Toolkit for assessing effective Territorial Just Transition Plans

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Introduction

WWF considers a Territorial Just Transition Plan effective at delivering a just transition if it:

1. **Is 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 solutions to the transition to climate neutrality. As a guide, coal should be phased out by 2030**
3. **Leads to sustainable economic diversification at the local, regional and national level**
4. **Addresses social inequalities, improves interregional solidarity, decreases inequalities and tackles injustices**
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 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.**
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**

The EU Just Transition Fund is a new fund proposed by the European Commission. It will become operational from the start of 2021 and will run for the next seven years under the current Multiannual Financial Framework (MFF) of the EU until the end of 2027.

The fund complements, rather than replaces other Cohesion Funds[1i]. While the Commission increased the budget of the Just Transition Fund in May 2020 as part of the Covid-19 response, the objective of the fund remains to facilitate the transition to climate neutrality by enabling "regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy".[ii]

All Member States are required to develop programming documents, such as Partnership Agreements and Operational Programmes, in order to distribute Cohesion Funds. An important feature of the EU Just Transition Fund is the additional requirement to develop local-level strategies specific to the NUTS 3 level[iii] in order to access the Just Transition Fund (as well as other Pillars of the Just Transition Mechanism[iv]). These Territorial Just Transition Plans (TJTPs) will 'provid[e] an outline of the transition process until 2030, consistent with the National Energy and Climate Plans and the transition to a climate-neutral economy and identify subsequently the most impacted territories that should be supported'.

The TJTPs will be developed and will be submitted to the Commission by the Member State for approval before any funds can be distributed. There may be one TJTP for the whole country (including detail on all NUTS 3 regions to be targeted), or several individual TJTPs. In both cases, the plans should have a targeted, regional focus and be developed with meaningful involvement of all relevant Partners.

The TJTPs are an unprecedented opportunity to ensure that no region is left behind as our societies transition to a more sustainable, climate neutral future. By requiring analysis of the impacts at local level and a plan to address them strategically, regions can be empowered to tackle both existing inequalities and prevent new ones from arising. However, unless they are developed with a long-term, sustainable perspective and with the meaningful participation of those most impacted by the transition on the ground, they will be unlikely to live up to their potential**.** At the very worst, they may actually serve to delay the transition or limit the benefits derived from it.

This paper sets out principles for assessing territorial just transition plans. It also includes a section explaining how these have been turned into a tool for the assessment of the plans in terms of their ability to deliver a truly just transition aligned with the Paris Agreement. It is aimed at policy makers, municipalities, civil society and other partners involved in developing the plans to provide guidance on a good plan looks like and to enable an evaluation of the quality of the plans developed.

The Assessment Tool

The assessment tool complements earlier work by Bankwatch which sets out a checklist[v] for the plans and what they should contain in order to be meaningful, sustainable and fair under each heading of the TJTP template provided in the Just Transition Fund Regulation. Together, these two tools can help ensure plans enable the delivery of a truly just transition to climate neutrality.

Following the principles for good just transition plans detailed and explained in the sections below, the tool developed by WWF facilitates users to rate and assess the effectiveness of plans at setting out and delivering a just transition. The methodology of the tool is based on a series of indicators which review the performance of the plans against the 10 principles. These have been converted into a webtool which generates reports on the plans.

The application of the methodology results in a 'traffic-light' rating for the plans. The traffic-light rating applies to the overall plan, but also to each Principle and their respective indicators. We have adapted the 10 principles for a just transition for application to the Territorial Just Transition Plans and explain their rationale in the detail included in the next section.

The Principles, as well as the methodology, can be used before and during the development of the plans to help guide them. It is also useful to review the checklist to identify what should be under each section of the plan template developed by Bankwatch.

The toolkit is intended for use by the European Commission, national and local policy makers, and any other stakeholder engaged in the development of the plans.

Principles

The Principles have been developed through a literature review and through extracting from experience made when designing, implementing and analysing just transitions on the ground. Together they set out how a just transition plan can be effective at delivering the just transition. Effectiveness can be defined as the ability to achieve defined objectives. For TJTPs, the objective is to enable regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy.

