Webinar Series

Accelerating Ambitious and Just Coal Phase-outs





Local Governments for Sustainability





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Panel discussion moderated by Tomaž Cigüt – ICLEI Europe

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Housekeeping rules



- The session is being **recorded**
- Please mute yourself if you are not a designated speaker
- You may use the chat to communicate with each other and ask your questions
- The recording and slides will be made available soon after the session on our website: www.cintran.eu



Organising team



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Franco Martin Crudi, Expert, Justice, Equity and Democracy



Jacob Broehm, Junior Expert, Events and Project Communications





About CINTRAN

Unravelling the Challenges of Structural Change

Regions highly dependant on fossil fuel extraction of engy-intensive industries

ntran

- Rhenish Mining Area (Germany)
- ► Silesia (Poland)
- Western Macedonia (Greece)
- ► Ida-Virumaa (Estonia)
- Pace of transformation / Capacity to cope / How to adapt



About CINTRAN

electricity needs with locally owned solar power, - CC BY 2.0



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PROJECTS

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ABOU"

y in



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Transition needs to start now

It is urgent to start anticipating the transition now to get the best results for workers, communities and businesses.



About CINTRAN



FINDINGS

PUBLICATIONS

Publications

DPING STRATEGIES INVENTORY OF COPING STRATEGIES

Coal Transitions is an international research hub which aims to collect credible and feasible trajectories and policy guidance for deep transitions in the coal sector in major coal producing and consuming countries.

PUBLICATIONS (203)



Migration Drivers in Carbon-intensive Regions in the EU

Stefan Jestl • Roman Römisch

#carbon intensive regions #cintran #Europe #migration

2023

A Company from the season of t

A Comparative Analysis of the Social Situation Between Carbonintensive and Noncarbon-intensive Regions

Larysa Tamilina • Roman Römisch

#carbon intensive regions #cintran #Europe #migration

and transition phases

s strategies that people, organisations and eed by global decarbonisation efforts.



Boxberg/Oberlausitz, Germany – Photo by Torsten Kellermann

CINTRAN events series

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Capacity Building programme led by ICLEI Europe

















#9 of a 10 webinar series: In-person events and webinars
(1 more still to come) - be sure to subscribe, tweet and link in with us!

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Speakers and panellists





Alexandra Krumm, Europa-Universität Flensburg, Doctoral Student, CoalExit research group



Lola Nacke, Chalmers University of Technology, Doctoral Student, Physical Resource Theory Division



Dr Rumyana Grozeva, Executive Director, Stara Zagora Regional Economic Development Agency, Bulgaria



Final events





FINDINGS

PUBLICATIONS

TOOLS PROJECTS NEWS

EVENTS

6. March 2024

CINTRAN Final Stakeholder Event

The CINTRAN Final Stakeholder Event will be taking place on 6 March 2024 in Brussels!





Accelerating Ambitious and Just Coal Phase-outs

This event takes place on 7 February 2024. More information can be found here.



CINTRAN Final Academy Event

This event takes place on 5 March 2024. More information can be found here.



CINTRAN Final Stakeholder Event

This event takes place on 6 March 2024. More information can be found here.



CINTRAN Final Stakeholder Event

6 MARCH 2024 BRUSSELS, BELGIUM

Date & Time: Wednesday, 6 March 2024 from 9:00 to 15:00+

Registration: here

Agenda: here

After 4 years of successful research implementation, CINTRAN - Unravelling the



Thank you for joining our webinar!









February 2024



Q&A



The role and structure of coal commissions

- Best practices from around the world











Alexandra Krumm

07.02.2024

Background



COMPARING COAL COMMISSIONS WHAT TO LEARN FOR FUTURE FOSSIL PHASE-OUTS? MARCH 2022

Introduction to stakeholder commissions in the context of coal phase-outs

To meet international climate targets, a phase-out of coal over the next few decades is needed [1]. Progress on coal phase-outs has been slow, but societal pressure to finally deliver on climate change mitigation is growing [2]. Over the last few years, several countries took the approach of setting up stakeholder commissions to organise their coal phase-outs. In this policy brief, we examine and compare the commissions of Germany, Canada, the Czech Republic and Chile, and briefly highlight Spain's and South Africa's similar approaches on how to organise a Just Transition. The respective national governments experienced to varying degrees political, economic, and societal pressure to deal with the future of coal. Simultaneously, they were confronted with uncertainties on how to organise the decline and how to overcome resistance against the decline [3].



Coal phase-outs can lead to profound structural change, impacting communities and workers from affected regions strongly [4]. Developing ideas on how to manage those local impacts caused or at least accelerated by national climate and energy priorities are a core task of multi-stakeholder commissions. The commissions analysed, hence, not only looked at coal phase-out pathways and energy-related technical aspects, but took more holistic Just Transition (JT) perspectives, targeting in particular the current workforce and affected regions. Although climate change is one of the main reasons behind the enactment of coal phase-out processes it was not the main focus of the

commissions' work.

As advisory bodies to the governments, the aim of those commissions was to achieve as far Figure 1: Chile's Commission Report in recommendations on how



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Original research article



Overcoming political stalemates: The German stakeholder commission on phasing out coal^{*}

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Keywords: Coal phase-out Just transition Collaborative governance Stakeholder commission Politics of climate change Germany

ABSTRACT

The future of coal remains contested in many countries, hindering necessary energy transitions, Collaborative governance approaches, such as stakeholder commissions, have been proposed as potential solution to resolve such societal conflicts. In Germany, a stakeholder commission process managed to overcome the existing stalemate situation, leading to the adoption of a coal phase-out by 2038. Celebrated for enabling the German coal phase-out, the commission's outcomes are ambiguous, recommending a coal phase-out incompatible with the 1.5 °C climate target and granting high financial compensations to coal regions. Based on 18 semi-structured interviews with members of this "Commission on Growth, Structural Change and Employment", we analyze how the stalemate situation in the German conflict over the future of coal was overcome and how the commission's outcome was formed. We find that the absence of alternative ways to enforce their interests, and external political, economic, and societal pressure were crucial factors that motivated interest groups to engage in the commission. The commission facilitated trust-building among members, and compromise offers behind closed doors among key actors, ultimately overcoming the stalemate in the contentious environment. Yet, existing and remaining power imbalances within the commission resulted in the decision-making process being dominated by incumbent actors. Having shifted discussions in Germany from if to how to phase out coal, enabled the next government to move the agreed-on phase-out date from 2038 to 2030. Our research contributes to the debate on politics of fossil fuel phase-outs and can inform future collaborative governance approaches in the context of contested sustainability transitions.

Stakeholder Commissions in phase-out processes



How to govern a timely and just phase-out of fossil regimes?

Stakeholder commission as political tool to govern timely and just phase-out: Stakeholder commissions are increasingly being set up to discuss coal phase-out pathways (e.g. Canada, Chile, Czech Republic, Germany)

→ Stakeholder commission as useful political tool to govern timely and just phase-outs?



Chile







Germany

Canada

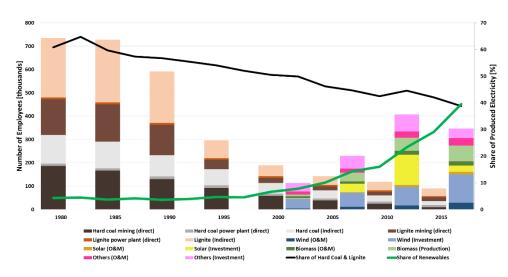
The German 'Coal Commission', officially 'Commission on Growth, Structural Change and Employment'



Germany: Political context in 2018

- Powerful incumbent (pro coal) actors (unions, coal regions, utilities, municipalities)
- **Economic situation** turning against old and inefficient power plants, increasing share of renewables
- Increasing societal awareness and political pressure to achieve emission reduction targets and low energy prices
- → Awareness that **continuation of status quo** very unlikely while overall insecurity of future pathway with largely divergent interests
- → Decision to implement stakeholder commission in coalition agreement 2018 (CDU/CSU,SPD)

Development of coal and renewable energy share employment depicted by bars and share of electricity production in Germany from 1980 to 2017 depicted by lines.



Source: Oei et al. (2020)

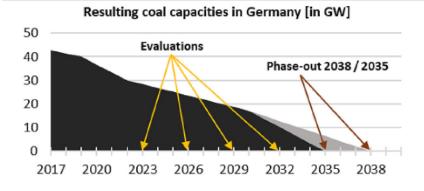
The German 'Coal Commission', officially 'Commission on Growth, Structural Change and Employment'



Overview of Coal Commission

Financial aspects

- √ €40bn in transition measures in coal regions: €1.3bn annually for
 20 years for specific measures (controlled by federal legislation),
 €0.7bn annually for 20 years at the disposal of the federal states.
 Only some funds will represent additional funding (mainly a redistribution of existing funding mechanisms)
- ✓ Costs and conditions for compensating utilities subject to negotiations with government at a later stage (~€4.2bn as of 2021)
- Early retirement/adaptation allowance mechanisms (labor market policies following the blueprint of German hard coal mining phaseout)



Energy & Climate

- √ 12.5 GW of coal capacity will go offline by 2022, only 17GW remain by 2030 (~40 GW in 2019)
- ✓ Phase-out date 2038 with the option of an early phase-out by 2035
- ✓ Confirmed target of 65% renewable electricity production by 2030

Program on structural change

- ✓ Infrastructure & investment support (e.g. transport, digitalization)
- Innovation (set-up and funding of research institutions in the mining regions, demonstration projects, innovation zones)
- Establishment of government agencies
- √ Civil society and community support programs

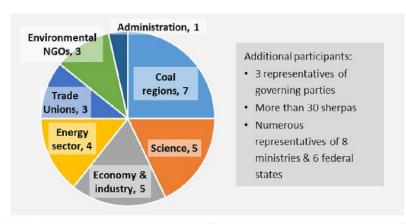


Fig. 2. Affiliations of the 28 members with voting rights and additional participants. Authors' depiction based on BMWi [29].

