



# Assessment for Czechia (Karlovy Vary, Moravia Silesia and Usti)

Status: Final Plan

Date of plan: 26.09.2022



## 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

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### 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 at least a 55% GHG emissions reduction versus 1990 level by 2030 at regional or national level

Comments: "By 2030, the Czech Republic must reduce greenhouse gas emissions by 30%, i.e. by 44 Mt CO<sub>2</sub> eq., against 2005. By 2050, the emissions should be reduced indicatively by 80% compared to 1990... We expect further adjustments to these targets during the 2021-2027 programming period in line with any increases in the climate and energy targets of the European Union."

The plan makes clear reference to the updated targets and that the Czechia's targets will be aligned with them by 2023 in the NECP revision. Graph number 7 suggests around a 55% reduction by 2030.

The plan is not indicated to be updated with the EU2030 target however.



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

Comments: Pillars II and III will support investments in energy from renewable sources and green and sustainable mobility. It suggests that there will be support of RES as part of complex projects (e.g. reconstruction and construction of buildings, production and use of hydrogen, etc.). It states that, "the program will not support measures primarily focused on RES (with the exception of geothermal resources in Litoměřice, which the Ústí Region considers a project of strategic importance and which should be supported within the OPST). For projects where RES will be installed, the capacity will be reported using internal indicators."



Identifies the opportunities to increase energy efficiency or reduce energy use in the region or nationally, but no specific actions, projects or targets are proposed

Comments: The plan recognises the opportunities to increase energy efficiency or reduce energy use in the region, but no specific actions, projects or targets are proposed

Some vague references to energy savings and efficient buildings are made, as well as to the need to boost the efficiency of district heating systems. It points to the Environment Programme to provide support for public building energy efficiency and the Modernisation Fund for other potential investments.



### 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 phase-out of coal is planned or implied (the fossil fuel is recognised as in terminal decline), but the end date is after 2030 or undefined

Comments: 2033 is the stated end date for coal in power and heating.



No phase-out of fossil gas is planned or implied

Comments: It recognises that gas cannot be financed by the JTF, but explicitly argues for coal to gas in energy intensive industry and possibly in district heating.



Not enough information available or fossil fuel subsidies not discussed

Comments: There is a potential risk public money might be directed towards gas, but continuous support for its use is not implied.



### Principle 3

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



Promotes economic diversification, but there is no consideration of the need for new industries to be sustainable

- 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
  - ✘ TJTP plans to provide excessive or unjustified support to large enterprises, particularly from the Just Transition Fund

Comments: It 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 – only stating ‘especially for SMEs’ in relation to investments/interventions in waste prevention and material utilisation of waste in the Usti region, but this is not justified in the text.

It recognises targeted information and professional help for SMEs is need because of the greater difficulties that SMEs face in navigating changing regulatory environments etc.

SME-specific indicators are not included.

- Indicates a link to and a need for consistency with the NECP, but does not clearly link investments for sustainable economic diversification and decent job creation to it

Comments: This may be justified as the plan recognises the NECP will need to be updated.

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## ● 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, but only for workers directly losing their jobs as a result of the transition

Comments: The plan does not foresee or prioritise any measures to address, or indicators to measure, equality of opportunity effects. However, there is a result indicator on participants gaining a qualification upon leaving.

- Does not identify skills, training and education gaps at regional level or does so in an incomplete or unjustified way. It might only focus on gaps at the national level.

Comments: It identifies the jobs that will be lost, but doesn't seem to identify specific retraining needs, focusing instead on how employees can be moved around e.g. to remediation work, retired or relocate (e.. to Poland).

Does not identify skills, training and education gaps at regional level or does so in an incomplete or unjustified way. It may also focus only on gaps at the national level.

- Foresees only insignificant or non-specific actions and investments to address these gaps and ensure sufficient and decent, sustainable and resilient jobs, or focuses only on reskilling workers directly affected by the transition

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

Comments: Some support to secondary school education is envisaged. The operational programme includes a result indicator on participants gaining a qualification upon leaving.

