



# The Just Transition Fund and territorial just transition plans

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# Cohesion policy in the European Green Deal



*“Cohesion Funds play a crucial role in supporting our regions and rural areas from East to West, from South to North to keep up with the transformations of our world.*

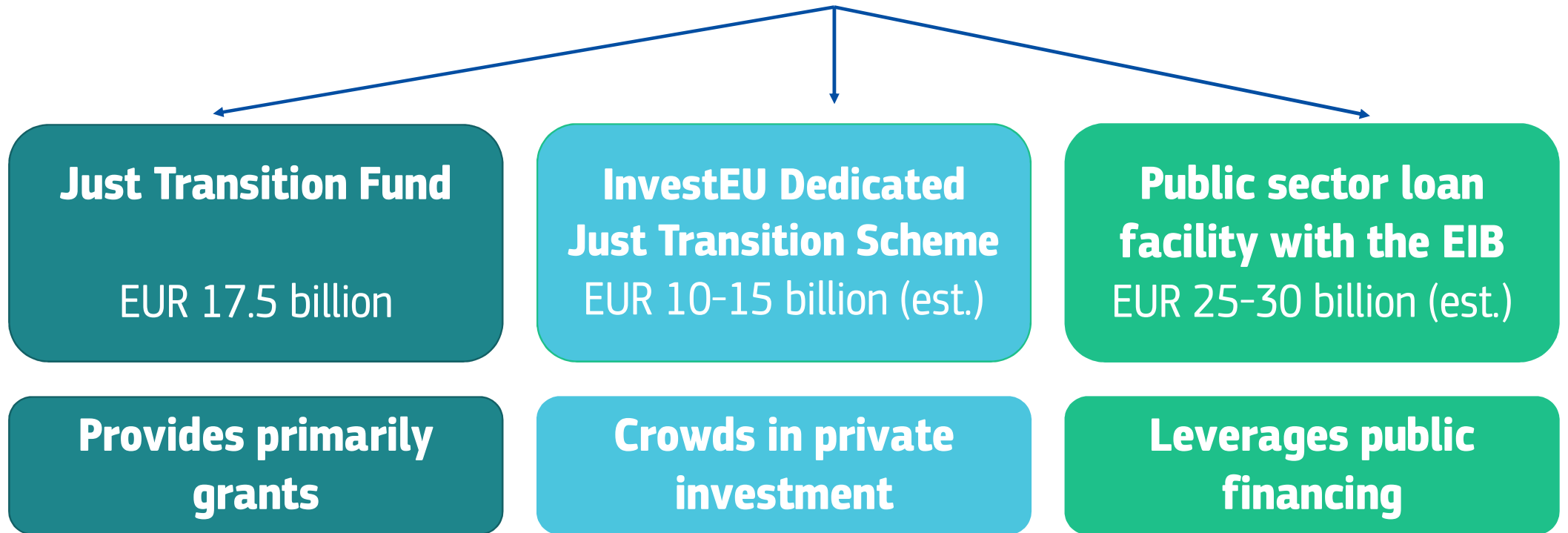
*In this transition, **we must recognise and respect that we do not all start from the same point.** We all share the same ambition but some may need more tailored support than others to get there.”*

-  Investing in place-based innovation and smart economic transformation
-  Deploying technological and social innovation on a large scale
-  Facilitating phase-out of unsustainable practices
-  Ensuring a just transition for all regions

