

June 2021

The course of Just Transition in Western Macedonia

Digital Consultation Workshops:
Conclusions and Recommendations



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Cover design: Chryssavgi Daskala

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For citation:

The GreenTank (2021) “The course of Just Transition in Western Macedonia - Digital Consultation Workshops: Conclusions and Recommendations”.

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Executive Summary

The decision to rapidly phase out lignite from all power generation in Greece marked a new era for its lignite areas and resulted in an urgent need to transform their productive model. The key aim of this transition is to ensure not only the economic transformation of lignite areas but also that it will be completed in terms of social justice.

Ever since the decision to phase out lignite, the majority of meetings and events carried out with regard to the Just Transition of the lignite areas have followed a similar trend: representatives of various bodies comment and submit questions, while competent authorities offer answers regarding the specific plans prepared by the government. Nevertheless, the views, ideas, and proposals of bodies and citizens regarding the future of local economies and the implementation of the transition have yet to be discussed or presented in an organized way.

For this reason, and with the intention of contributing to the public debate at the Territorial Just Transition Plans (TJTTPs) elaboration stage, the Green Tank carried out and coordinated two digital consultation workshops, attended by representatives of many different bodies, as well as citizens of Western Macedonia. The aim of both workshops was to create a much needed space for all stakeholders to interact, exchange views, and propose new ideas. This report presents the workshop findings.

The intense concern of the local community regarding the course of the Just Transition was widespread in both digital workshops; several attendees, however, acknowledged that the establishment of a clear timetable for phasing out lignite triggered a targeted debate and the formulation of concrete proposals for the future of the region. The workshops also illustrated that local actors are vigilant and willing to contribute to the quest for a sustainable future. The policy recommendations that emerged address two very specific and critical aspects of Just Transition planning and implementation: the planning content and the governance system.

Regarding the planning content:

- With regard to the current period, it is necessary to immediately and effectively address the social effects of the **first period** of the lignite phase-out; in this aspect, the existing plan was deemed insufficient. It is also important to use the existing funding to address the current social effects.
- The youth of the area constitutes a critical link for a successful Just Transition to the post-lignite period. A particular and timely effort is needed **to keep the region's youth**, as well as to integrate it into development planning.
- The **local factor** must be an integral part of planning. This means that planning should not focus solely on large-scale projects that will attract large investors; instead, it should utilize existing business structures and local research centers/University, as well as provide incentives for their development and proliferation, even if these projects are of a smaller scale.
- It is important to **maintain the energy character of the region**, with an emphasis on Renewable Energy Sources (RES) and energy storage.
- Moreover, the restoration of lignite fields is a critical parameter for the region and **land uses must be defined** without delay and through extensive consultation.

- ***The state's role*** in the post-lignite period as a pilot-investor is crucial in order to ensure the transition's success and to secure necessary investments that the private sector cannot or does not intend to realize.
- Finally, ***the resources*** already planned to be allocated to the transition need to be supplemented by additional national resources. The shift of the development model of the regions that supported for decades the development of the entire country should benefit from the maximum support and funding.

Regarding the governance system of the transition, the workshops highlighted the need for:

- a governance system that is more ***participatory and inclusive*** than the existing one. The more institutions, social groups, and citizens the governance system includes in a structured and transparent way, the more positive the outcomes.
- a ***governance system with a long-term time frame***. The transition process is long, as it is not limited to the duration of a program or a programming period; moreover, it includes many actors and levels of operation and mobilizes not only financial but also social resources. Therefore, the governance system of the transition should not be equated exclusively with the management of financial resources.
- a ***strengthened role of local authorities***, as it is up to the local government to ensure the connection with the local community and to make a decisive contribution to the successful implementation of the transition. In any case, a participatory governance system should give the local government a dominant role, thus, allowing it to contribute to the formulation of the planning content and its implementation, as well as to the strengthening of the two-way feedback channel that should exist among all governance levels.

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I. Introduction

The decision of a forward-bearing lignite phase out in all power generation in Greece marked a new era for its lignite regions. For the first time, the definite and immediate retirement of lignite plants was set with a clear and specific timetable; this resulted in an urgent need to both transform the productive model and seek a new sustainable economic model for the lignite regions. Nevertheless, the economic transformation of lignite regions must not only be completed, but also must be implemented in terms of social justice.

Since the lignite phase-out announcement in September 2019 until today, 20 months later, there have been many developments both at European and national level. Most importantly, the first steps have already been taken to formulate the plan for the post-lignite period, while local communities are already suffering the consequences of lignite unit retirement.

This report aims to broaden the information provided regarding the course of the transition in Greece, as well as to propose policies to be implemented in the next period; these have been formulated by the views of citizens and selected stakeholders in Western Macedonia.

Digital Consultation Workshops

The Digital Consultation Workshops were carried out on 12 and 19 May 2021 by the Green Tank, as part of its initiative to creatively contribute to a true Just Transition of the country's lignite regions. They were carried out during a critical period, as Greece is preparing the Territorial Just Transition Plans (TJTTPs) and is putting into consultation the draft Concept Paper of the Just Transition Development Program (PDAM) 2021-2027.

In an effort to create the necessary space for all stakeholders to interact, exchange views, jointly evaluate the course of the transition to date, and propose new ideas, the workshops were attended by representatives of local government, lignite villages, local businesses and productive bodies, academia, and civil society.

The aim of the Digital Consultation Workshops was to assess the progress of the transition to date, as well as to highlight policy recommendations that are absent or not sufficiently included in the public debate. The workshops not only created a space for all views to be heard, but, at the same time, promoted the interaction of local bodies, so as to allow for collaborations and synergies to emerge.

In order to achieve this goal, the workshops -2.5 hour long each- focused on two themes:

- a) the content of planning, and
- b) the governance system.

These two themes were explored by assessing the course of the transition to date and putting forward proposals for the future, in two separate rounds of discussions, entitled:

- a) So far, how?
- b) From now on, what?

The participants of the Digital Consultation Workshops were informed of the workshop dates early on; several days ahead, they were also provided with the issues to be discussed, as well as

with information material for each theme. This material included a description of the current situation, along with links through which participants could obtain additional information. At the beginning of each seminar, there was an introductory presentation by the Green Tank, which listed the key issues (data and developments) of each theme, which were to be deliberated by the participants. Before each round of discussions, questions were asked in the form of an electronic poll, in order to obtain an initial assessment of participant views. The participants were then divided into smaller groups to discuss the same issues for the same amount of time. The discussion was open but structured. The basic elements of the discussion in the groups were then presented to all participants, allowing time for additional comments. Finally, the workshop findings were recorded by the Green Tank team and were sent as a draft of this report to the participants, in order for them to submit their comments.

We believe that the consultation process described above can serve as a model as it illustrates the prospects that an organized and coordinated consultation can have with regard to Just Transition at a local level. Following workshop completion, all attendees completed an evaluation of their experience, with very positive results; in fact, participants proposed additional topics of interest to be included in future workshops.

The following sections present the findings of the two workshops per discussion cycle; in the final section, specific recommendations are formulated, based on the analysis of all the data collected and the submitted proposals.

II. Planning content

This section focuses specifically on the Just Transition planning content with regard to Western Macedonia. The provisions of the strategic and program texts were evaluated, and planning recommendations were formulated with regard to the next period.

A description of the existing situation

In September 2019, the Greek Prime Minister announced, from the UN podium in New York, Greece's decision to completely phase out lignite by 2028, at the latest. This is the first time that the definite and immediate retirement of lignite plants was set clearly and on a specific time schedule. Since the announcement until today, 20 months later, there have been many developments both at European and national level¹.

The decision to phase out lignite was followed by Greece's Public Power Company (PPC) business plan, which included the withdrawal of all existing lignite plants by 2023, except for "Ptolemaida V", which is under construction and scheduled to close by 2028. This was also reflected in the National Energy and Climate Plan (NECP), which was submitted to the European Commission in December 2019. In April 2021, PPC announced the conversion of Ptolemaida V into a different technology by 2025, essentially moving the deadline of phasing out lignite in Greece from 2028 to 2025, namely three years earlier than planned.

