



*Leaving no region and no
worker behind: addressing the
challenges of decarbonisation
in Central and Eastern
Europe's heavy industries*

8 December 2020



How to bring the attention to the challenges in Central Eastern Europe?

Countries do not start at the same level

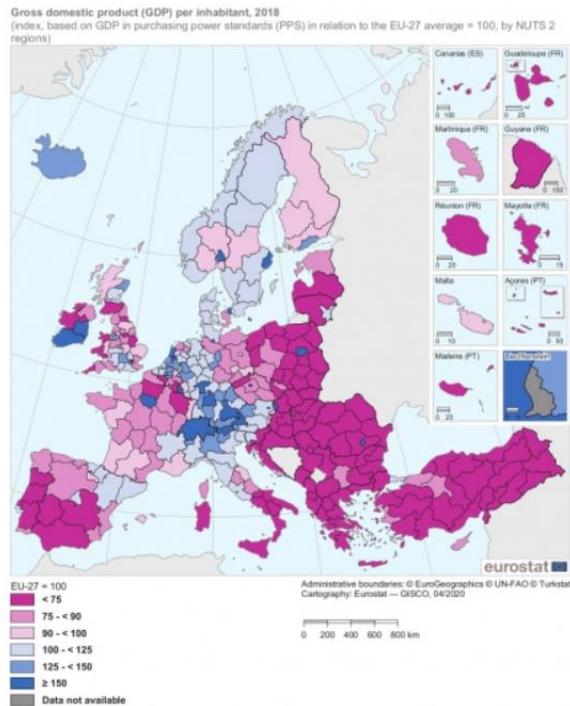
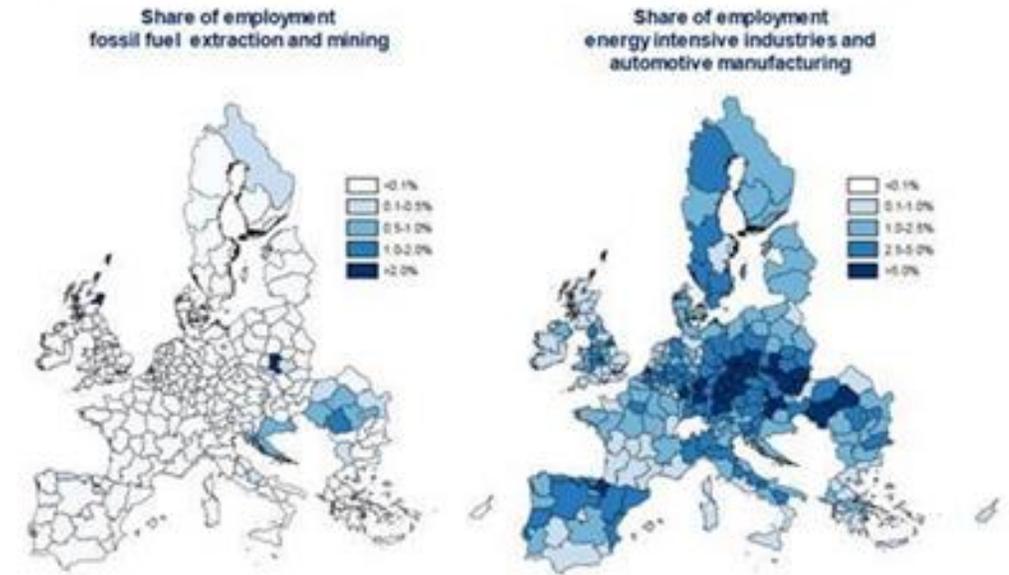


Figure 107: Regional exposure to sectors that will decline (left) and transform (right)



Source: Eurostat SBS^{4/19}

How to ensure investments for the Just Transition in CEE

- The EU's recovery package and Just Transition Mechanism need to ensure the **creation of good industrial jobs** in CEE before the phase out of coal-mining and coal-fired power
- Over the next decade half of Europe's blast furnaces and chemical crackers, and a third of cement kilns will need to be replaced or renovated.
- There is no time to lose, it is now that the transition needs to be prepared to **avoid any ruptures**
- EU needs to use opportunity to **modernize and transform its industrial sectors and their supply chains**, so that they remain competitive in a world of lower emissions.

