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# Coal Phase-Out in Germany

## The Multi-Stakeholder Commission as a Policy Tool

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### Analysis

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Nga Ngo Thuy

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Dear reader,

In recent years, numerous countries have adopted carbon-neutrality targets and/or have made pledges to phase out coal. While such policy ambition should be applauded, it also raises various concerns, including how to ensure their implementation in the context of a just transition. Confronted by this question, in 2018 Germany formed a multi-stakeholder commission to negotiate its coal phase-out. After six months of meetings and deliberations, the German Coal Commission presented its final report, which included a target date for ending coal-fired generation as well as structural policy recommendations for impacted regions.

With this analysis, we aim to shed light on how the complex socio-economic challenge of phasing out coal can be achieved through a multi-stakeholder

commission that can facilitate political consensus. This analysis showcases the German Coal Commission as an example of real-world practice, while touching on existing theories related to multi-stakeholder engagement. We have drawn from interviews with former German Coal Commission members, to present valuable lessons learned to an international audience. Multi-stakeholder engagement is not a "one size fits all" solution, and needs to be tailored to domestic conditions. However, we believe that Germany's experiences can contribute to the coal phase-out debates taking place in other countries.

We hope you enjoy reading this short paper.

Markus Steigenberger  
*Managing Director at Agora Energiewende*

## Key findings

1

**The recommendations and decisions derived from multi-stakeholder engagement can make an important contribution to driving the clean-energy transition.** To efficiently reach its goal, a properly tailored "Coal Commission" must ensure a well-balanced mix of relevant stakeholder interests, formulate a clear mandate, solicit stakeholder opinion, and set a realistic, but flexible timeline.

2

**Political economic circumstances and timing are crucial when establishing a multi-stakeholder commission.** The political environment and public opinion can either accelerate or impair the consensus-building process. Analysis of the country's readiness for such a commission and an inclusive policy process is key.

3

**A trusting and transparent environment must be fostered in which stakeholders can engage in an inclusive and cooperative dialogue.** Careful preparation is important for a smooth and efficient process. The flow of information should be transparent and open. Power imbalances and the potential lack of expertise of some stakeholders must be addressed. The set-up must avoid giving any participants the sense they have been excluded or "left out".

4

**Multi-stakeholder commissions devoted to climate action cannot replace political leadership and ambitious emission reduction policies.** Accordingly, such commissions should not be misused as a forum for "delegating away" political responsibility or delaying climate action. In addition, members of parliament should be actively involved in order to augment the legitimacy of the proceedings and increase the likelihood that the commission's recommendations will be implemented.

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## 1 Background

Multi-stakeholder commissions can play a valuable role in the effort to plan and implement structural change. They have been used in various contexts to arrive at consensus-based solutions; one such example is the coal phase-out in Germany.<sup>1</sup>

In February 2018, the ruling coalition between the conservatives (CDU/CSU) and Social Democrats (SPD) pledged to form an independent stakeholder commission after several years of abortive efforts.<sup>2</sup> This commission was tasked with examining how coal use in the power sector could be reduced in line with the government's climate objectives. Three months later, in June 2018, the German government established the Multi-Stakeholder Commission on Growth, Structural Change, and Employment, otherwise known as the Coal Commission. The Commission was tasked with developing a strategy for phasing out coal-fired power generation that would enable the fulfilment of national emission reduction targets. Furthermore, the Commission was asked to define policy measures that would create economic opportunities for the impacted coal-mining regions. The Commission's final report was adopted in January 2019 and submitted to the federal government one month later. In line with the report's recommendations, the government passed the Coal Phase-out Act<sup>3</sup> in 2020.

The following sections will cover the theory behind multi-stakeholder engagement; will shed light on the organisation of the German Coal Commission;

and will present lessons learned from the proceedings based on interviews with former Commission members.

## 2 Multi-stakeholder engagement

The technique of multi-stakeholder engagement is widely used when it is important to consider and reconcile the perspectives and interests of various actors. In the following, five levels of stakeholder engagement are presented.

### 2.1 Definition

Multi-stakeholder engagement brings various actors to the table in order to facilitate dialogue on a specific issue. It can be particularly effective when diverse actors have potentially countervailing interests, or when political constellations are complex. A commission furnishes a basis for conversation so that participants can identify common ground and elaborate potential solutions. The participants may come from various social, political or economic spheres, e.g. from multinational corporations, state enterprises, public administration, civil society groups, academia, or local government. The underlying insight is that when input is provided by a range of relevant actors, the consensus that emerges is much more likely to enjoy legitimacy, and can thus be implemented more effectively, particularly when compared to a policy solution developed by experts in (relative) isolation and implemented in a top-down approach.

