



Spain, towards a just energy transition

Executive reportJuly 2022





Index

E>	cecutiv	e summary	4
1	The	coal sector in Spain	6
	1.1	Coal-fired power plants	9
2	Stra	ategic framework1	0
	2.1	The Just Transition Strategy1	1
3 tc	•	ent Action Plan and measures developed in Spain on Just Transition from 201	
	3.1	Agreements with companies and trade unions: social dialogue for a just transition . 1	5
	3.2 Agreer	A new working instrument included in the Climate Change Law: Just Transitio	
	3.3	The regions have the floor: social participation in just transition agreements 1	7
	3.4	Which impacts are taken care of?1	8
	3.5 Resilie	A specific component for Just Transition in the Recovery, Transformation an nce Plan2	
	3.6	Support from the JTAs: various instruments and funding channels2	2
	3.7	The people most directly affected: support for workers2	5
	3.8	A diversified and sustainable economic future: promoting business development 2	6
	3.9	The transition to renewability in the affected areas	8
	3.10 identit	Areas with better and more modern services, a healthy environment and respect for y, heritage and culture	
	3.11	The Just Transition Fund3	6



Executive summary

In Spain, the closure of coal mines in 2018 is added with the shutdown of coal-fired thermal power plants, which in a number of cases has already been completed, while others are in the process of closure or are subject to medium-term closure plans by their companies.

Therefore, the energy transition is at a highly advanced stage compared to other countries and the Spanish government has already begun to roll out ambitious measures for a just transition.

Against this backdrop, in February 2019 the Spanish government launched a Just Transition Strategy with an Urgent Action Plan to address the impacts experienced in coal-producing regions and by the shutdown of power plants.

The starting point for the Urgent Action Plan is the Framework Agreement for a Just Transition for Coal Mining and the Sustainable Development of Mining Regions for the period 2019-2027, signed by the government, trade unions and mining companies in October 2018. This agreement guarantees immediate support measures for mine workers, economic support for mining areas and the necessary short-term funding.

Secondly, the Agreement for a Just Energy Transition for Thermal Power Plant Closures was signed in April 2020 between the companies that own the plants, the trade unions and the government. This agreement is resulting in the relocation of workers and the search for alternative employment in the affected areas, carried out both by the companies (through renewable energy projects and other activities) and by the government, and with the participation of the trade unions to facilitate and monitor adherence to the commitments.

Beyond the sectoral agreements with workers and companies, in order to respond to the socio-economic impacts of the affected areas, the Just Transition Institute (ITJ, by its acronym in Spanish) launched the Just Transition Agreements (JTAs). JTAs are a cogovernance tool to guarantee commitment and coordination by public administrations (national, regional and local) and to propose support instruments to facilitate the reactivation of these areas. JTAs are based on wide-ranging public participation processes and the assessment of socio-economic impacts at the local level.

Within the framework of the Urgent Action Plan and the Just Transition Agreements, various support instruments are being rolled out.



A specific Just Transition component has been incorporated into the Spanish government's Recovery, Transformation and Resilience Plan (RTRP); funded with 300 million euro from NextGeneration Funds and has four specific targets for areas affected by the closures, in addition to the deployment of domestic funds. Spain is a pioneer in binding together European recovery funds and the special needs of areas affected by coal closures.

Measures have been deployed to improve the employability and protection of the working population directly affected by the closures through the provision of social assistance in the form of early retirement or voluntary redundancies; the creation of job banks to prioritize the incorporation of affected employees into dismantling operations, environmental restoration projects and any other business activities supported within the framework of the JTAs (to which more than 1,000 people have been signed up); and the creation of an employment improvement service for miners directly affected by the closures.

Measures have also been deployed to promote business development and activities that will help to create a diversified, sustainable economic model through support programmes for business projects and small investment projects that have already helped to create more than 1,200 jobs in the areas most affected by the closures, in various activities such as the circular economy, the agri-food industry and rural tourism.

In addition, measures are being implemented to promote the energy transition and its industrial value chain so that the ecological transition itself acts as a driving force for reactivation by means of the following: access tenders in just transition nodes to promote renewable energy projects that will maximise local benefits, transversally prioritising these areas in calls for support for green hydrogen, energy storage and other innovative renewable energies, developing R&D projects in the area, and promoting industrial projects and renewable energies through the Agreement with electricity companies.

Municipal and infrastructure projects are also receiving support with the aim of providing adequate services to citizens and businesses. Partnership agreements have been signed with regional governments for more than one hundred projects with a total budget of 172 million euro. An additional programme of 91 million euro is currently underway for environmental, social and digital infrastructures.

In addition, an Environmental Restoration Plan has also been set up for areas degraded by coal mining, for the purpose of restoring and recovering more than 2,300 hectares for local socio-economic development, and involving the active participation of local communities in the design of projects for new, alternative uses of the restored areas, with



funding of over 150 million euro. In these projects, priority has been given to hiring former miners, thereby transforming coal jobs into green jobs.

In short, the Spanish government is rolling out an ambitious framework of measures and governance structures together with all the stakeholders to address the challenges of the energy transition, and will continue advancing in this work into the future.



Image 1. The Gran Corta de Fabero (León) was one of the largest open pit coal mines in Europe. The restoration of its 700 hectares comprises re-naturalization with autochthonous vegetation, creation of recreational areas and a space for the study of fossils, among other actions in which design local communities have participated actively.

1 The coal sector in Spain

In Spain, the coal mining sector has undergone various conversion programmes since the 1970s. Spain's coal, just like European coal, has had difficulty in competing in the international market and has required various channels of state support. Both the national coal aid frameworks and their termination were largely determined by EU decisions. The Council Decision 2010/787/EU of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines established a new regulatory framework. This change of direction was implemented through by the Kingdom of



Spain's Closure Plan, which included all non-competitive mining sites for an orderly termination of mining activities that did not reach a break-even point by 31 December 2018.

In 1990, mining companies directly employed 45,200 workers, in addition to many ancillary service jobs. Virtually the entire economy of the areas where mining was concentrated revolved around this industry, whether it was through jobs directly or indirectly related to coal or the business activities stimulated by the profits made from mining and the demographic growth of these areas, which doubled their population in some cases as a result of coal mining. In contrast, in early 2018, coal mining was made up of just 9 companies which employed a total of 1,833 people on their own workforce and 565 employees via subcontractors, after undergoing an arduous process of reconversion in recent decades due to national coal's loss of competitiveness compared to other fuels and energy sources. Consequently, these areas have suffered a significant demographic and economic decline linked to the energy transition process.

Find out more: What are the common characteristics of mining regions?

Mining districts have certain common characteristics that have been taken into account when defining support within the Just Transition Strategy and the various measures launched for its implementation.

Very often, these are relatively isolated municipalities that have suffered a progressive decline for decades and which are located in rural environments, with services and infrastructures in gradual deterioration. This deteriorating situation is further exacerbated by the recent closures.

Furthermore, these areas have experienced a process of depopulation linked with the scarcity of professional opportunities, outside the field of mining itself. In terms of the labour market, these are areas with low levels of entrepreneurship, high levels of male employment, and professional qualifications that are not particularly diverse and closely linked to the mining sector.

These are areas with ample mining-industrial heritage, which we are trying to recover and preserve in order to highlight the deep-seated mining identity shared by these areas in transition and to ensure that it forms part of the future of these regions.