Following a review of literature, existing guidance, policies and practices, WWF has developed 10 principles key to the effectiveness of just transition plans to deliver a just transition. They are each detailed further below.

An effective Territorial Just Transition Plan:

1. Makes a strong and decisive commitment to deliver on the Paris Agreement and EU 2030 and 2050 climate objectives

Negative climate change impacts are felt most strongly by the most vulnerable

Although the transition away from fossil fuels and high-carbon activities is happening across Europe, it is not happening fast enough to avoid catastrophic climate change. The 2018 IPCC Special Report on the impacts of global warming of 1.5°C outlined the significantly worse impacts of a 2℃ increase in global average temperatures compared to an increase of 1.5℃. The most vulnerable also suffer disproportionately due to existing inequalities and differences in capacities to adapt to climate change effects, such as increased extreme weather events and resource distribution changes.

The decade up to 2030 is crucial for climate action. In spite of this, global average temperatures remain on track to surpass 3°C. Unless significant efforts are made, climate change is likely to entrench further existing inequalities and drive the creation of new ones. Reaching climate neutrality too late and backloading mitigation actions to after 2030 is therefore incompatible with a Just Transition.

The EU must provide long-term direction and clarity for investors through binding greenhouse gas emissions targets, accelerating transition

The EU and its Member States have ratified the Paris Agreement[vi] as Parties to the UNFCCC[vii]. This landmark agreement commits ratifying parties to limit global average temperature rise to no more than 2℃ and to make efforts to limit it to 1.5℃.

To keep within the limit of 1.5°C and avoid catastrophic climate change, the EU and OECD countries must commit to reduce greenhouse gas emissions by at least 65% compared to 1990 levels by 2030, and achieve climate-neutrality by 2040 at the latest. This would also be consistent with Europe as a global leader on climate action, mobilising the rest of the world to make similar efforts.

In December 2019, the European Council agreed to commit to EU climate neutrality by 2050. This target will be enshrined in a binding EU Climate Law, including increased targets for greenhouse gas reduction by 2030 to inform the new Nationally Determined Contributions (NDCs) which Parties to the Paris Agreement must adopt by 2020.

Not only are the EU and its member states Treaty-bound to ensure consistency between policies and Regulations, doing so will provide reassurance to investors about the robustness of EU commitments and stability of policy frameworks, lowering the perceived investment risks in the clean transition. Consistent policies will also reduce the risk that investments are made in the wrong technologies, leading to costly stranded assets.

A stark example of the need for clear frameworks and direction is the Ruhr where, in the absence of a commitment to phase out coal throughout most of the second half of the 20th century, the region's coal phase out was slow and costly as new mining activities were subsidised with public funds while other opportunities were foregone or unrealised[viii].

Just Transition strategies should be consistent with climate action commitments and policies both to remain relevant and to seize the opportunity to send a loud and clear signal to investors. The International Labour Organisation (ILO) calls for governments to establish: "coherent policies across the economic, environmental, social, education/training and labour portfolios need to provide an enabling environment for enterprises, workers, investors and consumers to embrace and drive the transition towards environmentally sustainable and inclusive economies and societies."[ix].

2. Does 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

New investments in fossil gas, oil, coal or nuclear cannot be consistent with just transition and effective climate action

Investing in fossil fuels will delay the transition and therefore increase the cost. These extra costs are most likely to fall on the taxpayers and communities quite literally at the coalface of the transition. Fossil fuel-generated heat and power prices will further increase as carbon prices rise[x], driving the risk of generating stranded assets and threatening energy price increases for consumers. Most crucially, it will aggravate climate change's negative impacts and damages.

Nuclear power is less economic than the same output investment in renewables. The cost of new nuclear construction has been exploding upwards, especially in Europe, and this in turn can lead to high fixed energy prices for long periods. For example, Hinkley Point C in the UK will demand £92.50/MWh for 35 years in 2012 prices - around 85% higher than forecast strike prices for 15-year renewable energy projects auctioned in 2019[xi]. Investments in new nuclear not only take decades to come online, they lock consumers into high energy prices and put them at higher risk of energy poverty. Moreover, they can crowd out investments in renewables that are more reliably linked to emissions reduction. Rarity of metals such as uranium and the radioactivity of nuclear wastes means that in the longer term, nuclear power is not a sustainable option for future generations and hence not compatible with a just transition.

