Greece - Aegean Islands and Crete	2	2	3	2	3	1	2	2	2	2	21
Greece - Megalopolis	2	2	3	2	3	2	2	2	2	2	22
Greece - Western Macedonia	2	2	3	2	3	2	2	2	2	2	22
Slovakia - Trencin	2	2	3	2	2	1	2	2	2	1	19
Sweden - Norbotten	2	2	2	2	2	1	2	2	2	1	18
Total score by principle	28	23	33	25	30	20	26	26	27	19	257
Principle score as a percentage	72%	59%	85%	64%	77%	51%	67%	67%	69%	49%	66%

12 In Estonia, a new youth NGO in Ida Virumaa was created following the citizen's assembly convened to talk about the plan.

13 For further information, refer to WWF Territorial Just Transition Plan Assessment Tool - Principles for assessment (PDF) available at: https://just-transitions-plan.wwf.eu/en/resources

OVERVIEW BY PRINCIPLE

PRINCIPLE 1:
THE TJTP SHOULD BE SUSTAINABLE AND DELIVER ON LONG-TERM, INTERNATIONAL AND EU CLIMATE COMMITMENTS SUCH AS THE PARIS AGREEMENT AND EU 2030 AND 2050 CLIMATE OBJECTIVES

SCORE: 72%

Commitment to cut Greenhouse Gas (GHG) emissions quickly
5 TJTPs rated green, 5 amber and 3 red

Commitment to increase renewable energy in the region
4 TJTPs rated green, 8 amber and 1 red

Commitment to increase energy efficiency in the region
5 TJTPs rated green, 8 amber

The assessed TJTPs perform quite well on climate ambition, with most including some proposals to increase renewable energy and energy efficiency, although some could provide more specific detail about the plans for the region.

It is positive that the TJTPs seem to provide an opportunity for regions to go faster than their nationally adopted targets - although not covered by the scorecards in this analysis previous analysis of draft TJTPs has highlighted the cases of Latvia, Eastern Wielkopolska and Walbrzych who have all committed at regional level to reduce emissions by at least 65% by 2030 versus 1990 levels. This demonstrates the potential and power of regional planning.

However, most of the plans will need to be updated to take into account the revised 2030 EU climate targets once National Energy and Climate Plans are updated.

A high score will ensure the region is equipped to address future challenges and to be resilient to future inevitable policy responses linked to national and EU legislation to meet the adopted climate goals and commitments.

PRINCIPLE 2:
THE TJTP SHOULD NOT LEAD TO PROLONGED FOSSIL FUEL USE OR PROMOTE FALSE SOLUTIONS TO THE TRANSITION TO CLIMATE NEUTRALITY - AS A GUIDE, COAL SHOULD BE PHASED OUT BY 2030

SCORE: 59%

Coal, peat and oil shale phase out
8 TJTPs rated green, 5 amber

Fossil gas phase out
6 amber and 7 red

Fossil fuel subsidies
1 red[14], 12 unrated

8 of the 13 assessed TJTPs include a coal phase out date of 2030 or earlier. It is disappointing that 5 of the assessed plans set a coal phase out date of after 2030[15].

At the same time, none of the 13 plans reviewed indicate a fossil gas phase out by 2035. Indeed, 7 of the plans show no indication of a planned reduction in fossil gas use and the Czechia and Slovakia (Trencin) plans suggest fossil gas use may increase, while the development of a fossil gas plant to replace a coal plant (Ptolemaida VI) is not recognised in the Western Macedonia plan.

The plans should be developed in the context of a commitment to a genuine and measurable transition towards climate neutrality. A post-2030 phase out date contradicts the commitments made in the Paris Agreement to limit global temperature increase to 1.5°C[16] and risks regions being unprepared for an inevitable policy and economic response to bring forward coal phase out, putting a just transition at risk. Likewise, fossil gas should be phase out by 2035 in power and 2040 elsewhere in OECD countries. By setting a clear timeline the plans enable workers and their communities, as well as investors, to plan a better, more sustainable future.