For more information: diagnostic reports on characterisation and socio-economic factors have been drafted for each affected area, available here



https://www.transicionjusta.gob.es/Convenios transicion justa/convenios en desarrol lo-ides-idweb.asp

These difficulties were accompanied by specific plans: the 1998-2005 Plan for Coal Mining and Alternative Development of Mining Regions, the 2006-2012 National Strategic Coal Reserve Plan and the New Model for Integrated and Sustainable Development of Mining Regions and the Framework for Action for Coal Mining and Mining Regions in the Period 2013-2018. These plans provided funding for the closure of mining sites, the non-traumatic restructuring of workforces, the decommissioning of facilities and the restoration of the natural space, new business projects and enlargement of existing ones or subsidies to carry out infrastructure projects.

These plans were aimed at local labour markets in mining areas suffering from shortcomings that hindered reconversion experiences: relatively isolated municipalities showing a rapid trend towards depopulation or a labour market with limited entrepreneurship, a predominantly male workforce and professional qualifications that are closely linked to the mining sector, which did not allow for easy incorporation into other jobs. Other shortcomings included the limited success of self-employment programmes due to the general conception of work as being a wage-earning activity and the lack of any associated business fabric capable of supporting entrepreneurs. Furthermore, the absence of women from the labour market for decades meant that they could not find alternative employment in these municipalities.

The restructuring plans were successful in terms of worker protection, the aid helped to bring about a progressive, orderly closure of mining activities and generated highly significant environmental, logistical and social infrastructure improvements in these areas. Economic diversification was more successful in some areas than in others, for reasons of geography and the previous intensity of the coal monoculture. Where there had been greater economic diversity beforehand, it was easier. Furthermore, these initiatives were insufficiently planned from the standpoints of territorial development and dynamic evaluation. Therefore, although these plans helped in the reactivation of these areas, they were unable to meet all the existing challenges.

Finally, the last of these plans (2013-2018) left a complicated situation in the context of the economic crisis: most of the mining companies filed for bankruptcy or went into liquidation, and thus they were unable to meet their obligations with regard to the environmental restoration of the mines and a significant part of the actions included in



the reactivation plan were not implemented due to the cost-cutting measures that were imposed. Moreover, although many of the projects supported in the reconversion remain in place, the financial crisis of 2008 undermined the sustainability of many of them and contributed to the failure of some of these projects.

In early 2018, Spain's coal mining industry that had been affected by the closure processes in the framework of the 2010 EU Decision was composed of 9 companies with a total of 13 production plants, based in 4 areas of Spain: Asturias, León, Palencia and Teruel. These companies employed a total of 1,833 of their own employees. Meanwhile, at that same time, subcontractors employed a total of 565 people. As mentioned above, these facilities had in most cases gone into bankruptcy or had failed to become sufficiently competitive to repay the state aid they had received.

Thus in 2018, Spain's coal areas faced further closures, on top of the consequences of previous reconversions that were further aggravated by the effects of the 2008 economic crisis in Spain and the measures employed in the following years to reduce public spending. In addition, further vulnerabilities were produced by the impossibility of maintaining employment through restoration actions following the installations' bankruptcy and by the significant shortcomings in the implementation of the final aid framework for the alternative development of coal areas.

1.1 Coal-fired power plants

In 2019, Spain had 15 coal-fired thermal power plants, representing 31 thermal groups and a total capacity of 10,619 MW, approximately 10% of the installed capacity at the national level. In recent years, the operating prospects of thermal power plants had been affected by various technical, economic and regulatory factors, and particularly the following: the Paris Agreement, signed in 2015 and ratified by the European Union in 2016 and by Spain in 2017. The agreement established a starting point for energy policies with the following aims: decarbonising the economy, the growing incorporation of renewable energies (which had substantially reduced the share of these plants in the electricity generation mix and, therefore, their profits from energy sales), the need to increase spending to reduce the emission of atmospheric pollutants (denitrification and desulphurisation), as a result of EU environmental regulations, the orientation and standpoint of the new European directives on energy that comprise what is known as the EU's "Winter Package", the increase in CO2 prices on the emission rights market, and other market factors and business divestment decisions.



8 of these plants had requested their closure by the time the Just Transition Strategy was presented in February 2019. These were mostly located in coal-producing areas and technologically adapted to local coal consumption, so that the impacts were produced in those same areas where the mines had been closed, thus worsening the socioeconomic impacts. In total, the coal-fired power plants employed more than 2,500 workers.

At present, all coal-fired power plants in the country are either closed, in the process of closure or subject to medium-term closure plans by their companies.

Spain experienced the closure of coal mines in 2018, in addition to a process of closure of all coal-fired thermal power plants: depending on the plant in question, these are either in the process of closure, subject to medium-term closure plans by their companies or they have already been closed.

This energy transition process leads to major benefits in terms of the climate, the economy and public health, but it also means **serious socio-economic impacts at the local level** in the areas affected by the closures.

2 Strategic framework

This energy transition process in which Spain is currently involved is circumscribed by the 2015 Paris Agreement and the United Nations 2030 Agenda for Sustainable Development, which marked the beginning of a global sustainability agenda that involves the transformation of the economic model and will lay the foundations for a new social contract of inclusive prosperity across the planet.

Combating climate change is crucial for the Spanish economy. Spain is a country that is extremely vulnerable to the effects of climate change and the impacts of higher temperatures, rainfall and drought can have very serious effects on sectors such as agriculture, livestock, forestry and tourism, as well as on the health of the population.

The Spanish government instituted the Strategic Framework for Energy and Climate, by which measures were put in place to facilitate a shift towards a sustainable and



competitive economic model that helps to curb climate change. This Strategic Framework is based on three pillars: the Law 7/2021, on Climate Change and Energy Transition, the Integrated National Energy and Climate Plan (ENCP), and the Just Transition Strategy (JTS).

The Climate Change and Energy Transition Law decrees that emissions from the Spanish economy as a whole in 2030 must be reduced by at least 23% compared to 1990, and climate neutrality must be achieved by 2050, at the latest. In addition, by 2030, the following must be achieved: a penetration of at least 42% of renewable energies in final energy consumption, an electricity system generated by at least 74% of renewable energies and an improvement in energy efficiency by reducing primary energy consumption by at least 39.5% compared to the baseline stated by EU regulations.

The target set for 2030 will involve a 39% reduction in diffuse emissions compared to 1990, according to the European Commission's assessment of Spain's ENCP, thus exceeding by 13 points the target set for these same sectors in the European effort sharing regulation in force at that time.

Furthermore, these targets must be reviewable, without lowering the level of environmental ambition, and must reflect the maximum possible ambition.

The PNIEC, meanwhile, lays down the route to ensure the best way – from an environmental and socio-economic perspective – to achieve the full decarbonisation of Spain by 2050. It also sets out the targets for emissions reduction, renewable energy consumption and improved energy efficiency that have become legal obligations through Law 7/2021.

However, while the transition will generate numerous opportunities and benefits across the board (as shown by the PNIEC, which envisages the creation of between 242,000 and 348,000 jobs/year in the period 2021-2030), it may also have negative impacts in specific areas. Thus, the discontinuation of polluting energies in favour of renewable energies may have an impact on businesses located in areas and regions where these activities represent quality jobs with an important attraction potential, thus producing negative demographic impacts of depopulation.