Finally, renewable energy can generate many more and more resilient jobs compared to fossil fuels. ECF's Fossil Free report shows that in pathways with a high level of renewables, electrification and deep building efficiency renovation, up to 1.8 million additional jobs can be created. This compares to just 1.3 million in a net zero pathway dominated by green gases and Hydrogen[xii]. More recently, a CLG report highlights how a green COVID-19 recovery plan, seeing reduction in gas demand and public investment in energy efficiency, solar, wind and electricity grids amongst other measures would result in 2 million additional jobs by 2024 compared to a 'return to normal' stimulus package[xiii].

This rule also applies to fossil gas. IEA figures also show that unabated gas power generates around 3.5 construction and manufacturing jobs per million euros invested, with high CO2 abatement costs (€62/tonne CO2), while new solar PV generates 8.5 to 12[xiv]. Renewables can also work as decentralised solutions, increasing its compatibility with sustainable economic diversification.

Proactive strategies will still be required to ensure new jobs are both supported by collective bargaining, providing good conditions and, where possible, are located in the regions that need them most.

3. Leads to sustainable economic diversification at the local, regional and national levels

Sustainable economic diversification increases resilience to future shocks and changes and can increase overall economic well-being. Banks and financial analysts increasingly recognise the need to factor climate risks into investment decisions, as well as the merits and resilience of sustainable investment

The JRC has developed a conceptual framework for resilience, defining it as "the ability to cope with and react to shocks or persistent structural changes by either resisting it, or by adopting a degree of flexibility and making small changes."[xv] Resilience means a system can continue to provide for societal wellbeing (both individual and as a whole). It recognises the need for measures that both decrease the likelihood of system shocks (prevention) and which increase absorptive, adaptive and transformative capacity.

A more diverse and sustainable local or national economy, based on multiple different sectors and industries is more resilient to shocks than an economy based on few, large industries. Policy changes or economic downturns are far less likely to have devastating impacts across a whole community if only a small percentage of the businesses are affected at any one time. This is more likely to be the case where there are many small businesses than where the region is dominated by a single sector or large employer.

Adaptive capacity of the economy is boosted when the economy is more diverse. A shock - stemming for example from natural resource availability or trade policy - is only likely to affect a small proportion of businesses in a more diverse system. Some businesses may be able to take advantage of the changes, exploit synergies with others or diversify to address the impact of changes. A just transition strategy should therefore look to support economic diversification of the local economy and in particular, the incubation and development of small and medium enterprises.

Such economic diversification should not happen blindly. In order to further boost resistance to shocks, economic diversification should also focus on diversification into sustainable business models aligned with EU environmental commitments. This both reduces the risk of future shock from policy change and the risks that businesses 'run out of resources' (as in the case of coal mines) or generate negative impacts on other parts of the system, such as ecosystem service provision, that contribute to resources and wellbeing.

Recent analysis by financial services firm Morningstar has also clearly demonstrated the greater resilience and long-term performance of sustainable investments that take into account environmental, social and governance criteria[xvi] versus conventional ones which do not not take these into account.

A transition which fails to address economic fragility will not be just. Many NUTS 3 regions, particularly those transitioning from coal, such as Pernik in South West Bulgaria (coal mining) but also steel producing regions, are dominated by a single large employer. In these regions, single policy changes, a relocation or another unforeseen event can cause the loss of a main employer and be catastrophic for livelihoods and quality of life in a region. This has been illustrated by both former coal regions, such as the UK coalfields in the 1980s, and by many of the industries that were encouraged to take their place[xvii].

Regional-level economic analyses also point to economic advantages of a more diverse economy. For example, the Roadmap for Western Macedonia[xviii] shows how a sustainable and more diversified economy, based on the primary and secondary sectors, would bring higher employment and GDP gains than investment in two new lignite plants for a lower cost. Economic diversification should be a guiding principle in any just transition plan.

