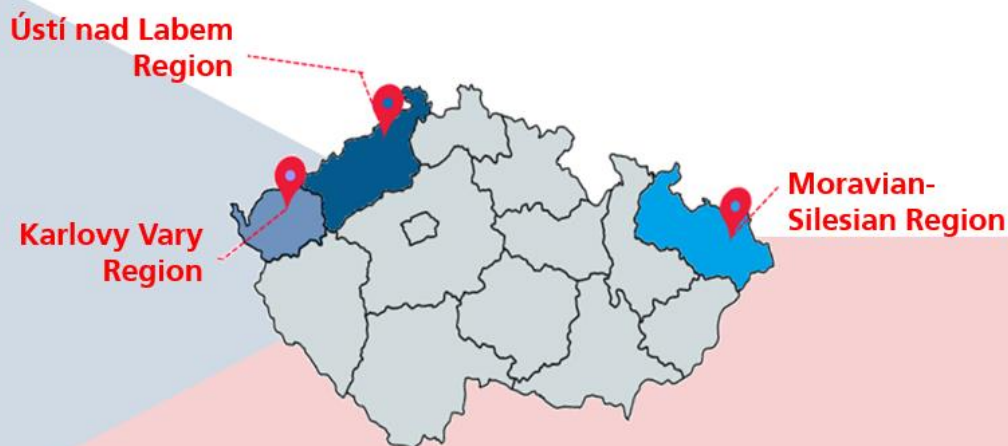


– ENGLISH TRANSLATION –

Framework Contract Procedure: REFORM/2021/OP/0006 Lot 1

SPECIFIC CONTRACT: REFORM/SC2022/116

Support to the implementation of the Just Transition in the Czech Republic



D6. RECOMMENDATIONS FOR THE TRANSFER OF GOOD PRACTICES ON REGIONAL DEVELOPMENT AND INNOVATION FROM MORAVIA-SILESIA TO THE KARLOVY VARY AND ÚSTÍ REGIONS (FINAL) FOR PUBLICATION

18.07.2024

Disclaimer

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This Project is implemented by Frankfurt School of Finance & Management (as part of the AARC Consortium) in cooperation with Prague University of Economics and Business, Czech Technical University and BeePartner.

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The English version of the current report is a translation of the original version prepared in Czech. In case of any variations in meaning, the Czech version shall prevail. Reasonable efforts have been made to ensure an accurate translation.

LIST OF ABBREVIATIONS

a.s.	Joint stock company
ANNA KK	Association of Non-Governmental and Non-Profit Activities of the Karlovy Vary Region
CADA	Czech Association of Development Agencies
CR	Czech Republic
CTU	Czech Technical University
D	Deliverable
DCUR	Data Centre of the Ústí Region
DG	Directorate General
ECUR	Energy Centre of the Ústí Region
ESIF	European Structural and Investment Funds
EU	European Union
EY	Ernst & Young
FDÚR	Future Development of the Ústí Region
HS	High School
ICUR	Innovation Centre of the Ústí Region
INION	Innovation Centre (Karlovy Vary Region)
ISFC	International Sustainable Finance Centre
IT	Information Technology
ITI	Integrated territorial investments
JEPU	Jan Evangelista Purkyně University in Ústí nad Labem
JIC	South Moravian Innovation Centre
JTF	Just Transition Fund
KIC	Karlovy Vary Innovation Centre
KVBDA	Karlovy Vary Business Development Agency
KVR	Karlovy Vary Region
LAG	Local Action Group
MEC	Moravian-Silesian Energy Centre
MoE	Ministry of the Environment
MoRD	Ministry for Regional Development
MS	Moravian-Silesian
MS Pact	Moravian-Silesian Employment Pact
MSDC	Moravian-Silesian Data Centre
MSIC	Moravian-Silesian Innovation Centre
MSID	Moravian-Silesian Investment and Development
MSR	Moravian-Silesian Region
MSTA	Moravian-Silesian Academy of Technology
NGO	Non-governmental non-profit organisations
NN LAGs	National Network of Local Action Groups
p.o.	Contributory organisation
PJT	Programme Just Transition
PUEB	Prague University of Economics and Business
R&D	Research and Development
RCC	Regional Chamber of Commerce
RCCKVR	Regional Chamber of Commerce of the Karlovy Vary Region
RDA	Regional Development Agency
RE-START	Strategy for Economic Restructuring of the Ústí, Moravian-Silesian and Karlovy Vary Regions
REMAKVR	Regional Energy Management Agency of the Karlovy Vary Region
RES	Renewable energy sources
RIS3	Research and Innovation Strategy for Smart Specialization
RN LAGs	Regional Network of Local Action Groups
RN LAGs KVR	Regional Network of Local Action Groups of the Karlovy Vary Region
ROP	Regional Operational Programme
RSC	Regional Standing Conference
SME	Small and medium-sized enterprises
TA	Technical Assistance
TACR	Technology Agency of the Czech Republic
TJTP	Territorial Just Transition Plan
TCÚR	Transition Centre of the Ústí Region
ToR	Terms of reference
UCTP	University of Chemical Technology in Prague
UM-TU	University of Mines - Technical University
ÚR	Ústí Region
UWB	University of West Bohemia
z.s.	Registered association
z.ú.	Registered Institute

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1. PROJECT CONTEXT AND FOCUS OF THE TASK 6 REPORT	4
1.1 Objectives & Sub-objectives of the Task 6 Report	4
1.2 Methodology of Task 6	4
2. EXISTING EXPERIENCE OF JUST TRANSITION MANAGEMENT	6
2.1 The importance of the multi-level governance principle in the just transition process	6
2.2 Managing a just transition from an EU perspective	7
2.3 Institutional aspects of coal regions of the Czech Republic in the literature.....	8
3. ANALYSIS OF THE INSTITUTIONAL STRUCTURE OF THE COAL REGIONS IN THE CZECH REPUBLIC	9
3.1 Moravian-Silesian Region.....	10
3.2 Ústí Region.....	17
3.3 Karlovy Vary Region.....	25
4. FINDINGS AND INSIGHTS FROM REGIONAL WORKSHOPS	31
4.1 Summary of findings and conclusions from the workshop in Ústí Region	31
4.2 Summary of findings and conclusions from the workshop in the Karlovy Vary Region	32
5. SYNTHESIS OF KNOWLEDGE AND LESSONS FOR TRANSFER OF EXPERIENCE IN THE INSTITUTIONAL FUNCTIONING OF THE KARLOVY VARY AND ÚSTÍ REGIONS	33
5.1 Overview of possible transfer of good practice in the context of the Czech Republic.....	34
5.2 Key findings to strengthen the functioning of the institutional structure of coal regions.....	36
5.3 Action plans for further progress in the Karlovy Vary and Ústí Regions.....	38
6. CONCLUSIONS AND RECOMMENDATIONS	41
6.1 Recommendations for the Ústí Region.....	41
6.2 Recommendations for the Karlovy Vary Region.....	43
7. REFERENCE LIST	46

Figures

Figure 1: Thematic areas & interrelationships of the institutional framework to manage a just transition	10
Figure 2: Institutional framework for just transition management by thematic areas in MSR	11
Figure 3: Institutional framework for just transition management by thematic areas in ÚR	18
Figure 4: Institutional framework for just transition management by thematic areas in KVR.....	25

Tables

Table 1: List of respondents for guided interviews, interview dates and times	5
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EXECUTIVE SUMMARY

This report presents the partial results of the Technical Assistance (TA) project of the European Commission (DG REFORM) titled, "Support to the implementation of the Just Transition in the Czech Republic," specifically Task 6. The main objective of Task 6 was to prepare a report analysing the experience of the Moravian-Silesian Region (MSR) in supporting regional development, entrepreneurship and innovation through specific organisational structures and processes and to make recommendations for the development of similar measures in the Karlovy Vary Region (KVR) and Ústí Region (ÚR). The report is based on research from available sources and an examination of the existing management structures in KVR and ÚR, informed by empirical research conducted between 29 January and 8 March 2024. A total of 29 semi-structured interviews were conducted across the three coal regions with key actors of the just transition. Based on these interviews and the initial research, individual analyses for each region were completed and potential recommendations were identified for discussion at the TA project Steering Committee meeting on 18 April 2024. Subsequently, the specific conditions to apply the good practices in KVR and ÚR were verified through two regional workshops.

The literature review indicated that managing a just transition within the European Union (EU) is a complex process in which multi-level governance is a key principle. The important role of policy makers at the regional level cannot be overlooked. However, in addition to general assumptions, there are also specific starting conditions for regions in the transition process. The same institutional model may produce different results in different places and at different times. It is therefore essential to maintain a participatory approach, a high level of communication and transparency throughout the transition process, which is the basis for trust among regional actors.

Compared to MSR, ÚR and KVR have significant differences in the initial conditions of their institutional functioning. This is mainly due to the lack of a comprehensive regional development institution, which either does not exist at all (KVR) or its activities are insufficient/there is an unclear overlap of competences with other agencies (ÚR). There is also potential in research and university education. Although the ÚR has potential in research and development (R&D), this has not been sufficiently integrated into the long-term development of the region. In the KVR, there are no adequate university facilities. The long-term historical context in ÚR and KVR are also quite different, which influences the low level of regional patriotism, enthusiasm of local and regional actors, weak mutual communication, and weak political leadership.

In the MSR, the following basic elements of institutional functioning good practice were identified:

1) Approaches to building mutual trust

- Active functioning of thematic working groups in the Regional Standing Conference (RSC).
- Mutual trust and orientation towards results.
- Representation of the region's political sphere and other actors in the governing bodies of the institutions.
- Ongoing communication between key stakeholders in the region.

2) Coordination and management of catalysts for change, reflecting the region's initial conditions

- Identification of institutions as catalysts for change.
- Managing catalysts for change can be done through strong institutional leaders.
- Competence of catalysts for change and clarification of positions.
- Reflecting on the region's baseline conditions and setting reasonable ambitions for further development.

3) Positive attitude, institutional innovation and flexibility

- A positive attitude towards the development of the region.
- Institutional innovation is linked to the need to think "out of the box."
- Institutional flexibility is closely linked to human resource management.

The key findings for the Karlovy Vary and Ústí Regions are structured in the report as required by the tender documentation and the Project Inception Report.

In Ústí Region, the following findings emerged:

- **Staffing agenda of institutions and regional agencies:** There is sufficient staff representation in the Innovation Centre of the Ústí Region (ICUR) and the Energy Centre of the Ústí Region (ECUR), where there is no need for further recruitment. The Regional Development Agency (RDA) of ÚR has the greatest potential and need for staff reinforcement in connection with the planned coverage of other development topics in the region.
- **The organisational scheme of institutions in ÚR** and the interconnection between regional organisations will need to be supplemented in the thematic area of "Tourism" by the newly prepared Destination Agency ÚR. The scheme also includes the company's research institutions (e.g., ORLEN UniCRE), which operate independently of existing processes in the just transition of the region.
- **Establishing the mission and tasks of the structure:** It will be necessary to formulate a consensual vision separated into clearly quantifiable goals within the range of 5 to 10 years. There is also some overlap in competences in ÚR regarding smaller rural actors, e.g., the RDA and the Local Action Group (LAG).
- **Examples of good practice for replication (all examples identified in MSR).** However, the most important good practice appears to be the need to strengthen the intensity of the functioning of the RSC working groups. Regarding regional agencies, there is a strong representation of the regional authority in their leadership, but other key actors of the region are missing (especially in the case of the RDA). Within the RSC working groups, it will be appropriate to establish ad-hoc sub-teams on selected topics. Overall, it will be necessary to apply a positive approach to the development of the region through the newly conceived marketing strategy of the ÚR.
- **Discussions at the regional workshop** revealed that in the long term it will be necessary to strengthen institutional functioning in the region through increased communication between key actors in the public and private sectors. It will also be important to formulate a long-term vision for the region with a clear delineation of competencies and responsibilities, differentiating between elements of regional potential or the need to address sub-problems, such as large areas of post-mining land, increasing attractiveness to residents, workers and businesses, strengthening and making greater use of the role of the regional university, strengthening contract research and technology transfer, continuously addressing the region's specific social problems, and strengthening the overall image of the region. The newly built infrastructure within the Transition Centre of the Ústí Region (TCUR) should provide the conditions for key partner regional agencies to become more strategically interdependent and facilitate coordination.

Recommendations for the Ústí Region:

Recommendation Group 1: Institutional framework of the ÚR	
Recommendation 1.1	Strengthen the role of the RDA ÚR through multi-year contracts with the Ústí Region in the preparation of other planned services.
Recommendation 1.2	Specify the institutional functioning, and, in particular, the specific programmes of planned public services provided by the TCUR as an added value to the current activities of the involved regional agencies.
Recommendation 1.3	Initiate the establishment of a regularly meeting platform of regional stakeholders at the level of directors/managers of the participating organisations.
Recommendation 1.4	Restore comprehensive support for (not only) the non-profit sector using the example of Future Development of the Ústí Region (FDÚR).

Recommendation Group 2: The ÚR procedural framework	
Recommendation 2.1	Strengthen and precisely target the functioning of the thematic working groups.
Recommendation 2.2	Strengthen the visibility of regional agencies (including agency collaboration in applied research aimed at strengthening their processes).
Recommendation 2.3	Strengthen positive marketing of the Ústí Region as a whole.

In the Karlovy Vary Region, the following findings emerged:

- **Institutional and regional agency staffing:** Both key regional agencies (i.e., Karlovy Vary Business Development Agency (KVBDA) and Regional Energy Management Agency of the Karlovy Vary Region (REMAKVR)) require staffing strengthening. Staffing in KVBDA will be strengthened as a result of expanded responsibilities in the newly developed Karlovy Vary Innovation Centre (KIC). REMAKVR is a completely new agency. In addition, it seems appropriate

to strengthen the LAGs in terms of personnel, in cooperation with other regional organisations (advising small entities instead of RDA).

- **The organisational chart of institutions in the KVR** and the interconnection between regional organisations will need to be supplemented by the agency 4K (Agency for Cultural and Creative Industries of the Karlovy Vary Region), which was established in May 2023. The potential to increase the quality of human resources in the region resides in the possibility of establishing a polytechnic university.
- **Establishing the mission and tasks of the structure:** Similar to ÚR, the same provisions apply to the vision of the region. In relation to entrepreneurship and innovation, there is space for the coordinated functioning of several institutions, i.e. KVBDA, which will operate the newly built KIC, the INION agency (Innovation Centre of the Karlovy Vary Region), Regional Chamber of Commerce of the Karlovy Vary Region (RCCKVR) and now also the 4K agency.
- **Examples of good practice for replication (all examples identified in MSR).** However, the most important good practice appears to be the need to strengthen the intensity of the functioning of the RSC working groups. For the newly built KIC infrastructure, it is advisable to involve key representatives of the region (i.e., the region, RCCKVR, INION, LAG, 4K) in its functioning. It is also advisable to support the exchange of experiences of the KVBDA and REMAKVR leaders with MSR and between other regions in the country. Overall, it will be necessary to reflect more on the initial conditions of the KVR and to define the basic points of further development with appropriate ambition, as well as to apply a positive approach to the development of the region and to improve the marketing of KVR sub-regions (e.g., Sokolovsko, Chebsko).
- **Discussion at the regional workshop revealed** that the region's advantage and disadvantage of being one of the smallest regions in the Czech Republic is not sufficiently used. The opportunity and potential for key regional institutions and organisations to quickly coordinate and potentially collaborate with each other is great, but is not sufficiently exploited due to the absence of a long-term vision for the region and the negative impacts of institutional changes depending on the political cycle. The newly built Karlovy Vary Innovation Centre (KIC), whose planned infrastructure facilities are lacking in the region, represents great potential. However, this potential has been limited to date by very poor coordination and information with other relevant institutions and organisations, which should be addressed in parallel with the gradual construction of this infrastructure. LAGs also play an important role in the region and are supported by the region. However, there is a lack of broader coordination in the possibilities of their staff strengthening key organisations and associations in the region, which should lead to an improvement in the absorption capacity of the region in public spending programmes.

Recommendations for the Karlovy Vary Region:

Recommendation Group 3: Institutional framework for the KVR	
Recommendation 3.1	Define the institutional functioning of KVBDA/KIC in terms of specific projects or programmes as an added value to the activities of other institutions supporting entrepreneurship and innovation in the region. It is advisable to consider building a polytechnic university in cooperation with the business community.
Recommendation 3.2	Strengthen the functioning of REMAKVR along the lines of the Moravian-Silesian Energy Centre (MEC) and ECUR.
Recommendation 3.3	Find ways to support "one-stop-shop" consultation points at the LAG level.
Recommendation Group 4: Process framework for the KVR	
Recommendation 4.1	Strengthen and precisely target the functioning of the thematic working groups of the RSC
Recommendation 4.2	Clearly define the competences of the institutions in relation to the promotion of entrepreneurship and innovation
Recommendation 4.3	Strengthen the positive marketing of not only of the whole region, but also of sub-regions of the Karlovy Vary Region (Sokolovsko, Chebsko)

1. PROJECT CONTEXT AND FOCUS OF THE TASK 6 REPORT

The Technical Assistance (TA) project of the European Commission (DG REFORM) titled, "Support to the implementation of the Just Transition in the Czech Republic" aimed to strengthen the institutional and administrative capacity of the implementation of the Just Transition Fund in structurally affected regions of the Czech Republic. Emphasis was placed on empirical investigation, analytical activities and research to provide a comprehensive overview into the governance structure of the just transition in the coal affected regions of the Czech Republic.

The report is based on research from available sources, analysis of the experience of the Moravian-Silesian Region (MSR) in managing the just transition, regional development, as well as entrepreneurship and innovation. It also examines the existing governance structures in the Karlovy Vary Region (KVR) and the Ústí Region (ÚR) and uses available resources focused on the knowledge transfer in the areas of governance and just transition. An important source of information for the report include interviews with actors of the just transition in the regions of the Czech Republic. The result is a set of recommendations for knowledge transfer from the MSR to KVR and ÚR, with the aim of improving the existing support structures in these two regions and promoting knowledge transfer through workshops. The recommendations are also based on an analysis of needs and expectations in KVR and ÚR, with an eye towards setting up activities effectively, facilitating further cooperation and contributing to the development of a regional structure to manage the process of just transition.

The MSR and the Ministry of Regional Development (MoRD) and Ministry of Environment (MoE), whose cooperation facilitated collaboration between the Project Team and the individual regions and relevant regional actors, made important contributions to Task 6. The report of the European Commission was also heavily consulted in this report.

1.1 Objectives & Sub-objectives of the Task 6 Report

Main objective of Task 6:

Prepare a report analysing the experience of the Moravian-Silesian Region in supporting regional development, entrepreneurship and innovation through specific organisational structures and processes and present recommendations for the development of similar measures in the Karlovy Vary and Ústí Regions.

Based on the tender documentation and the Inception Report, six sub-objectives were created:

1. Provide a comprehensive overview of the just transition process via research of relevant sources and literature and analysis of MSR's experience in the field of just transition management, regional development, entrepreneurship and innovation.
2. Examine the existing management structures in KVR and ÚR.
3. Conduct guided interviews with actors of just transitions in the Czech Republic coal regions.
4. Develop a set of recommendations for knowledge transfer from MSR to KVR and ÚR to improve the functioning of existing management structures.
5. Organise two knowledge transfer workshops on managing the just transition from MSR to KVR and ÚR.
6. Effectively set up activities and facilitate further and long-term cooperation between regional councils of structurally affected regions in the Czech Republic.

1.2 Methodology of Task 6

Initial desk-research and mapping of the situation of the institutional structure in the Czech Republic coal regions

- The Project Team prepared a brief literature review on the factors and conditions of institutional functioning of the transition regions. Emphasis is placed on the context of multi-level governance and the importance of specialised agencies.
- The research of available sources analyses the processes of just transition in the Czech Republic, specifically MSR. Emphasis is placed on the systemic concept of governance, identification of functioning structures and forms of cooperation between individual actors, as well as their roles, organisation and functioning in practice.

- The literature review identified several starting points, which were then applied to the current situation in KVR and ÚR. Furthermore, identifying the basis for potential knowledge transfer recommendations in the area of managing just transition was prioritised.
- Based on a review of available sources, the processes of just transition in KVR and ÚR were analysed. Emphasis is placed on the systemic concept of governance, identification of functioning structures and forms of cooperation between different actors, their roles, organisation and functioning in practice.
- Reflection on the findings, observations and recommendations from Tasks 2 to 5 of this project, especially in the formulation of questions for the guided interviews. The report also refers to the findings and recommendations of Task 2 in relation to the absorptive capacity of public expenditure programmes in coal regions.

