



Assessment for Slovakia (Trencin (Upper Nitra))

Status: Final Plan

Date of plan: 22.11.2022



Overall Plan Rating

There are also some indicators rated as not consistent with the just transition. These are marked as red on the traffic light system and should be the foremost priorities to address and improve on. The indicators are organised under their corresponding principles in the Annex to this report.

Performance of TJTP 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.



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.



Principle 3: The TJTP should lead to sustainable economic diversification at the local, regional and national level.



Principle 4: The TJTP should address social inequalities, improve interregional solidarity, decrease inequalities and tackle injustices.



Principle 5: The TJTP should not harm EU environmental and climate objectives and values.



Principle 6: The TJTP should respect the polluter pays principle.



Principle 7: The TJTP should be supported by adequate, coordinated and long-term public and private funding sources.



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.



Principle 9: The TJTP should take a place-based, local approach to strategy design and implementation.



Principle 10: The TJTP should be developed based on high quality, independent and objective analysis of the challenges and opportunities of the transition for regions.

Breakdown by indicator



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.



Indicates a commitment to reduce GHG emissions but by < 55% emissions reduction versus 1990 levels by 2030 OR it does not indicate a need to reduce emissions at all

Comments: It notes a 24.5% reduction in GHG emissions versus 2005 by 2024 according to the NIRP (National Integrated Reform Plan). This maybe complicated/unclear in Slovakia due to legacy high emissions in 1990.



Identifies the opportunities to increase renewable energy in the region and specific actions, projects or targets are proposed

Comments: "JTF could contribute to delivering 2/3 of the solar capacity of Upper Nitra... The potential for installing photovoltaic panels in the region is at the level of 82 MW..."



Identifies the opportunities to increase energy efficiency or reduce energy use in the region and specific actions, projects or targets are proposed

✓ Energy efficiency indicators are included as specific project/programme results indicators

Comments: Notably in "125 public buildings".

Indicators: It notes that, in addition to [monitoring and] increasing the energy efficiency of public buildings, it is also important to monitor [indicator on number of energy audits], as energy audits form an essential basis for investments in energy efficiency.



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.



A complete phase-out of coal is planned or implied in the territory by 2030

Comments: 2023.



No phase-out of fossil gas is planned or implied

Comments: The TJTP indicates that, although it will not be supported by JTF, gas will be used in local district heating systems, "The new provider of heat production and supply will be the company PTH, as. Most of the produced heat will come from RES, while natural gas will be used only to cover the increased consumption in the winter months. It will be a combination of the use of solar thermal panels, the heat of mine waters in heat pumps and energy from biomass (wood chips) in a total capacity of 22 MW."

There is also a strong emphasis on renewable hydrogen and a risk that hydrogen for local public transport (as opposed to electricity) is locked in through an emphasis of building local 'alternative fuels infrastructure' for it; with no assessment of the likely impact on cost versus an electrified system.

While the region is pursuing coal phase out, it has not considered the need to plan systemically and initiate the transformation of district heating to renewable energy based solutions early enough: such planning is needed prior to - and as part of - coal-phase out.



Not enough information available or fossil fuel subsidies not discussed



Principle 3

The TJTP should lead to sustainable economic diversification at the local, regional and national level.



Promotes economic diversification, and explicitly recognises (e.g. in the assessment of the transition challenges) that all sectors of the economy must become sustainable

Comments: It states that, "The main goal of the transformation to a climate-neutral economy in the upper Nitra region is, from the point of view of its long-term development, to increase the attractiveness of the region, to achieve the development of economic activities that will be in symbiosis with a clean environment, to improve the connection of the region and to ensure its self-sufficiency."

However, there are no clear sustainability tests and relevant project selection criteria need to be selected.

- Recognises the value of SMEs and start-ups for economic diversification, but does not set out clearly how it will provide support to develop and incentivise them
 - ✔ Includes programme specific indicators (section 2.5) to measure support to, or success in supporting, SMEs and start-ups.
 - ✘ TJTP plans to provide excessive or unjustified support to large enterprises, particularly from the Just Transition Fund

Comments: While SMEs will be supported, there is no clear plan for how. It is noted that, "Support for SMEs and social enterprises will be provided through financial instruments with the aim of achieving the greatest possible leverage effect." Pillar II may also be used.

In spite of claiming, "the support of SMEs in relation to large enterprises is balanced and reflects the structure of the economic base in individual territories", it is not clear why large enterprises are receiving JTF and not Pillar II JTM support.