14 Austria receives a red rating because of the widespread criticism of prevalent of fossil subsidies e.g. for oil boilers. See: Analyse klimakontra- produktiver Subventionen auf Bundesebene study. Avaialble at: https://www.wwf.at/wp-content/uploads/2022/12/KKS_Endbericht_September2022_korr.pdf

15 Austria indicates coal use will continue in industry, but that climate neutrality should be achieved by 2040. The other 4 TJTPs are Czechia, Rhensiches Revier and Lusatia (Germany), and Estonia (oil shale).

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

Energy savings and renewable energy solutions are readily available and in urgent need of scaling-up. As European Commission estimates point to an additional annual investment need in transport and buildings decarbonisation of €240 billion up to 2030, public resources spent on false ‘solutions’ like fossil gas will simply soak up money that could be spent on transformative solutions, and so raise the overall cost of the transition. Moreover, fossil gas has proven an expensive and insecure energy source; while the cost of renewable energy has declined consistently over the past decade, Eurostat data shows that household gas prices increased in the first half of 2022 in all Member States except Hungary (due to household price caps and other controls).

Renewable hydrogen will remain limited up to and beyond 2050[17] and its use must be prioritised. expansion of fossil gas into heating and power is misguided and will only increase transition and future energy costs.

Limited public resources for just transition must be spent on transformative solutions that will mean regions can catapult themselves into a resilient and sustainable future. In future plans, fossil gas investment should result in regions being excluded. As a minimum, while the Commission should request that any fossil gas projects in regions with adopted plans are explicitly flagged and that their consistency with a fossil gas phase out by 2035 be stated to avoid a lock-in.

PRINCIPLE 3:
THE TJTP SHOULD LEAD TO SUSTAINABLE ECONOMIC DIVERSIFICATION AT THE LOCAL, REGIONAL AND NATIONAL LEVEL

SCORE: 85%

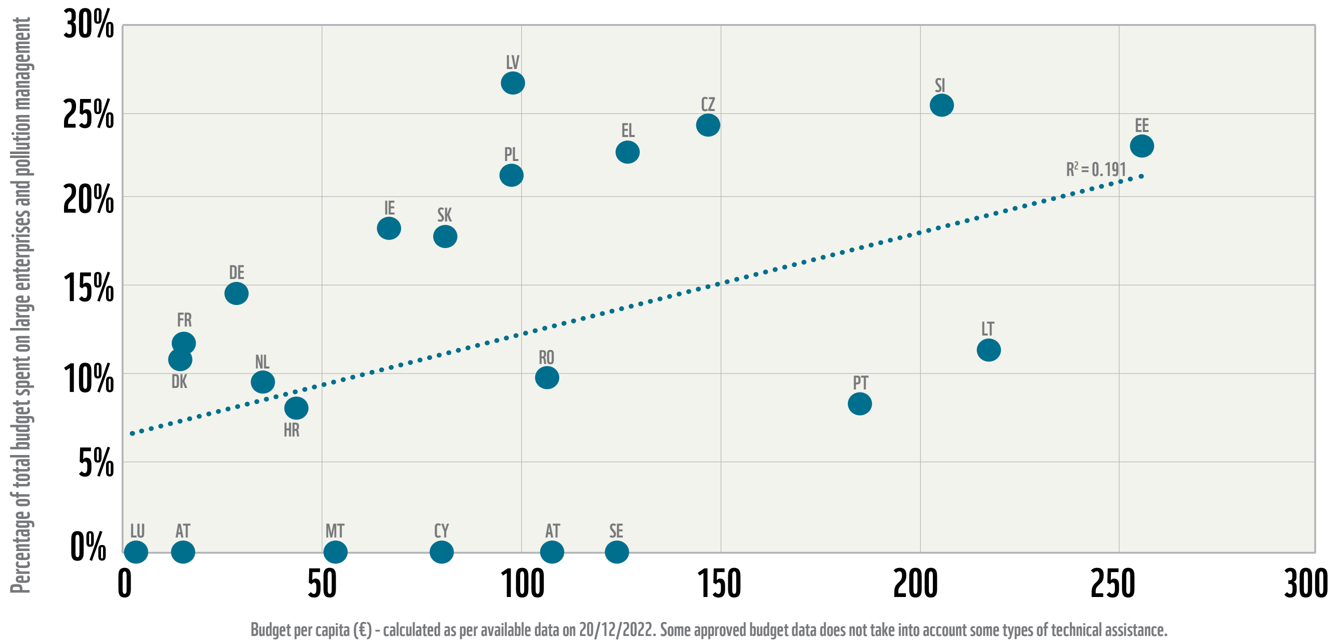
Sustainable economic diversification
8 TJTPs rated green, 5 amber