2.1 The Just Transition Strategy

The <u>Just Transition Strategy</u> seeks to maximise the social gains of ecological transformation and mitigate the negative impacts that this transition could have on specific areas and people, with the aim of leaving no one behind. To that end, the main focus is on elements related to supporting the transformation of economic sectors



towards the green economy, and to generating and protecting employment in declining sectors in the areas concerned, including boosting the training required by the labour market for such a transition.

The Just Transition Strategy is a groundbreaking component of the Spanish experience, given that social justice needs linked to the energy transition are raised to the highest strategic level in the form of a national strategy. The Just Transition Strategy is one of the three pillars guiding Spain's energy and climate policy, together with the Integrated Energy and Climate Plan and the Climate Change and Energy Transition Law. In this way, the considerations of Just Transition are not isolated actions, but a guiding principle of the entire Spanish ecological transition.

In addition, Spain is a pioneer in incorporating just transition needs at the legislative level in energy and climate policies. In this regard, Article VI of the Climate Change and Energy Transition Law requires the approval of Just Transition Strategies every 5 years, with the aim of updating the priorities and measures for just transition as the energy transition progresses. In this way, its continued strategic role is guaranteed by law.

Another innovative aspect of the Just Transition Strategy is the creation of the Just Transition Institute, an autonomous governmental body with the rank of Directorate General that is attached to the Ministry for Ecological Transition and the Demographic Challenge. This body is exclusively devoted to deploying measures to ensure a just transition in the affected territories and to coordinate the transversal inclusion of just transition needs in the government's public policies. The existence of a governmental body with exclusive competences to implement just transition policies in a centralised and coordinated manner is a unique feature of Spain at the European and international level.

While the Just Transition Strategy recognises a number of areas that have been impacted by the ecological transition, an Urgent Action Plan has been established to address the impacts experienced in the coal and power plant closure areas.

Accordingly, Spain has already begun to deploy specific measures for a just transition of coal workers, structured through the Just Transition Agreements.



Table 1. Summary of the features of Spain's Strategic Energy and Climate Framework

Elements of Strategic Energy and Climate Framework

Main lines of action

Law 7/2021 of 20
May, on Climate
Change and Energy
Transition

To achieve climate neutrality by 2050 at the latest.

The objective of reducing emissions in the Spanish economy by at least 23% in 2030 compared to 1990, which signifies a 39% reduction in diffuse emissions compared to 1990.

The penetration of at least 42% of renewable energies in final energy consumption, an electricity system generated by at least 74% of renewable energy by 2030.

To improve energy efficiency so as to reduce primary energy consumption by at least 39.5%, compared to the baseline established in EU standards.

It stipulates the obligation to approve Just Transition Strategies every 5 years and includes Just Transition Agreements as a tool for the reactivation of affected areas.

National Integrated Energy and Climate Plan (PNIEC) 2021-2030 It lays down the route to ensure the best way, from an environmental and socioeconomic perspective, to achieve the full decarbonisation of Spain by 2050 and sets out the targets for emissions reduction, renewable energy consumption and improved energy efficiency that have become legal obligations through Law 7/2021.

Just Transition
Strategy (JTS)

It aims to maximise the social gains of ecological transformation and mitigate the negative impacts that this transition might have on specific territories and people, with the aim of not leaving anyone behind.

The Just Transition Institute is created; this is an independent governmental body attached to the Ministry for Ecological Transition and Demographic Challenge.



Elements of Strategic Energy and Climate Framework

Main lines of action

It establishes an Urgent Action Plan for coal regions and power plants that have closed down as a short-term priority objective, to address the impacts that these territories are already suffering.

Just Transition Strategy's Urgent Action Plan

To guarantee adequate compensation for workers who lose their jobs in mining companies that have closed down.

To maintain employment for mining areas through various plans.

To offer, during the Plan's timeframe, the ambition to establish Just Transition Agreements with the aim that closures do not produce impacts on employment and the population at the end of the process.

3 Urgent Action Plan and measures developed in Spain on Just Transition from 2019 to 2022

The Just Transition Strategy's Urgent Action Plan, devised to respond to this situation of urgent vulnerability, was approved for the period 2019-2021, though it is still being executed due to factors such as the difficulties and new problems related to the COVID 19 crisis.

The following objectives were set:

- 1. Ensure that workers who lose their jobs in mining companies that close down are adequately compensated.
- 2. Maintain employment for the mining areas through various schemes
- 3. Offer, during the Plan's timeframe, the possibility of establishing Just Transition Agreements in areas subject to mine closures as of 31 December 2018, as well as shut-



down coal or nuclear power plants, with the aim that the closures do not generate impacts on employment and population at the end of the process.

The following measures are part of this Urgent Action Plan.

3.1 Agreements with companies and trade unions: social dialogue for a just transition

The first manifestation into real action of the Just Transition Strategy and its Urgent Action Plan was the signing of tripartite agreements between the government, trade unions and the companies involved in mine and plant closures, with the aim of ensuring that closures take the workers into consideration and provide them with vocational training and new jobs.

Thus, Spain's coal transition is characterised by coordinated action between administrations, companies and workers' representatives, together with a commitment by all of them to mitigate the impacts of closures.

An agreement was signed for the closure of the 15 coal-fired power plants which is resulting in the relocation of workers and a search for alternative activities for affected areas, both by the companies (through renewable energy projects and other activities) and by the government (through the deployment of aid instruments organised around the Just Transition Agreements) and with the participation of the trade unions to facilitate and monitor compliance with the commitments. Similarly, a coal mining agreement was signed that guarantees social measures for miners and local development policies.

Specifically, these agreements are:

- <u>Framework Agreement for a Just Transition for Coal Mining and Sustainable Development of the Mining Regions for the Period 2019-2027</u>. Signed in October 2018 by the Ministry for Ecological Transition UGT-FICA, CCOO Industry, the Industry Federation of USO and CARBUNIÓN, the employers' association for the sector.
- Agreement for a Just Energy Transition for thermal power plants in closure. Signed
 in April 2020 between the General State Government (Ministry for Ecological
 Transition and Demographic Challenge and Ministry of Labour), the companies
 with thermal power plants that are closing (Endesa, Iberdrola, Naturgy and EDP,
 the latter in March 2021) and the trade unions (CCOO Industry, UGT FICA).



In order to coordinate and verify compliance with the commitments made, the actual agreements stipulate structures of governance that bring all the parties together on a regular basis. The power plant agreement envisages monitoring commissions, to be held every 6 months, and the mining agreement establishes the periodicity of an annual commission. In practice, however, the parties involved have met more frequently, with a total of 9 commissions between 2020 and 2021. This is in addition to countless bilateral meetings between the government, the unions and the companies involved.

3.2 A new working instrument included in the Climate Change Law: Just Transition Agreements

Beyond sectoral agreements between workers and companies, in order to respond to the socio-economic impacts of the affected areas, the Just Transition Institute has launched the <u>Just Transition Agreements</u> (JTAs): a tool for co-governance aimed at guaranteeing the commitment and coordination of public administrations and proposing support instruments in the just transition process. While sectoral tripartite agreements exist at the state level and focus on companies and workers, just transition agreements focus on the actual area or region and are included in the Just Transition Strategy and the Law on Climate Change and Energy Transition. They begin with an assessment of potential job losses and formulate a series of commitments, with a final list of measures to maintain employment and population.

