



Just Transition Platform – Policy approach:

THE JUST TRANSITION FUND IN THE USA: ASSEMBLING PRIVATE AND PUBLIC FUNDING TO SUPPORT COMMUNITY-LED PROJECTS IN REGIONS AFFECTED BY THE TRANSITION

North America

This document is part of a series presenting information and lessons learned on policy approaches at national, regional or local level supporting a just transition to a climate-neutral economy. The Just Transition Platform (JTP) assists EU Member States and regions to unlock the support in this transition. Visit the JTP website: https://ec.europa.eu/regional_policy/funding/just-transition-fund/just-transition-platform_en

Total budget (in €):

Since 2015, the Just Transition Fund (JTF) (USA) helped their grantees to access USD 360 million. in both private and public funding. Results for 2022 indicate that USD 71 million. in public funding were leveraged (with an additional USD 60 million. pending). The actual yearly grants offered by the Fund itself hover at USD 4 million.

Region:

North America

Sector:

Coal

Financing conditions (co-financing rate in %):

n/a

Sources of funding:

The budget of the JTF (USA) is gathered through private donations.

EU funding:

No EU funding

National funding:

Yes, the Infrastructure Investment and Jobs Act and American Rescue Plan make available USD 100+ billion for coal communities (conditional on matching requirements and subject to a competitive grant awarding system).

Regional funding:

n/a

Duration:

2015 – (ongoing as of 2023)

Responsible Managing Authority/Agency:

JTF (USA) is a private entity, self-managed, although supported by and embedded into a network of civil society foundations.

Summary

The JTF (USA) was established in 2015 by the Rockefeller Family Fund and the Appalachia Funders Network (with the support of six other entities from the private philanthropy landscape). At the time, the issue of a just climate transition for coal communities was gaining momentum at the Federal level, in the form of the POWER initiative. The latter dedicated new resources for economic diversification, job creation, job training and other employment services for workers and communities impacted by layoffs in coal mines and coalfired power plants. Such resources were allocated

through competitively awarded grants. The main modus operandi of the JTF (USA) is thus that of helping local communities in securing those resources through a mix of financial (the outflow of federal funds is often conditional on the meeting of some matching requirements) and technical assistance (aiding grant writing, providing expertise on the proposed projects, etc.). Furthermore, in the policy sphere, the close collaboration of the Fund with an array of local and national actors gives them a platform for highlighting best practices and influence federal initiatives.

Type of policy measure/activities:

The activities of the JTF (USA) can be organised in two main domains. On the one hand, the Federal Access Centre (FAC) is a one-stop resources hub that local leaders can refer to for support in securing public funding. Mainly three types of projects are pursued. First, community economic development, namely initiatives in promising economic sectors such as clean energy, sustainable agriculture, or the knowledge economy, which hold the promise of fostering economic diversification. Second, workforce development, namely initiatives aimed at the re-skilling of coal-affected workers to favour reinsertion in the labour market. Third, broadband access and affordability, namely initiatives aimed at strengthening infrastructure in disconnected rural communities. On the other hand, the JTF (USA) stirs and drives the national policy debate on the just transition by functioning as a hub for peer-to-peer learning and knowledge sharing. The main success in this regard was the creation of the National Economic Transition (NET) initiative. The NET, launched in June 2020, is a policy platform containing a comprehensive set of solutions and recommendations for coal community transition derived from the experience of over 80 organisations.

Goals and approach:

Throughout the US, the decline of coal and mining is causing economic upheaval, with considerable direct and indirect job losses in local communities after the closure of plants. The situation is worsened by the fact that many of these communities live in remote and isolated places and can only rely on limited infrastructure, often lacking access to broadband internet, a key pre-requisite for economic diversification. The goal of the JTF (USA) is thus to redevelop the territories affected by this decline, ensuring equitable and sustainable economic opportunities to the communities hardest hit by the closure of plants. They strive to achieve this by supporting – technically and financially – grassroots initiatives spawned by local leaders and organisations. These aim to foster the creation and development of future-proof sectors such as clean energy and knowledge economy, to promote workforce training and to generate investments in infrastructure to attract businesses. Moreover, the JTF USA performs an advocacy function in the discussion on climate change at the federal level by convening local leaders and use their experiences to promote a purposeful policy debate.