Example projects include likely productive investments in reconstruction of the BME machine shop for general repairs and revisions of railway wagons (19 million EUR); Installation of photovoltaic power plants with electrical energy storage in revitalized territories for the HBP mine company (37.3 million EUR), and regeneration and decontamination of the brownfield in Nováky, installation of a photovoltaic power plant, production of green hydrogen. It is not clear if this is support as grants either.

- Indicates a link to and a need for consistency with the NECP's objectives. Provides a clear prioritisation of funding and investment needs into different sectors, labour market adjustments and for relevant reskilling and upskilling in line with - or going further than - the most up to date NECP for sustainable economic diversification and to create decent, sustainable and resilient jobs

● Principle 4

The TJTP should address social inequalities, improve interregional solidarity, decrease inequalities and tackle injustices.

- Justifies why certain regions should receive support with reference to the underlying economic and employment impacts of the transition, and justifies the choice objective criteria or comparative data

- Prioritises employment support and job search assistance for workers directly losing their jobs as a result of the transition AND other worker groups, including those who may be indirectly affected

Comments: Other worker groups are mainly young people, there is no focus on other marginalised groups or women.

- Identifies the existing and future skills, training and education gaps for all workers and sectors, including future generations, at regional level on the basis of objective and quality skills forecasts or clearly sets out a process to identify them

Comments: Includes a subsection on "retraining needs with respect to skills forecasts", identifying important hard and soft skills sets. However, it is not clearly tied to developing sectors and in the section 2.2.4 'Types of planned operations', most activities under area III 'development of human capital and skills for a just transition' are rated as 'medium priority' rather than high priority.

- Foresees targeted investments sufficient to remedy these gaps and create decent, sustainable and resilient jobs for all current (and future) workers in the region

- ✔ Includes programme specific indicators (section 2.5) to measure the uptake of skills courses or training

- Does not consider the quality of new jobs or include measures to address the issue

- Does not consider social protection and inclusion measures, even if inequalities are recognised

- Identifies the potential changes to quality of life arising from the transition and includes some targeted measures to address residual negative factors, such as air and water quality issues

- ✔ Includes programme specific indicators (section 2.5) to assess change in quality of life or project selection criteria to prioritise quality of life improvements

Comments: Particularly in order to combat depopulation and attract young people, it recognises quality of life impacts and potential improvements, but focuses only on some elements, "quality education, job offers with higher added value and a clean environment."

"Reclaimed land used for green areas, social housing, economic or other use" is an indicator (target 6ha by 2029).

- fails to recognise the importance of supporting gender equality in the just transition plan



Principle 5

The TJTP should not harm EU environmental and climate objectives and values.



Does not include activities which would negatively impact environmental and biodiversity indicators relating to:

- Biodiversity
- Air pollution
- Accessible greenspace (land take)
- Water quality

AND neither does it include significantly harmful activities as defined by the EU Taxonomy or which would lead to unsustainable use of natural resources or which would lead to ecosystem harm

Comments: Although this is unclear if fossil gas projects and unsustainable biomass projects are pursued.



Foresees investment in new fossil fuel infrastructure, including for example for power generation, heating, fossil fuel-based chemicals manufacture or aviation capacity. A red rating is also given if the TJTP foresees investments which would prolong the life of existing fossil-based infrastructure, for example retrofits in existing EU ETS installations

Comments: Fossil gas district heating. ETS installations are excluded.

While the region is pursuing coal phase out, it has not considered the need to plan systemically and initiate the transformation of district heating to renewable energy based solutions early enough: such planning is needed prior to - and as part of - coal-phase out.



Identifies actions or possible activities to improve some biodiversity and environmental indicators. These activities and actions cover at least one of the following categories:

- Biodiversity
- Air pollution
- Accessible greenspace (land take)
- Water quality

Comments: Land restoration and reclaiming land for green space.



Foresees no new investment in waste incineration or landfill capacity.

AND

Includes or prioritises new activities which would favour a circular, rather than a linear economy and which will not increase greenhouse gas emissions.

Comments: Circular economy can be supported with Pillar II, and there are some targets for waste recycling etc. But it could be more prevalent.



Principle 6

The TJTP should respect the polluter pays principle.



The TJTP does not identify the entities responsible for existing environmental damage.

AND/OR the TJTP recommends to use JTF resources to pay for land restoration without an analysis - or commitment to an analysis - of the possibility and applicability of the Polluter Pays Principle

- ✘ The TJTP contravenes the Polluter Pays Principle by prioritising energy transition investments in companies with grants from the just transition fund, without a clear justification of why the companies cannot cover these costs by alternate means

Comments: While it states that, "The region must deal with negative impacts on the environment, polluted land and industrial areas in accordance with the polluter pays principle" - simply noting project holders should apply the principle is insufficient, especially as 28.3 million EUR are set aside for - rehabilitation of industrial sites and contaminated land.