At the same time, the European Green Deal, the new European development strategy, has set climate neutrality by 2050 as its key goal, ensuring that this transition be just and inclusive. In order to support the regions that will be most affected by the green shift sought in the European economy, a special Just Transition Mechanism² was introduced in January 2020 in the context of the European Green Deal, which concerns not only the lignite regions, but all EU-27 carbon-intensive industrial regions. The mechanism, through which approximately €100 billion is expected to be leveraged for the period 2021-2027, is based on three pillars: 1) the Just Transition Fund (JTF), 2) InvestEU, the loan and guarantee program for private investment, and 3) public sector loans with the support of the European Investment Bank (EIB).

With regard to Just Transition in Greece, a Government Committee was formed in December 2019; the elaboration of the main Plan for a Just Development Transition in the post-lignite era was assigned to the Just Development Transition Plan (SDAM)³ Coordinating Committee, chaired by Mr. Kostis Mousouroulis.

The Just Development Transition Plan (SDAM), also called 'Master Plan'⁴, was initially presented to the two lignite regions in September 2020, followed by a public consultation. It documents the vision for the next day of the lignite regions, and includes: a record of potential public and private investments and the benefits these shall bring to local communities; anticipated employment opportunities; the incentives and the financing plan of the transition; and other plans that need to be prepared, such as those regarding spatial planning and new land use

¹ See additional information regarding the period 2015-2020 in Green Tank's report, entitled "[Just Transition: History, Developments and Challenge in Greece and Europe](#)".

² European Commission. 2021. Just Transition Mechanism, <https://bit.ly/2SKuLy1>

³ SDAM. 2021. <https://bit.ly/2S8dgYm>

⁴ SDAM. 11.12.2020. Updated Master Plan for the Just Development Transition of lignite regions. <https://bit.ly/3vX4Fq4>

planning of the areas that will be restored. The SDAM identifies five main pillars on which Just Development Transition will be based and which will contribute to the transformation of the region's productive model: clean energy; industry, manufacture and trade; smart agricultural production; sustainable tourism; technology and education. At the same time, horizontal actions will be implemented, such as: infrastructure development (both physical and digital); workforce reskilling; incentives and alternative land uses; and entrepreneurship guidance.

The SDAM was followed in March 2021 by the presentation of the Territorial Just Transition Plans (TJTTPs)⁵, separately for Western Macedonia, Megalopolis, and the islands of the North and South Aegean and Crete. According to the Just Transition Fund Regulation, the TJTTPs constitute a prerequisite for the disbursement of JTF funds and must specify each region's transition needs, expected investments, the resources to be allocated, and the governance mechanism of the transition.

The TJTTP for Western Macedonia⁶ describes the transition planning specifically for the region of Western Macedonia. In particular, it identifies the areas most affected by the lignite phase out, assesses the impact of the transition, and captures the needs, and development goals, strengths, and opportunities. Moreover, it provides indicative eligible activities for each of the pillars formulated in the Master Plan.

Funding is a key element of transition planning. With regard to Greece, the Just Development Transition Program (PDAM)⁷ for the period 2021-2027 is the main programming text for the implementation of the entire country's Just Transition plan, namely the TJTTPs of Western Macedonia, Megalopolis, and the islands. Its budget is expected to reach €1.6 billion, which results from the €755 million of JTF funds⁸ corresponding to Greece (adjusted to current prices), supplemented by resources from the European Regional Development Fund (ERDF) and the European Social Fund (ESF+), which amount to approximately 67% of JTF resources, and 15% national funding. In addition to the PDAM, additional resources amounting to € 242 million are expected from the Recovery and Resiliency Fund⁹, exclusively for land restoration and land use planning, with regard to 6,000 hectares of lignite fields in Western Macedonia and Megalopolis.

With regard to the period 2020-2023, the Special Transitional Program for Just Development Transition (EMPDAM)¹⁰ has been formulated in order to cover the immediate needs of the transition until the full activation of the Just Development Transition Program for the period 2021-2027. The EMPDAM utilizes resources of the NSRF 2014-2020, the Green Fund, and other financial sources.

So far, how?

In this section, participants discussed the planning content of the transition to date. Initially, they were asked to rate their overall satisfaction with the just transition planning content; most answered that they are 'a little' to 'quite' satisfied (43%), as shown in Figure 1. At the same time,

⁵ SDAM. 2021. Territorial Just Transition Plans. <https://bit.ly/3yONxV7>

⁶ SDAM. 02.2021. Territorial Just Transition Plan for Western Macedonia. <https://bit.ly/3icBfR2>

⁷ SDAM. 04.2021. Just Development Transition Program 2021-2027, Concept Paper. <https://bit.ly/3uQhGkg>

⁸ Amounting to €830 million in 2020 prices.

⁹ Greece 2.0. 02.04.2021. National Recovery and Resilience Plan. A Detailed Description of Actions. <https://bit.ly/2Qj4xBQ>

¹⁰ SDAM. 2021. Special Transitional Program for Just Development Transition (EMePDAM) for the period 2020-2023. <https://bit.ly/2RdAmMO>

however, they believe that the existing planning cannot provide the desired shift towards a different development model for lignite regions (53%), as shown in Figure 2.