Climate action and green investment bring net positive economic benefits and generate more jobs than fossil investment. This facilitates sustainable economic diversification and a just transition

Climate action is consistently shown to bring net positive economic benefits[xix]. Research furthermore suggests that it may reduce the negative impacts of other trends, such as automation, by generating new market sectors and service demands[xx]. EY conducted a study which identified 1000 shovel-ready projects in the sustainable transition within 2 weeks[xxi], while the World Economic Forum estimates a green recovery from Covid-19 could generate over 1.8 million jobs.

Policies which continue to support fossil fuels will only delay the transition and generate stranded assets, raising the overall costs of the transition and aggravating the negative impacts on Europe's most vulnerable regions.

4. Addresses social inequalities and improves interregional solidarity

A transition which truly leaves no one behind will address current and potential inequalities. It will ensure decent jobs and protect social standards as set out under the European Pillar of Social Rights

The specific objective of the Just Transition Fund is to enable regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy. To deliver and to be perceived as a just transition, the TJTPs must actively address social inequalities and strengthen solidarity between EU member states, between regions and between people.

TJTPs should therefore not just reinforce the EU Charter of Fundamental Rights, they should uphold the European Pillar of Social Rights. Adopted in 2017, this commits the EU and its Member States to 20 principles and rights, organised into 3 categories:

- Equal opportunities and access to the labour market
- Fair working conditions
- Social protection and inclusion

EU policies - and especially the Just Transition Fund and TJTPs - should work to deliver on these.

This means that TJTPs should include measures and indicators which enable communities and people to adapt to the transition. For instance the TJTPs should require appropriate assessment of the future skills needed in the region as the job market adapts to a climate neutral economy. They should foresee measures to improve access to the necessary upskilling and reskilling opportunities to help them fill jobs in new sectors and requiring different skills, while also improving the equality of opportunity, for instance through diminishing the gender pay gap. The changing working landscape should be comprehensively assessed as although the transition is likely to be positive overall, it is not certain that macroeconomic trends in employment and wealth creation will be automatically reflected at the local level.

TJTPs should also include measures to ensure that new jobs created are decent jobs. A truly just transition should see working conditions preserved and even improved. New jobs should also include fair working conditions from the get go, meaning good wages, security and social protection, healthy working environments and reasonable working periods, as well as access to collective bargaining and lifelong learning[xxii]. Measures may be needed to ensure new jobs do not fall foul of these basic standards as new industries do not benefit in the same way as incumbent industries from historically gained collective bargaining and union support.

The third category under the European Pillar of Social Rights is crucial to the just transition in the wider community. Under no circumstances should plans include measures which would disproportionately burden vulnerable households (such as low-income or rural households) and should actively reduce social & regional inequalities in all senses, including social inclusion, environmental quality and access to ecosystem services[xxiii].

Extensive extraction and use of fossil fuels can lead to long-term negative environmental and health consequences. Plans should therefore also take into account the need to protect and improve quality of life, including for example through provision of recreation sites, safety and where relevant, air and water quality.

Solidarity between countries, regions and people is vital to deliver the support where it is needed

Finally, a central tenet of the just transition is ensuring solidarity. This is not just about solidarity between Member States, but is also about solidarity between regions and between people. For a truly just transition, the most vulnerable should be helped and must not carry the effort and cost of delivering the transition to climate neutrality disproportionately. This means that there should be a clear identification and justification for the groups, regions and sectors targeted by support under the TJTPs.

5. 'Does not harm' EU climate and environmental objectives and values, and strives to improve regional biodiversity and environmental indicators

The European Court of Auditors underlined the importance of applying the 'do no harm' Principle in the Just Transition Fund

A Just Transition is a transition to a climate neutral and circular economy which spreads benefits equitably and which does not disproportionately burden any person or group.

In order to be just, the transition should respect the do no harm principle, meaning that it must preserve both environmental and social integrity. Harmful impacts on EU and national environmental and social objectives should be avoided. The European Court of Auditors' Opinion on the Commission's Just Transition Fund Proposal[xxiv] states that "eligible activities should follow the 'do no harm' principle, to avoid unintended negative consequences, in particular with regard to climate change."

