



Just Transition Platform Working Groups

Action 11: Develop a good practice
model of a Transformation Council

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The **Just Transition Platform (JTP) Working Groups (WGs)**, established in November 2021, bring together all stakeholders from across Europe with a common concern for the people and places affected by the transition to a climate-neutral economy. The WG for **Steel, Cement and Chemicals** each have a focus on a specific carbon intensive sector that is heavily impacted by the transition, while a fourth WG focuses on **Horizontal Stakeholder Strategy**.

After finalising their [Scoping Papers](#), outlining the focus areas and objectives of their WG, the WG members developed a [common Implementation Plan](#), which sets out their 17 Actions. This plan was finalised and published in April 2023. Throughout the rest of the year, the Action leaders, together other WG members contributing to the Action, have been implementing their respective Action.

This document presents the final output of Action 11.

Disclaimer:

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Introduction

Challenges addressed by Action 11

The transformation of industrial key sectors is a huge and complex task – with high risks at stake if it is not done properly. Even if there are many activities on regional, communal or company level, there must be a high-level body on state level responsible for the transition plan and aim that can provide advice and act as advisory board. Otherwise, resources may be spoiled ineffectively. Even if there is a dedicated transformation ministry in state government, this cannot act alone. There will be at least three or more ministries involved. The prime minister and its executive agency must take the lead actively, otherwise there will be no purposeful steering actions that have a view of the overall picture for all branches, sectors, and institutions of the state. Experience shows that the normal coordination between the ministries of the government will not be able to do that. Plus, there must be other key players involved, without making the high-level body so big that it cannot act effectively. Essential are social partners and few key authorities. This is the case in the *Transformationsrat* (meaning 'Transformation Council') in Rhineland-Palatinate, Germany.¹

To include broader views such as from academia or local clusters the high-level body may be supplemented by a separate network of different actors. This is the idea of the *Transformationsnetzwerke* (transformation networks), which are networks that have been established the region of Rhineland-Palatinate.

Objectives of Action 11

This Action aims at providing guidance to JTF regions concerning the set-up of transformation councils, which will be able to work as an advisory board and influence the decision-making process but will not be decision-making bodies as such. Such councils at regional level can have the following objectives:

- requesting and drawing an overall plan/picture of the transformation in the state, including overall figures on the actual and future energy demand (electricity, H₂), the local/regional production capacity, the required energy-imports and energy infrastructure;
- initiating and coordinating impactful actions of the state, regions, and the industry;
- requesting and formulating the necessary legal and political framework on national and EU-level (outside the JTFR);
- formulating position papers of the actors in the Transformation Council to provide advice and consultation.

¹ <https://www.rlp.de/themen/transformationsrat>

State Government of Rhineland Palatinate (September 2020). Transformationsrat beschließt erstes Maßnahmenpaket - Rheinland-Pfalz soll Gewinner der Transformation werden. Retrieved from: <https://www.rlp.de/service/pressemitteilungen/detail/gemeinsam-rheinland-pfalz-zu-einem-gewinner-der-transformation-machen> (last accessed on October 2, 2023).

Stakeholders targeted by Action 11

Regional/local governments that are relevant to transformation issues, social partners (such as labour unions, labour agencies), and selected key regional actors (such as chamber of commerce) are addressees of the factsheet.

Beyond the transformation council, a 'transformation network' may incorporate more actors, such as representatives from academia, local clusters, civil society organisations, etc. The composition of the transformation council remains the key challenge for their actual commitment to decarbonisation instead of protecting the status quo. Therefore, civil society organisations are equally addressed by the factsheet.

How this Action was implemented

The Working Group on Chemicals of the JTP has set up an Implementation Plan, describing Actions identified to address the challenges and issues identified in the Scoping Paper. Action 11 is to develop a good practice model of a Transformation Council. The concrete output is a factsheet with an example or 'good practice' of a Transformation Council.

Factsheet with an example or 'good practice' of a Transformation Council

1. Background

The output of Action 11 is a factsheet on the *Transformationsrat* (Transformation Council) of Rhineland-Palatinate. This factsheet builds upon the experience of local actors that are familiar with the transformation needs of the region and the work of the council so far.

2. Why this example?

This example is about the *Rat zur Gestaltung und Begleitung des Strukturwandels* (The Council for Shaping and Accompanying Structural Change), better known as the Transformationsrat in German or Transformation Council in English, in Rhineland Palatinate.² This was founded by the Prime Minister in March 2020. Rhineland-Palatinate is not a coal or former-coal-region but marked by a strong chemical and automotive industry. Rhineland-Palatinate is therefore not in the scope of the JTF, but nevertheless its industry is undergoing massive transformation in multiple areas, such as:

- energy/decarbonisation;
- circular economy;
- chemicals strategy on sustainability;
- digitalisation;
- demography/workforce.³

To tackle these challenges in the most successful way, the federal government has set up this operative body and has been working on different issues since March 2020.