Important outputs, results or achievements:

The JTF (USA) reports the following statistics to validate its approaches:

- 524 businesses created;
- 2 739 jobs created;
- 5 482 workers trained;
- 5 725 entrepreneurs supported;
- 18 000 households connected to the broadband.

Each project is accompanied by a process of monitoring of selected performance indicators, defined a priori, to ensure its success and learn from its implementation.

Additionally, the website contains an extensive list of the initiatives supported by the Fund, which serves as both a knowledge repository of good practices and a testament to the countless local communities helped.

The NET platform that was mentioned in the previous section is likewise a great achievement of the Fund (and other organisations). It sets out seven pillars of intervention for the federal government to target for effective scale-up of positive change (note that the publishing of the platform came just before the change in administration). These pillars were derived from the experiences of local leaders and jointly agreed upon by a wide network of organisations devoted to a just transition.

Scalability¹ and transferability²:

The JTF (USA) is now active in the following States: Pennsylvania, Virginia, West Virginia, Kentucky, Ohio, Indiana, Illinois, Minnesota, Montana, Wyoming, Colorado, and Arizona. Extensions to include New Mexico, Texas, Wisconsin, and North Carolina are being considered. The conspicuous, federal, financial envelope rendered available through the Infrastructure Investment and Jobs Act and the America Rescue Plan, which the JTF (USA) uses to support local initiatives, puts the Fund in a position to scale effectively. Importantly, the decision on which territories to target is made after a rigorous analytical

process to single out the communities that have been hardest hit by the transition away from coal and mining. This process considers measures of economic distress and levels of concentration of marginalised communities. The output of the research is a list of states and areas, organised according to tiers, that are given strategic priority for the expansion of the activities of the JTF (USA). Concerning the transferability of this policy approach to the European context, it must be noted that the prerogatives taken on by the JTF (USA) are to some extent similar to the ones pursued within the EU.

¹ Scalability entails that a policy approach can be adapted to a bigger scale than just the local context.

² Transferability entails that a policy approach can be applicable to a similar setting and replicated.

Key success factors and lessons learnt:

One key success factor that transpires from the experience of the JTF (USA) is the importance of a bottom-up approach. The extensive operations carried out by the JTF (USA) 'close to the ground' puts the philanthropic organisation in a unique position to identify the most innovative solutions to the challenges involved in the transition. Local initiatives ensure that the proposed projects are tailored to specific needs of the community and mindful of the assets available or difficulties that may arise. The experience of the JTF (USA) also highlights how communities in transition fundamentally need three things: (i) economic diversification; (ii) workforce training; and (iii) infrastructure building. The JTF (USA) is also sector agnostic insofar as it does not prioritise one domain of intervention (e.g. clean energy) over another (e.g. outdoor recreation or tourism), if the above-mentioned priorities are addressed.

Key challenges:

One challenge that has emerged in some local communities is a certain degree of scepticism with respect to the just transition. The coal and mining industry has provided high wages and sustained families for a long time; and workers who are suffering from the demise of these industry do not see how different economic initiatives may lead to such a high level of well-being as the one they enjoyed up until fairly recently. These same communities sometimes express some frustration at the lack of understanding – by external stakeholders – of the cultural importance of the coal industry. This insight transpired through the conventions that gathered local organisations and leaders to share their experiences. This is to say that, if local communities cannot envision a prosperous and sustainable future beyond coal, the political will to achieve such future will likely be lacking.