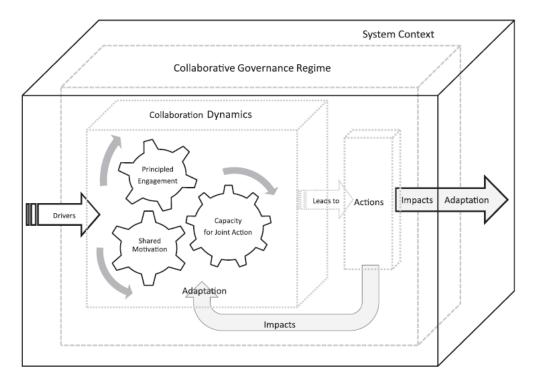
Final recommendations agreed upon by 27 (out of 28) members on January 25, 2019

 One person representing the Lusatian coal region voted against the outcome as her demands to guarantee the safeguarding of villages in Lusatia from potential destruction was not included in the final report.

The German 'Coal Commission', officially 'Commission on Growth, Structural Change and Employment'



How did the Commission achieved to breach the stalemate, and how were the final recommendations formed?

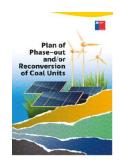


Collaborative Governance Framework (CGF). Source: Emerson, Nabatchi, and Balogh (2012)



- The Commission's collaborative environment overcame contestations by building trust and understanding among actors.
- **Financial incentives** were used to align economic interests with the coal phase-out, feasible due to Germany's economic strength.
- A broad stakeholder representation in the Commission facilitated balanced recommendations, despite some criticisms of inclusivity.
- The collaboration was driven by a unique context where consensus was seen as the most beneficial strategy, although later laws deviated from these initial recommendations.

Comparison of "Coal Commissions"



Key similarities and differences of four "Coal Commissions"

- Similar Duration: about six months (except CZR, extended due to COVID-19 and the need for more data)
- Commission Mandates: scope of mandates varied widely
- Co-chairing Approach: Common across commissions but controversial in GER due to perceived partiality.
- Stakeholder Engagement: high-level dialogue GER, CZE, and CHL; more directly engagement of workers & citizens in CAN
- **Gender & Minority Inclusion:** gender balance and First Nations involvement in CAN; other commissions less than 30% female participation
- Compensation Plans: All commissions proposed compensations for affected workers, regions, and companies
- Implementation of Recommendations: No clear rules for legislating recommendations; CZE and GER amended the proposed phase-out timelines post-commission
- Post-Commission Negotiations: bilateral talks post-commission for compensation details in GER and CHL









Průběžaé výstupy a doporučení Uhelné komíse



Stakeholder Commissions in phase-out processes



Are commissions a useful tool to govern timely and just phase-outs?

- Commissions **foster social dialogue and inclusive deliberation**, leading to broadly accepted policy proposals for just transitions and structural change.
- Commissions alone may not ensure phase-out dates align with the Paris Agreement; political leadership and ambitious emission targets are crucial.
- Outcomes hinge on **member selection**, with government-picked panels often reflecting the directing ministry's aims and potentially altering recommendations before becoming law.
- To enhance commission processes, measures to level out inequalities are necessary, as well as adaptive mechanisms for rapidly changing market and policy environments.
- Commissions may be perceived as tools for governments to outsource tough decisions and diffuse responsibility, but they can still aid in legitimizing phase-out decisions through increased public debate and support

Stakeholder Commissions in phase-out processes



Key recommendations for the organization of future phaseout processes



A clear **mandate** to be complied with, setting ambitious targets in line with the Paris agreement. Rules on how to and a timeline until when recommendations are implemented as legislation should be planned for from the outset.



Members should also represent several stakeholders that are affected by the decisions but have been overlooked in the past, including younger/future generations and taxpayers as well as representatives of regions most affected from the climate crisis, and should include a fair gender balance as well as representation of minorities.



Power imbalances between members should be corrected for as much as possible and decision structures and institutional processes be made transparent, while providing opportunities for confidential deliberations.





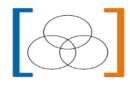
Thank you for your attention!

Alexandra Krumm

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	Germany	Canada	Czech Republic	Chile
Time frame	06/2018 – 01/2019	04/2018 – 12/2018	07/2019 – 12/2020	06/2018 - 01/2019
Mandate	 Date and pathway for phasing out coal mining and power generation. Providing economic and social perspectives for a JT in affected regions. Creating a broad societal consensus surrounding energy- and climate policy-driven structural change. 	 Providing knowledge, options and recommendations on JT pathways for workers and communities. Coal phase-out by 2030 was already agreed. Engaging with stakeholder groups. Mandate tailored to regional needs excluding issues of national relevance. 	· ·	fired plants.
Focus	Coal phase-out pathway and JT.	▶ JT	Coal phase-out pathway.	Coal phase-out pathway and JT.
Members	 31 members (4 chairs) Members from coal regions, energy sector, unions, environmental NGOs, industry, science, and administration. Meetings often included ~100 people with advisors and other participants. 10 women, 21 men. 	 11 members (2 chairs) Members from the labour movement, county councillor, public energy utility, environmentalist, sustainable development expert, workforce development expert. Focus on gender balance and First Nations involvement. 4 women, 7 men. 	 19 members (2 chairs) Members from key ministries and offices, unions and industrial associations, non-profit organisations, regions, the Chamber of Deputies and academics. 1 woman, 18 men. 	 21 members (2 chairs) Members from coal companies, public institutions, industry association, consumer associations, academics, NGOs, civil society associations, municipality, international agency, and the national electrical coordinator. ~1/3 of participants in commission sessions woman (average attendance 44 people).
Mode of operation	 Two working groups: structural policy & support for coal regions, energy and climate policy aspects. Important decisions made behind closed doors in smaller subgroups. More time for fact-finding than for discussions. 1 member not supporting agreement. 	 Directly involving affected citizens and communities, with many community visits and town hall meetings, and (local) expert hearings. High transparency through clear mandate, rules of procedure and adequate facilitation. No final formal vote on recommendations. 		 Five studies were performed to analyse social, environmental, and economic aspects of a phaseout. No final formal vote on recommendations.
Main outputs	 Coal phase-out 2035-2038 and phase-out trajectory. No new coal power plants. €40 billion funding over 20 years dedicated to coal regions in transition. Compensation for utilities. Industry compensation in case of rising electricity prices. Social impacts to be reduced through measures targeting coal workers (e.g. early retirement, retraining). 	 10 recommendations based on seven JT principles. Demands for financial support. JT plan to be implemented by ministry. Social impacts to be reduced through measures such as locally organised transition centres, pension bridging, comprehensive program for retraining and educating workers. 	 Coal phase-out 2038. Periodic review of coal phase-out decisions at least every 5 years. Found a lack of necessary data to quantify potentia economic and social impacts of a coal phase-out or the regions, households and firms, and therefore asks for a continuation of the commission. 	No new coal power plants without CCS.Recommendations for community engagement,
Regional concentration	 Coal industry concentrated in three regions across four federal states. Employment concentrated in rural, economically disadvantaged regions. In 2020 ~20,000 direct jobs. 	 Coal industry concentrated in four provinces and employment concentrated in rural, economically disadvantaged regions. In 2018 ~11,000 direct jobs. 	 Employment partially concentrated in three rural and economically disadvantaged regions. In 2018 ~ 21,600 direct jobs. 	 A small number of municipalities affected by shut down. In 2018 ~ 4,000 direct jobs.
Compensation payments	Many stakeholder interests were met through financial support, e.g., through compensation, infrastructure funding, or transitional payments.	Recommending provision of funding for infrastructure, regional structural support and for affected workers.	 Compensation payments for coal corporations and regions discussed, but no concrete amount agreed on yet. 	 Compensation for power plant operators via a strategic reserve and for conversion of power plants. No payments to regions agreed on.
Implementation law	► Two laws ~1 year after, but several points changed compared to commission's proposal.	Just Transition Act still pending.	➤ Still pending.	Two bills on coal phase-out and climate change still under negotiation.
Likely exit	 2030 (earlier than commission agreement; discussed by new national government) 	▶ 2030	2033 (discussed by government, earlier than commission agreement).	Earlier than 2040.