Empirical investigation - guided interviews

- 29 semi-structured interviews were conducted with key actors of just transition across the three coal regions. The interviews were used to complete an initial search of available resources, identify the needs of the KVR and ÚR, and identify recommendations for knowledge transfer in the area of managing the just transition from the MSR to the KVR and ÚR.
- Table 1 provides a list of the entities interviewed. According to the Inception Report, a total of 16 interviews were to be carried out. However, this number was significantly expanded to provide in-depth insights into the issue of managing the just transition in the regions. Based on the interviews, it was possible to identify the strengths and weaknesses of each institutional framework, suggest potential improvements and identify good practices.
- The project team conducted a total of 20 on-site interviews in person and 9 online interviews. By region, 11 interviews were conducted in MSR, 9 interviews were conducted in ÚR and 9 interviews were conducted in KVR.
- The selection of entities was based on consultations with representatives from the MoRD and with representatives of each region, which led to the final list of subjects interviewed.
- The empirical survey (interviews) took place from 29 January 2024 to 8 March 2024. In the first phase, personal interviews were conducted on-site.

The interviews were divided into four groups for empirical investigation. The first group consisted of regional representatives. The second consisted of representatives of regional agencies and entities that form an important link in the process of managing just transition in the regions. The third group consisted of science and research institutions, universities and research centres. The last group was comprised of non-governmental non-profit organisations. This breakdown by groups of respondents was important in terms of the structure of the interviews and the specific topics that were relevant to each institution. However, the analysis and report of the interviews were structured according to the themes that emerged from the interviews. Analysis and report of the interviews are presented in a way as to anonymise the interviewees.

Table 1: List of respondents for guided interviews, interview dates and times

Region		Institution	Date and time of the interview	Questionnaire used
Moravian-Silesian Region				
1	MSR	MSR representative(s)	6.2.2024 13:00 9.2.2024 (debriefing)	Representative of the Region
2	MSR	University of Ostrava	8.2.2024 10:00	R&D institutions
3	MSR	Moravian-Silesian Innovation Centre Ostrava, a.s.	6.2.2024 10:30	Regional Agency
4	MSR	Moravian-Silesian Investments and Development, a.s.	7.2.2024 13:00	Regional Agency
5	MSR	Regional Association of LAGs of the Moravian-Silesian Region	9.2.2024 8:30	Regional Agency
6	MSR	Moravian-Silesian Energy Centre, p.o.	7.2.2024 14:30	Regional Agency
7	MSR	Moravian-Silesian Technological Academy, z.s.	8.2.2024 14:30	NGO
8	MSR	Moravian-Silesian Employment Pact, z.s.	8.2.2024 12:30	Regional Agency
9	MSR	Municipality of Ostrava	7.2.2024 16:00	Regional Agency
10	MSR	Dokořán Initiative, z.s.	6.2.2024 15:30	NGO
11	MSR	Patriots MSR z.s.	28.2.2024 10:30 (online)	NGO
Ústí Region				

	Region	Institution	Date and time of the interview	Questionnaire used
12.	ÚR	Representative(s) of the CA	13.2.2024 9:00	Representatives of regions
13.	ÚR	Regional Development Agency ÚR	8.3.2024 9:00 (online)	Regional Agency
14.	ÚR	Jan Evangelista Purkyně University	20.2.2024 15:00	R&D institutions
15.	ÚR	ICUR - Innovation Centre of the Ústí Region, z.s.	20.2.2024 9:00	Regional Agency
16.	ÚR	ECUR - Energy Centre of the Ústí Region, p.o.	20.2.2024 11:00	Regional Agency
17.	ÚR	Association of Non-Profit Organizations of the Ústí Region, z.s.	20.2.2024 13:30	Regional Agency
18.	ÚR	Regional Association of the LAGs of the Ústí Region, z.s.	28.2.2024 9:00 (online)	Regional Agency
19.	ÚR	ORLEN UniCRE a.s.	29.2.2024 11:00 (online)	R&D institutions
20.	ÚR	RINGEN Research Infrastructure	8.3.2024 10:00 (online)	R&D institutions
Karlovy Vary Region				
21.	KVR	KVR representative(s)	29.1.2024 10:00	Representatives of regions
22.	KVR	Regional Chamber of Commerce of the Karlovy Vary Region - RCCKVR	22.2.2024 10:30 (online)	Regional Agency
23.	KVR	KVBDA, p.o.	29.1.2024 14:30	Regional Agency
24.	KVR	ANNA KVR, z. s. - Association of Non-Governmental and Non-Profit Activities of KVR	31.1.2024 16:00	Regional Agency
25.	KVR	Regional Energy Management Agency of the Karlovy Vary Region (REMAKVR)	29.1.2024 13:00	Regional Agency
26.	KVR	INION Innovation Centre	31.1.2024 13:00	R&D institutions
27.	KVR	KS LAG of the Karlovy Vary Region	22.2.2024 9:30 (online)	Regional Agency
28.	KVR	City of Sokolov - member of the City Council	23.2.2024 10:00 (online)	Local government
29.	KVR	City of Sokolov - Mayor of the city	29.2.2024 9:00 (online)	representative

Empirical validation - regional workshops and formulation of recommendations

- According to the Inception Report, it further emerged that the specific conditions for the application of good practice in the KVR and ÚR will be verified through two regional workshops with representatives of stakeholders in a hybrid form (i.e., in person and online). The workshops focused on fine-tuning the specific details of good practice in terms of their application potential.
- The list of institutions involved in the regional workshops was determined in consultation with the MoRD and representatives from each coal region during the second half of April 2024.
- The timing of the regional workshops was discussed and adapted to regional needs: both workshops were held in the second half of May 2024. Time was provided to allow for further comments after the workshop.
- Regional workshop participants were offered the opportunity to provide feedback through an **online questionnaire** that was sent after the workshop.

On the basis of the methodological procedure described above, recommendations for knowledge transfer in the field of management of the just transition from MSR to KVR and ÚR were developed.

2. EXISTING EXPERIENCE OF JUST TRANSITION MANAGEMENT

2.1 The importance of the multi-level governance principle in the just transition process

Governing a just transition within the European Union (EU) is a complex process, in which **multi-level governance is a key principle** (Krawchenko and Gordon, 2021). As the main institution coordinating the process of just transition at the EU level, the European Commission works closely with national governments, regional authorities and other partners, including regional development agencies, companies, trade unions and citizen initiatives. Building a **degree of consensus among key actors** is crucial to this process (Zhu *et al.*, 2021). Transferring experience between different institutions and regions, together with the implementation of innovations and innovative social approaches, are essential components of effective just transition management, achieving climate neutrality, and meeting the economic growth goals in EU regions (Alves Dias *et al.*, 2018; Snell, 2018; Popp and De Pous, 2021; Kurwan *et al.*, 2023). However, these assumptions must be accepted and applied in the long-term strategic guidance of transitioning regions. The **importance of key policy makers at the regional level is crucial to shape strategic transition actions** (Diluiso *et al.*, 2021).

At the same time, **the structure of transition management in each region is highly variable**, as it is influenced by specific geographical, economic, social and cultural factors. This variability means that

it is not possible to create a single governance model, as each region requires a specific approach that accounts for its unique needs and challenges (Grillitsch & Sotarauta, 2018). Collaboration between regional and local agencies and national bodies in *multi-level governance* is a key factor for effective resource allocation and project implementation planning, which contributes to generating positive change and sustainable development in the regions.

The institutional structure of governance in each region is also the result of the specific conditions of historical development, as illustrated in the European Commission manual, "*Driving Change: How to implement a successful regional just transition*" from the exchangeEU programme (Kurwan *et al.*, 2023). While each region is unique, **there are best practices that can serve as inspiration to improve transition governance across EU regions**. Ongoing coordination and cooperation at different levels of government is essential to achieve sustainable, forward-looking regional development and successful just transition.

Grillitsch and Sotarauta (2018) argue that both history and perceived future opportunities influence the institutional processes and institutional structure of regional transition, and thus also shape regional growth paths. The authors also point out that **the same institutional model may produce different outcomes in different places and at different times**. The importance of institutional structure in the multi-level governance of just transition is heavily covered in the literature (e.g., Sotarauta and Grillitsch, 2023; Grillitsch *et al.*, 2023; Jolly, Grillitsch and Hansen, 2020). Getting the structure of a region's just transition management system right enhances its ability to plan for future regional development and helps regions anticipate the impacts of demographic changes, economic trends, and technological advances. Collaboratively monitoring these developments within a multi-level governance framework enables just transition actors to proactively shape policies and effectively invest in infrastructure and training programs to support the needs of their communities. Best practices and examples of good practice can serve as inspiration for other regions and strengthen the process of just transition across the EU.

According to Moolaert, Jessop and Mehmood (2016, pp. 180-182), **it is possible to separate the concept of multi-level governance into various groups of actors and influencing factors**. Actor groups include strategic economic development institutions and their interactions, service providers, global (corporate) actors, social innovation agencies, etc. Influencing factors include items such as the strategic planning environment and the regulatory framework (i.e., confronting legal systems operating at the national-regional versus the international/transnational level). In successful transitioning regions, the **specialised agencies** that reinforce the functioning of the principle of multilevel-governance has been identified as an important feature. The role and importance of agencies in regional studies has been largely addressed in recent years (e.g. Grillitsch & Sotarauta, 2018b; Isaksen *et al.*, 2019; Bækkelund, 2021; Grillitsch *et al.*, 2022). Two basic types of agencies are generally distinguished: organisational agencies and systemic agencies (Blažek & Květoň, 2023). Although each actor can operate both types of agencies in practice, there are significant differences in their involvement. For transitional development to be successful, it is essential to have both organisational and systemic agencies in a given region,¹ which should be linked through interactions between relevant actors. Research further shows that the absence of a systemic agency is a significant barrier to development.

2.2 Managing a just transition from an EU perspective

The just transition process is coordinated from the EU level through the Just Transition Mechanism. The Wuppertal Institute publication, "*Just Transition Toolbox for Coal Regions* of the Wuppertal Institute for Climate, Environment and Energy" provides a basic framework to develop a just transition governance structure (Wuppertal Institute, 2022). The toolkit emphasises first **understanding how existing regional structures play a role at the beginning of the transition**. New structures to manage the transition need to be directly linked to existing ones, created interdependently and in parallel. The Wuppertal Institute further argues that transition strategies are more likely to be effective if the relevant actors in the region view them as legitimate, transparent and effective. For this reason, **a participatory approach is a prerequisite for a rapid and socially just regional transition**. Process transparency increases the level of acceptance by various actors, especially in terms of the composition, purpose and guiding principles of the governance model.

¹ An entity may set up an agency at the organisational level (e.g., to foster innovative entrepreneurship) or may coordinate agency activities at the system level (e.g., by networking or sharing resources). Public entities may coordinate different actors as part of their systemic task, but may also implement an agency at the level of their sub-organisation by changing their internal structure or processes. Both types of agency (organisational and systemic) can contribute to regional development.

A follow-up activity according to the *Just Transition Toolbox for Coal Regions* is **allocating responsibility for key decisions among regional development and transition actors**. Within the region, the relevant actors should have clearly defined competences and responsibilities regarding their own focus and potential for using the measures at different stages and strategic areas. Even within a top-down model, it is desirable that responsibility for the sub-topics resides with local intermediary bodies or agencies, and that a sufficient concentration of local knowledge and adequate involvement of the local population is ensured through a mutual partnership. The next step is to identify the influence and opportunities for each actor in the transition process. Other important elements that influence the division of responsibilities and competencies include legislative and regulatory instruments, financial support, fiscal measures, spatial planning, property management, public procurement, awareness raising and capacity building.

Early engagement and consultation with all stakeholder representatives is very important. It is also important to **reflect and adjust the institutional structure on the basis of emerging challenges or opportunities, and to continuously maintain a social dialogue on the topic of transition**. The *Just Transition Toolbox for Coal Regions* also highlights the importance of multi-level governance of the transition (see section 2.1). It emphasises that during a dynamic transition process, situations may arise where the competencies between the actors involved in a given region may not be entirely clear. In this sense, a degree of flexibility for the groups of actors involved is also needed, i.e., central government bodies, sub-national authorities (regional and local authorities), private companies, social partners (trade unions and employers' representatives), community representatives, vulnerable groups, public employment services, financial institutions. To share good practices and make recommendations to improve the institutional structure of the regions, it is necessary to conduct a comprehensive analysis and compare the composition of the institutional base in the transition regions.

2.3 Institutional aspects of coal regions of the Czech Republic in the literature

The governance structure of the RE:START initiative in the Czech Republic is cited by the European Commission as a good example of transparent preparation of the institutional structure of the transition (European Commission, 2019a; Wuppertal Institute, 2022). It represents a key achievement in the development of the governance structure. The aim of the RE:START initiative was to develop a strategy for all three coal regions in the Czech Republic, taking into account their considerable differences with respect to their needs and future potential. A top-down approach was applied with a clear role for the MoRD National Executive Team alongside regional governments and regional experts. The RE:START strategy secured benefits, special allocations and special calls for project applications in the Czech coal regions. The long-term commitment to the RE:START strategy was embedded in a financial framework combining national and European funds. **Despite this exemplary approach to coordinate the transition of coal regions in the Czech Republic, disparities in their regional development trajectories persist**. While the Moravian-Silesian Region has seen an obvious shift in the dynamics of its socio-economic development in the second decade of the new millennium, the Ústí and Karlovy Vary Regions are showing an increasingly worse position as measured by statistical indicators and their overall attractiveness for further development. For this reason, empirical research is needed to reflect upon the current conditions and outlook shaping development at the regional and local levels, the coordination between various actors, and review the support mechanisms for those who have lost their jobs due to the ongoing changes within the framework of a just transition, etc.

Blažek and Květoň (2023) examined the transition development in the Ústí Region and the Moravian-Silesian Region. Both regions, dominated by mining and other heavy industries, shared several similarities at the beginning of the transition (e.g., unfavourable economic structure, high levels of environmental pollution, low-skilled workforce, etc.). Despite these similarities, the development trajectories of these regions have diverged over the last 30 years. For example, **the 2010's observed a significant shift towards services and knowledge-intensive business activities in the MSR** (Ženka, Slach and Hlaváček, 2017). In addition, MSR has recently achieved a significant increase in human and financial resources for research and development and has identified three additional sets of factors (Blažek & Květoň, 2023):

- Industrial continuity underpinned by significant modernisation as part of the transition process.
- The role of university facilities within the region.
- Process agenda - intensive cooperation of regional actors.

Factors related to the procedural agenda have long been investigated by Dr. Jan Píša at the Jan Evangelista Purkyně University in Ústí nad Labem. These factors influence the capacity of institutions and agencies focused on transitional change in old industrial regions (Píša, 2023a). His research seeks to identify how the human, social and economic capital of actors has been constructed by formal and informal institutions. Soft skills and informal social relationships (e.g., family, partners, friends) form the basic sources of human capital readiness for transition processes and are influenced through formal institutions (e.g., the education system). Conversely, the knowledge and inspiration needed to implement major transitional change is most often gained from previous work or experience abroad (or outside the region). The role of public administration is to help build this capacity by supporting study and exchange visits. Research has shown that actors in the Ústí Region consider excessive administrative and legislative requirements as one of the barriers to development, which are linked the absorption capacity – especially of small actors to draw funds from national and European public sources. Factors influencing this issue were empirically verified in Task 2 of this TA project.

In sum, the research analysis has confirmed that specific factors in the institutional functioning limit the potential for further development in the Ústí and Karlovy Vary Regions. The empirical investigation (i.e., guided interviews) therefore took into account the existing institutional structures in both regions and is presented in the following chapter.

3. ANALYSIS OF THE INSTITUTIONAL STRUCTURE OF THE COAL REGIONS IN THE CZECH REPUBLIC

Based on research of available sources, this chapter identifies the key institutions and processes related to the just transition in the Czech Republic, specifically relating to MSR, KVR and ÚR. Emphasis is placed on the systemic approach of just transition management, identifying the existing structures and forms of cooperation between various actors, including their roles, organisation and functioning.

For all three regions, the MoRD and the MoE are important partners in the just transition process and play a key role. The integration of economic, social and environmental measures requires a coordinated approach based on partnership and dialogue between the central and regional levels of government. This cooperation is essential to achieve the objectives of a just transition that guarantees sustainable development, social cohesion and an improved quality of life for the citizens of the regions.

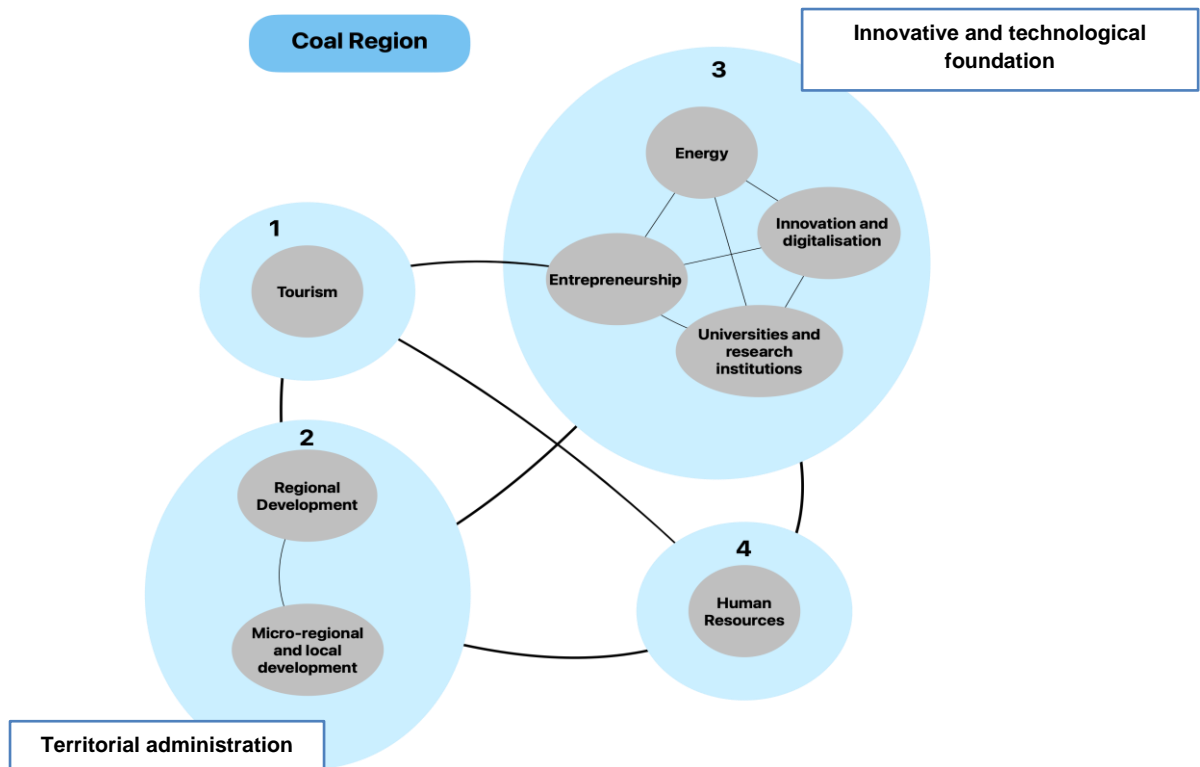
For Task 6, the Project Team compiled an inventory of all institutions and agencies focused on the transition process in each of the country's three coal regions. These institutions were further grouped by the Project Team into eight thematic areas, identified according to the focus of just transition processes as well as the current institutional structures and linkages in the coal regions. Some thematic headings have more intense inter-relationships; therefore, some thematic groups include a number of sub-themes:

- 1) Tourism
- 2) Territorial Administration
 - a. Sub-themes: Regional Development, Micro-regional and Local Development
- 3) Innovative and technological foundation
 - a. Sub-themes: Energy, Innovation and Digitalisation, Entrepreneurship, Universities and Research Institutions
- 4) Human Resources

Figure 1 illustrates the links between the thematic areas. The interconnectedness of all thematic areas is also evident. **It should be emphasised that our analysis does not confirm that this structure is the ideal governance structure for just transition in the regions. However, it reflects the existing institutional structure in place in the Czech coal regions and helps to compare them with each other.** The specific interactions between different actors in the public, private or non-profit sectors of the economy in the regions take different organisational and legal forms.

The following sub-sections expand upon the specific institutions and entities that influence the transition process for the coal regions of the Czech Republic. For each region, the diagram includes specific entities that play an important role in the just transition process. The actors are not compared according to their level of involvement, but as a simple list. The intensity of involvement and the range of activities of the actors is specified in the text for each region.

