

CASE STUDY

Regional Development Agency Rhenish Lignite Mining Area

The regional development agency for the Rhenish lignite mining area - Germany's largest lignite mining area - is the key intermediary to steer the transition process away from coal. Its approach to proactively shape the future of the region reaches back more than a decade. Today it serves as a key platform for managing the structural change in the region.

DESCRIPTION

Location: Rhenish region, Germany

Type of coal: lignite coal

GDP: same as the national average

Type of action: regional change agency

Actors: private sector, labour organization, municipality, regional government

Financing conditions: EU fund, state aid, regional budget

Unemployment rate: same as the national average

Population: decreasing and ageing population



KEY POINTS



APPROACH

- Implementing an intermediary agency as the main mechanism for managing structural change in the Rhenish lignite mining region.



CHALLENGES

- Weak mandate and inadequate funding in the beginning.
- Summoning all relevant stakeholders on one platform.
- Overcoming local thinking and individual interests.
- Transforming abstract visions into effective actions.



ENABLING CONDITIONS

- Lead-time of almost 4 years; reliable funding for medium- to long-term projects.
- Continuous meetings on dialogue platform.



ACHIEVEMENTS

- Establishment of a network to get consensus on general pathways and reduce competition among stakeholders.
- Development of in-depth expertise on the regions strengths and weaknesses.
- Becoming the central instrument to steer structural change processes in the region.



FUTURE AGENCY RHENISH REGION

In 2014, municipalities, business associations of the region and the trade union for the industrial sectors mining, chemical industry and energy (IG BCE) joined forces and became shareholders in the newly funded regional development agency 'Innovationsregion Rheinisches Revier', later renamed 'Zukunftsagentur Rheinisches Revier' (Future Agency Rhenish region, ZRR).

Introduction

The Rhenish lignite mining region in western Germany is a rural area with 2.5 million inhabitants, where coal mines and power plants employ 10,000 people. However, the availability of cheap lignite attracted many energy-intensive industries which provide more than 90,000 jobs. More than 10% of all employees in the region work in the sector. Moreover, the extended Rhenish region, including the urban centres of Cologne, Düsseldorf and Aachen is an important industrial location, generating 9.5% of the national gross domestic product (GDP), due to industry and energy-intensive industries. With these numbers in mind, the regional authorities were discussing the future of the region well before Germany's recent coal phase-out plans.

In 2010, the government of North Rhine-Westphalia emphasised starting an "action programme" for the lignite coal region. By that time, hard coal extraction in the Ruhr area had been in crisis for several decades. Extensive structural change support programs have been in place, but largely in reaction to a decline of coal mining due to economic and technological factors. Against this backdrop, and foreseeing that regional jobs in lignite mining would eventually also decrease, the government wanted to explore ways to be proactive.