more info: <https://europa.eu/!Tc67vw>

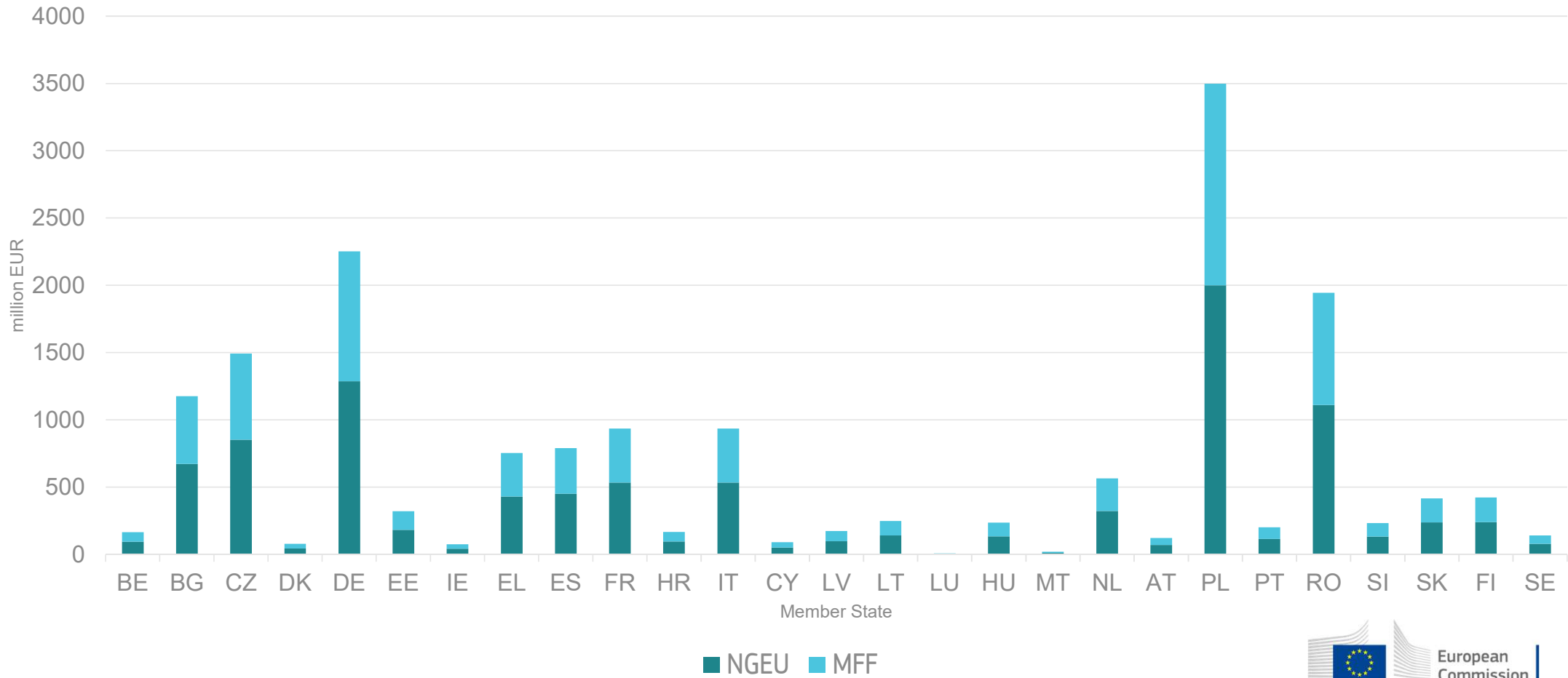
# Just Transition Mechanism

to support and finance regions most exposed to transition challenges in all Member States



The JTM includes a governance framework centered on territorial just transition plans

# Just Transition Fund Allocations



# JTF: focus on regions with significant challenges

## FOSSIL FUELS

fossil fuel mining and extraction will face a significant decline

## CARBON-INTENSIVE INDUSTRIES

highly-greenhouse gas intensive activities will undergo a deep transformation

### Regions and territories highly dependent on these activities will need to:

- restructure their industries
- ensure that new economic activities can keep the economic and social texture together, respecting the environment, and,
- provide the necessary training to the workers concerned to find new jobs.