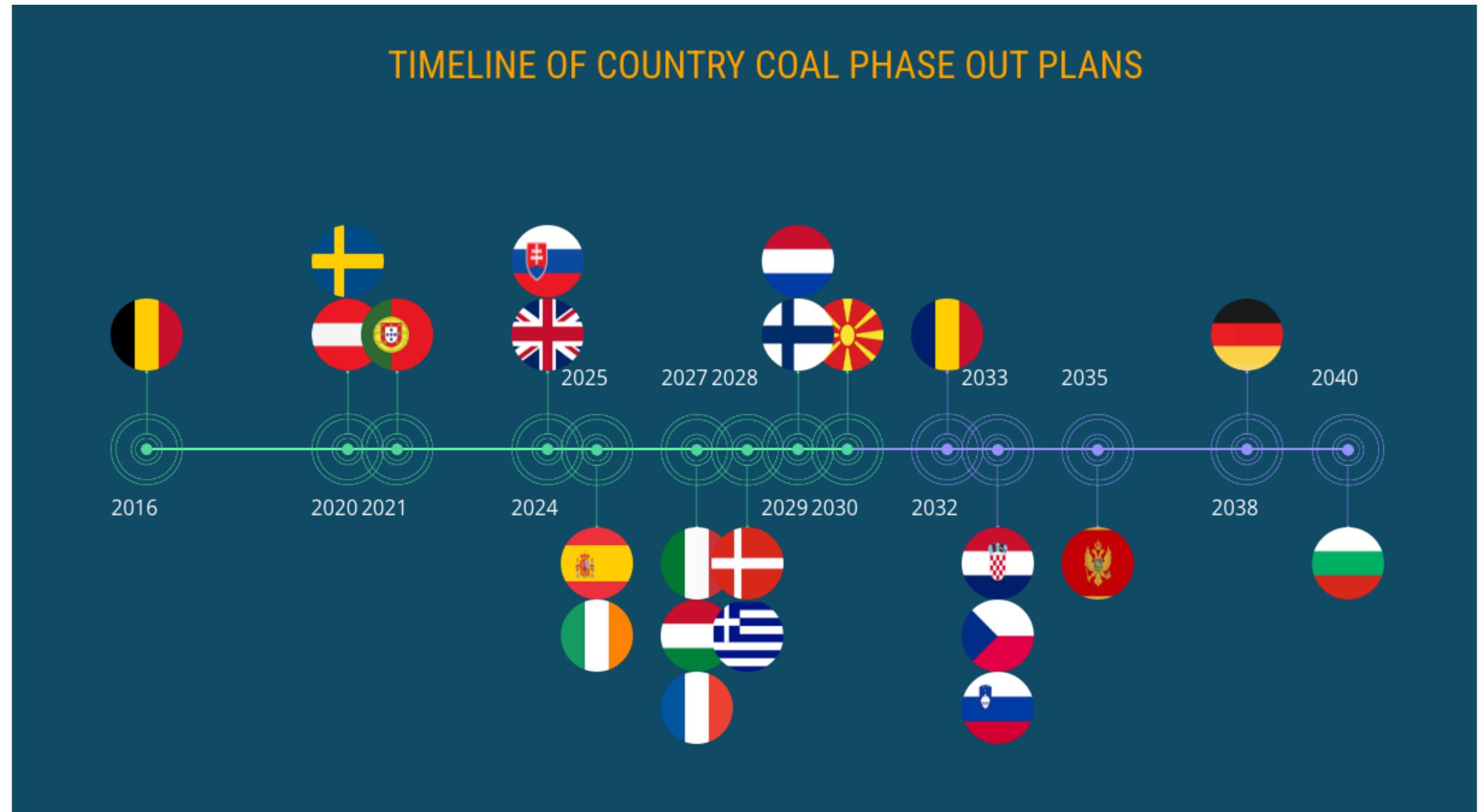
Accelerating ambitious and just coal phase-outs - Lessons from compensation policies

Lola Nacke, Jessica Jewell, Vadim Vinichenko, Avi Jakhmola, Aleh Cherp. Socio-political cost of accelerating coal phase-out. In review.

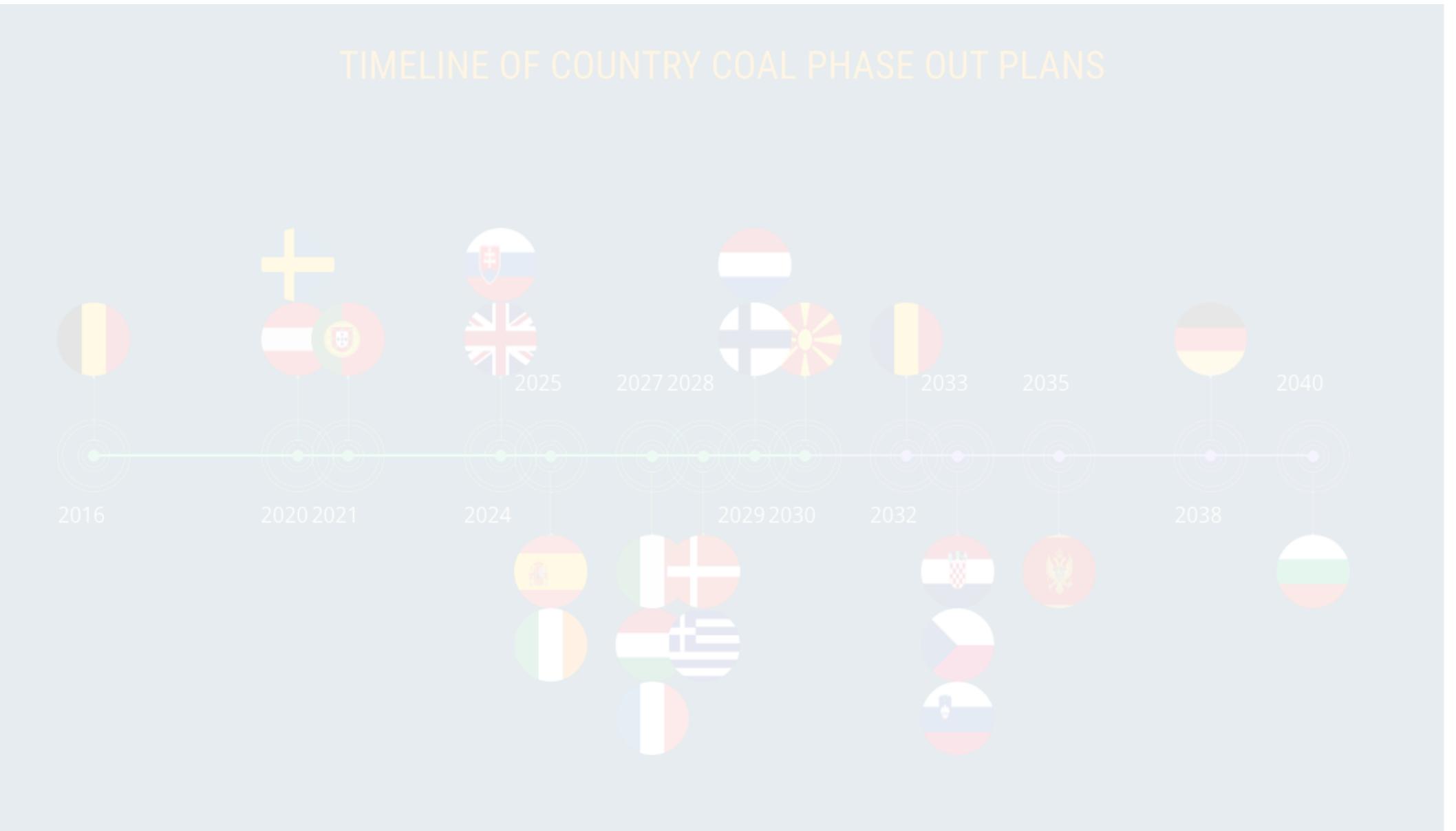
Lola Nacke | Chalmers University 7 February 2024 | CINTRAN webinar























COUNTRY COAL





2000

2032 2038







"we know very well that if we don't have credible just transition policies [...] we will not be able to convince our population to be [...] part of the transition. We have to mobilise funds...we have to mobilise ideas"

(Timmermans 2021)







03 Nov 2021, 13:44 Kerstine Appunn

First stocktake of just transition funding in Germany's coal regions



First stocktake of just transition funding in Germany's coal regions

Spanish coal unions win landmark Just Transition deal



First stocktake of just transition funding in Germany's coal regions





First stocktake of just transition funding in Germany's coal regions





First stocktake of just transition funding in Germany's coal regions





First stocktake of just transition Germany's coal regions

COP26: Indonesia could phase out coal by 2040 with financial help, says minister





First stocktake of just transition Germany's coal regions

COP26: Indonesia could phase out coal by 2040 with financial help, says minister



Transition



First stocktake of just transition funding in

coal regions





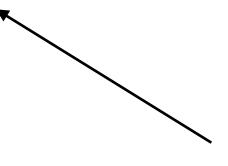
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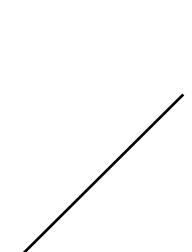


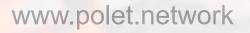


Just Energy Transition Partnership

Spanish coal unions win landmark Just Transition deal





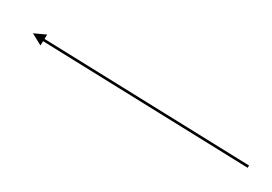




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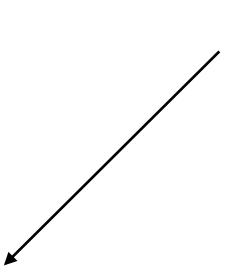


landmark Just Transition deal



 We systematically study all countries that phase out coal:



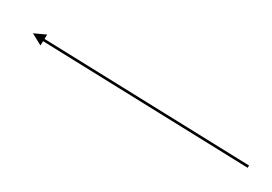




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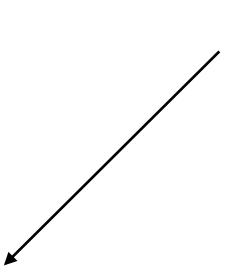


landmark Just Transition deal



 We systematically study all countries that phase out coal:





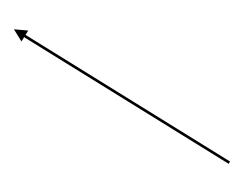


First stocktake of just transition funding in

coal regions

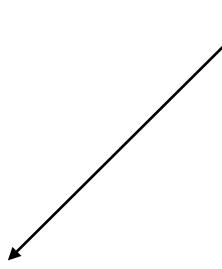


Spanish coal unions win landmark Just Transition deal



 We systematically study all countries that phase out coal:

 Do they pay compensation from domestic or international sources (EU or JETP)?



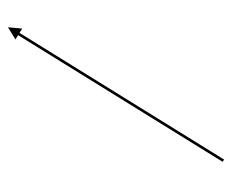


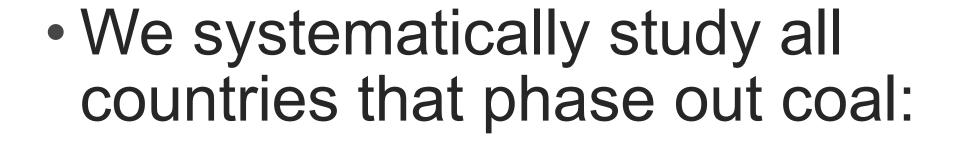
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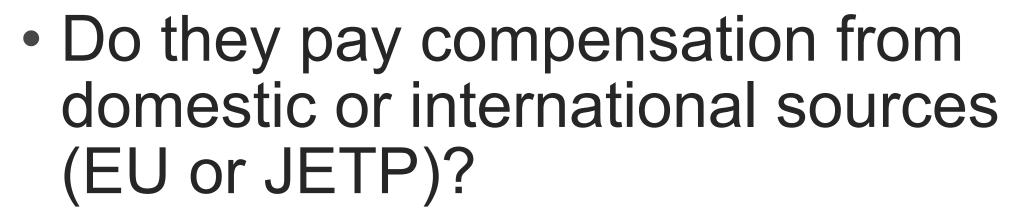
coal regions



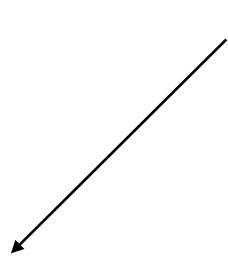
Spanish coal unions win landmark Just Transition deal







 How much is paid? Who benefits from compensation?



