



Submission to the Consultation on Draft Territorial Just Transition Plan

Irish Congress of Trade Unions

February 2022

Introduction

The 2015 Paris Agreement marked a significant step in the evolution of an agreed global framework on the necessity to ensure a Just Transition, in the move to a zero carbon economy.

The agreement specifically highlighted “the imperatives of a Just Transition of the workforce and the creation of decent work and quality jobs..”

In doing so, it built upon and drew from a crucial series of guidelines devised by the International Labour Organisation (ILO) on the implementation of Just Transition.¹

These essential guidelines provide a comprehensive and cohesive framework for governments, unions, communities and employers on the key steps required to deliver on a Just Transition.

They highlight the necessity for inclusive social dialogue, strong social protection, skills development, the promotion of decent work and moving to identify and *anticipate* changes in the workplace in advance, as part of the transition process.

According to the ILO, a well-managed and proactive Just Transition “can become a strong driver of job creation, job upgrading, social justice and poverty eradication.”

The organisation stresses that unions, employers, communities and government “cannot be passive bystanders; they must be active agents of change” in the transition process.

The guidelines devised by the ILO are now an indispensable component of the agreed global framework on Just Transition and provide a key reference point for all parties.

Indeed, the United Nations in its landmark *Our Common Agenda* report has called on all countries to embrace the ILO guidelines “as the minimum standard to ensure progress of decent work for all.”²

The Irish government has repeatedly and clearly indicated its support for this agreed framework, as a signatory to the Paris Agreement, the Silesia Declaration and the COP 26 Just Transition Pledge.

The latter explicitly commits to the promotion of Social Dialogue along with the creation of Decent Work, as part of the transition process.

Indeed, there is an established and clear consensus on the issue here at home, as expressed in the seminal 2019 NESC report that set out a blueprint for the delivery of a Just Transition in Ireland and which was agreed by representatives of government, trade unions, the agricultural sector, environmental groups and wider civil society.³

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf

² <https://www.un.org/en/content/common-agenda-report/>

³ <https://www.nesc.ie/publications/addressing-employment-vulnerability-as-part-of-a-just-transition-in-ireland-2/>

In addition, we note that as part of its Strategy Statement 2022-2024, the Irish Human Rights & Equality Commission (IHREC) has adopted as a key policy goal, the achievement of “A just transition to a sustainable economic future”.⁴

It is worth pointing out that the Just Transition concept originates from within the global trade union movement and, as such, prescribes a very specific series of measures and goals, many of which are referenced in the ILO Guidelines and the very clear definition from the International Trade Union Confederation:

“A Just Transition secures the future and livelihoods of workers and their communities in the transition to a zero-carbon economy. It is based on social dialogue between workers and their unions, employers, government and communities. A plan for Just Transition provides and guarantees better and decent jobs, social protection, more training opportunities and greater job security for all workers affected by global warming and climate change policies.”

Thus, it is the established view of Congress that job losses and lower living standards are *not* the automatic outcome of the carbon transition, but result from poor planning and misplaced faith in the capacity of the market to meet all needs.

Indeed, the shift to a zero-carbon economy and the development of a new economic model based on renewable energy - if managed properly - can help in the creation of greater opportunities, a fairer economy and more equal societies.

Conversely, should the transition process become synonymous with job loss and poorer communities it will lose worker confidence and community support and become far more difficult to achieve.

As positive examples from across the world demonstrate, the most effective and the most efficient transition is one that is inclusive, protects jobs and communities and delivers new opportunities for all.

In that context, a recent survey conducted by the Trades Union Congress (TUC) across the UK found a strong worker support for action on climate change (some 86% of those surveyed).