Figure 1: Thematic areas & interrelationships of the institutional framework to manage a just transition



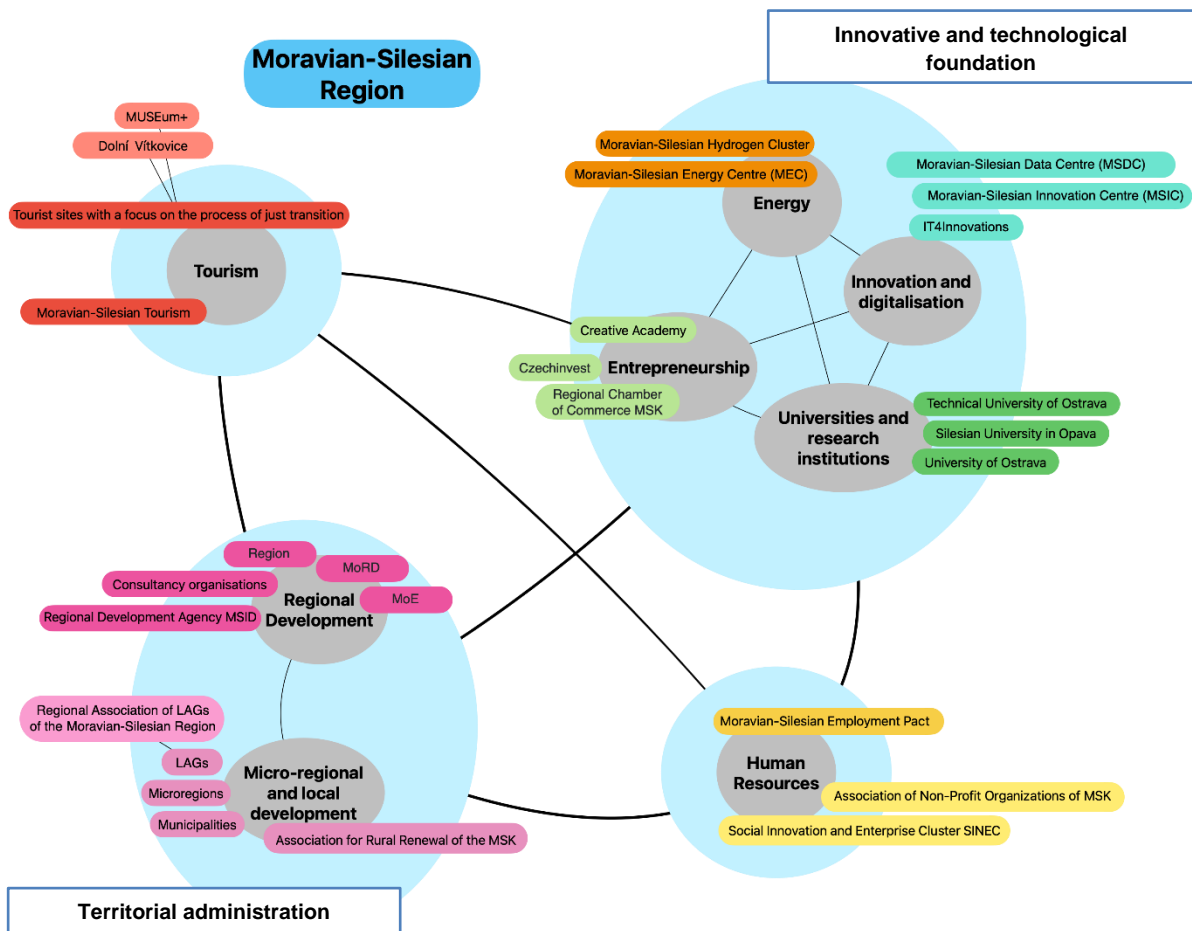
3.1 Moravian-Silesian Region

3.1.1 Governance structure for just transition in MSR

The Moravian-Silesian Region is a successful coal region in the Czech Republic in the process of just transition. Using MSR as a basis for the transfer of good practice in terms of capacity building can be attributed to several factors:

- Functioning of regionally-supported executive agencies (e.g., the Moravian-Silesian Innovation Centre, Regional Development Agency, MS Pact, Moravian-Silesian Energy Centre, Moravian-Silesian Tourism and several private development organisations – see Figure 2).
- Extended, functional and effective regional cooperation, existing capacities from the former Managing Authority of the Regional Operational Programme (ROP) – “Moravia Silesia.”
- Political stability and continuous capacity building of the public administration.
- Experienced strategic project leaders.
- Development of innovation potential with national and European importance (e.g., European Centre of Excellence – IT4Innovations, three regional universities).
- A long-term ecosystem of technical and digital skills.

Figure 2: Institutional framework for just transition management by thematic areas in MSR



Its success also resides in its proactive approach to industrial and economic diversification. The region is leveraging its long-term investment in innovation and education, which provides it with significant potential for successful adaptation to modern and sustainable industries. Unlike other coal regions, the MSR **emphasises community engagement and transparent transition management**, which increases the legitimacy and acceptance of proposed measures and overall confidence in the just transition process. Creating and maintaining a good image of the region has been an important factor for overall success. The MSR also actively cooperates with various stakeholders, from businesses to public institutions, which enables a coordinated and efficient transition. The cooperation is carried out through **regional platforms, such as the "Playing with the Region" platform**,² which serves as a communication channel of the MSR towards all territorial partners and residents. It also works in reverse, allowing MSR to obtain feedback from stakeholders. Together, these factors represent key elements of a successful transition model compared to other coal regions in the Czech Republic.

The Moravian-Silesian Region employs a complex management structure for the overall development of the region. Regional development actors communicate long-term strategies through platforms. The MSR exemplifies how development depends on strong personalities and **regional leaders who have a clear strategic vision and the ability to communicate it to key actors in the region. The MSR has also developed a functioning governance structure for the region's agencies** that contributes to maintaining communication channels between actors in the region. The region also benefits from the experience of the former Managing Authority of the Regional Operational Programme (ROP) "Moravia Silesia," which brings continuity and efficiency in the implementation of development activities. **Political stability and continuous capacity development in public administration** are additional factors that support the region's transition efforts. **Moreover, the region emphasises its profile as an innovation pole with national and European importance**, which is reinforced by the European Centre of Excellence – IT4Innovations and three regional universities. This well-developed

² See: <https://hrajemskrajem.msk.cz/>

innovation environment contributes to the growth of technical and digital skills, which is crucial for the region's future in an era of just transition.

Based on the Task 2 Report of this TA project, Local Action Groups (LAGs) were identified as very useful if they have the resources and competences and can simultaneously act as a coordinating institution in their defined territory. According to the LAG representatives, these organisations should be crucial in the just transition process, but are not currently sufficiently engaged. According to the LAG interviewees in the MSR, LAGs still play more of an observer role. Although they have been given opportunities to comment on proposals for the JTF implementation in the region, further cooperation has been limited. By contrast, offices of micro-regions are very active in MSR, which have long been helping smaller entities in their functioning, e.g., obtaining funding from public sources and providing comprehensive advice. It should therefore be emphasised that some municipalities and enterprises in the region cooperate much more, and the situation is very diverse throughout the territory.

3.1.2 Results from the empirical investigation on the institutional functioning of MSR

The role of regional institutions in the transition process

MSR gradually started building the **agency system** between 2014 and 2017. According to representatives of the region, it is essential to build a rational institutional structure, which includes topics related to entrepreneurship, R&D and human resources. According to the MSR representatives, setting up the institutional structure should not only be conceived from an administrative and bureaucratic perspective, i.e., assume that when an agency with a range of competences is created, a given issue will automatically be solved. It is a complex process involving informal approaches, personal ties, communication, trust, role delineation, personal characteristics of political leaders in the region and agency directors, and other elements (further detailed in this chapter).

According to MSR agency representatives, the institutional structure of the region is functional and well thought out. Each agency has its own role, although they are interconnected with the activities of the others. In principle, coordination works well, and there is an adequate level of mutual information and cooperation (agency representatives meet once per month). This working model can be assessed as good. The agencies also work closely with the universities in the region.

For **leadership positions in these institutions**, it is necessary to have qualified people with vision, clearly define the field of activity, instil leaders with trust and equip them with a budget so that they can develop the topic. The agency representatives also confirmed the importance of the agency leader role in the sense that their ambition, competence for the development of the activity and their ability to select qualified and quality staff is also very important. In interviews with agency directors, a cross-cutting observation emerged regarding their high level of qualification, knowledge, and experience in the field of the regional agency, which was often accompanied by a very high level of rhetorical prowess. This characteristic is extremely important for subsequent communication both within and outside the agency. The ability to communicate the achievements of an agency is the long-term basis for the stability of the institution.

An important element to **ensure agency continuity is trust and support** from the political leadership of the region, accompanied by minimal interference by politicians in agency operations. The interviews revealed that trust takes a long time to build but can be lost very quickly. Therefore, a participatory approach in the preparation of strategic documents/projects is also an important element of the process. This applies not only to the agencies, but also to other actors in the region, in particular universities that can contribute in identifying and addressing the problems of the region's transition through their R&D activities. The working groups within the Regional Standing Conference (RSC) and ITI of the Ostrava agglomeration, which are linked in terms of personnel, also play an important role.

From a scientific perspective, universities, research and innovation are irreplaceable in MSR, which are actively involved in the transition process and within the framework of strategic projects of the Programme Just Transition (PJT). An important finding from the interviews is that the transition process associated with the preparation and implementation of the PJT stimulated more intensive communication and definition of competences in the region's development opportunities between the technically oriented University of Mining and Metallurgy - Technical University of Ostrava and the socially oriented University of Ostrava. Mutual respect and trust was built gradually over a year and a half of preparation and discussions regarding the focus and possibilities of both universities.

Regarding **education**, the Moravian-Silesian Technological Academy (MSTA), whose main educational activities were inspired by innovative approaches used abroad, also plays an important

role in the transition process. To function effectively, the agency needs representatives to identify the main trends and needs in education as well as the future staffing requirements. However, the region currently lacks the appropriate personnel and infrastructure facilities to meet new trends in education (e.g., technically-oriented fields of study and programmes related to electromobility). Secondary schools and universities do not have the time capacity to reflect technological changes into their educational activities. As a result, comprehensive support is needed. From the transition processes perspective, this is certainly a necessary and desirable approach to prepare for future careers in a transformed economy. For such an agency to operate successfully, close cooperation with other relevant agencies is also necessary. Cooperation has proven to be an important element to achieve results: MSTA cooperates with the MS Employment Pact (link to lifelong learning, regular coordination meetings), Moravian-Silesian Innovation Centre (MSIC) and universities.

The non-profit sector can facilitate socio-economic stabilisation and contribute to the transition process in lagging localities of coal regions. For example, interviews revealed that an NGO operating in the city of Karviná can have a significant socio-economic impact in a given locality if they follow a long-term, bottom-up approach and are able to offer slightly above-standard services. This approach demonstrates that it is not necessary to implement completely new and untried methods and approaches. Rather, it is sufficient to implement various innovative services that have been proven over the course of five or more years in other European regions. It is therefore necessary to take inspiration from abroad, for example by offering services beyond catering in a recreational area such as other cultural programmes for wider enjoyment. Communication with partners, good marketing and developing a "brand" for the activities is also very important.

Representatives of institutions that coordinate territorial development at the micro-regional level (i.e., the Regional Association of LAGs and ITIs) perceive a strong coordination of transition management at the regional level between regional institutions and agencies. At the lower level (i.e., micro-regional and local), the interviews were more critical, especially regarding the underutilised potential of LAGs since they cover the entire territory of the region. To a large extent, this is a different philosophy in the transition approach, i.e., contradiction between the possibilities and potential impacts of large strategic projects and the activity of major regional actors compared to the possibilities of supporting smaller projects that arguably have more significant local impact. Critical reflection is based, among other things, on the different absorption capacities of local actors to prepare major projects. The interviews pointed to examples of weak actors in the most mining-affected localities of Karviná, who are less able to prepare larger projects compared to actors operating in Frenštát. The role of the LAG is therefore perceived by its representatives as unappreciated and unnecessarily unused. Other interviews indicated that smaller municipalities have long struggled with staffing problems and low levels of capacity to prepare quality projects (also confirmed by representatives of Moravian-Silesian Investment and Development (MSID) and the Employment Pact).

According to representatives of regional agencies, the following aspects of institutional functioning should be emphasised:

- Leadership: ambition and a clear vision that must be given space to be realised.
- A symbiosis of trust and results: trust is slowly gained and quickly lost, which can be effectively coordinated with parallel demands for concrete, visible institutional results.
- Build institutions gradually, accounting for the regional context: evolving conditions may require changing/expanding competences and strengthening of capacities.
- Coordination and mutual cooperation (e.g., labour market and company needs).
- Take inspiration and build upon (with possible modifications) the experience of others to approach problem solving innovatively ("*it is harder to unlearn things than to learn new things*").
- Agency management system: flexibility and horizontal structure (particularly early on).

Institutional participation in regional networks/platforms and cooperation in the region

The interviews demonstrate the **importance of agency involvement in the RSC and its working groups** (depending on the focus of the agency), especially regarding communication with a wider range of regional stakeholders. The RSC is the most important body to coordinate activities in the region and its actual functioning is perceived positively, especially with respect to **ensuring an effective system of communication between actors in the region**. Representatives of the agencies meet regularly. Coordination and continuity of their activities is an important element to the functioning

of this system. However, in interviews with agency representatives, the RSC sub-working groups (already thematically concentrated in terms of staff representation of relevant actors) were identified as more important. The symbiosis of key actors is therefore most evident in the thematically defined working groups.

The cooperation of regional agencies with key partners in the territory is also important with respect to legal form. In terms of the legal form of each agency, there is no single best solution for all types of regional agencies. In the MSR, the legal forms that provides the best conditions for further development of their representatives is prioritised.

The innovation and entrepreneurship support agency (MSIC) takes the legal form of a joint-stock company, owned by the City of Ostrava (45%), MSR (45%) and the universities (10%). However, the interview revealed that the presence of MSR is the most important for the functioning of the agency since it both provides institutional funding that another entity in the region could not provide and acts as a partner rather than a vertically superior institution in relation to MSIC. This operating model is helpful in building the identity of the agency, which must also be able to deliver results and present them to political representatives. At the same time, MSIC's smallest shareholders, the universities, are also heavily involved in the functioning of MSIC. For example, three of the Supervisory Board's seven members are university representatives. Their involvement helps to create a regional triple helix (i.e., a regional innovation system based on cooperation between the public, private and research sectors).

The agency focused on regional development (MSID) is also a joint stock company, owned 100% by MSR due to the focus on territorial development activities, the development of municipalities, and assistance to more demanding projects where municipalities do not have sufficient capacity. The clients of MSID are municipalities and the private sector, and they also work closely with developers. MSID is able to map the territory, land use plans, and create economic balances. They also do marketing and cooperate with national government bodies (ministries and agencies at the national level) and MSR. MSID also assists investors and municipalities legally. MSID is responsible for the rehabilitation of areas after mining (POHO2023) and have recently started working on the affordable rental housing agenda. MSID cooperates with other agencies in the region and with universities. Through the MSR Pact, they are collecting data on retraining opportunities; regarding innovation, MSID cooperates with MSIC and UM-TU. MSID is involved in the RSC and its relevant working groups, the ITI, and the RE:START platform at the national level.

The energy-focused agency (Moravian-Silesian Energy Centre – MEC) was established in 2014 as a contributory organisation to support 220 contributory organisations in the field of energy (energy management). Gradually, its agenda grew in the context of the region's transition. MEC cooperates with municipalities and is involved in the RSC. It is active in the Tariff Groups Working Group, the Energy Performance Working Group within the Association of Regions of the Czech Republic, the Coal Platform at the regional level and the Regional Coal Commission Working Group. MEC is in regular contact with regional agencies. Given the focus of this agency on assisting the institutions of the Moravian-Silesian Regional Authority, the legal form is appropriate for its needs.

MS Employment Pact was established as a registered society in 2019 to help people find employment in the region. It focuses on career counselling, cooperation between schools and companies and labour market issues in the MSR. Its signatories are the Moravian-Silesian Region, the Statutory City of Ostrava, the Association for the Development of the Moravian-Silesian Region, the Regional Economic Chamber of the Moravian-Silesian Region and the Confederation of Industry and Transport of the Czech Republic. The MS Employment Pact cooperates with the City of Ostrava, the MSR, the Chamber of Commerce, employers, companies and schools in the region. However, the greatest extent of cooperation is with companies. In terms of cooperation with regional development agencies, MS Pact cooperates with MSIC, MSID and MS Technological Academy. MS Employment Pact is involved in the RSC and its working groups. The main effort of the representatives of the MS Employment Pact is to create conditions whereby people do not leave the MSR and, on the contrary, perceive the transition as an opportunity for further change. The interviews revealed the importance of a unique level of cooperation, with the highest level of contact and accountability being to the region and the city, which is supported by a system of communication, i.e., regular meetings of agencies and support for their cooperation. This can be added to the agenda of the working groups since they are actively involved in their management.

The regional authority and the regional capital Ostrava cooperate. An important feature is that the RSC and ITI working groups are linked in terms of personnel. Within the ITI institutions, there is an effort to replicate the regional structure of the entities involved in the RSC. From the perspective of

LAG representatives, involvement is mainly through the RSC, which functions rather formally. LAG representatives indicated that they are not involved in the deeper processes of the region's transition. According to the representative of the RN LAGs (Regional Network of Local Action Groups), this aspect is also due to the fact that the MSR is a region with a strong urban structure. Therefore, it is more important for regional politicians to relate to the seven cities in the region rather than focus on the development of smaller municipalities. However, this is a long-standing feature of the regional structure. Nevertheless, it was pointed out in the interview that the potential of the region as a whole, including smaller rural areas that are not directly affected by the activities or negative impacts of coal mining in the region, has not yet been appreciated. In terms of the RN LAGs' presence in regional networks and platforms, its representatives are officially involved. However, the relevant activities and agenda discussed is perceived as a formal component without any significant impact in the territory.

Existing forms of good practice in the functioning of institutions

MSR has chosen to create separate agencies, each with its own defined responsibilities. In addition to the original three pillar arrangement (i.e., MSIC, MSID and MS Pact), MEC and MS Tourism have been added.

MSIC is a major catalyst for change and initiator of activities in the region. The MSIC has made significant use of the positive staff experience from a similar innovation agency in the South Moravian Region. At the same time, however, they are trying to identify other models for the long-term operation of the innovation agency, drawing inspiration from the Scandinavian innovation centres that are based on bottom-up initiatives. MSIC seeks to create clusters based on the examples of Scandinavia, Israel or Switzerland. The agency has gradually expanded, starting with three staff (plus an accountant) and the team gradually built up to a total of 20 FTEs. Today, MSIC has 44 employees although some of them are part-time. MSIC tries to employ a more horizontal (flat) organisational structure with professional management and are careful about communication and the project matrix. They specialise in accelerating companies, so perhaps they can apply the experience they have gained to their own team and how they function within that organisational structure.

MSID plays the de facto role of a regional development agency. For this reason, they are currently considering reverting to the more widely used name of regional development agency. In terms of organisational structure, the growing role of the marketing department, which is responsible for the PR of the region, can be highlighted. Three board representatives make decisions on important matters of the agency's operations, and two of the three board members must be in favour of a key decision for it to pass. The heads of each department (see above) have decision-making authority on the subject, and also have certain financial limits. Total staff numbered 22 employees in 2022. They are currently looking for a new staff member in connection with a new agenda aimed at strengthening the image of the region through greater use of the 'Why MSR' data portal.

MS Employment Pact currently has approximately 40 employees. However, the number of staff depends on the MS Pact projects (only ¼ of the budget is stabilisation, institutional), which implies that approximately 10 staff are funded by regional institutional funding while the rest of the staff work in the MS Employment Pact on a project basis. In 2017, MS Pact had three staff members. They apply flexible forms of employment (work from home, part-time for women on maternity leave, etc.) In terms of organisational structure, MS Pact is divided into three interrelated sections: labour market analysts, cooperation with schools, and career counselling.

MEC also grew gradually. Today, they have approximately 25 permanent employees and approximately 25 employees on performance agreements. The growth of MEC is related to the expansion of competencies - the original energy management of public buildings of the region's contributing organisations has been expanded to include energy services, a clean mobility department, a coal platform department and a project management department. The Public Energy Centres are the most recent development and are expected to operate in all 22 municipalities of the MSR.

In sum, all agencies have developed gradually according to the needs of the region and in line with the expansion/deepening of their competencies. Flexibility and the ability to learn, to respond to changing conditions and to find ways of dealing with new situations (adaptability) are important. Each agency has a different role, which is reflected in their organisational structure. **It is not possible to make a clear recommendation on the number of staff that agencies should have,** this depends on the conditions and priorities of each region. It is necessary to set up their system, to clearly define what the agency/its different parts are responsible for. Once these issues are identified, the number of professional staff can be determined, which also may change (increase/decrease) depending on how the agency's agenda evolves.

Specific regional issue in relation to the emerging infrastructure strengthening the transition (KIC, TCÚR)

Interviews with representatives of key regional agencies also captured the newly emerging transition centres in the KVR and ÚR and identified their main contexts and recommendations. Across the board, interviewees revealed some key differences of the MSR that led to a functional institutional structure focused on the development of the region. In particular, the following **initial differences of the MSR were observed**:

- The former regional (political) leadership significantly supported institutional transition, including the attraction of appropriate individuals to lead agencies. This element of political support was lacking in the KVR and ÚR in the previous programming period.
- A positive perception of the region's transition as an opportunity. Given its geographical distance from the main urban cities (especially Prague), MSR is succeeding in changing the image of the region despite the continuing outflow of young people from the region.
- The existence of three public universities and experience in technically-oriented fields. This is an essential distinction regarding the possibilities and potential for start-ups and technological development in the region.

