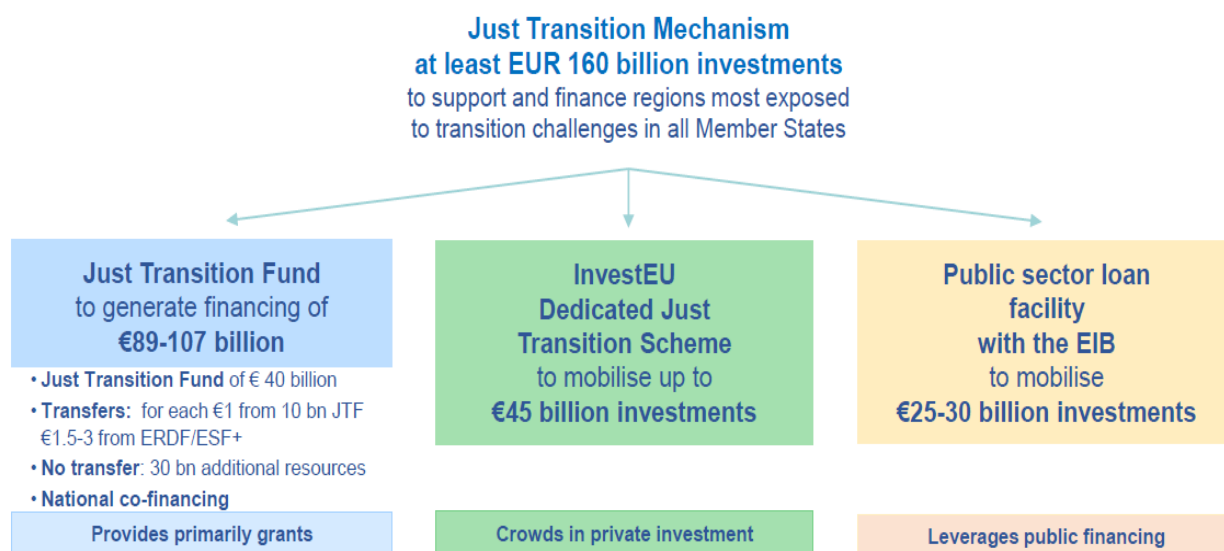


Just Transition

Just Transition Mechanism

The Just Transition Mechanism is a new funding instrument of the EU that has been announced by the Commission President Ursula von der Leyen as part of the European Green Deal. To ensure no one is left behind, the Just Transition Mechanism will mobilise at least **€100 billion of investments over 2021-2027** with financing coming from the EU budget, co-financing from Member States as well as contributions from InvestEU and the European Investment Bank (EIB). Extrapolated over ten years, the Just Transition Mechanism will mobilise around €143 billion.



(Source: European Commission)

The Just Transition Mechanism will focus on the social and economic costs of the transition in the most impacted regions and finance projects ranging from creation of new workplaces through support to companies, job search and re-skilling assistance for jobseekers who lost employment due to the transition, but also renovation of buildings and investments in renewable energy, district heating networks and sustainable transport.

Just Transition Fund

The Just Transition Fund is the first pillar of the Just Transition Mechanism. The fund will be equipped with **€40 billion*** (as of July 2020 this is the final number proposed by the European Commission, subject to the MFF negotiations). This amount corresponds to fresh money made available to support EU countries in their transition, out of which €10 billion should come from budget appropriations, while the remaining additional resources of €40 billion, covering the period from 2021 to 2024, will constitute external assigned revenue stemming from the European Recovery Instrument.

Just Transition

Objective

The fund will support the economic diversification and reconversion of the territories concerned. This means backing productive investments in Small and Medium-sized Enterprises, creation of new firms, research and innovation, environmental rehabilitation, clean energy, up- and reskilling of workers, job-search assistance and active inclusion of jobseekers programmes, as well as the transformation of existing carbon-intensive installations when these investments lead to substantial emission cuts and job protection.

The process

To access the funds, Member States will have to submit their **Territorial Just Transition Plans** to the European Commission. EU countries will need to identify the territories and sectors eligible for funding under the Just Transition Fund. The identification of these territories will be carried out through a dialogue with the Commission. It will draw on the analysis provided in the context of the European Semester and in particular on the Commission's proposal for priority regions and sectors in terms of eligibility, as laid out in the Annex D of the 2020 European Semester Country Reports.

The approval of the plans by the Commission will open the door to dedicated financing not only from the Just Transition Fund but also from the dedicated just transition scheme under InvestEU and the EIB public sector loan facility. The plans will be annexed to the Cohesion Policy programmes entailing support for the Just Transition Fund and will be adopted by the Commission together with these programmes.

Instruments

[The Just Transition Platform \(JTP\)](#) will be launched to help Member States to draw up their territorial Just Transition Plans and access funding from the over €150 billion Just Transition Mechanism. This online Platform will provide technical and advisory support for public and private stakeholders in coal and other carbon-intensive regions, with easy access to information on funding opportunities and sources of technical assistance. The Platform will ensure that the €40 billion (in 2018 constant prices) proposed under the Just Transition Fund is channelled to the right projects and that no region is left behind. The platform will provide:

- **Technical and advisory support** to Member States and regions, including on the operationalisation of the territorial Just Transition Plans and the building of pipelines of projects for the Just Transition Mechanism;
- **A web-based single access point**, including the possibility to contact the Commission with technical and administrative questions related to just transition;
- **Sharing of information, experience and knowledge** for fossil fuel and carbon-intensive regions, with dedicated project and expert databases;
- **A forum for dialogue on just transition** involving local and national stakeholders, social partners, public authorities and EU institutions.

Just Transition

Challenges

The issue of the soon to be established fund is related to the finance and reallocation of resources. It needs to have a comprehensive analysis of what the new fund must bring in, going beyond any simple redistribution of existing EU finances. Moreover, the Just Transition Fund must be viewed as an important part of an overarching and holistic strategy to address climate change and its impact on workers and society. It needs to have a comprehensive strategy and the right implementation tools.

Nonetheless, when distributing the allocation to its Member States and regions that fit that scope of purpose, a rigorous set of condition for a phase-out of coal should be applied.

Geothermal energy projects

Within the scope of the proposed Just Transition Fund, a number of solutions can be identified in order to tackle the consequences for regional economies and its coal workers. The transition will involve the processes of reskilling and retraining workers and helping them find alternative jobs. In this context, geothermal energy has a key role to play, as it can provide new jobs as a result of diversification of the local economy and tapping into the potential of the renewable energy sector. Former mine sites can be reconverted to renewable energy generation, including geothermal energy.