36 million EUR is set aside as support for large enterprises with financial instruments and large enterprise investments to be supported include Regeneration and decontamination of the brownfield in Nováky, installation of a photovoltaic power plant, production of green hydrogen (for Slovenské elektrárne, a.s.).



Principle 7

The TJTP should be supported by adequate, coordinated and long-term public and private funding sources.



Relies on EU funds only to deliver the just transition (although not limited to the Just Transition Fund and the Pillar III of the Just Transition Mechanism)

AND/OR there is no clear targeting of funds for the most appropriate activities or to address funding gaps



Private funding sources are identified alongside public funding sources, with an indication of how private funds may be leveraged, mainly or exclusively relying on Pillar II of the Just Transition Mechanism

Comments: A results indicator for "Private investment equal to public support" is 27,602,511 EUR by 2029



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.



A coordination body is established but membership of the coordination body requirements and composition may be unclear.

AND / OR

Details on procedures are vague without transparency on timing and schedules for such meetings, or on how, when or where information on process and relevant documents will be published in an accessible place. Alternatively the majority of information must be directly requested from the institution responsible rather than openly available.

Comments: Detail on the monitoring committee is available here: <https://www.eurofondy.gov.sk/program-slovensko/monitorovaci-vybor/index.html> (accessed 07/12/22)



Clearly and comprehensively identifies stakeholders, including key groups as identified in the European Code of Conduct on Partnership, but includes no indication of or justification for their roles and status in the process



Limited detail on how stakeholder views and consultation inputs were integrated into the final plan, or how they will be (beyond a commitment to a consultation, for example). Detail on stakeholder engagement plans for the preparation, implementation, monitoring and evaluation of the TJTP is also limited.

✔ The plan recognises the need to support capacity building of some stakeholders, particularly those with limited resources, to enhance their engagement

Comments: Bankwatch analysis from December 2021 notes, ". The ministry has also taken proactive steps to involve local stakeholders and has prepared explanatory documentation to promote the meaningful participation of stakeholders who have limited experience."

https://bankwatch.org/wp-content/uploads/2022/03/2022-03-10_Slovak-Annex-to-the-TJTP-briefing.pdf



Public consultation and engagement of all stakeholders while all options are open is provided for, but the period of consultation and engagement is launched with less than 4 weeks prior notice

AND/OR

The period for consultation and engagement lasts for less than 12 weeks

AND/OR

There is less than 4 weeks to comment on the final draft

AND/OR

Not all relevant stakeholders have been given the opportunity to participate in a public consultation.

Comments: Very limited detail, notes 'public discussions' were held.

"The basis for the preparation of the PST was analytical documents (so-called deliverables) developed in cooperation with a consultant within the technical support tool (DG Reform). As part of the preparation process, five analytical documents were prepared. The preparation process and all results were consulted and commented on during the preparation phase in terms of comments from relevant stakeholders at national and regional level. At the same time, the Ministry organised public discussions on the specific goal of the FST within the consultations of the [Partnership Agreement?]

- Tripartite social dialogue is part of the planning process. At least some labour unions and social partners have been engaged in social dialogue during the development of the TJTP. Social dialogue is conducted to address the impacts of the transition on sectors which are phasing out and transforming, but not necessarily for emerging sectors.

Comments: Trade unions have been involved in the development of the plans and are involved in monitoring committees.

Reports from those active in the region indicate that the process was participative and the mining trade unions were active in the beginning, however they ceased their participation in the process during the development of the plan.

● Principle 9

The TJTP should take a place-based, local approach to strategy design and implementation.

- Identifies NUTS 3 regions which will require targeted action and prioritises measures for the specific NUTS 3 regions concerned

- Does not mention or take into account the need to engage and inform the local community about the TJTPs

● Principle 10

The TJTP should be developed based on high quality, independent and objective analysis of the challenges and opportunities of the transition for regions.

- The indicators and/or data included in the TJTP are high quality, focused at the regional level and are appropriate to the goals of the fund to address the socioeconomic challenges arising from the transition to climate neutrality, but do not cover all aspects of the just transition, focusing for example on the energy transition only

- The TJTP does not foresee a revision process even to remedy poor performances or ensure consistency with a revised NECP

Comments

Honest: It notes that, "By decision of the [European Commission], BSK was designated as an unauthorized region for drawing resources from the [JTF], 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 KSK."

For further information on the TJTP assessment tool

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