



Just Transition Platform – Policy approach:

PREPARING FOR A JUST TRANSITION IN JIU VALLEY

Romania, Hunedoara County

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 €):

The approach of the Jiu Valley for preparing a just transition consists of various components and not every single one can be assigned with a concrete budget (such as the NGO activities or civil society movements).

Region:

Hunedoara County

Sector:

Coal

Financing conditions (co-financing rate in %):

n/a

Sources of funding:

n/a

EU funding:

Just Transition Fund (JTF) (2021–2027): in total EUR 2.14 billion for Romania.

National funding:

Not clearly quantifiable, as several initiatives are presented.

Regional funding:

Not clearly quantifiable, as several initiatives are presented.

Duration:

Main activities started in 2018, still ongoing.

Responsible Managing Authority/Agency:

Ministry of Investment and European Projects Romania (for JTF).

Summary

Jiu Valley is one of the EU regions that already is and will be heavily affected by the transition towards a climate neutral economy. The valley has already experienced the closure of mines and the negative effects that have had on the local economy and its people. With several activities and initiatives in place, the valley is now preparing to undergo the transition in a just way. Driven by local commitment the valley was able to become part of several EU initiatives and programmes, such as

the Coal Regions in Transition Initiative, the Horizon 2020 project TRACER, and now the JTF under which the region of Hunedoara has already prepared its Territorial Just Transition Plan for 2021–2027. Apart from that, local initiatives, such as the *Coaliția Valea Jiului Implicată* ('Coalition Jiu Valley Involved') shape the just transition efforts on the ground and provide important insights so that when the actual transition evolves the local community is represented sufficiently.

Type of policy measure/activities:

Since a couple of years, there were several activities pursued in order to prepare the Jiu Valley for a just transition. Already in 2012 first initiatives started that attempted to redevelop former coal mines. Such an example is the initiative around the Petrila Coal Mine that aimed at using the former site as a creative hub – recognising its heritage value – instead of demolishing it. A coordinated process started in 2018 when the valley was included in the Platform for Coal Regions in Transition that was created one year before. Since then, several initiatives have been started and implemented that should help the region to transform in a just way. Those initiatives were often driven by NGOs (such as Bankwatch Romania and Greenpeace Romania) but also by local communities and stakeholders. The preparation of the just transition included local meetings between NGOs, local community members, mayors, EC representatives, local businesses and trade unions; a study on development possibilities for the valley; applying for technical assistance of EU funds, amongst others to develop the Territorial Just Transition Plan; and the formation of a civil society organisation, called *Coaliția Valea Jiului Implicată*. In addition, the valley was included in the TRACER project that, amongst others, analysed the communication activities (concerning the transition away from coal) in the valley.

Goals and approach:

The measures and initiatives named under activities are all aiming at paving the way for a just transition in the Jiu Valley. The initiatives also aim at shaping the transition process in a way that recognises the regional and cultural identity of the region. This is expressed by the local/regional bottom-up approach that was crucial for starting the transition process. The approach can be described by a combination of a range of activities: strong NGO activities in the region, local community actions, and coordination and participation in diverse EU-formats/programmes.

Looking more closely at the TJTP, that is the central parameter for the transition, more specific goals arise. For the Jiu Valley the priorities are to optimise the living standards and creating a diversified and carbon neutral economy that focuses on SME growth, competitiveness, including innovation and local entrepreneurship. This is especially important concerning employment and retaining workers in the region. Tourism and creative industries, and urban mobility are also important pillars.

Important outputs, results or achievements:

Due to the broad variety of initiatives in the valley, many different outputs and results were achieved. On the agenda-setting level, two main results were obtained that outline the development needs and help to realise potentials. This is on the one hand the study on just transition in Hunedoara County and on the other hand the successful application for technical assistance of the START-programme where implementation is now planned to start soon. In addition, with the study on women's participation in the just transition process in the Jiu Valley¹ recommendations were developed on how to best include the gender dimension in the just transition process. This study provides the opportunity to follow a more inclusive and broader approach for future projects.

From the civil society side an important result is the governance structure that was set up due to the efforts of the Jiu Valley Involved organisation and represents a strong bottom-up example. This governance structure, Association for Integrated Territorial Development Valea Jiului, will manage the just transition and is composed of the six municipalities but also of business representatives, local university and civil society. This was possible due to the strong collaboration and trust, that was put by the public authorities in civil society initiatives, which is an achievement as such.