# Commission recommendations: priority sectors

## COAL / LIGNITE



## PEAT



## SHALE OIL



## PETROLEUM REFINERIES



## FOSSIL FUEL BASED ENERGY PRODUCTION



## METALS



## CHEMICALS



## CEMENT



## FERTILISERS

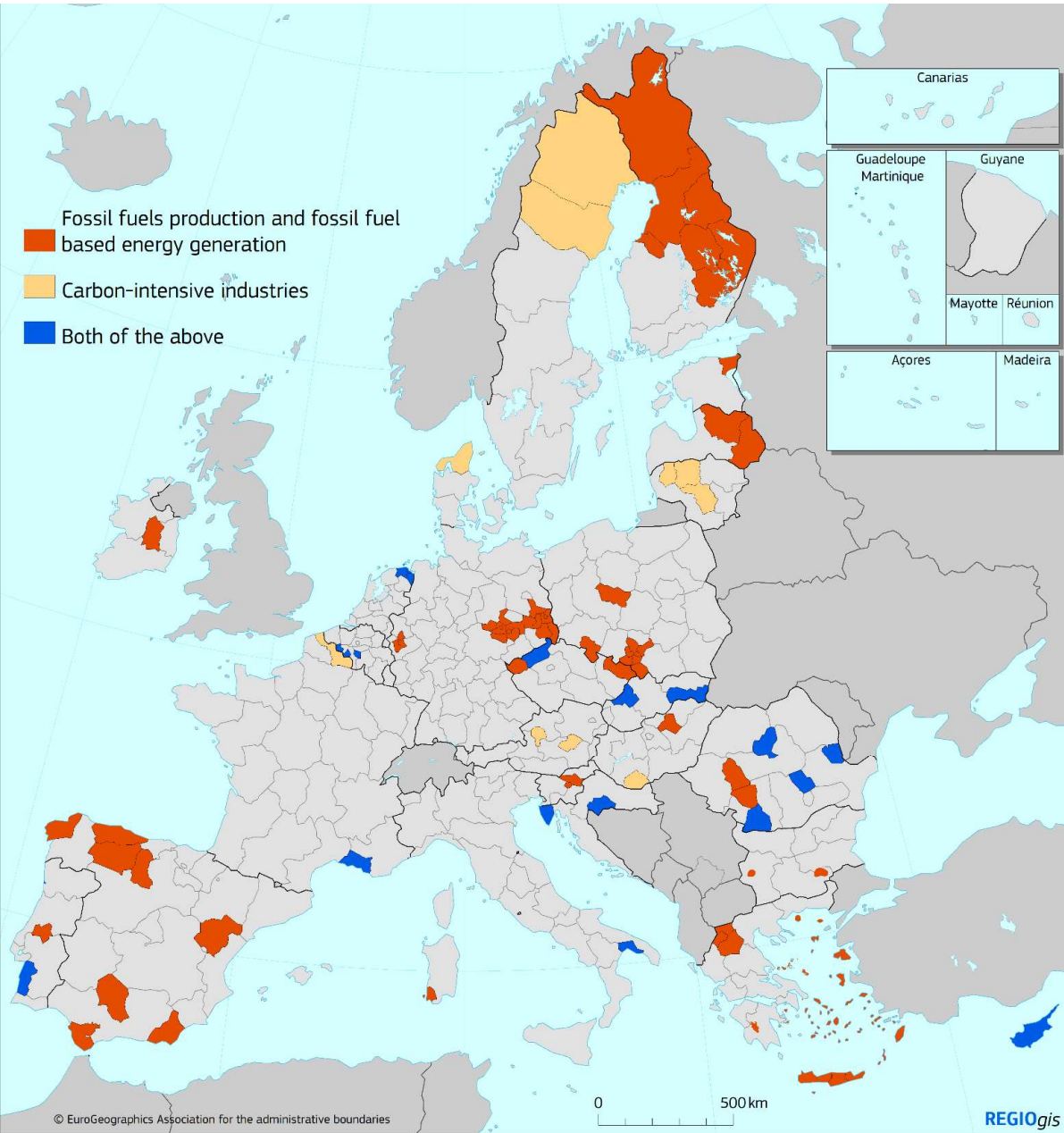


## OTHER



# Commission Recommendations: Geographical Scope

European Semester Country  
Reports 2020, Annex D bis





# Intervention logic of the TJTP

A territory faces social, economic and environmental challenges of the transition towards a climate-neutral economy, because it relies heavily on fossil fuels – especially coal, lignite, peat, oil shale – and/or carbon-intensive industries.

A territory sets out a transition process, which foresees:

1. What will happen with the regional economy and with the economic sectors concerned?
2. Will they be phased out? Or will they have to transform?
3. What is the impact on workers and local communities? How will the economic fabric of the territory be redeveloped?

What activities beyond diversification?

1. Is there a need to support investments in ETS sectors to achieve significant reduction of emissions and preserve jobs?
2. Is there a need to support investments in large enterprises to offset job losses?

