



**Platform on Coal
and Carbon-Intensive Regions
Terms of Reference**

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Introduction

The Commission has recently proposed a host of measures to "facilitate the clean energy transition" as part of the "Clean Energy for All Europeans" package. Alongside steps to accelerate clean energy innovation, the Commission has also announced that it:

"(...) will examine how to better support the transition in coal and carbon-intensive regions. To this end, it will work in partnership with the actors of these regions, provide guidance, in particular for the access to and use of available funds and programmes, and encourage exchange of good practices, including discussions on industrial roadmaps and re-skilling needs, through targeted platforms."

It was decided at the Project Team Meeting on Enabling Framework on 16 May 2017 that Commissioners involved gave their broad support for initiatives on coal mining regions in transition, with the following three key actions:

"On the coal region in transition initiative, SG will finalise the (1) practical toolkit of existing policies and measures. (2) A new platform should be set up, drawing upon smart specialisation strategies and thus bringing together regional and national representatives, as well as trade unions, industry and civil society. Pilot projects should be launched in a limited number of Member States with the dispatch of first (3) operational country team(s) before the summer, involving SRSS, REGIO, ENER and other relevant services. The involvement of instruments and outreach activities in various policy fields is key."

Overview

This document proposes the way forward on the establishment of a new multi-stakeholder platform to support the economic diversification and technological transition in coal mining and carbon intensive regions.

It covers strategic issues such as vision, mission, objectives and scope, as well as operational issues such as membership, governance and project management.

The proposal is based on the view that the initiative can only be successful if other services are closely involved.

In the pilot phase the activities of the Platform will focus on coal mining regions where coal mining activities are still on-going. The lessons learned should allow the extension of the scope of the initiative to all carbon-intensive regions in the second step.

1 State of Play

1.1 EU coal market trends

Coal production and demand have been in steady decline in the EU over the past few decades - production decreased by 31% between 2000 and 2015 and consumption by 13%.

Over the past years, many EU coal producers, especially in the hard coal sector, have been faced with financial difficulties due to high operating costs, combined with low international coal prices and competitively priced coal imports into the EU.

In 2016 alone closure of coal mines were announced in Spain, Poland and Romania. Spain announced plans to close all of its remaining hard coal mines by the end of 2018, Poland announced the closure of 8 hard coal mines (out of a total of 22), and Romania announced the closure of 4 hard coal mines (out of a total of 6).

In the long-term, as the transition to low-emissions economy accelerates, the EU Reference Scenario 2016 indicates further decline in production and consumption of coal in the EU - 60% drop in production by 2050 and 70% drop in consumption.

1.2 EU Coal mining and carbon-intensive regions

According to JRC estimates coal, including both hard coal and lignite, is currently mined in 41 regions (NUTS-2 level) across 12 Member States.

In addition, JRC-PPDB¹ lists 207 operating coal stations in 21 member states in 2016, with a total capacity of almost 150GW.

Preliminary assessment by JRC indicates that, coal activities of the energy sector in the EU provide direct jobs to about 240,000 people: about 185,000 are employed in the mining of coal and lignite and about 55,000 in coal- and lignite-fired power plants. The number of indirect jobs are of the order of 215,000.

Poland sees the highest employment rate in coal mining (over 99,000), followed by Germany (25,000), Czech Republic (18,000), Romania (15,000) and Bulgaria (12,000).

While coal mining and using regions are easily identified, the concept of carbon-intensive regions has not yet been defined and would require further work based on inter-service dialogue.

¹ The JRC-PPDB is a very comprehensive database of power plants in Europe (that includes a plethora of information, such as location, capacity, fuel, age, technology type, cooling type, estimated efficiencies and other operational parameters), developed by the JRC drawing information from open and confidential sources such as ENTSO-E, Platts and E-PRTR. For more information, see [1]

