

# MASARYK DIPLOMATIC PROGRAM

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## Opportunities to enhance U.S.-Czech energy and climate cooperation

**ALEJANDRO M. ESCOBEDO**



Embassy of the Czech Republic  
Washington, DC

**Author:**

Alejandro M. Escobedo

**Mentor:**

Bohdan Malaniuk



Ministry of Foreign Affairs  
of the Czech Republic



Embassy of the Czech Republic  
Washington, DC

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## MEMORANDUM

TO: Embassy of the Czech Republic in Washington, D.C.  
FROM: Alejandro M. Escobedo, MDP 2022 Participant  
RE: Opportunities to enhance U.S.-Czech energy and climate cooperation

In the United States and the Czech Republic, national efforts to phase out coal production and decarbonize economic activity have prompted a flight of capital and young people from coal-producing regions. While national governments in both countries have taken steps to revitalize these regions and support worker retraining programs, systematic failures to develop capacity at the local level, attract public buy-in for proposed revitalization projects, operate governance structures transparently, and involve a more representative group of local stakeholders in the decision-making process have limited the impact of revitalization efforts. These shared roadblocks to ensuring an equitable and just transition to carbon neutrality present an opportunity for the U.S. and the Czech Republic to deepen their existing energy partnership. In view of the importance of local engagement in developing effective just transition policies, the U.S. and the Czech Republic should take the following steps to foster capacity building and knowledge exchange at both the national and local level:

### 1. Establish a regular exchange program for high school students in coal-producing regions

Coal communities in both the United States and the Czech Republic have fallen behind on several key economic indicators, including R&D investment, workforce participation, GDP per capita, and participation in higher education. In the Czech administrative regions of Moravian-Silesian, Karlovy Vary, and Ústí, rates of employment and investment in science and technology trail the national average (see Figures 1-2) despite efforts to incentivize investment and job growth in those regions. In the United States, coal communities like Anderson County, Tennessee, and Muskegon County, Michigan, face poverty rates nearly 50% higher than the national average and labor force participation rates far below those of surrounding municipalities.<sup>1</sup>

These conditions have prompted young people to seek educational and work opportunities elsewhere. As a result, coal communities have lost the well-educated, highly skilled labor force necessary to attract high value-added industries like aerospace and information technology, which have helped spur economic growth in other parts of the country.

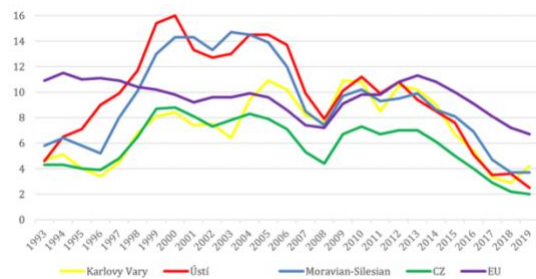


Figure 1. Historical rates of unemployment (%) in the Czech Republic (Source: Frankfurt School of Finance & Management. (2020). Support to the Preparation of a Territorial Just Transition Plan in the Czech Republic – D1 Inception Report)

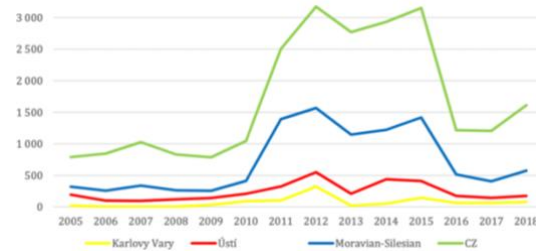


Figure 2. Per capita investment (CZK) in science and research (Source: Frankfurt School of Finance & Management. (2020). Support to the Preparation of a Territorial Just Transition Plan in the Czech Republic – D1 Inception Report)

<sup>1</sup> Tarekegne, B.W., Kazimierczuk, K., & O'Neill, R.S. (2021). Coal-dependent Communities in Transition: Identifying Best Practices to Ensure Equitable Outcomes. *Pacific Northwest National Laboratory*: U.S. Department of Energy. [https://www.pnnl.gov/main/publications/external/technical\\_reports/PNNL-31909.pdf](https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-31909.pdf)

To encourage young people in coal-producing regions to take a more active role in the revitalization of their communities, the U.S. and the Czech Republic should organize a regular exchange program for U.S. and Czech high school students from affected regions that focuses on building mutual understanding of shared socio-economic challenges and highlights opportunities for youth-centered community development.

