



JUST TRANSITION PLATFORM WORKING GROUP ON STEEL

TERMS OF REFERENCE

1. BACKGROUND

The Just Transition Platform (JTP) aims to assist EU Member States and regions to unlock the support available through the Just Transition Mechanism (JTM), a new support instrument introduced by the European Commission in 2020. The objective of the JTM is to address the specific social, economic, and environmental challenges in the regions most affected by the transition to a sustainable and climate-neutral economy. The JTP provides comprehensive technical and advisory support for stakeholders from those territories. Authorities and beneficiaries can access it to find information on funding opportunities, relevant regulatory updates or sector-specific initiatives.

In order to ensure comprehensive stakeholder involvement throughout the activities of the JTP, four working groups are to be established¹. Three of these have a thematic focus on a carbon-intensive sector (steel, cement, chemicals) with the objective of exchanging and developing practical solutions to ensure that the decarbonisation of the respective industry happens in a fair way, leaving no one behind. . The fourth working group on horizontal stakeholder strategy will be of cross-cutting nature and build on the work of the other three groups as well as engaging stakeholders from other carbon-intensive sectors.

Technical aspects that provide the background for the process of the steel working group are:

- Reduction of carbon emitted during primary steel production (blast-furnace process). Different process steps offer starting points for emission reduction. Possible key technologies are direct reduction with hydrogen, iron electrolysis, HIsarna with CCS and CCS/CCU of metallurgical gases.
- Increase the share of steel from secondary production (melting down scrap steel in electric arc furnaces (EAF).
- Sufficient green electricity (particularly for EAF) and green hydrogen (for reduction of iron ore) must be made available.
- Infrastructure for electricity, H₂ and possibly CO₂ must be built up.
- Fossil fuel-based plants in large integrated steel mills must be decommissioned and replaced without jeopardising the integrity of the production

¹ The working groups will not have the status of Commission expert groups.

The working group on steel will pursue the following aims:

- To provide support to the Commission in identifying and developing inclusive approaches to transition;
- To find solutions and tools to tackle local challenges and mitigate the adverse effects of transition processes horizontally for all regions most affected by the transition. These territories are identified in the Territorial Just Transition Plans and they include fossil fuel dependent and carbon-intensive regions.
- To promote actively the establishment and the strengthening of the stakeholder network and to drive the exchange of best practices among all parties involved in the process;
- To share knowledge on the social impact and human dimension of the transition towards a carbon-neutral future within the steel sector.

The objective of the working group on steel is to gather relevant and varied groups of stakeholders around the topic of transition with a view of developing a common transition vision with local and social partners, civil society, NGOs, industrial and economic actors and academia. Work in this sectoral group should lead to the definition of a strategic approach of engaging and involving different stakeholder groups at the level of the implementation of the Territorial Just Transition Plans in the regions impacted by the transition. This should involve the relevant elements of the sectoral value chains through the integration of corresponding stakeholders.

The working group shall be composed of representatives from Member States, regional and local authorities and cities, representatives of business, research and civil society bodies active in the steel sector. Among the latter, those dealing with questions of acceptance, participation and social implications of the transformation process towards climate-neutral industry are to be considered. This will help to achieve social consensus and will bring added value to the implementation of TJTPs as these actors working locally understand best the challenges faced by their communities.

2. SUBJECT MATTER

The subject matter of this document is to set up the JTP working group on steel (hereafter “the group” or “the working group”) and guide its activities throughout the duration of the programme.

3. TASKS

The group’s tasks shall be:

- (a) exchange knowledge and develop good practices on social and demographic challenges that stakeholders face in the regions most affected by the a transition towards a carbon-neutral steel sector;
- (b) identify and develop approaches, solutions and tools to tackle local challenges and just transition processes, while encouraging social dialogues and cooperation among concerned actors on the ground to show future perspectives for the sector;
- (c) establish cooperation/coordination between the Commission and Member States and stakeholders on questions relating to the implementation of Territorial Just Transition

Plans and related to stakeholder involvement issues with a special focus on the prospects of the steel sector;