- 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

- Does not consider the impact of the transition on quality of life or makes only passive mention to some issues, such as air quality improvements

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

Comments: However, Each region includes an allocation for the ‘gender equality dimension’; for example, in Karlovy Vary, just over 241k EUR is set aside for it, 608k in Usti and 726k in Moravia Silesia, with a proportion also for technical assistance. This is included in the accompanying operational programme, however.

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## ● 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: This may be an overestimation. While the plan references some of the challenges of biomass and the need for sourcing to be local, this is insufficient to ensure it is truly sustainable. Likewise, new investments in fossil gas or excessive use of hydrogen are likely to undermine progress towards environmental and climate goals.

- 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: Although not using the JTF.

- 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: Measures to enhance biodiversity and to use land for new 'public benefit activities' are mentioned. A measure "Rehabilitated land used for green areas, social housing, economic or other uses" is included in the result indicators (target 25 ha by 2029). However, it is mixed in with social housing, economic, or other uses; therefore the indicator is considered amber.

- 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.

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## ● Principle 6

The TJTP should respect the polluter pays principle.

- The TJTP identifies - or commits to identify - the entities responsible for existing environmental damage, but does not establish how the Polluter Pays Principle will be respected when making investment decisions
  - ✘ 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: Polluter pays is frequently mentioned, but it is not clear how it will be respected and if current regulations are sufficient, however this plan is notable in that it gives more information about process than a general 'statement' about the commitment. An amber rating is given because the sufficiency of the current Regulation is questioned and therefore the clarity on the application of Polluter Pays is still lacking.

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## ● Principle 7

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

- EU funds and national public funds are identified to support the just transition: other sources of public funding than the Just Transition Fund and the Pillar III of the Just Transition Mechanism are identified, including national sources. Funding sources are targeted to 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
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## 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. Requirements for membership of the coordination body and composition of the membership body are clearly presented. Detailed information on meeting timing and regularity is provided, as well as detailed information on how, when and where relevant documents and information on process will be published in an accessible place, ideally including online tools.

Comments: According to status updates from CEE Bankwatch, the Transformation Platform was set up by the Ministry in late 2020, consisting of approximately 35 to 40 stakeholders. The platform prepared and will implement the Just Transition Operational Programme, becoming the monitoring committee. However, the coal industry and Ministry representatives are well-represented in the platform, whereas the NGO sector only has one representative (CDE). According to feedback from participants, meetings of the transformation platform were mainly informative rather than participative.

Information about membership and meeting schedules etc. is available online: [https://dotaceeu.cz/cs/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/uhelne-regiony/plan-spravedlive-uzemni-transformace-\(psut\)/transformacni-platforma](https://dotaceeu.cz/cs/evropske-fondy-v-cr/kohezni-politika-po-roce-2020/uhelne-regiony/plan-spravedlive-uzemni-transformace-(psut)/transformacni-platforma)



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.

Comments: It is unclear how inputs are integrated into the final plan.



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: Participants in the Transformation Platform report that a one-week deadline for submitting feedback on the information received during the meeting was given. It is not clear how long (and if) open public consultations were held.



Social dialogue is not a part of the planning process, or is mentioned only passively. Labour unions and social partners have not been engaged in social dialogue during the development of the TJTP.

Comments: Social partners included in the Platform, but it is not clear they have been engaged specifically through social dialogue.



## 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

- Notes the need for community engagement and acknowledges existing or planned community initiatives, but does not indicate how these will be integrated into the TJTP or how the community will be engaged and informed

Comments: It appears there is good effort made to communicate about the just transition. For example, Karlovy Vary has published a leaflet for citizens to understand the programme (<https://www.menimekraj.cz/aktuality/130-nova-brozura-a-letak-o-transformaci-kraje>) and each region has a dedicated transformation website with information about the strategy for the region. Links to all three regional websites are available on the just transition operational programme website: <https://opst.cz/spravedliva-transformace/>



## 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 foresees a revision process by the Member State but the process is vague, for example it does not include a date, or an evaluation of implementation so far

Comments: "[This plan] was drafted in the period before the strengthening of the European climate target until 2030, and in 2023 there will potentially be a revision of this document."

## Comments

Programme documents are available here: <https://opst.cz/dokumenty/programovy-dokument/>

**For further information on the TJTP assessment tool**

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