Support for investment in SMEs and start-ups
5 TJTPs rated green, 8 amber

Consistency of investments with the NECP
5 TJTPs rated green, 8 amber

Although economic diversification is recognised as important and is promoted in all of the plans, 5 of the assessed TJTPs fail to recognise that all sectors must also become sustainable. Likewise, it is welcome that nearly all the TJTPs recognise the value of SMEs and start-ups, but only 5 of the 13 assessed are judged to set out clearly how they will support them. Moreover, at least 6 of the plans indicate excessive or unjustified support for large enterprises.

The JTF is intended to provide support to SMEs and start-ups as a default option. It is part of a wider Just Transition Mechanism, which includes enhanced access to InvestEU support (providing investment loan guarantees), which can be used for productive investments in large enterprises. The Cohesion Policy open Data portal however shows that, as of 20th December 2022, over €1.4 billion is planned to support large enterprises directly[18] and we identify that support from the JTF is probably excessive in at least 6 of the TJTPs assessed.



17 According to the Europe-wide energy scenario “Building a Paris Agreement Compatible (PAC) energy scenario”, developed by CAN Europe and the European Environmental Bureau in 2020 to project energy supply and demand in a transition aligned with the Paris Agreement’s objective of limiting global heating to 1.5°C: only 6.9% of 2030 final energy demand (20% by 2050) will come from renewable gases (biogas and renewable hydrogen). All this renewable (or “green”) hydrogen will be needed in transport and industry, not in residential heating or power generation.

18 Support for large enterprises with financial instruments, 007 R&I intangible asset investment in large enterprises, 011 R&I activities in large enterprises, 014 Digitising large enterprises, 039 Energy efficiency in large enterprises, 076 Enviro-friendly production processes in large enterprises

Few plans appear to prioritise using the Pillar II of the Just Transition Mechanism for productive investments in large enterprises, preferring to use the grants-based instrument of the JTF. At the same time, the justification for these large enterprise investments is often weak, arguing that the jobs created by the investments are necessary; but it is not clear whether or why the investments could not have been complete with other forms of support (including grants).

There is a very weak positive correlation between total budget and 'percentage of the total budget being allocated to large enterprises and pollution management'. There is an even weaker correlation between 'percentage of total budget spent on large enterprises and pollution management' and 'budget per capita'. This may, however, be due to areas with higher fossil fuel dependency suffering greater land contamination and rehabilitation needs, for example.

Case study: Trencin, Slovakia

A potential good example of justification of support to large enterprises comes from the Trencin TJTP. A non-binding call for projects identified that up to 44% of the 3951 new jobs that might be created if all projects from the 80 responding entities were delivered in the Upper Nitra region come from 7 large companies. However, it remains questionable whether JTF support is the most appropriate instrument, or whether other support – such as favorable loan guarantees (as provided under Pillar II of the just transition Mechanism) wouldn't be better, leaving more resources available for stakeholders with less or no capacity to access Pillar II. Many of the projects identified appear to be productive investments, for example:

Reconstruction of the BME machine shop for general repairs and revisions of railway wagons (€19 million);

Installation of photovoltaic power plants with electrical energy storage in revitalized territories for the HBP mine company (€37.3 million)

Regeneration and decontamination of the brownfield in Nováky, installation of a photovoltaic power plant, production of green hydrogen.