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1 Similar approaches in other geographies can be found here: Brauers et al. (2022); IEA (2021).

2 After the climate agreement in Paris in 2015 and the setting of Germany's emission reduction targets, it was clear that the reduction of coal was inevitable. With our paper from 2016 ("Eleven central components for a coal consensus"), we contributed to the debate. In November

2016, the idea of launching a commission was first introduced in the Climate Action Plan 2050. This then was picked up by the ruling coalition between the conservatives (CDU/CSU) and Social Democrats (SPD) in 2018.

3 Coal Phase-Out Act (2020).

## 2.2 Five levels of stakeholder engagement

There are generally five "phases" to the multi-stakeholder engagement process (see Figure 1).

- (1) "**Inform**" is the first level of engagement. At this level, the aim is to provide the stakeholders with honest and objective information to assist them in understanding the problem and research objectives, and associated opportunities and/or solutions. Stakeholders should be enabled to reach their own conclusions as to the appropriateness of the research and the adequacy of the decisions and solutions. The "fact base" provided to stakeholders may consist of information from existing data sets, reports, studies, conferences, or public presentations.
- (2) At the "**consult**" level, the goal of engagement is to obtain stakeholder feedback on aspects of the intended research or policy measures. The involved parties should listen to and acknowledge the concerns and aspirations of stakeholders, and they may incorporate stakeholder feedback into the planned research. Consultations and
- (3) The "**involve**" level entails direct engagement with the stakeholders during the entire project period to ensure their concerns and aspirations are consistently understood and taken into account.
- (4) The "**collaborate**" level is about partnership and sharing between stakeholders. The stakeholders closely participate in each aspect of the decision process, including the development of alternatives and the identification of preferred solutions.
- (5) The "**empower**" level places the final decision-making authority in the hands of the stakeholders. These decision-makers may take the form of a political or ethical commission or a citizens' convention. The commission usually presents a final report containing policy recommendations.

Figure 1: Five levels of stakeholder engagement

Inform	Consult	Involve	Collaborate	Empower
Provide balanced and objective information to assist in understanding the problem, alternatives, and/or solutions.	Obtain feedback on analysis, alternatives and/or decisions.	Work directly together throughout the process to ensure that concerns and aspiration are constantly understood and considered.	Partner in each aspect of the decision, including the development of alternatives and the identification of the preferred solution.	Place final decision.

The multi-stakeholder engagement process can benefit from a reliance on these five levels. The overarching aim is to gather perspectives from a range of actors in a consensual process. In this way, the solution that emerges will enjoy greater legitimacy and will have a higher chance of being implemented effectively.

### 3 The German Coal Commission

In June 2018, the German federal government established the Commission on Growth, Structural Change, and Employment, also known as the Coal Commission. The Commission was tasked with developing a strategy for phasing out coal-fired power generation within a period of six months. Furthermore, it was asked to define policy measures that would create economic opportunities for the affected coal-mining regions. Based on the recommendations contained in the Commission's report, which was submitted to the federal government in February 2019, the government implemented a Coal Phase-Out Act in 2020.

The following section explains the organisation and activities of the German Coal Commission. It thus provides an example of how to implement a multi-stakeholder commission, from initial preparations to the authoring of the final report.

#### 3.1 Mandate

An important first step is to develop a clear and strong mandate<sup>4</sup> for the commission's work. This mandate, defined by the German federal government, should not only outline the activities to be undertaken and allocate responsibilities but should also preempt difficulties that could arise during the process.

The mandate should enable the participants to address issues that are relevant to solving the problem.

The federal government outfitted the German Coal Commission with the following mandate:

- To create concrete opportunities for new, future-proof jobs in the affected regions in cooperation between the federal government, states, local authorities, and economic actors (e.g. in the field of transport infrastructure, the development of skilled workers, entrepreneurial development, the establishment of research facilities, long-term structural development).
- To develop a mixture of instruments that bring together economic development, structural change, social compatibility, social cohesion, and climate protection while at the same time establishing opportunities for sustainable energy regions in the context of energy system transformation.
- To define necessary investment in the regions and economic sectors affected by structural change, for which existing federal and EU funding instruments should be used effectively, purposefully, and as a matter of priority in the affected regions. In this connection, a fund for structural change, consisting primarily of federal funds, should also be used.
- To identify measures for reliable achievement of the 2030 target for the energy sector, including a comprehensive impact assessment. For the contribution of coal to electricity generation, the Commission will propose appropriate measures to achieve the 2030 sectoral objective of the energy sector, to be included in the 2030

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<sup>4</sup> Mandate of the establishment of the German Coal Commission (2018).

programme of measures for implementing the Climate Change Plan.