- (d) develop actions tackling common issues specific to the sector and decarbonisation technology-related to the transition processes

4. MEMBERSHIP

1. The group is composed as follows:

a) **First circle:** maximum of 20 active members who will be selected by DG REGIO based on a fair and transparent selection process to ensure a balanced composition in terms of geographical distribution, stakeholder types, sector focus and gender. They will actively participate in all the phases and activities of the Working Group (WG). Members of the first circle will both shape and perform the work that will be done as part of WG, and they will also be involved in the steering of the WG. Some of them will become Action Leaders, hence the 'owners' of specific actions. Others will only support one or more actions during the Implementation Phase of the WG. The Commission may decide to publish additional calls in the future to extend the core membership of the groups.

b) **Second circle:** will contain close observers of the WG that could take part in some of the work of the WG on an ad-hoc basis. They will be kept informed about the ongoing work of the WG but will not be responsible for the overall steering of the WG. There is no maximum number of observers in the second circle. Applicants will need to be eligible and demonstrate that their activities fall within the scope of the concerned WG through their application form. Members of the second circle will then be involved in WG's consultation activities.

c) **Third circle:** includes other eligible stakeholders that will be updated and informed about the mid-term and final results of the WG.

2. Members shall be Member States' authorities, local and regional authorities, associations representing regional, local, urban and other public authorities, organisations representing economic and social partners, and bodies representing civil society (such as NGOs), all represented by one person of that institution². To mobilise society in a cross-cutting manner, this working group will also involve specific stakeholders (e.g. trade unions and clusters from the steel industry).
3. Member States' authorities, organisations at Union level and other public entities shall nominate their representatives and shall be responsible for ensuring that their representatives provide a high level of expertise
4. Members who are no longer capable of contributing effectively to the working group's deliberations, who do not comply with the conditions set out in Article 339 of the Treaty on the Functioning of the European Union or who resign, shall no longer be invited to participate in any meetings of the group and may be replaced for the remainder of their term of office.

² For more information regarding the sub-categories, please refer to the Call for applications

5. SELECTION PROCESS

1. The selection of organisations as the group's members shall be carried out by the external consultant *via* a public call for expressions of interest, to be published on the European Commission websites. In addition, the call for applications may be published through other means of targeted dissemination and through DG REGIO channels. The call for applications shall clearly outline the selection criteria, including the required expertise and the interests to be represented in relation to the work to be performed. The minimum deadline for applications shall be three weeks (until 8 October). The application form will be published in English, as this will be the main working language within the WGs.
2. Registration in the Transparency Register is required for organisations to be appointed for any stakeholder circle.
3. Following a first eligibility check (assessment of whether candidatures fall into the scope of the WG and the predefined stakeholder categories), applications will be scored by the external contractor using a numerical scale (0 to 5), depending on the applications expressed commitment, expertise and capacity to become a full member of the WG (first circle). Based on the final assessment form, the final selection will be under the responsibility of DG REGIO.
4. Full members of the group shall be appointed by DG REGIO from specialists with competence in the areas referred to in point 3 and who have responded to the call for applications.
5. Members shall be appointed for the duration of the working group. They shall remain in office until replaced or until the end of their term of office. The composition of each working group should take into account balance in terms of geographical distribution, stakeholders types, sector focus and gender.
6. DG REGIO shall establish a reserve list of suitable candidates that may be used to appoint members' replacing the member. DG REGIO shall ask applicants for their consent before including their names on the reserve list.
7. If an application proves insufficient to join the first circle of the WG, applicants may be granted the role of a close observer (second circle) or other stakeholders (third circle) by direct invitation.

6. CHAIR

The group shall be chaired and managed by an external consultant.

7. OPERATION

1. The group shall act at the request of its chairman/chairwoman..
2. After members of the WG have been selected, a first WG meeting will take place within the context of the JTP event in the week of the 15th of November 2021. The first meeting will enable members to meet and get to know each other and have a first exchange on the challenges to be tackled within the group.
3. Following the first meeting, a needs assessment will be carried out to identify the priorities and specific needs of the WG. Based on this, WG members will draft a WG

Scoping Paper, outlining the identified priority theme(s), the objectives of the WG, the expected results and the preliminary outcomes of the research and analytical work, such as potential challenges and bottlenecks. An online consultation will enable closer observers (second circle) to express their views, ideas, suggestions and feedback on the priority theme(s) identified by the group.