The interviews also revealed success factors for the emerging transition institutions in KVR and ÚR:

- 1) **Regional vision and clearly defined objectives** for the short and medium term. In both KVR and ÚR, it will be necessary to formulate a consensus vision, which will subsequently need to be translated into quantifiable objectives within the range of 5 to 10 years.
- 2) **Use the existing and newly created institutional structure for capacity building**: The ÚR and KVR will have to further reflect on the experience of the MSR in terms of setting up communication with key actors and providing funding for preparatory development projects. This will require coordination at the RSC level, and in particular at the level of the individual working groups. It is also important to ensure that actors in the region work together in a coherent way.
- 3) **Sufficient staff representation**: Representatives of the newly created agencies in the KVR and ÚR should be able to handle the topic both professionally and in terms of presenting the achieved results to the political representation and relevant actors of the region.

Further possibilities and potential in the functioning of institutions

The interviews also captured new trends that the individual agencies should reflect upon in the coming years to strengthen their potential and overall impact on the positive development of the MSR.

- 1) **Advice to the business community**: Interviews revealed that agencies should be able to present the results of their activities to relevant actors in the region. An illustrative example is the MSIC Expand service, which targets existing businesses in the region and provides comprehensive advice within 40 hours. This service has a relatively low cost and its impact is visible to both the region and the business community. It is important to have good relationships with successful entrepreneurs and to share good practice with businesses.
- 2) **New forms of venture capital financing**: In the future, MSIC is ready to create a pre-seed venture capital fund to finance emerging startups and young companies. This approach is generally neglected in the Czech Republic due to regional constraints and the need to understand the specific conditions of the regional environment.
- 3) **Extending cooperation and support to municipalities facing a range of sub-problems**, including project management. Municipalities can also act as public developers (e.g., in social housing) but do not have the necessary professional capacity to do so. Relevant comprehensive advice should be addressed in the future by MSID, which will also deal with relevant forms of financing, including financial instruments for territorial development.
- 4) **Close cooperation with managers/directors of successful companies in the region** provides a good basis for the transition process. The cooperation of the region with representatives of the industry and business sphere, whose leaders have managed the transition and thus significantly contribute to the successful development of the region, creates prerequisites for continuing the successful trajectory of strategic development.

- 5) **Marketing the transition and the region:** This is an important part of the transition process, which is not understood by all actors in the region. It is necessary to dedicate some attention to this issue, e.g., MS Employment Pact activities relating to the changing conditions of the regional labour market could also provide alternatives and new opportunities, thereby helping people in the region adapt. It will also promote the region and MSID more in the framework of the "Why MSR?" concept.

3.1.3 Assessment of the institutional structure of the MSR

The institutional structure for managing the just transition of the Moravian-Silesian Region is well established and well managed. Development initiatives in the region can also be positively assessed. MSR has a number of regional agencies that focus on many thematic areas of the just transition. However, the wide network of regional agencies is not the only reason for the positive development of the region's transition. The cooperation between just transition actors, with the continuous development of regional platforms such as "*Playing with the Region*", also plays an important role. Collaboration with the region through these platforms and regional agencies is working well. MSR also has an advantage compared to other coal regions of the Czech Republic since it is home to three universities that are actively involved in the region's transition process. These universities operate in the region and, through their influence and activities (so-called spill-over effects), contribute to the development of innovation, entrepreneurship and the overall shaping of the regional economy.

The findings outlined above are also confirmed by a study by the consultancy organisation EY (2023), which identified the strengths of the Moravian-Silesian Region in the areas of long-term strategic leadership of the region, a stable political situation, a functional platform and a strong agency and institutional system of the region that strengthens the region's absorption capacity in the long term. According to Ženka, Slach and Hlaváček (2017), a significant shift towards services and knowledge-intensive business activities can be observed in MSR in recent years. Moreover, MSR has recently achieved, among other things, a significant increase in human and financial resources for research and development activities, further confirming the positive economic development in the MSR.

The transition process in MSR is perceived as a process that mainly concerns large enterprises. The issue of SME involvement and industrial diversification is both fundamental and prospective. According to the conclusions of the regional workshop organised in the framework of Task 2 of this TA project, the diversification process is taking place at several levels (e.g., small vs. large firms, business vs. employment structure, sectoral diversification). MSR aims to use the PJT to create a larger and stronger infrastructure that will create a wide range of conditions for the development of different business activities (D2 Report).

The Moravian-Silesian Region is well on its way to completing a successful transition, given its long-term strategic leadership, stable political situation and system of regional development agencies. The governance structure detailed above has been evolving and improving over time. Led by the regional agencies, it is already helping to steer the region in a positive direction and some aspects can become an example of good practice for other transition regions. Although there is still a need to stimulate economic diversification and the creation of new businesses in the region, the trend is positive. The long-term *image-building* of the MSR can also be positively assessed, which not only strengthens mutual trust among just transition actors, but also brings courage to address complex issues, such as the formation of the Moravian-Silesian Hydrogen Cluster. Personal enthusiasm is the obvious "face" of just transition in the region.

3.2 Ústí Region

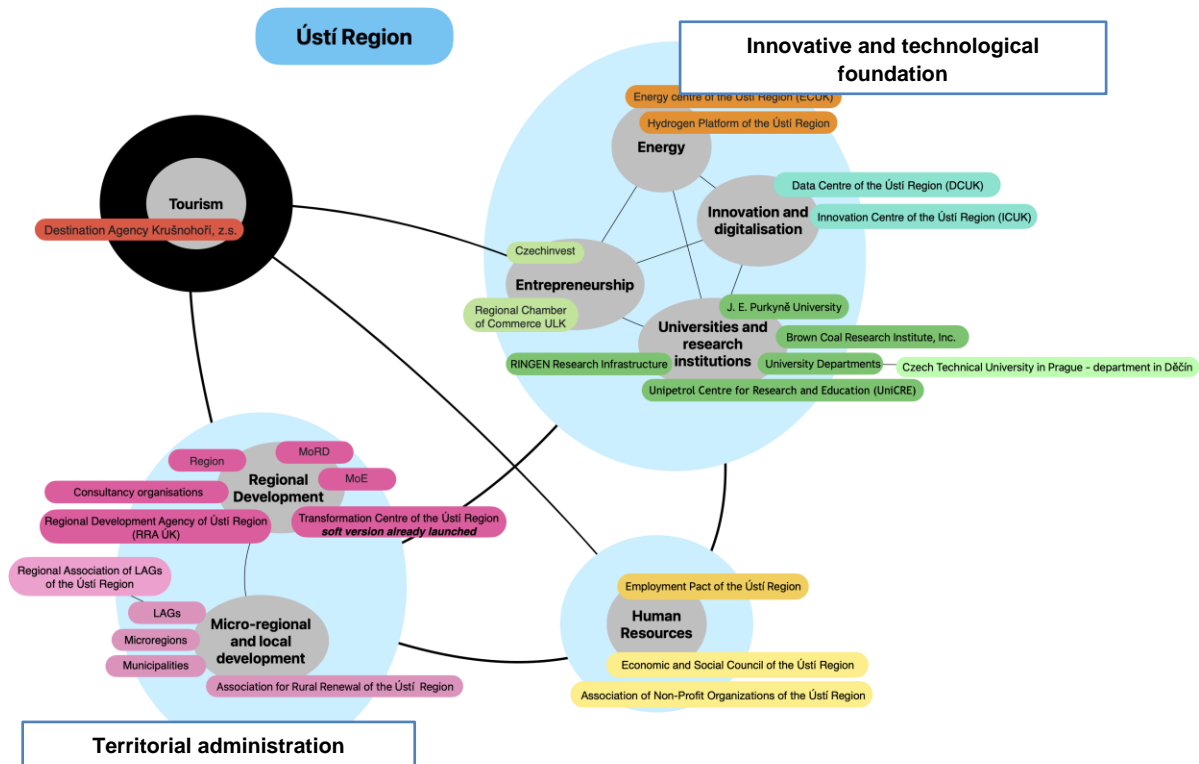
3.2.1 Governance structure for just transition in ÚR

The Ústí Region is about halfway through the transition process and is currently implementing several activities aimed at a greener economy. Setting up the governance processes for a just transition in the region is ongoing and the structure is still evolving. Experts agree that there is a need to improve the institutional and agency governance structure in the region, given the need to strengthen the absorption capacity of funds from public expenditure programmes (see D2 Report). The absorption capacity of smaller stakeholders to prepare project applications has historically been the lowest in the country. The transition process can be strengthened in other ways, e.g., creating opportunities and providing facilities for new projects and emerging actors, sharing transition knowledge with a wider range of actors from various sectors and areas of the economy, strengthening structures for social inclusion, etc. The ÚR is characterised by several socio-economic problems related to the impacts of

open-pit and deep coal mining, which require comprehensive institutional support and assistance. In this sense, measures to build social infrastructure and community development will be necessary.

Like other coal regions, the ÚR is trying to include various stakeholders in the decision-making process and new conditions and infrastructure are being created for the functioning and development of existing regional agencies, e.g., Transition Centre of the Ústí Region (TCÚR) strategic project. In addition, there are other specialised institutions or platforms in the region that assist the transition process. Tourism is the only thematic area without significant institutional coverage, which falls within the competency of the Tourism Department at the Regional Office. This topic is also addressed by the Tourism Working Group in the RSC and partly by the Destination Agency Krušnohoří z.s. (i.e., *Destination Agency Ore Mountains*),³ which started its activities on 1 February 2023 as a joint initiative of the Karlovy Vary and Ústí Regions. More details on each institution are provided later in this chapter.

Figure 3: Institutional framework for just transition management by thematic areas in ÚR



To date, there has been a lack of effective cooperation and communication between regional actors, a general distrust towards regional public administration, and a lack of leadership (see also Blažek & Květoň, 2023). These issues therefore significantly limit further institutional development. An example illustrating these issues is the coal platform of the region, which aims to initiate dialogue between strategic actors in the territory for a coordinated and systematic approach. However, its functioning was closely linked to the National Coal Commission, who personally formulated a position on behalf of the ÚR at the national level. However, the last important meeting took place in spring 2021. Thus, although the platform has not been officially abolished, it is not really working and discussions have shifted to the level of the entire RSC ÚR. There is no connection between the RSC and the Regional Coal Platform. More detailed information is not officially available and there is no general networking in the region on this issue.

The media survey by STEM/MARK (2021) showed that the Ústí Region has a lower perception of the benefits from ESIF funds, which does not help improve trust of regional actors in the leadership of the North-West Region (includes ÚR and KVR). An important task for the ÚR is to develop a good image of the region.

According to the D2 Report of this project, LAGs and micro-regions have emerged as important actors in strengthening the transition process of coal regions. According to LAG interviewees in ÚR (i.e., at the time of the D2 interviews), the topic of just transition was not sufficiently reflected by spring 2023,

³ See: <https://www.krusnohory.cz/en/>

which was due to low awareness. However, socio-economic development problems within the ÚR have affected the conceptual issues of transition. For example, significant differences can be identified in the agricultural areas of Poohří compared to the mining areas, which face specific environmental and socio-economic impacts (see D2 Report).

3.2.2 Results from the empirical investigation on the institutional functioning of the ÚR

The role of regional institutions in the transition process

Although the Czech Republic has a **well-developed institutional system of regional agencies, it does not make sufficient use of it**. At the same time, some institutions or agencies have more experience in their functioning (e.g., RDA ÚR - Regional Development Agency and ICUR - Innovation Centre of the Ústí Region). Despite the appropriate regional institutional structure, there are several problems in their functioning. Interviews with regional representatives and agencies revealed that **the human factor** (or human resources) is a **weakness for all institutions in the transition process**, along with **weak coordination between institutions and overlap in defined competences**. According to the interviews, the functionality of the system depends on specific people, and specifically on their credibility, expertise, and trustworthiness. A related issue is frequent staff turnover.

The structure of the regional agencies is similar to the structure of the MSR, with **newly created agencies gradually inspired by the experience of the MSR** through intensive mutual consultations. The most important regional agencies of the ÚR include ICUR and RDA:

- **ICUR**, established in 2015, focuses on both innovation and entrepreneurship, as well as new forms and fields of education in the region (similar to MSIC in MSR). The agency has developed from an initial staff of five people and annual turnover of CZK 2 million to an institution that employs around 50 people with an annual budget of approximately CZK 80 million, demonstrating the growing importance and robustness of the agency. However, interviews with agency representatives revealed that there is some overlap with the activities of the RDA, and to some extent, the LAG in the region. ICUR has been very active in the transition process, as they have been preparing the Territorial Just Transition Plan of the ÚR with the broader participation of actors in the region (e.g., RCC ÚR, university and research institutions). ICUR is also involved in shaping the education system in the region through cooperation with JEPÚ (Jan Evangelista Purkyně University in Ústí nad Labem), by initiating new fields of study and through its own educational activities for entrepreneurs and students. ICUR also is currently focusing on approved strategic R&D projects of PJT and seeking opportunities for technology transfer and spin off companies. For this reason, two strategic projects are a priority, i.e., Ringen and the GET Centre.
- **The RDA**, nearly 30 years old, has gradually resolved problems associated with the complicated drawdown of funds in the ROP Northwest in 2022 and 2023 and is now fully dedicated to new opportunities for regional development. The agency sees its primary role as communicating with other regional actors and connecting them at the regional level. In addition to strategic projects in the PJT, the RDA is dedicated to solving problems in the territory (e.g., brownfields, resocialisation, assistance to municipalities) and digital services. From 2023, RDA is also engaged in destination management for the Bohemian Central Highlands and will expand competences in the future to include support for rental housing in municipalities.

Regional development agencies are not sufficiently effective in supporting the absorption capacity of the ÚR in drawing funds from public spending programmes (especially EU funds). This aspect is related both to the educational structure of the region (and thus the readiness of actors for the challenging conditions for funding) and to the historical context of the region, which has led to **low levels of regional patriotism** (especially the demographic changes of the region after World War II). In this sense, a major challenge for all agencies is to promote, both directly and indirectly, the image of the region externally and internally. **The regional authority has long sought to inform actors in the region**, with the subsidy newsletter cited in interviews as an example of good practice. Through it, the region also relays information about the PJT and the broader context of the transition. In this way, **the region is trying to involve LAGs in the process of informing actors**, with whom they also cooperate with in setting calls for proposals for municipalities.

ECUR (Energy Centre of the Ústí Region) and DCUR (Data Centre of the Ústí Region) can be identified as **supporting regional agencies**. ECUR is a larger agency that plays the role of a mediator between the central level and local actors and has become a facilitator of communication in the energy sector. ECUR also works closely with DCUR. The interviews revealed that although ECUR is legally structured as a contributory organisation (similar to the MEC in MSR), it faces financial barriers to

receive continuous support from the political leadership in the region. Therefore, it will be necessary to take inspiration from the procedural issues of the MSR to stabilize the functioning of the agency. ECUR's role is not to build the energy system for the entire region (municipalities have a more important role in this), but rather to act as a professional guarantor providing advice and assistance. ECUR also facilitates education for municipalities in energy opportunities and procedural matters related to energy. However, compared to the national level, the interviews were more critical of the new energy strategic framework of the Czech Republic. The national strategy document is very general and does not provide a more detailed view of the impacts and effects of the overall strategy on the regions. DCUR is focused on supporting institutions in the ÚR, as well as cities and municipalities facing ICT issues, i.e., especially for public administration entities. Its key activities concern the provision of technical infrastructure for IT services, which are further accompanied by the possibility of creating web applications or data processing visualisation.

The role of the LAG is very well perceived in ÚR and is also supported by the region. Their role is to relay information from the region to the countryside and the villages to help them develop. **However, the absence of a long-term vision at the regional level and a concrete idea of the possibilities and involvement of the relevant actors within the multi-level governance seems to be problematic.** According to the interviews, this situation only resulted in the formal involvement of LAG representatives in regional commissions and platforms. Support to LAGs within the PJT strategic project is beneficial, but its actual objectives are quite different compared to the aim of the original project, which was directed towards the promotional role of LAGs in the territory. However, after some modifications, the project now focuses on environmental education at the primary and secondary school levels, which is needed in the long term. However, the role of the LAG in the region's transition has not been adequately used. Similarly, the **role of the non-profit sector in ÚR** was discussed in the interviews, which could be much stronger but does not have sufficient support from the region.

The research sphere in ÚR is mainly represented by the regional university JEPÚ and two research centres, i.e., ORLEN UniCRE and RINGEN Research Infrastructure. According to the interviews, JEPÚ represents an untapped potential in the transition process; however, it is currently failing to find its role. Other actors, especially the region, are aware that a successful transition requires the participation of JEPÚ. **At the same time, JEPÚ is not able to sufficiently communicate its potential.** The JEPÚ representative also pointed out the negative personal animosities between different actors in the region, which negatively impact the just transition process in the ÚR. The role of **ORLEN UniCRE** in the transition should revolve around their ability to prepare project proposals in applied research, implement projects and assist new approaches in the fields of hydrogen, RES, i-fuels, synthetic fuel derivatives, chemical recycling, etc. However, this potential is not adequately perceived by the region and other key agencies. Nevertheless, in the first half of 2024, ORLEN UniCRE is undergoing an institutional transformation and merging with its parent company, ORLEN Unipetrol Group. As a result, in the near future this institution will no longer be a public research institution (v.v.i.). A key contribution of ORLEN UniCRE to the transition process is the offer of professional scientific activities for students in the above-mentioned thematic areas. ORLEN UniCRE has two partner secondary schools, and the ORLEN UniCRE University Centre is involved in educational activities that offer selected fields of study and are able to link the university and secondary education system with the needs of industry. In view of the initial regional base of the ÚR, which partly depends on the chemical industry, this R&D infrastructure is not adequately used in the transition of the ÚR. The situation is similar for the **Ringen Research Infrastructure**, which focuses on geothermal technologies in the energy sector with overlap to other sectors. It has been operational since 2016. However, the development of the institution has been limited by state and regional funding issues in 2021 and 2022. Overall, Ringen has greater potential to contribute to the transition of the region through technology transfer, science and research development. However, it does not have adequate support from the region and the state. The uniqueness of Ringen is its strong scientific research activity with connections to foreign research centres that have a rich experience in technology transfer. A disadvantage is that the location of Ringen's infrastructure is outside ÚR and therefore it cannot actively participate in the preparation of projects supported by PJT.

Institutional participation in regional networks/platforms and cooperation in the region

According to representatives from the region, the RSC is functional and generally evaluated positively, including the potential of joining the RSC through nominations. This ensures the RSC activities run smoothly and that no member fails to respect the activities. The RSC rules were also viewed positively. Attendance at the RSC tends to be relatively high, with slightly lower attendance in the working groups. The region uses the RSC to discuss issues within the framework of just transition. Within the RSC, the

ÚR also has thematic calls to receive comments before they are sent to the MoE. However, some **negative aspects related to the RSC were also identified**. Interviews indicated that **information flows are slow and dysfunctional** and that the **functioning of the RSC is too formal**. The **time-consuming nature** of preparing for individual meetings is also problematic as the **results of the RSC are not very visible or significant**, partially due to non-binding resolutions. From the perspective of ICUR and ECUR, the functioning of the RSC is well perceived although the activities addressed are often politicised. This situation hinders improvement within the functioning of the respective regional agencies. From the agency perspective (e.g., ICUR), the **RSC is an appropriate platform to initiate debate on issues** and disseminate ideas. Neither ECUR nor RDA ÚR have nominated members in the RSC, but they have representatives in the RSC working groups. According to the representatives of the research community in ÚR, it is essential to strengthen these platforms so that agencies and institutions meet and **communicate the overlapping activities of key development institutions and agencies**. However, compared to other platforms in the ÚR (e.g., the regional coal platform), the RSC is still perceived as the most functional.

Nevertheless, representatives of the regional agencies stressed the need to also network outside of the ÚR. ICUR cooperates with other innovation centres in the Czech Republic and abroad within the European Business Network (EBN), which brings together innovation and business centres around the world. EBN membership is quite prestigious (ICUR has been a member since 2023) and brings international projects and other agendas to the region. ECUR is a founding member of the Energy Platform of Regions of the Czech Republic, which was established in 2023. Within the platform, information about the energy sector is shared between the regions of the Czech Republic. ECUR also cooperates with partners from Saxony and is a member in the European Platform of Energy Agencies. RDA ÚR is a member of the Czech Association of Development Agencies (CADA), whose functioning was perceived positively by interviewees. Representatives from research (e.g., ORLEN UniCRE) perceive greater opportunities in membership to industry platforms, e.g., platforms under the auspices of the Chemical Industry Association. Specifically, ORLEN UniCRE cooperates through membership to a chemical platform, which operates in the ÚR as the Entrepreneurial Discovery Process (EDP group). Representatives of ORLEN UniCRE are not involved in the thematic working groups of the RSC. However, they could be further used in conjunction with the University of Science and Technology, which is preparing another research centre near Lovosice. The new research centre will be related to the circular economy. The RINGEN research infrastructure, whose representatives are involved in the energy EDP, has so far focused on completing the preparation of the strategic project.