However, that optimism was tempered by a lack of confidence that the (UK) government was doing enough to aid a Just Transition (75%) allied to the fact that just 13% of those polled had been consulted by their employers on the measures needed to tackle climate change.⁵

⁴ <https://www.ihrec.ie/irish-human-rights-and-equality-commission-launches-new-3-year-strategy-statement/>

⁵ <https://www.tuc.org.uk/news/most-workers-back-move-greener-economy-just-one-four-believe-current-plans-will-create-many>

No Just Transition in the Midlands

Despite repeatedly voicing full support for this agreed global framework, we see a very clear disconnect between professed policy and lived reality, here at home.

Thus, the experience to date of workers and communities in the Midlands of the transition process has been overwhelming negative.

While extraordinary sacrifices were demanded of the Bord na Móna peat workers and their communities, this has not yet been matched by the required supports from government or state agencies, in a manner consistent with Just Transition.

In excess of 1000 jobs have already been lost in the sector and the scale of the losses suffered in the region - both direct and indirect - have been highlighted in the current draft Territorial Plan.

The draft plan acknowledges the ripple effect of these losses across the community and the Midlands economy:

"The indirect impacts are the estimated downstream impacts such as the reduction in indirect employment and business spend and indirect employment includes the hiring of external contractors, labourers, caterers and cleaners which would therefore be affected as plants and operations shut down.

"A 2018 report, prepared for Bord na Móna, estimated an indirect employment impact of the company's activities of 800 indirect jobs created within the region (Power, 2018)."

The draft plan also highlights the fact that further job losses are inevitable when temporary schemes such as the Enhanced Decommissioning, Rehabilitation and Restoration Scheme (EDRRS) come to an end.

"By July 2021, approximately 350 Bord na Móna employees had transitioned from working in peat related activities (mostly peat harvesting, haulage etc.) to operating the EDRRS.....an ambitious rehabilitation and restoration programme of over 33,000 hectares across 82 Bord na Móna bogs which will protect the storage of 100 million tonnes of CO2 emissions, enhance biodiversity and will contribute to Ireland's target of being carbon-neutral by 2050.

"This has mitigated *to some extent* (our emphasis) the expected negative job impacts by providing a transitional role and sustaining employment in the short to medium term. However, it is expected that this programme will have *a specific lifespan and will eventually conclude.*" (our emphasis)

"In addition, it is expected that the continued winding down of peat-related activities in the region, including at the briquette factory at **Derrinlough** and potentially the power station at **Edenderry** may have *further negative economic and employment impacts* in the region."

We also note that the draft plan is somewhat 'light' on the impact that the cessation of peat production is having on the horticulture industry, where over 17000 jobs are now at risk, the majority in rural areas.

Indeed, we now have the farcical situation whereby (inferior quality) horticulture peat is imported from eastern Europe (with its consequent increased carbon footprint), when just 0.12% of Irish peatlands is all that would be required to underpin the established horticulture sector.

Against this backdrop of widespread and further potential job loss and community impoverishment, there has been a signal failure on the part of government and the relevant state authorities to respond in an appropriate and timely manner.

There has been no overarching plan for the region, an absence of significant investment initiatives or coherent job creation initiatives, specifically targeted at the affected workforce and communities of the Midlands.

Indeed, the most most striking feature of the Midlands experience to date - temporary measures aside - has been the utter failure to create permanent new, replacement jobs and quality employment opportunities for the affected workers and communities, in a manner that would mitigate and offset the losses suffered.

Funding Shortfall

This contrasts sharply with the experience of the transition in other countries, including Germany and Australia, but most notably in Spain.

In the latter case a landmark Just Transition plan to oversee the managed wind down of the country's coal mining industry was agreed by unions, employers and government in late 2018.⁶

The deal sees an agreed investment package of some €250 million for the sector and communities, primarily in the north of Spain.

Indeed, the industry in Spain has a good deal in common with the peat sector in the Midlands, in terms of numbers employed and the pivotal role it plays in communities where alternative job opportunities can be scarce.

The €250 million investment package is entirely separate from the funding that Spain will draw down under the Just Transition Fund, a sum of approximately €790 million.⁷

Ireland expects to draw down some €84 million in dedicated funding for the Midlands, from the EU Just Transition Fund.

