

Warsaw, 12 March 2019

Feedback on the Proposal for a regulation – European Green Deal – Just Transition Fund

The Alliance of Associations 'Polish Green Network' is an environmental organisation working on energy transformation and just transition of mining regions in Poland, with special focus on Upper Silesia and Eastern Wielkopolska. Below we present our comments on the proposed Regulation on the Just Transition Fund.

1. Support from the Fund should be conditional on clear coal phaseout timelines

This is crucial if the Fund is to effectively play its role in helping coal regions out of their dependence on fossil fuels in a manner consistent with the EU objective of achieving climate neutrality by 2050 at the latest. Without clear regional coal phaseout schedules it will not be possible to allocate support from the Fund in the optimum way. To be fair, adequately targeted and effective, allocation of support from the Fund needs to be based on credible information about which coal-related jobs and local tax revenues are going to disappear and when. Without this kind of precise planning, there is a risk that support from the Fund may be spent in areas and on projects that do not address the most relevant negative impacts of a transition away from coal. There is also a risk that after spending support from the Fund in a manner that is not optimally targeted, at the end of the Funds' operation coal regions may be left with unaddressed impacts and remaining fossil assets and jobs for which no provisions have been made.

Thus, it is essential to introduce stronger conditionalities and requirements for the territorial just transition plans referred to in Art. 7 of the draft Regulation. The Regulation needs to lay down clear, precise criteria for assessing the plans' consistency with the objective of climate neutrality, which should include the requirement for clear, detailed and binding schedules for the phasing out of coal assets.

It should go without saying that support should not be granted to regions or enterprises which are planning or implementing new coal projects, as this cannot in any way be reconciled with the objective of achieving climate neutrality by 2050. In this context it should be noted that at least one new coal mining project is in the pipeline in Poland's Silesia where the state-owned mining company PGG plans to open a new coal mine in the town of Imielin, while in Eastern Wielkopolska the utility ZE PAK still officially holds on to its plan to build new lignite mines in Ościsłowo and Dęby Szlacheckie.

2. The quality of new jobs

Poland is currently experiencing a shortage of labour. The challenge of dealing with the loss of coal-related jobs should not be reduced to simply creating an equivalent number of jobs in other sectors. What makes workers in the coal industries wary of the prospect of having to leave their jobs is not so much the threat of unemployment (jobs are there), as the fact that the new jobs are unlikely to match the current ones in terms of the level of salaries, stability, trade union representation, commute length and other aspects of employment quality.


The Fund will not achieve its objectives if it supports the creation of even more low-quality, precarious jobs based on civil contracts, which according to the Commission's own assessment presented in the European Semester Country Report continue to be a problem in the Polish labour market. Support granted from the Fund for job creation should be conditional on the beneficiaries meeting clearly defined and strong criteria on employment quality.

The Fund's effectiveness in addressing the social and economic impacts of transition will also depend on how well the creation of new jobs matches the mining job losses in terms of timing, location and skills profile. This is one more reason why a clear, detailed, plant-by-plant coal phaseout schedule needs to be a mandatory part of the territorial just transition plans, complete with data on the numbers, demographics (including gender) and skills profiles of the workers who are about to lose jobs. Support from the Fund should be given to projects that generate new jobs for those people when and where they need them, not just any new jobs, and should prioritise undertakings that combine job creation with reskilling of the workers losing jobs in the coal industries to ensure their smooth and direct transition to new workplaces.

3. Public participation and a voice for local actors

The challenges faced by coal regions in Poland and elsewhere are complex and multi-layered. Workers in the coal-based industries are not the only category of people who will be affected and who need justice in this transition. Designing optimum spending plans for the Fund will need high-resolution input from local actors with detailed, first-hand knowledge about the challenges and needs of transition. Therefore, a wide range of stakeholders and views should be included in the debate and in preparation of the territorial just transition plans.

The current provision of Art. 7(3), which envisages the application of the standard participation mechanisms applicable to other Cohesion Policy funds, may not be sufficient in view of the special challenges faced by the coal regions. The Regulation on the Just Transition Fund should lay down stronger and more detailed provisions on dialogue, participation and consultation, to ensure that all interested actors have a chance to



influence the plans and that the process does not get captured by vested interests and incumbents with the most lobby power and the least interest in rapid progress towards carbon neutrality, at the expense of, for example, nascent energy efficiency and renewable SMEs, local communities interested in developing community energy, or groups adversely affected by the environmental impacts of decades of mining, such as farmers struggling to cope with mining-induced water shortages. One practical way to ensure inclusiveness and participation would be to convene citizens assemblies to decide on key aspects of the plans.

4. Fixing the environment must be part of the solution

Environmental degradation caused by decades of mining and coal dependence is a major obstacle to the Polish coal regions' successful development in the future. The problem is wider than the challenge of "regeneration and decontamination of sites, land restoration and repurposing", i.e. the environmental activities to be supported under the current draft Regulation. In Silesia, the disastrous air quality discourages young families from staying in the region, exacerbating its problems with depopulation and population ageing. In Eastern Wielkopolska, farming jobs are at risk because of severe drought to which lignite mining has considerably contributed and continues to contribute.

Tackling those and similar issues should be part of a just transition and should be supported from the Fund. The Fund should prioritise undertakings which help address the environmental problems while creating jobs. It should also deny support to potential beneficiaries who plan to continue environmentally harmful activities (e.g. plan to open new lignite mines) and to projects that will have adverse impacts on air, water, soil, biodiversity or the climate (such as waste incineration or forest biomass burning).

In cases where the Fund may support investments in enterprises other than SMEs, the potential beneficiaries will likely include incumbent mining companies and utilities that have contributed to the environmental degradation. In such cases, support from the Fund should not be used to pay for the fulfilment of those companies' legal obligations concerning the environment, e.g. land reclamation or restoration of water resources as required under their extraction licences, and no support for any other purpose should be granted to potential beneficiaries who fail to fulfil such obligations. Justness of the transition requires that priority should be given to projects that, for instance, improve air quality through small-scale renewable community energy development and simultaneously strengthen the local economy and lower the people's energy costs, to community-led water management projects that use nature-based solutions, etc.

Please also consult our reports on the civil society's perspective on the just transition of Silesia and Eastern Wielkopolska at: bit.ly/JT-Silesia and bit.ly/JT-Wielkopolska.