

The EU Just Transition Platform

Terms of Reference

November 2020

Proposal by NGOs under the umbrella of the Europe Beyond Coal Campaign

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Background

As set out in the December 2019 European Council Conclusions, the European Union has committed to achieving climate neutrality by 2050. It is currently defining a trajectory to reach this objective through the adoption of an EU Climate Law, which will increase the targets for emissions reduction, renewable energy and energy efficiency by 2030.

The EU has also signed and ratified the Paris Agreement, which commits Parties to make efforts to limit global temperature increase to 1.5°C. The Paris Agreement recognises the need to also reduce greenhouse gas emissions while taking into account “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs”.

While the sustainable transition to a climate neutral economy will bring net economic benefits, it is recognised that due to the concentration of extractive, fossil fuel-based and energy intensive industries in some regions, there may be negative impacts on some sectors and regions without proactive management of the transition. As such, dedicated support will be needed to enable these territories to sustainably restructure and/or diversify their economies, maintain social cohesion, and, (re)train the affected workers and youth to prepare them for future jobs.

In November 2020, UN Secretary General Antonio Guterres acknowledged that the EU and OECD countries must phase out coal by 2030 in order to meet the requirements of the Paris Agreement. He called on the EU and OECD to take urgent action as, *“There must be no new coal, and all existing coal in the European Union should be phased out by 2030 in OECD countries, and by 2040 elsewhere”*.

The European Commission also adopted a European Green Deal Communication in December 2019. This is described as a strategy “to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050, where the environment and health of citizens are protected, and where economic growth is decoupled from resource use.” It proposed the creation of a Just Transition Mechanism to support regions facing particular social and economic challenges stemming from the transition to a climate neutral economy.

On 14 January 2020, the European Commission adopted a Communication on a Sustainable Europe Investment Plan as the investment Pillar of the European Green Deal. The SEIP proposes a framework to mobilise at least €1 trillion in public and private sustainable investments through to 2030. The framework aims to ensure the transition may be financed while leaving no one behind. In pursuit of the latter aim, the SEIP outlined the proposal for a Just Transition Mechanism to include a Just Transition Platform.

The SEIP states that in addition to financial support to regions, “assistance will be provided to Member States and regions through a Just Transition Platform, which will be managed by the Commission. The Platform will be building on and expanding the work of the existing Platform for

Coal Regions in Transition, which already supports fossil fuel producing regions across the EU in achieving a just transition. It will provide technical and advisory support for the elaboration of the territorial transition plans through an expert network facilitating the sharing of information between Member States, regions, agencies and stakeholders.” The SEIP continues to state, “the Commission will launch already in the first quarter of 2020 a call for requests under the Structural Reform Support Programme to assist Member States with the preparation of their territorial transition plans where needed. The Just Transition Mechanism will also provide advisory support and technical assistance through the [InvestEU Advisory Hub]”

On 14 January 2020, the European Commission proposed the Regulation for an EU Just Transition Fund which would be the first pillar in the 3-pillar Just Transition Mechanism. The mechanism would provide financial support to territories facing particular challenges to restructure their economies and address the social and economic challenges stemming from the transition to a climate neutral economy.

The Just Transition Fund also references the Just Transition Platform as one of the elements which can support the territories receiving support from the Just Transition Fund by enabling “bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors”.

Overview

This document sets out the terms of reference, assumptions and conditions for the establishment of an inclusive, accessible, multi-stakeholder platform to assist EU countries and regions to unlock the support available through the EU Just Transition Mechanism and to deliver a truly just transition for their territories.

It covers strategic issues such as vision, mission, objectives and scope, as well as operational issues such as stakeholders and their roles, deliverables, procedures for review, governance and support.

The Just Transition Platform should have a lead service - DG REGIO - but it should be defined clearly in conjunction with the Secretariat General how the other relevant services will contribute and be kept informed about the activities of the Platform.

The Just Transition Platform should in particular take lessons learned from the development of the Coal Regions in Transition Platform established in December 2017 but should include provision to be revised and improved as further lessons are learned from its operation in many different sectors and regions and as its potential scope increases through developments such as the adoption of the Recovery and Resilience Plans and the Territorial Just Transition Plans.

1. State of Play and challenges

The need for proactive just transition intervention

There is a growing consensus that while the transition to climate neutrality has the potential to generate jobs¹ and bring net positive benefits for health and the economy, as well as biodiversity and the environment, the geographic concentration of certain industries and sectors that will need to be phased out or transformed will generate challenges for some regions.