No project or activity financed by public funds or included in the Territorial Just Transition Plans should significantly harm national, EU and internationally-adopted environmental, social and economic objectives. Relevant objectives include:

- The EU's 2030 climate target and the 2050 climate neutrality target
- EU biodiversity targets and circular economy policies

The EU Sustainable Investment Regulation (EU Taxonomy) provides a legal-basis for 'do no significant harm' against 5 environmental objectives

The 'do no significant harm' principle is an established concept with a clear legal basis in EU law. It has been strengthened further in the case of environmental objectives through the EU Taxonomy Regulation[xxv], which will come into force in 2021 and which aims to ensure uniformity in which investment activities can be classified as sustainable. Any activity which significantly harms one of the 5 environmental objectives (including climate change adaptation and mitigation) is automatically excluded. The application of the Taxonomy will enable an effective application of the 'do no significant harm' principle to Territorial Just Transition Plans and in project selection criteria.

The European Commission is in the process of defining and adopting regulatory technical standards via delegated acts to specify the details in relation to the principle of 'do no significant harm' for each environmental objective.

No harm should come to EU objectives resulting from any EU-funded activity or EU policy: this means no new fossil fuel investments should be made

A properly-applied 'do no significant harm' principle would imply that no fossil fuel investments can be made under the Just Transition Plan. New fossil fuel investments prolong the use of fossil fuels, which generate harmful pollution and contribute to dangerous climate change, directly contradicting EU climate objectives. As highlighted by the European Court of Auditors' report, any investments in fossil fuels (for example, in natural gas or oil) risk becoming "stranded assets". Such investments are therefore both economically and environmentally harmful.

6. Respects the polluter pays principle

The Polluter Pays Principle is a well-established concept with a legal basis under the EU Treaties

The polluter pays principle is a well-established concept first proposed and adopted by the OECD in 1972, and later enshrined in the 1992 Rio Declaration on Environment and Development[xxvi]. It refers to the condition that the polluter should bear the cost of any damage caused to the environment by their actions or operations, particularly if their actions gained profit.

While the Just Transition Fund Regulation includes provisions for "investments in regeneration and decontamination of sites, land restoration and repurposing projects", Article 191 of the Treaty on the Functioning of the EU states that, "...environmental damage should as a priority be rectified at source and that the polluter should pay". The Regional Development Fund, the Cohesion Fund and the European Social Fund+ together will constitute over €330 billion in funding potential over the 2021-2027 period. These three funds can all contribute to sustainable and renewable investments, as well as investments Polluter Pays Principle should therefore be applied wherever possible. The operator of an industry having polluted the environment should pay for any necessary decontamination or restoration which would bring the land back to the environmental value before the polluting operations took place.

In a Just Transition context, this principle is highly important as regions heavily dependent on fossil fuel activity often experience significant hurdles to future social, economic and environmental development due to land, water and other pollution from former activities - such as subsidence, heavy metal soil contamination or drainage. A just transition requires that no one pays a disproportionate cost for the transition: the polluter must pay for the damage caused rather than the community.

7. Identifies complementarities and coordinates with various other sources of funding

The Just Transition will require high levels of additional investment to succeed

In order to meet the scale of the challenge to address climate change and avoid its worst impacts, massive investment is needed. The European Commission estimates that €175 to €290 billion in additional investment per year is needed to reach climate neutrality by 2050[xxvii]. The Just Transition Fund cannot and must not be seen as the only source of finance for the transition to a climate neutral economy. Indeed, its stated objective is to enable 'regions and people to address the social, economic and environmental impacts of the transition towards a climate neutral economy', not to finance the transition *per se*.

Complementarity between funding (including EU, national and other sources) must be identified in the plans in order to optimise the use of funds and meet the scale of the challenge to ensure a just transition to climate neutrality

In its July 2020 report, the European Court of auditors pointed to the fact that many activities financed by the Just Transition Fund can also be financed through other sources. It recognised therefore that, in order to optimise the use of funds, "It is important that the just transition plans address the issue of the coordination and complementarity of various sources of funding".