In particular, one of the priority objectives of the JTAs is to maintain and create economic activity and employment, as well as to prevent depopulation in rural regions and areas with thermal installations in closure. To that end, diversification and specialisation consistent with the socio-economic context is promoted, and at-risk sectors and groups are provided with tools to help support investment, the restoration of territories, the improvement of public infrastructures, support for industrial projects, the retraining of workers and the development of SMEs.

There are currently 13 Just Transition Agreements linked to coal closure in place, in the following regions:

- Asturias: Suroccidente JTA, Valle del Nalón JTA, Valle del Caudal & Aboño JTA.
- Andalusia: Valle del Guadiato JTA, Los Barrios JTA, Carboneras JTA.
- Aragon: Aragon JTA.
- Balearic Islands: Alcúdia JTA.
- Castilla y León: El Bierzo-Laciana JTA, Montaña central leonesa-La Robla JTA, Guardo-Velilla JTA.
- Galicia: As Pontes JTA, Meirama JTA.



For each JTA, a General Action Protocol has been signed by representatives of the state, regional and local administrations to serve as the basic framework for collaboration while the signing of the agreements is finalized, which is a more complex process. In this way, all the JTAs and their support instruments are now in place while the administrative processing is being carried out.

3.3 The regions have the floor: social participation in just transition agreements

The starting point for just transition agreements is the drafting of a <u>socio-economic diagnosis</u> of each area and the launching of public participation processes where local actors can contribute to the diagnosis and propose projects and ideas to reactivate their areas. To date, the diagnoses for the 13 agreements have all been drawn up and they have been subject to public participation and external evaluation. Public participation processes have been carried out involving the participation of over 700 agents, and more than 1,800 ideas and proposals have been received.

Stakeholders of all kinds have been involved, including companies, business sector organisations, trade unions, universities, educational institutions, environmental and other non-governmental organisations and associations, development agencies, Local Action Groups and other interested or affected entities. In addition, specific participation frameworks for young people and women have been set up and will be expanded and improved.

Throughout 2022, a series of in-person sessions are being held in JTA areas, with the aims of promoting the work being carried out, making the projects under development visible and informing people about the lines of support and instruments available to economically revitalize just transition areas.

In addition, there is a window of participation permanently open via agents deployed by the Just Transition Institute in each region. This means that new actors and proposals are constantly added and a continuous dialogue is maintained with the participants.

The territorial agents of the ITJ also have the task of analysing the projects received and putting them in contact with the support instruments best suited to their needs, where possible, with the aim of helping to develop them into real alternatives for the areas. This function is crucial, especially for SMEs and small municipalities.

In this way, the Spanish experience of public participation is not based on unidirectional channels for participation, as is usually the case, instead it aims to create bidirectional channels, maintained over time, which give rise to constant dialogue and exchanges between civil society and public administrations.



This social participation has proved fundamental for adapting support tools to the real needs of the region or area. It forms the basis for the Spanish government's just transition policies.

3.4 Which impacts are taken care of?

The geographical scope of the JTAs – the physical areas on which commitments are made and support instruments deployed – is defined on the basis of an objective and, comprehensive assessment of the socio-economic impacts of closures on local populations. The evaluation of impacts is fundamental because the objective of the agreements is to achieve zero impact on employment and the population of the areas by the end of their implementation. Thus, impacts serve as outcome indicators themselves.

Consequently, the basis of the Just Transition Agreements is to identify the municipalities affected by the energy transition that suffer the greatest relative impacts, and to concentrate support tools on them. Specifically, the impact assessment methodology, which has been subject to external technical evaluation, takes into account the following:

- a) Criteria related to the current economic impact of closures
 - Location of facilities closing down.
 - Relative impact on local employment.
 - Relative impact on local wages.
- b) Territorial coherence and cumulative impact criteria
 - Cumulative impact of previous closures, and particularly mining.
 - Territorial coherence criteria based on the geographical continuity of municipalities and regional coherence.

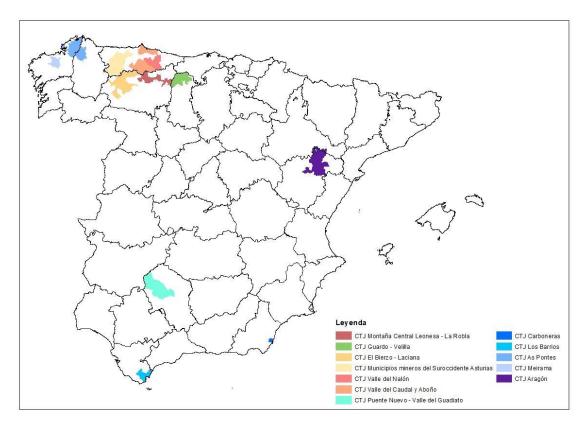
The methodology takes employment as key indicator and focuses on the employment impacts of mine and power plant closures on municipalities. To that end, information is collected on the number of workers (both employees of the installation and subcontractors) affected by the closures and their municipality of residence.

On the basis of these data, the geographical scope of the Just Transition Agreement is delimited in such a way as to include the municipalities whose working age population is most impacted in relative terms as a result of the closure of the facilities. A similar analysis of the impact on wages is carried out to complement the employment diagnosis.

This delimitation is complemented with criteria on territorial coherence and cumulative impact, and which aim to provide geographical continuity to the JTA area, as well as to maximise the precision of the diagnosis and delimitation, by analysing the cumulative impact of previous closures.



By applying this methodology, the result is a precise delimitation of the areas most affected by the coal transition, as shown in the following map:



Map 1. Geographical location of áreas included in Just Transition Agreements associated to coal.

Find out more: examples of projects in progress as part of the JTAs

In Castilla-León, in the area in which the **Justa de Bierzo-Laciana Transition Agreement** is being carried out, the ITJ has granted 100.6 million euro to support 37 business initiatives, environmental restoration, support for workers and municipal infrastructures. This includes the construction of La Castaña Technology Centre, which will be accompanied by the planting of more than 20,000 chestnut trees (of the native "Parede" variety) on land that was formerly used as rubbish dumps and left over from land consolidation.

Funding has also been provided for the construction of a home for the elderly specialising in miners with silicosis, along with support for more than a dozen small investments in local businesses in the agri-food sector, social and health services and



rural tourism. In addition, funding is being provided for the mining restoration of Gran Corta de Fabero and the Torre-Villagatón, Nueva Julia and Casares-Ladil-Charcón mines.

In the **Montaña central leonesa y La Robla** area JTA, the ITJ has granted aid worth 7.9 million euro to support 10 business initiatives, 7 municipal infrastructure projects and the environmental restoration of the Matallana de Torio dump, which will represent a total outlay of 12.4 million euro. Funding is being provided for the expansion of the industrial estate to attract new businesses, the creation of a new medical clinic with continuous patient care and high energy-efficiency standards, and the refurbishment of educational facilities and a music school. Support has been given to a dozen SMEs in rural tourism, health services and bicycle repair. The construction of a new Laser Technology Design and Development Centre has also received funding.

In Asturias, in the **Suroccidente JTA** action area, the Institute has allocated more than 77 million euro to support business projects, municipal infrastructures and three major environmental restoration works for mining operations. In addition to the environmental restoration of degraded areas in Buseiro, Cerredo and Tormaleo, with a total outlay of 82.4 million, 10 projects have been funded for sanitation, water supply and lighting infrastructures, energy efficiency measures in industrial estates and the construction of mini-warehouses to provide facilities for companies on a temporary basis. The installation of a plant for the drying and thermal treatment of wood as a source of renewable heat has also received funding.