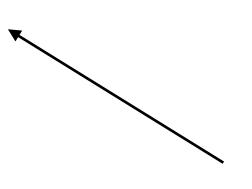


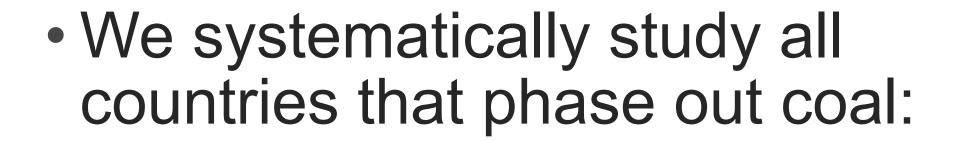
First stocktake of just transition funding in





Spanish coal unions win landmark Just Transition deal

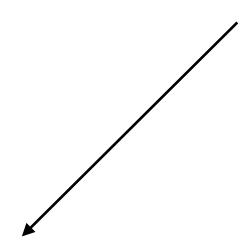














Source: Nacke et al (preprint)

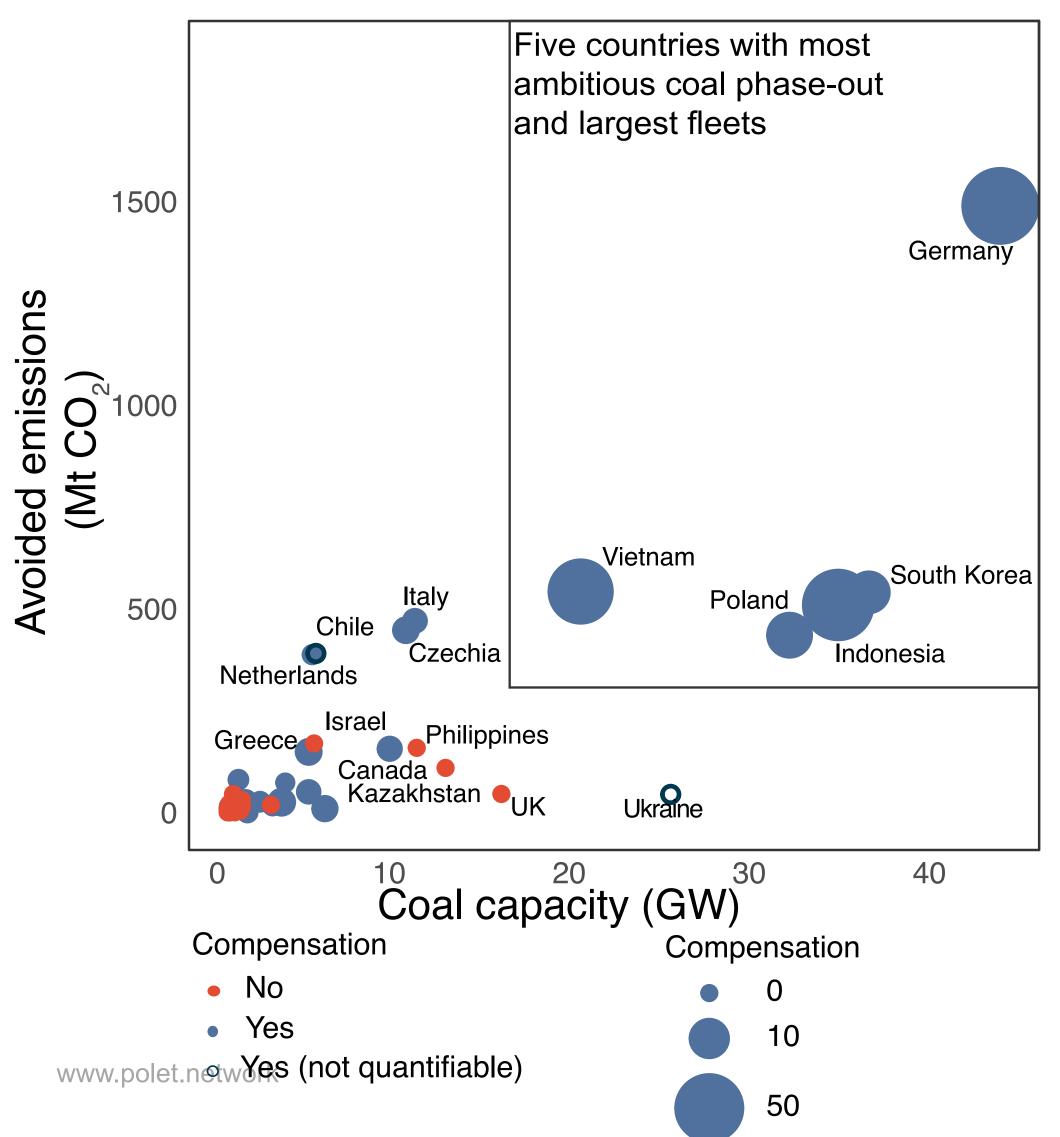


	Nr of countries (without coal mining)	
Phase-out & compensation	23 (3)	
Phase-out, no compensation	20 (11)	

6

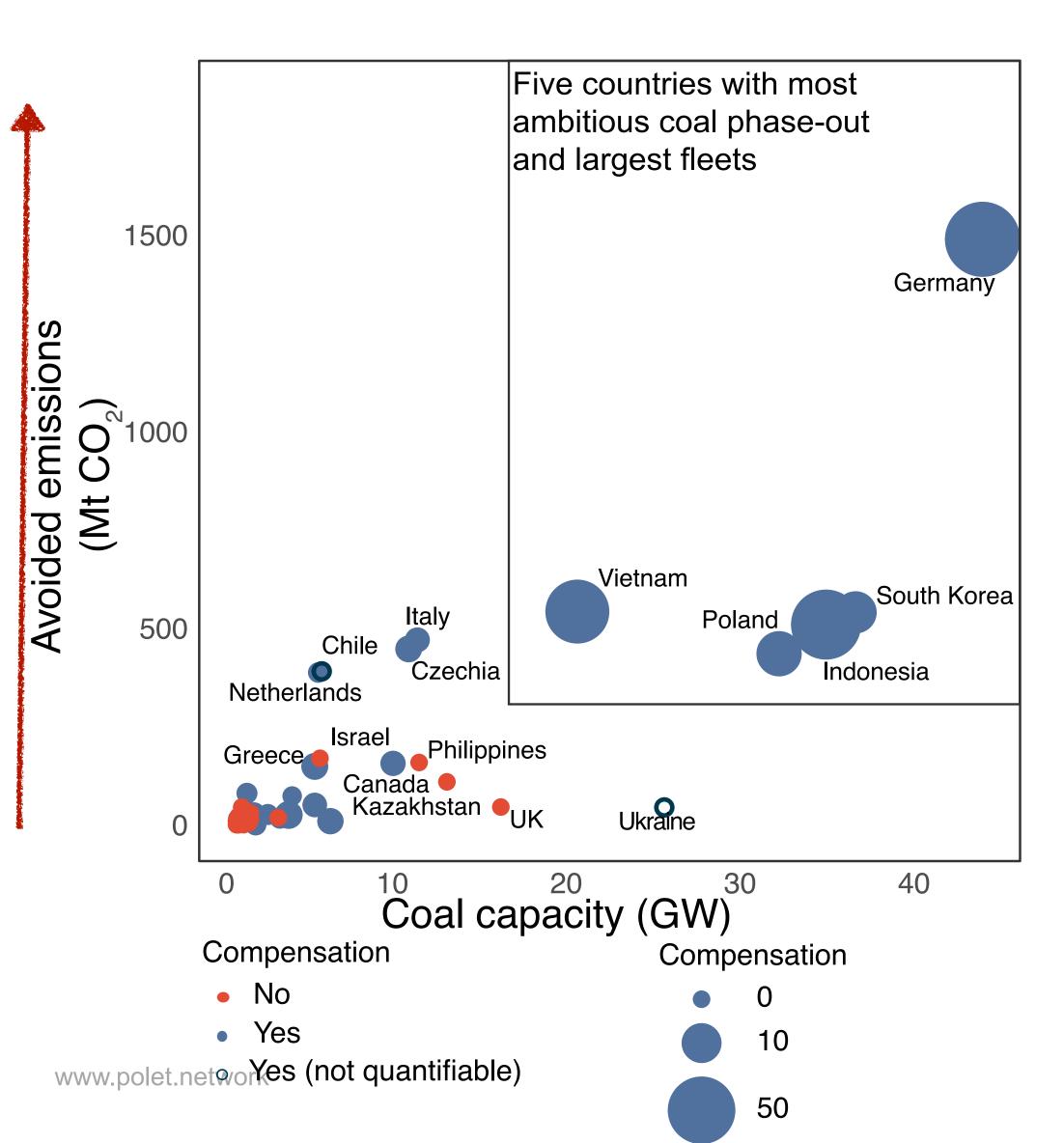
Source: Nacke et al (preprint)





	Nr of countries (without coal mining)	
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Phase-out, no compensation	20 (11)	





Avoided emissions:

