



EU funding opportunities for the reconversion of industrial regions

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EU COMMISSION PRIORITIES FOR 2019 - 2024:



A European Green Deal

Striving to be the first climate-neutral continent by 2050



An economy that works for people

Working for social fairness and prosperity



A Europe fit for the digital age

Empowering people with a new generation of technologies



Europe in the world

Europe to strive for more by strengthening our unique brand of responsible global leadership



A new push for democracy

Nurturing, protecting and strengthening democracy



Cohesion policy in the EU Treaties

- **Article 174 TFEU:** In order to promote its overall harmonious development, the Union shall develop and pursue its **actions leading to the strengthening of its economic, social and territorial cohesion.**
- In particular, the Union shall aim at **reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.**
- Among the regions concerned, **particular attention shall be paid to** rural areas, **areas affected by industrial transition,** and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.





ERDF in the EU Treaties

- **Article 176 TFEU:** The **European Regional Development Fund** is intended to help to redress the main regional imbalances in the Union through participation in the development and structural adjustment of regions whose development is lagging behind and **in the conversion of declining industrial regions.**



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.'*

EUR 392 billion in 2021-2027 (ERDF, CF, JTF, ESF+) to:



Invest in place-based innovation and smart economic transformation



Deploy technological and social innovation on a large scale



Facilitate phase-out of unsustainable practices



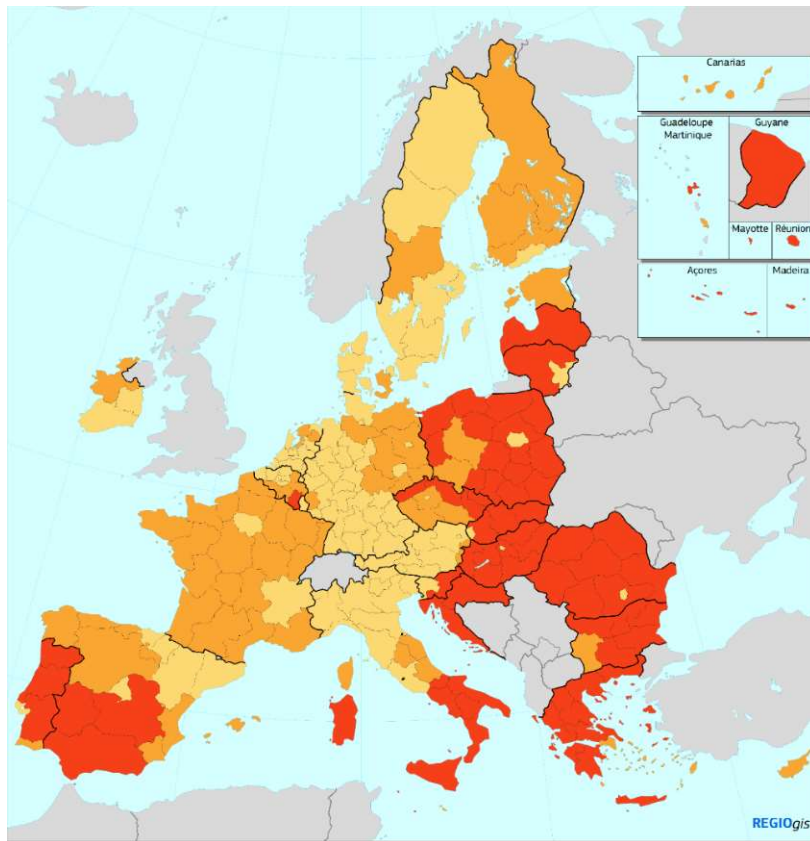
Ensure a just transition for all regions



8 funds, 1 rule book

- European Regional Development Fund
- Cohesion Fund
- European Social Fund Plus
- European Maritime Fisheries and Aquaculture Fund
- Just Transition Fund
- Asylum, Migration and Integration Fund
- Border Management and Visa Instrument
- Internal Security fund

Categories of regions 2021-2027



- Less developed regions
(GDP/head (PPS) < 75% of
EU-27 average)



- Transition regions
(GDP/head (PPS) $75\% \leq X < 100\%$ of EU-27 average)



- More developed regions
(GDP/head (PPS) $\geq 100\%$
of EU-27 average)

Cohesion Policy 2021-2027 – Policy objectives

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)



EU Funding available for industrial transition in all cohesion policy programmes

- More developed regions or MS will dedicate at least 85% of their allocation to PO1 and PO2;
- Transition regions or MSs at least 40% to PO1;
- Less developed regions or MSs at least 25% to PO1.



