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Main takeaways from the Annual Political Dialogue 2024

Energy

The fifth Annual Political Dialogue of the [Initiative for coal regions in transition](#) took place on 11-12 July 2024 in Velenje, Slovenia. The meeting was jointly organised by the European Commission, the Ministry of Cohesion and Regional Development of Slovenia, and the Municipality of Velenje. Find the event materials here: [recordings](#) and [presentations](#). Pictures from the event can be viewed [here](#).

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Event report – Main takeaways

Welcome session

- Maroš Šefčovič, Executive Vice President of the European Commission for European Green Deal, Interinstitutional Relations and Foresight (EVP)
- Aleksander Jevšek, Minister of Cohesion and Regional Development, Slovenia
- Miran Gajšek, State Secretary, Ministry of Natural Resources and Spatial Planning, Slovenia
- Peter Dermol, Mayor of Velenje

EVP Maroš Šefčovič gave the opening remarks to launch the event, welcoming participants to Velenje and commending the city for winning the European Green Leaf Award 2024. In his remarks, he emphasised the need for multi-level governance and ensuring cooperation and collaboration between cities and regions. He also highlighted the need for providing new economic opportunities for local communities with coal mines and coal thermal power plants that are closing. EVP Šefčovič also underscored that for the transition to be fair and just with a strong social component, it needs to ensure that no one and no place is left behind.

Minister Aleksander Jevšek shared insights into Slovenia's national strategy for coal and the Slovenian use of EU funding for local communities, cities and regions affected by the transition, noting the importance of Cohesion Policy funding, while recognising that other

funding sources are also needed to facilitate the transition. The country is currently preparing legislation targeting coal regions that will not only address financing of the transition in those regions, but also facilitate collaboration between public institutions, civil society, and other stakeholders to ensure a fair and just transition. He also stressed that a successful energy transition is about success stories, not only money.

State Secretary Miran Gajšek commented on the need for dialogue between sectors and the importance of finding a good balance and dynamics when involving various stakeholders from European, national, and sub-national levels as well as with other stakeholders such as companies and industries in decision-making. He stressed the need to be clear when communicating about regions and sectors since, in different contexts, a 'region' can refer to multiple areas of different sizes and can include various stakeholders.

Mayor Peter Dermol acknowledged that all coal regions have their own characteristics and paths towards transition, while recognising that regions are striving to ensure that the transition process results in a place where citizens can live long, healthy and higher quality lives. This requires the participation and engagement of local and national governments, social partners, and the public in the transition process. Furthermore, trust of the public that this process will be successful is a critical element. He defined a successful just transition as one resulting in a society that creates opportunities for young people.





Opening session: Five+ years of Coal Regions in Transition – perspectives of industrial and green transition in coal+ regions

- Moderator: Maroš Šefčovič, Executive Vice President of the European Commission for European Green Deal, Interinstitutional Relations and Foresight
- Keynote speech: Jan Kříž, Director General at the Ministry of Environment of the Czech Republic
- Panellists
 - Barbara Meyer, State Secretary of the Ministry for Regional Development of Saxony, Germany
 - Petr Kulhánek, Governor of Karlovy Vary Region, Czech Republic
 - Jan Kříž, Director General at the Ministry of Environment of the Czech Republic
 - Srečko Đurov, State Secretary of the Ministry of Cohesion and Regional Development, Slovenia
- Closing speech: Viktor Horváth, Deputy State Secretary, Hungarian Presidency of the Council of the EU

Director General Jan Kříž opened this session with a keynote speech focusing on some challenges and success stories from regions undergoing transitions towards a carbon-neutral future in Czechia (CZ). He spoke about the need for participatory dialogue with citizens to help them understand the transition process and to improve the image of the regions, noting that it is important for the regions and their citizens that they see a positive future ahead. He expressed that the transition is a unique opportunity to introduce new technologies such as hydrogen fuel, transition to low-carbon technologies in metallurgy or steel industries, build on the traditional skills of the workers in the regions who can be retrained for highly specialised positions in these sectors, or promote uptake of renewable resources. Regarding the latter, he pointed to the fact that CZ has managed to use the Modernization Fund for the transformation of energy sector, and that out of investments into solar energy generating 2.3 GW of power, 1.7 GW is generated in the Czech coal phase out regions. One of the challenges for Member States that Mr Kříž emphasised throughout his remarks was the need to have accelerated permitting procedures that would not delay access to funding from the EU.