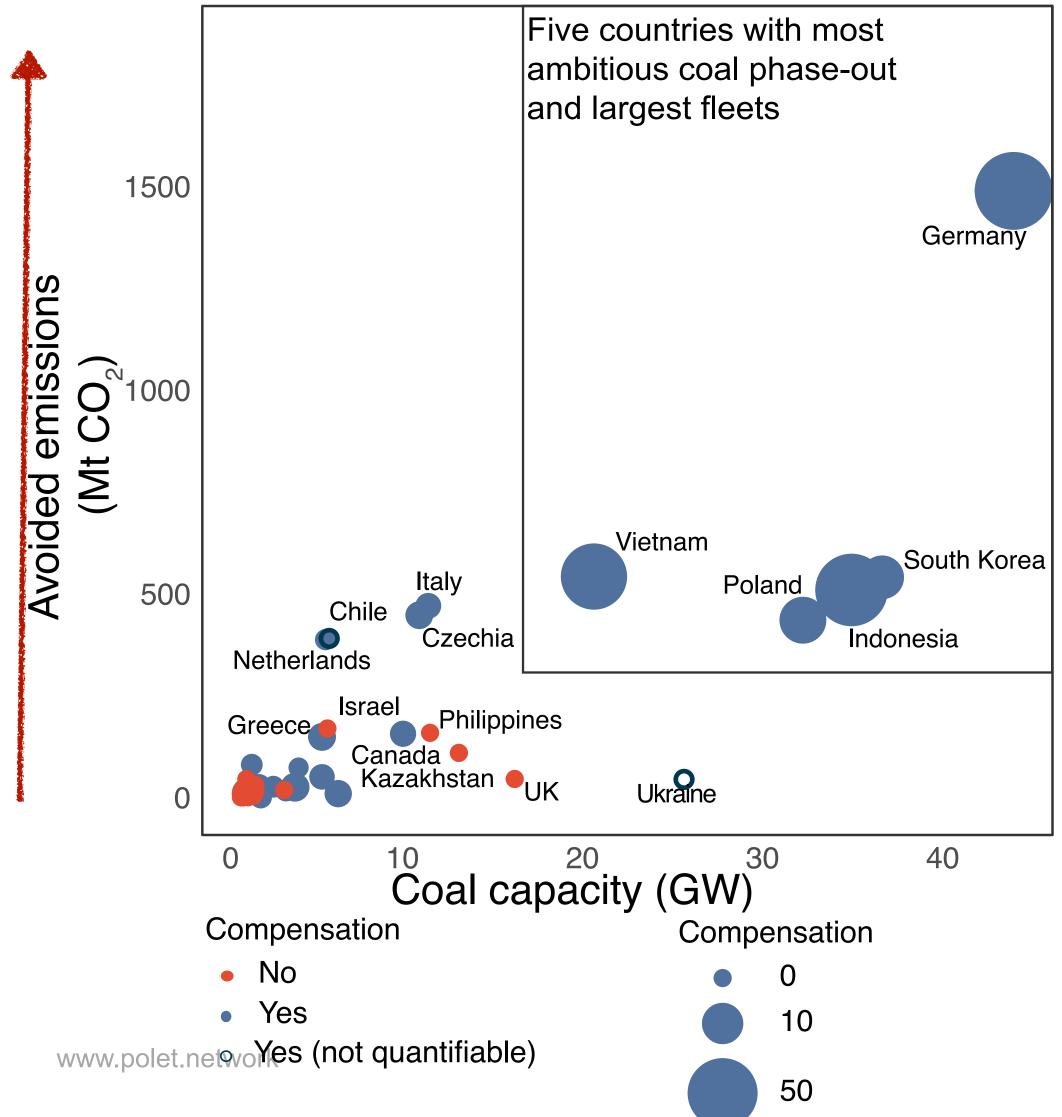
- Reference scenario: coal power plants operate until end of expected* lifetime
- Coal phase-out policy: coal power plants operate until coal phase-out date

 High avoided emissions = Phase-out policy is more ambitious

*National average historical lifetime and standard deviation (Jewell et al 2019; Vinichenko et al 2023)



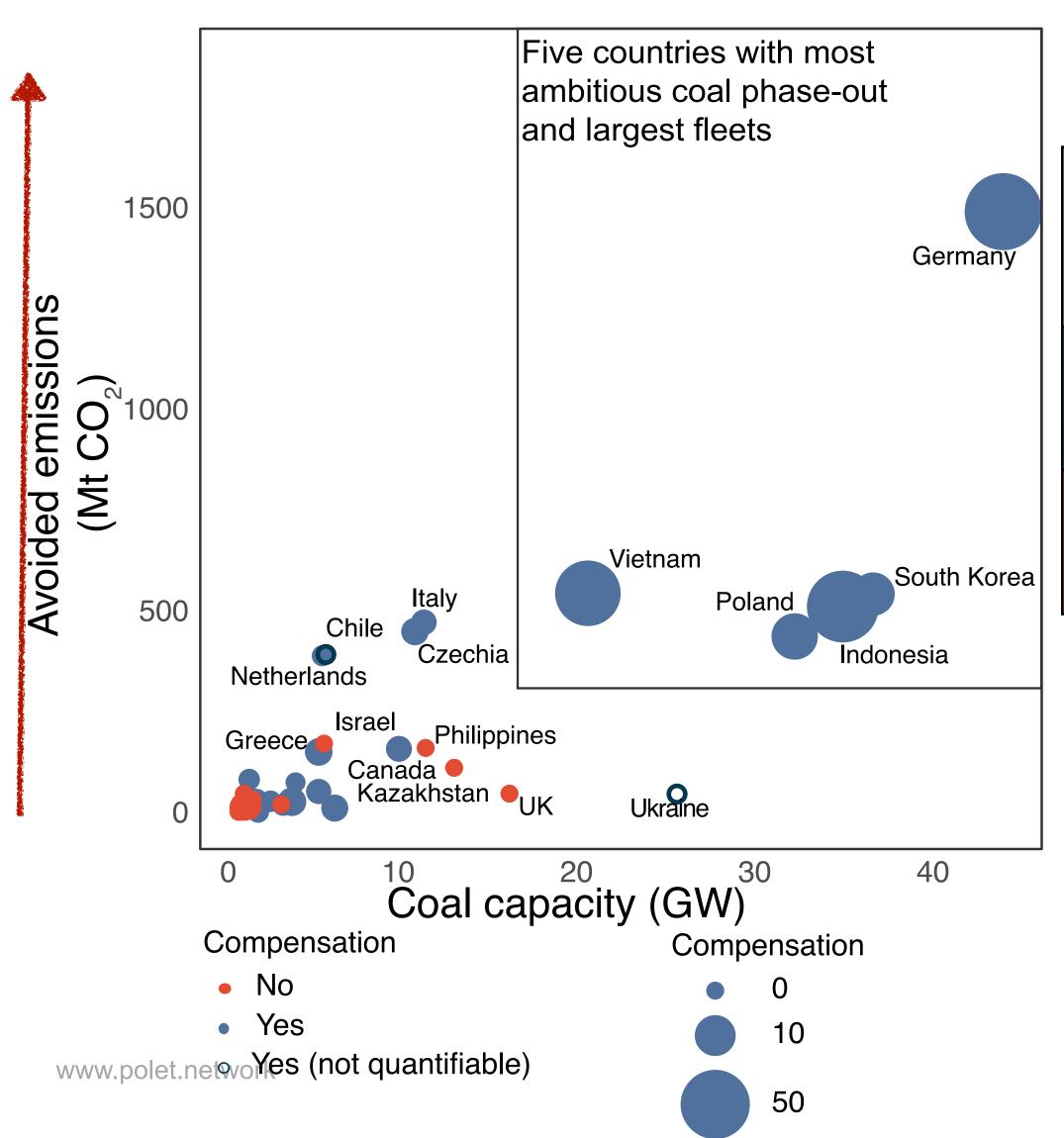
Does compensation enable faster, more ambitious phase-out?



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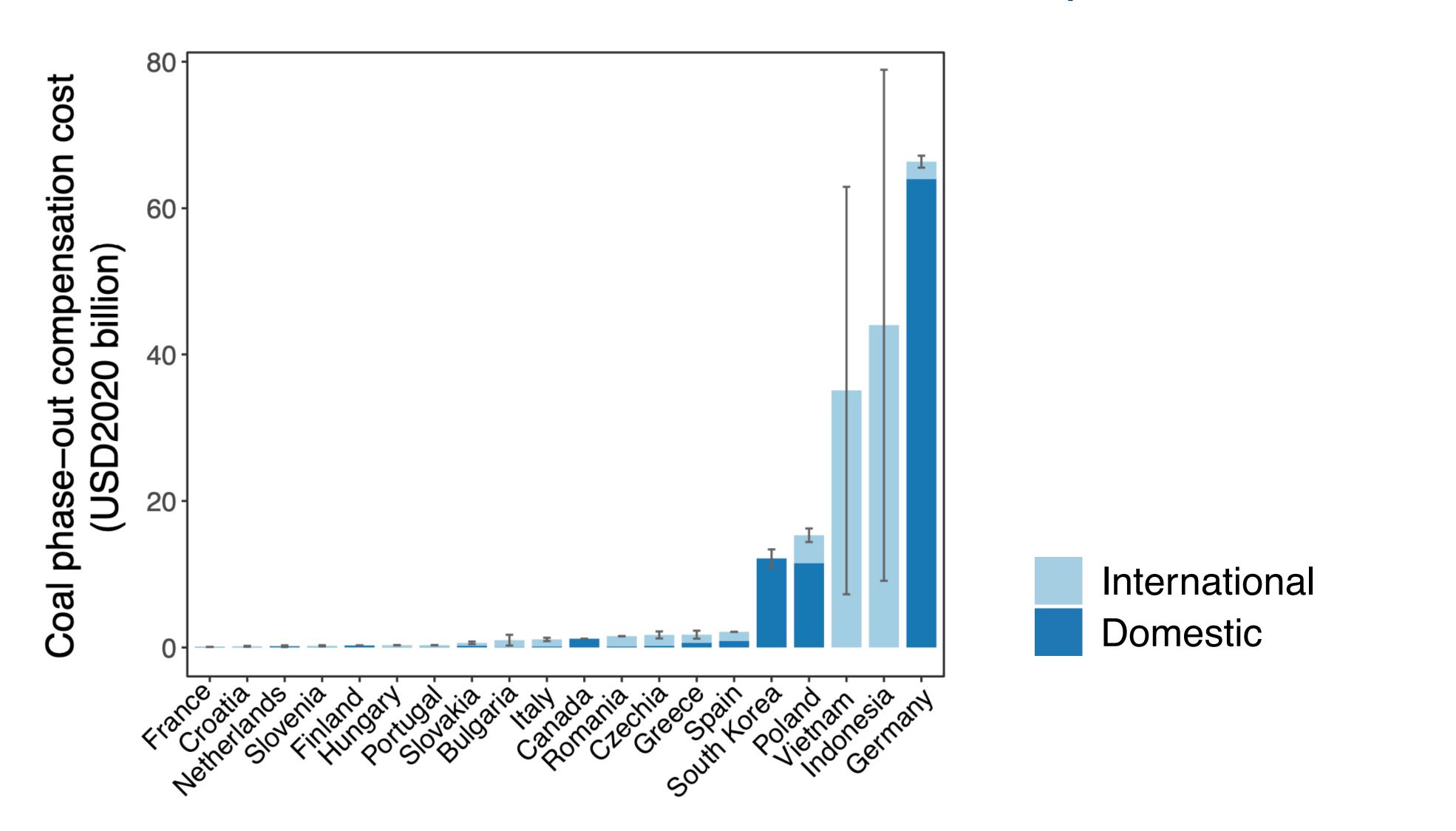
Does compensation enable faster, more ambitious phase-out?