4. The Scoping paper will be the base upon which WG members will identify and define a provisional set of actions that could address and tackle the identified challenges and bottlenecks of the priority theme(s), as outlined in the WG Scoping Paper. Each action will have one or more Action Leader(s), who will act as ‘owners’ of a specific action, and they will be responsible for leading and coordinating the development and implementation of their action.
5. WG members will then start developing a draft Implementation Plan. This Plan will include the set of provisional actions, how the WG plans to execute the actions, as well as a rationale for why each provisional action is important for the priority theme(s) identified. A second consultation will enable observers from the second circle to provide feedback, leading to the final Implementation Plan.
6. Once agreed, the WGs members will start implementing the actions. The Action Leaders will coordinate the work that needs to be done with members of the WG and other interested parties in order to execute the actions to the best of their abilities.
7. The group shall adopt its strategic documents (Scoping paper and Final Implementation Plan), opinions, recommendations or working papers by consensus.

An indicative timeline is presented below



8. WORKING GROUP MEETINGS

1. Each WG will meet twice a year during its operation. These meetings will be one of the key milestones for the work of the WGs, as they are positioned in a crucial moment of the WG phases, as outlined in our approach above. The meetings will then have the following objectives:

The first meeting will be organised in the context of the JTP event in the week of the 15th of November 2021 and represent a kick-off for the WG. It will serve to introduce

the WG members and kick-start their activities. The main aim of the meeting will be to discuss the priority theme(s) on which the WGs will focus on.

The second meeting will launch the development of actions. It will mainly serve to identify and define a provisional set of actions that address the issues of the priority theme(s).

The third meeting will be used to agree on a final set of actions to be included in the Implementation Plan.

The fourth and fifth meetings will be dedicated to discussing progress in realising the Implementation Plans.

2. Meetings of the group shall, in principle, be held on Commission premises. However, due to the COVID-19 pandemic, the meetings will be held digitally until further notice. Commission officials with an interest in the proceedings may attend meetings of the group.
3. The external contractor will be responsible for managing the secretariat of the Just Transition Platform under supervision of DG Regional and Urban Policy.
4. The group may, by a simple majority of its members, decide that deliberations shall be public. The members of each working group will be allowed to share their personal views.
5. Minutes on the discussion on each point on the agenda and the opinions delivered by the group shall be meaningful and complete. Minutes shall be drafted by the JTP secretariat under the responsibility of the Chair.

9. MEETING EXPENSES

1. Participants in the activities of the group shall not be remunerated for the services they offer.
2. In case of physical meetings, travel and subsistence expenses incurred by core members of the group (1st circle) shall be reimbursed by the external contractor.

10. INVITED EXPERTS

The secretariat may invite experts with specific expertise with respect to a subject matter on the agenda to take part in the work of the group or sub-groups on an *ad hoc* basis.

11. RULES OF PROCEDURE

The group shall adopt its rules of procedure by a simple majority of its members. Official outputs of the WG may be made public via the JTP website upon consultation of DG REGIO.

12. PROFESSIONAL SECRECY AND HANDLING OF CLASSIFIED INFORMATION

The members of the group and their representatives, as well as invited experts and observers, are expected to respect the professional secrecy, laid down in Commission Decisions (EU, Euratom) 2015/443³ and 2015/444⁴.

13. TRANSPARENCY

1. The list of members of the group will be published on the European Commission websites.
2. As concerns the group composition, the following data shall be published:
 - (a) the name of Member States' authorities;
 - (b) the name of other public entities, including the name of third countries' authorities;
 - (c) the name of member organisations; the interest represented shall be disclosed

Done in Brussels, on [date].

³ Commission Decision (EU, Euratom) 2015/443 of 13 March 2015 on Security in the Commission (OJ L 72, 17.3.2015, p. 41).

⁴ Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).