The Just Transition Plans should therefore recognise the availability of, and identify, complementary funding sources for just transition in regions going beyond the Just Transition Fund. For example, the European Regional Development Fund can also support just transition efforts. Likewise the Emissions Trading System revenues at national level, alongside the Modernisation Fund and the Innovation Fund can also provide important public funding streams. Private funding sources should be identified, and contribute to financing the clean transition in regions.

8. Is 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.

Meaningful partnerships, including with civil society and local stakeholders, are essential for effective just transition plans

The transition will have far-reaching effects, going beyond the industries which must transform or which must be phased-out. The changes brought about by the transition may affect many different policy goals, local environments and services. It may even have implications for culture and perceived regional identity. These changes will affect many different stakeholders, who must all be heard and their views taken into account.

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 in strategic transition plan development recognises the importance of local knowledge and increases local ownership of the plans.

The importance of working with all stakeholders has been underlined by the EU and broader international community. In its guidelines for a just transition, the ILO argues that "strong social consensus on the goal and pathways to sustainability is fundamental"[12] and it underlines the importance of social dialogue and informed, regular consultation embedded in institutional decision-making and implementation frameworks. Open dialogue between all stakeholders, including NGOs, Trade Unions, academics and other social and civil society partners will help achieve such social consensus. The Silesia Declaration on Solidarity and Just Transition, signed by the EU and its Member States at COP24 notes "the importance of a participatory and representative process of social dialogue involving all social partners to promote high employment rates, adequate social protection, labour standards and wellbeing of workers and their communities."

Social dialogue and collective bargaining rights should be respected in order to ensure that the interests of current and future workers are properly represented in the labour market transitions which sit at the heart of regional just transitions. It is vital that social dialogue is explicitly and adequately accommodated in the process of developing TJTPs.

Partnerships should respect the legally-binding European Code of Conduct on Partnership. This means partners should be selected transparently and information on plans disclosed publicly and in a timely-way

There are multiple legal requirements, as well as international commitments and other guidelines which authorities should be aware of when developing Just Transition plans.

The Aarhus Convention[xxviii] came into force in 2001 and has been ratified by the EU and its Member States. Under it, environmental information should be made publicly available as soon as possible (article 4) and public participation should be conducted when all options are still open (article 6).

The European Code of Conduct on Partnership[xxix] was adopted in 2014. It is legally binding with respect to the implementation of the Regulations under the Common Provisions Regulation - and therefore applies to the Just Transition Fund. The Code of Conduct, obliges authorities to:

- Ensure transparency in the selection of partners, to be appointed as full members in the monitoring committees;
- Provide partners with adequate environmental information and sufficient time to engage;
- Effectively involve partners in all phases of the decision-making and implementation process;
- Support the capacity building of the partners to improve their competences and skills in view of their active involvement in the process.

Specifically to the process of planning Just Transition, multiple environmental NGOs, under the umbrella of Europe Beyond Coal, produced 'Seven Golden Rules for Open and Inclusive Just Transition Planning' in July 2019[xxx].

The transition itself cannot be negotiated. Conflicts of interest should be identified early

On the other hand, although all stakeholders should be involved, the roles of each stakeholder and their decision-making power must be clearly defined, recognising that some stakeholders may have conflicts of interest and that the inevitability, direction and swiftness of the transition itself cannot be negotiated.

9. Takes a place-based, local approach to each region within the wider national and European context

Plans should identify and assess specific challenges and opportunities of local resources, skills and community needs, in partnership with the local community

Even though it is expected the transition will bring net overall benefits to the economy and job creation, in some regions, the transition will not be positive by default and may lead to job losses and disruption to community infrastructures and wellbeing.

A successful just transition is determined by - and delivered at - the local, and often municipality, level: albeit in the context of broader geographical, market and policy changes. The local level is where the greatest challenges of the transition are felt and where there is greatest need for bespoke, targeted solutions to unlock the benefits. To identify the challenges, opportunities and solutions, many stakeholders (and especially those at the local level) must be meaningfully engaged.