Also in Asturias, in the **Valle de Nalón JTA** action area, the ITJ has supported 16 municipal infrastructure projects and 21 business and small investment projects. Funding has been provided for the construction of a care centre for the elderly, a training and rehabilitation centre and a co-housing residence, a plastics recycling plant, a project to refurbish and improve the facilities of a hotel using the criteria of sustainability, energy efficiency and promotion of the local economy.

In the area covered by the **Valle del Caudal and Aboño** JTA, the Institute has allocated more than 31 million euro to support a total of 31 municipal infrastructure projects and 52 business projects. These include funding for the construction of a recycling plant in the shipbuilding sector, the treatment and recovery of exhausted catalysts, the installation of an aluminium waste-processing line, and the adaptation of a former hotel into a health care centre for the elderly, specialising in brain damage.

In Aragon, the ITJ has granted aid to 32 business projects, 23 infrastructure projects and two restoration projects, as well as 3 infrastructure projects. The construction of a multifunctional space for the outdoor health improvement service, modernisation of the production line of a sack and paper bag factory, the construction of a facility for the recovery and regeneration of oils using clean technologies and the creation of a day centre have also received funding.

In Galicia, in the area corresponding to the **As Pontes JTA**, support is being given to



help build a municipal logistics centre to serve companies with storage problems, as well as the local road transport business, which will reduce its activity following the cessation of transport from the port of Ferrol to the thermal power plant. It also supports the establishment and start-up of the building that will house the municipal Urban Development Institution, which will provide services to digitalisation, energy efficiency and circular economy companies at the local level. The project is promoted by the Council of As Pontes with the participation of the owners of the plots of land in the industrial estates and the established companies.

Also in Galicia, in the **Meirama JTA**, funding is being provided to help construct a single-classroom school to convert it into a municipal centre for social revitalisation that will be used for carrying out basic administrative procedures and training, and cultural and recreational activities for adults and children.

In Andalusia, in the **Puente Nuevo-Valle del Guadiato JTA** (Cordoba), financial support has been provided for the refurbishment of the Day Care Centre for the elderly and people in a situation of dependency or with physical disabilities.

In the **Carboneras JTA** (Almeria) area of action, support is being given to the project to fit out and equip two municipal spaces specialised in teleworking. Meanwhile, funding will also be provided for the recovery and environmental restoration of 400 hectares of land degraded by the activities of the thermal power plant, towers and power lines and other industries close to the municipality. The Verde Carboneras project will also be supported with funds from the Biodiversity Foundation. This is a reforestation project, promoted by the Carboneras Town Council, to improve the environment and landscape of the region and the restoration of urban areas. The project will be executed through an Employment Plan, thereby increasing the professional qualification skills of unemployed people, and with particular consideration to people over 45 years old and women.

Just Transition Agreements are the tools implemented in Spain to respond to the socio-economic impacts of coal closure in the different regions.

They are a tool of **co-governance** to ensure **commitment and coordination** between public administrations and to propose **support instruments** in the process of just transition.

They are based on extensive processes of **public participation** and the **assessment** of socio-economic impacts at the local level.



3.5 A specific component for Just Transition in the Recovery, Transformation and Resilience Plan

One unique aspect of the Spanish measures has been the incorporation of a specific Just Transition component into the Recovery, Transformation and Resilience Plan. As the COVID 19 crisis has exacerbated the vulnerabilities suffered by transition territories, creating fresh difficulties for them, component 10 of Just Transition was included in the RTRP for the implementation of Next Generation funds, endowed with 300 million euro and with four specific objectives:

- 1. Environmental restoration of areas degraded by mining or coal-fired generation activities.
- 2. Support for the improvement of environmental, digital and social infrastructures in areas affected by closures.
- 3. Promoting energy storage and energy efficiency projects in Just Transition areas.
- 4. Favouring professional transition and improving the employability of workers and the population directly affected by the energy transition.

3.6 Support from the JTAs: various instruments and funding channels

In the framework of the Urgent Action Plan and the Just Transition Agreements, the Spanish government is deploying various support instruments to help maintain employment, revive the economy and restore the environment in the affected areas and regions.

Both area-specific support tools and transversal just transition policies have been put in place in the areas of energy and the environment.



 Table 2. Existing support instruments for Just Transition in Spain (2019-2022)

Support instruments	Main lines of action	Funding (in euro)
Measures to improve the employability and protection of the working population	 Early retirements and voluntary redundancies for people affected by the closure of the coal mining industry in the framework of the 2019-2027 Agreement. Job banks for workers affected by closures of mines and coal-fired power stations. ✓ Opened in 2019 and 2020 respectively 	Estimated cost of voluntary redundancies and early retirements: 166 million
directly affected by mining closures	 Employment improvement service for people affected by the closure of the coal mining industry. ✓ Operational from 2021 	1.9 million for employment improvement service
	 Support plan for the professional requalification and labour insertion of affected workers and population, linked to the RTRP. ✓ Under development. 	20 million for the support and retraining scheme linked to the RTRP
Business projects and small investment projects	 Grant calls have been launched for business investment initiatives and small investment projects that generate employment and promote alternative development in mining areas. ✓ Call for applications 2019 ✓ Call 2021 ✓ Calls planned for 2022 and 2023 	33.2 million
Municipal, cultural and infrastructure projects	 Municipal and infrastructure projects are being funded in mining areas with the aim of providing adequate services to citizens and companies to carry on living and working in their areas. ✓ Agreements signed in 2020 ✓ Agreements signed in 2021 	172 million for projects in mining areas
	 Pilot programma for projects in municipalities affected by the closure of thermal power plants. ✓ Call 2020 Programmes for the preservation of cultural and industrial heritage and cultural activities. ✓ Under development. 	7 million in calls for municipalities with thermal power plants



Support instruments	Main lines of action	Funding (in euro)
Environmental, digital and social infrastructures	 A line of support has been deployed for environmental, social and digital infrastructure projects in municipalities located in areas affected by the energy transition, based on the needs specified by local entities through public participation processes. ✓ Call 2022, in process 	91 million, linked to the RTRP
Environmental restoration of degraded mining areas	 Implementation of an Environmental Restoration Plan for areas degraded by mining activity, linked to the RTRP, including actions to improve the reactivation of the areas, with the aim of combining environmental restoration with the opening up of new opportunities. This is in addition to restoration projects financed directly through national funds. ✓ All restorations are currently underway 	150 million linked to RTRP and 22 million from national funds
R&D in energy transition	 Work is underway to support R&D projects on energy storage and green hydrogen in Just Transition areas. ✓ Under development. 	30 million linked to the RTRP
Tenders in just transition nodes	 Grid access capacity freed up by coal-fired power plants is awarded to renewable energy projects through tenders that prioritise applications with the greatest socio-economic and environmental benefits for the affected areas. ✓ Call in 2021 and expected decision in 2022 	No budget allocation: tenders are held for 1,202 MW
Just Transition as a transversal theme in support instruments for energy transition and green jobs	 Prioritisation elements for Just Transition Agreement areas have been transversally included throughout the Renewable Energy, Renewable Hydrogen and Storage Strategic Projects for Economic Recovery and Transformation (PERTE) package. ✓ Calls in 2020, 2021, 2022 and more under development Priority has also been given to projects in Just Transition areas in the subsidies from the Empleaverde programme managed by Fundación Biodiversidad. ✓ Calls in 2020 and 2021 and more in the pipeline 	Prioritisation in calls for proposals worth 6.9 billion euro (IDAE) and 9.4 million euro (Fundación Biodiversidad)



3.7 The people most directly affected: support for workers

One of the important lines to have been developed concerns the workers affected by the closures. As part of the tripartite agreements reached in the framework of the closure of coal mining and coal-fired power plants, a number of measures have been agreed upon which aim to support those affected by the closure process.