- To develop a plan for the gradual reduction and phasing out of coal-fired power generation, including a completion date and the necessary associated legal, economic, social, renaturalisation, and structural measures. This includes decommissioning and revitalization measures of former coal mines.<sup>5</sup>

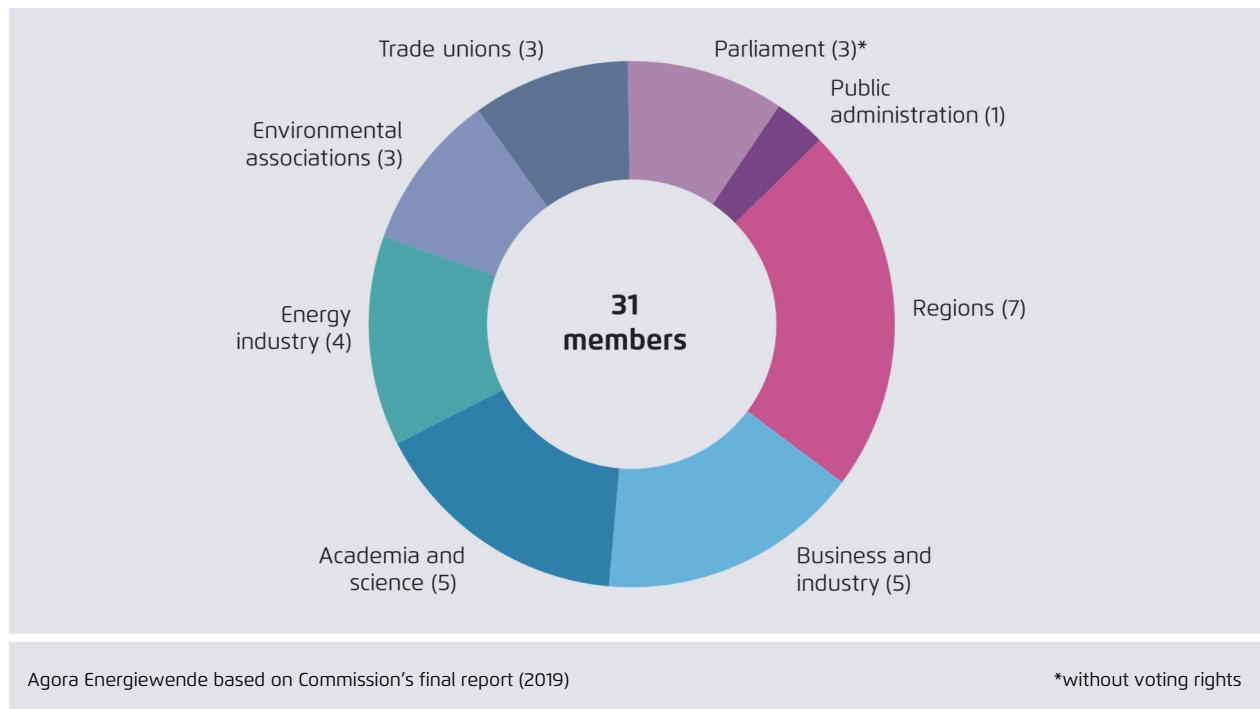
### 3.2 Stakeholder composition

The commission should be composed of a broad range of representatives. Accordingly, the pre-selection of stakeholders is of great importance. While

the selection process should vary in line with the specific circumstances in each country, one should consider involving representatives from affected regions, civil-society groups, trade unions, environmental associations, academia, industry and energy companies, and relevant departments of government, to name but a few. To further augment the legitimacy of the process, the involvement of opposition parties should also be considered.

The Coal Commission was designed to be an independent advisory body tasked with representing a broad range of stakeholders. The important question of who was to serve on the Commission was answered in a consultative process at the federal level. Specifically, Germany's federal ministries created lists of the stakeholders they considered most

Figure 2: Composition of the Coal Commission



5 In addition, the government asked the Commission to define measures for the energy industry to reduce as much as possible the gap to achieving the 40 percent emissions reduction target for the year 2020. To this end, the Federal Government will publish a current

estimate of the size of the gap to be expected in the context of the Climate Protection Report 2017.

important. These lists were then narrowed down to 31 representatives in a process of negotiation among the federal ministries. The selected representatives were