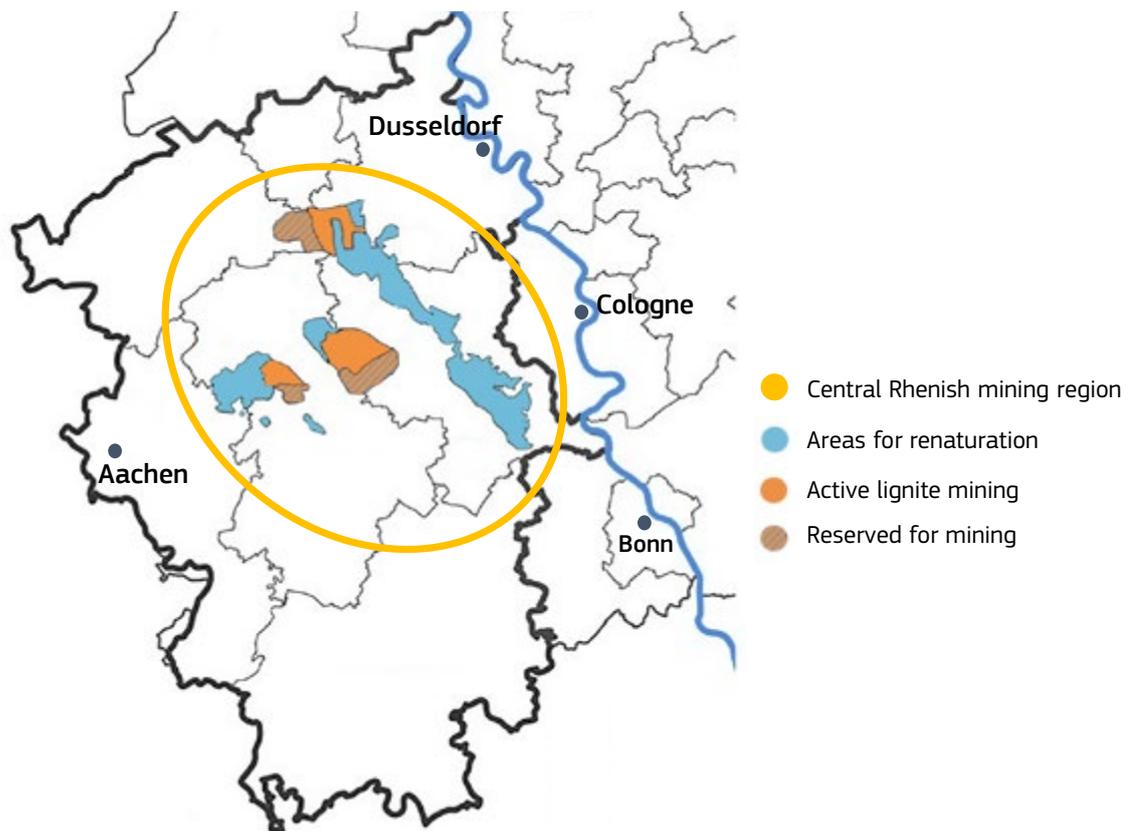
Under the lead of the chamber of industry and commerce in Aachen, the project "Innovation Programme Rhenish Coal Region" was set up to address the anticipated deep structural changes in the foreseeable future. However,

with comparably low funding by the state of North Rhine-Westphalia, and prejudices and concerns by potential stakeholders from the industry and environmental movements, the early years were challenging, as there were many obstacles to develop an appropriate concept for the whole region.

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With additional funding from the European EFRE fund and the state government of North-Rhine Westphalia, the ZRR was able to spend €500,000 every year between 2014 and 2017. In these years, the ZRR carried out the following activities:

- developing a shared vision and a development strategy for the region;
- conducting studies on the prospects of specific industry branches to deepen its understanding of the region;
- organising idea contests and networking events, bringing together different stakeholders at the 'Revierkonferenz' (see organisational structure on page 4).