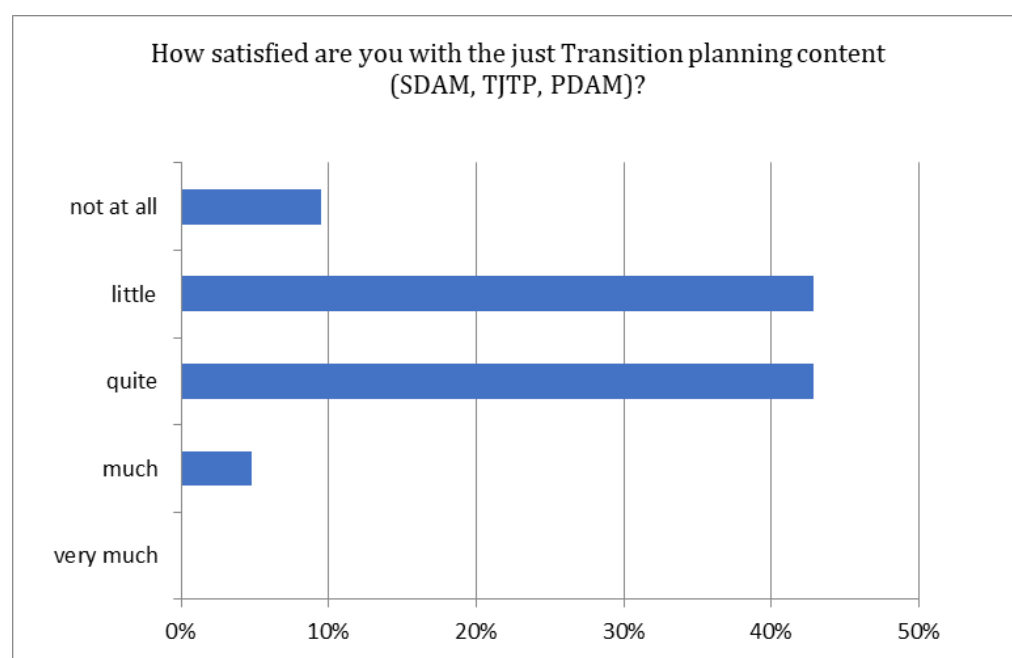


Figure 1: Participant satisfaction regarding just transition planning content

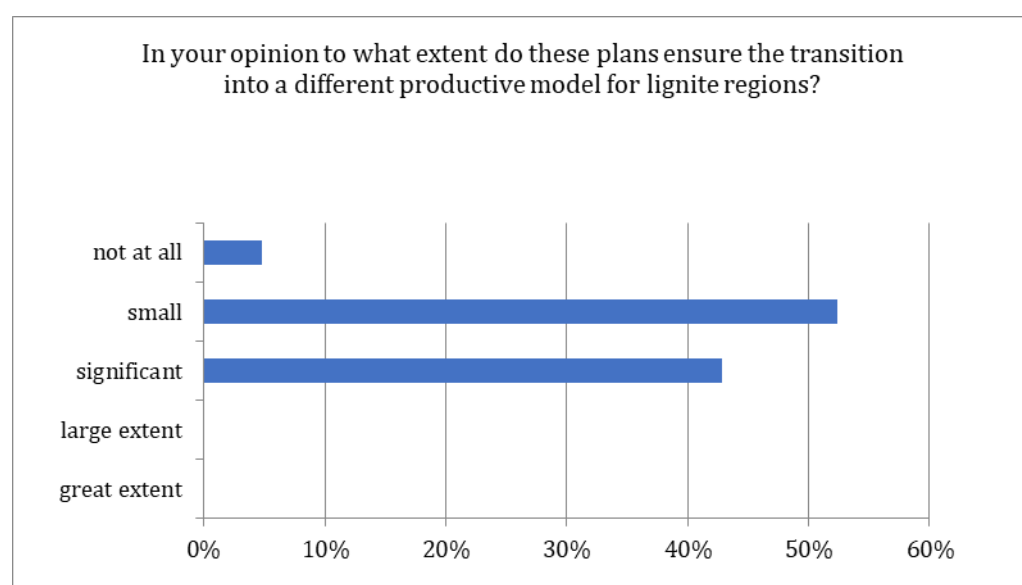


Figure 2: The plan's potential to transform the lignite regions' productive model

In the discussion, participants were invited to express their views by answering the following questions:

1. What is the most positive and the most negative element of the planning content (SDAM, TJTP, PDAM) to date? What satisfies you the most and the least?
2. Do you believe that there is a correlation between investments and available resources? Are the planned resources sufficient?

The discussion produced the following findings: First off, several participants acknowledged the fact that the Prime Minister's announcement in 2019 set a clear timetable to phase out lignite, which, in turn, triggered a targeted debate. This stands in stark contrast to the past, where the

growing concern regarding the region's future -in the prospect of lignite plant retirement- never evolved into a true planning process. Now it is recognized that planning is under way, a coordinating committee is in place and a concrete European funding framework is presented. In fact, the speed with which Greece adopted the European guidelines is considered unprecedented.

The technocratic character of the existing planning is regarded as positive; moreover, as many pointed out, the ambition therein raises the expectations of that a different future will be secured in Western Macedonia in the next five years. Indeed, the next-day vision is based on five key development pillars that cover a wide range of activities and prospects, including the energy sector, in which Western Macedonia has infrastructure and know-how, as well as the primary sector that constitutes a traditional yet promising field of employment in the region.

On the other hand, it was pointed out that the existence of planning alone does not ensure a sustainable development model and a Just Transition. The participants stressed that the transition process in Western Macedonia is not an issue of the future; it is already happening today. Several lignite plants have already closed, thousands of jobs are being lost, and the inflow of resources in the region of Western Macedonia is disproportionate to plant withdrawal and the consequent void in the job market. The fact that the planning for the post-lignite period was delayed took away the opportunity to provide incentives to redirect activities and hindered the exploration of other forms of regional development, which could have been indicated by local businesses. Such suggestions had no room to grow amidst lignite activity and PPC dominance in shaping the productive model of the region. Also, the existing planning was prepared centrally, without focusing on local solutions and suggestions (lack of place-based approach); it therefore does not take into account existing local entrepreneurship and investments, nor their prospects and potential contribution to shifting the productive model of the region. Planning focuses on large-scale projects, and not on smaller investments that may have a local character. For instance, in the field of smart agriculture, the plan provides for the implementation of large-scale hydroponics projects instead of assisting local farmers in adopting smart agriculture systems. ***In other words, a special regime is missing that will support local actors, rather than only focusing on attracting investments.***

Furthermore, numerous participants brought up the ***current lack of a convincing and coherent emergency transitional plan that would address the existing social consequences of phasing out lignite.*** While the Special Transitional Just Transition Development Program for the period 2020-2023 has been drafted, it is not being implemented and has not yielded any results to the local community. The programs announced by the Greek Manpower Employment Organization (OAED) have not yet been implemented, while their content is still unknown. In addition, a decline in population has already been observed, while, to date, no measures have been implemented to curb GDP and retain jobs. It will take 4-5 years for the SDAM to start being implemented and have a positive effect on the local economy; this leaves both a significant gap in the development course of the region and room for the social consequences to escalate.

Moreover, the methodology used for both the selection of the five key pillars provided in the SDAM and the calculation of each pillar's weighting on the planning content have raised concerns. The existing plan does not clearly reflect the principles of proportionality, efficiency (cost-benefit ratio of investment), subsidiarity, differentiation (adaptation to local needs and regional characteristics), or the plan's redistributive nature.

Furthermore, the current plan does not provide a clear timetable for the development process, nor does it entail a specific mechanism for potential entrepreneurs to utilize the available funds, thus exacerbating insecurity. Also, the role of the state as a key investor is not reflected in the plan, even though it should be the pilot-investor in a transformation of such a scale.

On a different note, the majority of participants are particularly concerned with land restoration. According to the SDAM, land restoration shall be completed in a short period of time; this forecast, however, is not consistent with international experience and literature, which indicate that land restoration may take up to 50 years. The concepts of land reclamation and land restoration must also be distinguished. At the same time, the regional spatial plans, and the TJTP, allow for new land uses in areas that have already been assigned to or committed by investments -mainly by PPC, while their exact size and restoration needs have yet to be determined. Finally, to date, there has been no provision for land restoration in lignite villages and in areas that are not owned by PPC.

Certain participants emphasized that the current planning might not ensure a Just Transition, due to (a) the lignite phase-out schedule, which is unjustifiably tight and aggressive, despite the fact that the climate neutrality target is set for 2050, (b) lignite's replacement by fossil gas, which, as a fossil fuel cannot guarantee a shift to sustainability, and (c) the strong social consequences that have yet to be addressed (unemployment, emigration, etc.). The plan's sustainability is also at risk due to the fact that it does not provide for a balanced development of different sectors. For instance, the aggressive and disorderly expansion of RES in Western Macedonia tends to replace the monoculture of lignite at the expense of both the region's primary production and forest protection; therefore, it constitutes an unsustainable model that also does not include the local community. The lack of spatial planning for RES development, especially in the Region of Western Macedonia, only makes matters worse. Finally, several participants noted that planning should give greater impetus to the development of energy storage projects, in order to enhance the parallel development of RES.

Numerous participants pointed out that the planning content lacks a distinct and concrete agenda with regard to the region's youth. Clear incentives and strategy are needed, in order to provide the young people –those who will be called upon to implement the transition plan- with the resources to breathe new life into the former lignite areas. Vague announcements will not suffice to keep them in the area and include them in the transition process.

As pointed out by the workshop attendees, another shortcoming of the planning lies in the fact that tourism, albeit constituting one of the pillars provided in the SDAM, is not included in the TJTP. As this is a sector with great development prospects in the region, it should be strengthened. In fact, it could be combined with alternative development prospects provided by the region's special natural environment and the agri-food sector (e.g. agri-tourism, oeno(wine)-tourism, gastronomic tourism, cycling tourism, etc.).

With regard to the available funds, several participants pointed out that the availability and absorbency of resources constitute a critical factor for the success of the planning in the post-lignite period. Clearly, the region will be in need of multiple investments; thus, the past trend of failing to absorb and utilize funds must be overcome.

In fact, certain participants stressed that private investment in particular should be further strengthened. Moreover, even though the new incentives provided by the SDAM and the increased aid allocated to the regions are both acknowledged and deemed as positive steps,

they are not yet applicable. This, combined with the bureaucracy that significantly delays processes, might fence in potential investors and ultimately delay plan implementation. In addition, the correspondence of resources and investments is not clear, while the criteria for the allocation of available resources among the rest of the TJTPs are absent. Nevertheless, the resources anticipated to flow into the area in the long run are much greater than those ever managed to date; this poses an additional challenge for the local government, as it will have to drum up faster and more efficient reflexes.

Certain participants also suggested that the Green Fund should review its planning and priorities, so as to channel more resources into lignite regions. In addition, the local community should not wait for the resources of various funds to become available in order to jump into action; there are development proposals that do not require large investments and can produce added value, as, for instance, in the primary sector and the agricultural products processing chain.