In particular, two job banks have been set up, both run by the Just Transition Institute. The first of these is for workers of the companies involved in the mining closures and their subcontractors. At the moment, there are 426 people in this job bank. The second is open to people affected by the closures of thermal power plants and ancillary companies. At present, 665 people are registered in this second job bank.

In both cases, monitoring is being carried out that prioritises their incorporation in the dismantling of the plants and the environmental recovery activities of the abandoned mines, as well as in all the other business activities proposed within the framework of the different calls for aid for new projects available to the JTAs can access.

For mine workers, a programme has been developed to improve their employability and labour insertion and <u>social aid</u> has been provided in the form of early retirement or incentivised leave, in accordance with the commitments made in the Mining Framework Agreement 2019-2027. The total estimated cost of the programme is 166 million euro and 353 people have signed up so far.

With the same objective of promoting the employability of this group, assessment criteria have been included in the business aid programmes launched by the ITJ that establish higher subsidy levels in the event that the projects include the hiring of these workers.

Find out more: How employment training is being developed for people affectd by closures

The Just Transition strategy promotes the design of industrial policies and policies to promote employment, business activity and vocational training. Within this framework, various initiatives are being developed that have to do with training people affected by the closures.

In the case of coal mining, those people enrolled in the Mining Job Bank have had the opportunity to receive personalised advice to improve their employability and the search for a new job. To that end, a personal analysis is made of the employment situation in which the person finds him/herself, an analysis is made of any aspects that might be an obstacle to employment and the employment expectations of each person



are taken into consideration. Based on this information, the main training needs are identified and a personal learning path is designed, planning the necessary activities to improve the person's soft skills.

Training work is also carried out in connection with the environmental recovery processes taking place in Asturias, León and Teruel. In this case, the people hired receive training related to safety at work for the particular activity they will be in charge of, such as handling saws and land clearing activities, handling earthmoving and construction machinery. In addition, they receive the necessary training to enable them to correctly carry out the activities related to the job for which they have been selected.

Meanwhile, the electricity companies, as part of their commitment by signing the Agreement for a Just Energy Transition for thermal power plants, have undertaken to define an accompanying plan that will incorporate specific actions into the support plan for vocational training and labour integration, in order to guarantee the improvement of workers' employability in the new activities, both in the tasks of decommissioning the plant and the new investments in renewables and others, which are promoted by the companies themselves.

Furthermore, an agreement has been reached with Fundación Biodiversidad to prioritise projects in Just Transition areas in the subsidies of the <u>Empleaverde</u> programme for projects aimed at boosting the transition to promote projects to increase the skills and qualifications of workers in the green and blue economy sectors.

Finally, the ITJ is currently working on developing a series of measures to encourage professional transition and improve the employability of workers and the population directly affected by the energy transition, in accordance with objective 4 of component 10 of the Recovery Plan, and with a budget of 20 million euro.

3.8 A diversified and sustainable economic future: promoting business development

Another key aspect of a just transition process is to promote alternative business activities that can diversify territories and generate new jobs in the context of coal mine and power plant closures.

To that end, the Spanish government has launched calls for **grants for business projects** through the Just Transition Institute. These grants encourage investment in these vulnerable areas by providing subsidies that cover a proportion of the investment costs, thus attracting new projects that will create jobs and help to maintain existing ones.



In particular, two types of grants have been made available to companies, mainly SMEs. On the one hand, there is what is known as "grants for business projects that generate employment"; and on the other, "grants for small investment projects", which focuses on business projects that are smaller but necessary to maintain the social and economic fabric of the areas.

These are competitive grants, and thus priority is given to projects with the greatest social and environmental benefits for areas in transition.

To date, grants has been concentrated in mining areas, due to the fact that their closures took place before municipalities were affected by the closure of power plants, but calls associated with both areas will soon be made available as part of the Just Transition Agreements.

Specifically, since 2019, the following grant programmes have been launched:

- Grants for employment-generating business projects promoting alternative development in the mining areas of Aragón, Asturias, Castilla-La Mancha and Castilla y León in 2019 and 2021.
- Grants for small investment projects promoting the alternative development of mining areas in Aragón, Asturias, Castilla-La Mancha and Castilla y León in 2019 and 2021.
- And in 2022 a call will be launched for business projects and small investment projects in Just Transition Agreement areas.

In total, since 2019, aid totalling 33.2 million euro has been granted to 270 projects, representing a total investment of more than 260 million euro to create some 1,260 jobs in the territories affected by coal closures.

These include projects for the industrial recycling of plastics, tyres and batteries, generating business activity through the circular economy, industrial manufacturing and agri-food projects linked to the areas' home-grown products, projects to attract tourism to the areas by means of rural hotels, hostels and the promotion of natural heritage (placing special emphasis on the natural landscapes of Asturias and the Camino de Santiago, which crosses the mining areas of León), and projects to provide social and health services, from homes for the elderly to physiotherapy and veterinary clinics.

While this aid has represented an initial step towards mobilising investment and jobs, there is a need to continue working along these lines in order to further strengthen the economic diversification of the areas and regions concerned, and this will continue to be one of the key lines of action of the Just Transition Institute.

Spain is already deploying tools to promote business projects (especially SMEs) in



the areas affected by the closures, with the aim of diversifying the economy of the regions and helping to generate employment.

3.9 The transition to renewability in the affected areas

Promoting the energy transition and its industrial value chain and associated local development in the affected areas is a crucial line of action to ensure that the ecological transition itself serves as a driving force for the reactivation of the areas where coalmining has closed down.

To that end, the Spanish government is taking action in several areas.

Firstly, legal changes have been made (Royal Decree-Law 2023/2020) so that the electricity grid access capacity freed up following the closure of coal-fired thermal power plants will be granted via *Just Transition tenders*. These are tenders that will prioritise renewable energy projects which maximise the socio-economic and environmental benefits for transition areas.

This is a groundbreaking measure given that, instead of granting grid access permits solely on the basis of technical considerations, as is usually the case, an assessment will also be made of the contribution made by the projects to the Just Transition Strategy, in terms of employment (showing particular consideration to women and affected coal workers), training activities, the promotion of distributed energy sources & self-consumption and paying particular attention to associated business, industrial projects and local investments, among other aspects. As a consequence, a **virtuous circle** is incentivised whereby companies wishing to implement renewable energy projects must compete among each other to improve the socio-economic benefits for local populations. Thus, **renewable expansion is used as a tool to meet the needs of the areas affected** by the closures.

The first Just Transition tender has already been launched, for the <u>Andorra power plant</u> node (Aragon), with 1,202 MW available for tender.

Find out more: How Just Transition tenders work

Just transition nodes, defined as nodes where the grid access capacity freed up after the closure of closed thermal or nuclear power plants is tendered out to be used by new renewable energy plants connecting up to the node. Access capacity is granted according to criteria of socio-economic and environmental benefit for the areas



affected by the closures.

