

Once considered the bedrock of economic growth, regions with strong coal industries have become synonymous with air pollution, land degradation and socio-economic decline. As the world gradually moves away from fossil fuels due to their impact on health and the environment, nowhere needs more support in this transition than the areas where the coal industry shaped the local history, identity and jobs.

Carbon dioxide emissions deriving from coal production and processing are now identified as one of the main contributors to climate change. Coal currently accounts for 29% of the global primary energy supply but generates 44% of global CO₂ emissions. It is imperative that appropriate measures to reduce these emissions are put in place.

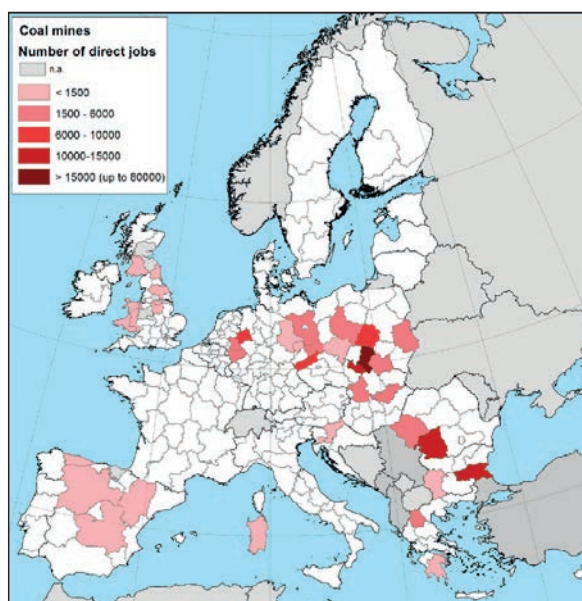
In the European Union, coal's relevance has been declining over the past few decades. However, and while varying significantly from country to country, it still represents 24% of the EU electricity generation mix and 76% of CO₂ emissions from the EU electricity sector, according to a 2017 Bruegel report.

The transition to a sustainable, low-carbon society will lead to significant changes in our economies and way of living. Massive investments in the modernisation and decarbonisation of our production systems are needed. This is a huge opportunity to boost Europe's competitiveness, create jobs and grow the economy.

However, the transition towards a greener future comes with major challenges. We must ensure that this transition is managed in a way that minimises disruption for the affected communities.

In the 2016 Clean Energy for All Europeans package, the European Commission pledges to support coal and carbon-intensive regions in their shift to a new model and work together with all relevant partners to create the conditions for a just transition.

Currently, 41 regions in 12 EU Member States are actively mining coal, providing jobs to about 240 000 people: about 180 000 in the mining of coal and lignite and about 60 000 in coal- and lignite-fired power plants (see map). Most of these people have limited opportunities to find alternative employment due to a lack of skills or a lack of alternative jobs in their regions.



Source: Number of jobs in coalmines in regions (Source: DG JRC).

As one of the key actions of the Clean Energy for All Europeans package, the European Commission launched the Platform for Coal Regions in Transition to assist EU countries and regions in tackling the challenge of maintaining growth and jobs in the affected communities.

Ursula von der Leyen, the President of the European Commission, announced plans to create a European Green Deal including a dedicated Just Transition Strategy in her first 100 days in office. Ms von der Leyen wants the European Investment Bank to be the central player in increasing climate action in Europe and around the world.

Coal Regions in Transition

OVERVIEW

2020

FACTS AND FIGURES

The EIB is a leader in finding solutions to the world's climate and environmental challenges.

Since 2012, we have provided **€170 billion** of finance supporting over €600 billion in investment in climate action and environmental sustainability.

To support the European Union's leadership in the fight against climate change, our work is expanding. We have accepted the European Council's call to step up our climate activity.

In November 2019, the EIB Board of Directors approved a new roadmap for climate action and environmental sustainability. It includes three key elements: the EIB Group will aim to support **€1 trillion** of investments in climate action and environmental sustainability in the critical decade from 2021 to 2030; the EIB will gradually increase the share of its financing dedicated to climate action and environmental sustainability to reach 50% of its operations in 2025; and the EIB Group will align all its financing activities with the principles and goals of the Paris agreement by the end of 2020. Furthermore, the Board of Directors approved an ambitious new Energy Lending Policy that will accelerate investments in clean energy innovation, energy efficiency and renewables. Importantly under this new policy, the EIB will no longer consider new financing for unabated fossil fuel energy projects, including gas, from the end of 2021 onwards.

The EIB Group is the main partner of the European Commission in implementing the European Green Deal Investment Plan, which will mobilise public and private investments, and the Just Transition Mechanism which aims to help regions and communities that will be adversely affected by a structural shift away from carbon intensive activities. Under the Just Transition Mechanism, we are working with the European Commission on:

- A Just Transition Fund that will primarily provide grants to regions. It will, for example, support workers in developing skills for the job market of the future and help SMEs, start-ups and incubators to create new economic opportunities in these regions. It will also support investments in the clean energy transition, for example in energy efficiency.
- A dedicated Just Transition Scheme under InvestEU to attract private investments, including in sustainable energy and transport, that benefit those regions and help their economies find new sources of growth.
- A public sector loan facility backed by the EU budget that will be used for loans to the public sector, for instance for investments in district heating networks and renovation of buildings.