Smart Specialisation Strategy (S3) as tool for industrial transitions

- Enabling condition « Good governance of national or regional smart specialisation strategy »
 - Operational tool for implementation of innovation
 - Twin transition (digital and green) important in the EU agenda and for smart specialisation
- One of the 7 criteria to fulfill to get funding is to take « **actions to support industrial regions** » with specific focus on **re-skilling of the workforce** and **adapting to the needs of S3 and the demands of entrepreneurship**.



Smart Specialisation Community of Practice and Working group on industrial transition

- Kicked-off in June 2023;
- Aims to develop a systemic approach to industrial transitions by framing technology and innovation in broader societal dynamics and finding instruments that promote experimentation and learning through failure, also adapting skills of workforce to needs;
- Contributes to respond to the needs of regions with hands-on and practical approach: guidance, networking, peer-learning on S3
- With representatives of government, industry, academia and civil society



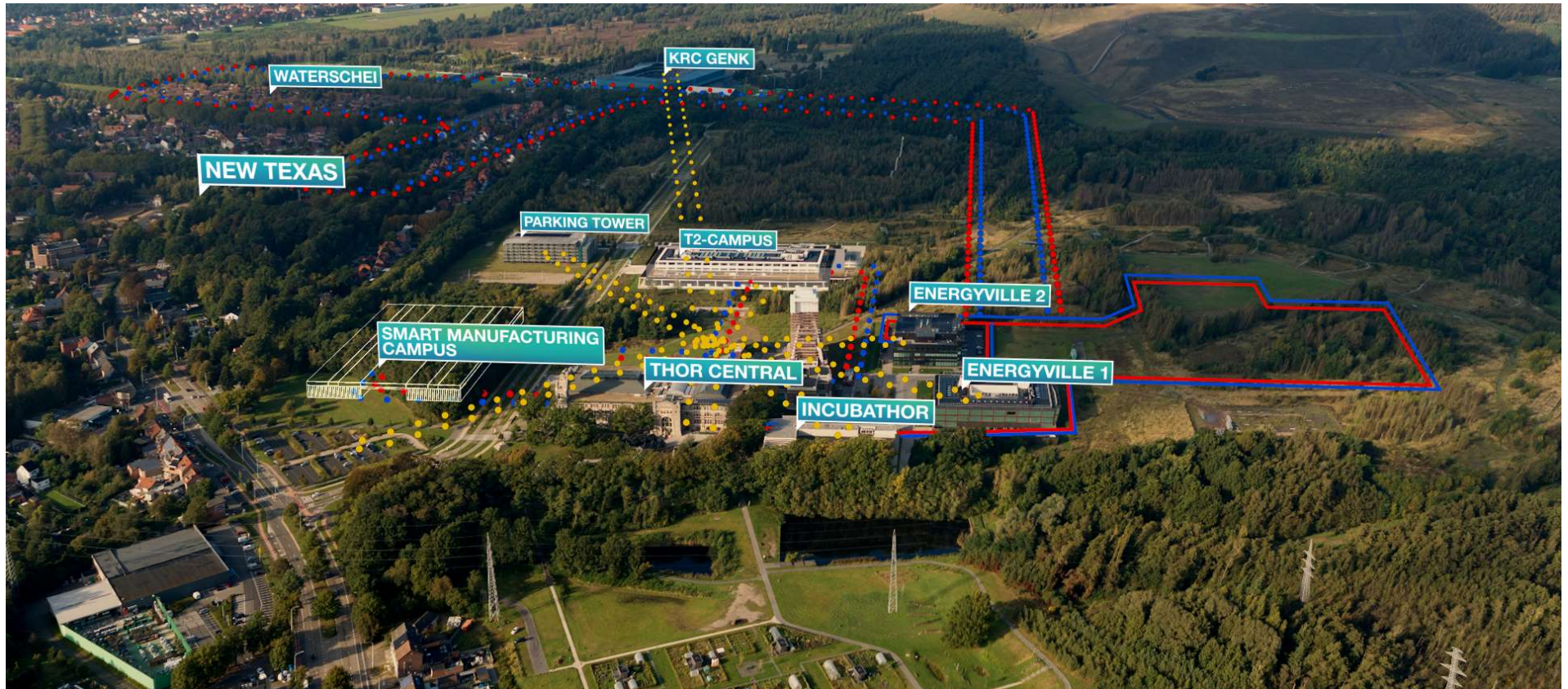
In practice: the example of the Limburg province