All members of the Transformation Council find its work important and fruitful and are willing to continue. Surely some aspects may be specific for Rhineland-Palatinate and may not be useful for other regions. But the idea in general and maybe even details or processes may be helpful.

² State Government of Rhineland Palatinate (September 2020). Transformationsrat beschließt erstes Maßnahmenpaket - Rheinland-Pfalz soll Gewinner der Transformation werden. Retrieved from <https://www.rlp.de/de/pressemitteilungen/einzelansicht/news/News/detail/transformationsrat-beschliesst-erstes-massnahmenpaket-rheinland-pfalz-soll-gewinner-der-transformati/> (last accessed on February 15, 2023).

³ It should also be noted that the council is not part of a TJTP. More information about the Transformation Council can be found here: <https://www.rlp.de/themen/transformationsrat>

3. Requirements and experiences

Setting up a Transformation Council is by principle not limited to certain regions similar to Rhineland-Palatinate. Aims and structures in general should be transferable to other regions. Surely the practice will necessarily differ from region to region, taking in account the different situations, structures and players. But nevertheless, there are some requirements which can be crucial for the success of such a body.

- **Social partnerships** play an important role, as well as an established tradition in exchange and discussion of important and crucial topics. This may be one of the key requirements of this example. In critical situations it could take too long to establish such a practice.
- For the same reason, to establish a functioning operative body it should be possible to **limit the number of topics and players concerned**. It is important that the representatives are decision makers and have the competence and ability to speak for its sector. Key players should not change too often and participate in person.
- A **strong industrial focus in the economy** must not but may be another enabler in the process. With its population of 4.1 million, Rhineland-Palatinate is relatively strong in the manufacturing sector and in export quotas. Energy intensive industrial sectors are strongly represented above average.
- Finally, it needs the **commitment of the prime minister** to put resources and effort in such a process, for it needs time and continuity to keep things going.

In our experience it is a constant challenge to master the entanglement of state level, federal level and European level:

- The Transformation Council as a body of the state government naturally will focus on that level first, seeking measures and actions that can be taken on the own competence of its players.
- The stronger the issues on a regulatory level, the stronger the legal bindings and determinations of federal and EU-Level. Here the role of the Transformation Council can be discussed and has been discussed. Considering the numerous external bindings of the different policy sectors, a strict limitation on state level has been assessed as not favourable.
- In essence the Transformation Council has to keep the balance between concrete actions on state level and the influence on federal and EU-politics. This balance is not always easy to find in practice and is a continuous matter of discussion.

4. Key facts

Members

The Transformation Council includes **representatives from the state government and from representatives of the employment side**. The following organisations are represented:

- Prime Minister;

- Minister of Environment;
- Minister of Economy;
- Minister of Labour and Transformation;
- Minister of Science and Health;
- Trade unions;
- Rhineland-Palatinate Federation of Employers' Associations (LVU);
- Working groups of the Chambers of Crafts and the Chambers of Industry and Commerce;
- Regional Directorate Rhineland-Palatinate-Saarland of the Federal Employment Agency.

Organisation

The organisation is led by the state chancellery (the coordinator of the state government). The council's main body are the **plenary meetings** which happen three–four times per year. There is a main working group and topic-related sub-working groups (e.g. on energy, chemicals etc.).

Aim

The council advises on **necessary measures to maintain and expand industrial value creation and to qualify and further educate employees**. By doing so, the aim is to support enterprise and employees facing transformation processes, i.e. to secure jobs. In addition, it aims at driving innovation and securing the international competitiveness of the region and its companies.

Topics

The council deals with a **broad range of topics**, all related to transformation processes. A selection is provided below:

- changes in the labour market; workforce of the future;
- qualification and training;
- funding programmes;
- energy, renewables and hydrogen;
- regulatory requirements.

Output

As a central output, the council has developed an **action plan** in which it outlines more than 50 concrete actions for the region. Furthermore, other outputs have been:

- Roadmap Hydrogen for RLP;
- Transformation Agency and Innovation Agency;
- Model for the 'Alliance for Transformation' of BK Scholz on federal Level;
- Origin for the 'Innovation Agenda Chemical Industry' of BK Scholz at federal Level;
- Political Papers on different topics such as Industry Policy, Qualification and Securing Skilled Personnel, Circular economy, Chemicals Strategy for Sustainability, etc.;
- Supplemented by Transformation Networks in the regions of RLP.

