

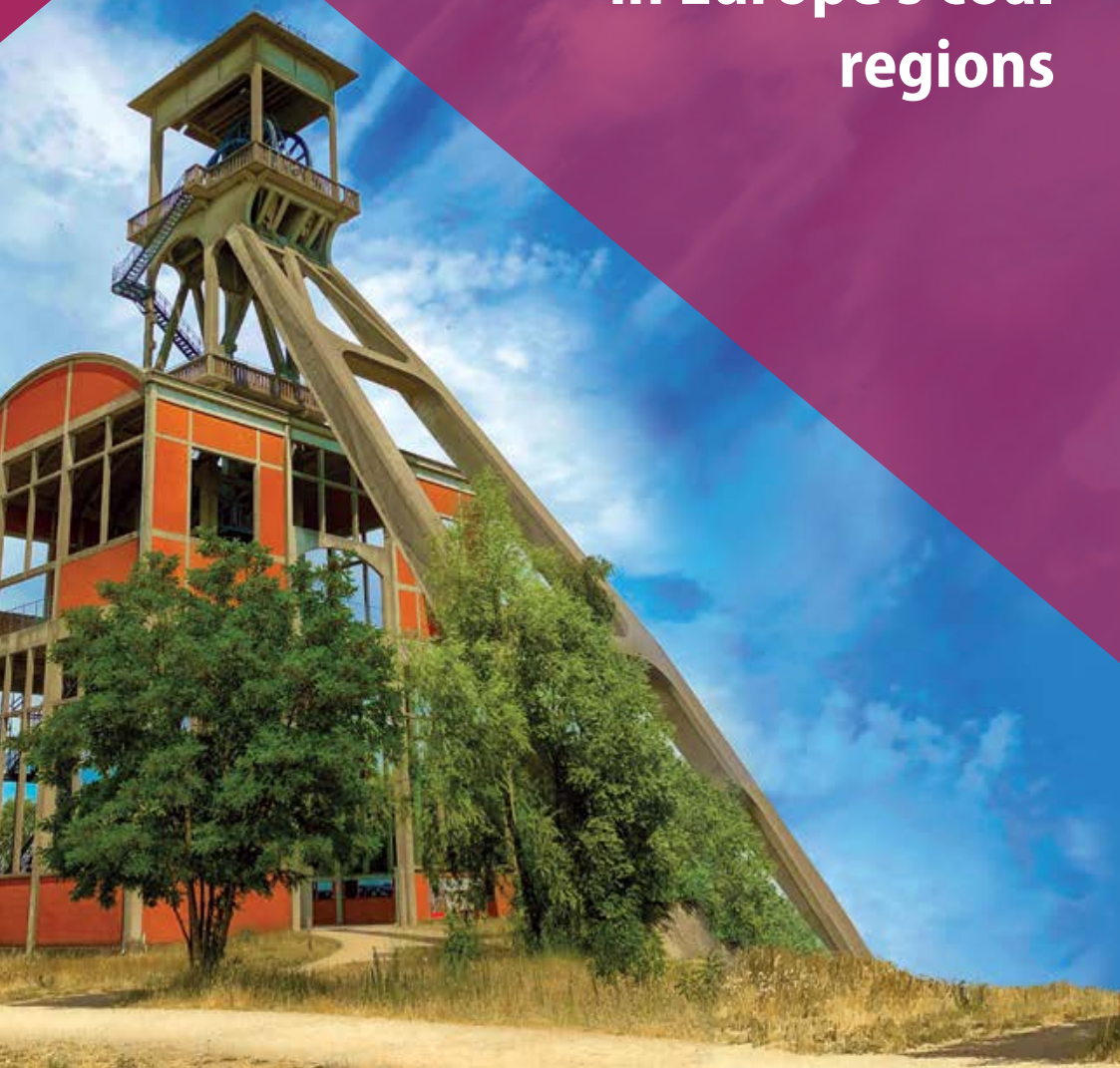


**European Committee
of the Regions**

**Commission for
Economic Policy**

ECON

Socioeconomic structural change in Europe's coal regions



Opinion of the European Committee of the Regions on socioeconomic structural change in Europe's coal regions