PRINCIPLE 4:
THE TJTP SHOULD ADDRESS SOCIAL INEQUALITIES, IMPROVE INTERREGIONAL SOLIDARITY, DECREASE INEQUALITIES AND TACKLE INJUSTICES

SCORE: 64%

Identification and justification of target regions receiving support
13 TJTPs rated green

Equality of opportunity and employment support
10 TJTPs rated green, 1 amber and 2 red

Identification of upskilling, reskilling and education gaps at regional level
7 TJTPs rated green, 4 amber, 2 red

Addressing upskilling, reskilling and education gaps at regional level
9 TJTPs rated green, 4 amber

Addressing existing and potential inequalities
7 TJTPs rated amber and 6 red

Addressing quality of work
9 TJTPs rated amber, 4 red

Quality of life
6 TJTPs rated amber, 7 red

Gender equality and women's rights
2 TJTPs rated green, 9 amber, 2 red

The TJTPs tend to perform very well with regards to the identification and justification of target regions receiving support. All support this with quantitative and comparative analysis, especially where they go beyond the Commission's initial eligible regional selection[19]. This probably reflects the insistence on this by the Commission – any regions not pre-selected by the Commission has to be justified before they would be accepted and it has been reported that some regions have been rejected by the European Commission, both for reasons of insufficient justification, but also lack of timeline. For example, Slovakia was upfront about the rejection of Bratislavský samosprávny kraj, *"due to the unauthorized support of the territory's planned investments in the area of fossil fuels and the territory's low potential for reducing emissions and the impact on employment compared to the Upper Nitra region and Košice."*

They also perform relatively well on equality of opportunity and employment support, with most opening support to other groups (including more often marginalised or at risk groups) than simply the workers directly losing their jobs as a result of the transition and on addressing upskilling, reskilling and education gaps at the regional level (foreseeing targeted investments), although it is concerning that a number of those rated green for actions to address skills gaps are rated less well for the identification of existing and future skills gaps and education needs at the regional level. Further attention may therefore be needed to ensure that investments in education and skills really are future proof and relevant.

They notably perform less well on indicators relating to quality of life and work. No TJTP was assessed as recognising that new jobs created by the transition should represent decent work (meaning they provide an equivalent or higher wage than existing jobs, provide access to collective bargaining and ensure safe, healthy working conditions and reasonable working hours) and none foresee a full set of measures to address these issues. Where they do recognise quality of work factors, these tend to focus on wage differences between declining industries and alternative sectors only. Likewise, none include indicators relating to the quality of new jobs, only their quantity. This oversight might be linked to the lack of social dialogue, especially for new and emerging sectors, highlighted in Principle 8.

On quality of life, 9 of the 13 plans pay no consideration at all to the potential impacts (or opportunities) of the transition on quality of life or makes only passive mention to some issues, such as air quality improvements. This is concerning because in many fossil fuel dependent-regions, the decline of fossil fuel sectors can result in a loss of social infrastructure (recreation clubs etc.), while the regions may also suffer from high levels of corruption or a lack of access to high quality environments or green space.

Beyond employment support, existing and potential inequalities are only partially recognsied at best and few if any measures to address those arising from the transition; such as a minimum income support, energy poverty reduction or early pensions; are set out in the TJTPs. Gender inequality especially is poorly considered: while 9 of the plans make reference to gender inequality, no dedicated activities or priorities are apparent in the TJTP to address this: in the two TJTPs that do address it more comprehensively, the focus tends to be on employment only.

The split in performance across the indicators for this principle reflects the better performance on Principle 3 – economic diversification is supported by efforts to boost skills and which therefore improve some measures of employment opportunity. However, it also reflects that the TJTPs focus heavily on economic transitions rather than broader regional social, environmental and economic transformation – failing to consider whether the existing system is fair and missing an opportunity for the transition to help build a fairer future ('restorative justice').

PRINCIPLE 5:
THE TJTP SHOULD NOT HARM EU ENVIRONMENTAL AND CLIMATE OBJECTIVES AND VALUES

SCORE: 77%

Do no harm to EU environment, biodiversity and climate objectives
11 amber and 2 red

No new fossil infrastructure investment
9 TJTPs rated green, 2 amber and 2 red

Improving the environmental quality and biodiversity of the regions concerned
6 TJTPs rated green, 6 amber, 1 red

Investing in circular economy, waste reduction and greenhouse gas emissions reduction
9 TJTPs rated green, 4 amber

The TJTPs score fairly well on Principle 5, which relates to their support for and risk to EU environmental and climate objectives. While most do not include measures which, when considered against the EU Sustainable Finance Taxonomy (considering new specific fossil gas investments harmful), would harm EU climate and biodiversity objectives, none define an exclusion list. The omission of an exclusion list leaves the door ajar for damaging projects to slip through, potentially undermining a fair transition by damaging the local and wider environment.