Next, EVP Maroš Šefčovič launched the panel discussion that began with remarks from State Secretary Barbara Meyer, who spoke about competitiveness, education and training, and energy policy and security in a German context. She commented on the need to ensure affordable, green energy supplies, with green hydrogen

being an important factor for securing energy security. The government is working to set up a task force to approve renewable energies in the region, with legislation in place to facilitate this, so that decisions can be made at the regional rather than the national level. To guarantee energy security and affordable access to energy, the JTF is an important tool. Saxony would like to use the Fund to support SMEs in their transformation and to establish new climate-neutral projects.

Following this, Governor Petr Kulháněk highlighted the [Karlovy Vary Annual Policy Dialogue Statement](#) as a strategic document, with 22 signatures from 11 countries. He called for the transition to be planned and implemented regardless of future political changes or leadership in the regions as the transition and projects take years to be implemented. In the Karlovy Vary region (CZ), the transition does not just affect the coal phase out communities, it also impacts social, economic, and cultural economic sectors. Therefore, engaging with stakeholders across all of these sectors and ensuring their integration into the transition in the region is crucial for its success.

In his intervention, State Secretary Srečko Đurov shared the experience of phasing out coal in the Zasavska region (Slovenia); when the coal power plant there closed in 2014, it led to the loss of jobs and demographic outflow, despite measures to provide opportunities in green, clean, and carbon-neutral technologies for the affected workers. Valuable lessons emerged from this experience, including the fact that a green transition can bring a lot of stress to a region, and that new investments are needed to

facilitate new opportunities. To respond adequately to this, it is key to ensure open, consistent communication throughout political decision-making, engaging all policymakers and stakeholders. Furthermore, it is vital to implement appropriate measures so that a region can provide high quality of life for citizens.

State Secretary Viktor Horváth delivered the closing remarks for the session, mentioning the need to discuss the challenges of the coal+ regions, but also highlighting their deep and rich heritage as a strength. Offering a liveable environment and opportunities for people who want to stay in their regions, while ensuring that these regions stay competitive throughout their transition, is vital; EU mechanisms such as the [Fit for 55 legislative package](#) and the [Net Zero Industry Act](#) are facilitating some opportunities for sustainable economic growth.



Launch of the exhibition: Brownfields, industrial infrastructure and coal mines converted into business districts, energy sites and places of cultural significance

- Miran Gajšek, State Secretary, Ministry of Natural Resources and Spatial Planning, Slovenia
- Aleksandra Vasiljević, Deputy Mayor of the City of Velenje
- Carlo Della Libera, Secretariat of the Coal Regions in Transition Initiative (CRiT)

State Secretary Miran Gajšek opened this session pointing to the importance of combining funding sources to implement transition projects. Such projects need to be cross-sectoral and include economic, social, and territorial cohesion, with support from a combination of European, national, regional, and local funding.

Deputy Mayor Aleksandra Vasiljević referred to her personal experience of her family background, since her father was a coal miner. Coal mining in Velenje has been important both historically and at present. She spoke about the role of municipalities in ensuring a just transition and opined that Velenje has the knowledge, vigour, and strength to face the challenges ahead, to manifest a just transition with improved wellbeing for the people.

Carlo Della Libera from the CRiT Secretariat wrapped up this session by underlining the need to not only look at what should happen with land and assets linked with the coal economy, but also to consider community identity and cultural heritage, which can be used to recreate social bonds and reimagine the future of these communities. He then introduced the eight exhibitors featured in the Annual Political Dialogue's exhibition on 'Brownfields, industrial infrastructure and coal mines converted into business districts, energy sites and places of cultural significance' set up at the venue. He invited participants to explore the exhibits and speak to the exhibitors about their projects and the transition approaches taken.