Certain participants were also concerned with the issue of the Local Resource which is another important funding source for lignite regions with regard to the period 2016-2020. As they pointed out, these funds have already been committed to specific projects and, therefore, cannot contribute to the transition.

From now on, what?

This section addressed the future challenges faced by Western Macedonia. Participants presented their proposals regarding the evolution of the post-lignite period planning. As illustrated in Figure 3, most participants (35%) ranked the challenge of maintaining social cohesion and high employment rates as most important. Next in their priorities, they placed attracting investment (27%) and land use planning (19%).

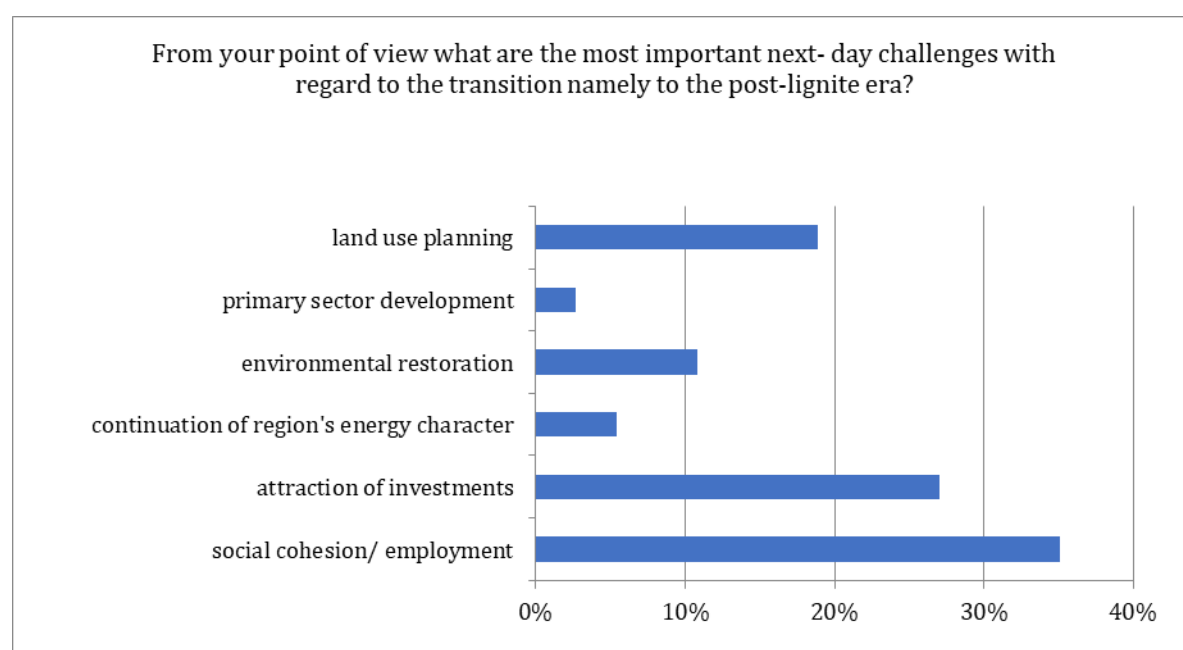


Figure 3: Challenges of the post-lignite period

During the discussion, the following questions were posed:

1. Mention up to 3 things that in your opinion have not been provided and should absolutely be added to the planning.
2. In your opinion, what should be the main priorities -and, thus, should be reflected in the Special Urban Plans (EPS)- with regard to land use planning for the areas that will become available? (e.g. energy; tourism-leisure; agricultural production; creation-restoration of natural environment; other?)

The proposals that emerged as necessary additions to the transition planning content are as follows:

1. **An emergency transitional plan to address** the existing social consequences: a convincing, effective, and well-designed mechanism is required, in order to tackle the social impacts, unemployment, and emigration already suffered by the region. The region needs solutions that are immediately applicable and effective, as opposed to those offered by cumbersome institutions, such as OAED. The University of Western Macedonia -in collaboration with other bodies, such as professional groups and PPC- can contribute to this end via workforce reskilling programs, so as to meet the new status-quo of the post-lignite era.
2. **Youth:** Strategic planning is necessary in order to retain and include the area's youth in the post-lignite period (brain drain vs brain gain). The University of Western Macedonia can play a key role in this respect, via training programs, post-graduate courses, through collaborations with local businesses/employers, etc., so as to address the new development challenges.
3. **Investments:** Planning should reflect a balance between large and smaller investments. Indeed, large high-tech investments are necessary; nonetheless, smaller investments, such as those in the agri-food sector and in small scale renewable energy communities, are equally important in shaping a diversified and sustainable development model. Furthermore, planning should promote investment diversification, rather than lead to a new monoculture (e.g. the development of large RES projects).
4. **The role of the state:** The state's role must be reflected in the post-lignite period planning, not only as the plan's coordinator, but also as an investment body. The state can serve as the pilot - investor in projects that cannot be undertaken by private initiative, but are key to the region's development prospects (e.g. airport, railway, etc).
5. **Existing businesses:** Planning should go beyond solely attracting new investment, to include measures and incentives for existing businesses. Existing jobs need to be strengthened and multiplied. A special regional regime can contribute to this end, for instance, by providing OAED specialized programs or a special local business reinforcement regime, etc.
6. **Available resources:** It is important to clarify the allocation of PDAM resources to the regions in transition, as well as match these available resources to regional investments. In addition, it is vital to supplement these resources with funds available from other sources, such as the carbon dioxide (CO₂) emission allowances auction public revenues (ETS).
7. **The region's energy character:** It is important to both preserve the energy character of the region and utilize the energy infrastructure. The proper spatial planning with regard to RES plants, the expansion of electro-mobility, the implementation of investments in clean hydrogen, as well as the strengthening of energy storage projects can contribute to this direction. With regard to energy storage, a binding percentage of energy to be stored could be provided by the plan.

8. **Energy communities:** Energy production by citizens must be included and provided for in the planning for a Just Transition. A co-ordinated reinforcement is necessary in order to channel the benefits of the energy transition to the local communities.
9. **Local government:** Local communities should be more involved in the planning process. Local authorities can and should play a more active role in shaping the post-lignite period planning content.
10. **Land Restoration:** It is important to promptly determine the areas of land that will be restored and ensure local community access. The lignite fields that will be restored represent an important asset for the region and must be utilized in the best possible way. Restoration can only proceed if their future use is determined. Therefore, the land uses of the areas to be restored must be urgently identified. At the same time, a corresponding provision for the lands not owned by PPC is needed. With regard to the mines that have already closed, such as that of Amyntaio, the process of restoration must begin immediately, in order to comply with the existing environmental permit terms. Finally, water resource management is crucial in the context of lignite field restoration.
11. **Large infrastructure projects:** The planning must include large infrastructure projects, such as the railway network that will support development projects, in order to transform the region's development model; public intervention is indispensable for projects of such scale.
12. **Settlement relocation:** For the transition to be just, it must proceed after the commitments and obligations of PPC and the central government towards the local communities have been fulfilled. Therefore, pending settlement relocations (such as the settlements in the Municipality of Eordea: Komanos, Pteleona, Mavropigi, and the settlement of Anargyroi in the Municipality of Amyntaio) must be prioritized.
13. **Regional identity:** In order to enhance the region's recognizability and attract investment, planning should provide for the creation of a regional identity (branding).
14. **Sustainable development:** Western Macedonia's natural environment can constitute a lever for its development. Its mountainous areas can be exploited by providing tourism alternatives (e.g. gastronomic tourism). Moreover, a significant "critical business mass" in the wine sector and in the gastronomy chain exists, which can contribute in this direction. Moreover, given its natural richness, and with low investment requirements, the region can be promoted as an alternative tourist destination (e.g. walking tourism, agri-tourism, cycling tourism, etc.).
15. **Utilization of natural resources:** The region's water resources and forest ecosystems can contribute to the strengthening of employment and local added value; nevertheless, planning to date does not include such provisions.
16. **Agri-tourism:** The region exports important quality products (PDO and PGI) that make it widely recognizable. However, in order to boost the development of agri-tourism in the region, planning should not be limited to individual investments; rather, it must include them in a broader development plan for the agri-food sector.
17. **Communication-dissemination of information:** Planning should include a communication plan, in order to give everyone -not only those directly involved- access to information. It would also be beneficial to provide for a process that ensures the interaction between regions, modeled after the international debate that took place within the the Coal Regions in Transition Platform.