Long-term strategic transition plans need to be designed at the local-level. Each region and territory has different cultures, challenges and opportunities. These differences can stem from the differences in demographics, histories, locations or physical features between areas and will determine what measures will be effective to ensure a transition that is just for the community and future generations.

It is essential therefore that local communities are involved in the development of plans and are consulted on their needs, hopes and expectations, as well as their skills and potential capacities. Existing resources, skills and community needs should be analysed locally, in order to develop bespoke long-term strategies and action plans that are specific to the area concerned.

Local plans developed within the wider national and EU policy-contexts and aligned with long-term policy objectives will be more resilient to future policy changes

At the same time, the transition is driven by forces from outside the area concerned. Whether they are a result of markets (as in the case of the increasing competitiveness of renewable energy sources over incumbent fossil fuels), or policies and international commitments, these forces cannot be denied. As a result, the direction of - and need for - the transition cannot be disputed.

Local just transition plans should be developed within the wider context of national, EU and international policy changes. For instance, the EU and its Member States have committed to the Paris Agreement and to reaching climate neutrality by 2050. A just transition plan should recognise this and aim to align with these goals to ensure that the strategy and investments under it avoid the need for further investments and transition as far as possible.

10. Uses high-quality, independent and objective analysis of the challenges and opportunities

Just Transition strategies informed by quality, objective and independent analysis are more likely to be effective and to be accepted by the public

Just transition strategies and plans should be informed by quantified, transparent and objective analysis. They should also be formulated with the aim to achieve true environmental sustainability in order to ensure that the transition is durable.

Strategies developed with analysis of the impacts and opportunities of the transition from partisan or political sources representing only a subset of a community or group risk opportunities being missed. In turn, they can lead to higher transition costs as concentrated industrial interests, often from incumbent industries, can be prioritised. As such, analysis of impacts and opportunities should ideally be conducted independently of any single industry and should be comprehensive. This can then also serve to encourage unity and agreement on a way forward for a region as the independence of the evidence is not questioned.

Finally, it is crucial to monitor and evaluate progress in delivering the objectives and goals of plans using high quality indicators, in line with the Partnership Principle. This process should be set out clearly at the outset, accompanied by a clear system of fair and transparent decision-making for further actions based on the results.

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References

[i] Such as the European Regional Development Fund, Cohesion Fund and European Social Fund+ for the 2021-2027 Multiannual Financial Framework period

[ii] Article 2 of EC Proposal for a Regulation Establishing the Just Transition Fund, 14 January 2020, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0022

[iii] Territorial just transition plans should be developed for regions that are, "precisely defined and correspond to NUTS level 3 regions or should be parts thereof. NUTS are an EU system of classification for administrative regions for statistical purposes. NUTS 3 and which corresponds to a minimum population of 150 000 and a maximum of 800 000" See Article 7, Regulation establishing the Just Transition Fund COM/2020/22 final

[iv] The other Pillars are outlined in the Communication on a Sustainable European Investment Plan, published 14/01/2020. The three pillars together are the Just Transition Fund (providing public grants), a scheme under the InvestEU programme (providing guarantees for loans to stimulate private investment) and the EIB Public Sector Loan Facility (providing support for public investments by authorities).

[v] Available here: https://bankwatch.org/press_release/a-checklist-to-ensure-getting-territorial-plans-for-coal-regions-right

[vi] IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. World Meteorological Organization, Geneva, Switzerland, 32 pp.

[vii] Paris Agreement to the United Nations Framework Convention on Climate Change, Dec. 12, 2015, T.I.A.S. No. 16-1104.

[viii] See pages 15-16 in WWF, 2020, "Just Transition to Climate Neutrality: doing right by the regions" Available at: https://regionsbeyondcoal.eu/just-transition-to-climate-neutrality-doing-right-by-the-regions/#:~:text=to%20climate%20neutrality.-,Doing%20right%20by%20the%20regions,buzzword%20in%20policy%20circles%20today.&text=These%20should%20be%20applied%20at,%2C%20leaving%20no%2Done%20behind.

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