# Just Transition Fund: scope of support

## Stronger focus in scope of intervention than other cohesion programmes

- Economic diversification and reconversion
- Re-skilling and job seeking assistance for workers
- Support to climate and environmental sustainability, where this will help mitigate the impact of the transition

## Limited additional eligibility – to be justified in territorial just transition plans

- Productive investments in large enterprises: if needed to offset job losses
- Investments reducing GHG emissions from ETS activities: if needed to preserve jobs

## Exclusion from the scope of support :

- Production, processing, distribution, storage or combustion of fossil fuels excluded from support

Exclusive list of activities defined in Article 8 of the JTF regulation

**Each operation must contribute to the implementation of the territorial just transition plans**

# Looking ahead: lesson learnt from current discussions

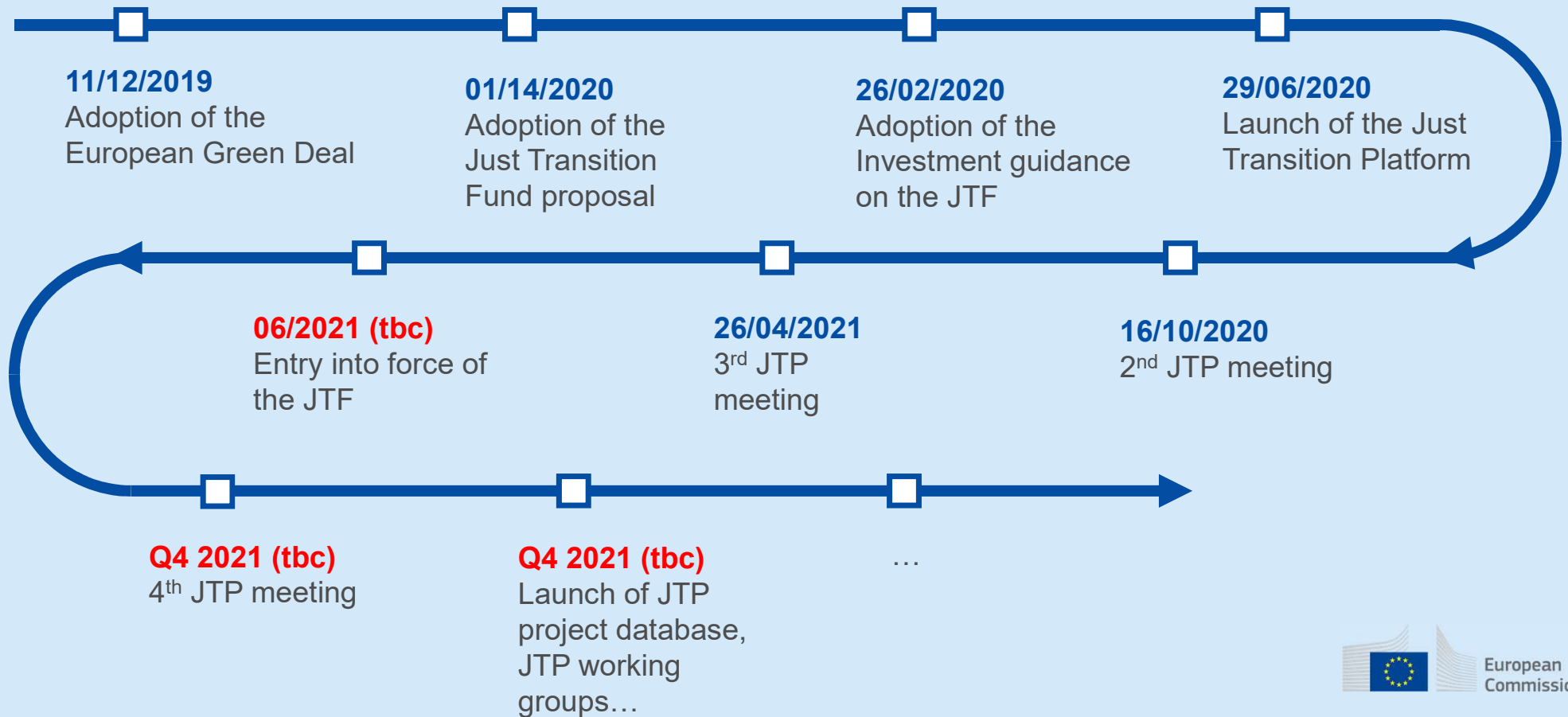
## Strengths

- Impressive investment by local actors and public administrations
- Excellent response to support offered by Commission
- High levels of ambition in many cases
- Willingness to exchange and learn (e.g. Coal Regions in Transition)
- Reflection on new types of transition pathways for carbon-intensive regions

## Weaknesses

- All relevant stakeholders are not always involved in the preparation of the plans
- Socioeconomic objectives are not always clear
- Not always clear which installations are undergoing transition
- In some cases, ERDF+ rather than transition+
- « Do no significant harm »
- The needs for economic diversification and skills should be well developed
- Complementarities with JTM pillars 2 and 3 sometimes underdeveloped

# Timeline



# Contact



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