The non-profit sector is involved in key platforms and working committees of the ÚR through the regional association and has great potential to influencing socio-economic development. However, the **conditions for coordination** of the non-profit sector **have yet to be created**. In the past, the well-functioning platform FDÚR (Future Development of the Ústí Region) allowed members to share information and motivate each other. However, this platform is not currently functioning due to a lack of funding from the region.

Cooperation between key actors can be assessed as fragmented and poorly coordinated. The main findings from the interviews are described below:

- **From the perspective of the regional representatives**, cooperation has been assessed positively, especially in relation to the regional development agencies (ICUR and ECUR). The potential for additional coordination between regional actors in the upcoming strategic projects of the PJT is also positively perceived. A weakness of the ÚR is connecting secondary schools with the private sector, where cooperation with companies is rather formal in nature without significant impacts in terms of students' work experience. This outcome is also related to the irregularity of principal activity levels of the respective schools.
- **ICUR** has a clear desire and ambition to strengthen long-term cooperation with key actors both inside and outside the region. Within ÚR, there is strong cooperation with JEPÚ (also with primary and secondary schools), but there is also an effort to strengthen cooperation with other universities in the country. In addition, ICUR has created its international brand "ICUR Global," which should contribute to the further development of international cooperation. They are already collaborating with partners in the EU and beyond and are starting new collaborations with universities worldwide. They expect to further strengthen this process in the future. This approach has potential to achieve more significant progress in regional development.
- **RDA ÚR** primarily cooperates with the region. However, within the region, it also cooperates with local governments – typically on the basis of commercial relations in the form of preparing

strategies and grant applications. In this sense, they partially overlap with the activities of LAGs at the micro-regional level. RDA also actively cooperates with JEPU on the PJT strategic project and participates in the preparation and development of the Transition Centre on the model of the MSR.

- **LAGs** have a good position in ÚR and have well-established cooperation with the Department of Regional Development of the ÚR. The Ústí Region also provides substantial financial support to LAGs. Additionally, LAGs have developed cooperation with schools through projects. However, some schools are very active while others do not participate at all. Some criticism was voiced in the interviews about the unclear definition of the competences of the LAG and RDA towards municipalities and other small actors in the region (uncoordinated overlap was identified).
- **The non-profit sector** represented by the regional association is well perceived in the regional platforms. However, the actual cooperation of the region with NGOs is lower compared to the past, when it was much more coordinated (see the example of the FDÚR initiative).
- **Representatives from the research sphere** (JEPU, RINGEN, ORLEN UniCRE) perceive cooperation between actors in the region as very weak, also with respect to the low interconnection of agencies and institutions in the field of just transition management. All research institutions identified the strongest collaboration with ICUR, and partly with ECUR. However, ORLEN UniCRE performs most of its activities outside of the regional agencies, and even within the region, they have only minimal cooperation with the RCC ÚR and the Economic and Social Council of the Ústí Region. Instead, ORLEN UniCRE reports stronger cooperation with selected secondary and higher education institutions (CTU, VŠCHT, ČZÚ and JEPU). However, ORLEN UniCRE does not register any support from the region or its agencies in their respective educational activities. The cooperation between R&D and the business sector is also very weak, which is perceived by representatives of the research sphere as the biggest weakness facing the ÚR (i.e., transfer of technologies and innovations into practice).

Existing forms of good practice in the functioning of institutions

Representatives of the ÚR emphasised the **crucial role of drawing inspiration from MSR**. They specifically mentioned being inspired by agencies such as MSIC, MSID, and the overall institutional framework of the MSR. The political continuity of MSR throughout electoral cycles, as well as the long-term development strategy were also cited. The marketing departments of the regional agencies are also an important component in MSR. The current debate on the promotion of ÚR is very relevant. MSR has also inspired ORLEN UniCRE as they have started to develop cooperation with the Centre for Energy and Environmental Technologies at the University of Science and Technology.

Previously, the topic of promoting innovation in the ÚR was inspired by the South Moravian Innovation Centre (JIC), which served as the inspiration for the creation of ICUR. In this context, there was an effort to inspire the region not only in terms of the agency's thematic focus, but also in terms of its functioning (e.g., the innovative management approaches that do not enforce fixed working hours and instead utilise home-office options).

Sharing information, approaches and examples of good and bad practice was also identified in the interviews as important for the functioning of institutions. **Specifically, items included:**

- Energy sector, with inspiration from the European Energy Agency Platform for use in ECUR.
- Drawing inspiration from the Czech Association of Development Agencies (CDA) for the needs of the RDA. Within MSR, information and experience for the gradual building of the TCÚR are positively perceived.
- For LAGs, it is about sharing information and good practice within the national rural network, which is often context dependent and not always transferable between regions.

Other representatives of the non-profit and research spheres only identified limited approaches of good practice in the functioning of their institutions. Only a completely different model of functioning of regional non-profit organisations in Germany, which have a more stable system in their funding compared to the Czech Republic, was pointed out in the interviews.

A specific regional issue reflecting the emerging Transition Centre of the Ústí Region (TCÚR)

Interviews also highlighted the strategic project of the TCÚR, which is focused on building a transition centre and creating a system of comprehensive support services for the transformation of the region. Regarding the phases of funding, preparatory works for the facility and its construction are underway

in the current programming period, with the relevant operations and services to be implemented during the sustainability of the project. However, partial service delivery has commenced immediately from the start of the project, for the time being in alternative premises, and all planned services will be fully delivered by partner organisations once the investment phase of the facility revitalisation is completed. The Ústí Region is the project promoter and partners are expert organisations (service providers) in the themes of SME support with emphasis on innovation (i.e., ICUR), energy transformation towards decentralisation, savings, RES and community energy (i.e., ECUR), smart region, collection, analysis and use of data and information (DCUR), revitalisation and resocialisation of the landscape, creation of a better physical environment (RDA ÚR).

The interviews revealed that the robustness of TCÚR partner organisations will depend on the scope and content of activities. This matter has been continuously discussed since 2022, when the project partners defined the scope of services they will provide within the project and quantified their requirements (e.g., staff capacity, facilities, equipment, etc.). There is ongoing discussion about the details of the planned activities and services, taking into account that the partner organisations should generate positive synergies in the development of the ÚR. Systematically, the services provided by the partner organisations in TCÚR will focus on the promotion of the region and the achievements of its agencies. TCÚR should also lead the partner organisations to significantly strengthen their role as mediators and facilitators of discussion between the central, regional and municipal levels. In terms funding sustainability for TCÚR services, the project feasibility study assumes that 80% of the funding will come from the budget of the Ústí Region (note: this is how it is currently funded), and 20% will come from revenues from services provided to the private sector on a commercial basis. Overlapping competences and weak coordination with actors at micro-regional level is a potential risk for the functioning of partner organisations within the TCÚR, in particular LAGs. Intensive coordination with key actors in the region, which cannot be conceived in an administrative and bureaucratic manner, will be crucial for the overall success of the TCÚR strategic project concept. In particular, representatives of the research community are sceptical about the potential of the TCÚR.

Further possibilities and potential in the functioning of institutions

The interviews revealed **limits to further develop the institutions due to potential problems recruiting new qualified staff**, not only for the regional office but also for agencies with the legal form of a contributory organisation. The remuneration system in public administration is different than the private sector. Therefore, changing the legal form of the agency, (e.g., to a public limited company), may be required to relax the remuneration system. Only employee benefits that can be offered within the public administration can then be considered within the regional authority. In the case of LAGs, consideration could be given to setting up technical assistance mechanisms in the forthcoming programming period to provide targeted support to managers in the territory and help to ensure development and communication with key local actors at the micro-regional level.

Both ICUR and ECUR are staff-stabilized agencies, which can only recruit additional staff if their competences and activities are expanded (e.g., via new projects). Thematically, potential was identified **in the region's ability to reflect the trends and opportunities that exist both within and around the region**. Examples include potential in the automotive industry, the anticipated semiconductor production in Saxony, wider opportunities for the implementation of electro-mobility, hydrogen infrastructure development and renewable energy, for which the institutions in the ÚR are not sufficiently prepared.

Interviews regarding the operation of regional energy agencies revealed that their direct impacts in the territory are relatively difficult to calculate. However, such calculations are crucial to argue for the relevance of the respective agencies (e.g., ECUR) and institutions need to be able to present, disseminate, and defend their activities. In this context, there is a **need for applied research (e.g., within TACR - Technology Agency of the Czech Republic)** to develop a methodology that quantifies the effects of energy agencies in the region, with energy agencies in selected regions acting as an application partner.

It seems crucial to address the image of the region in the future. The region currently has no PR campaign. Strengthening the perception of the region can also increase internal cohesion in the region. It is important to direct marketing efforts both inwards and outwards to gradually shape the attitude of the region's inhabitants. This was identified as a crucial issue for the future by representatives of the region, regional agencies, LAGs and the non-profit sector.

It will be important for the non-profit sector to establish a system of funding for NGOs, as the current project-based nature of funding cannot ensure the long-term stability of NGOs. It is advisable

to consider the renewal of the FDÚR initiative (i.e., *Future development of the Ústí Region*), which has already proved its worth in the region.

For the research sphere, it will be important to closely monitor the interim and final results of the strategic projects to be implemented by JEPU and the RINGEN Research Infrastructure. There is great potential to place more emphasis on gaining R&D experience from abroad. In the case of JEPU, there is also potential to establish new study programmes that better reflect the needs and potential of the ÚR. Given that obtaining accreditation at the university level is a rather demanding and complicated process (also with regard to staffing adequate academics), it is advisable to consider more professionally-oriented programmes that involve teaching experts from practice. Considering the initial conditions of the ÚR, which has historical experience in the chemical industry, this approach should be coordinated with the representatives of ORLEN UniCRE since they have long been trying to develop students with technical disciplines (e.g., chemical, energy, electrical). Student cooperation with representatives from practice and R&D institutions can help ÚR to create future perspectives and regional opportunities that can become an integral part of the transition process.

3.2.3 Evaluation of the institutional structure of the ÚR

The institutional structure for managing the just transition of the ÚR has improved significantly in recent years. Nevertheless, the region faces a number of challenges. Some industries in the region, such as textiles, have completely disappeared during the transition. Large enterprises in traditional sectors, including mining, remain important despite being in decline. In addition, they have lacked incentives to innovate and maintain technological competitiveness, although they are competitive in neighbouring Germany due to cheap labour (Blažek and Květoň, 2023). Thus, in the international chain, Czech companies from ÚR serve more as lower-level suppliers and large ambitious firms only operate sporadically in the region. This also shows that ÚR is clearly linked to the German market. The region should make better use of its proximity to developed regions not only in the Czech Republic but also in Germany, especially the Federal State of Saxony. European support for cross-border cooperation, for example in the form of INTERREG projects, is helping to establish links with Germany. However, this tie could be strengthened by a more comprehensive approach and a clear definition of the roles of the various actors involved in managing cross-border cooperation in the region.

According to an International Sustainable Finance Centre (ISFC) study, SMEs in the Ústí Region are characterised by insufficient diversification of the economic structure and a low level of innovation activities (ISFC, 2022). Additionally, the non-profit sector is not sufficiently developed, which negatively affects the possibilities of solving socio-economic problems and socio-pathological phenomena that are typical at the local and micro-regional level in the region (e.g., relative poverty of households, high share of long-term unemployed, above-average crime rate, high share of personal debts and share of persons in foreclosure). According to the ISFC (2022) study, municipalities in ÚR are greatly affected by their geographic location, some of which are directly affected by the transition (i.e., communities in the coal basin) or only indirectly (e.g., communities in recreational areas). Another indirect impact comes from residents from more distant communities that commute to the mines. The study clearly shows the complexity of the issues facing the region.

In the governance structure of just transition, the actor responsible for tourism (i.e., who balances the industrial and mining sites versus protected and national nature parks) has not been identified. Revitalisation is an important theme in the region and is presented on the regional website through a range of financially challenging revitalisation activities. The link between revitalisation and tourism should also be strengthened.

ECUR and the hydrogen platform are actors in the energy thematic area. There is a need to institutionally define responsibilities for other segments of the energy sector and advance the development of RES.

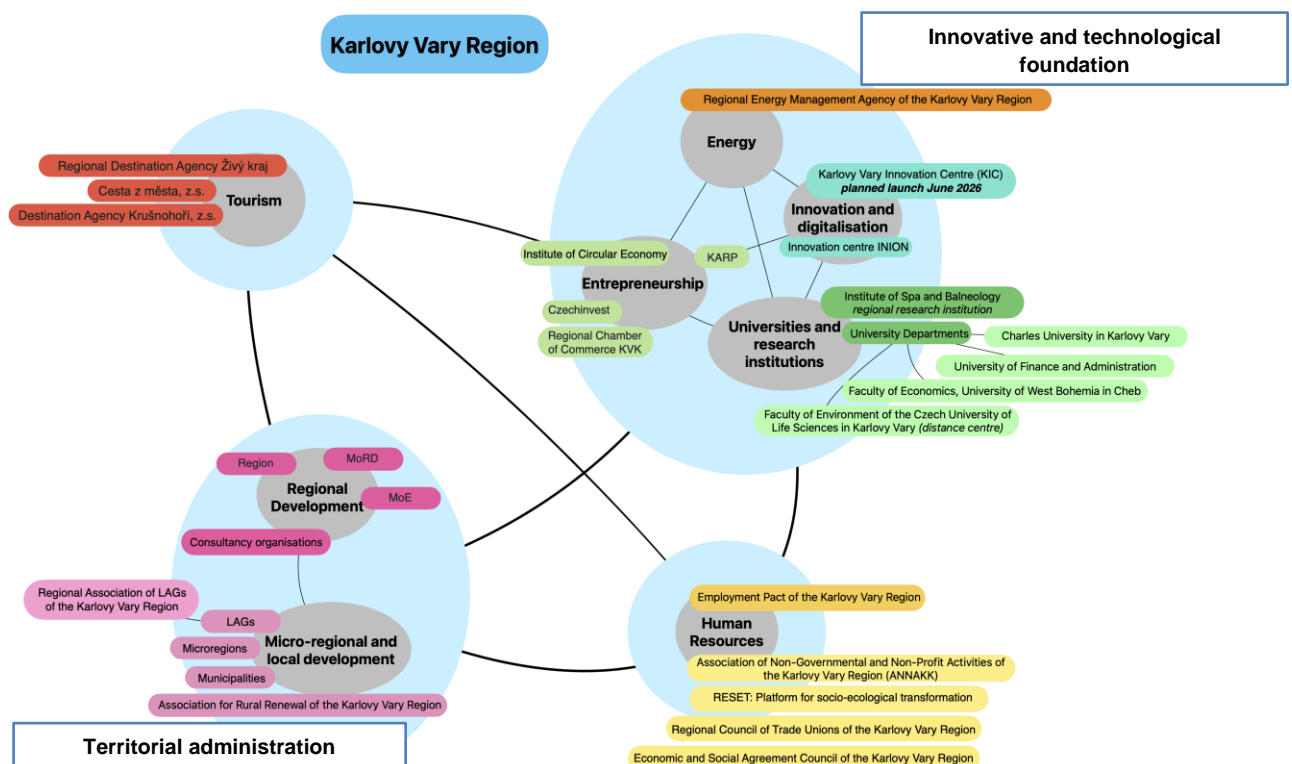
The institutional capacity of the Ústí Region should be further strengthened through agencies that directly focus on exploiting the industrial character of the region, including cross-border cooperation with Germany. The strategic project of the Ústí Region Transition Centre, which brings together existing and newly created development institutions, will play an important role. Primary responsibility lies with the ÚR, but close cooperation with the MoRD, the MoE and regional actors can be expected (D2 Report). The regional university is also an important actor in ÚR, but it needs to become more involved in the just transition process through cooperation with a wide range of actors and respond more flexibly to the needs of the region with its curriculum offer. The overall image of the region must be strengthened, and trust must be gradually built up among regional stakeholders.

3.3 Karlovy Vary Region

3.3.1 Governance structure for just transition in the KVR

Karlovy Vary Region faces several challenges related to the institutional structure for just transition. A significant aspect is the issue of business support and the relevant supporting infrastructure for start-ups and new businesses, the adoption and use of new technologies and research activities. Ensuring available sources of funding, mentoring and expert advice for start-ups are crucial to the success of the transition. Similarly, supporting innovative technologies and research helps to create sustainable and competitive economic models (D2 Report). Unlike some other regions, KVR does not have a comprehensive regional development agency. The Karlovy Vary Business Development Agency (KVBDA) can be considered as a partial substitute for the role of a regional development agency, but it is more of an innovation centre with insufficient infrastructure facilities. It also focuses on coordinating business development activities in the region, promoting local potential through the introduction of innovation, new forms of cooperation, supporting education and promoting the building of better business environment conditions.⁴ KVBDA performs this role as an implementer of the RIS3 strategy. Since 2016, it has been implementing Smart Accelerator projects to support the innovation environment of KVR. In this context, KVBDA supports small and medium-sized enterprises with an emphasis on transformation in particular, develops public administration (especially with regard to the introduction of innovative processes, digitalisation, increasing efficiency), develops cultural, creative industries and entrepreneurship, and invests in the development of human resources. In the coming years, KVBDA will be gradually transformed into an innovation centre under a strategic project supported by the PJT. Figure 4 provides an overview of key regional institutions and organisations with links to the just transition.

Figure 4: Institutional framework for just transition management by thematic areas in KVR



In practice, the absence of the RDA means that it is more difficult to unite diverse interests and respond effectively to changing conditions in the region. One positive aspect is the informative web platform "Changing the Region,"⁵ is the region's main information tool on the ongoing transition towards key stakeholders (i.e., municipalities, businesses, NGOs). The web platform also offers a section "Citizen proposals" where new projects can be proposed or initiated, or existing proposals can be evaluated. The platform therefore also offers feedback to the representatives of the KVR. However, it should be

⁴ See also the KVBDA website: <https://www.karp-kv.cz/o-nas>

⁵ See also: <https://menimekraj.cz/>

stressed that for a clear understanding of the transition process, it is essential to not only use electronic information tools, but also establish a well-developed system for face-to-face meetings of regional stakeholders.

Based on the Task 2 Report of this project, the importance of the LAGs and micro-regions in the institutional set-up of the region emerged. Representatives from the LAGs interviewed in the KVR rated the cooperation with small actors within their territory very positively (i.e., in February and March 2023, research period for D2). However, it should be specified that the activities were related to a wider range of factors within the territory of each respective LAG and were not directly linked to the specific topics of the newly prepared PJT. Concrete themes are more likely to be delivered by cities since small municipalities do not have the capacity to do so. Despite the challenges, KVR can use the experience and know-how of other regions that have successfully completed similar transition processes. It is important to actively seek opportunities for cooperation with other regions, government agencies and industry partners to strengthen institutional foundations and achieve sustainable development.

3.3.2 Results of the empirical investigation on the institutional functioning of the KVR

The role of regional institutions in the transition process

In terms of thematic areas, the KVR has full institutional coverage of all topics that are relevant in relation to the just transition process (see Figure 4). No additional institutions or organisations were recommended during the interviews. Following the findings and recommendations in D2 Report, the **absence of a regional development agency** was discussed with regional representatives and key institutions. The KVR had a Project and Grants Management Agency from 2007 to 2017 that fulfilled the complex institutional framework for regional development. Its two main areas of activity included:

- 1) Preparation, implementation and monitoring of projects financed from EU resources.
- 2) Consultancy, advice and grant management for the region and, to a limited extent, municipalities.

However, in 2017, this agency was closed down following problems and uncertainty in securing funding for its activities. A political decision discontinued and transferred the activities of the agency to the Regional Authority. Since then, activities focused on consultation, advice and grant management for entities in the region have ceased.

The potential role of the KVR regional office is largely limited by an overload of administrative workload on existing staff. Interviews identified problems in securing both qualified and sufficiently motivated new staff. High staff turnover and staff employed on short-term or temporary contracts were also mentioned. Outsourcing also appears to be problematic since it is necessary to learn the strategic agenda, which is not possible in the current process setup. Personnel management is also problematic in terms of financing staff. In terms of salary tables, their financial evaluation is low compared to the private sector, making it difficult to recruit qualified staff. Staff can generally receive better pay within regional agencies. Staff in these agencies do not have civil servant status and may have their own trades. This is a much more flexible employment relationship, which is more financially attractive to the employees concerned.