- Cohesion policy tool 'Integrated Territorial Investment' (ITI) used by the Limburg province: it allows Member States and regions to develop a specific integrated strategy for a given territory. This allows different European funds, programmes and priority axes to be pooled to address challenges in a specific area.
- The ITI Limburg's activities are based on a strategy: [SALKturbo](#) (strategisch actieplan Limburg in het Kwadraat)

"...Daarmee schrijft Limburg zich in op de Europese, federale en Vlaamse beleidsprogramma's. Limburg heeft het potentieel om te excelleren in deze thema's."

Thor Park : 5.2 Mio ERDF funding



Just Transition Fund



Just Transition Mechanism at least EUR 100 billion investments

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

Just Transition Fund
to generate financing of
€ 25.4 billion

- **New Just Transition Fund** of €19.2 billion
- **National co-financing**

Provides primarily grants

InvestEU
**Dedicated Just
Transition Scheme**
to mobilise up to
€45 billion investments

Crowds in private investment

**Public sector loan
facility
with the EIB**
to mobilise
€25-30 billion investments

Leverages public financing

JTF: Complementary cohesion policy fund to support regions that are most affected by climate transition by alleviating the social and economic costs caused by the transition

- Coal regions (energy production)
- Carbon intensive regions (mining, steel, cement production)
- Does not aim per se at supporting climate transition but contributes to its achievement
- **Scope more restrictive than for industrial transition but JTF can be used for industrial transition of particular economic sectors (coal, steel, mining, cement...)**

Intervention logic for JTF

- **Transition process at national level**, including timeline with key transition steps towards EU 2030 (reduction of 55% of GHG emissions) and 2050 (climate neutrality) climate targets.
- **Evidence of the impact of the climate transition at the level of the concerned territory** (by 2030 or before): **social** (e.g. unemployment, need for reskilling), **economic** impacts (e.g. closure of sites), **demographic, environmental** or **health** impacts
- **Investments that contribute to alleviate these impacts are** in particular **(re)skilling** of people and **economic diversification**, but also renewable energy, sustainable local mobility, digitalisation, soil regeneration, circular economy, social infrastructure.

Main features of the JTF

Embedded in cohesion policy

- Specific objective, distinct from other policy objectives
- Dedicated programmes / priorities
- Transfers from ERDF and ESF+:
 - ✓ Minimum 150% and max 300% (but not more than 20% of each Fund national allocation)
 - ✓ Not taken into account for the thematic concentration
 - ✓ Amounts transferred to be justified in the programming process