- One representative from the federal employment agency
- Seven representatives from the coal-mining regions - both elected local officials and civil society representatives
- Five representatives from business and industry
- Five representatives from academia and science
- Four representatives from energy industry associations
- Three representatives from environmental NGOs
- Three representatives from trade unions
- Three members of parliament that had the right to speak, but not the right to vote (see Figure 2)<sup>6</sup>

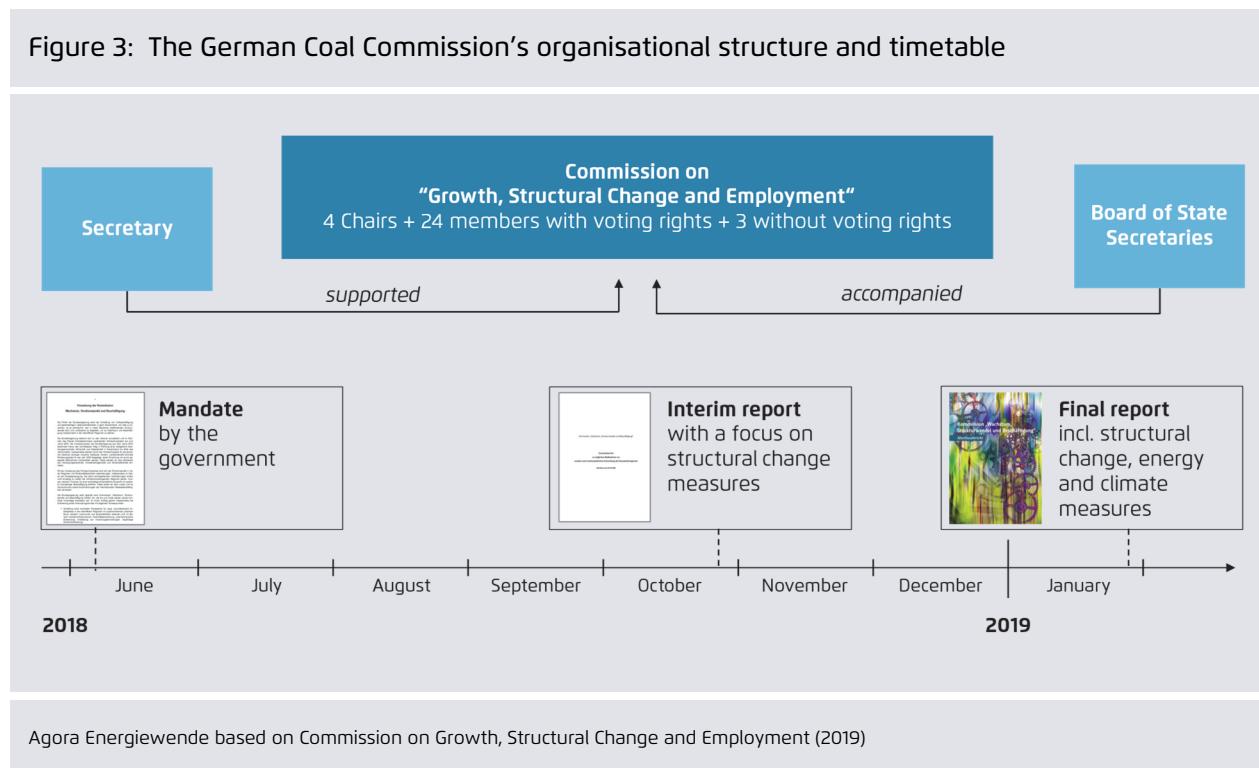
Almost every member was accompanied by a mediator<sup>7</sup>, who provided close support to the respective stakeholder. The members of the Commission work on an honorary basis.

### 3.3 Setting

Before the first meeting is convened, it is necessary to lay down the ground rules for the commission's work by defining procedures and organisational issues.

The German Coal Commission itself (see Figure 2) was independent of the federal government and consisted of independent members. At the same time, the Commission was embedded in a political process, in which several government institutions played a role (see Figure 3):

Figure 3: The German Coal Commission's organisational structure and timetable



6 The German Coal Commission was independent of the federal government and consisted of independent members. Therefore, members of parliament were purposely not allowed to vote.

7 Advisory assistant or personal representative of a Coal Commission member who supports and prepares the meetings.

- The operational work of the Commission was supported by a permanent secretariat, which was jointly staffed by the Federal Ministry for Economic Affairs and Energy.<sup>8</sup>
- The meetings of the Commission were attended by representatives from eight federal ministries<sup>9</sup> and the chancellery; four of them were federal states where lignite mining is located.
- Concurrent with the deliberations of the Commission, a group of state secretaries from the eight federal ministries supported the proceedings; in addition, several ministers and state secretaries appeared at Commission sessions as invited guests.
- The four chairpersons of the German Coal Commission held several high-level meetings at the chancellery, with the relevant ministers, the prime ministers of the federal states, and the chancellor involved. They were also responsible for the moderation of each session.

