

Research for REGI Committee – Cohesion Policy in EU Coal Regions

Objectives and background



Cohesion Policy is expected to play an important role in supporting regions to meet European Union decarbonisation commitments and ambitions. This role is heightened in coal regions that not only face the challenge of adopting new technologies but, also, of instituting fundamental structural economic change while safeguarding their social fabric and citizens' livelihoods.

This study offers an analysis of the implementation and impact (actual or expected) of Cohesion Policy at regional and local levels in EU coal regions. Attention is given to the different contributions of ERDF and ESF over the 2014-20 period, and to the prospects for future programmes, including Just Transition Fund (JTF), to further support and ameliorate transition towards decarbonisation in these regions.

The study is underpinned by an overview of the underlying socio-economic and territorial characteristics of EU coal regions and in-depth analysis of the application and programming of Cohesion Policy in six case study regions..

The present document is the executive summary of the study on Cohesion Policy in EU Coal Regions. The full study, which is available in English can be downloaded at: <https://bit.ly/3GFBzSK>

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Main findings

EU coal regions display diverse socio-economic and territorial characteristics, making the identification of common challenges difficult. With exceptions, coal regions tend to have lower levels of GDP per capita and higher shares of people facing poverty or at risk of social exclusion than their corresponding national averages. Other challenges often shared by coal regions are lower levels of educational attainment, high unemployment rates (including for long-term unemployment) and lower job vacancy rates, when compared to national averages. Economic and social dynamics of coal regions were negatively impacted by the COVID-19 pandemic, notably in terms of declines in regional GDP per capita that were observed in all coal regions.

As the weight of coal-related activities in the overall economy varies considerably among coal regions, the consequential relative magnitude of transition required adjustments at the regional level can be quite different, meaning that there is not a common applicable roadmap for achieving a just transition. This variation seems to be reflected in differing priorities of regional just transition policies and actions, which merits consideration for the design of Cohesion policies and funding programmes.

Cohesion Policy over the 2014-2020 period did not make explicit reference to coal phase-out and the corresponding Operational Programmes (OPs) did not include any policies specifically tailored to supporting transition in coal regions.

Nonetheless, analysis of the projects and investment spending in the six case study coal regions **points to Cohesion Policy instruments playing an important role to pave the way towards transition via a multitude of Priority Axis (PA) and Specific Objectives (SO) that were either transition-relevant and/or supporting low-carbon and climate resilient investments by addressing both the social, economic and environmental aspects of transition.**

More specifically, ESF-programmes in all six case study regions were used to address social aspects of transition through, for example, up-skilling, re-skilling, or other training actions. While EDRF/CF programmes in several, but not all regions, contained SOs allowing for environmental rehabilitation and revitalisation of mining sites, and transformation of carbon-intensive installations.

The case study analysis found only a few examples of larger flagship projects in coal regions. Nonetheless, where such projects have been funded, they appear to have acted as a catalyst for the inclusion of additional stakeholders in transition efforts, sparking follow-up project ideas and inspiring new stakeholders to follow the lead set by the flagship project.

Despite the collaboration of Managing Authorities (MAs) in the drafting phase, persistent delays in the approval of Operational Programmes and Territorial Just Transition Plans (JTTPs) for coal regions creates problems for the alignment and implementation of Cohesion Policy within Member States and, also, for alignment and comparability across the EU.

Moreover, within the six case study regions, **the establishment of the JTM, including the dedicated JTF, has raised the level of attention to transition in coal and carbon intensive regions and brought about changes to the way Member States programme their use of Cohesion Policy funds.**

For the 2021-27 period, there is an increase in the share of SOs that either explicitly or implicitly cover planned investments into transition topics. Not only have Member states introduced OPs/PAs specifically focused on transition of coal and carbon intensive regions but, also, the development of

TJTPs (a requirement to receive JTF funds) has impacted the design phase of other non-JTF programmes.

Finally, evidence from the six case study regions suggests that **Cohesion Policy instruments were not only used to support short-term responses to the Covid-19 pandemic but, also, that the pandemic has induced some long-term changes in programming for the 2021-27 period.** As part of the short-term response, Cohesion Policy was used as a crisis tool to react to and mitigate the impacts of the pandemic, particularly in the areas of health, employment and education.

Over the longer-term, at least in some regions, reactions to the pandemic can be seen in a greater prioritisation of areas such as labour market, social protection and healthcare in Cohesion Policy programmes for the 2021-27 period.

Key Recommendations

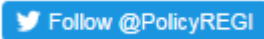
Findings from this study support some key recommendations concerning the interplay between coal regions and Cohesion Policy.

- Policies and instruments to support just transition should accommodate the specific characteristics of each coal region, which may require strengthening regional-level inputs into their design.
- Programming and implementation of Cohesion Policy programmes for 2021-27 should recognise the multidimensional aspects of transition, including environmental rehabilitation and revitalisation of mining sites, and transformation of carbon-intensive installations, together with variable scales of projects from small to large.
- The European Commission, together with relevant national and regional administrations should be encouraged to speed up, monitor and evaluate the implementation of Cohesion Policy for the 2021-27 programming period, including with regard to strict observance of procedures and timelines.
- The fundamental importance and need to strengthen alignment, coordination, and cooperation among Managing Authorities for ERDF, ESF, CF and JTF should be underlined, with the purpose of creating synergies, avoiding duplication of project funding instruments, and enhancing flexibility and availability for beneficiaries.
- Efforts should be made to better inform EU coal regions on the considerable body of good practice examples and lessons for achieving transition in a socially acceptable way, together with informing them of available technical assistance and capacity building instruments supporting just transition, including recently launched facilities such as exchangeEU and TARGET.

Further information

This executive summary is available in the following languages: English, French, German, Italian and Spanish. The study, which is available in English, and the summaries can be downloaded at: <https://bit.ly/3GFBzSK>

More information on Policy Department research for REGI: <https://research4committees.blog/regi/>



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