Combating energy poverty in coal+ regions through energy efficiency of buildings and citizen empowerment

- Moderator: Alicia Carrasco, olivoENERGY and Entra Agregación y Flexibilidad (Climate Pact Ambassador)
- Presenter: Paula Pinho, Director, DG ENER, European Commission
- Speakers:
 - Sofia-Natalia Boemi, Cluster of Bioeconomy and Environment of Western Macedonia (CluBE)
 - Sarunas Bruzge, European Investment Bank (EIB)
 - James Roscoe, Citizen-Led Renovation Support Service
 - Lidija Živčič, Focus Association for Sustainable Development
 - Zvonimir Anic, Senior Expert, Society for Sustainable Development Design (DOOR)
- Closing Speech - Matjaz Nemec, Member of the European Parliament (MEP)

Director Paula Pinho launched the session by emphasising the importance of a secure, sustainable, and affordable energy transition that is just and fair, ensuring no one and no place is left behind. She noted that the energy crisis has heightened the significance of addressing energy poverty, with 10% of EU citizens currently unable to adequately heat their homes. Buildings play

a crucial role in this, as energy efficiency measures can reduce consumer energy bills, energy consumption, and associated CO2 emissions. Director Pinho highlighted the European Commission's continuous efforts to address energy poverty, including through funding from the REPowerEU-financed NextGenerationEU and the Social Climate Fund, which redirect profits from the Emissions Trading Scheme applied on transport and buildings to vulnerable people. She also mentioned new legislation, such as the Energy Performance of Buildings Directive, aimed at reducing inefficiency of buildings, including reduction of energy poverty, as well as supporting citizen engagement activities, among others through the recent EU citizen panel on energy efficiency.

The panel discussion featured insights from Sofia Natalia Boemi from Western Macedonia who discussed the challenges of collecting data on energy poverty and emphasised the importance of understanding social factors in addressing this issue. Sarunas Bruzge highlighted the support offered by the European Investment Bank (EIB) for project preparation and implementation through programs such as ELENA and TARGET. A decisive criterion in project preparation is the capacity of the beneficiary to coordinate the project after its technical drafting ends, which increases the likelihood of its successful implementation.

Zvonimir Anic from DOOR highlighted the pioneering work of the [Society for Sustainable Development Design](#) in Croatia and Central and Eastern Europe. Through the REACH project, they collected initial data on energy poverty in the region, established the Centre for Eliminating Energy Poverty, and organized conferences, one-stop-shops, and other innovative dissemination activities to meet the diverse needs of the energy poor.



James Roscoe from Citizen-Led Renovation Support Service discussed the existing challenges in the development of energy communities, including stakeholder awareness, financial constraints, limited technical capacity, and an over-reliance on volunteer support. He outlined the range of assistance provided by the [Citizen-led renovation support service](#), such as administrative support to navigate legal frameworks, communication support to attract new members, financial guidance to unlock funding opportunities, and help in developing business cases.

Lidija Živčič, a senior expert from the [Focus Association for Sustainable Development](#), spoke about the challenges of engaging with people in energy poverty and integrating them into energy communities. She explained that there are social barriers and distrust towards energy companies that previously exploited vulnerable populations. She also emphasised that energy poverty needs to be addressed by policy solutions that exist to address it.

During the Q&A session, transport poverty was raised as an area in which support from the Social Climate Fund can also be provided. Ms. Živčič replied that measures targeting transport poverty often aim at improving public transport. In Slovenia, municipalities are exploring the use of village taxi services to support individuals, for example, when using medical services.

In his closing speech, MEP Matjaz Nemec reiterated the leadership that Velenje is showing in the green transition, committing to achieve climate neutrality by 2033 and winning the EU Green Leaf Award in 2024. When concluding, he emphasised that energy poverty remains a major challenge in the EU. While local efforts are ongoing, addressing it is a complex issue that requires multifaceted solutions.



Transition of district heating systems in coal+ regions

- Moderator: Carsten Rothballer, Secretariat of CRiT
- Presenter: Paula Pinho, Director, DG ENER, European Commission
- Speakers:
 - András Takács, Euroheat & Power
 - Dáša Jakubíková, City of Partizánske, Slovakia
 - Balázs Hegyi, Eszterházy Károly Catholic University and Coal Commission Secretariat, North Hungary
 - Gašper Škarja, Director of Utility Company of Velenje
 - Stefan Retschitzegger, AEE – Institute for Sustainable Technologies (part of the SupportDHC project)
 - Jaroslav Straka, DG REGIO, European Commission

The session began with an invigorating introduction by the moderator, Carsten Rothballer, and a scene-setting presentation from Director Paula Pinho who pointed the audience to key aspects of the recently adopted [Energy Efficiency Directive](#) and the [Renewable Energy Directive](#) when it comes to the framework for the development of district heating. These pieces of legislation include clear targets and milestones for decarbonisation, requiring municipalities with inhabitants of over 45,000 people to draft their heating and cooling plans, and a prohibition of new investments into fossil fuel heat generation. Director Pinho also introduced the work of the CRiT initiative's [District Heating Working Group](#) that unfolded over the course of the last year. In conclusion, she shed light on various support instruments of the EU, stressing that no region will be left alone in their efforts to decarbonise district heating systems.