In this way, while the Commission was formally independent, a political process accompanied its deliberations to ensure that its findings would be grounded in political reality and would thus have a good chance of being implemented.

## Terms of reference

Comprehensive “terms of reference” that define the purpose and structure of the commission can help to ensure that organisational matters run smoothly. The terms of reference should address the choice and composition of members; the coordination of work activities; the tasks of the chairperson(s) and duties of secretarial staff; and the general proceedings (schedule, meeting procedure, discretion). The

process of decision-making (voting and talking rights) should also be clearly defined. Issues such as the right of members to appoint representatives or rules surrounding the dismissal of members should also be covered. Minutes should be taken during all meetings.

## Determination of schedule and dates

Adopting a clear schedule in advance will help to maximise attendance while also easing necessary travel (e.g. site visits to coal fields). The schedule should provide stakeholders with an overview of what to expect during each session. One should also plan for additional sessions in case extra meeting time is required.

## 3.4 Five levels of engagement

The German Coal Commission featured five different levels of multi-stakeholder engagement, as detailed in the following subsections.

### 3.4.1 Develop a common fact base

A repository of relevant documents and information – that is, a “fact base” – should be established before the first meeting begins. In this connection, the permanent secretariat of the German Coal Commission, which was jointly staffed by the Federal Ministry for Economic Affairs and Energy<sup>8</sup>, created a server with a wide variety of materials, including studies, reports, and data on socioeconomic and coal-related

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<sup>8</sup> Renamed to Federal Ministry for Economic Affairs and Climate Action.

<sup>9</sup> Ministries of Economy & Energy (BMWi)<sup>8</sup>, Environment (BMU), Internal Affairs (BMI, includes Department for

Construction), Labour (BMAS), Transport (BMVI), Finances (BMF), Agriculture (BMEL) and Education & Research (BMBF).

topics. An avenue for members to pose questions and receive answers was also provided.

It may also be advisable to engage with the participating stakeholders at an early stage, prior to the first meeting, in order to become acquainted with their views and perspectives. Every stakeholder has a unique viewpoint and set of interests. An effort to embrace diverse perspectives invariably underlies any process that seeks to bring about mutual consensus. In this way, a deliberate effort should be made from the outset to identify common ground and opportunities for compromise.

### **3.4.2 Consult experts**

The four chairpersons moderated the sessions in an alternating way. The first few sessions of the Coal Commission featured numerous expert hearings. These hearings aimed to establish a solid informational basis for the commission's work. Expert opinions enriched the provided documentation while also helping to clarify and answer unresolved questions. The sessions were devoted to specific topics. For example, in one session, participants were provided with information important to structural policy in lignite mining regions, including employment statistics, socio-economic factors, development trends, and existing structural policies. Also, model approaches for new economic growth opportunities were presented. In other sessions, the participants received information on climate policy and the energy sector, both domestically and internationally, including facts and figures on the coal industry, electricity markets, security of supply, policy instruments, and energy price impacts. Different experts were invited to speak about specific topics in the various sessions.

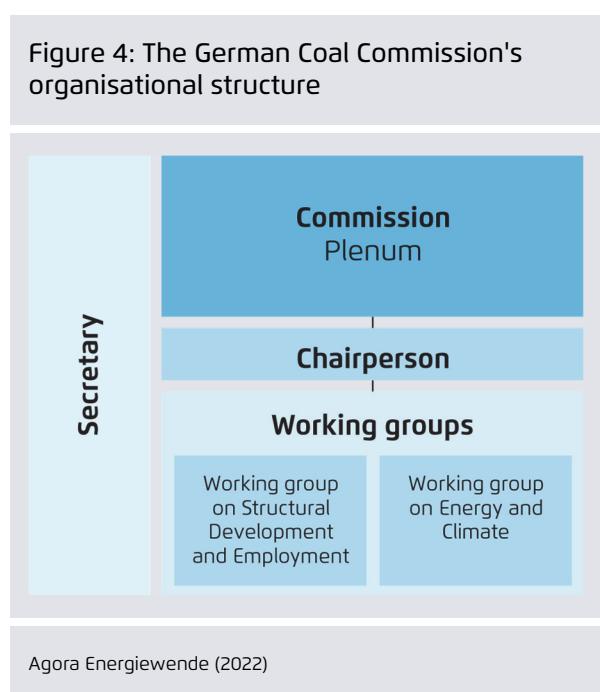
### **3.4.3 Involve local people and representatives at the regional and national levels**