Fostering economic and social cohesion is at the heart of the EIB's mission and we are ready to support a just transition for the most vulnerable groups of society. As the EU bank, the EIB will continue to support cohesion among economies and societies in the European Union. Between 2015 and 2019, the EIB provided **€84.4 billion** of financing for investment in EU cohesion regions, thus helping them to catch up with the rest of the European Union. Our climate goals and our objectives to improve cohesion go hand in hand. All EU countries can count on the Bank's support to meet these challenges.

The Energy Lending Policy announced a dedicated Energy Transition Package. This addresses one dimension of the problem, i.e. particular support for lower-income Member States to assist the national transition of the energy system. The EIB will be able to finance up to 75% of the eligible project cost for new energy investment (energy efficiency, all renewables, electricity networks) in the 10 countries benefitting from the EU Modernisation fund (Bulgaria, the Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia). These projects will also benefit from both advisory and financial support from the EIB.

To encourage cities and regions in Central and Eastern Europe to keep reducing their carbon emissions, we must support new industries that do not hurt the climate. We must keep backing private research institutes and helping more innovative environmental technologies make it to the market. This not only protects the climate, but also creates jobs and strengthens the economy. That is why the EIB is stepping up its support to give clients technical and financial advice and improve their access to funding.

PROJECT HIGHLIGHTS

Katowice, Poland

Katowice was the first Polish municipality to sign a loan with the EIB in 1996, to create new business opportunities and a healthier environment for its citizens. Over two decades, the EIB supported the city's transition to a low-carbon economy with loans totalling €205 million. This partnership led to the development of part of the centre of Katowice and to the construction of two important new venues: the new National Polish Radio Symphony Orchestra building and the International Congress Centre.

[More information online](#)

Transformation of Essen, Germany

This former mining town has turned into a green champion thanks to a €5.3 billion multi-year regeneration project, of which the EIB is financing around 30%. In 2017, the European Commission named Essen the European Green Capital, an annual award for a city at the forefront of environmentally-friendly urban living. Essen now features a 23-hectare public park, high water quality and city centre traffic restrictions. Among the environmental achievements that won Essen the Green Capital prize were: 13 000 jobs in the innovative green sector; 95% of the population now living within 300 m of green urban areas; 376 km of bicycle lanes; and 128 000 m² of road resurfaced with noise-optimised asphalt.

[More information online](#)

Replacing dirty solid-fuel heating systems with clean ones in Tipperary, Ireland

A €1.5 million grant under ELENA – the European Local Energy Assistance programme for energy efficiency projects across Europe – is helping the Tipperary Energy Agency prepare energy audits and feasibility studies that will lead to hundreds of renewable energy renovations in private homes.

[More information online](#)

E-mobility, Slovakia

The EIB works with GreenWay, a Slovakian company that is a leader in supplying charging stations and other services for electric vehicles. Our investment with GreenWay and our expert advice are helping the company expand its network of charging stations in Central and Eastern Europe.

[More information online](#)

Rehabilitation of brownfield areas, Germany

This project concerned regions where extensive lignite mining and lignite utilisation heavily affected the environment. The EIB granted a loan to finance the rehabilitation of former opencast lignite mines in the German Federal State of Brandenburg (covering the programming period 2013-2017). Project activities taking place in parts of the Lausitz region include: basic rehabilitation and ground stabilisation; flooding of former pits and works related to groundwater level management; and recovery and additional development to return areas to economic use and productivity, including the creation of recreational lakes and re-greening spaces. The overall project cost was €570 million, of which the EIB financed €200 million.

Nord-Pas-de-Calais Investment Platform, France

Launched in 2015, this platform dedicated to the “third industrial revolution in Nord-Pas-de-Calais” combines EU funds (€15 million from ESIF), EIB loans of €15 million and resources from French public and private players (Caisse des Dépôts Group, Crédit Agricole Nord de France). The platform targets funds of up to €100 million and focuses on energy efficiency, renewable energy, circular economy and mobility projects.

[More information online](#)

RESOURCES

VIDEOS

- [The rehabilitation of the Emscher river in Germany](#)

BLOGS AND ESSAYS

- [Cohesive and creative](#)

PUBLICATIONS AND WEB RESOURCES

- [European Investment Bank Activity Report 2019](#)
- [European Investment Bank Group Sustainability Report 2019](#)
- [EIB Economic and social cohesion](#)
- [EIB Cohesion and Regional Development Overview 2020](#)

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and videos, is available at:

www.eib.org/coal-transition-overview