The keynote speech was followed by a panel discussion, which framed the transition of district heating systems as a crucial part of the energy transition. 40% of the EU's energy production is used for heating and cooling. Implementation must begin without delay in order to fulfil the national and EU emission reduction targets. Panellists described the activities in their respective regions, their current challenges and lessons learnt from their work.





According to Gašper Škarja, Director of Velenje Utility Company, the APD's host city initiated the transition of its heating system by conducting a study about possible renewable energy technologies to replace the old fossil fuels. They also renovated the pipeline network, provided for lower temperatures while modernising over 100 substations and renovated buildings for planned energy savings. While the other panellists praised the efforts of the city carried out so far, Director Škarja pointed to the main lesson learnt: it is crucial to start planning the transition as early as possible, as the various planning processes take longer than expected.

Dáša Jakubíková explained that the city of Partizánske (SK) is currently exploring sustainable energy sources with test drills to uncover opportunities in geothermal energy, while also looking into biomass and the use of large-scale heat pumps. The capacity of the public authorities to plan was highlighted as an important aspect, especially since the transition requires collaboration of various administrative bodies. She suggested establishing a one-stop-shop for municipalities and a district heating working group at the municipal level which would be a good example to follow in Slovakia.

In the Hungarian coal region of Mátra, the next steps in the heating system transition are the installation of more efficient gas boilers, heat storage in the form of water tanks, and the usage of excess heat from electricity generation from gas. State Secretary Balász Hegyi explained that gas cannot be a long-term solution and should be assessed not only from an electricity price

point of view, but also from an energy security angle. He also said that data is currently lacking but would be needed to develop municipal heat plans.

Next, Stefan Retschitzegger from AEE outlined some lessons learnt from his work in technical assistance, stressing the importance of close collaboration between district heating companies and municipalities. He highlighted that price stability is important, especially for industry, and that excess heat from industry can be a source of a significant amount of heat for district heating systems. Working with both Czech and Slovakian coal regions, Jaroslav Straka underscored the opportunities opened up by EU cohesion funds for district heating projects and incorporating into the mix renewable energy sources as early as possible. András Takács from Euroheat & Power mentioned that Denmark has a good financial framework for district heating decarbonisation that is worth looking at, and that heat plans should not only be drawn up by larger municipalities as stipulated in the EU directives, but also considered by smaller municipalities.

The panel concluded that a lot of work still needs to be done, but plenty of examples exist that can serve as inspiration for decarbonisation efforts. Moderator Carsten Rothballer further highlighted the [District Heating Toolkit](#), developed in the context of the CRIT Initiative and financed by the Commission, as a good source of inspiration.

Skills for Net-Zero Industries: the role of Just Transition Observatories

- Moderator: Robert Pollock, Senior Advisor, Secretariat of the Initiative for Coal Regions in Transition
- Keynote address: Barbara Kauffmann, Director, DG EMPL, European Commission
- Keynote speech: Milan Petit, SEER project lead, co-author of the report *Labour market effects of the Green Deal Industrial Plan on Just Transition regions*
- Panellists:
 - Barbara Kauffmann, Director, DG EMPL, European Commission
 - Milan Petit, SEER project lead, co-author of the report *Labour market effects of the Green Deal Industrial Plan on Just Transition regions*
 - Ioannis Bakouros, University of Western Macedonia
 - Ben Lennon, European Trade Union Confederation (ETUC)
 - Maria Belarmina Diaz Aguado, Regional Government of Asturias in Spain

Robert Pollock opened the session by outlining the evolving energy transition policy landscape. Initially, in 2018-2019, the focus was solely on phasing out hard coal and lignite. However, the attention is now on the “phase-in” process of renewable energy and how to realise opportunities presented by new green technologies. The EU’s Net-Zero Industry Act outlines a possible route for this, but the key question is how

to match current skills supply with emerging demand, particularly in coal+ regions.