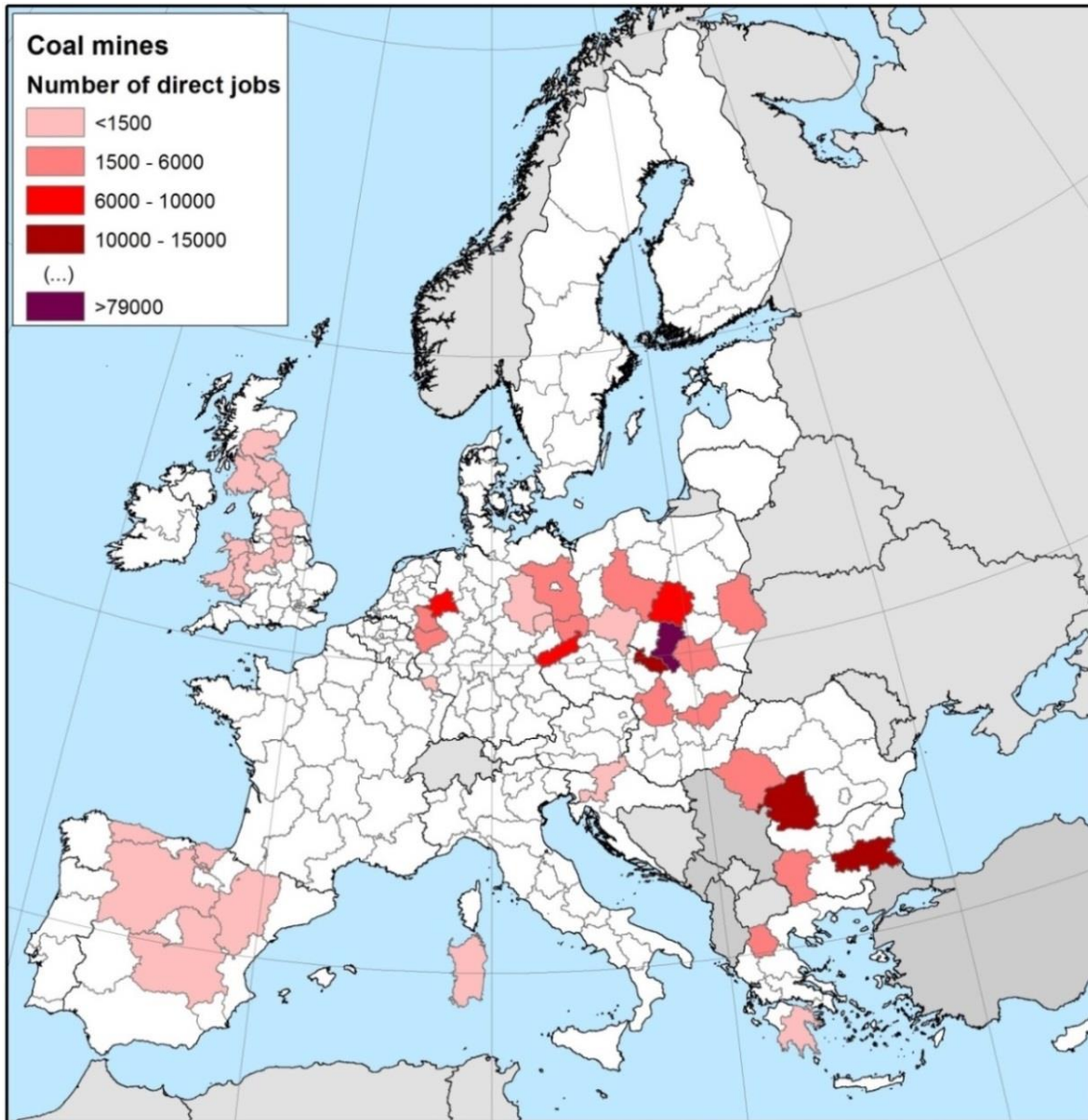


Figure 1: Number of jobs in coal mines in NUTS 2 regions (Source: European Commission, 2017)

2 Challenges

Economic diversification and technological transition in coal mining regions is key for securing long-term growth and jobs in those regions and for enabling effective action to meet climate, environmental and energy policy targets.

Existing EU funds and programmes already support transition of coal and carbon-intensive regions, however given the complexity and urgency of the challenges further efforts and targeting are needed².