III. Governance system

The concept of governance refers to the various ways in which different stakeholders work and interact to achieve a collective goal. It entails the rules, procedures, and behavior through which different positions are expressed, decisions are made, resources are managed, and the planning is generally realized.

With regard to the lignite regions in transition, the range of stakeholders should be wide and include, indicatively: the central government; the local and regional governments; the lignite villages; businesses active in all economy sectors; employees; members of academia; science and research bodies; foundations; the youth; civil society; the cultural actors, etc. All parties can work together and interact in different ways and at different levels.

The challenge of the transition is of such magnitude that it not only demands a productive model reform, but it also tests the limits of social cohesion in lignite regions and implies a social transformation. Indeed, the success of the transition will be ultimately determined by the degree of legitimacy granted and ownership felt by the communities towards the ongoing processes. In other words, active participation of the society in both the planning and the implementation of the transition is a prerequisite for a successful transformation of the regional economic model.

A description of the existing situation

The decision to phase out lignite in September 2019 was followed in December 2019 by the establishment of a Government Committee for Just Development Transition (DAM). This is an inter-ministerial committee chaired by the Minister of Environment and Energy, with the aim of drafting a principal Just Development Transition Plan (SDAM) for the post-lignite era. This project was assigned to a Coordinating Committee, which, following its expansion includes the Regional Governors of West Macedonia and the Peloponnese, PPC's CEO, and the Secretaries General of: Economic Policy, Public Investment and NSRF; Energy and Mineral Raw Materials; Agricultural and Food Policy; and Aegean and Island Policy. Law 4685/2020, passed in early May 2020, provides for the staffing and the relevant business structure of the SDAM (SDAM Technical Secretariat). It should be noted that, despite the relevant EU regulation provisions, the mayors of the five lignite municipalities of the country, representatives of employees and civil society, as well as environmental partners have not been included in the SDAM Committee, which is essentially the central governance body of the Just Transition.

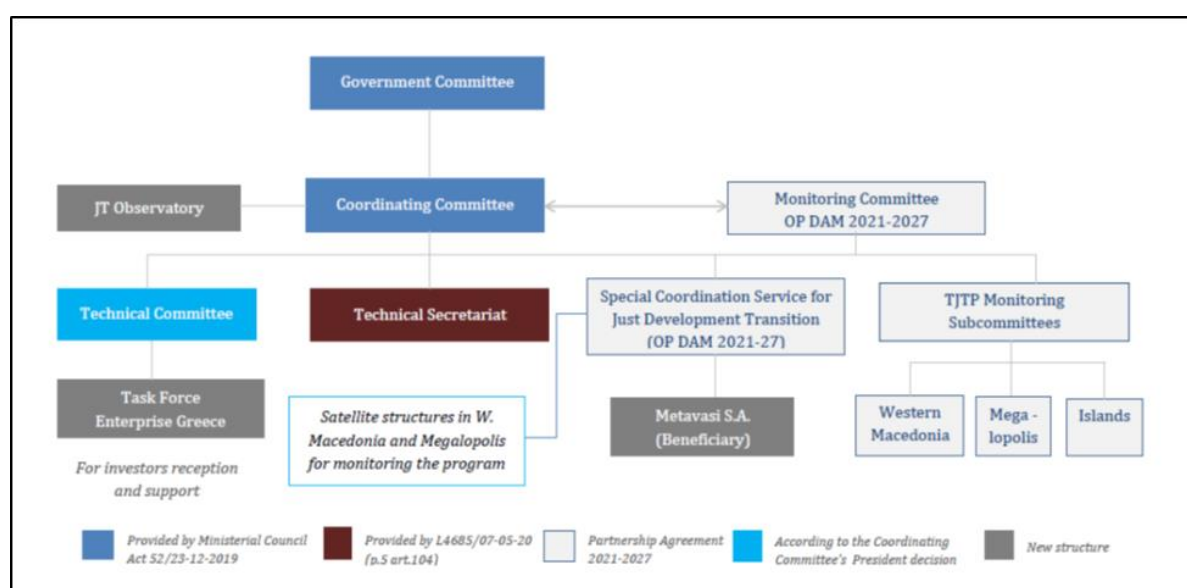
The Just Development Transition Plan (SDAM) -or so-called Master Plan- presented in October 2020, did not provide a precise governance system for the transition; it only mentioned the SDAM Committee's collaborations with stakeholders during the preparation of the plan and certain elements of a future governance system. In particular, it provides for the preparation of a distinct Just Development Transition Program for the programming period 2021-2027, the establishment of a Just Transition Programme Observatory, as well as the launch of a new specialized body under the name "Metavasi S.A." ("Transition S.A."), charged with the effective project implementation in transition regions.

The TJTPs that were presented later reflect the government's initial proposal vis-à-vis the governance mechanism of the transition, which shall commonly apply to both the two lignite regions and the islands of the North and South Aegean and Crete. Essentially, this mechanism describes the governance system of the Just Development Transition Program, based on the EU common provisions regulation, which sets out common principles, rules and standards for the the European Structural and Investment (ESI) funds and the Just Transition Fund.

Specifically, the organizational structure of the domestic transition process includes the following:

- Government Committee
- Coordinating Committee
- Technical Secretariat
- Special Coordination Service for Just Development Transition (Special Management Service)
- JT Programme Observatory
- Technical Committee and Task Force Enterprise Greece
- EMPDAM 2021-2027 Monitoring Committee and Subcommittees
- "Metavasi S.A." – the main project implementation body.

In addition, the TJTP defines the Partnership and identifies the measures for its monitoring and evaluation. This structure is illustrated in the diagram below:



Organizational structure of the domestic governance process, Source: TJTP for Western Macedonia, 2021-2027

In November 2020, following an agreement with Enterprise Greece, the establishment of a Task Force was announced for the organized reception, information and support of interested investors; the relevant communication campaign is currently being prepared.

In the Concept Paper of the Just Development Transition Program (PDAM) 2021-2027, the governance system is supplemented by a Business Unit of Enterprise Greece (one stop shop), which constitutes an extension of the Task Force and shall act as a point of general contact/services. Furthermore, the Concept Paper describes the establishment of a specialized organizational entity in the form of a "Special Purpose Vehicle" (SPV); this entity will gain

ownership of all land within the broader lignite mining zones -along with the respective fixed structures- except for the land committed by PPC S.A. for the company's activities (approximately 1/3 of the land). This SPV will undertake the land restoration, rehabilitation and upgrading of the lignite mining zones, as well as the operation of PPC's steam power plants. It will also draft plans for these lands' exploitation, in accordance with the general land use planning outlined in the SDAM, and their distribution to allow the development of new economic activities, following uniform and rapid licensing procedures.

In addition, at the initiative of the Regional Governor of Western Macedonia, in May 2020, a working group was established to support the Region in its transition to the post-lignite era, at both national and European levels. The Committee consists of 34 members in total, including the SDAM Chairman. In July 2020, seven sub-working groups were set up to address distinct transition issues (land rehabilitation, utilization of existing infrastructure, investment evaluation, etc.). This group includes many representatives of employees and academic institutions, as well as a representative of civil society; however, the mayors of the Region's lignite municipalities are absent once again.

Available data on public opinion / citizen participation

To date, citizen involvement has been linked to the possibility of participating in public consultations regarding:

- the Proposal for a Just Development Transition, prepared by the Municipality of Kozani (July 2020),
- the SDAM (October 2020), and
- the PDAM (April 2021).

It should be noted that each of the above consultation procedures followed a different model. All views regarding the Proposal of the Municipality of Kozani for a Just Development Transition were submitted to the Municipality. As for the SDAM, an open consultation was held on the online opengov.gr portal, where the expressed views and the bodies that submitted them are on display. The consultation of the TJTPs was not public and was conducted among the SDAM Committee and selected bodies. Finally, the PDAM consultation was only published on the SDAM website; it was conducted via a questionnaire and the opinions submitted have not yet been publicized. During the public consultation of the SDAM, 85 comments were submitted, mainly by institutions, indicating limited citizen participation.