During the keynote address, Director Barbara Kauffmann noted that while a fair transition might seem straightforward at the macro level, job losses are often concentrated in specific sectors and regions due to an emphasis on job creation in new green industries, which makes the situation uniquely challenging. The quality of jobs is also important, as regions want to retain the existing skill level of their workforce rather than replace high-quality jobs with lower quality ones. Female participation in the transition also remains a key challenge with the percentage of women studying STEM subjects still low. Overall, some progress is being made to address the employment challenges of the green transition. However, cross-ministerial collaboration could still be improved.

Director Kauffmann also outlined the variety of financial mechanisms that exist within the EU to support the transition process including the Just Transition Fund, the Social Climate Fund, the European Social Fund and the Recovery and Resilience Facility. She announced that in 2025, the EU will launch an EU-level Fair Transition Observatory to enhance data collection and monitoring, exchange best practices, and conduct policy analysis.

Milan Petit, SEER project lead, presented his research focusing on the [Labour market effects of the Green Deal Industrial Plan on Just Transition Regions](#). The key takeaways from the research are that the green transition’s labour market effects will be felt locally and should be dealt with regionally and solved inter-regionally. Milan also highlighted some of the roles that Fair Transition Observatories could play including monitoring socio-economic indicators, analysing and sharing best practices, supporting with policy intelligence, developing and supporting reskilling pathways, and strengthening territorial cooperation.





During the panel discussion, Ioannis Bakouros from the University of Western Macedonia highlighted the central role of the Just Transition Observatory in Western Macedonia. He emphasised that the challenge is not to secure funds but to spend them fairly and wisely. Ben Lennon from ETUC stressed the need to collect and get granular data on employment changes. He underscored the importance of proactive reskilling programs, which are more cost-effective than reactive measures. He also advocated for an EU-level Just Transition Directive that could potentially work with the regional Just Transition Observatories and look into future skills needs at EU level.

Maria Belarmina Diaz Aguado and Ioannis Bakouros shared lessons learnt from establishing the Just Transition Observatories in Asturias and Western Macedonia respectively. Key points included involving policymakers from the very beginning, engaging various stakeholders (including youth associations and municipalities), collectively determining data collection priorities, and ensuring the observatory is situated within the regional government. Ioannis also called for the European Commission to provide guidance on the types of data to be produced by Regional Observatories to allow for comparability across regions.

During the Q&A, participants inquired about funding sources for existing Just Transition Observatories, which range from regional government resources to funding through the EU's LIFE programme as well as means of creating high-quality jobs.

When closing, Robert Pollock spoke about the importance of two-way communication while aligning future skills supply and demand and harmonizing data collection across different transition regions.

Closing session

- Paula Pinho, Director, DG ENER, European Commission
- Peter Dermol, Mayor of Velenje

Kicking off the closing session, Paula Pinho expressed gratitude to the city of Velenje for their hospitality and acknowledged the contributions of others to the success of the event. She highlighted the significance of participants' engagement in discussions, which revealed both opportunities and challenges addressing key topics of the coal transition. Director Pinho appreciated Velenje's revitalization projects as a model for other regions and stressed the importance of shifting public attitudes from "Not In My Backyard" (NIMBYism) to "Please In My Backyard" (PIMBY). She also pointed to the reactivation of the Karlovy Vary statement at this year's Annual Political Dialogue, signed last year, and reaffirmed the European Commission's commitment to continue supporting the coal+ regions in their decarbonization efforts.

To conclude the conference, Mayor Dermol highlighted four important findings from the gathering. Firstly, he noted the value of the Just Transition Fund, advocating for its continuation beyond the current Multiannual Financial Framework to address ongoing challenges. Secondly, he emphasised the need for decarbonizing district heating systems and optimising thermal energy use, with focus being put on a need for accompanying financial support. Thirdly, he called for financial mechanisms to support building renovations and energy efficiency to avoid additionally burdening citizens. He stated that coal+ regions should be actively participating in drafting the Social Climate Plans under the Social Climate Fund. Finally, he invited policymakers at all levels to bear in mind citizens' needs and ensure financial and social support in the transition. Mayor Dermol finished by commending the success of the conference.



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