RHENISH COAL REGION

Key challenges

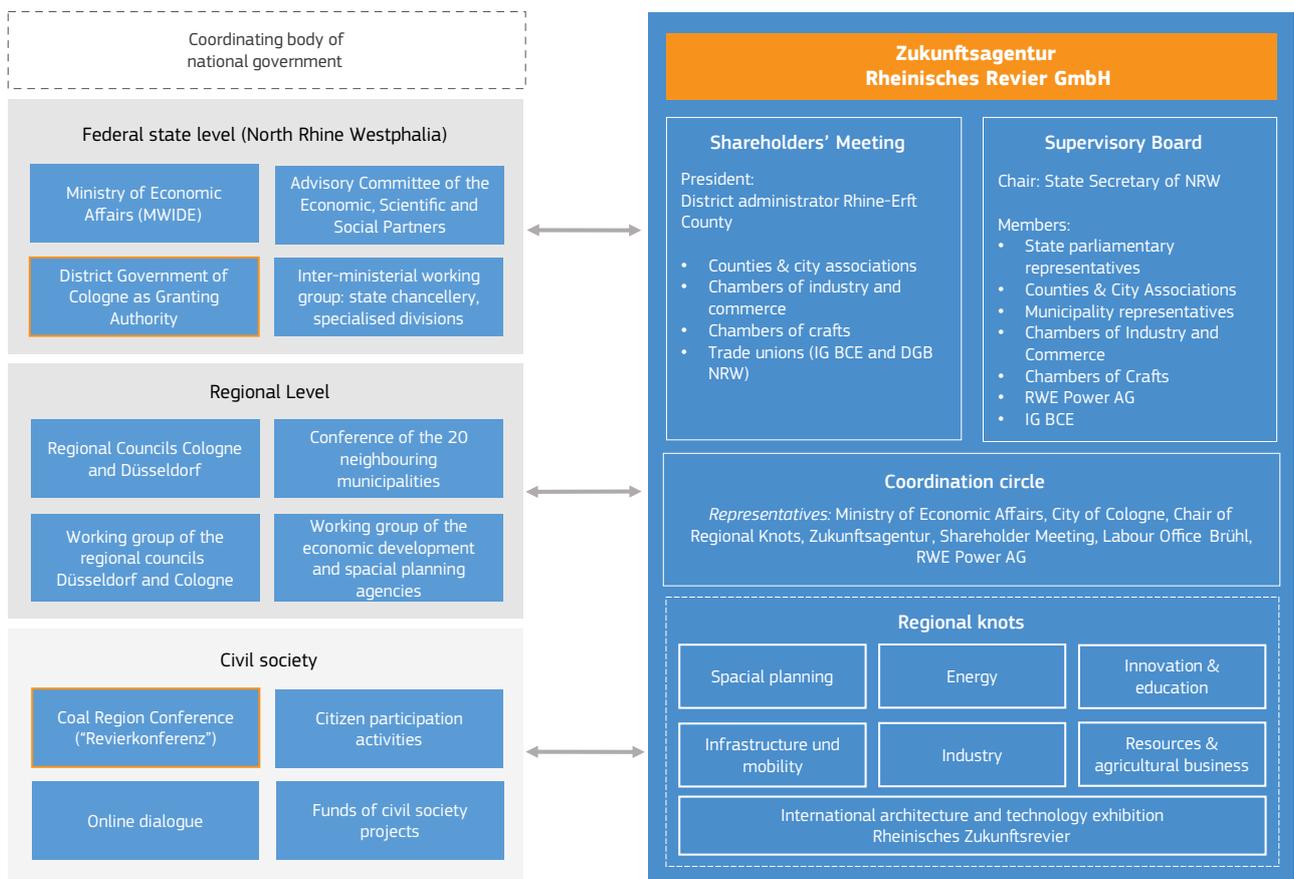
At first, the biggest struggles for the ZRR were a weak mandate and inadequate funding. Moreover, the majority of the regional stakeholders estimated the challenges of a sustainable transition less pressing than today, so it was hard to find support for new ideas and gain local support. Both the weak institutional set-up, and being side-lined by companies, municipalities and others, prevented impact at an earlier stage.

Another criticism facing the ZRR was a missing representation of local municipalities and civil society. Although their interests shall formally be represented by the political representatives of the state and counties ('Landkreis'), the lack of a mandate of their own was seen as a weakness for the representation of local communities. To address this, the ZRR agreed to set up an advisory board with 20 representatives of the neighbouring municipalities of the Rhenish coal region. It will mainly have a consultative function, although three spokespersons of this advisory board will also receive seats and one vote on the executive board. Civil society participation shall be assured – thus it is not formalized in the governing body

of the ZRR - by a variety of platforms such as the public coal region conference ('Revierkonferenz'), online dialogues, meetings with civil society organizations, and activities in the municipalities (see organisational structure on page 4). However, criticism regarding the representation of certain stakeholders is most likely to remain as an ongoing challenge.

Today, with a strong knowledge base, organized stakeholder structures and established collaboration patterns, the region's challenges shifted, concerning project development and implementation. As the ZRR functions as the main mechanism for managing the structural change of the region, a major challenge is to develop targeted measures that are effective and benefiting the overarching goals of decarbonisation while securing jobs and production chains in the existing energy-intensive industry infrastructure. Part of this challenge is also to deal with parochial thinking of the municipalities and districts to secure projects mostly for themselves instead of focusing on the effective distribution of funds for the sake of the whole Rhenish region.

ORGANISATIONAL STRUCTURE OF THE STRUCTURAL CHANGE IN THE RHENISH COAL REGION



Enabling conditions

A prerequisite for the success of the Agency was the early start in 2010. An innovation programme for the Rhenish region was set up to identify how to use the potentials of the region to build a sustainable economic structure, which established the basis of the ZRR. This came to fruition as a result of the coalition contract between the social democrats and green party in North Rhine-Westphalia.

The lead-time of almost 4 years helped to gain knowledge about the region, its strengths and weaknesses as well as how to couple long-term transitions with short-term action. The consistency of the people involved, who were constantly promoting new ideas and sharing their narrative of sustainable alternatives, significantly helped the region bring all relevant stakeholders together and served as an important entry point to mediate between interests of industry, politicians, and civil society.