Data on citizen views and participation regarding Just Transition are also available from two opinion polls. The first was conducted in November 2020 by diaNEOsis, the Green Tank, Professor Emmanuela Doussi, and MARC and concerned the Regional Units of Florina and Kozani (Western Macedonia) and Arcadia (Peloponnese); the second, called "the Opinion Barometer"¹¹, was carried out by the municipal movement "Kozani, a place to live" and concerned the Municipality of Kozani (February-March 2021).

The first opinion poll¹², which was conducted during the public consultation of SDAM, shows that the public had very limited knowledge of the proposals included in the SDAM under consultation, and of the very existence of the public consultation. In addition, on the issue of

¹¹ Just Transition Opinion Barometer. 2021. <https://bit.ly/3uLwErF>

¹² DiaNEOsis. 11.2020. Lignite phase-out and transition into the post-lignite era: Lignite area citizens' views. <https://bit.ly/3pdN8Yk>

governance, the survey indicated that citizens are looking for a less centralized model that relies more on local authorities and less on the central government.

The analysis of the second round of the “Opinion Barometer”¹³ indicates that citizens seek an enhanced role of local government in the governance system, and especially in the management of financial resources (SPV, Transition SA). The analysis also shows that citizens hold the local government responsible for informing the public on Just Transition issues and Consultations regarding planning.

So far, how?

This section focuses on the governance system of the transition and citizen, institution, and local community participation to date.

An important factor in shaping a governance system is the timeframe in which one places the process of the transition. As shown in Figure 4, the majority of participants (41%) believe that the first signs of local economy transformation should be evident by 2028, while a significant 29% maintain that this process will not bear any fruits before 2035. Moreover, as illustrated in Figure 5, most participants selected participation in decision-making (35%), access to information (29%), and synergies between different actors (16%), as the most important elements of a governance system. It is worth noting that only 6% of participants rated the consultation process as an essential component of the transition governance system.

¹³ “Kozani, a place to live” Municipal Movement. 03.2021. Just Transition Opinion Barometer, 2nd Survey Analysis (10/03/2021 – 18/03/2021) Participation in the Consultation regarding the Territorial Just Transition Plan of Western Macedonia. <https://bit.ly/3vOREz8>

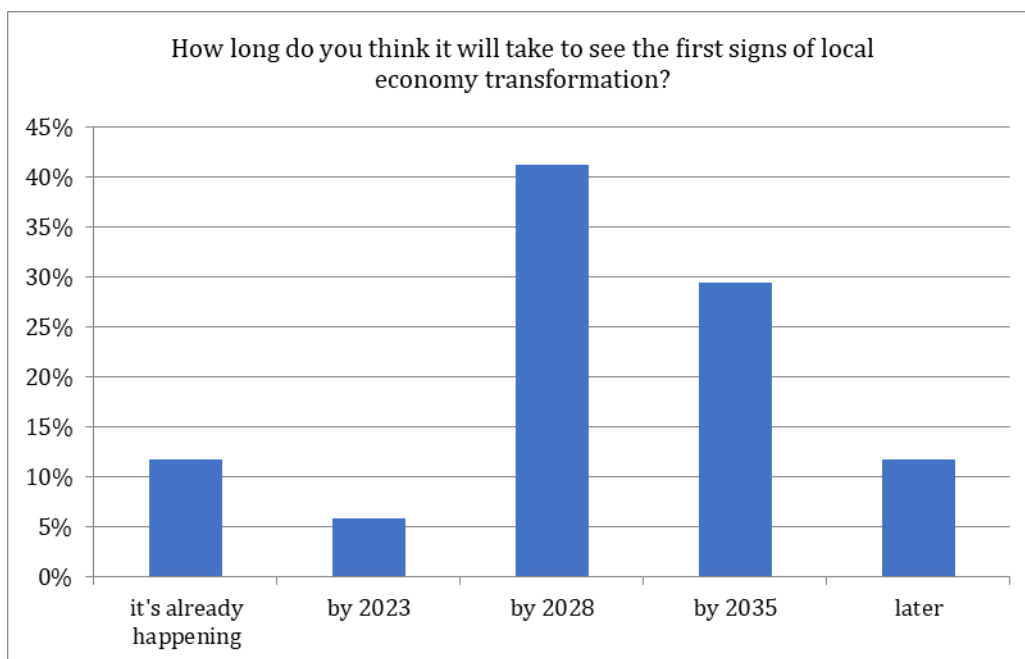


Figure 4: Time required to achieve local economy transformation.

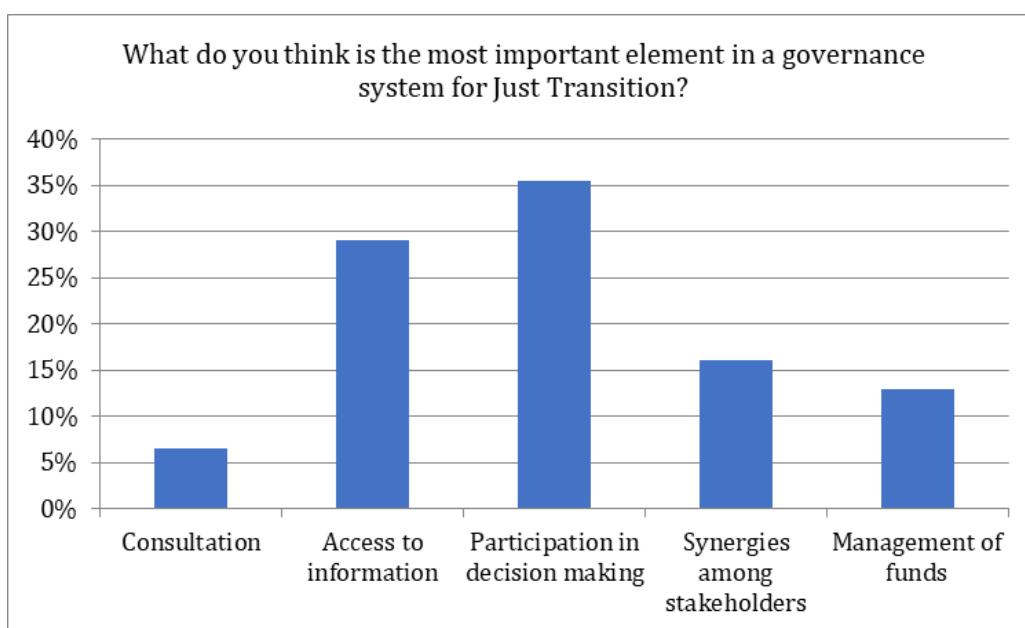


Figure 5: Elements of a Just Transition governance system

The following questions were deliberated in the context of this theme:

1. How do you rate the current transition governance system? What do you regard as the most positive and most negative element of the current system of governance?
2. Do you believe that all views have been heard in the public debate that has taken place so far? Do you think that the opinions heard are taken into account or influence decision-making?

It is a fact that Western Macedonia boasts a great number of scientific resources (University, Technical Chamber of Greece, Geotechnical Chamber of Greece, Research centers), which have significantly contributed to the debate on the region's transition by expressing views and suggestions, as well as by collaborating with other bodies (e.g. World Bank). It was noted that

the transition process concerns not only the local community but also the highest level of government, which is positive for the course of transition. It was also pointed out that the work of the DAM Coordinating Committee is being acknowledged by the local community; in fact, many workshop attendees expressed the view that -to date- the planning consultation has been exhaustive and open to all in terms of submitting opinions and proposals. At the same time, it was stressed that, even though the current system of governance is centralized (top-down), it is also well organized, concrete in terms of goals and operation mode, and inspires confidence that it can manage the situation, as reflected by its strategic choices. The Special Purpose Vehicle (SPV) that has been provided to undertake lignite fields restoration and management appears to be a flexible entity; it draws on its experience of managing other major projects, such as the construction of Egnatia Odos, and can contribute to the region's transformation. In addition, the recent statement by the Committee's Chairman regarding the expansion of the coordinating committee to include the municipal authorities of lignite areas was very well received.