In 2018, coal provided direct jobs to around 230,000 people across the EU². The automotive sector, presently dominated by internal combustion engines and which must therefore transform, provides an estimated 14.6 million jobs³. In some regions, jobs in new, sustainable sectors will not automatically replace those lost in these sectors or their transformations, due to reasons such as geographical factors, demographics or skills. For example, a JRC study looking at the deployment of renewable energy technologies in the coal regions found that up to 315 000 jobs could be created by 2030, and up to 460 000 by 2050. However, of the 42 regions studied, although most have high potential for the deployment of additional renewable energy technologies; in seven regions additional interventions would almost certainly be needed to offset employment losses⁴.

Proactive intervention to enable the benefits of the transition to be spread and to respond to the specific challenges in some regions will be vital to ensure a socially just transition.

Existing financial support and initiatives

The European Commission launched the Just Transition Mechanism under the Sustainable Europe investment Plan Communication in January 2020. Following the boost to the mechanism from the Next Generation EU recovery package in May of the same year, this may represent up to €150 billion in potential investment. The Mechanism comprises a grant-providing Just Transition Fund for projects addressing the social and economic challenges that arise from the transition to climate neutrality, a scheme under InvestEU to crowd-in private investment via loan guarantees and a Public sector Loan Facility, which will facilitate public investments through an EIB loan guarantee for public sector bodies.

In order to access the different pillars of the Just Transition Mechanism, Member States must develop territorial Just Transition Plans which are approved by the European Commission. These should be developed in collaboration with the relevant local and regional authorities as well as

¹ For example: CLG Europe, April 2020, "[Working towards a climate neutral Europe: Jobs and skills in a changing world](#)"

² Coal regions in transition website: https://ec.europa.eu/energy/topics/oil-gas-and-coal/EU-coal-regions/coal-regions-transition_en#:~:text=Related%20links-.Coal%20in%20Europe's%20energy%20mix,regions%20and%2011%20EU%20countries (accessed 30/11/2020)

³ <https://www.acea.be/statistics/article/employment>

⁴ <https://ec.europa.eu/jrc/en/news/energy-transition-can-provide-alternative-jobs-risk-coal-regions>

partners as outlined in the European Code of Conduct on Partnership (Commission Decision 240/2014). As of October 2020, no such plans had been formally submitted in final or draft form to the Commission.

In addition to the Just Transition Mechanism, various other funds and initiatives exist to assist regions addressing the challenges arising from the implementation of the transition. The European Regional Development Fund (which will be worth over €200 billion in 2018 prices for the 2021-2027 period) can support all Member States. Policy Objectives 1 and 2 (a smarter and greener, carbon-free Europe) can in particular contribute to just transition objectives. Likewise, the Cohesion fund, open only to the poorer EU Member States, can provide additional support.

Outside the EU budget, the Modernisation Fund and also the Innovation Fund financed by the revenues from the European Emissions Trading System can contribute further to achieving a just transition. Indeed, just transition in carbon intensive regions is explicitly mentioned as an area in which investments may be supported, alongside renewable energy, energy efficiency, energy storage and energy networks, which can all also play a role in ensuring regions transition in a socially fair way.

Finally, the Recovery and Resilience Facility, for which a budget of €672.5 billion has been set aside will also play a key role in supporting Member States to ensure a just transition in their territories. This requires that at least 37% of the fund is dedicated to climate actions and the criteria for assessment of the Recovery and Resilience Plans mandated to access the fund include the need for a significant contribution to the green transition, including measures to address the challenge that can arise from it. The Recovery and Resilience Plans must also align with the Territorial just transition Plans being developed under the Just Transition Mechanism.

For Coal Regions in Transition, the European Commission launched the Coal Regions in Transition initiative in December 2017 to provide support to the economic diversification and technological transition in coal regions across the EU, within the limits of EU commitments in implementing the Paris Agreement, by facilitating the development of long-term strategies, formulation of projects and best practice sharing to help regions attract the necessary investment. However, there has been no umbrella platform for all regions concerning the implementation of the just transition.

Gaps in the just transition framework to be filled by the Just Transition Platform

The European Commission is currently providing support to 18 Member States developing territorial just transition plans through DG REFORM. 7 coal regions are also receiving dedicated support from the Coal Regions in Transition Secretariat under the START initiative.

The Coal Regions in Transition Platform currently provides a regular forum to share best practice and includes online resources relating to the transition of coal regions on its website. However,

while there are technical guides available, there is no dynamic forum to facilitate strategic planning of the just transition in all regions or a one-stop shop where all information and materials on just transition in different sectors is gathered.