In some regions across the EU, forward looking regional development strategies do not directly and specifically address the issue of transition away from coal-based economy and/or from unabated coal use to lower-emission technologies

Coal regions often face air quality problems which lead to negative impacts on human health and costs to society, such as health care costs and cost early retirement, and costs for businesses associated with lost working days and reduced fitness of the work force. Successful transition will reduce health related external costs from air pollution.

Experience has shown that without long-term planning former coal mining regions can suffer from decades of structural unemployment, resulting in social deprivation and a significant burden on public finances.

Given the nature and scale of the related challenges, there is a need for continuous work to prepare and further improve policy frameworks, long-term plans and concrete project ideas to assist coal mining and carbon-intensive regions in the economic diversification and technological transition.

Coal regions in the EU face similar challenges. The EU can add value to the on-going efforts by Member States and Regions by establishing a European platform facilitating the development of strategies and projects with the potential to kick-start the process of diversification and transition. The platform will also provide space for stakeholders to engage in a dialogue on policy frameworks, funding and financing to assist coal regions in taking on the challenges ahead.

² In particular, the programming for 2014-2020 EU cohesion policy has already entailed the preparation of medium to long term regional development strategies for all Member States / regions, including coal mining and carbon-intensive regions. In addition, national or regional smart specialisation strategies have been developed for all cohesion policy programmes that cover investments in research and innovation. The decentralised nature and the requirements of a strategic approach to the programming means that many of the needs of the coal or carbon-intensive regions are already taken into account in the programmes for the 2014-2020 period. These programmes are now at full implementation speed, including a large range of investments contributing to economic diversification as well as to the low-carbon energy transition.

3 Multi-Stakeholder Platform

3.1 Vision

Coal mining and carbon-intensive regions across the EU have growth strategies in place to drive and guide long-term sustainable economic diversification and technology transition, informed by the experience of other regions in the EU.

Projects with the potential to kick-start the process of transformation are identified and implemented with the support of existing EU programmes, funds and financial instruments.

3.2 Mission

The Multi-Stakeholder Platform on Coal and Carbon-Intensive Regions **supports the economic diversification and technology transition in coal and carbon-intensive regions across the EU**, within the limits of EU commitments in implementing the Paris Agreement. It facilitates the development of long-term strategies, formulation of projects and best practice sharing, in particular to help regions attract the necessary investment.

3.3 Objectives

The main objectives of the Platform are to:

- **Enable multi-stakeholder dialogue** on policy frameworks and financing for successful transformation of coal mining and carbon-intensive regions
- **Facilitate the development of strategies and projects in coal regions notably through peer learning and exchange of best practices**, in areas such as investment for structural transformation, growth and jobs and the development of advanced coal technologies, as well as eco-innovative sectors; this could include assistance with refining project ideas and implementation strategies, including feedback on relevant EU policies, programmes, funds and financing instruments through focused discussions with EC and External Experts.

3.4 Target regions

In the pilot phase the activities of the Platform will focus on coal mining regions where coal mining activities are still on-going. The lessons learned should allow extension of the scope of the initiative to all carbon-intensive regions in the second step.

3.5 Members

Membership of the Platform is composed of:

- Stakeholders with an interest in successful economic transformation of relevant regions
- EC and External Experts

The following **Stakeholder** Groups have been identified:

- Regional and National authorities (41 Regions across 12 Member States + cities)
- Coal and coal-based industry
- Business community (e.g. relevant project developers, regional chambers of commerce and development agencies)
- Trade Unions
- Academia
- NGOs working in the areas of "Just Transition", climate, environment and in particular air quality

The **EC Expert Group** will include representatives from the following DGs/services: Directorate-General for Energy (DG ENER), Directorate-General for Regional and Urban Policy (DG REGIO), Directorate-General for Research and Innovation (DG RTD), Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL), Joint Research Centre (JRC), Directorate-General for Climate Action (DG CLIMA), Directorate-General for Environment (DG ENV), Directorate-General for Competition (DG COMP), Directorate-General for Agriculture and Rural Development (DG AGRI), Directorate-General for Economic and Financial Affairs (DG ECFIN), Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), the European Commission's Secretariat-General (SG) and its Structural Reform Support Service (SRSS).

External Experts with relevant expertise and knowledge will be invited and will include representatives of financial institutions, think tanks and energy sector institutes and technology platforms.