Only 6 plans were assessed to include actions or activities that would improve indicators relating to at least of biodiversity, air pollution, accessible greenspace (land take) and water quality. This suggests they could still have gone further to be more transformative, tapping synergies between the delivery of social and environmental objectives.

Finally, it is reassuring that 9 of the plans includes new activities which would favour a circular, rather than a linear economy and which will not increase greenhouse gas emissions. No new investment in waste incineration or landfill capacity is foreseen on any plan (an improvement versus the Slovakian, Czech, and Greek draft plans), although the potential use of old tires and plastic in a chemical refinery in Estonia should be treated with caution.

Several plans include plans to increase or to introduce forest biomass combustion, either lacking any clear assessment of sustainability, or claiming to comply with the Renewable Energy Directive[20], although WWF considers the sustainability criteria for forest biomass and biofuels completely inadequate.

19 The European Commission proposed regions that would be eligible for JTF support in the Annex D of the 2020 Country Reports.

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

PRINCIPLE 6:
THE TJTP SHOULD RESPECT THE POLLUTER PAYS PRINCIPLE

SCORE: 51%

Respect for the Polluter Pays Principle
1 TJTP rated green, 5 amber and 7 red

The plans are second to worst-rated against the respect for the polluter pays principle. At least 7 of the assessed plans include investments from the JTF in industrial site or contaminated land rehabilitation or water resource management and conservation (to address legacy impacts from mining or fossil fuel extraction), while failing to clearly identify the entities responsible for existing environmental damage. Data from the Cohesion Data Portal from the 14th December 2022 shows that of the €21. billion approved as JTF resources to data around 8% (almost €1.2 billion) will go to land rehabilitation, but in some countries (such as Latvia) the proportion can be as high as 27% of the total JTF resource allocation. Where polluters are mentioned, they are absolved of responsibility without clear justification (as in the cases of RAG AG and RWE in the German plans).

The polluter pays principle is often mentioned, but it is not clear how it will be upheld. The Northern Ruhr plan has received a tenuous green rating, with some resources focused on water management, but it is not fully clear if current regulations are sufficient. No plan provides really convincing detail that sufficient efforts have been made to ensure that polluters responsible for damage could not cover this cost.

Failing to respect the polluter pays principle drains money out of the JTF and away from activities that could directly help communities to adapt to and address the impacts of the transition. It may also contribute to maintaining the status quo and economic power balance in regions, even if this is a driver of inequality. It is deeply concerning that the issue of polluters paying has not been fully addressed, in spite of NGOs raising the issue in September 2021 following an analysis of the draft plans.

Guidance and independent analysis from the European Commission about the damage caused by polluters and how to assign responsibility, included in cases where polluters may no longer be solvent, is needed.

PRINCIPLE 7:
THE TJTP SHOULD BE SUPPORTED BY ADEQUATE, COORDINATED AND LONG-TERM PUBLIC AND PRIVATE FUNDING SOURCES

SCORE: 67%

Complementarity with (and identification of) other public funding sources
8 TJTPs rated green, 5 amber

Complementarity with (and identification of) other private funding sources
13 amber

Plans rely too heavily on public funding sources, and particularly the JTF. No plan clearly indicates how private funds may be leveraged, and most mainly or exclusively rely on Pillar II of the Just Transition Mechanism (with very little detail on how this will be used).

However, it is positive that 8 of the TJTPs Identify both EU funds and national public funds to support the just transition, going beyond the Just Transition Fund and the Pillar III of the Just Transition Mechanism are identified. This is likely to increase the impact of the TJTPs.

PRINCIPLE 8:
THE TJTP SHOULD BE DESIGNED, MONITORED AND EVALUATED THROUGH MEANINGFUL PARTNERSHIPS WHICH ENGAGE ALL STAKEHOLDERS IN AN OPEN, INCLUSIVE AND ONGOING PROCESS, ESPECIALLY AT LOCAL LEVEL

Social dialogue and collective bargaining should be central pillars of the transition when it comes to the labour market and enterprises.