Nevertheless, the elements that are regarded as positive conceal a negative aspect. In particular, it was noted that the structure of the existing governance system is centralized, intricate, and bureaucratic; moreover, decisions are announced allowing little time for consultation. Even though the governance system appears to include the participation of multiple stakeholders, decisions are foregone, made at a very high level, and announced when they reach an advanced stage; as a result, any consultation thereafter borders on a sham.

While certain participants believe that there has been adequate and sometimes exhaustive consultation, many pointed out that Just Transition planning and the issues posed by the lignite phase-out for the future of the region have not reached local communities. The inhabitants of the lignite regions are not familiar with the SDAM, there is intense misinformation regarding the future of the areas, and civil society is not clearly aware of the existence of a transition governance system. This implies a lack of citizen participation in the decision-making process regarding the planning of both the transition and the post-lignite period in general.

Above all, the majority of participants placed special emphasis on the fact that the investment proposals for the development prospects of Western Macedonia are not publicly available. Moreover, the investment proposals announced are not communicated to the public in a simple and understandable way; instead, they are presented with all the technical details and complexity they entail, thus amplifying suspicion and a lack of transparency, and rendering it impossible for citizens to keep up with the debate on Just Transition. The lack of transparency of the business plans that will support the reform of the region's production model has a negative effect even on existing regional companies; not being up to date with the emerging business environment means they cannot participate and adapt. A typical example is the rapid development of RES projects in the region of Western Macedonia, which is carried out without providing information to citizens or inviting them to participate; this has led to intense conflicts both at the local level and among productive sectors (e.g. agriculture and stock breeding).

Participants were also apprehensive of the fact that the Special Purpose Vehicle (SPV) will not be based in Western Macedonia, even though it will be called upon to address the problems of the region. In addition, the specifications of the Just Transition Programme Observatory remain unknown, thus, hindering local stakeholder involvement.

According to several participants' views, the operation of the transition governance system to date has highlighted weaknesses at both the central and local levels. The committee set up by the Region of Western Macedonia for the elaboration of proposals on Just Transition, along with

its subcommittees, did express their views; the latter, however, were ultimately not included in the planning. Today these groups are inactive, while they could constitute an important link in the chain of governance. Moreover, the Region of Western Macedonia has not succeeded or sought to form a local transition governance system –one corresponding to the SDAM- so as to encourage equal stakeholder participation in the Just Transition process. Finally, local bodies' inability to form specific positions became apparent, as they only expressed general views regarding the post-lignite period.

Undeniably, the debate on the governance system of the transition is unfolding while the transition is already well under way. Several participants pointed out that the public debate was monopolized for a long time by the need -or lack thereof- to phase out lignite, and, as a result, the preparations for the transition of Western Macedonia were significantly delayed. Above all, the majority of participants strongly agreed on the need for greater participation and a coordinated public debate, as opposed to bilateral meetings, so that all views can be heard in a timely manner, before decision-making. Only in this way will the local communities grasp the urgency of the situation and appreciate that these decisions will shape the coming decades for the region.

From now on, what?

However, the evolution of the Just Transition governance system will depend to a large extent on how much the various actors will claim their role in it. Maintaining the existing governance system is not an option. The majority of participants identified increased participation in decision-making (31%) and access to information and opportunities to participate locally (29%) as the key elements desired in the governance system for the next period of transition planning and implementation (Figure 6). Furthermore, the local government bodies, namely the Municipalities (33%) and the Region (30%), were identified as most suitable to undertake the implementation of the SDAM (Figure 7).

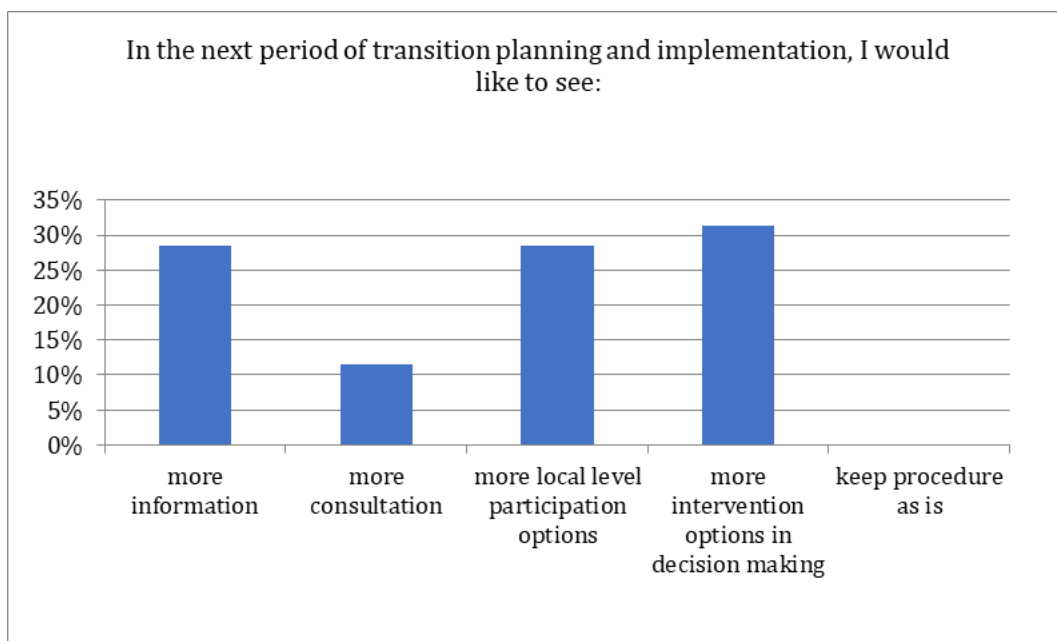


Figure 6: Elements of a future Just Transition governance system

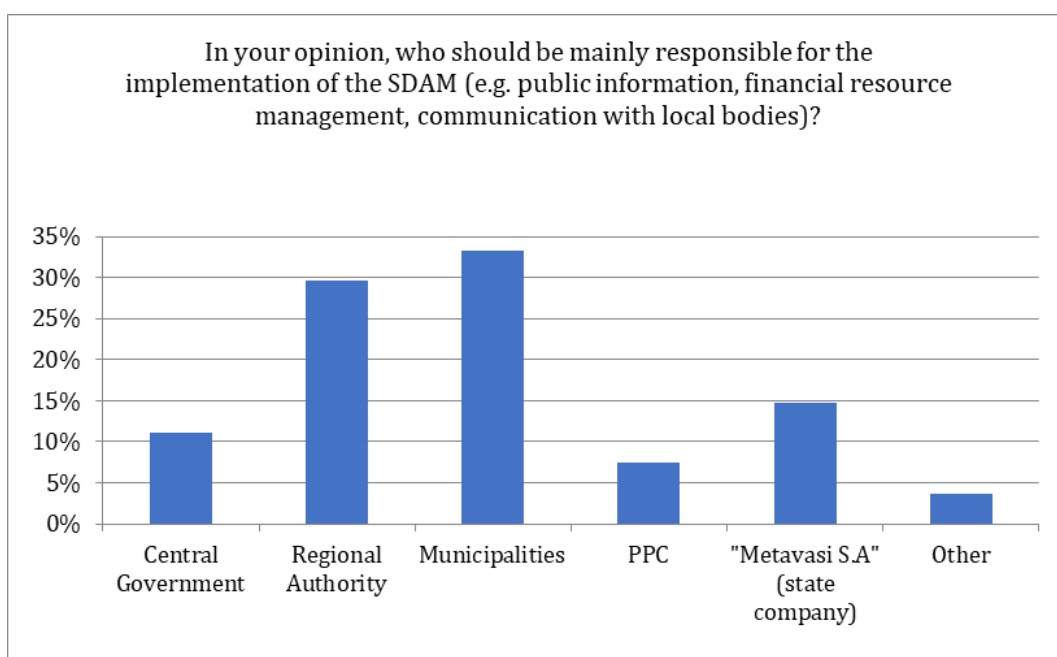


Figure 7: Most suitable body to implement the SDAM

The desired characteristics of a future transition governance system were explored through the following questions:

1. What changes would you propose with regard to the existing governance system? What do you think can be altered so that the governance of the transition is not equated with the management of the next Business Program 2021-2027?
2. In which way can the local community be more actively involved in the transition? (e.g. local assemblies / local referenda / local transition observatory / energy communities / consultation procedures at municipal and regional levels / citizen participation in a permanent municipal/regional Just Transition council / other).