This consistency was only possible once the ZRR was backed up by reliable funding, that enabled the ZRR to plan medium- to long-term pathways instead of short action plans.

Initially, there were discussions about who should be part of the ZRR and what the appropriate regional scope would be: should the neighbouring big cities such as Cologne be included, or should the activities focus on the core rural mining region and its small towns? There are certainly pros and cons to both approaches. And there is no doubt that the neighbouring cities do offer great economic potential, which needs to be considered in a regional strategy. However, they decided to focus on the lignite mining area itself. The ZRR represents a relatively homogeneous region and can serve as an intermediary between the numerous municipalities in the region and the next higher administrative unite, which is the state of North-Rhine Westphalia.

Achievements

The Zukunftsagentur Rheinisches Revier exemplifies how an intermediary agency can gain momentum and help set up a strong intermediary position in the process of the region's sustainability transition. It built up a network, which successfully lowered prejudices among the many stakeholders of such a transition and helped gain consensus on the general pathway of a coal phase-

out. As a dialogue platform, it also helped to reduce competition among actors, especially between the involved counties and municipalities, who tend to compete against each other to attract businesses and satisfy their local communities.

By managing its own projects, the ZRR gathered in-depth expertise about the region's strengths and weaknesses. One small example is that a process has been started to develop ideas for site conversion for the big power plants. Although their shut-down date was well into the future, various stakeholders in the region started developing ideas of how the existing infrastructure could be used for other purposes.

According to this development, the Zukunftsagentur Rheinisches Revier is now one of the key players in the region managing the transformation process that accelerated with the politically determined end of coal mining in Germany in 2038. It serves as a main coordinating body of the state of North Rhine-Westphalia and the former coal-mining region in managing the structural change process. Its main task is to guide the development of an extensive 'Economic and Structural Programme'. The ZRR will take overall responsibility for the whole process, from planning to implement a structure for project calls and competitions, as well as monitoring and revision tasks. The technical implementation includes a central funding advisory service, the initiation, qualification and moderation of projects as well as the coordination of a selection process.

Aiming to include as much technical expertise as possible, seven thematic regional knots ('Revierknoten') have been established to support the ZRR in the development of the economic and structural programme: industry, infrastructure and mobility; energy, innovation and education; agricultural business and resources; spacial planning and the International architecture; and technology exhibition (see organisational structure above). In each knot, a consortia of experts works on designing the basis of adequate funding programmes. The ZRR supervises the regional knots in the coordination circle and puts special emphasis on the aim of developing and promoting a concrete and directly action-relevant implementation concept for the whole regional transformation process. To this end, the ZRR connects with external experts from science, industry, politics and associations within and outside the region, setting up a formal consultation process which will also include citizen participation approaches.

The first draft of the economic and structural programme has been presented at a regional stakeholder conference on 13 December 2019. It will be followed up by a citizen participation process and will be further developed by regional experts. The final concept shall be adopted by the Zukunftsagentur at the end of 2020.

IMPORTANT LEARNING POINTS

- The implementation of a development agency as a systemic intermediary can help (coal) regions in transition to set up a long-term oriented platform that encompasses a broad range of measures such as creating a vision, developing strategies, mediating between stakeholders as well as planning and executing projects.
- By integrating all actions under one roof, intermediary agencies can develop the strategy for a region based on its specific strengths and challenges.
- A stakeholder network can lower prejudices towards sustainable transition efforts. Such a network also helps to gain consensus on the general pathway for the region as well as it contributes to reduce competition among the public entities within the region.
- The inclusion and public consultation of all stakeholders in a fair and appropriate way is challenging, but key and therefore should be part of the concept from the beginning.
- Reliable institutional funding for medium- to long-term period is crucial to establish structures and scope for deep structural transitions.

Further reading

🔗 [Zukunftsagentur Rheinisches Revier – Website \(in German\)](#)

🔗 [ZRR \(2019\) Economic and Structural Programme 1.0 \(in German\)](#)

🔗 [RWE \(2019\) Structural change and plant repurposing in the Rhenish lignite mining area](#)

Initiative for coal regions in transition

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

ec.europa.eu/coal-regions-in-transition

secretariat@coalregions.eu

[twitter @Energy4Europe](https://twitter.com/Energy4Europe)

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