Scalability² and transferability³:

For the Jiu Valley approach to be replicated in another region it is essential that a certain value is put on people that feel a high attachment to the region. In addition, a broad range of people should be involved when thinking of similar transition efforts. A variety of different, (smaller) projects should be envisaged in which many stakeholders can have an interest. By doing so, a broad range of different stakeholders can be united for a common purpose. It is desirable that all relevant stakeholders are involved when designing just transition initiatives. For this to implement a relatively

large team need to work on just transition, also at local level. If this is not given, a first step would be, for local NGOs that want to get active, to closely coordinate with the public authorities of the region as they will be the key players to carry it out once they have a clear understanding of the pathways towards a just transition.

1 Online available: https://www.just-transition.info/wp-content/uploads/2022/08/Women-participation-in-the-just-transition-process_Bankwatch-ro.pdf.

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

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

Key success factors and lessons learnt:

The most important success factor that was decisive for the different aspects of the just transition process is the active involvement of the civil society that is mainly built upon individual initiatives. The just transition initiatives in the valley are a good example of an active self-organisation. In addition, a high level of attachment of the population towards the region was crucial for achieving a high level of civil society engagement. For the Jiu Valley this means that even though people might work in a different region some are involved in Jiu Valley on a voluntarily basis to contribute to the future development. Additionally, initiatives should be able to demonstrate their added value to the region which is a pre-condition in order to achieve not only local but also more high-level collaborations. The strong involvement of the six local mayors of Jiu Valley is another factor that was crucial for the starting the just transition process. Being a small region is not a negative factor – in contrast, this can facilitate the impact of local initiatives as a high impact on the local level can be easier achieved than at a larger scale.

Key challenges:

One central aspect is the lack of trust of public authorities towards civil society movements. This often stems from the political ties of different organisations (e.g. NGOs, worker unions) which led to the situations of public bodies not wanting to let someone 'from the outside' into the system. For the Jiu Valley Involved coalition this obstacle was overcome by many discussions and working together to show that there are no hidden agendas, and the work is reliable (additionally, the leaders of the organisation were not politically tied).

Another obstacle is the fact that the valley is organised in six different municipalities. Often cooperation only stays within municipality-boundaries and different municipalities often have diverging capacity levels to implement projects.

Time is also an important factor. The just transition process was started already five years ago, and a lot of planning happened since then. However, some people are tired of discussing and are eager to implement projects. It is therefore crucial now to keep the engagement levels up.

As highlighted in the study on the development potential of Hunedoara County, a related major obstacle for a just transition is the lack of confidence of the local community concerning the ability of the region to develop into a prosperous one.

Central framework conditions⁴:

Jiu Valley lies in the south of Hunedoara County and consists of three municipalities and three towns with a total population of around 130 000 people. The valley is coined by a long coal mining tradition. Before the beginning of coal mining, the region was sparsely populated. Coal mining has shaped the region since the mid-19th century; however, the last decades showed a continuous decline of coal mining. In 2020, only four mines in the valley were still in operation but they were largely outdated. The coal phase out for Romania is planned for 2032 which emphasises the need

for the region to create development opportunities that are not based on coal. So far, the usual impacts of coal mine closures can be observed: high unemployment and the need to reskill the workforce. In addition, fewer employment opportunities led to the case that people are leaving the region, especially young people and the rising risk of social exclusion and poverty.

Recognising the importance and need for a just transition for this region, the valley is a central focus area in the Territorial Just Transition Plan of Romania, Hunedoara County, as it faces the largest transition challenges.

Outlook:

Now that the planning phase in the valley is completed and projects have been planned, the actual implementation will begin. The motivation is there, as the consultation phase took long, and the involved actors are eager to implement. Local stakeholders are convinced that the implementation will soon yield concrete regional impacts. As recorded in the strategic document prepared under the START technical assistance, the decisive success factor for the long-term journey towards just transition is that collective local commitment is complemented with external support. The type of planned projects is broad ranged. Amongst others, they address SMEs, energy efficiency or tourism. For example, one concrete project aims at creating a cycling park for touristic purposes in the valley.

⁴ 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:

Relevant partners for the just transition process in Jiu Valley are:

TJTP implementation: Ministry of Investment and European Projects

NGOs: Bankwatch Romania and Greenpeace Romania

Local representatives: Jiu Valley Involved

Website:

Information on the Jiu Valley Initiative: <https://mfe.gov.ro/initiativa-valea-jiului/> (in Romanian)

JTM in Romania: <https://mfe.gov.ro/mecanismul-pentru-o-tranzitie-justa/> (in Romanian)

Jiu Valley Involved coalition: <https://www.valeajiuluiimplicata.org/> (in Romanian)

Bankwatch's article on just transition in Jiu Valley: <https://www.just-transition.info/romania-jiu-valley-ready-for-just-transition/>

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