A Just Transition governance system that will promote local community involvement should have the following characteristics:

1. **Participation and inclusion:** Several institutions of different levels are involved in the transition process. For this reason, various ways of horizontal collaboration and exchange of views should be sought, so that as many stakeholders as possible participate in the transition process, the public debate, as well as in decision making and implementation. This way transparency and justice can be secured.
2. **Local government involvement:** A local structure at the municipal or regional level or a hybrid scheme should be established to support the transition. This entity should not constitute a transition “office” (one stop shop) but, rather, a distinct structure, a local task force. An intermediate structure should exist between the central and local government (following the Czech model). To this end, the Municipalities should be staffed with adequately trained employees. Furthermore, the Regional Union of Municipalities (PED) or the Energy Municipalities could oversee the local public debate on the transition, so that information can be disseminated to citizens, opinions can be expressed, and a two-way feedback process with other levels of governance can be established.
3. **Informing citizens:** Ensuring public access to comprehensive and comprehensible information on transition planning and implementation is key in order to secure transparency, participation, and acceptance by the local community. The region's professional and scientific bodies can play a supporting role in this direction. Furthermore, the Region of Western Macedonia can serve as an information hub for Just Transition, through targeted communication activities and through the creation of a website that includes all the necessary information regarding the transition in the region.
4. **Distinction between the governance system of the transition and the new Program:** The Program's targets concern the implementation of investment plans and the absorption of specific resources in the period 2021-2027, and, therefore, has similar structure, pillars of action etc. to the transition plan. Nonetheless, in comparison to the Program, the transition process is broader, will last longer, and must be ensured through a diversified and more participatory governance system that will include a higher number of actors.
5. **PPC's Role:** PPC cannot be absent from the transition governance system. Its decisions may concern the company itself, but have a significant impact on the future of Western Macedonia. Therefore, it should embark into a structured and public debate with the local community, in order to reshape its planning, and especially with regard to the land planning of lignite soils to be restored.
6. **The role of the University of Western Macedonia:** The University, as it has evolved to date, has the expertise to meet several of the SDAM's scientific requirements (energy, smart agriculture, silver economy, etc.). The technical assistance it has provided to the region's municipalities with regard to the planning and implementation of several development projects attests to its status and highlights its potential to be of great value in all implementation stages of the SDAM; thus, it could act as technical advisor to the local government.
7. **Youth:** Albeit being a key stakeholder in the Just Transition issue, the youth is not represented in the governance system in any institutional manner. In order to correct this and include young people in the implementation of Just Transition, it is possible to organize the following: youth assemblies to generate views on the progress of the transition and the role of young people therein; networking with other regions in transition to exchange experiences and good practices; informative sessions at the University of Western Macedonia and regional schools.
8. **SDAM Observatory:** This is an important structure of the governance system that should maintain its independence. To this end, it should be of a technocratic and scientific nature

and receive sufficient resources for its operation. Its specific purpose has not yet been decided; however, by definition, it will be called upon to capture the content of the transition via indicators, in order to proceed to the assessment of its course and build a well-documented basis for its further analysis. It also has the potential to expand into a trans-European observatory.

9. **Metavasi/Transition S.A.:** Local institution inclusion should be ensured in this scheme, as a measure to strengthen local participation in the governance system. Its strategic partnership with local bodies should also be ensured.
10. **Governance system headquarters:** The governance structures of the transition should be located in Western Macedonia to facilitate both management and monitoring. Specifically, the SDAM Observatory is recommended not to be based in Athens and the Metavasi/Transition S.A. should be based in Western Macedonia, so that there is direct contact with the challenge it is called to address.
11. **Information - consultation platform:** It is necessary to create a platform in order to record planning suggestions, proposed investments, the projects that are being implemented and their progress, the implementation course of the PDAM, and any other information regarding just transition; the consultation process should also be carried out through this platform to ensure transparency and participation. This procedure could be instituted as an imperative stage in the process of future transition-related decision making and project implementation.

IV. Conclusions – Policy recommendations

The Just Transition Digital Consultation Workshops highlighted the local community's intense concern regarding the course of the transition. They also indicated that local bodies are vigilant and willing to contribute to the effort, in order to ensure a sustainable future for the region.

The participants' specific suggestions, which emerged through the Digital Consultation Workshops, were recorded in detail in the previous sections. These can be translated into broader policy recommendations for the further course of the Just Transition in Western Macedonia, regarding both the planning content and the governance system.

Planning content

With regard to planning content, two levels of recommendations emerged. One level addresses the immediate consequences of lignite plant retirement that are already intense, given the pre-existing declining development course of the region; the other level concerns the planning of future interventions that will transform the productive model in the post-lignite period. In particular:

- With regard to the **current period**, it is necessary to immediately and effectively address the social effects brought by the first period of lignite phase-out. To this end, a strategy aimed at curbing unemployment and emigration should be employed, to be immediately applicable and absorb the funds provided by the Special Transitional Just Transition Development Program 2020-2023.
- The region's **youth** represents a critical link in achieving a just transition to the post-lignite period. Thus, the planning of the upcoming programming period should provide specialized incentives and measures, specifically addressed to the youth, in order to maintain young people in the region and integrate them in development planning (training, employment, entrepreneurship support, etc.).
- The local factor must constitute an integral part of planning. This means that planning should not focus solely on large-scale projects that will attract large investors; instead, it should **utilize existing business structures** and local research centers/University, as well as provide incentives for their development and proliferation, even if these projects are of a smaller scale. Such examples are the energy communities, the strengthening of existing businesses, measures concerning the region's farmers and stockbreeders, etc.
- It is important to preserve **the energy character** of the region by utilizing the existing energy infrastructure, while ensuring the proper siting of new energy projects -and in particular RES projects- and maintaining a sufficiently diversified production model, away from monoculture philosophy. At the same time, the region's energy storage potential should be utilized to a greater extent.
- A critical resource for the region lies in the restoration of lignite fields. However, if they are to contribute to the transformation of the production model of the region and its sustainability, **great priority should be given to land planning, following extensive consultation.**

- The **distinct role of the state** is key to the success of the transition to the post-lignite period. The reform of the local production model reform is of such magnitude that it cannot solely rely on private initiative and European resources; thus, the state's role cannot be limited to coordination, rather it should also participate a main investor.
- The Just Transition of lignite regions is not exclusively a local problem. This large project targeting the development model of specific regions, that have supported for decades the development of the country, will, nonetheless, determine the entire country's development prospects. Therefore, **the resources already planned to be allocated to the transition must be supplemented by additional national resources (e.g. revenues from CO2 emission allowances auctions, "lignite resource")**.

Governance system

Regarding the governance system of the transition, the workshops highlighted the need for:

- A more ***participatory and inclusive*** governance system. The more institutions, social groups, and citizens the governance system includes in a structured and transparent way, the more positive the outcomes. Specifically, the transition process is accepted, citizen participation in the process is facilitated, the effectiveness of the plan is secured, and justice is ensured.
- ***A governance system with a long-term timeframe***. The transition process is long, as it is not limited to the duration of an program or a programming period; moreover, it includes many actors and levels of operation and mobilizes not only financial but also social resources. Therefore, the governance system of the transition should not be equated exclusively with the management of financial resources over time.
- **A strengthened role of local government**. Securing the link with the local community, ensuring its participation in transition planning, as well as maintaining the latter's endorsement and cooperation are all fundamental to the plan's successful implementation. Thus, the transition should be a key responsibility of the local government. Global and European experience shows that the active involvement of local government is indispensable in ensuring both a successful transition and justice. In any case, a participatory governance system should give the local government a dominant role, thus, allowing it to contribute to the formulation of the planning content and its implementation, as well as to the strengthening of the two-way feedback channel that should exist among all governance levels.



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