	Nr of countries (without coal mining)	Coal capacity GWe	Avoided emissions Gt CO2
Phase-out & compensation	23 (3)	258	5.8 (4.7-7.7)
Phase-out, no compensation	20 (11)	51	0.7

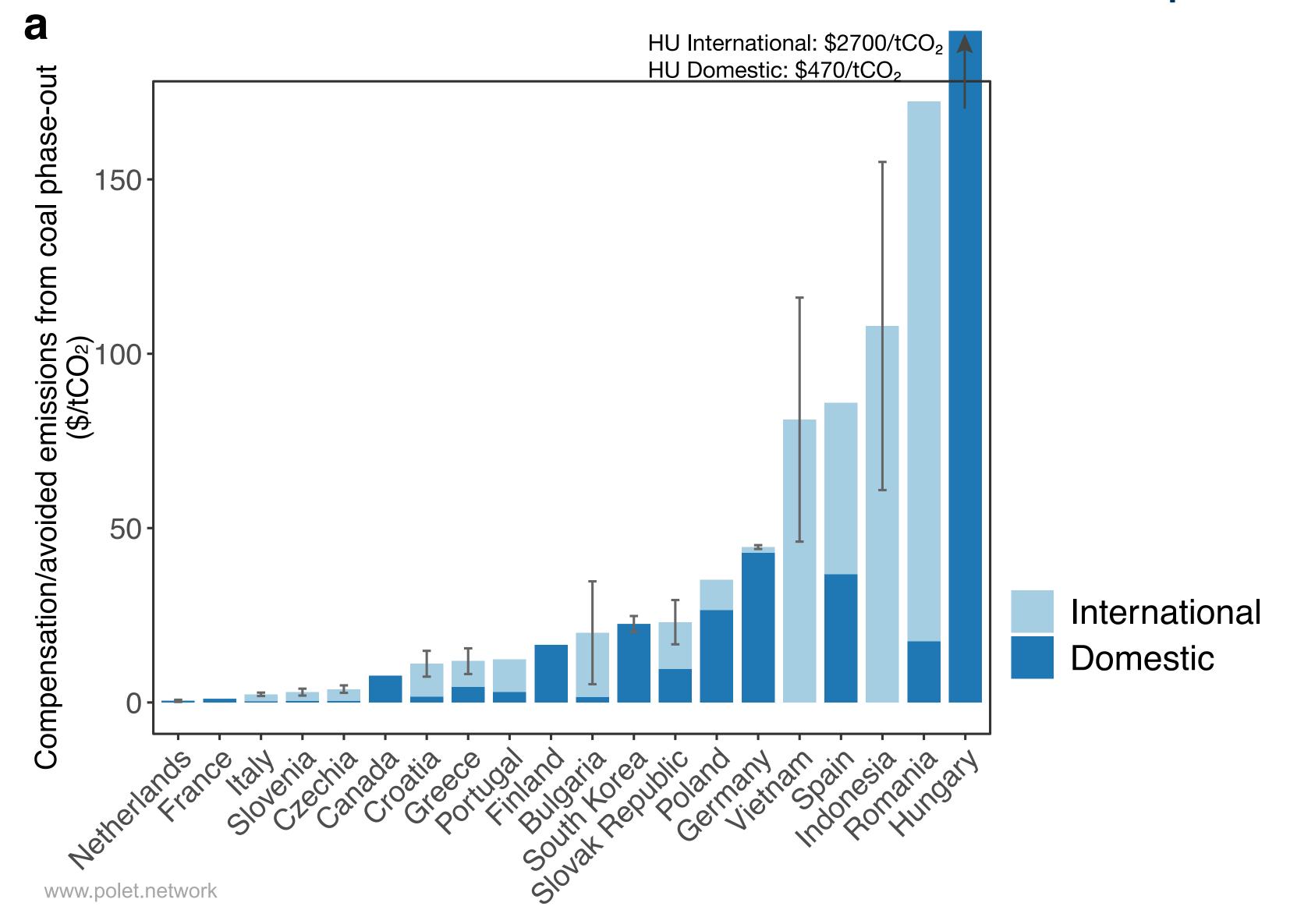


How much does it cost to phase-out coal?





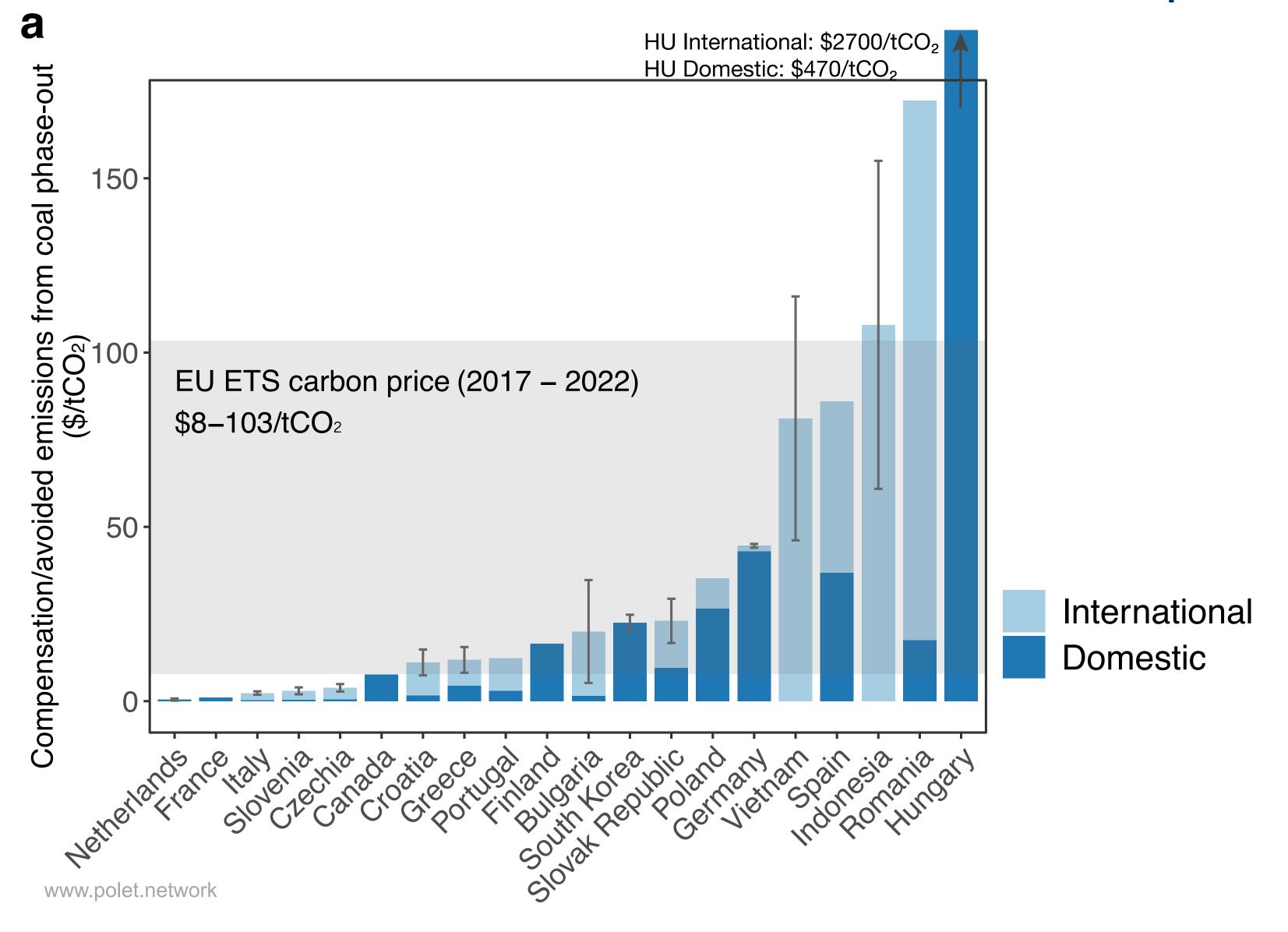
How much does it cost to phase-out coal?



Source: Nacke et al (preprint) 2024-02-07

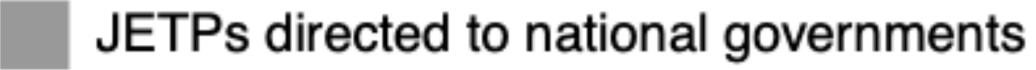


How much does it cost to phase-out coal?





