

Platform for coal regions in transition

# COVID-19 in European coal regions

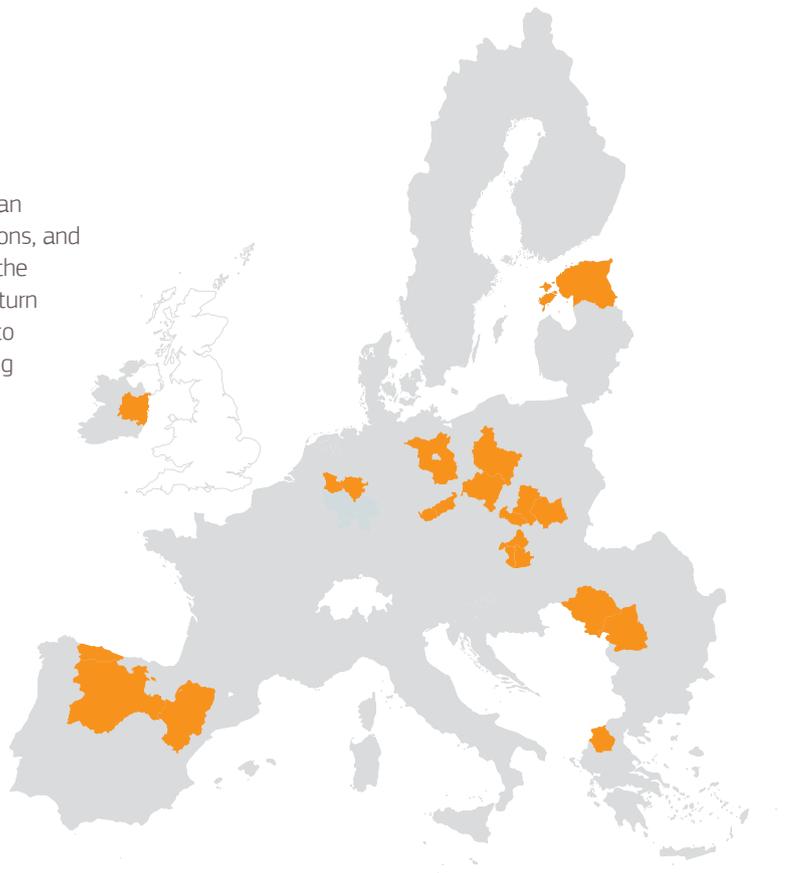
Collecting information and opinions on the issues, challenges and experiences of Europe's coal regions during the COVID-19 pandemic.

## Introduction

The coronavirus (COVID-19) pandemic has created an unprecedented situation affecting all countries, regions, and communities throughout Europe. Measures to limit the spread of the virus have caused an economic downturn followed by a reduction in energy demand, leading to severe impacts on coal power generation and mining activities and the coal and carbon-intensive regions in general.

In this difficult context, the Secretariat of the Platform for Coal Regions in Transition reached out to the affected regions with a brief survey aimed at collecting information and opinions on the main issues, challenges and experiences of Europe's coal regions resulting from the COVID-19 pandemic. The survey was open from 18 May to 7 June 2020.

25 respondents representing 21 coal and carbon-intensive regions in 10 countries<sup>1</sup> shared the experience from their regions in this survey.<sup>2</sup> The responses received from the regions offer valuable insights that we wish to share here.



## Impacts of the pandemic on the energy and coal sectors

The introduction of lock-down measures and the consequential slowdown in economic activity all over Europe has reduced energy demand. Regions reliant on coal for their energy thus have seen the demand for coal fall drastically. As power plants reduce their energy output, the entire supply chain linked to the power plants has become exposed to the effects and saw a sometimes-drastic slowdown. The ensuing drop in coal prices further exacerbates the financial struggle of mining companies.

Respondents report on manifold and complex problems in the regions. The pre-existing unfavourable conditions are aggravated by the current events, leading to a combination of effects that are hard to mitigate. Indeed, the ongoing coal-phase out already presents many regions with immense challenges, for example economic diversification, or depopulation, which are now compounded by the impacts of the economic downturn.