The KVR currently has two agencies, one of which has a long-standing presence, and the other is gradually establishing itself:

- **The most important regional agency is KVBDA**, which has been established in the institutional framework of the development management of the KVR since 2009. However, the agency has not yet been able to effectively present its activities and communicate issues of research, development and innovation to policymakers and other stakeholders in the region. There is a lack of a functional form of promotion and presentation by KVBDA, which has the potential to improve KVBDA's position in the regional institutional structure. Based on these features and the results of a media analysis carried out in 2023, a *Marketing Strategy for the Innovation Ecosystem* is being prepared in the first half of 2024 with the involvement of all relevant actors from the region. The marketing strategy should help to propose activities and recommendations that will improve the perception of KVR as an attractive place to work, do business and study. Currently, KVBDA is the only regional agency responsible for the implementation of the Regional Innovation Strategy, thereby supporting the development of entrepreneurship and innovation. It also provides educational activities for students and other activities. Importantly, the SMART Accelerator project provides revenue stability to KVBDA. With its current staffing, KVBDA cannot provide a wider range of activities as it does not have its own premises, and the current lease no longer allows the team to expand. The construction of a new facility for the Karlovy Vary Innovation Centre (KIC) is planned

for 2025 as a PJT strategic project. A comprehensive identity change (rebranding) of KVBDA to KIC is also planned, which, in the context of the newly built infrastructure, will entail a significant expansion of activities and a stronger role in the just transition process.

- The energy sector has not been addressed in the region for a long time, which is why the **Agency of Regional Energy Management of the Karlovy Vary Region (REMAKVR)** was established in 2023. As a new agency, REMAKVR has to also justify and explain its agenda to political actors in the region while simultaneously communicate with other actors in the region. The primary activity of REMAKVR is to stabilise the agency itself and support energy management in the region: energy purchasing, the territorial energy concept and the topic of hydrogen. Gradual development of activities in other areas is also planned. REMAKVR also want to address other areas such as new energy sources and technologies (e.g., PV, hydrogen, small or medium reactors, cogeneration, battery storage, thermal storage), linking them to various industries in KVR (e.g., glasswork, ceramics, mining companies, spas, etc.). These developments are to be reflected in the update of the Territorial Energy Concept of the KVR. REMAKVR aims to be more active in the field of consulting subsidy programmes for the implementation of energy management by the organisations in the KVR. So far, this agency is limited in terms of staff and funding.

In KVR, **two independent umbrella institutions supporting entrepreneurship** can be identified:

- **The Regional Chamber of Commerce of the Karlovy Vary Region (RCC KVR)** plays an important role in communication with entrepreneurs and the overall development of business in the region. RCC KVR currently has 250 members, ranging from major and large companies (Sokolovská uhelná, etc.) to the smallest tradesmen. RCC KVR also contributed to the preparation of the PJT by conducting a survey of entrepreneurs in the region, the results of which were partially reflected in the programme document. The strong position of RCC KVR also brings several drawbacks, which were identified during the regional workshop. For example, it mainly promotes technical secondary education while other fields of study do not have strong institutional support.
- **The INION Innovation Centre** plays the role of supporting entrepreneurial initiatives (incubation, acceleration) and has taken on the task of developing the start-up scene in the region. KVBDA in its current form does not represent this role. Despite the efforts of INION's founders to communicate this with the representatives of the region and to implement these activities in cooperation with the region, no initiative has been shown to address these activities. That is why the INION Innovation Centre was established. Currently, it plays a role in the development of entrepreneurship in the region and the implementation of soft activities aimed at entrepreneurs and secondary school students.

Actors operating in the territory are mainly LAGs, municipalities and towns. From the perspective of the LAGs, **they play a key role in the region as mediators of information from the regional level to the territory**, or vice versa. Representatives from the Regional Association of LAGs of the Karlovy Vary Region (KS LAG KVR) reflected upon their experience in the territory with small municipalities and entrepreneurs, which often do not even know about the transition. Smaller municipalities have long struggled with staffing problems and low capacity to prepare quality projects. Similarly, some larger towns are trying to act as **municipalities with extended powers (e.g., the town of Sokolov)**, which supports smaller municipalities in its surroundings with development activities. However, this is generally perceived as **very complicated and suffers from weak communication with regional representatives**. A particularly important problem is the negative image of individual parts of the region and the weak PR of the region as a whole.

The interviews also revealed that within the region's transition process, **communication between the regional authority and the representatives of the association of non-profit organisations in the KVR broke down**, due to personal animosities between the two parties. At the same time, the degree of problems varies widely in different parts of the KVR. In the most problematic parts of the region, there is a lack of emphasis on soft activities in the region, which leads to a steadily declining sense of belonging to the region and a recurrent lack of will to develop the region among most actors in the territory. Exceptions were identified in the D2 Report, e.g., an NGO called KultiVary, which focuses on strengthening the belonging of the inhabitants to the region. While their activities have had an influence in Karlovy Vary, it has been less so for other parts of the region.

Institutional participation in regional networks/platforms and cooperation in the region

Interviews with regional representatives, key agencies and other regional actors confirmed that there are a number of platforms in KVR. The **most prominent** in the just transition context is the **Regional**

Standing Conference. The platforms are functional in the sense that they **issue resolutions, but their non-binding nature appears to be problematic**, making the RCC KVR a more formal grouping in the region's transition process. Other regional platforms are more political in nature, with a formal agenda and limited results. However, to ensure a rudimentary level of communication and discussion with key regional actors, some of the regional actors interviewed consider these platforms important. The RSC model of the MSR, and its working groups in particular, is seen as an example of good practice that the representatives of the KVR would like to replicate.

Political nominations of RSC members are also perceived negatively in KVR, which leads to a greater political representation in the RSC at the expense of regional actors. Another potential problem is the **weak enthusiasm and personal involvement in regional development processes of some RSC members**. Some cities in the region perceive that they cannot act as members in the RSC and cannot actively comment on planned strategic projects in the just transition framework. According to the KVR representatives and other institutions, the idea of the RSC itself is good but, in practice, they are in agreement about the problematic issues outlined above.

The "Transition Platform of the Karlovy Vary Region" (a working group within the RSC KVR) was also active at the regional level, but it is no longer functional. However, an advisory body of the region (the "Commission for the Transformation of the Region, the Just Transition Fund and Energy"), was found to be functioning well in the interviews. Members talk to each other outside of official meetings and try to move and develop the energy agenda in the region. The members are competent (half are energy professionals and the other half are transition representatives). Furthermore, all members have a long history in the energy sector, which contributes to the good functioning of the commission. A negative aspect of the commission's functioning was described as the frequent conflicting political influences.

In the context of business support and new trends, we can highlight the following:

- Employment Pact of the KVR, which is coordinated by the RCC KVR: Representatives of the Employment Pact actively communicate with representatives of the region on a bilateral basis and outside the various platforms and regional commissions.
- Agency 4K: The Agency for Cultural and Creative Industries of the Karlovy Vary Region (established in 2023) will focus on supporting creative industries. It is registered institute founded by the KVR. This agency has several partners within the strategic project (e.g., INION);
- The informal platform Xčlenka facilitates information sharing but has potential to also enable networking and establishing links between actors in the region.
- The Dizajnpark gallery presents new cultural trends in a former industrial building and also acts as an educational centre. There are interesting exhibitions on design, a design shop, a café and the opportunity to create and take away your own product or attend a workshop or lecture.

In terms of cooperation between key actors in the region, gaps in communication for just transition in the KVR were identified. Many actors' activities are often poorly coordinated or overlapping. Although there are examples of good communication between selected actors,⁶ in general, actors have not established functional communication channels and communication tends to take place bilaterally rather than at a broader level. Cooperation between the INION Innovation Centre and the Institute of Spa and Balneology is also based on bilateral cooperation. Communication on the potential to establish a polytechnic university in the KVR is also taking place with the JEPU. Representatives of the RCC KVR meet with representatives of the region in monthly cycles, which enables the exchange of information and coordination of activities. The region generally lacks a comprehensive vision for development and communication in broader regional platforms. For this reason, the region does not have a clear direction. Greater coordination of communication is essential for successful regional development and more effective management of the just transition process.

By contrast, **KVR is active in coordinating communication between coal regions**, as evidenced by the Karlovy Vary Declaration of Coal Regions⁷ where 21 coal regions from 11 EU countries have signed up. The regions want to jointly convey a message to the European Commission to continue to support structurally affected regions and to discuss the continuation of the JTF in the 2028+

⁶ For example, the involvement of the INION Innovation Centre as an active player in KVBDA activities, KVBDA's well-developed bilateral relations with educational institutions in the region, or the cooperation of the RCC KVR with the University of West Bohemia, which has a faculty in Cheb and is launching a new professional study programme in Management and Digital Technology in cooperation with a German university - funded by the INTERREG programme.

⁷ See also: https://menimekraj.cz/upload/Dokumenty/Karlovarske_prohlaseni_uhelných_regionu.pdf

programming period. The KVR has initiated this declaration, which is also supported by MoE and MoRD. KVR also has close cooperation with Saxony. **Cooperation of key actors with institutions outside the region is taking place, for example, through the Czech Association of Development Agencies (CDA) and KVBDA.** Furthermore, since 2023, KVBDA has been responsible for coordinating support for the development of water management in the region, based on a Memorandum of Cooperation between ÚR, MSR and KVR. KVBDA is not a member of the hydrogen platform.

Existing forms of good practice in the functioning of institutions

In KVR, key institutions and agencies draw inspiration from the Czech Republic and abroad. Their inspiration takes procedural, organisational and managerial forms, or they are inspired in the areas of the agenda and activities aimed at successful just transition. A frequent source of inspiration is MSR or abroad, especially Germany (Saxony). The application of inspiration from abroad depends on the political cycle of the Czech Republic, and not everything can be applied in the domestic environment.

According to KVBDA, specific examples of inspiration can be given within the framework of the Living Region campaign, in particular the promotion of patriotism and belonging to the region. Strengthening PR for the region was an important lesson since it subsequently led to a stronger sense of belonging. KVBDA was further inspired by examples of educational activities in the Zlín Region, e.g., profession projects for secondary school students, motivational videos for secondary school students. Another interesting activity is the “A medic in high-school” pilot project in KVR, which responds to the shortage of doctors in the region. KVBDA was also inspired by the approach of the NGO Patriots of MSR and from cooperation with other development agencies within the Czech Association of Development Agencies (CADA). On the topic of bioeconomy, KVBDA was inspired by cooperation with the University of South Bohemia in České Budějovice, e.g., KARP joined the BIOEAST HUB CZ initiative and is implementing activities to support the bioeconomy in KVR (and also organised a conference on the topic in 2023). In 2023, KVBDA implemented an innovative approach to strengthen its internal corporate culture. Employees established values within their internal processes and agreements were made based on these values. KVBDA employees have responded positively to the initiative and it has also helped new employees to better identify with the company culture. They are also inspired by the cooperation between ICUR and JEPÚ and how ICUR uses its premises, which they want to mimic in the newly established Karlovy Vary Innovation Centre (KIC).

REMAKVR is actively trying to inspire the ÚR and MSR and is interested in the functioning of ECUR and MSEC. Their organisational structures and staffing requirements have been used as a basis for building REMAKVR.

The activities of the MSR chamber, especially the MS Employment Pact, serve as a significant inspiration for the RCC KVR. Inspiration has taken place, for example, in the area of projects to support the linking of schools and companies. Meetings of the RCC CR directors are also an important platform for inspiration and information sharing. Good links also exist with the German Chambers of Commerce. Potential inspiration has also been identified in the field of hydrogen. From the interviews, a general observation on KVR’s transition process was that companies in the region need to advance their ordinary development (e.g., purchase of machinery, repair of business properties, etc.). Meanwhile, there are limited opportunities for building interest in calls for innovation and green transition. The representatives of the INION Innovation Centre are constantly inspired by the foreign and domestic environment, looking for ways to streamline processes and spending, and also discovering new opportunities to expand their agenda and activities.

Representatives of the LAG KVR stated that within the framework of intensive cooperation between LAGs throughout the Czech Republic, there is regular mutual inspiration and information sharing. Representatives of individual LAGs often go on excursions to other LAGs to see examples of good practice from different areas. In the town of Sokolov, they are aware that the transition process is at a more advanced stage elsewhere in the world, and therefore, it is not necessary to invent completely new concepts and approaches in the development of post-mining localities. The city is trying to draw inspiration from across the country and implement examples of good practice. A visit to MSR is also planned to observe examples of good practice. The city of Sokolov representative stressed that although they have plenty of inspiration, the key issue is to translate it into practice.

Specific regional issue reflecting the emerging Karlovy Vary Innovation Centre (KIC)

From the interviews, the creation of **KIC is primarily an infrastructure project**, the construction of a new building and the change of identity (rebranding) of KVBDA to KIC. The concrete functioning of the KIC will be provided by KARP, which lacks suitable premises to further develop its innovative activities.

Soft activities in the field of innovation dissemination, entrepreneurship support or education are not part of the KIC strategic project under the PJT; their funding will be provided from sources other than the PJT. However, the concept of the KIC is still unclear for many of the interviewed actors in the region and many were sceptical about its development potential. From the interviews, it emerged that the **role and competences of the KIC in the region need to be further discussed** and jointly defined with all relevant actors operating in the KVR. It is also important to ensure that there is no overlap of competences with other institutions operating in the region. Finally, there are concerns about the centralisation of business support and innovation activities, which according to interviewees, should be more dispersed in the territory (e.g., coworking, business incubator, etc.).

In terms of the envisaged functioning of the KIC, KVBDA will be responsible for the administration and operation of the building, as well as for the activities and content of the new centre. KVBDA will remain in its current legal form as a contributory organisation. All planned changes have yet to go through the official procedure. **In terms of personnel, KARP is prepared to ensure the functioning of the KIC, both in terms of maintenance and functional content. KARP foresees the implementation of follow-up "soft" projects that will advance the current agenda as well as activities that potentially use KIC infrastructure. In this case, it will also be necessary to increase the number of staff, but only in response to new needs.** The future organisational structure of the KIC/KVBDA is clearly defined and based on the current organisational structure of KVBDA. However, the KIC building could potentially house other institutions, such as the Agency for Cultural and Creative Industries of the Karlovy Vary Region (Agency 4K), the Institute of Spa and Balneology, as well as providing commercial space for start-ups, start-up entrepreneurs, shared spaces etc. The KIC should also be a place to facilitate the cooperation of other institutions. A business incubator and coworking is also being created in the Sokolov region; the representative from the city of Sokolov indicated that it does not make sense to centralise the agenda of activities in Karlovy Vary through the creation of a KIC. Furthermore, the city has prepared a number of other projects, which must start according to the available resources and staff capacities. A cross-cutting theme of multiple KVR stakeholders is the creation of a polytechnic university that focuses on vocational training and micro-certifications. The potential university should make use of the region's potential and uniqueness, otherwise it has no chance of succeeding.

The representatives of the LAG CR indicated that the KIC alone would be insufficient to meet the region's needs. The interview revealed that the preparation of the KIC is mainly discussed at meetings in the RSC. However, there is minimal awareness of this newly prepared centre in the territory. The upcoming activities within the KIC infrastructure project are primarily addressed by the regional agencies and do not include other actors in the discussions. A media campaign has already been carried out within the territory to inform citizens about the forthcoming construction of the KIC and follow-up promotional activities are in the pipeline. The RSC is the space where strategic projects are discussed by key partners from the territory. **Regarding the competences of the KIC, there are minor concerns about possible overlaps with the services or activities provided by other institutions in the region** (e.g., INION). The INION Innovation Centre is currently implementing a project to create the Vary&TE Creative Centre (a centre for creative industries), which has potential overlap with the activities of the KIC. It is therefore necessary to proceed in such a way that the KIC's activities complement the services or activities already underway in the region.

The plan to build a science and technology park (currently through the KIC) was initiated by the Karlovy Vary Region in 2010, so it is not a completely new activity. Nevertheless, it is important that KVBDA informed INION in advance about the planned establishment of the KIC and, above all, about the timetable for its launch. As the construction will take more than two years, there is room for further expansion of the cooperation between KVBDA and INION, which KVBDA is actively initiating. The involvement of INION in KIC activities and close cooperation with KVBDA is foreseen. At the same time, however, communication between actors and institutions involved in business support should be strengthened in the region so that the activities of institutions operating outside the structures of the territorial public administration do not clash with the plans of the region.

Further possibilities and potential in the functioning of institutions

According to representatives of the region, there is potential for greater communication with various actors in the region. To this end, the region would benefit from administrative staff, as there is no time for current staff to travel and communicate with actors in the territory as part of their regular responsibilities. **The potential discontinuity in the political direction of the region appears to be problematic.** MSR may serve as inspiration in this regard, where the same setup of development and transition processes remains despite political changes in the regional leadership. **The region sees**

great potential in improving its image and improving communication between development and just transition actors.

The implementation of the strategic project KIC carries both potential and risk. However, its completion should significantly help in the expansion of new premises and the realisation of new activities to support business in the region. However, the future functioning of the KIC has not yet been adequately discussed and communicated with the key actors in the region, who are simultaneously developing various other topics.

As a new organisation, **REMAKVR** has the **greatest potential to transfer good practice from the Moravian-Silesian Region**. In the future, it will need more funding and staff. Currently, REMAKVR plans to fill the positions of project manager and investment technician. Representatives of the RN LAGs stated that they want to start addressing the topic of energy, and they realise that competences need to be clearly defined in relation to REMAKVR. Furthermore, RN LAGs want to strengthen cooperation with secondary schools, focusing on effective schooling and the disciplinary structure to be more relevant to the needs of the region.

The Association of the Non-Profit Sector of the KVR is struggling with limited operations, which is attributed to a significant reduction in funding provided by the region. Simultaneously, it faces financial difficulties associated with bridging the period between projects when there are no funds to pay staff.

3.3.3 Assessment of the institutional structure of the KVR

Just transition management in the KVR is influenced by several factors. It is the second smallest region in the country and therefore has a less robust institutional structure compared to other coal regions.

According to a media survey by STEM/MARK (2021), KVR had a lower perception of ESIF benefits compared to other Czech regions, pointing towards the overall scepticism of the North-West Region leadership. Thus, an important task for KVR is to develop a good image, which is a central factor to overall development. Image building is also related to the creation of communication platforms, where the KVR can further strengthen its capacities. One such platform of the KVR Council is the *Commission for the Transformation of the Region, the Just Transition Fund and Energy*, which has been a relatively transparent and functional approach since early 2021.

A clear disadvantage in the KVR is the absence of a regional development agency. According to representatives of KVR municipalities, this problem is exacerbated as there are not enough private consulting companies to facilitate the transition. Furthermore, trust between consulting companies and potential applicants is built over time. The establishment of a regional development agency could partly solve this problem (D2 Report). The new infrastructure of the KIC, planned to launch in 2026, will only partially address the lack of a regional development agency competences and will only support of innovative forms of entrepreneurship to a limited extent. Nevertheless, it is desirable that KVBDA, as the KIC managing agency, takes inspiration concerning its focus and structure through relevant good practices and the functional approaches of similar innovation centres in MSR. Further strengthening the institutional capacity of the KVR through agencies that would directly focus on exploiting the spa and industrial character of the region, including in cross-border cooperation with Germany, could also be beneficial.

4. FINDINGS AND INSIGHTS FROM REGIONAL WORKSHOPS

Part of Task 6 was to organise regional workshops with representatives of key regional agencies, institutions, platforms, associations or research entities. These workshops presented the main findings of the interviews, and the first draft recommendations to improve the institutional conditions in the ÚR and KVR were subsequently discussed.

4.1 Summary of findings and conclusions from the workshop in Ústí Region⁸

Main advantages and disadvantages of the institutional functioning of the ÚR

The advantage of the ÚR is its effort to strengthen cooperation between the institutions of the TCÚR partners. Although there is growing discussion on development issues, it is still insufficient. The RSC plays an important role to advance discussion on development issues in relation to the central

⁸ The regional workshop in the Ústí Region took place on 22 May 2024 and was attended by 15 representatives from the experts of the Project Team, the ÚR Regional Authority, the MoRD, the TCÚR, ICUR, RDA ÚR, ECUR, CzechInvest, ORLEN Unicre and the Moravian-Silesian Region.

authorities of the Czech Republic, but its functioning should be further strengthened through RSC sub-working groups, which are less intensive. There was a consensus at the workshop that representatives of key regional institutions only meet to a limited extent and that the region lacks a platform of strategic institutions. Additionally, there is no long-term vision for the overall development of the region, which should be clearly articulated in a "one-pager" format. Future regional development should be built on communication between the public and private sectors with the strongest players in the territory.

Main advantages/disadvantages in the personnel management of regional agencies

The workshop included a discussion on the institutional functioning of ICUR and RDA ÚR. While ICUR represents a long-term and growing institution (both in terms of personnel and competences), the RDA ÚR has been undergoing transformation in recent years and needs institutional stabilisation. The role of the Director, who as an institutional leader is strongly oriented towards quantifiable goals, has been positively reflected in ICUR. The RDA ÚR is currently expanding its agenda, potentially to have a broader impact on the development of the region. According to representatives from the regional office responsible for regional development, the perception of just transition is predominantly associated with only a few micro-regions in ÚR, while their task is to address the development of the entire region.

Greatest potential in the ÚR over a 5 to 10 year horizon

The potential of the ÚR resides in its ability to transform the extensive post-mining areas, which represent a strategic potential for development and provide an opportunity for the region to specialise. The JEPÚ also has a specific role in the region; its potential resides in the development of human capital in the region (ideally linked to the region's sectoral specialisation). Reflection on the specific social problems of the region is also an integral part of addressing the development potential of ÚR. Finally, the overall image of the region is also part of these problems.