A potential model for the bilateral exchange program is the U.S. Department of State's Youth Leadership Program, which is designed to build civic leadership capacity among high school students from the U.S. and 23 other countries. Through the program, students spend 3-4 weeks in a partner country, participating in leadership development workshops, team-building exercises, community service activities, and meetings with local leaders. Upon returning to their home countries, the students leverage their program experience to carry out a needs-based service project in their own communities.

The primary appeal of the Youth Leadership Program exchange format is that it gives students hands-on capacity building and community organizing experience that they can then use to confidently and competently lead local revitalization efforts. By encouraging young people to take an early interest in the needs of their community, the exchange program promises to help curb outflows of young, educated individuals from coal communities and promote civic engagement on just transition issues across a wider band of community stakeholders.

## **2. Lead a new permanent 'just transition' ministerial working group under the Partnership for Transatlantic Energy and Climate Cooperation (P-TECC)**

There is a recognition among national governments in both the United States and the Czech Republic that just transition policies must be tailored to the specific needs of individual communities; however, existing policies often fail to adequately account for the technical and administrative needs of communities in transition.

In the United States, the federal government has earmarked millions in public funding for the economic revitalization of coal communities,<sup>2</sup> but done little to engage them directly or provide technical support to local leaders. In most cases, coal communities are left to navigate the complex federal grant process on their own,<sup>3</sup> without the necessary technical and administrative capacity to implement a long-term just transition strategy. Additionally, there have been limited efforts to understand individual community attitudes toward revitalization projects proposed by the federal government, like the installation of carbon capture technology in legacy power and industrial facilities. This oversight highlights the general lack of community input in the formulation of federal just transition policy in the U.S.

In the Czech Republic, the national government has implemented a top-down governance structure to address the diverse needs of coal communities in transition. Headed by the Ministry of Regional Development and introduced under the RE:START program in 2015, the policymaking framework is composed of seven national working groups (with regional

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<sup>2</sup> U.S. Office of the Press Secretary. (2021, Apr 23). Biden Administration Outlines Key Resources to Invest in Coal and Power Plant Community Economic Revitalization [Fact Sheet]. *The White House*. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/23/fact-sheet-biden-administration-outlines-key-resources-to-invest-in-coal-and-power-plant-community-economic-revitalization/>

<sup>3</sup> Tony, M. (2021, Apr 21). "Federal initiative to invest \$300 million in coal communities presents high application hurdles." *Charleston Gazette-Mail*. [https://www.wvgazette.com/news/energy\\_and\\_environment/federal-initiative-to-invest-300-million-in-coal-communities-presents-high-application-hurdles/article\\_3c40c920-d538-5ddb-be65-118fc0f81fce.html](https://www.wvgazette.com/news/energy_and_environment/federal-initiative-to-invest-300-million-in-coal-communities-presents-high-application-hurdles/article_3c40c920-d538-5ddb-be65-118fc0f81fce.html)

counterparts) organized around the following themes: entrepreneurship, infrastructure and public administration, investment, research and science, human resources, social stabilization, and the environment. The parallel working group structure allows administrators at the national level to consult with authorities and stakeholders at the local level to formulate national just transition policies that meet the needs of each region.

Over the past several years, the policymaking framework has been criticized for excluding relevant stakeholders from the regional working groups, not providing a platform for the general public to engage in the restructuring process, and approving revitalization projects that lack sufficient technical and administrative capacity at the local level.<sup>4</sup> Although these critiques apply specifically to the just transition framework in the Czech Republic, they can be levied against frameworks developed in the U.S. and other parts of Central and Eastern Europe. Thus, there is a need for a multilateral platform where U.S. and European administrators crafting national just transition policies can meet to discuss shared roadblocks to implementing coal community revitalization initiatives and propose policy measures informed by their own national experience.

A potential launchpad for this platform is the Partnership for Transatlantic Energy and Climate Cooperation (P-TECC), a U.S.-sponsored initiative designed to provide Central and Eastern European countries with the necessary technical resources to decarbonize and secure regional energy systems. As a technical and regulatory collaborative, P-TECC is organized around regular ministerial meetings and four permanent ministerial working groups focused on critical energy infrastructure, nuclear energy, security of energy supply, and energy efficiency and renewable energy. Within each of the working groups, energy ministers and senior administrators from the U.S., the European Union, and 22 Central and Eastern European countries, including the Czech Republic, discuss shared challenges to implementing energy system reforms and design action plans oriented toward advancing energy security goals. In the past, these action plans have included measures for sharing best practices in cybersecurity, assessing the resiliency of national energy systems, and coordinating bilateral technical assistance for cross-border energy interconnections.

A new 'just transition' working group under P-TECC would give administrators in the U.S. and the Czech Republic a well-established platform for dialogue and collaborative policy planning. It would also increase focus on the close relationship between energy systems and just transition issues, as P-TECC is primarily an energy security and technical assistance platform.