The award criteria will take into account many of the aspects that form the backbone of the Just Transition Strategy, such as the generation of employment for affected workers, and for women and young people, as well as the provision of vocational training plans in which the local population can participate. In addition, the indirect effect on related local business or industrial projects is analysed.

Other areas that will also be assessed include the existence of associated socio-economic plans, agreements with other producers or local associations, the promotion of energy self-consumption for citizens and companies in the area or the promotion of local energy communities, together with the income that will be generated both in the municipality affected by the closure and in the municipalities in its area of influence. The maturity of the project is examined and, specifically, the description of anticipated spending and planning, in addition to the project's technical, economic and legal feasibility and innovation.

In all cases, the project must minimise its environmental impact under the principle of "causing no significant harm", as stipulated in the Recovery and Resilience Mechanism regulations. It must also respect the criteria associated with generation technology (assessment made by the Red Eléctrica de España - REE).

More information: <a href="https://www.miteco.gob.es/es/prensa/ultimas-noticias/el-concurso-para-la-concesion-de-capacidad-de-acceso-al-nudo-de-andorra-(teruel)-sale-a-a-audiencia-publica-/tcm:30-526686" |

Another key aspect of Spain's approach is the **introduction of just transition needs transversally into the country's energy policies**, in addition to the specific instruments deployed by the Just Transition Institute. Just Transition has thus been included as a transversal component of the entire package of Strategic Projects for Economic Recovery and Transformation (PERTE) on Renewable Energy, Renewable Hydrogen and Storage financed with funds from the Recovery, Transformation and Resilience Plan, endowed with more than 6.9 billion euro. In this way, grant programmes for **green hydrogen**, **energy storage**, **energy communities**, **biogas**, **heating and cooling networks**, **repowering and recycling of wind farms and other innovative renewables projects** establish prioritisation criteria for projects located in areas of just transition, thereby improving their funding opportunities and attracting proposals to the territories affected by closures.

In addition, the transformation of carbon capture and storage installations of the CIUDEN Foundation (attached to the Just Transition Institute O.A. and located in the mining



region of El Bierzo) has been launched for the development of research and innovation projects in new vectors of the energy transition, such as storage, green hydrogen and associated public-private projects. It is a project funded by 30 million euro from the Recovery, Transformation and Resilience Plan that will create an R+D+i energy transition centre in one of the mining regions most impacted by the end of coal production.

Meanwhile, the *Agreement for a Just Energy Transition for closing thermal power plants* represents a commitment by electricity companies to propose new investments, in the same areas where their plants have closed, in renewable energies or other lines of business. This is generating a proliferation of projects linked to renewable resources in the areas, as well as using the facilities and land of the decommissioned power plants to attract new businesses.

Find out more: Examples of alternative activities proposed for thermal power plan closure areas

Within the framework of the Agreement for a Just Energy Transition for closing thermal power plants the signatory companies committed to proposing alternative activities in the areas affected by the closure of their coal-fired power plants. Where resources allow, new renewable energy ventures are found, while in other cases, new activities outside the energy sector will be sought.

In the case of power plants managed by Endesa, the company has launched Futur-e tenders to select projects to which the land and facilities of its power plants are to be ceded. As a result, the Compostilla power plant (León) is proposing to host industrial-scale circular economy projects for wind blades and electric car batteries, as well as other projects, while in As Pontes (Galicia) the installation of a smart tyre factory is being considered. In Carboneras, proposals have been submitted for projects associated with the area's marine and fishing tradition, as well as proposals linked with renewable energies and new energy vectors.

As for the power plants managed by Naturgy, in La Robla (León), there are plans afoot to replace coal with green hydrogen production. In Meirama (Galicia), renewable energy parks and green hydrogen production are being considered.

In the case of the plants managed by Iberdrola, proposals have been made to install 400 MW in photovoltaic parks around the Velilla plant (Palencia).



Regarding the plants managed by EDP, proposals are focused on replacing coal with green hydrogen production centres in Los Barrios (Cádiz) and Aboño (Asturias), renewable energy plants in Puente Nuevo (Córdoba) and energy storage solutions are being considered in Soto de Ribera (Asturias).

In other locations the search for solutions is in preliminary phase.

More information:

"https://www.transicionjusta.gob.es/Convenios_transicion_justa/Acuerdo_Cierre_C_Ter_micas%20ides-idweb.asp

The Spanish government is promoting the **energy transition itself as a driving force for the reactivation** of the areas affected by the closure of coal, through *Just Transition tenders*, R&D projects in the areas, promoting industrial projects and renewable energies through the *Agreement* with electricity companies and transversally introducing the just transition into the country's energy policies.

3.10 Areas with better and more modern services, a healthy environment and respect for identity, heritage and culture

A key element in achieving a just transition is to improve public services and infrastructure, with the aim of providing adequate services so that citizens and businesses can carry on living and working in their area.

This is especially necessary in the case of Spain, where mining areas have been in progressive decline for decades and are located in rural environments, with services and infrastructures in gradual deterioration. The deteriorating situation is further exacerbated by the recent closures.

In response to these needs, the Spanish government has launched a plan to support municipal and infrastructure projects in mining areas by signing specific collaboration agreements with the regional governments, in 2020 and 2021.

To date, agreements have been signed for 104 projects, with funding totalling 172 million euro. These include energy rehabilitation, improvements to industrial estates to attract new companies, social and health services to prevent depopulation and ensure care for the elderly, environmental restoration and projects for the promotion of local cultural and natural heritage for tourism, among many other projects.



In addition to the municipalities affected by the closure of the mining industry, support programmes for municipalities affected by the closure of thermal power plants have also been developed. Tax revenue from coal-fired power plants, in many cases, accounted for a significant proportion of municipal budgets to maintain public services, thus making it necessary to deploy alternative tools for municipalities to develop proposals for their citizens and businesses.

With a first call for grants of 7 million euro, awarded in 2021, funding has been provided for the implementation of coworking and teleworking centres to promote entrepreneurship, rehabilitation of buildings for new cultural and educational activities, centres for the care of the elderly in municipalities with particularly ageing populations, and a medical centre to serve areas that had been left without adequate health coverage, among other projects.

Subsequently, at the end of 2021, a new support programme for environmental, social and digital infrastructure projects in municipalities in areas affected by the energy transition has been deployed, within the framework of the Recovery, Transformation and Resilience Plan, endowed with 91 million euro. These grants are a direct result of the public participation processes of the Just Transition Agreements, where countless local authorities reported the existence of degraded or underused municipal buildings, linked to the decline of coal, and their desire to rehabilitate them for new uses.

Find out more: How gender equality is incorporatd into the support programmes

The Just Transition Institute considers that special attention must be paid to the challenges and opportunities for women's employment and well-being represented by the processes underway in the areas where the various Just Transition Agreements are being developed. A number of initiatives are therefore being executed to reduce inequality between men and women in the transition territories.

In coordination and dialogue with the Institute of Women, efforts have been made to involve women's associations in participation processes. In addition, the different lines of support incorporate prioritisation criteria for projects advocating gender equality. For example, calls for municipal projects include several evaluation criteria that seek to prioritise projects promoting women's employment, and which contribute to the economic revitalisation driven by women and the development of infrastructures that make it possible, on the one hand, to reduce the digital divide between women and men and, on the other, promoting women's access to new technologies. Several of the



project evaluation criteria are aimed at prioritising projects that incorporate this approach to reducing inequalities.