Guided discussion on proposals and recommendations for improving the functioning of TCUR

During the workshop, it was emphasised that although TCUR should be the umbrella organisation of the transition activities, it is an infrastructure project that will be implemented in practice through the partner regional agencies, i.e., ECUR, ICUR, RDA ÚR, DCUR and CzechInvest. These institutions are learning to cooperate with each other and have five years to do so under the infrastructure project. Regarding the direction and functioning of TCUR, the overall communication of the region's development strategy will also need to be better understood. The long-term goal of TCUR should be to ensure smooth cooperation between the various institutions in the region and between the different groups targeted by the thematic regional agencies.

4.2 Summary of findings and conclusions from the workshop in the Karlovy Vary Region⁹

Main advantages and disadvantages of the institutional functioning of the KVR

The size of KVR can be viewed as both an advantage and disadvantage, as it is one of the smallest regions in the country. In terms of institutional functioning, its small size is an advantage since representatives of key institutions can quickly coordinate and cooperate with each other. However, this advantage is not sufficiently exploited. At the regional level, the ability of representatives to learn from the existing functioning of the region was perceived positively, and the opportunities for inspiration from the MSR are also welcomed. A significant disadvantage is the absence of a long-term and clear strategy that is independent of the political cycle. Previous political changes at the regional level have generally had a major impact on the functioning of regional institutions.

Potential and limits of a good representation of institutions for the development of entrepreneurship and innovation, and experience with the role of the LAG in the territory in the absence of a comprehensive RDA in the KVR

The workshop confirmed the potential of KVBDA to drive regional development. Other organisations supporting business development in the region have their own specificities that need to be further discussed and coordinated. Cooperation with the KVR LAGs is at a very good level and quite broad in nature. The region provides financial support to LAGs under the rural support programme, and most use these funds to finance micro-regional managers. However, some LAGs have historically had

⁹ The regional workshop in the Karlovy Vary Region took place on 23 May 2024 and was attended by a total of 21 representatives from among the experts of the Project Team, the regional office of the KVR, MoRD, KVBDA, REMAKVR, Innovation Centre INION, RCC KVR, ANNA KK, the city of Sokolov, CzechInvest and the Moravian-Silesian Region.

problems finding professional staff for these positions. It is appropriate to strengthen the professional staff capacity of LAGs through increased cooperation with other actors in the region.

Greatest potential in the KVR over a 5 to 10 year horizon

Workshop participants confirmed that KVR has considerable development potential, but it has only been lightly exploited to date. From a 5-year perspective, consensus indicated that the region should learn to better communicate across different institutions and build the functional mechanisms to do so. The absence of a communication catalyst and meeting leader was clearly identified. In terms of institutional functioning, it would be ideal for KVR to have a comprehensive regional strategy in place within 10 years that is fully implemented and adhered to across the key institutions of the region.

Guided discussion on suggestions and recommendations for improving the functioning of the KIC

During the workshop, there was a discrepancy about the potential and limits of the newly built KIC infrastructure to support innovation and entrepreneurship. On the one hand, it is clear that there is a historical lack of such infrastructure in the region. On the other hand, it was not clear whether the KIC would be supported, and the awareness of other actors and institutions supporting entrepreneurship in the KVR was not significantly addressed. This issue should be addressed during the construction of the KIC. There are also other support centres within the KIC to support entrepreneurship and innovation development, but these activities are not jointly coordinated. In this respect, it will also be necessary to define the specific projects or programmes of activities that will be covered by the KIC infrastructure.

5. SYNTHESIS OF KNOWLEDGE AND LESSONS FOR TRANSFER OF EXPERIENCE IN THE INSTITUTIONAL FUNCTIONING OF THE KARLOVY VARY AND ÚSTÍ REGIONS

To identify key elements of good practice in the institutional functioning of the MSR compared to ÚR and KVR in the just transition process, several factors and indicators should be considered. Each region has unique challenges and opportunities, slightly different economic and settlement structures, diverse geographical areas, and therefore their situations are different. The MSR is in the north-east of the Czech Republic and has a long industrial history, which is transitioning from the industrial sector towards more modern and sustainable industries. The region has considerable potential for successful transition given its existing capacities and long-term investments in innovation and education.

ÚR and KVR are located in the north-west of the Czech Republic have historically been dependent on coal mining and heavy industry (as well as the chemical industry in ÚR). As a result, these regions may face greater challenges in the transition process, especially in terms of job losses and economic restructuring. Nevertheless, the specific regional effects related to the labour market may not be as severe with respect to broader Europe given the overall low unemployment rate in the Czech Republic and the new job opportunities that will arise in the renewable energy sector. A significantly higher unemployment rate may therefore be more problematic at the local and micro-regional levels compared to the broader region.

However, compared to MSR, ÚR and KVR have other significant differences in the initial conditions of their institutional functioning, in particular:

- **There is an absence, or insufficient activity, of a comprehensive regional development institution.** In ÚR, there has been an RDA for 30 years, but after some problems with funding in the previous programming period, it is again becoming more active in development activities. However, overlapping competences with other agencies and institutions in the region are not fully clarified. In KVR, there is no comprehensive RDA.
- **KVR and ÚR have different potential in the topics of science, research and university background.** ÚR has a regional university and several scientific research infrastructures, although these are not sufficiently integrated into the transition process. This situation should be partly addressed by some strategic projects of the PJT. In the case of KVR, which is the smallest coal region in terms of area, there are no adequate university facilities (except for a few regional university faculties/workplaces). The region would rather need professionally-oriented polytechnic study programmes, which will be partially addressed in the strategic project KERAMKA, i.e.,

"Reconstruction and Modernisation of the Secondary School of Ceramics and Glass in Karlovy Vary"). However, KERAMKA is only focused on secondary level education.

- **The long-term historical context of the ÚR and KVR** have resulted in a low level of regional patriotism, enthusiasm of local and regional actors, weak mutual communication and therefore weak political leadership, and long-term regional lethargy in dealing with the negative image of both regions.

The following sub-sections present the main findings concerning the overview of good practice in the area and the potential transfer of experience from MSR to the ÚR and the KVR. Importantly, knowledge transfer from MSR to KVR and ÚR is already taking place, especially in the case of agencies focusing on innovation, entrepreneurship and energy. Representatives of the respective agencies regularly meet to discuss possibilities for inspiration and solutions to specific problems. However, this process is not sufficiently coordinated and operates on a bilateral basis between individuals of the respective institutions.

5.1 Overview of possible transfer of good practice in the context of the Czech Republic

The overview of good practice in MSR is divided into three main points in this sub-section:

- 1) Approaches to building mutual trust in the region.
- 2) Coordination and management of change catalysts with reflection on the region's initial conditions.
- 3) Positive attitude, institutional innovation and flexibility.

Ad 1) Approaches to building mutual trust in the region

An important lesson of good practice from the MSR is that mutual trust is created through long-term intensive communication between key actors in the region and their comprehensive involvement in the functioning of key institutions. Specifically, the following elements strengthen the building of mutual trust between actors in the region:

- **The importance of active functioning of thematic working groups within the RSC:** In interviews across all three regions, the functioning of the RSC was criticised in terms of the formality of meetings and the non-binding nature of resolutions. However, despite this shortcoming, there was a clear consensus that the RSC provides an elementary platform for communication between key actors, with greater importance given to thematic working group meetings. The functioning and discussions of the working groups are more concrete for the nominated representatives of each institution and thus their functioning is positively perceived. The composition of the leader of the working group is very important with regard to the coordination of the discussion and the ability to bring important topics to the RSC level to push for their practical implementation. This functioning of the working groups creates good conditions for mutual trust between the actors.
- **Mutual trust of the regional political representation towards the agencies and their result orientation, accompanied by a reciprocal ability to present the results on an ongoing basis:** In MSR, it was confirmed that regional agencies act as an institutional added value to the regular activities of the regional authority. The regional agencies are efficient components of the institutional system and are therefore positively perceived. The key is their ability to quickly deliver visible results (key performance indicators - KPIs) and to present them adequately to both political representation and other actors in the region. It is essential to have pre-aligned KPIs with regional representatives so that both parties know what will be delivered (e.g., addressing specific brownfield sites, energy savings in regional institutions, numbers of new or existing businesses supported under the relatively inexpensive MSIC Expand consultancy tool).
- **Representation of the political sphere and other key actors in the governing bodies of the institutions:** In the MSR, many regional agencies have a joint stock company or registered association legal form. Involving key actors is critical to the functioning of the institution (i.e., representatives of the region's political sphere and other actors). This approach helps institutions to function effectively, improve communication and, above all, build mutual trust. As a rule, these actors are involved in the general assembly or the supervisory board of a given joint stock company (e.g., MSID, MSIC) or limited liability company (e.g., MS Tourism), or are founders of the group (e.g., MS Employment Pact).

- **Ongoing communication between key actors both inside the region and outside the official structures of the transition process:** The PJT stimulated communication between various actors in MSR who were not actively cooperating. An illustrative example are the different roles played by the technically-oriented UM-TU Ostrava and the socially-oriented University of Ostrava. In preparation of strategic PJT projects, representatives from both universities were in closer contact and after about 1.5 years of discussion, their roles were clarified and trust was established to pursue further activities in the region. The example demonstrates how actors in MSR actively used the PJT funding opportunity to strengthen mutual trust.

Ad 2) Coordination and management of change catalysts with reflection on the region's initial conditions

- **Identification and management of institutions as catalysts of change:** Good practice can be described as the strategic approach of MSR, which created a clear vision of the region's transition. With an established vision, institutions were able to identify where they could act as change agents.
- **Managing catalysts of change can be done through strong institutional leaders:** The heads and directors of various agencies are integral to transition processes. These leaders must possess both expertise in the field and strong rhetorical skills to effectively promote their accomplishments and communicate with partners and political representatives in the region. This ability is essential to convince partners of the importance and potential of sub-themes and innovative approaches. Agency leaders who lack ingenuity can significantly hinder progress. If there is a shortage of potential experts in the region, it is essential to incentivise potential stakeholders from outside and offer attractive employee benefits.
- **Competencies required for change catalysts and clarification of positions:** Institutions in the region's organisational structure must have clearly defined competences, activities, and expectations for potential outcomes. This includes defining the relationships between the agencies and regional representatives so that the expected outcomes are clear on the one hand, and, so that the agency has sufficient freedom in its own decision-making processes on the other hand.
- **Reflection of the initial conditions of the region:** It is necessary to gradually develop the region based on its potential and to show a realistic approach to the meet the ambitions of the transition goals. At the same time, it is necessary to consider the abilities and potential of actors in the region, which can differ substantially across the territory. Within MSR, there are obvious differences both in the capacity of actors to absorb EU structural funds as well as their ability to address development in innovative ways. For example, a non-profit organisation in the city of Karviná has shown that in some localities of the region it is not necessary to promote lofty themes related to innovation, science and research. Rather, implementing standard approaches that have worked in other European regions can stabilise development and be perceived as a superior model (e.g., common restaurant services accompanied by a new cultural programme inspired abroad).

Ad 3) Positive attitude, institutional innovation and flexibility

- **A positive approach to regional development** is essential to inform the region and embrace the transition process as an opportunity for further development. Naturally, current processes related to the green transition (i.e., more intensive promotion of environmental protection in policy-making) are often perceived as a threat by residents or entrepreneurs. However, by presenting positive examples, this perception can gradually change over time. A positive approach is not only designed to excite actors in the region, but to convince them to act differently in their normal activities and remain in the region.
- **Institutional innovation requires "out of the box" thinking**, which can be achieved by actively following international trends. It is also important to create the conditions for stakeholders to adapt to new trends. One interviewee indicated that it is harder to unlearn things than to learn new ones. This idea can be illustrated by different approaches. For example, the MEC is trying to solve the problem of energy storage in sand based on the experience in Finland. Another MEC example is the calculation of energy savings in both MWh and the CO₂ impact. MSTA monitors the possibilities in the region's human resources and infrastructure readiness for electromobility. MSIC is moving towards the Scandinavian model of innovation centres.
- **Institutional flexibility is closely linked to personnel management.** Experience in MSR indicates that agencies are better coordinated through a horizontal (flat) organisational structure, where the region acts as a partner rather than a supervisor, has professional management and

pays careful attention to communication and the project matrix. Agency staff have clearly defined responsibilities, but there are no fixed working hours and home-office work is encouraged.

5.2 Key findings to strengthen the functioning of the institutional structure of coal regions

In relation to the ToR, the following key findings are structured for the Karlovy Vary and Ústí Regions to provide key insights for recommending staffing levels, designing the organisational chart, identifying the mission and tasks of the structure, linking with other existing regional organisations and identifying examples of good practice that should be replicated.

Ústí Region

Staffing agenda of institutions and regional agencies

- **Sufficient staff representation in ICUR** (approx. 50 employees) **and ECUR** (approx. 18 employees) – no need for further recruitment. In the case of ICUR, there is a presumption of a more flexible approach to new temporary staffing in relation to newly adopted projects.
- **RDA ÚR has the greatest potential and need for staff.** RDA ÚR had approximately 15 employees in the first half of 2023, but according to current information, it now employs more than 40 people. The increase in staff is mainly to address the issue of digitisation of social services for a specific project that needs approximately 15 employees. It also aims to address the issue of the attractiveness of residential housing in the Ústí Region. As a result, it will be necessary to strengthen the RDA ÚR in a targeted way, e.g., multi-year contracts with the Ústí Region. Marketing of the region is the last major agenda that is not sufficiently addressed, which will need to be linked to the competences of the original Destination Agency for the Bohemian Central Highlands. A positive approach to regional development in ÚR can be ensured through an "image campaign," which should be addressed by the regional development agency. The campaign should follow the examples of MSR and KVR, especially in relation to increasing the attractiveness of residential housing. However, Ústí Region is also planning to establish a regional destination agency (in accordance with the Tourism Development Strategy of the Ústí Region 2021-2027). This agency will focus on the promotion and marketing of the region from a tourism perspective. To strengthen the image of ÚR, it will be necessary for these regional agencies to cooperate and coordinate their marketing activities (e.g., media department, transport, tourism, etc.).

Organisational chart of institutions in ÚR and links between regional organisations

- Figure 3 shows the organisational chart of the institutions operating in the ÚR, particularly in relation to the just transition process. This scheme will have to be supplemented with respect to the thematic area of "Tourism" – either by the newly conceived Destination Agency of the ÚR or by the RDA, which would be responsible for the marketing activities of the region.
- ORLEN UniCRE's research institutions are also listed in the diagram, but they primarily operate independently and in parallel to the existing processes in the region's just transition. Their potential in relation to the formation of the educational structure, particularly the chemical industry, is an essential element of further development. Their position should be strengthened in the RSC in the working group "Education."
- ÚR will have to further reflect on the experience of MSR in terms of setting up communication channels with key actors in the region and providing funding for preparatory development projects. This will require coordination at the RSC level and within the individual working groups in particular. It is also important to ensure that actors in the region work together in a coherent way.

Determination of the mission and tasks of the structure

- **Vision of the region and clearly defined objectives** for the short and medium term: It will be necessary to formulate a consensus vision in KVR and ÚR, which will have to be translated into clearly formulated quantifiable objectives across a 5-to-10-year horizon.
- There is a lack of clear definition of competences and coordination (overlaps) between the functioning of the RDA and the LAG.

Examples of good practice that should be replicated

All examples of good practice identified in the MSR (Sub-section 5.1) could be replicated in ÚR. However, the following examples seem to be the most relevant:

- **Strengthening the intensity of the functioning of the RSC working groups**, including a review of their membership base since some of working groups have lack representatives of important regional institutions (e.g., from the research community). Clear and time-bound targets should also be set for the functioning of the working groups to streamline their processes and achievements.
- **Regional agencies in the ÚR have strong representation of the region in their management, but there are essentially no other key players in the region who participate in the activities of the agencies**, e.g., supervisory boards or commissions. This is most notable for the RDA.
- **Within the RSC working groups, set up ad-hoc teams on selected topics and involve representatives of relevant institutions:** This can strengthen the ongoing communication between key actors in the region. An example is the communication between representatives of JEPU, RINGEN research infrastructure and ORLEN UniCRE, which have only limited communication with each other to date.
- **A positive approach to the development of the region** can be ensured through the newly conceived marketing strategy of the ÚR, which is currently under the responsibility of the RDA. It is necessary to change the negative perception of the transition in relation to its opportunities.

Karlovy Vary Region

Staffing agenda of institutions and regional agencies

- **Both key regional agencies of the KVR will require staff reinforcement. For KVBDA**, staff reinforcement will come from the expansion of competences in the new KIC. Currently, KVBDA has approximately 15 staff and the KIC project envisages 3-4 positions to ensure the operation of the building although the competences of the new centre are not yet known. However, it can be assumed that the upcoming content agenda of the KIC in relation to providing new spaces for start-ups and new businesses would require only few new positions. **For REMAKVR**, which is starting to develop its activities from a base of 3 employees, the limit assumed by the region is expected to be 5 employees in total. Currently, there are two calls for tenders for the positions of investment manager and project manager. According to REMAKVR's charter of establishment, there are other activities that the agency should provide in the future, which would necessitate approximately 10 employees. However, REMAKVR will likely reach this number gradually over the next two to four years.
- **Given the absence of a comprehensive regional development agency in KVR** on the one hand, and the low absorption capacity of the region to draw funds from public programmes on the other hand, **it seems appropriate to strengthen cooperation in the region with the five LAGs** and to consider the form of their support in relation to smaller actors (e.g., municipalities, non-profits, micro and small enterprises). This cooperation could take the form of supporting (even partial) specialist posts that would provide advice to representatives and also act as information intermediaries for the region within a given territory.

Organisational chart of institutions in KVR and links between regional organisations

- Figure 4 shows the organisational chart of the institutions operating in the KVR, particularly in relation to the just transition process. This scheme will need to be supplemented by the emerging Agency 4K (Agency for Cultural and Creative Industries of the Karlovy Vary Region) in the thematic area of "Innovative and Technological Basis" at the interface of innovation, entrepreneurship and higher education. In addition, Agency 4K will address a strategic project of KVR in the coming years, "Cultural and Creative Industries - Regional Cultural and Creative Office - 4K." This project is envisioned to support start-up entrepreneurs, increase their competences and create capacity for research, development and innovation as well as manage the cultural and creative industries in the region.
- In the future, it is advisable to establish a polytechnic university and professionally-oriented study programmes, which will need to be jointly designed with key industrial and other enterprises in the region. In this way, teachers will come from practice and graduates will find better employment within the KVR.

Determination of the mission and tasks of the structure

- **Vision of the region and clearly defined objectives** for the short and medium term: It will be necessary to formulate a consensus vision in KVR and ÚR, which will have to be translated into clearly formulated quantifiable objectives across a 5-to-10-year horizon.
- **However, in relation to entrepreneurship and innovation, there is a relatively tight space for the complex functioning of multiple institutions** in a small region like KVR. Currently, KVBDA is involved in promoting entrepreneurship and innovation with the planned expansion of competences through the KIC. Other actors include the INION agency, RCC KVR and Agency 4k. It will be necessary to coordinate this structure more and clearly define the competences and expected results of these actors.
- Given the absence of a regional RDA, it will be necessary to define specific tasks that could be provided in the future by specific LAG staff and simultaneously cover the partial agenda that was originally provided by the abolished Agency for Project and Grant Management.

Examples of good practice that should be replicated

All of the examples of good practice identified in MSR (Sub-section 5.1) could be replicated in KVR. However, the following examples appear to be the most relevant:

- **Strengthen the intensity of the functioning of the RSC working groups**, including a review of their membership base since some of working groups have lack representatives of important regional institutions (e.g., the city of Sokolov). Clear and time-bound targets should also be set for the functioning of the working groups to streamline their processes and achievements.
- **The operation of the KIC will be ensured by KVBDA. Involvement of key regional representatives (i.e., the region, RCC KVR, INION, LAG, 4K) who could participate in the activities of the KIC could be achieved through a partnership.** The involvement of these entities should contribute to a clear definition of the spheres of influence of the various institutions supporting entrepreneurship and innovation.
- **To support the exchange of experience, knowledge and skills of KVBDA and REMAKVR**, leaders not only with representatives of relevant agencies in the MSR, but also in other regions of the Czech Republic with regard to the smooth functioning of relevant agencies and the continuous provision of results for the needs of the region and other actors (e.g., MSIC Expand service, energy efficiency calculations).
- **Reflection on the initial conditions of the region:** Although four important institutions in relation to entrepreneurship and innovation are present or being formed in the KVR, interviews suggested that even basic business support (e.g., basic consulting) is sufficient to stabilise the development of KVR. In other words, the development does not need to exclusively focus on innovation, but also on standard conditions in the functioning of business entities in the region.
- **A positive approach to the development of the region** is the basis for improving the overall marketing of KVR sub-regions (e.g., Sokolovsko, Chebsko). Identification of positive examples in the socio-economic development of these areas can be further used for marketing.