### **3. Set up a knowledge-sharing platform for practitioners in coal communities**

While greater technical and administrative capacity building assistance to coal communities is needed from the national government in both the United States and the Czech Republic, there is also a need to connect coal communities directly to foster solidarity and facilitate dialogue between local leaders about shared challenges in promoting community involvement in the restructuring process.

To help coal community leaders address common capacity building issues and deepen ties between communities in the U.S. and the Czech Republic, the White House Interagency Working Group on Coal and Power Plant Communities and the Czech Ministry of Regional Development National Executive Team should facilitate the development of a digital platform

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<sup>4</sup> European Commission. (2019). RE:START-Strategy for economic restructuring of Czech coal regions [Case Study]. Platform for Coal Regions in Transition. [https://energy.ec.europa.eu/system/files/2022-01/restart-strategy\\_for\\_economic\\_restructuring\\_of\\_czech\\_coal\\_regions.pdf](https://energy.ec.europa.eu/system/files/2022-01/restart-strategy_for_economic_restructuring_of_czech_coal_regions.pdf)

that allows coal community leaders in both countries to meet virtually to share ideas and discuss common challenges related to the transition away from coal. To ensure that the platform engages residents as well, community leaders should be encouraged to organize joint town halls and publish educational programming materials on the platform.

The EU already operates a [platform](#) of this type for stakeholders in European coal regions. It introduced the virtual platform back in 2018 in response to requests from local practitioners for a common knowledge-sharing framework. Through it, the EU has been able to deepen ties between coal communities across the region and facilitate dialogue on common issues like decarbonizing district heating and reducing methane emissions from abandoned coal mines.

By initiating a similar program in the U.S., the Czech Republic can leverage the just transition in support of greater U.S.-Czech citizen diplomacy.

#### **4. Establish a Fulbright Research Grant for university students and academics interested in studying the social, cultural, political, or economic context of coal communities**

The global transition to low-carbon technologies promises to radically transform, if not erase, coal communities in the United States and the Czech Republic. To ensure that knowledge about the role of fossil fuels extraction in shaping the history, culture, values, and ways of life of rural communities is not lost, the U.S. and the Czech Republic should set up a Fulbright Research Grant for university students and academics interested in generating this knowledge. The grant should be made available to U.S. and Czech scholars of all disciplines to encourage a range of academic approaches to the socio-environmental question. Grantees should also be encouraged to explore how communities have reacted to the introduction of just transition initiatives and how local attitudes toward decarbonization have evolved over time.

A dedicated Fulbright Research Grant would allow national governments to signal to coal communities that they value the traditions and identities of what have thus far been socially isolated and nationally marginalized groups. It would also help bring academic attention to the relatively under-researched topic of evolving economic and political attitudes in rural, energy communities.

The policy options outlined above are simple, concrete measures that the United States and the Czech Republic can implement to simultaneously deepen their bilateral energy partnership and address systematic just transition issues at home. These measures offer both countries an opportunity to demonstrate their commitment to working “in direct partnership with energy communities” and to expand the transatlantic energy dialogue beyond traditional energy security.<sup>5</sup> For the United States, an enhanced U.S.-Czech energy partnership, centered on coal community revitalization, could serve as a template for future bilateral engagement with other Central and Eastern European countries on just transition issues. For the Czech Republic, it could help establish the country as a pioneer in transatlantic just transition diplomacy.

While the ‘just transition’ has entered the conversation at transatlantic fora like the U.S.-EU Energy Council, it has been largely reduced to an afterthought in the context of European energy security and almost exclusively discussed in relation to joint Western assistance to

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<sup>5</sup> U.S. Office of the Press Secretary. (2021, Apr 23). Biden Administration Outlines Key Resources to Invest in Coal and Power Plant Community Economic Revitalization [Fact Sheet]. *The White House*. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/23/fact-sheet-biden-administration-outlines-key-resources-to-invest-in-coal-and-power-plant-community-economic-revitalization/>

developing, carbon-intensive economies like South Africa.<sup>6</sup> Hence, there is a need for more dialogue between the U.S. and European allies on ways to more effectively advance the just transition at home. The Czech Republic stands to gain from initiating this dialogue and promoting citizen diplomacy as a tool of transatlantic energy and climate cooperation.

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<sup>6</sup> Office of the Spokesman. (2022, Feb. 7). Joint Statement on the U.S.-EU Energy Council. *U.S. Department of State*. <https://www.state.gov/joint-statement-on-the-u-s-eu-energy-council/>