While there is also a wide range of funding available at EU level, there is a need to facilitate the coordination of planning and implementation between these different funds. The Territorial Just Transition Plans can go some way towards this, but must be integrated into broader national level strategies, including the Recovery and Resilience Plans and the other operational programmes under the cohesion funds. Moreover, different funding will be available to different Member States, including from national budgets and resources. It is not always clear how these can be well-coordinated and used strategically at present. This would also facilitate the identification of shortfalls and gaps in financing local and regional just transition needs.

Finally, there is a major gap in the provision of a single access point for stakeholders to gather information and engage with the many different just transition processes, projects and funding streams. Nor is there a clear system to report or flag partnership and planning issues, or to facilitate information sharing between stakeholders in different regions generally.

2. Lessons learned from the Coal Regions in Transition Platform

The Coal Regions in Transition initiative was set-up in December 2017. The early feedback from stakeholders highlighted a need for increased transparency in decision-making and processes. Environmental NGOs in particular questioned the process for developing terms of reference in the inclusion of references to advanced coal technologies, which they considered obscured the purpose of the discussions in the coal platform.

Following a call for tenders, a secretariat built from a consortium of 4 organisations (a consultancy, an international organisation of local and regional governments and two research organisations) was established in February 2019. The establishment of the secretariat has facilitated the formalisation of the coal regions in transition initiative and platform and provided a clear 'home' for its activities within the Commission and across the many services involved and implicated in the transition of coal regions. The secretariat has provided a good platform to clarify the purpose of the coal regions in transition initiative and to collate developments, demonstrated also by the development of the platform's website. Finally, the 4-organisation secretariat has been praised by civil society in particular for bringing greater independence to a highly-politicised topic and for providing a clear, single point of contact which enables stakeholder engagement. Concerns about transparency are regularly shared by civil society who emphasise a continued need to ensure a proactive focus on it.

The Platform has developed clear themes for discussion since its inception. The direction of travel has also crystallised with most exchanges focusing on the post-coal economy and structural transformation. This work has been facilitated by the clarification at the political level of the EU's objective to reach climate neutrality by 2050 as this has generated further impetus for a common

direction in the transition of coal regions to focus on phase out, rather than use of advanced coal technologies

The country teams which have been set up under the umbrella of the coal platform to discuss the country and regional level transformations and facilitate the selection of projects have had mixed success and progress. Given their ad hoc nature - as they are set up at the initiative of the member state - and the variation in design and structure, the outcomes of each team have been different. In some countries and regions, projects have been selected and put forward for prioritisation to receive public funding. However, feedback from civil society indicates a lack of transparency and poor information on how country team members are selected and their respective roles. This has diminished trust in the process and led to progress blocks in selecting and advancing projects.

As has been shown for many EU funds, engagement is also often impeded by low stakeholder capacity. There is a need to further build the capacity of stakeholders - particularly local leaders like mayors and local civil society groups - to engage in EU fund programming and project development.

In summary, the experience in the coal platform demonstrates a need for transparency on process, stakeholder roles and direction as early as possible in the process of establishing an initiative like the coal regions in transition. This reinforces trust and helps identify and smooth the process towards achieving objectives. A clear political direction is also helpful when discussing structural transformation to help define the endpoint and an independent secretariat can facilitate the creation of a formal structure to an initiative, which again improves the engagement of stakeholders with it. Finally, it is crucial not to forget the different starting points of stakeholders and to ensure adequate access to information and capacity building services are provided.

3. Just Transition Platform

Vision

European regions and citizens are aware of and empowered to engage in delivering a truly Just Transition to sustainable, zero pollution and climate neutral economies. There are clear processes in place to drive forward the open, proactive and inclusive development and implementation of Just Transition Plans as the EU transitions to a sustainable, zero-pollution and climate neutral economy by 2050, phasing out coal by 2030 and all other fossil fuels shortly thereafter and implementing a cut of at least 55% emissions by 2030, as required by the Paris Agreement to limit global temperatures to 1.5°C and regulated in the EU's new Climate Law.

Just Transition Plans are adequately supported by EU, national and private funding sources and are developed and informed by the body of information available from theoretical studies and the real experience of other regions in the EU. Citizens and communities participate meaningfully in the process of development of such plans, which should in turn build and reinforce their

capabilities, putting community wellbeing at their heart. Projects in line with these plans and the EU Taxonomy are identified and implemented with the support of existing EU programmes, funds and financial instruments.