Rapporteur: Dr Mark Speich (DE/EPP), Secretary of State for Federal, European and International Affairs (North Rhine-Westphalia)

The opinion

- was adopted unanimously at the CoR's plenary session on 9 October 2019;
- points out that the energy transition being aimed at, and hence the structural change in coal regions, is a European task. This requires taking a holistic approach, including, in particular, measures for infrastructure development, innovation, research and science, business support and development, development of skilled workers, marketing, culture and tourism;
- therefore calls for structural change to also be supported at European level;
- welcomes the discussions on a fair energy transition fund;
- stresses, however, that the resources for this fund must be additional to the Structural Funds, and should be closely interlocked with cohesion policy;
- calls on the Commission, when drawing up the new guidelines on state aid, to also take account of the problems linked to structural change in coal regions and to ensure that coal regions have sufficient flexibility to enable them to phase out coal in a socially and economically viable way.

Climate change is a challenge for the whole of Europe. The transformation of coal regions is a crucial contribution to achieving our climate goals. The EU therefore has to support coal regions in transition. The EU should provide financial support for the socio-economic transition of coal-mining regions in the next Multiannual Financial Framework. In order to stimulate new investments we also need sufficient room for manoeuvre for the regions with regard to competition policy rules.



Dr Mark Speich (DE/EPP), Secretary of State for Federal, European and International Affairs (North Rhine-Westphalia)

Background

In the 2015 Paris Agreement, the EU committed itself to reducing annual greenhouse gas emissions by 40% from 1990 levels by 2030, and by at least 80% by 2050. Cutting coal-based power generation will play a part in this, which will have a tangible economic and social impact on Europe's coal-producing regions. As of the end of 2018, lignite and coal were being mined in 41 NUTS 2 regions, and there are coal-fired power stations in 103 NUTS 2 regions. 185 000 people were still employed in coal mines across Europe at the end of 2018, and

a further 52 000 worked in coal-fired power plants. The coal industry is also indirectly linked to various economic sectors, such as production of inputs, equipment, services and consumer goods. According to a European Commission study (Joint Research Centre, 2018), a further 215 000 workers are dependent on these linked activities. The study estimates that around 160 000 jobs could be lost. It is above all local and regional authorities that now need to find local responses and solutions to the specific challenges arising.



Caption: European Week of Regions and Cities: Coal Regions High-Level Conference, 9 October 2019

Participation in the institutional political process

The CoR is in constant dialogue with the European Commission and the European Parliament on these issues. It has also held a number of meetings with Member States that have coal-mining regions, in order to discuss

issues surrounding the financing of coal phase-out and the transition process as a whole, as well as how to ensure that coal regions can also finance restructuring to the necessary extent. The results were passed on to the Commission.



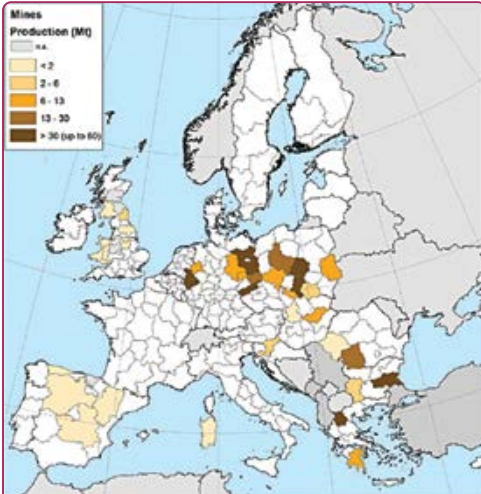
Coal Regions High-Level Conference

On 9 October 2019, the CoR held a high-level conference of coal regions, attended by the Commissioner for Budget and Human Resources, Günther Oettinger, MEPs, national ministers from Poland and the Czech Republic, secretaries of state from Romania and Bulgaria, senior officials from Germany, and ministers, prime ministers and other high-level representatives from the coal regions of Asturias, Brandenburg, Castile and Leon, the Moravian-Silesian region, Saxony-Anhalt and Silesia. The two CoR rapporteurs also took part – Mark Speich (DE/EPP), and Witold Stępień (PL/EPP), who prepared the CoR's opinion on implementing the Paris Agreement through innovative and sustainable energy transition at regional and local level. All the speakers agreed