The involvement of diverse stakeholders at every stage can significantly enrich the solution identification process. This could include direct visits to coal-mining regions to talk to affected populations and better understand the problems they face. It might also include expert hearings with power plant operators, to gather their assessments regarding the retrofitting of existing coal plants. Finally, this phase could include inviting representatives from affected regions and the national government to shed light on the current situation and future of regional development policy. While gathering such perspectives, ample opportunity should be provided for dialogue. Invited national, regional, and local representatives should be prepared to provide an account of past and current policy measures and plans. For example, regional leaders might be asked to present the financial characteristics of coal regions and existing funding programmes to support structural change. The attending participants may also wish to receive information about existing regional job creation measures, such as plans to attract new businesses or government investment.

### **3.4.4 Collaborate and discuss**

Deliberation in a common forum can become difficult given a large number of participants. Accordingly, the German Coal Commission was deliberately subdivided into working groups, as shown in Figure 4.

Figure 4: The German Coal Commission's organisational structure



Agora Energiewende (2022)

The Commission's plenum took the form of a monthly general meeting attended by all members and their staff, including the four chairpersons, the organising and permanent secretariat, and alternating invited guests. Decisions and voting took place during the plenum. These general meetings were undergirded by two smaller working groups on "Structural Development and Employment" and "Energy and Climate". Each of these working groups convened to study the issues, draft portions of the Commission report, and prepare for the plenary sessions. These smaller rounds were led by the emissaries and the so-called "Friends of the Chair", who helped to organise, structure and drive the process. They met on a regular basis. In these rounds, the drafting of the report and a detailed editorial process took place. This paved the way for constructive agreement to be reached on controversial topics. Smaller groups also helped to foster mutual trust and set boundaries. Drafts and solution proposals came from different quarters of the Commission. The collaborative work aimed to arrive at mutually satisfying consensus solutions, rather than diktat by majority vote.

### 3.4.5 Empower by handing in the final report

The German Coal Commission held a total of ten plenary meetings and conducted three visits to coal regions (a total of 13 sessions within a half year). The Commission submitted an interim report on structural change four months after its first meeting. During the drafting of the interim and final reports, committee members had the opportunity to submit draft passages as well as suggest edits. These suggestions were discussed in smaller working groups and consolidated text passages were then formulated and brought into the plenum. The draft versions were then discussed during the plenary sessions and final votes took place. The chairpersons had full responsibility and editorial control. Subsequently, the chairpersons distributed a consolidated version. During the process, the chairpersons authored and released press releases.

After intense negotiations, the Commission adopted its final report during its last session in January 2019, with an overwhelming majority of 27 votes in favour and only one against. The Commission chair subsequently submitted the final report to the federal government in February 2019.

The first half of the 110-page report addressed the transformation of the energy sector, while the second half discussed support measures for impacted regions and economic sectors.

With the submission of the final report, the German Coal Commission finished their work. Based on the final report, draft laws were developed and negotiations with lignite companies were carried out. A year later, in January 2020, the basis for a coal phase-out act was laid as part of a federal/state agreement on the phase-out of coal. On the 14<sup>th</sup> of August 2022, the Coal Phase-Out Act came into force.

## 4 Conclusion

Interviews with former German Coal Commission members were conducted to identify lessons learned from this multi-stakeholder engagement process. These lessons are summarised in the following.

### 4.1 Takeaways

#### Circumstances and timing are crucial when establishing a multi-stakeholder commission

Each country is home to a unique set of circumstances, so an important first step is to understand the domestic economic and political environment. In particular, it is important to consider current political alignments, economic development trends at the national and regional levels, and popular support for climate action. Accordingly, depending on the country in question, prior to forming a commission, it might be necessary to ensure certain prerequisites are fulfilled – for example, ensuring sufficient general awareness of climate change issues.

By extension, the political timing for launching a commission is also an important issue. In the absence of sufficient support amongst the general public or policy elites, the critical mass needed to ensure the success of the commission may be missing. Timing can be crucial in such a process and can either accelerate or slow down the process. For example, during the meeting of the German Coal Commission, there was major civil disobedience in the Hambach Forest. The unrest affected the Commission and brought tension into the group. This tension perhaps could have been prevented by a demanded suspension of coal-related work in the Hambach Forest during the process of the Commission.

#### Preparation is crucial for a smooth process

Adequate preparation is of great importance for ensuring the meetings run smoothly. As a rule of thumb, the preparation phase for the commission should take as much time as the active meeting phase. To be sure, identifying appropriate stakeholders, organising the meeting venues, developing the fact base, meeting with stakeholders beforehand, and preparing accordingly are all time-consuming activities.