3.6 Work streams and Deliverables

Members of the Platform and relevant decision-makers and stakeholders meet during an **Annual Dialogue on Coal Regions in Transition**.

The substantial part of the work will be carried out by Platform Working Groups which will:

- (1) facilitate dialogue on good practices, project ideas and regional strategies
- (2) hold project-focused labs to discuss concrete projects with the participation of Commission and external experts who will provide information on relevant EU policy frameworks, funds, programmes and financing tools.

Working Groups

One Working Group will focus on **Post Coal Economy and Structural Transformation**. It will cover projects and strategies covering the economic transition of the regions, with smart specialisation at the core. Specific projects discussed in this context could include activities such as re-cultivation of coal mining sites, use of former coal mine assets in farming or renewable energy production or projects in other economic sectors with long-term growth potential.

The second Working Group will focus on strategies and projects in the area of **Clean air, eco-innovation and energy system transformation**. It will cover projects and

strategies focusing on the improvement of air quality and energy technologies – including advanced coal technologies – which are compatible with the long-term vision of decarbonisation of the European economy.

The Clean air, eco-innovation and energy system transformation working group replaces the Annual Coal Dialogue.

Both Working Groups are chaired by Commission representatives at Director level.

The exact scope of work, description of tasks and deliverables of Platform Working Groups are listed in the table below.

	Platform Working Group on Post Coal Economy and Structural Transformation	Platform Working Group on Clean air, eco-innovation and energy system transformation
Chair	Co-chaired by DG REGIO and DG ENER (JRC, EMPL closely involved)	Co-chaired by DG ENER and DG RTD (JRC closely involved)
Key Target Group	Regional and national authorities, business, industry, social partners, NGOs	
Role	Support the identification and development of projects and strategies Facilitate sharing of best practices, peer-to-peer learning and new partnerships, among Platform Members.	
Scope of work	This Working Group focuses on strategies, experiences and projects in the area of post-coal economy, such as coal mine closures, regeneration of mining sites, valorisation of coal mining assets and re-skilling of workers, and on long-term structural transformation including the development of new sectors of economic activity and accompanying infrastructure, with smart specialisation at the core.	This Working Group focuses on projects in the area of clean air (including eco-innovation) and energy system technologies, including advanced coal technologies, which are compatible with the EU's long-term commitments to decarbonise the European economy.
Role of EC Experts	Provide project-specific feedback on relevant EC policy instruments, programmes, funds, financial instruments and relevant EU legislation and rules. Provide feedback for the refinement and implementation of projects and strategies.	
Meetings 2018	3 meetings in February, June and October	3 meetings in February, June and October
Deliverables 2018 /2019	(1) Report on Best Practices (2) Toolkit/Guidance on the use of EU funding and programmes to support transition in coal and carbon-intensive regions and on the application of the smart specialisation approach for long-term structural transformation of coal regions in transition	(1) Inventory and mapping of advanced energy and clean air technologies and projects (2) Best practices on eco-innovation and clean air strategies for coal regions
	<u>Identification and progress on projects in Pilot Regions³</u>	

³ Pilot Regions to be identified by the Commission based on the degree of advancement in the preparatory work on structural change and technological transition and to be designated by Member States through the Country Team process.

3.7 Governance and Project Management

The Platform is led by DG ENER, in close cooperation with DGs REGIO and RTD who co-chair the Working Groups, as well as JRC who provide the scientific basis. The Secretariat of the Platform is embedded in DG ENER and is responsible for day-to-day operations associated with the Platform including internal and external coordination and outreach.

The two Working Groups report to the Annual Dialogue. EC officials with expertise in relevant areas are invited to join the Working Groups.

Coordination

Coordination of activities is ensured via an Inter-Service Group on Coal Regions in Transition including the following DGs/services: SG (including SRSS), ENER, REGIO, JRC, EMPL, RTD, CLIMA, ENV, GROW, COMP, AGRI, ECFIN. The ISG is run by SG, while ENER is responsible for inter-service activities associated with the work of the Platform, including meetings, consultations and calls for experts.

What is the input from Commission Services?