The Just Transition Institute has transformed this **public participation** into a real support programme, specifically oriented towards rehabilitating buildings and spaces for new social uses (social housing, care for the elderly, children or improvements for coresponsibility), digital (connectivity centres, teleworking, co-working or entrepreneurship) and environmental uses (nature interpretation centres, mining and cultural heritage, green paths and sustainable mobility) in areas and regions affected by the closure of coal.

In order to encourage the maintenance of an area's mining, industrial and cultural identity, a pilot programme is also being developed to support projects to preserve the **cultural and industrial heritage** of municipalities in just transition areas. Work is also being done on a programme to support cultural activities in the cities and towns affected, with the aim of boosting the cultural activities available in the areas.

Find out more: culture at the heart of just transition

Work is underway to launch the **Dinamiz-ARTj** cultural programme, which will seek to generate a broad range of cultural activities in towns and villages affected by the closure of coal mines, thermal power plants and also nuclear power plants after the end of their life cycle. In these areas, access to culture is often hampered for various reasons – depopulation, economic downturn, ageing population, lack of cultural activities available. To that end, the programme aims to promote the revitalisation of cultural activity, by supporting young local artists, encouraging visits to the municipalities, and thus complementing the tourist activities on offer, as well as helping to enrich life in the municipalities, because culture is another reason for the local population to remain rooted in the area.

Another noteworthy example is 'La Térmica Cultural', a project to convert the former Compostilla I power station in Léon into a multi-purpose centre linked to the history of mining, and which aims to become the focal point for the cultural network of just transition. To that end, 1.3 million euro will be spent on fitting out the facility, which will host exhibitions. The space will function as a centre for conferences, forums, meetings and events. It will also host digital training and skill-building programmes and workshops linked to the processes of just transition and demographic challenge.



Last but not least, it will feature a space open to culture and local associations.

Nature will play a major role in this project. The former boiler house, renamed the Green Fire room, will be filled with tree ferns over 300 years old. Scheduled to open in 2023.

Meanwhile, and with the aim of focusing particularly on mines associated to bankrupt companies that were unable to carry out restoration tasks, an **Environmental Restoration Plan** has been put in motion that is linked to the Recovery, Transformation and Resilience Plan, and is worth more than 144 million euro, with 7 major projects. The work will last for three years and 350 direct jobs will be created, with priority given to affected miners.

In addition to restoring the affected landscapes, re-naturalization remodelling the land, removing waste dumps and managing the waste and drainage of some 2,300 hectares degraded by mining, actions will also be taken to improve the reactivation of the areas, by combining environmental restoration with the launching of new opportunities. Local communities have been actively involved in the creation of the projects and their suggestions have been at the heart of their design and proposing environmental and social solutions. These major environmental infrastructure works will have a highly beneficial impact on the quality of the rivers in these areas.

Accordingly, **Gran Corta de Fabero**, a vast open pit in León that was once the largest coal mine in Europe, is being restored, recovering its 700 hectares for native revegetation and alternative uses, such as an spaces for observing and studying the fossils found in the excavations, creating recreational areas and trails among repopulated native vegetation, recovering pastureland for agricultural and livestock use and forestry recovery for silviculture.

In addition, in El Bierzo (León), the opencast and underground mines of **Casares-Ladil-Charcón and Torre-Villagatón** are being restored. In the former, the native vegetation will be recovered, pastures and native chestnut trees will be planted for agricultural and livestock use and solutions for pollinators will be integrated. In the latter, paths and recreational areas associated with the nearby stretch of the Camino de Santiago through the Manzanal will be created and traditional techniques will be developed to improve environmental results, while incorporating former mine workers.

In the Suroccidente (Asturias), the open-cast mines and underground units of **Busteiro**, **Cerredo and Tormaleo** are being restored, where the native vegetation will be recovered, various types of fruit trees will be planted, a lake will be restored for tourist use, renewable projects will be incorporated and tourist and sports trails will be built.

The opencast mine in **Mequinenza** (Aragon) is also being restored, and the renaturalisation of the landscape will be accompanied by the creation of a mining



interpretation centre and trails linking the mine entries with the archaeological sites in the area.

22 million euro of national funds will go for the recovery of areas degraded by coal mining in **Teruel and Laciana** (León). While the restoration aid of the Recovery Plan will be concentrated on sites where the companies ended up bankrupt, and which thus became the subsidiary responsibility of the Autonomous Communities, this other support is aimed at restoring sites where the companies continued their activity after 2018. In Teruel, for example, the Carmen and Pura mines in Foz Calanda, the Santa María mine in Ariño and the Mi Viña mine in Cañizar del Olivar and Estercuel are all being restored. In Laciana, the La Escondida mine is also being restored. In total, more than 1,000 hectares are being restored under this programme, creating more than 150 jobs.



Image 2. Mine of Tormaleo (Ibias, Asturias). Environmental restoration of coal mines involve the preparation of spaces for new uses to generate new activities for a sustainable territorial development.

Support is also being given to **municipal and infrastructure projects** with the aim of providing adequate services to citizens and businesses, so that they can carry on living and working in their areas.

To that end, a significant effort has been made to coordinate and cooperate with regional governments to sign agreements for **more than one hundred projects** and a call for proposals for environmental, social and digital infrastructure projects has been launched.

An **Environmental Restoration Plan** for areas degraded by coal mining has been implemented, renaturalising and recovering more than 2,300 hectares for local socioeconomic development.



3.11 The Just Transition Fund

The Just Transition Fund is a new financial instrument linked to EU cohesion policy that aims to support areas and regions facing severe socio-economic challenges resulting from the process of transition to climate neutrality and to prevent increasing regional disparity. The Just Transition Fund will facilitate the implementation of the European Green Deal, which aims to achieve a climate-neutral Union by 2050.

Spain's Territorial Plan is being negotiated with the European Union.

Its main objective is to alleviate the impact of transition by funding the diversification and modernisation of the local economy and mitigating the negative impact on employment. The Fund will support investment in areas such as digital connectivity, clean energy technologies, emissions reduction, regeneration of industrial sites, and training and skills upgrading for workers affected by the transformation.

The support measures included as part of this Fund will be essential to effectively boost business development in these areas, both for the revitalisation of SMEs and for the promotion of attraction projects that can emulate the economic spill-over effect that coal-related activities had in these areas.

The main lines of the Spanish Plan are as follows:

- 1. Promoting the green transformation of industry and promotion of sustainable mobility, circular economy and energy efficiency.
- 2. Promoting the value chain of renewable energies, local consumption, energy storage and renewable hydrogen.
- 3. Promoting SMEs and business projects that can act as driving forces for the economic diversification of the areas and regions.
- 4. Promoting research, development and innovation (R&D&I), ICT integration and digital transformation.
- 5. Environmental rehabilitation, nature conservation, biodiversity and ecosystems, promoting historical, cultural and industrial heritage, and promoting sustainable tourism.
- 6. Promoting social infrastructures, the social economy and training and skills-based initiatives.

Therefore, the measures deriving from the European Just Transition Fund will help to complete and extend the work already commenced by the Spanish government, thus helping to meet the objective of the Just Transition Strategy that closures should generate zero impact on employment and population in the medium term.







