CoR Multi-Level Dialogue on Just Transition

Third meeting of the Just Transition Platform

28 April 2021

Dr. Klaus Freytag, Representative of the Prime Minister for the Region of Lusatia
State Chancellery of the State of Brandenburg
Mining District of Lusatia
Overview

Area
13 km²

Specialty
Lusatia is a cross border region of Brandenburg, Saxony, Poland and Czech Republic. Brandenburg and Saxony are working closely together, forming the German part of Lusatia.

Population
1.1 million

Economic Structure
- Energy and coal industry represent the prevailing sectors
  - Especially LEAG employing approx. 7,000
  - Numerous SMEs integrated in value added chains

- Other relevant industrial sectors: Steel and chemical industry as well as mechanical and plant engineering / vehicle manufacturing
- Phasing out of coal: 31.12.2038

Perspectives:
- Chemical Industry (BASF)
- Logistics
- Health region (Carl-Thiem-Hospital, Digitalisation)
- Research and development (University of Cottbus and Senftenberg)
- Power-to-X
- Deutsche Bahn hybrid locomotives
Mining District Lusatia
Phasing Out

Representative of the Prime Minister for the Region of Lusatia
State Chancellery

<table>
<thead>
<tr>
<th>Employees</th>
<th>(2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total(1)</td>
<td>7,806</td>
</tr>
<tr>
<td>open pit</td>
<td>5,276</td>
</tr>
<tr>
<td>power plant</td>
<td>2,238</td>
</tr>
<tr>
<td>refinement</td>
<td>292</td>
</tr>
</tbody>
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(1) Angaben in Personen (aktive, inaktive Mitarbeiter, Auszubildende)

SB: Security Readiness

Quellen: LBGR / LEAG AG

Slide 3
Identified Challenges of Lusatia

- partially missing application-oriented research
- deficits in the transport infrastructure
- image of the region through the upcoming transformation process
- securing skilled workers, recruiting skilled workers
- low innovation potential as a starting point for economic momentum
- increasing national and international competition through globalization and digitization
- influences of climate change (e.g. industrial decarbonisation)
What is the goal / mission statement of the district of Lusatia?

Mission statement developed for the Region of Lusatia

- **European model region for structural change**
  Proactively shaping the future: How to sustainably **use money from different sources** (EU, national, regional) to support structural change?

- **Central, European transition corridor**
  Create new connections in the heart of Europe: Using the **benefits of cross border Lusatia** between Brandenburg, Saxony, Poland and Czech Republic

- **Innovative and efficient economic region**
  Improving the framework conditions for industry, innovation, prosperity and employment: New fields (**power-to-X, hydrogen, green companies** (BASF))

- **Modern and sustainable energy region**
  Use the experiences for the energy systems of future: Investing into **renewable energies** (LEAG)

- **Research, innovation, science and health care**
  Use the digital transformation and open new paths: **Next-Generation-Hospital**, idol: Aarhus (Denmark)

- **Region with a high quality of life and cultural diversity**
  Highlight cultural, natural and tourism potentials and strengthen regional identity: **Bottom up process** of structural change that means “**from an with the region**, not “government-top-down”
25th November 2019: Görlitz Declaration - Final document of 14 coal regions = a commitment for continuous cooperation between these regions

2019: Inauguration of a crossborder trilateral “Working Group”
- Germany (Brandenburg, Saxony),
- Poland (Lower Silesia, Silesia; Greater Poland),
- Czech Republic (Usti, Karlovy Vary)

Goals: Identifying common working procedures, identifying projects, communicating and sharing approaches and projects. Meetings and workshops for discussions, Partnerships and common projects, Mediation between companies and universities

2 focus topics
- Alternative energy resources and securing the energy security
- Revitalization of coal mine sites for further utilization

- due to the Covid pandemic, activities slowed down (got toward zero) and have to be revitalized soon
- due to several changes within the leading DGs in the European Commission (DG ENER, DG REGIO) our continuous dialogue with the European level is missing; this has to be dynamized again
- videoconferences are good for staying in contact (but we need personal meetings again to foster trustful communication and cooperations)
Implementation on local level
Bottom Up Process

- Funds available/year (by act from government): around 235 million € for projects (3,6 billions until 2038)
- Instrument: New Funding Guideline, managed on national level
- Beneficiary: Commune, Districts of Lusatia; Federal State
- realization of the projects at regional level
- entrusted the Wirtschaftsregion Lausitz GmbH = a company to manage the projects (association of the different districts of Lusatia (Brandenburg) to create workshops, which will lead create projects and new ideas (bottom up process)
- Federal State of Brandenburg will participate in the society
Outlook
„Just Transition Fund“

What we expect:
- additional money
- Companies provide support without restrictive regulations

What we got due to the decisions by the government:
- In Germany the JTF will **focus on those coal transition regions**, mentioned in Structural Strengthening Act (= the German law for the transition process out of coal till 2038)

Problem: the Federal Government decided that **85 %** of the JTF funds available for Germany (JTF allocation of Brandenburg **711 Mio. Euro**) will go to the Structural Strengthening Funds → **only 15 % additional**

- Result: In Germany the national level AND each coal region are developing Just Transition Plans; they have to be coherent
  Their basis are the already **existing programs (EFRE OP)**

- However:
  - it is an advantage that SMEs can be supported by the JTF - Structural Strengthening Act foresees only subsidies to municipalities and cities → **problem: restrictive regulations**
  - extend the funding area (for the addition 15 %), for example Brandenburg is able to support steel industry out of the defined are of the act
  - Brandenburg will directly announce projects for JTF
Thank you very much for your attention!

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