5.3 Action plans for further progress in the Karlovy Vary and Ústí Regions

This sub-section focuses on the action plans for the Karlovy Vary and Ústí Regions. Since the partial steps for strengthening the institutional structure of both regions have already been formulated in Sub-section 5.2, this chapter specifies the action plan for the implementation of the key transition projects for both regions, i.e., TCÚR and KIC. Both infrastructure projects have a set plan of activities. However, the interviews revealed some additional elements that will need to be reflected to successfully launch their operations and deliver key results as expected by key stakeholders in the region. The parameters of the action plan are provided in the ToR of this project:

- Recommended number of staff
- Draft organisational chart
- Determination of the mission and tasks of the structure
- Links with other existing regional organisations

- Examples of good practice that should be replicated
- Timetable
- Responsibility

Transition Centre of the Ústí Region

Action plan parameter	Description
Recommended number of employees	The robustness of services provided by TCÚR will depend on the scope and content of the activities that these organisations have within their competences. This matter has been continuously discussed since 2022, when the project partners defined the scope of services and quantified their requirements (e.g., staff capacity, facilities, equipment, etc.). The details of the planned activities and services to be provided continue to be discussed on an ongoing basis. In the case of the partner organisation RDA ÚR, it had approximately 15 employees in the first half of 2023, but according to current information, now employs more than 40 people. This is primarily to address the digitisation of the social services in a specific project with approximately 15 employees. It also aims to address the issue of the attractiveness of residential housing in the Ústí Region. In this sense, it will be necessary to strengthen the functioning of the RDA ÚR in a targeted way, e.g., multi-year contracts with the Ústí Region. The other partner organisations of TCÚR will have the current number of staff, which will be increased flexibly according to the new projects (especially in ICUR).
Draft organisational chart	The position of TCÚR in the organisational scheme is already determined (see Figure 3), which will help to concentrate the key development institutions of the region, i.e. ICUR, ECUR, DCUR, RDA, and possibly CzechInvest, in one building.
Determination of the mission and tasks of the structure	Setting up the functioning of the TCÚR should generate positive synergies in the development of ÚR. Systematically, the services provided by TCÚR partner organisations will focus on the promotion of the region and the achievements of its agencies. The TCÚR should also lead the partner organisations to strengthen their role as mediators and facilitators of discussion between the central, regional and municipal levels.
Links with other existing regional organisations	Partner organisations of TCÚR (i.e., especially ICUR and RDA ÚR) have ambitions in science and research activities, which, however, are not adequately coordinated in the region in relation to the initial industrial potential of ÚR and the possibilities of linking with the educational system. As a result, the research infrastructure institutions RINGEN and ORLEN UniCRE have a specific position. However, they operate independently and in parallel to the existing processes in the just transition of the region. Their potential to advance the educational structure in the region is an essential element of further development. These institutions should be more closely linked to the functioning of TCÚR partner organisations.
Examples of good practice that should be replicated	<ul style="list-style-type: none"> • In the case of the ÚR regional agencies, there is a strong representation of the region in their management. However, other key actors of the region are missing. • To set up ad-hoc sub-teams within the RSC working groups on selected topics and involve representatives of relevant institutions. • A positive approach to regional development.
Timetable	<ul style="list-style-type: none"> • 06/2024-12/2024: Communication and definition of possibilities of involvement of R&D institutions of the ÚR in the functioning of the relevant partner organisations of the TCÚR (i.e., ICUR and RDA) • 01/2025-12/2025: Prepare specific programmes of partner organisations in the TCÚR where synergies of activities between ICUR, ECUR, DCUR, RDA, CzechInvest can be leveraged.
Responsibility	TCUR partner organisations (i.e., ICUR, ECUR, DCUR, RDA ÚR)

Karlovy Vary Innovation Centre

Action plan parameter	Description
Recommended number of employees	KVBDA is ready to manage the KIC in terms of staffing (maintenance and functional content). KVBDA foresees the implementation of follow-up projects that will enable the continuation of the current agenda and foresees its extension to include activities related to the KIC. In this case, it will be necessary to increase the number of staff, but only in response to new needs. However, it can be assumed that the forthcoming content agenda of the KIC in relation to the provision of new premises for start-ups and new businesses will require only a few new posts.
Draft organisational chart	The envisaged functioning of the new KIC infrastructure is based on the organisational structure of KVBDA and is therefore clearly defined. The position of the KIC within the overall regional structure of key institutions is shown in Figure 4. The KIC will have a new premises where other institutions, such as the Agency for Cultural and Creative Industries of the Karlovy Vary Region (Agency 4K), the Institute of Spa and Balneology, could potentially be located. KIC will also provide commercial space for start-ups, semi-operations.
Determination of the mission and tasks of the structure	The KIC will be a multi-purpose complex of three interconnected buildings, part of which includes administrative space for incubation, laboratory and semi-operational space, coworking, facilities and a conference hall. The internal layout will allow flexibility for educational, presentation and exhibition events. The buildings are complemented by the necessary infrastructure and are equipped with modern technologies in relation to energy saving and environmental protection.
Links with other existing regional organisations	Broader discussion with relevant actors in the region indicated a potential risk of the KIC strategic project. Although the implementation of the KIC has been planned in the region for more than 10 years, there is some scepticism about its implementation. This concern will be dispelled with the start of the KIC construction. At the same time, the intensity of communication with key partners in the area will be increased so that they become more involved in the preparation and, ultimately, the operation of the KIC. There are also concerns about the centralisation of business support and innovation activities, which according to the representatives interviewed, should be more dispersed in the territory (e.g., coworking, business incubator, etc.). New coworking centres to support the development of entrepreneurial activities in the region should be considered (e.g. the City of Sokolov). This should be addressed by the follow-up activities to the original strategic project Karlovy Vary Business Park Sokolov.
Examples of good practice that should be replicated	<ul style="list-style-type: none"> • With respect to the newly built KIC, it is advisable to involve key representatives of the region (i.e., region, RCCKVR, INION, LAG, 4K) in the form of a partnership. • A positive approach to regional development. • To support the exchange of experience, knowledge and skills of KVBDA and REMAKVR leaders not only with representatives of relevant agencies in MSR but also in other regions of the Czech Republic
Timetable	<ul style="list-style-type: none"> • 06/2024-12/2024: Defined spheres of influence and impact of KIC in comparison with other relevant actors in the region (INION, micro-regional centres of support for innovation and entrepreneurship development) • 01/2025-06/2025: Preparation of the content of planned specific programmes of support for the development of entrepreneurship and innovation within the KIC. • 06/2025-12/2025: Promotion of KIC activities within the region. • 07/2026-12/2026: Selection procedures for newly created jobs in the KIC
Responsibility	KVBDA

6. CONCLUSIONS AND RECOMMENDATIONS

The main findings, a synthesis of the results and the main issues concerning the possibilities of good practices transfer in institutional functioning are presented in Chapter 4 and Chapter 5. This final chapter focuses on recommendations for the two coal regions analysed (KVR and ÚR).

Overall, the literature review shows that the management of the just transition within the European Union is a complex process that relies on the key principle of multi-level governance. As a result, there is an important role for policy makers at the regional level.

Analysis, structured interviews and regional workshops showed that, despite some differences in the specific starting conditions of both regions, it is necessary to maintain a participatory approach that emphasises communication and transparency throughout the transformation process and serves as the basis for trust between regional actors. These aspects are then related to the examples of good practice in the formation of an institutional model of regional management defined in the MSR. This is mainly the lack of a comprehensive institution focused on regional development, which either does not exist (KVR) or its activities are insufficient or there are unclear overlaps of competences with other agencies (UR). Potential in the area of research and university also differs by region. ÚR has potential in R&D, but it is not sufficiently integrated into its long-term development plans. In KVR, there is no adequate university to support development. The historical context in ÚR and KVR also differs substantially, which impacts the low levels of regional patriotism, enthusiasm of local and regional actors, weak mutual communication and weak political leadership. In this context, recommendations are formulated separately for both regions.

Sub-sections 6.1 and 6.2 report the key recommendations that emerged from the analytical and empirical research conducted in Task 6. Recommendations are divided into two groups: (1) institutional framework and (2) process framework. This distinction is important, because with the proposed elements of the institutional structure, the procedural agenda needs to be reflected in order for the recommendations to have the expected impact and influence on potential changes.

6.1 Recommendations for the Ústí Region

Recommendations Group 1: Institutional framework of the ÚR			
Recommendation 1.1	Strengthen the role of the RDA ÚR through multi-year contracts with the Ústí Region in the preparation of other planned services		
Explanation	TCÚR will newly cover the provision of services of key institutions in relation to the transition of the region, i.e., ICUR, ECUR, DCUR, RDA and partly CzechInvest. The details of the planned activities and services to be provided continue to be discussed on an ongoing basis. The partner organisation RDA ÚR had approximately 15 employees in the first half of 2023, but, according to current information, now employs more than 40 people. This is primarily to address the digitisation of the social services in a specific project with approximately 15 employees. It also aims to address the attractiveness of residential housing in the Ústí Region (see Recommendation 2.3). In this sense, it will be necessary to strengthen the functioning of the RDA ÚR in a targeted manner, e.g. multi-annual contracts with the Ústí na Region.		
Responsibility	RDA ÚR and the Region	Timeframe	05/2024-12/2024
Recommendation 1.2	Specify the institutional functioning and, in particular, the specific programmes of planned public services provided by the TCÚR as an added value to the current activities of the regional agencies involved		
Explanation	In connection with the forthcoming PJT II after 2028, it will be necessary to start preparing specific programmes that will be covered by TCÚR partner organisations (i.e., RDA, ICUR, ECUR and DCUR). These programmes must be defined by the representatives of partner institutions separately and subsequently discussed in the RSC working groups, e.g., to explore the possibility of building an institutional cluster of regional agencies (i.e., ICUR, ECUR, DCUR, RDA) that jointly implement the TCÚR. The construction of the TCÚR infrastructure should be accompanied by the preparation of soft activities and a plan for the operation of the infrastructure, reflecting the good practice of MSR.		

Recommendation 1.2	Specify the institutional functioning and, in particular, the specific programmes of planned public services provided by the TCÚR as an added value to the current activities of the regional agencies involved		
Responsibility	RDA, ICUR, DCUR, ECUR	Timeframe	06/2024-12/2025

Recommendation 1.3	Initiate the establishment of a regular meeting platform of regional stakeholders at the level of directors/managers of participating organisations		
Explanation	<p>For key regional organisations of the ÚR, there is a strong representation of the region in their management, but there is a lack of other key actors in the region who participate in the activities of the agencies, e.g., in supervisory boards or commissions. This is most notable in the case of the RDA ÚR, which as a joint stock company is 100% owned by the region. In the case of ICUR, a registered association, the Ústí Region, Jan Evangelista Purkyně University and the Regional Chamber of Commerce are represented as founders. Regarding the specific regional structure, it seems appropriate to include other research institutions operating in the region. For example, this could be ORLEN UniCRE, which has so far carried out its activities independently and in parallel to the existing processes in the just transition of the region. Their more active direct involvement in the RSC PS could bring further synergies in conjunction with the activities of the University of Science and Technology, which, in addition to Litvínov, is planning another research centre on circular economy near Lovosice. Their potential in relation to the formation of the educational structure, and particularly the chemical industry, is an essential element of further development. Their position should also be strengthened in the RSC working group "Education."</p>		
Responsibility	RDA and the Region	Timeframe	09/2024-09/2025

Recommendation 1.4	Restore comprehensive support to (not only) the non-profit sector using the good practice example of FDÚR (Future Development of ÚR)		
Explanation	<p>In ÚR, there was a very good experience with comprehensive support to the FDÚR, which was both overarching and comprehensive enough to continuously support key non-profit and other organisations in the region (e.g. municipalities). Given the persistent socio-economic problems in the ÚR, it is advisable to renew this system. It is worth noting that the non-profit sector represented by the regional association is well perceived in the regional platforms, but the actual cooperation of the region with NGOs is much less compared to the past when it was much more coordinated.</p>		
Responsibility	Region and ANNO ÚR	Timeframe	2025 onwards

Recommendations Group 2: The procedural framework of the ÚR
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Recommendation 2.1	Strengthen and precisely target the functioning of the RSC thematic working groups		
Explanation	<p>ÚR will need to reflect more on the experience of MSR in terms of setting up communication in the region with key actors and providing funding for preparatory development projects. This will require strong coordination at the level of the RSC and the individual working groups in particular. Ensuring that actors in the region cooperate with each other is also important (including ongoing and intensive cooperation with representatives of the five statutory cities). It will be necessary to reinforce the intensity of the functioning of the RSC working groups, including a review of their membership, where some of working groups have not included representatives of important institutions in the region (e.g., research sector). Clear and time-bound targets for the functioning of the working groups should also be set to streamline their processes and achievements.</p>		
Responsibility	Region and RSC members	Timeframe	2025 onwards

Recommendation 2.2	Strengthen the visibility of regional agencies (including agency collaboration in applied research aimed at strengthening their processes)		
Explanation	<p>The interviews revealed the importance of agencies to be able to present the results of their activities to relevant actors in the region. For example, MSIC Expand Service targets existing businesses in the region and provides comprehensive advice within 40 hours. Although the service has a relatively low cost, its impact is visible to both the region and the business community. It is therefore important to have relationships with successful entrepreneurs and to share good practice with businesses.</p> <p>Interviews regarding the operation of regional energy agencies revealed that their direct impacts are relatively difficult to calculate. However, such calculations are crucial to demonstrate the relevance of the energy agencies (e.g., ECUR). These institutions must be able to present, disseminate and defend their activities. In this context, the need for applied research (e.g., within TACR) to develop a methodology that quantifies the effects of energy agencies was identified, with energy agencies in selected regions acting as an application partner. However, the Ústí Region could additionally act as a coordinator of this research as an application partner.</p>		
Responsibility	ICUR, RDA, DCUR, ECUR	Timeframe	06/2024-12/2027

Recommendation 2.3	Strengthen positive marketing of the Ústí Region as a whole		
Explanation	<p>Improving the perception of regional development can be ensured through an "image campaign" of the ÚR. The campaign should be addressed by the RDA following the examples of MSR and KVR, especially in connection with increasing the attractiveness of residential housing. ÚR plans (in accordance with the Tourism Development Strategy of the Ústí Region 2021-2027) to establish a regional destination agency. This agency will focus on the promotion and marketing of the region from a tourism perspective. To strengthen the image of ÚR, it will be necessary for these regional agencies to cooperate and coordinate their marketing activities with ÚR (e.g., media department, transport, tourism, etc.). These two new activities would complement ICUR's activities in of "destination management of companies and entrepreneurs." The Ústí Region would thus have the main areas of destination management covered, i.e., tourism, business and housing. Furthermore, it is necessary to change the negative perception of the ongoing transition in relation to its opportunities, which is mainly the responsibility of the regional authority. Marketing of the transition and the region is an important part of the transition process, which is not yet understood by all actors in the region. More attention should be dedicated to this issue (perhaps with inspired from "Why MSR?").</p>		
Responsibility	Region, RDA, ICUR, Employment Pact	Timeframe	06/2024-12/2027

6.2 Recommendations for the Karlovy Vary Region

Recommendations Group 3: Institutional framework for the KVR			
Recommendation 3.1	Define the institutional functioning of the KVBDA/KIC in terms of specific projects or programmes that will add value to the activities of other institutions supporting entrepreneurship and innovation in the region. It is advisable to consider building a polytechnic university in cooperation with the business community		
Explanation	<p>In connection with the forthcoming PJT II after 2028, it will be necessary to start preparing specific programmes that the KVBDA/KIC will cover in synergy with activities normally offered by other institutions in the KVR (i.e., RCCKVR, INION, LAG, 4K). In the future, it is also advisable to emphasise the establishment of a polytechnic college and professionally oriented study programmes, which will have to be conceived together with key industrial and other enterprises in the region. The teachers will therefore come from practice and the graduates will subsequently find better employment within the KVR. A decision on this strategic issue should be made in cooperation with the relevant stakeholders in 2025 to start preparing concrete conditions for this development theme (i.e., infrastructure, content and staffing).</p>		

Recommendation 3.1	Define the institutional functioning of the KVBD/KIC in terms of specific projects or programmes that will add value to the activities of other institutions supporting entrepreneurship and innovation in the region. It is advisable to consider building a polytechnic university in cooperation with the business community		
Responsibility	Region, KVBD/KIC, RCCKVR, INION, LAG, 4K	Timeframe	06/2024-12/2025

Recommendation 3.2	Strengthen the functioning of REMAKVR along the lines of MEC and ECUR		
Explanation	As a new institution, REMAKVR has the greatest potential to transfer good practice from MSR and ÚR (to a lesser extent). In the future, it will be necessary to secure more funding and more staff. Unless there is a gradual increase in funding, the organisation will not be able to provide the agenda established in its charter. At the same time, the functioning of both the MEC and ECUR has been positive, so REMAKVR should gradually increase its work agenda along the lines of the MEC and ECUR.		
Responsibility	Region and REMAKVR	Timeframe	06/2024-12/2027

Recommendation 3.3	Find ways to support "one-stop-shop" consultation points at LAG level		
Explanation	In the absence of a comprehensive RDA in KVR and the low absorption capacity of the region to draw funds from public spending programmes, it seems appropriate to strengthen the cooperation of the region with the five territorial LAGs and consider the form of their support in relation to smaller actors (municipalities, non-profits, businesses). Some financial support from the region is already provided to LAGs, but it is not fully utilised due to a lack of qualified experts in the territory for this type of consultancy. It is therefore necessary to communicate with key representatives of relevant institutions or associations (e.g., Association of Non-Profit Organisations of the KVR) and identify ways to effectively support one-stop-shop consultation points at the LAG level. This can take the form of supporting (even partial) specialist positions that would provide advice to these representatives of smaller actors (municipalities, non-profits, businesses) and also serve as information brokers between the region and smaller territories.		
Responsibility	Region and LAG	Timeframe	2025 onwards

Recommendations Group 4: Process framework for the KVR

Recommendation 4.1	Strengthen and precisely target the functioning of the RSC thematic working groups		
Explanation	The KVR should further reflect on the experience of MSR in terms of setting up communication with key actors in the region. This will require strong coordination at the level of the RSC and the individual working groups in particular. Ensuring that actors in the region work together in a coherent way is also important. It will be necessary to reinforce the intensity of the functioning of the RSC working groups, including a review of their membership, where some have not included representatives of important actors in the region (e.g., the city of Sokolov). Clear and time-bound targets for the functioning of the working groups should also be established to streamline processes and results.		
Responsibility	Region and RSC	Timeframe	2025 onwards

Recommendation 4.2	Clearly define the competences of the institutions in relation to the promotion of entrepreneurship and innovation		
Explanation	The implementation of the strategic project KIC carries both potential and risk. On the one hand, it provides new premises and facilitates the implementation of new activities that support businesses in the region. However, the future functioning of the KIC has not yet been adequately discussed and communicated with key actors in the region, who are actively developing various other topics. There are also concerns about the centralisation		

Recommendation 4.2	Clearly define the competences of the institutions in relation to the promotion of entrepreneurship and innovation		
	<p>of activities supporting entrepreneurship and innovation, which should be more dispersed in the territory (e.g., coworking, business incubator, etc.) according to the interviewed representatives.</p> <p>KIC's operations will be ensured by KVBD A. It is advisable to ensure the involvement of key representatives of the region (i.e., the region, RCCKVR, INION, LAG, 4K) that are envisioned to participate in KIC activities in the form of a partnership. Actively involving these entities should help clarify the spheres of influence of the individual institutions supporting entrepreneurship and innovation.</p>		
Responsibility	Country, KVBD A/KIC	Timeframe	06/2024-06/2025
Recommendation 4.3	Strengthen the positive marketing not only of the whole region, but also of sub-regions of the Karlovy Vary Region (Sokolovsko, Chebsko)		
Explanation	<p>A positive approach to the development of the region is the basis for improving the overall marketing not only of the Karlovy Vary Region as a whole, but also of its sub-regions (e.g. Sokolovsko, Chebsko). In this sense, it is necessary to identify and market positive examples of socio-economic development. First, the region must identify positive examples of socio-economic development in sub-regions of KVR in cooperation with LAGs, municipalities and towns. Then, it will need to market these examples to highlight the positive aspects of people's everyday lives or suitable opportunities for business. Interviews with the representatives of KVR (and MSR) revealed that structurally problematic sub-regions do not require explicit support for high-tech innovation or science and research. Rather, the implementation of standard, proven approaches from other regions of the Czech Republic or Europe that have added value for localities to improve their situation is sufficient. Subsequently, marketing approaches that are successful in other regions can be applied.</p>		
Responsibility	Region, KVBD A/KIC, LAG Employment Pact	Timeframe	06/2024-12/2027

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Framework ID: REFORM/2021/OP/0006 Lot 1 SPECIFIC CONTRACT: REFORM/SC2022/116