Central framework conditions³:

The United States has a long history of exploitation of coal reserves, which are abundant in the areas of Pennsylvania, West Virginia, and Kentucky. The discovery of these reserves led to the creation of many remote coal towns, which took a decline path already in the mid-20th century when coal suffered from the competition with other fuel sources. Nowadays, many of these communities face serious challenges, in particular the lack of infrastructure suitable for the instauration of a diversified economy and the environmental degradation that resulted from decades of mining. To address these (and other) challenges, the current US administration has put in place historical levels of federal funding through the Infrastructure Investment and Jobs Act,

the American Rescue Plan and the Inflation Reduction Act. The JTF (USA) operates within this landscape of federal funds devoted to a just transition to a low-carbon economy. USD 100+ billion have been earmarked by the federal government to these initiatives, which makes the institutional framework particularly fertile for the activities of the JTF (USA). Indeed, given the increased concern alimanted by climate change, the federal financial envelope that local communities can access has increased throughout the period of operations of the JTF (USA).

Outlook:

As mentioned in the 'Scalability and transferability' section, the outlook for the Just Transition Fund (USA) is that of taking advantage of increased federal funding to help and sustain more local initiatives. Efforts will still be focused on the communities hardest hit by the economic transition, which are identified through a dynamic analysis of relevant indicators.

³ Framework conditions encompass the institutional, informational and socio-economic factors that determine a given environment (contextual information), e.g. market conditions, access to finance, tax regulation, infrastructure and support.

Partners & contacts:

Partners & contacts:

- Rockefeller Family Fund;
- Appalachia Funders Network;
- blue moon fund;
- Chorus Foundation;
- Hewlett Foundation;
- The JPB Foundation;
- The Mary Reynolds Babcock Foundation;
- Mertz Gilmore Foundation.

Website / social media:

<https://justtransitionfund.org/>

<https://www.linkedin.com/company/just-transition-fund/>

<https://twitter.com/JTFund>

Sources:

Bravender, Robin (E&E News) 'Biden promises lifeline to coal communities' (2023). Available at: <https://www.eenews.net/articles/biden-promises-lifeline-to-coal-communities/>.

Interagency working group on coal and power plant communities and economic revitalization (Energy Communities IWG) 'Revitalizing Energy Communities Two-Year Report to the President' (2023). Available at: [Revitalizing Energy Communities: Two-Year Report - Energy Communities](#).

Interview with representative of Just Transition Fund (USA), 22 March 2023.

Just Transition Fund (2022) 'Grant summary report'. Available at: <https://justtransitionfund.org/impact/>.

Just Transition Fund (and partners) (2020), 'The National Economic Transition Platform'. Available at: <http://nationaleconomictransition.org/>.

Office of the Press Secretary (2016) 'The POWER initiative'. Available at: <https://obamawhitehouse.archives.gov/the-press-office/2016/08/24/fact-sheet-administration-announces-new-economic-and-workforce>.

Motozama, S. (2023) 'How philanthropy helps coal communities access historical levels of federal funding'. Available at: <https://www.philanthropy.com/article/how-philanthropy-helps-coal-communities-access-historic-levels-of-federal-funding>.

Zancez, D. (Cardinal News) 'A grand experiment is underway to direct clean energy companies to coal country' (2023). Available at: <https://cardinalnews.org/2023/04/12/a-grand-experiment-is-underway-to-direct-clean-energy-companies-to-coal-country/>.

Manuscript completed in July 2023

Luxembourg: Publications Office of the European Union, 2024

© European Union, 2024



The Commission's reuse policy is implemented by Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39, ELI: <http://data.europa.eu/eli/dec/2011/833/oj>).

Unless otherwise noted, the reuse of this document is authorised under the Creative Commons Attribution 4.0 International (CC BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed, provided appropriate credit is given and any changes are indicated.

For any use or reproduction of elements that are not owned by the European Union, permission may need to be sought directly from the respective rightsholders.

Print ISBN 978-92-68-17541-5 doi:10.2776/471253 KN-09-24-404-EN-C
PDF ISBN 978-92-68-17542-2 doi:10.2776/12250 KN-09-24-404-EN-N

This document was prepared by researchers at Prognos AG having conducted desk research, interviews and surveys. Any information and views contained in the present document do not reflect the official opinion of the European Commission. Reuse is authorised provided the source is acknowledged.