



European Committee
of the Regions

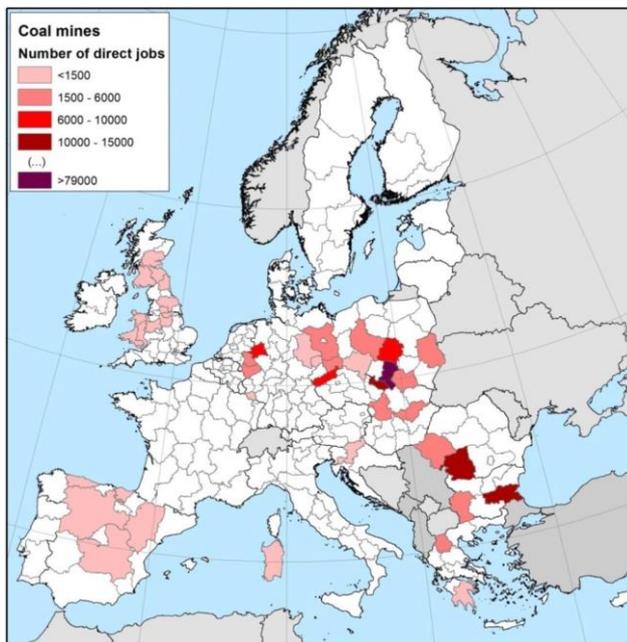
Additional support for a post-coal economy and structural transformation

Proposal of the CoR rapporteur Mark Speich¹ for an EU support for the transition of coal regions

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Starting point

As part of the implementation of the Paris Climate agreement, a number of Member States decided to refrain from burning coal for power generation and to stop deep- and open-cast mining.



Recent debate in Germany has highlighted the fact that the economic and social transition expected of coal regions is tremendous – one that requires substantial resources (in the case of Germany 40 billion EUR until 2038)². Spain has also announced that it will terminate coal power generation by 2030³. The European Parliament has recently suggested to "introduce a **specific allocation** (EUR 4.8 billion) for a new **Just Energy Transition Fund** to address societal, socio-economic and environmental impacts on workers and communities adversely affected by the transition from coal and carbon dependence;"⁴. Such a special Transition Allocation could support regional and national

efforts and also form the basis of a coherent European Union strategy to accompany coal transition in

¹ CoR rapporteur for the Own Initiative Opinion: The socio-economic transformation of Europe's coal regions

² https://www.kommission-wsb.de/WSB/Redaktion/DE/Downloads/abschlussbericht-kommission-wachstum-strukturwandel-und-beschaeftigung.pdf?__blob=publicationFile&v=4

³ <https://www.euractiv.com/section/energy/news/spain-to-nix-nuclear-and-coal-power-by-2030/>

⁴ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A8-2018-0358+0+DOC+WORD+V0//EN>

the EU. This strategy could entail measures linked to competition policy, transport policy, and cohesion policy to name but a few.

How could a special Transition Allocation work?

The Transition Allocation should not be a new legal entity but rather provide support via additional Cohesion Policy budget allocations to allow the affected (coal) NUTS 2 regions to reinforce their Operational Programmes. Reinforcing these Operational Programmes would also allow support for a tailor-made approach in each coal region, based on their specific transitional needs.

How could such a Transitional Allocation be financed?

A proposal for a special Transitional Allocation would have to be included in the ongoing negotiation for the next Multi-annual Financing Framework. Besides the claim of the European Parliament, a proposal for such additional transitional support has not yet been put forward so far by any Member State. Neither is it included in the negotiation box⁵ of the Council Presidency for the MFF negotiations. It seems that such a proposal could only be put forward – if at all – in the final phase of the MFF negotiations, like last time, when "*other special allocation provisions*"⁶ with an amount of 9.2 billion EUR were included in the final deal.

Addressing envisaged cuts in Cohesion Policy

The Commission proposals for the next generation of Cohesion Policy include a significant reduction of the Cohesion Policy allocation compared to the current programming period for a number of Member States. At the same time, the financial support of coal regions in transition should be an additional challenge for Cohesion Policy in the years to come. A push for a special allocation for Cohesion Policy to support the transition of coal regions – in a concerted effort by a number of Member States – at the final stage of the MFF negotiation could therefore be envisaged. This could be done by simply adding further criteria for coal regions in the allocation method for Cohesion Policy. It would also have to be ensured that the additional resources would not be calculated within the proposed capping ceilings of Annex XXII. The additional resources could then be used to reinforce the ERDF and ESF programmes for these NUTS 2 regions over the next 7-year period.

It could also be envisaged to use the Coal Regions in Transition Platform⁷ as a tool to support this process and to provide technical assistance wherever necessary.

Possible allocation method

A possible allocation method must be based on a set of objective indicators. Such indicators could be provided by a recent study presented by the Joint Research Centre⁸:

⁵ <http://data.consilium.europa.eu/doc/document/ST-14759-2018-INIT/en/pdf>

⁶ https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/135344.pdf

⁷ https://ec.europa.eu/energy/sites/ener/files/crit_tor_fin.pdf

⁸ <http://publications.jrc.ec.europa.eu/repository/bitstream/JRC112593/kjna29292enn.pdf>

Country	Employment in coal mining	Share of employment (only coal mining) in %	Production in Mio. t	Share of production in %
POL	99,000	56	135	28
GER	25,000	14	184	38
CZ	18,000	10	46	9
GR	4,900	8	46	9
BG	12,000	7	36	7
ROM	15,000	1	25	5
HUN	1,600	0	9,3	2
E	3,300	1	3	1
SV	1,300	1	3,2	1
SK	2,200	1	1,8	0
IT	350	2	0,1	0
total	182,650	100	489,4	100

An allocation method for supporting the regions transitioning from coal mining could take into account the overall employment in coal mining, the level of coal production as well as the intensity of phasing out coal production.

The way forward

A joint initiative at different levels could start to put forward a joint proposal for the final stages of the MFF negotiations. In order to do so the following steps could be envisaged:

- Informal discussions with a number of Member States representatives to assess whether they are willing and interested to work on a joint proposal
- Informal cooperation with a number of leading coal regions to agree the key elements of a joint strategy
- Inclusion of the demand for a special allocation for coal regions in transition in the CoR resolution focusing on the CoR expectations towards the next European Commission at the June Plenary
- High level event with leading representatives of the Polish, German, CZ and other governments to outline the potential scope and delivery mechanism for additional support for coal regions in transition before the final stages of MFF negotiation in September/October 2019
- Adoption of the CoR opinion on *The socio-economic transformation of Europe's coal regions* during the October Plenary of the CoR.