In addition, some funding has also been made available as part of the National Just Transition Fund, although this has been closed to project applications since July 2020.

According to information published by the Department, some 55 projects have now received grant funding of some with €20.5 million and are now operational.⁸

⁶ <https://www.industrial-union.org/spanish-coal-unions-win-landmark-just-transition-deal>

⁷ https://data.oireachtas.ie/ie/oireachtas/parliamentary/BudgetOffice/2020/2020-11-25_an-overview-of-the-eu-just-transition-fund_en.pdf

⁸ <https://www.gov.ie/en/publication/ed10d-just-transition-fund/>

It is claimed that these will deliver some **154 direct jobs** and 932 indirect jobs - although it is acknowledged that these job creation claims are “self-reported by projects” that have received funding.

Thus, even under a best case scenario the level of job creation arising from the work supported by the Just Transition Fund is unlikely to come anywhere close to replacing the number and range of jobs that have already been lost across the region.

Equally, the nature and quality of these jobs and is also unclear and, given the nature of the project work, many are likely to part-time or temporary and of very little lasting benefit to the local economy, by comparison with the jobs that have been lost.

An initial analysis of the project spend and focus carried out by Congress also raises considerable concerns on the value and relevance of much of this work, in the context of delivering a Just Transition.

As has been seen, the priority goals for any Just Transition process are replacement jobs for those lost, allied with skills training/ education and enhanced social protection aimed primarily at the affected workers and communities.

Of the 44 projects initially studied by Congress (additional projects since been added, with the total at 55,) as set out by the Department, the vast bulk of funding was allocated to projects that appear very unlikely to deliver any immediate benefit to the workers or communities of the Midlands - in terms of quality jobs, upskilling etc.

Many are worthwhile projects on their own merits, but their inclusion as part of a Just Transition framework is questionable.

These include a heavy focus on tourism and tourist facilities; conservation and ‘pollination’ work; an educational programme at Second Level; ‘promotional initiatives’; development of business parks/ and new office space; a wide range of research and feasibility studies, many of will never realise any benefit for the region, or which may do so only over the very long-term.

In addition, the funding allocation also reveals a large number of local authority and state bodies among the recipients, sometimes for work that would be considered part of their primary role and focus and would thereby funded accordingly.

This includes funding for local authorities and bodies such as Enterprise Ireland. In addition, substantial funding is provided for a Midlands Retrofit One-Stop- Shop’ - itself a worthwhile project - but why not fund this directly and more appropriately through the national retrofit programme?

Of greatest concern is the fact that projects which received the lowest allocation of funding were those that were most relevant to the Just Transition in terms of delivering direct and immediate benefits to the workforce and the Midlands communities most affected by the transition process.

Overall, the funding allocation pyramid and priorities of the Just Transition Fund would appear to be the *inverse* of what it should be under a Just Transition framework, where the affected workforce and communities of the Midlands would be the primary beneficiaries.

For Congress, this raises significant questions in respect of the funding priorities that will underpin the allocation of funding under the Just Transition Territorial Plan and the transparency and governance systems that will attach to this process.

In that context, we would call for an independent assessment and evaluation of the work and operations of the Just Transition Fund, to be conducted without delay and in advance of the drawing down of any monies from the EU Fund.

A Just Transition Framework?

The draft Just Transition plan states that Ireland's climate policy - as expressed in the Climate Action Plan (CAP) - is based on a Just Transition framework.

The CAP outlines a number of key principles on this, namely:

- *that people "are equipped with the right skills to be able to participate in and benefit from the future net zero economy"*
- *that the "costs are shared so that the impact is equitable and existing inequalities are not exacerbated"*
- *that there is "social dialogue to ensure impacted citizens and communities are empowered and are core to the transition process."*

While we have seen some welcome focus and attention on skills development at a national level of late, much of this work will take some time to feed through and impact on workers and communities.