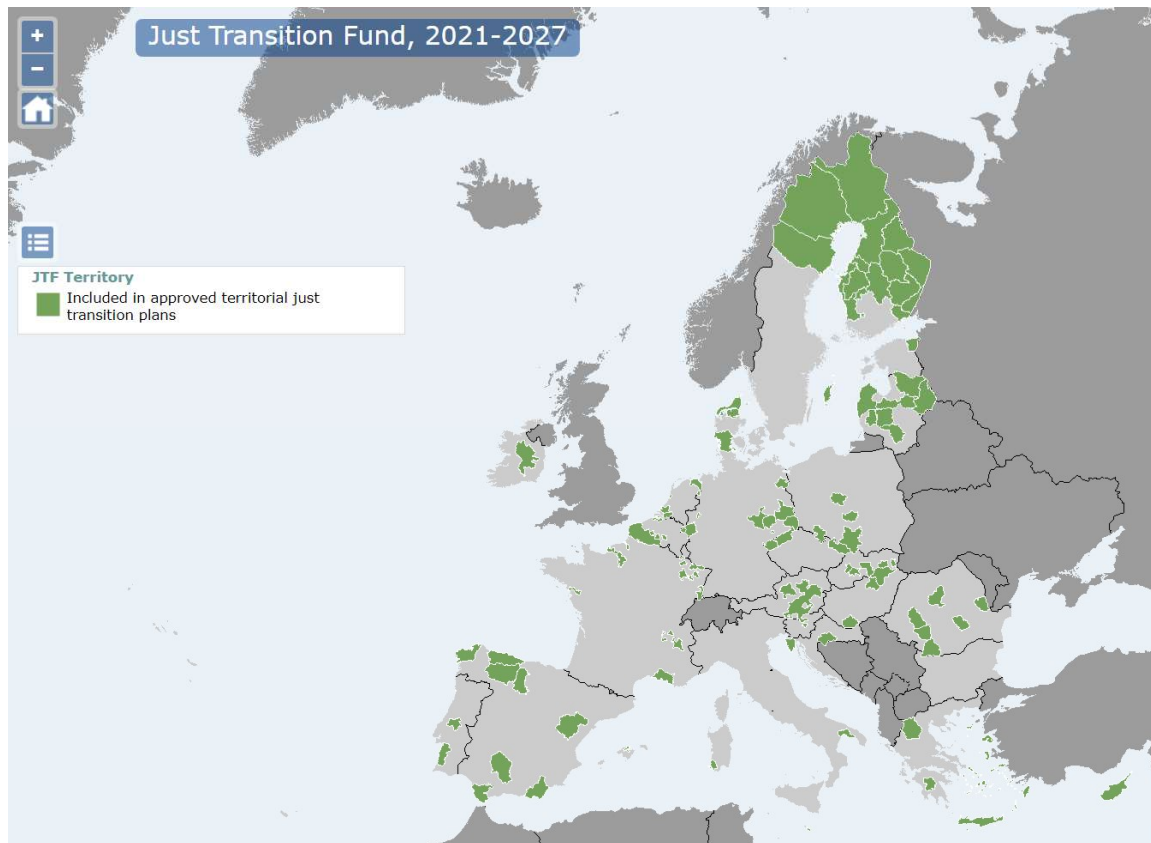
Specific programming process

- Territorial just transition plans shall be prepared and annexed to programmes entailing JTTF support
- Preparation steered by European Semester – adopted by Commission decision with programmes

Eligibility

All MS eligible, Support concentrated on most affected territories.

Just Transition Fund (JTF) programming



JTF programmes adopted
for **26 MS**

**67 territorial just
transition plans** (TJTPs)
for 93 territories

EUR 25.4 billion (incl. co-
funding)



Complementarities with other funds

- JTM Pillar 2: dedicated Just Transition Scheme under InvestEU to crowd in private investment
- JTM Pillar 3: Public Sector Loan Facility to leverage additional public funding
- Other EU funds:
 - **ERDF, Cohesion Fund**, e.g. for technology deployment and infrastructure
 - **ESF+**, e.g. for green skills and green jobs
 - **Recovery and Resilience Facility** to support the recovery from COVID-19
 - Other, e.g. Connecting Europe Facility, LIFE programme, Horizon Europe, Digital Europe Programme, Research Fund for Coal and Steel, EU ETS Innovation Fund, Modernisation Fund



Coal example region: Czech Republic

- **Commitment** to phase out in **2033**
- Focus on **closure of lignite mines** and power plants, including **impact on 21,000 coal sector workers**
- Additional focus on transformation of chemical industry
- Main investments:
 - **Economic diversification and job creation (incl. renewable energy, circular economy, innovation)**
 - **Focus on SMEs (limited support to large enterprises: 6.8%)**
 - **Soil decontamination and site regeneration**
 - **Reskilling of workers**
 - **Educational and social infrastructure**



EUR 1.64 billion, 1 JTF programme, 1 TJTP covering 3 territories (Ústecký, Karlovarský, Moravskoslezský)

Carbon-intensive regions example: Hauts-de France

- National commitment to reduce GHG emissions in industry by 35% in 2030 (81% in 2050)
- Focus on transformation of **carbon-intensive industries** (metalworking, mineral production, chemical industries)
- **Shift towards ecodesign and circular economy business** model, potentially affecting 29,000 jobs
- Main investments:
 - **Economic diversification through recycling of plastics, metals and construction materials, and through innovation**
 - **Support to start-ups and SMEs in circular economy**
 - **Retraining of workers and job-search assistance**



EUR 228 million, integrated in multi-fund regional programme, 1 TJTP covering Nord and Pas-de-Calais



Thank you for your attention