that coal phase-out was a task for society as a whole and required a holistic approach. They stressed that no region should be left behind, and called for funding for the phase-out. They welcomed the Fair Energy Transition Fund, on which the European Commission will shortly present a proposal, but pointed out that the resources for this fund should be additional to the Structural Funds, and should be closely interlocked with structural policy. On no account should other regions suffer cuts as a result. Günther Oettinger announced that either he or his successor Johannes Hahn would set up a round table, to which the CoR would of course be invited. The need for greater flexibility in the rules on State aid was also highlighted.

Analytical work

Study by the European Commission's Joint Research Centre



Annual production of coal mines, aggregated at NUTS-2 level

I appreciate the Commission President-elect's proposal for a Just Transition Fund. This fund must be designed to mitigate the social, socio-economic and environmental impact of structural change in European coal regions. However, this fund would have to be financed through additional resources and not from the envelope foreseen for the European Structural and Investment Funds. The funding should be closely interlocked with cohesion policy.

Dr Mark Speich (DE/EPP),
Secretary of State for Federal,
European and International Affairs
(North Rhine-Westphalia)

Activities at the European Commission

The European Commission has launched a platform for structural change in coal regions, which met for the first time on 11 December 2017. The aim of the platform is to support Member States and regions in their efforts to modernise their economies and to prepare them for the structural and technological transition in coal regions. In this context the Commission wishes to ensure that no regions are left behind if they move away from an economy based on fossil fuels. The Commission's objective with the platform is to facilitate the development of long-term strategies in coal and carbon-intensive regions and promote the transition to clean energy, by focusing on social justice, new skills and the financing of the real economy. Input into the platform is provided by working groups, which have so far met six times.

See also

- **Commission for Economic Policy**
<https://cor.europa.eu/en/our-work/Pages/econ.aspx>
- **CoR opinion on Socioeconomic structural change in Europe's coal regions**
<https://cor.europa.eu/en/our-work/Pages/OpinionTimeline.aspx?opId=CDR-6337-2018>
- **Coal regions in transition platform**
<https://ec.europa.eu/energy/en/topics/oil-gas-and-coal/eu-coal-regions>
- **Study by the European Commission's Joint Research Centre on "EU coal regions: opportunities and challenges ahead"**
<https://ec.europa.eu/jrc/en/publication/euro-scientific-and-technical-research-reports/eu-coal-regions-opportunities-and-challenges-ahead>
- **EU support for coal regions**
[http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2019\)642217](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2019)642217)
- **The regional dimension of climate change making the case for a just and innovative transition**
https://www.friendsofeurope.org/wp/wp-content/uploads/2019/04/foe_layout_dec_2018_0.pdf
- **How to financially support the transition of coal regions in Europe with a view to the SDGs**
<http://www.ceeweb.org/wp-content/uploads/2015/03/Transition-of-coal-regions.pdf>
- **Implementing coal transitions - Insights from case studies of major coal-consuming economies. A Summary Report of the Coal Transitions project**
https://coaltransitions.files.wordpress.com/2018/09/coaltransitions_finalreport_coal-synthesis-report_20181.pdf
- **Commission on Growth, Structural Change and Employment – Final Report**
https://www.bmwi.de/Redaktion/EN/Publikationen/commission-on-growth-structural-change-and-employment.pdf?__blob=publicationFile&v=3
- **OECD: Delivering regional development for regions and cities specialised in mining and extractive industries**
<http://www.oecd.org/cfe/regional-policy/mining-regions-project.htm>



**European Committee
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Created in 1994 following the signing of the Maastricht Treaty, the European Committee of the Regions is the EU's assembly of 350 regional and local representatives from all 28 Member States, representing over 507 million Europeans.