While the situation continues to unfold, very concrete impacts on the communities in coal and carbon-intensive regions are already visible. Respondents from at least four

regions confirmed that large numbers of workers have been laid-off in the energy sector, temporarily or permanently.<sup>3</sup>

It was repeatedly mentioned that the pandemic not only affects the energy sector but poses a larger risk to the transition. The general economic impact also threatens the diversification efforts. Sectors that form an important part of the regional economy beyond the coal and energy sector are suffering as well. For example, Czech regions observed impacts on the tourism industry, and connected services sectors, which are important pillars of the diversified regional economy.

<sup>3</sup> As of early June, respondents provided the following information on redundancies: Peat industry in the Irish Midlands laid off 200 people temporarily; Karlovy Vary coal mine company announced redundancy of 800-1000 people; Estonian oil shale industry has laid off about 100 workers; In a mine in Wielkopolska around 240 layoffs are planned.

<sup>1</sup> 20 European regions at NUTS 2 level and one region in the United States.

<sup>2</sup> A full list of respondent regions can be found at the end of this report.

On a more positive note, positive impacts were also noted. As smaller quantities of fossil fuels are being burned, emissions have been significantly reduced and air quality improved. In specific cases, this may also help to mitigate some of the financial consequences as energy companies will need to acquire fewer CO<sub>2</sub> emission allowances.

## Measures by public authorities and at company level

The coal and energy sector in a majority of regions were able to draw on the support programmes of the regional and national public authorities. Respondents listed a variety of measures ranging from government subsidies to the energy companies, special loans and new financial instruments, support directly to affected workers, special unemployment subsidies for those who lost their job, to aid to households on energy bills.

In an effort to limit lay-offs, affected companies have reduced working time as a temporary measure in at least six different regions in Poland, Spain, Czechia, Germany, Slovakia. This reduction has been accompanied by lower wages, thus easing the financial pressure on the affected companies. In several cases, such as in Polish regions, trade unions and company management have come together to successfully work out these agreements. Public administrations in affected regions may follow suit. In Upper Nitra (Slovakia) for instance, the municipal administrations have equally reduced work-time and adapted salaries for their staff.

While these such measures may have managed to reduce mass layoffs in some cases, at least seven respondents reported that collective redundancies had already been announced in response to the reduced activity levels. Among the affected regions are Upper Silesia, Upper Nitra, Wielkopolska, Karlovy Vary, as well as the peat and shale oil operations in the Irish Midlands and Estonia respectively.

Meanwhile, many respondents highlight that a slew of measures have been introduced to ensure the health and safety of the employees. These include mandatory wearing of face masks, working from home where possible, large scale testing of workers where possible. The later measure concern primarily the Polish regions where the mines have become a hotspot for COVID-19.

In the Czech case, the energy and coal sectors and their supply chains have been considered critical infrastructure to ensure energy security. As a result, very specific measures have been implemented. For example, employees of power plants stayed on their job-sites for longer periods, to avoid the risk of infected at home.

## Decisions relating to the closure of coal mines and coal power plants

Asked whether public authorities or companies in the coal supply chain announced any decisions relating to the closure of coal mining activities or coal power plants, regions have diverging answers.

Four regions confirmed their intention of closing specific mining sites and plants earlier than was initially planned before the pandemic. Among them are Czech regions, Asturias, Aragon, and Silesia.

Most notable is the large-scale temporary shut-down of Polish coal mines. Recently, Poland announced that 12 of its coal mines will be closed for at least three weeks until the end of June. While closures in some regions have been motivated by the economic downturn, the latest decision of temporary closures in Poland is mostly driven by an effort to contain the spread of the pandemic. In fact, the coal mines have become a major hotspot for coronavirus infections. Silesia has registered more than a third of all COVID-19 cases identified in Poland.

On the other hand, authorities, and companies in Karlovy Vary, Western Macedonia, and West Virginia (US) consider postponing any potential closures of mining activities to avoid layoffs in the middle of the economic downturn and thus mitigate the impacts on the region.

Nonetheless, many regional representatives mentioned that no major decisions regarding the plans for coal mines and power plants had been made at this stage. Neither is the long-term fate of sites that have been closed temporarily known.