It is the view of Congress that work on this key issue should have been initiated in advance and in anticipation of the changes taking place as part of the transition.

Indeed, this should have commenced as far back as 2015, when we signed the Paris Agreement and effectively signalled that a major process of transformative change was now underway.

This would also have included early and pre-emptive action with regards to skills training in the Midlands for BnM workers.

Given the outcomes witnessed so far, it is simply not credible to claim that 'costs have been shared' and the impacts have been equitable.

However, it is entirely incorrect to claim that climate action rests on a foundation of social dialogue.

Since 2018, Congress has called for the establishment of a National Just Transition Commission, based on social dialogue and involving all key stakeholders - as envisaged by NESCC - as a key component of the transition process here.

This has not happened and to date the process here has been marked by a complete absence of any form of structured social dialogue.

The recently-published Climate Action Plan does contain a commitment to create such a Commission, but according to the schedule set out in the annexes to that plan, this body would not become operative until mid 2023, at the earliest.

This delay is untenable and entirely at odds with claims on the role of social dialogue in this process.

This is all the more urgent given that the departure from office of the former Just Transition Commissioner, Kieran Mulvey, in December 2021.

Indeed, the lack of action to date on this also runs contrary to the strong advice provided to the Minister recently, by the Climate Change Advisory Council, in respect of the carbon budgets process and the need for engagement and dialogue:

“The journey to climate neutrality will require significant societal change. For many, these changes will be positive and beneficial. However, some will face challenges as part of the transition, leading to concerns for climate justice. These individuals and their communities require support from Government to ensure that, as a society, we leave nobody behind.

“The Council emphasises that there will be significant changes to job markets and livelihoods, which could also disproportionately impact some local communities, including farmers.

“In line with the principles of just transition, these workers and communities need to be prepared and supported. Early and effective engagement with workers, local communities, business and social partners will be critical.

Public-sector investment and supporting institutions will need to deliver targeted assistance to impacted workers and their wider communities, taking into account local context and history. To avail of the new job opportunities, significant retraining and upskilling will be necessary to ensure sufficient capacity of skilled labour for the low carbon transformation.”⁹

⁹ <https://www.climatecouncil.ie/media/climatechangeadvisorycouncil/Final%20Letter%20to%20Minister%2025.10.21.pdf>

Key Recommendations

1. Establish the **National Just Transition Commission** based on social dialogue immediately and without further delay, to include all key stakeholders and which will work in accordance the ILO Guidelines on Just Transition.
2. In consultation with all stakeholders devise and publish details of a **clear, transparent system of funding priorities and governance** that will underpin allocation of the monies (€84 m) to be drawn down from the EU Just Transition Fund. Such governance must include a key role for the communities and worker representatives. In advance of this, conduct and publish a full, independent evaluation of the operation and likely impact of the national Just Transition Fund.
3. Given the issues that have arisen in respect of electricity security of supply of late it is imperative that the **Edenderry Power Ltd (EPL) secures planning permission** to operate as a 100% biomass station post 2023 and ensure that no further losses are added to the jobs already lost in the Midlands. With planning permission post 2023, EPL operating as a 100% biomass fuelled station would be the only carbon neutral thermal plant on the grid.
4. Ensure full and immediate engagement with trade unions - under the auspices of the Just Transition Commission if established and operative - to **proactively consult and plan in advance of further possible job losses in the Midlands** region, as indicated in the draft plan.
5. To address the employment and job creation deficit in the Midlands, some portion of the available tranche of funding under the EU Just Transition Fund should be utilised to establish a **new centre of excellence for Green Energy Skills training**. The new would be located in the Midlands and aim to establish itself as the key national centre for green energy skills training and development. The initial training and skills offerings from the centre would be targeted specifically at current and former BnM workers and all others affected by loss of employment in region, arising from the transition process. The new centre could draw on and link in with the existing skills and training infrastructure in the region - such as the Education and Training Boards - and also with existing educational facilities, such as the Technological University of the Shannon and others.

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