SCORE: 67%

Transparency in development, monitoring and evaluation processes
4 TJTPs rated green, 9 amber

Identification of stakeholders and defining their roles
2 TJTPs rated green, 7 amber and 4 red

Enabling and ensuring effective public participation in design, monitoring and implementation of plans
4 TJTPs rated green, 9 amber

Sufficient time and resources at each stage to ensure meaningful participation is carried out
13 amber

Explicit inclusion of social dialogue and collective bargaining frameworks for regional labour market transition
2 TJTPs rated amber, 11 red

While some examples of good practice exist, all plans assessed could improve measures for partnership and for better cooperation with the wider public in developing plans. Poor identification of stakeholders remains a common problem, in spite of having been frequently raised by civil society organisations at the Just Transition Platform and in conversation with the European Commission and public authorities.

Limited detail is often given on how views and consultation inputs are, or have been, integrated into the plans; in many cases provisions for consultation have been poor, with insufficient time for stakeholders to comment (less than a week in some cases, although up to 6 weeks has been observed in some of the assessed plans).

In no plan is it clear that social dialogue has been a part of developing plans. While social partners have largely been involved in – or invited to take part in – the development of TJTPs, there has been no recognition of tripartite social dialogue as an integral part of the regional just transition planning process. A defined framework to conduct and develop social dialogue in declining and emerging sectors from development to implementation of the plan could help ensure that all sectors align and support the creation of decent jobs.

Meaningful partnerships - where all stakeholders can contribute to the development of a local Just Transition plan facilitate the sharing of knowledge about challenges and opportunities - allow frank exchange of views and eventually, enable agreements on direction. Involving the local community and key local stakeholders in strategic transition plan development recognises the importance of local knowledge and increases local ownership of the plans. Not only will poor involvement of stakeholders in monitoring and design of the plans risk them including inappropriate or suboptimal actions, or failing to recognise or meet the needs of the local community, it risks the TJTPs being monopolised by certain groups or interests and in turn losing the buy in and support of the community.

PRINCIPLE 9:
THE TJTP SHOULD TAKE A PLACE-BASED, LOCAL APPROACH TO STRATEGY DESIGN AND IMPLEMENTATION

SCORE: 69%

Targeted support to regions
13 TJTPs rated green

Community Engagement
1 TJTP rated green, 8 amber and 4 red

All assessed TJTPs include and identify measures that are specific to the NUTS 3 region concerned.

However, only 1 TJTP (Estonia) is rated green for community engagement, indicating how existing and planned community initiatives may be integrated into the TJTP and makes clear provision to engage and inform the local community. In Estonia, citizen assemblies were held and a new youth NGO in Ida Virumaa was created as a result, which has now become a part of the monitoring committee. This local activation will support the delivery of a truly just transition and ensure that the community understand and buys into the changes increasing the chance of success.

PRINCIPLE 10:
THE TJTP SHOULD BE DEVELOPED AND IMPLEMENTED BASED ON INDEPENDENT AND OBJECTIVE ANALYSIS OF THE CHALLENGES AND OPPORTUNITIES OF THE TRANSITION FOR REGIONS

SCORE: 49%

Quality and objectivity of monitoring and evaluation indicators for specific programmes in the plans
4 TJTPs rated green, 9 amber

Revision of the TJTP during the implementation phase based on a review process
5 TJTPs rated amber and 8 red

The plans generally include indicators that are focused at the regional level and are appropriate to the goals of the fund, but they fail to address all aspects of the transition – notably missing quality of life and work impacts, focusing instead on employment, energy and economic indicators mainly. This indicates a technological and economic transition, rather than a positive social, environmental and economic transformation.

Finally, no plan sets out a clear process for revision in the event of updated climate and energy targets, or unforeseen events. This is proving problematic in some regions, where thermal coal plants, for instance, are being extended or reactivated in light of the energy price crisis and gas supply restrictions as a consequence of the war in Ukraine.

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