## Suggestions of good practices of measures taken in response to the pandemic

It may be too early to assess with certainty which measures are effective in limiting the spread of virus and mitigating the economic and social shock experiences by the coal regions. Several respondents pointed out an evaluation in the medium term will be necessary to assess which measures that worked well. Nonetheless several suggestions have already been made by the regional representatives.

Generally, regions agreed on the importance of implementing adequate health and safety measures, such as wearing face masks and social distancing.

Meanwhile, the examples of close collaboration between all involved stakeholders to get to an agreement that may mitigate the effects of the pandemic on the affected communities in coal regions could serve to inspire other regions. A direct information line and involvement of

all stakeholders has helped multiple regions, such as Brandenburg, implement the shut-down measures effectively.

Further ideas include the creation of a facility to provide remote psychological assistance, such as was set up in Silesia. Another inspiration comes from Asturias, where a former coal mine and its facilities are used for the storage of medicine and medical equipment. Meanwhile, a reskilling programme in the Appalachian region has adjusted its focus towards addressing urgent needs of the community, such as making masks, hospital beds and focussing on production and agriculture. In the Ruhr region, the rehabilitation and greening of former mining sites provided a useful asset in the context of the pandemic where citizens are restricted to their local environment.

## Suggestions for topics for future meetings and activities of the Platform

Respondents expressed a keen interest in exchanging views on how the pandemic and the ensuing economic slowdown impacted the different coal regions. Participants are interested in learning more about how each region is responding to the challenges, and what measures, tools and funds can be deployed.

Furthermore, the Platform participants are keen to learn more about the measures to be taken at European level to address the challenges in the regions. Unsurprisingly, the plans for the European economic recovery and access to emergency funding, the role of the Green Deal and the Just Transition Mechanism remain the most requested topics for the upcoming meetings.

Several more related questions could be discussed by the Platform: Regions suggested many more topics to be discussed by the Platform: achieving a sustainable economic diversification; resilience towards future shocks; securing energy supply across borders in Europe; Digitalisation of mining regions and the energy sector; exchange of best practice projects; rebuilding the competitiveness of the regions.

We invite you to participate in the upcoming event where we aim to address these questions. Registrations are open for the [Launch of the Just Transition Platform - Coal Regions in Transition virtual week and Carbon Intensive Regions seminar](#).

## Overview of survey respondents

Country	Regions (as indicated by respondents)	NUTS 2	Region
Czechia	country-wide	CZ	
	Moravia-Silesia	CZ08	Moravskoslezsko
	Karlovy Vary Region (Karlovarský kraj)	CZ04	Severozápad
	Usti Region	CZ04	Severozápad
Estonia	North East Estonia (Ida-Viru region)	EE00	Eesti
Germany	Land Brandenburg; Region of Lusatia	DE40	Brandenburg
	Ruhr Metropolis, NRW, Germany	DEA5	Arnsberg
		DEA1	Düsseldorf
Greece	Western Macedonia	EL53	δυτική μακεδονία
Ireland	Midland Region	IE06	Eastern and Midland
Poland	Silesia (across voivodships)	PL51	Dolnośląskie
		PL52	Opolskie
		PL22	Śląskie
	Wielkopolska Region	PL41	Wielkopolskie
	Silesian Voivodship	PL22	Śląskie
	Malopolska	PL21	Małopolskie
	Upper Silesia and Zagłębie Region	PL21	Małopolskie
		PL22	Śląskie
	Dolny Slask, Powiat Zgorzelecki	PL51	Dolnośląskie
Romania	Gorj County - Oltenia Region	R041	Sud-Vest Oltenia
	Petrosani Municipality, Hunedoara County	R042	Vest
Slovakia	Upper Nitra	SK02	Západné Slovensko
Spain	Castilla y Leon	ES41	Castilla y León
	Aragón	ES24	Aragón
	Asturias	ES12	Principado de Asturias
United States	West Virginia, Appalachia Region	N/A	

**25 respondents total / 20 different NUTS 2 regions**

**Total** 18 from regional/local public authorities, 4 from National public authorities, and 3 from others.

## Platform for coal regions in transition

The Platform for coal regions in transition is an initiative by the European Commission.

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