Who benefits from coal phase-out compensation?



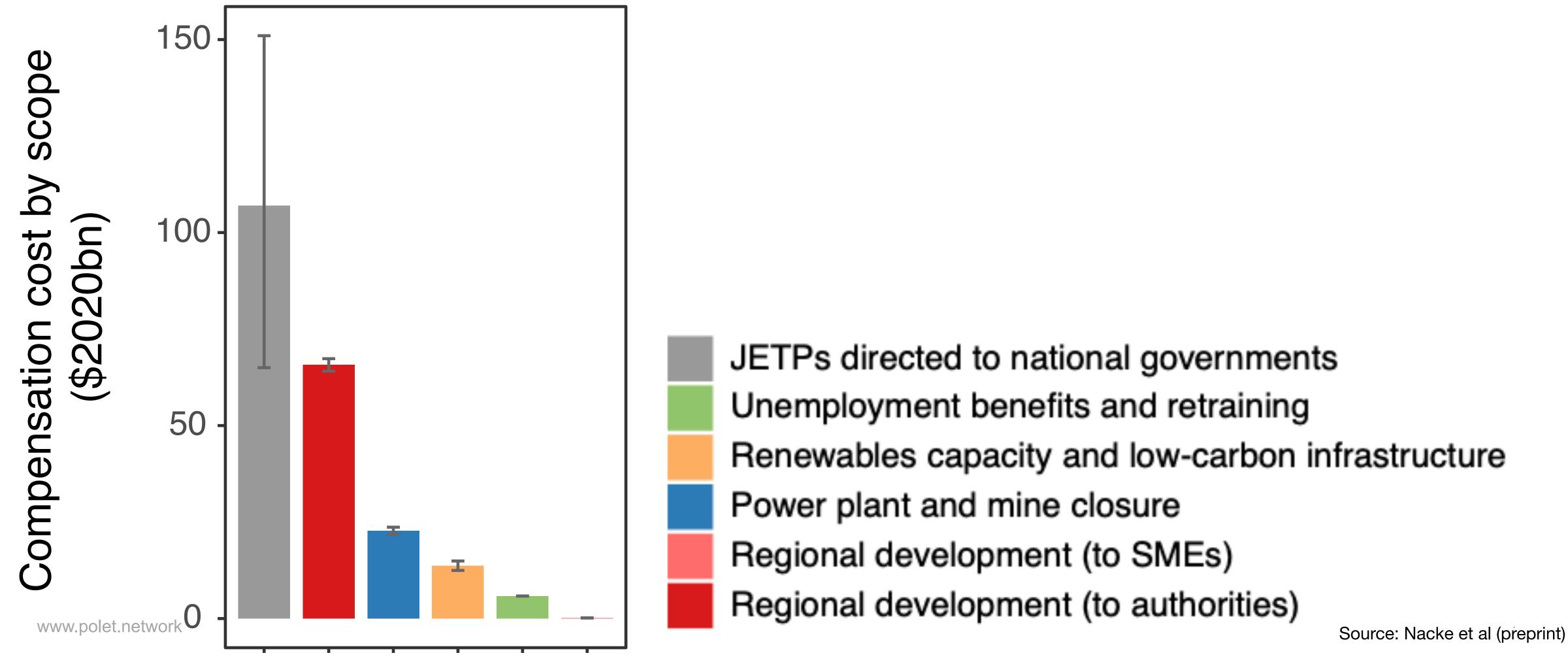
- Unemployment benefits and retraining
 - Renewables capacity and low-carbon infrastructure
- Power plant and mine closure
 - Regional development (to SMEs)
 - Regional development (to authorities)

www.polet.network

Source: Nacke et al (preprint)



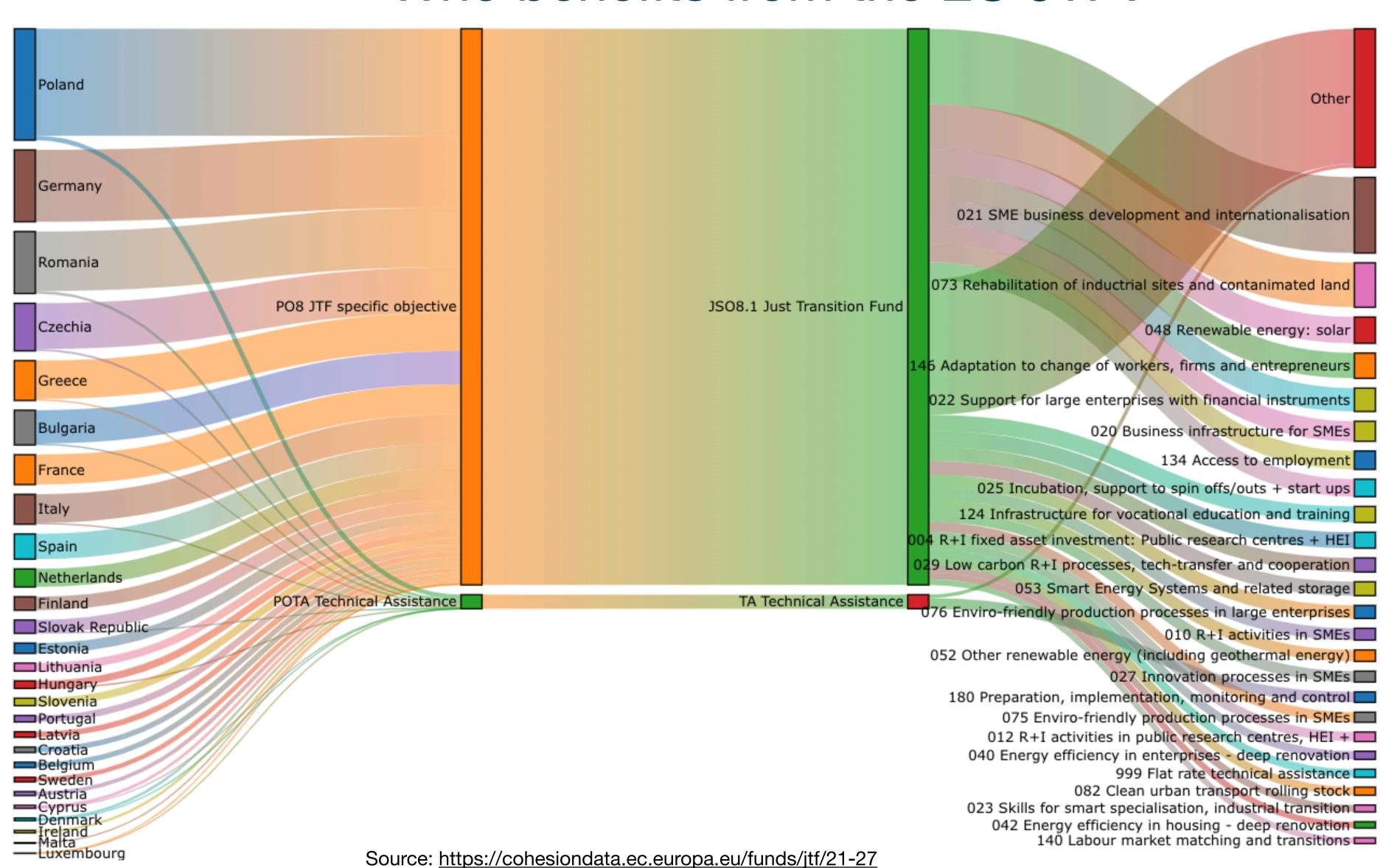
Who benefits from coal phase-out compensation?