- ENER provides the lead and coordination on the Platform activities including organisation of the annual dialogue and working group meetings, initial drafts of agendas, outreach and participation of stakeholders, review and timely delivery of reports.
- JRC –provides the scientific basis for the Platform, including drafting of reports (to be confirmed).
- REGIO co-chairs the Working Group on Post Coal Economy and Structural Transformation, contributes to the formulation of agendas, identification of best practices and projects.
- RTD co-chairs the Working Group on Clean air, eco-innovation and energy system transformation, contributes to the formulation of agendas, identification of best practices and projects, ensures coherence with the Accompanying Measure COALTECH2051 which foresees the establishment of a Platform on Coal Technologies.
- CLIMA, ENV, SRSS, COMP, GROW, EMPL, ECFIN and AGRI contribute to the work of the Working Groups.

3.8 Timeline

The timeline foresees:

- One Annual Dialogue on Coal Mining Regions in Transition
- Up to three meetings of each of the Working Groups in Brussels
- Deliverables in the form of reports and a toolkit in 2018 and 2019

Other Commission activities/studies linked to Coal Mining Regions in Transition are being discussed outside of the Platform activities, including:

- Operational Country Teams – ongoing in Slovakia, Poland, Greece, planned for Czech Republic, Bulgaria Romania and Spain (coordinated by the Commission's Secretariat-General with the support of DG ENER)

- 1 Horizon 2020 action under the 2018-2020 Work Programme (lead DG ENER). The Action will explore the scale of the transition challenge in coal and carbon-intensive regions, their future growth potential and recommend concrete investment and re-skilling strategies which take into account the specificities of those regions and affected workers.
Budget: *EUR 1M*
- 2 European Parliament Preparatory Actions representing a total value of *EUR 3M*.
- 1 Horizon 2020 Coordination and Support Action under the 2018-2020 Work Programme (lead DG RTD). This Action will focus on supporting coal mining regions in developing smart specialisation strategies.
Budget: *EUR 2M*
- 1 Accompanying Measure under the Research Fund on Coal and Steel to prepare the establishment of a Coal Technology Platform – COALTECH2051 (lead DG RTD)
Budget: *EUR 0,4M*

The Commission's inter-service group working together with the Secretariat of the Platform will ensure coherence and synergies between the various initiatives.

Annex: Coal Mining Regions

NUTS-2	NUTS name	Country
BG34	Yugoiztochen	Bulgaria
BG41	Yugozapaden	Bulgaria
CZ08	Severozápad	Czech Republic
CZ04	Moravskoslezsko	Czech Republic
DEA3	Münster	Germany
DEA2	Köln	Germany
DEA1	Düsseldorf	Germany
DEC0	Saarland	Germany
DE40	Brandenburg	Germany
DED2	Dresden	Germany
DEE0	Sachsen-Anhalt	Germany
DED5	Leipzig	Germany
EL53	Dytiki Makedonia	Greece
EL65	Peloponnisos	Greece
HU31	Észak-Magyarország	Hungary
ITG2	Sardegna	Italy
PL22	Śląskie	Poland
PL21	Małopolskie	Poland
PL31	Lubelskie	Poland
PL11	Łódzkie	Poland
PL51	Dolnośląskie	Poland
PL41	Wielkopolskie	Poland
RO41	Sud-Vest Oltenia	Romania
RO42	Vest	Romania
SK02	Stredné Slovensko	Slovakia
SI03	Vzhodna Slovenija	Slovenia
ES24	Aragón	Spain
ES12	Principado de Asturias	Spain
ES41	Castilla y León	Spain
ES42	Castilla-La Mancha	Spain
ES21	País Vasco	Spain
UKC2	Northumberland and Tyne and Wear	United Kingdom
UKE3	South Yorkshire	United Kingdom
UKE4	West Yorkshire	United Kingdom
UKE2	North Yorkshire	United Kingdom

UKF1	Derbyshire and Nottinghamshire	United Kingdom
UKM3	South Western Scotland	United Kingdom
UKM2	Eastern Scotland	United Kingdom
UKG2	Shropshire and Staffordshire	United Kingdom
UKL2	East Wales	United Kingdom
UKL1	West Wales and The Valleys	United Kingdom