Mission

The Just Transition Platform provides a one-stop-shop for citizens, civil society, businesses, local and national authorities seeking information on the processes and support available for planning and implementing a Just Transition in the EU.

It facilitates information and experience exchange, as well providing contact points and access to up to date information on the development of long-term just transition strategies; formulation, selection and financing of projects and best practices, in particular to help develop and implement just transition strategies across the EU including by helping regions attract the necessary investment for projects and in the interests of public information disclosure.

Objectives

The main objectives of the Just Transition Platform are to:

- **Provide an online platform** where individual citizens, civil society, businesses, local and national authorities can access information on the latest initiatives with regards to Just Transition, as well as open access databases of projects and experts to facilitate the exchange of information, as well as current and good practices.
 - The online platform shall also provide access to draft and published territorial just transition plans as received by the Commission, in their original language and within 1 month of their receipt, in English as a minimum.
 - Contacts for engaging with the development and implementation of the territorial just transition plans, including the monitoring committees should accompany the relevant plans on the online platform
- **Provide a direct assistance line or contact point** for citizens to ask questions and locate information on just transition initiatives, strategies and projects, as well as to raise issues about partnership and inclusion
- **Promote Just Transition Principles** as guidance for ensuring a Just Transition and provide clear information in a single place on existing frameworks, legislation and codes of practice, including the European Code of Conduct on Partnership

Scope

The Just Transition Platform is a non-legislative initiative aiming to provide access to and group information relevant to the Just Transition in Europe. It should complement and provide an umbrella for the existing Coal Regions in Transition Platform and the related carbon intensive

regions platform initiatives. It should not replace these existing initiatives.

The guiding principles included in and promoted by the Just Transition Platform may in future be developed into a code of conduct, similar to the Decision 240/2014, which may be binding.

Stakeholders and their roles

The Just Transition Platform is an open source platform, open to all stakeholders who have an interest in the just transition to climate neutrality in line with EU climate objectives and international commitments to limit global temperature rise to 1.5°C.

The following stakeholder groups are identified:

- Individual citizens, local communities and their representatives, including mayors
- Employees in the sectors undergoing transition
- Regional and National authorities in the Member States
 - A subgroup includes the Regional and National authorities from the EU's 41 coal regions across 12 Member States + cities
 - A second subgroup includes the Regional and National authorities from the EU's carbon intensive regions
 - A third subgroup includes Regional and National authorities from the EU's main agricultural regions
- Coal and coal-based industry
- Fossil gas-based industry
- Agricultural industry
- Indirectly-linked industries to sectors in transition
- Business community (e.g. relevant project developers, investors, banks, regional chambers of commerce and development agencies)
- Trade Unions
- Academia
- NGOs, particular those working in the areas of "Just Transition", climate, environment and in particular air quality
- NGOs working in the area of biodiversity, ecosystem protection and conservation

Special focus should be given to integrate and build the capacity of engagement of the following stakeholder groups:

- Individual citizens, local communities and their representatives, including mayors
- National and regional-level civil society who engage in the development of just transition plans and strategies

The above stakeholders should be involved in the development of the territorial just transition plans and other relevant strategies for just transition. Engagement of these stakeholders should respect the European Code of Conduct on Partnership (Decision 240/2014). The direction of

transition (to climate neutrality) and the principles for just transition should not be negotiated and should be elaborated by the Commission to guide the input of these stakeholders.

Engagement of stakeholders should minimize the risk of unbalanced representation of stakeholders and should take place with an explicit awareness of the risk of conflicts of interests. Contributions and proposals to the just transition debate and for just transition solutions should be accompanied by a disclaimer outlining any possible conflicts of interest or motivations of the contributing stakeholders.

External experts with relevant expertise and knowledge may also contribute to the Platform's resources. They include representatives of financial institutions, think tanks and energy sector institutes and technology platforms.

The lead Commission service is DG REGIO, but a dedicated ISC and Expert group should be set up to guide the further development of the Platform and to assist in the responses to queries (as relevant) and further elaboration of Just Transition Principles. The following DGs/services should be included: Directorate-General for Energy (DG ENER), Directorate-General for Structural Reform Support (DG REFORM), Directorate-General for Research and Innovation (DG RTD), Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), Joint Research Centre (JRC), Directorate-General for Climate Action (DG CLIMA), Directorate General for Environment (DG ENV), Directorate-General for Competition (DG COMP), Directorate-General for Agriculture and Rural Development (DG AGRI), Directorate-General for Maritime Affairs and Fisheries (DG MARE), Directorate General for Economic and Financial Affairs (DG ECFIN), Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), and the European Commission's Secretariat-General (SG).