In the case of the German Coal Commission, a permanent secretariat with staff from the Economic and Environmental Ministries was responsible for organising the entire process. However, organisational matters could have been improved if a dedicated secretariat had been established to coordinate between ministries at the federal and state levels. As smooth coordination is a major prerequisite for the success of such a complex endeavour, sufficient personnel resources must be devoted to preparation, planning, and organisation.

To accelerate the coordination process, it may be beneficial for the secretariat to meet with the involved stakeholders in advance to clarify their positions and arguments.

In addition, it may be advisable to hire a professional mediator from the outset. This mediator can act as a neutral bridge between stakeholders for a more rapid and candid exchange of viewpoints. Reliance on a mediator could also help to foster an environment of trust with greater speed.

#### Formulate a clear mandate

The work of the commission should be based on a strong mandate that clearly defines aims and responsibilities. This is important not only to ensure unambiguous task assignments but also to prevent uncertainties or lack of direction during the process.

For example, the mandate should specifically define what issues the commission *should* and *should not* address. The mandate should also allow the commission to tackle issues *relevant* to solving the problem. As it may be easier to address individual issues one at a time, rather than a large and complex issue all at once, the mandate should include a clear subdivision of responsibilities.

#### **Ensure a well-balanced mix of different stakeholders**

Depending on the circumstances in a given country, it may be difficult to identify the best stakeholders or invite the right range of representatives. Nevertheless, special care should be taken to ensure a well-balanced mix of different stakeholders. All levels of society should be represented – including e.g. future generations and those impacted by climate change – to prevent the impression that the commission is a forum for elites who wish to impose a top-down decision. Yet it is also important to ensure that certain political or economic factions do not have excessive influence, in order to prevent the participants from hardening into “opposing camps”.

One challenge faced by the German Coal Commission was to strike the right balance between enabling relevant stakeholders to participate without allowing the meetings to become unwieldy due to an excessive number of participants. Each stakeholder was accompanied by one or more staff members; in addition, representatives from state and federal ministries as well as testifying experts were in attendance. In this way, up to 120 people were present during the meetings of the German Coal Commission.

#### **Solicit stakeholder opinions**

Before the meetings of the German Coal Commission, an effort was made to gather information about the perspectives and positions of attending

stakeholders. Preparatory meetings were organised internally, and, in some cases, included other small staff units to address substantive issues. At the beginning of the multi-stakeholder engagement process, it is crucial to share perspectives so that a holistic approach can be developed.

#### **Select one or several neutral and experienced chairperson(s)**

The meetings should be chaired by one or several people who are well-respected and can take a leading role. In the case of the German Coal Commission, four chairpersons were chosen. Among the selected chairpersons, one should strive for balanced representation, not only in terms of political positions, but also in terms of gender. Ideally, the chairperson(s) should embody a neutral position, should have experience with deliberative forums, and should be well-respected by the participants. Furthermore, the chairpersons should have a solid grasp of the topic to be addressed and should be well-versed in political structures and processes. The use of professional mediators could be considered in this regard.

#### **Carefully define in advance who has the right to talk and to vote**

When members of the Commission were unable to attend a given meeting, they were represented by their mediator. However, the mediators did not have voting rights and were thus unable to properly contribute to decision-making. Accordingly, one should consider allowing formal “representation by proxy” which is a form of voting whereby a member of a decision-making body may delegate their voting power to a representative in the case of absences.

While it is important to embrace a broad range of federal, regional, and local representatives, advance consideration should be given to ensuring balanced representation when allocating voting rights. For example, large utility companies were only invited

as guest speakers and did not have direct representation. This might have impacted the Commission's final report.

#### Set a realistic, but flexible, timeline

During the Coal Commission meetings, which lasted from June 2018 to January 2019, the first phase (8 out of 13 sessions) was devoted to expert hearings and field trips, while the second phase involved negotiations for the drafting of the interim and final reports. The time allotted for writing the report and negotiating its language was very ambitious. Ultimately, the process took longer than expected. This highlights the importance of adopting a timeline with some degree of flexibility.

#### Create an environment of trust

While some stakeholders might already be familiar with each other, others will join as "outsiders". Accordingly, it is important from the outset to encourage dialogue between the participants so that trusting and candid discussions can take place. In this connection, the sharing of information during the process should be as transparent as possible, to ensure that no one feels "left out", which could foster mistrust.