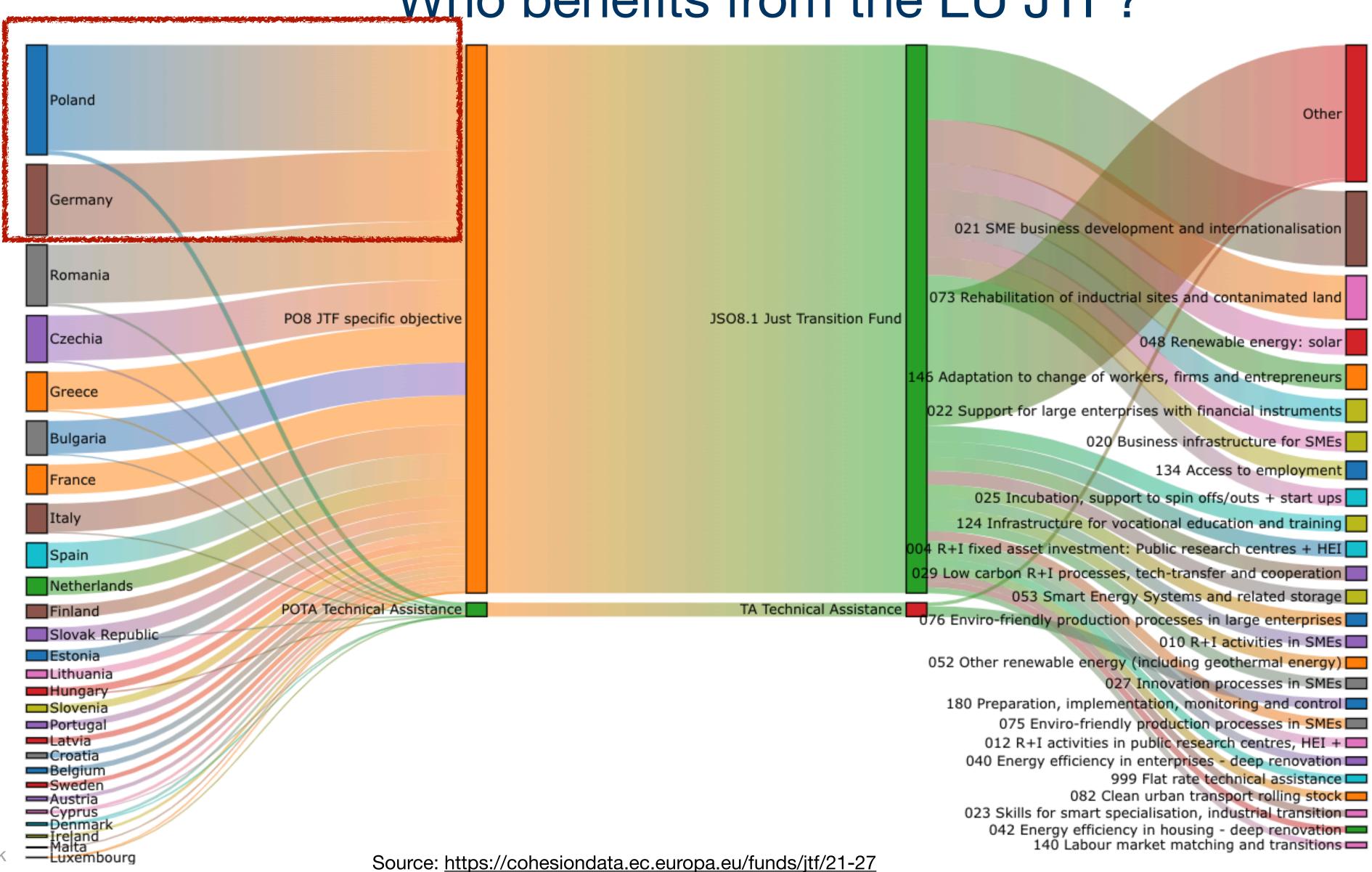


www.polet.network Source: https://cohesiondata.ec.europa.eu/funds/jtf/21-27

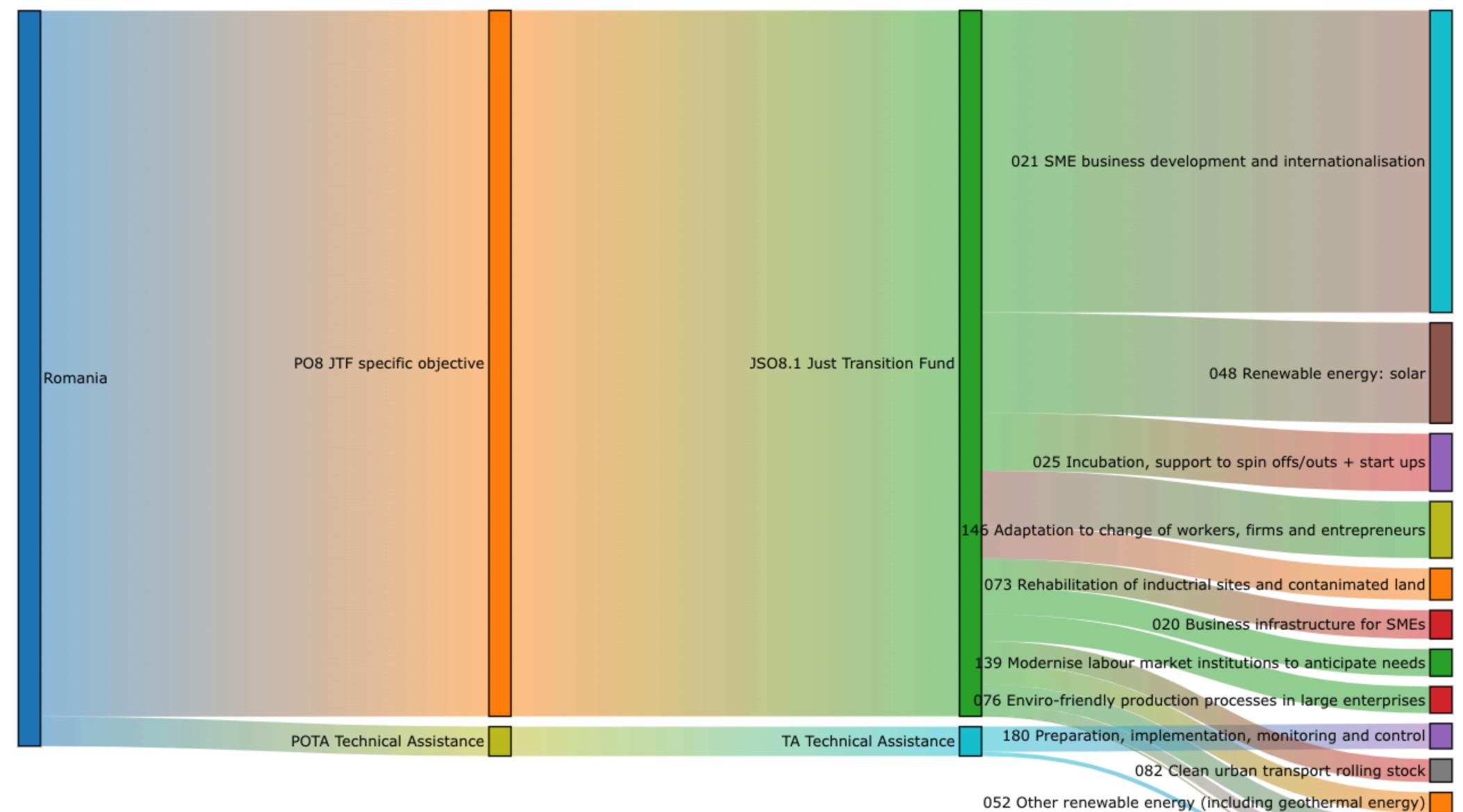






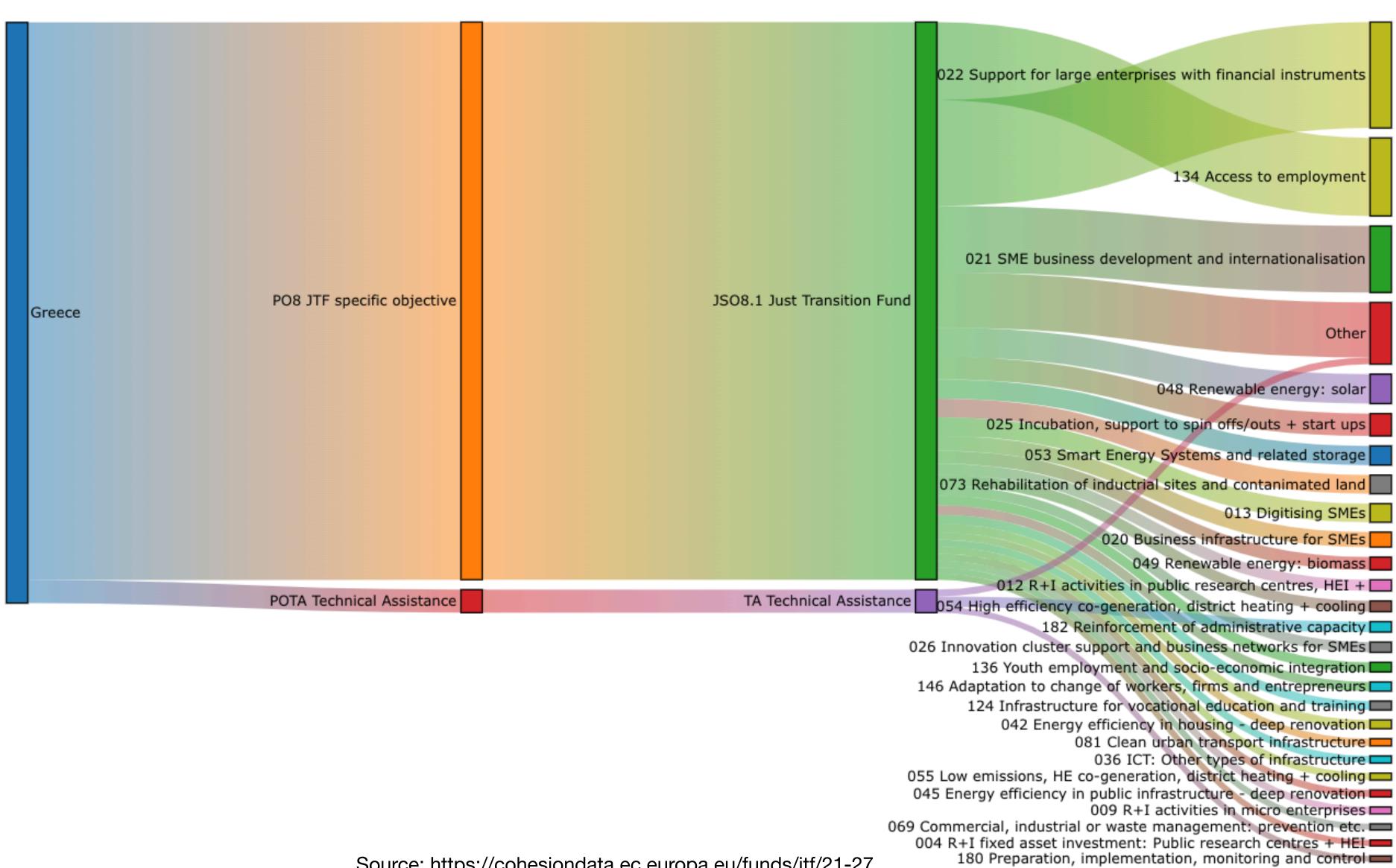






047 Renewable energy: wind







Source: Nacke et al (preprint) 2024-02-07



1. Countries with financial compensation tend to have more ambitious coal phase-outs

Source: Nacke et al (preprint) 2024-02-07



- 1. Countries with financial compensation tend to have more ambitious coal phase-outs
- 2. The cost for coal phase-out per ton of avoided emissions is comparable to the cost of emitting one ton of carbon under the EU ETS

Source: Nacke et al (preprint) 2024-02-07



- 1. Countries with financial compensation tend to have more ambitious coal phase-outs
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- 3. Most compensation is received by countries and regions heavily dependent on coal

Source: Nacke et al (preprint) 2024-02-07



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- Further questions:
 - Will this funding be effective? How will it be used, and how will regions and countries that receive it fare in the long term?
 - Will there be more compensation to other major coal consumers in the Global South
 and how much will this cost?

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Source: Nacke et al (preprint) 2024-02-07