Just Transition Principles

The Just Transition Platform and interactions within it should be guided by the following principles defining a Just Transition. A just transition is a transition which:

1. Is healthy and **sustainable and delivers on long-term, international and EU climate commitments** such as the Paris Agreement and EU 2030 and 2050 climate objectives
2. Does **not lead to prolonged fossil fuel use** or promote false, short-sighted solutions to the transition to climate neutrality. As a guide, coal and oil shale should be phased out by 2030 and not be replaced with other fossil fuels, nor with waste or large scale, unsustainable biomass burning
3. Leads to **sustainable economic diversification** at the local, regional and national level
4. **Protects health and addresses the social dimension** of the transition, improves interregional solidarity, decreases inequalities and tackles injustices to strengthen overall social resilience, in particular concerning employment issues.

5. **Does not harm EU environmental and climate objectives** and values
6. Respects the **polluter pays principle**
7. Is supported by **adequate, coordinated and long-term public and private funding sources**
8. Is designed, monitored and evaluated according to social and environmental metrics through **meaningful partnerships** which engage all stakeholders in an open, inclusive and ongoing process, especially at local level
9. Takes a **place-based, local approach** to strategy design and implementation
10. Is based on **high quality, independent and objective analysis** of the challenges and opportunities of the transition for regions

Deliverables

Until December 2021, the Just Transition Platform will:

1. Adopt elaborated principles on just transition, in line with those included in this Terms of Reference document
2. Develop and publish a user-friendly online portal to provide open access to information on the latest initiatives on just transition, as well as open access databases of projects and experts to facilitate the exchange of information, as well as current and good practices.
3. Consult stakeholders on the development of the online portal and include an option for regular feedback on useability, information and user needs
4. Publish the draft and final territorial just transition plans as received by the Commission, in their original language and within 1 month of their receipt, in English as a minimum.
5. Provide contact information for stakeholders who wish to engage in the further development and implementation of the territorial just transition plans, including the monitoring committees. This information should accompany the relevant plans on the online platform
6. Provide an opportunity for feedback on the territorial just transition plans as submitted by the member states, in the form of a public forum
7. Develop open access project databases of existing, planned and completed projects, current and good practices
8. Develop open access expert databases to facilitate networking between stakeholders engaged in just transition

9. Develop a direct assistance webform and respond to all queries within 4 weeks. Should a complete answer not be available by this time, the recipient should be informed about why this is not possible and when a complete response can be expected.

The Just Transition Platform will not replace the Coal Regions in Transition Initiative and Platform, nor the Carbon Intensive Regions Platform. However, it will provide links to these initiatives in its Online Platform. The Just Transition Platform should also provide an update of its development progress at all coal regions in transition and carbon intensive regions platforms until the end of 2021.

Governance and secretariat support

The Just Transition Platform is led by DG REGIO, in close cooperation with DG ENER, DG AGRI, DG ENVI, DG CLIMA and DG GROW, as well as the JRC who provide the scientific basis.

Following a review in mid-2021, it may be necessary to create an independent secretariat of the Platform to ensure its transparency, adequate resourcing and support to stakeholders engaging in just transition.

Coordination of activities is ensured via an Inter-Service Group on just transition including the following DGs/services: SG, REFORM, ENER, REGIO, JRC, EMPL, RTD, CLIMA, ENV, GROW, COMP, AGRI, MARE ECFIN. The ISG is run by SG, while REGIO is responsible for inter-service activities associated with the work of the Platform, including meetings, consultations and calls for experts.

What is the input from Commission Services?

REGIO provides the lead and coordination on the Platform activities.

JRC –provides the scientific basis for the Platform, including drafting of reports as necessary and in dialogue with DG REGIO

Further working groups may be established in accordance with necessity and the specificities of different sectors such as energy, energy intensive industry, agriculture and rural communities and fisheries.

New working groups can be set up by the different services under the umbrella of the Just Transition Platform. They should have a dedicated space on the Online Just Transition Platform with clear terms of reference and contact details to get in touch to take part and contribute. A *pro forma* can be established to help define terms of reference for new working groups.

Timeline and review

The Just Transition Platform was launched during the Coal Regions in Transition Virtual Week in June/July 2020. The first phase of the Just Transition Platform will run until December 2021 after which new deliverables should be identified, as well as needs.

A consultation and review should take place in mid-2021 to determine whether an independent secretariat should be established to run the Just Transition Platform. This review should also evaluate future deliverables and needs to be delivered by the Just Transition Platform.