The chairpersons of the German Coal Commission published press releases at various points during the proceedings. However, on occasion, details from the closed-door chairperson meetings leaked, triggering heated debate, both within and outside the meetings. This could have been prevented by total discretion which should have been decided clearly at the beginning. Generally speaking, it should be made clear in advance that the exchange of information between stakeholders could potentially reach the media. Despite this risk, efforts must be made to ensure candid discussion can take place.

#### Encourage discussion during expert hearings

Expert presentations should not be a forum for one-way communication, but rather allow room for discussion. Accordingly, discussion between experts and commission members should be both allowed and encouraged. Furthermore, expert hearings should include time for discussion and the drafting of recommendations. It may be useful to break out into smaller groups to work on specific topics in greater detail. Such breakout sessions were essential during the proceedings of the German Coal Commission.

#### Involve Members of Parliament to increase legitimacy

During the process, it is of great importance to involve Members of Parliament, as this will not only augment the legitimacy of the proceedings, but also increase the likelihood that the recommendations will be supported politically and subsequently implemented. Ultimately, the specific solutions that are identified should enjoy the support of the respective government ministries. For example, the Ministry of Finance should be involved in the process in order to guarantee financial resources.

In this connection, the involved ministries at any given point should also have an opportunity to work together and find common ground. When solutions involve the participation of multiple ministries, the collaborative dimension should be carefully considered, as poor lines of communication between ministries could undermine the process.

#### 4.2 Additional points for consideration

The following sections discuss additional aspects that should be considered when forming a multi-stakeholder commission, as highlighted by the interviewees.

### Potential disruptions

Especially at the outset of the proceedings, one should not only anticipate tensions within the commission, but should also anticipate external demonstrations as a possibility. One should decide beforehand how to react to such situations to avoid stoking further controversy.

### Offer perspectives and respect local conditions

Be aware of existing structural problems within the regions that will be facing structural change and try not to add additional burdens. Particularly if the affected regions have a history of socioeconomic weakness, it is important to offer residents prospects for jobs and growth. Local leaders should be closely involved in developing investment measures to secure the economic future of the impacted regions.

While structural transformation is often associated with anxiety or a sense of loss, it can also be framed as a moment of opportunity. The economic heritage of the people in the region should be acknowledged while also showcasing opportunities for the future. In particular, the voices of people in the region need to be explicitly acknowledged and integrated into the process. Otherwise, resistance to transformation could arise. In the German context, the development of planning for the future of coal mining in East Germany was particularly sensitive given the region's economic struggles since reunification and the associated risk that poorly planned structural measures could fan the flames of right-wing populism.

### Power imbalances and lack of expertise

Power imbalances in the composition of the commission are another major factor to be aware of. Specifically, commission members will diverge considerably in terms of their material and

immaterial resources, including political experience, support staff, and social networks.

### The limitations of a multi-stakeholder commission

Multi-stakeholder commissions devoted to climate action cannot replace political leadership or ambitious emission reduction targets. Accordingly, such commissions should not be misused as a forum for "delegating away" political responsibility or delaying climate action. Moreover, while the commission is a valuable tool for reaching compromises, the consensus position developed by the commission may not represent the very best solution for the country or the climate.

This is also the case in Germany. Even though Germany established a coal commission with defined recommendations and has passed a law about the coal phase-out, they failed to trigger ambitious climate action in line with the Paris Agreement.

The initial coal phase-out date of 2038 was not ambitious enough at that time. The compensation payments for energy companies were considered to be too high. Socioeconomic support in line with a just transition has also been lacking.

With the ambitions of the new government, pressure from the public and environmental organizations, and the economic competition of solar and wind, the old phase-out date of 2038 has been announced to be accelerated towards "ideally 2030". In this regard, official law adjustments should have been decided in

2022. With the outbreak of the invasion of Ukraine, this task has now been postponed.<sup>10</sup>

Ultimately, the multi-stakeholder engagement is not a "one size fits all" solution but needs to be tailored to domestic conditions. When organising such a commission, it is crucial to consider regional contexts and divergent interests and perspectives. Given a properly tailored commission, the recommendations and decisions derived from multi-stakeholder engagement can make an important contribution to driving the clean-energy transition.

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10 Meanwhile, Germany's coal power plant operator RWE reached an agreement with the German government to phase out coal by 2030.

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Agora Energiewende  
Anna-Louisa-Karsch-Strasse 2 | 10178 Berlin, Germany  
P +49 (0) 30 700 14 35-000  
F +49 (0) 30 700 14 35-129  
[www.agora-energiewende.de](http://www.agora-energiewende.de)  
[info@agora-energiewende.de](mailto:info@agora-energiewende.de)