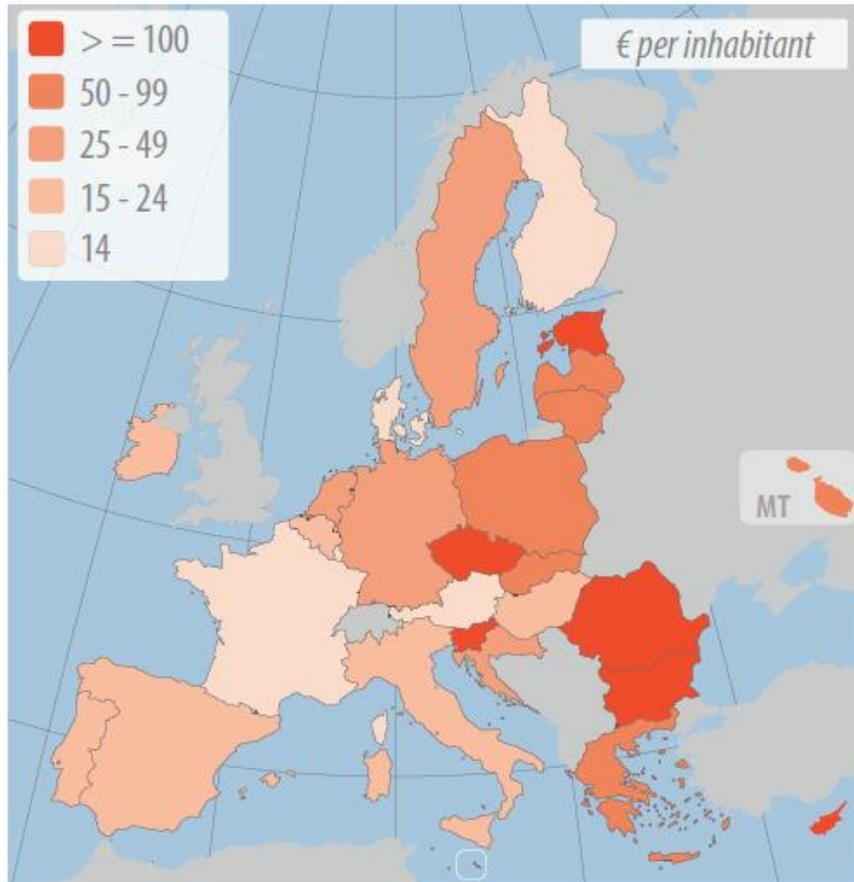
Estimation Allocation Modernisation Fund 2021-2030 (2% of EU ETS Revenues)

Table 1. Estimation of funds available for each member state for the 2021-2030 period

	Share of Modernisation Fund (% of the 2% allocated) ¹⁰	Share of Modernisation Fund (million EUA) ¹¹	Value of funds available at €25/EUA (million €) ¹²	Electricity sector GHG emissions (MtCO ₂ e)
Bulgaria	5.84	18.10	452.60	16.02
Czech Republic	15.59	48.33	1208.23	9.65
Estonia	2.78	8.62	215.45	11.38
Croatia	3.14	9.73	243.35	2.76
Latvia	1.44	4.46	111.60	0.88
Lithuania	2.57	7.97	199.18	0.38
Hungary	7.12	22.07	551.80	8.41
Poland	43.41	134.57	3364.28	114.34
Romania	11.98	37.14	928.45	19.08
Slovakia	6.13	19.00	475.08	3.12
TOTAL	100	310	7750	220.67

Source: Directive (EU) 2018/410; Own calculations.¹³

Allocation Just Transition Fund (Amounts based on Council Conclusions July 2020)



	MFF	€ Million	Next generation EU	€ Million	Total
PL	1 500		2 000		3 500
DE	966		1 288		2 254
RO	834		1 112		1 946
CZ	640		853		1 493
BG	505		673		1 178
FR	402		535		937
IT	401		535		936
ES	339		452		791
EL	324		431		755
NL	243		324		567
FI	182		242		424
SK	179		239		418
EE	138		184		322
LT	107		142		249
HU	102		136		238
SI	101		134		235
PT	87		116		203
LV	75		100		175
HR	72		97		169
BE	71	MFF: € 7 502 million	95	Next generation EU € 10 000 million	166
SE	61		81		142
AT	53		71		124
CY	39		53		92
DK	35		46		81
IE	33		44		77
MT	9		12		21
LU	4		5		9

Trade unions will play a central role

- The recovery package needs to support workers, create decent and low emissions jobs, and maintain existing industrial jobs while helping sectors to transform.
- National/regional Just Transition plans are urgently needed.
- To ensure their social acceptance and significance at local level, it is crucial that workers and their representatives in trade unions are fully engaged in the elaboration and implementation of these plans.

Just Transition plans and Modernisation funding must address:

- 1) Reinforced social dialogue in national and territorial transition plans – national tripartite Just Transition Councils and regional roundtables in territorial plans
- 2) Develop job creation and transformation plans – reinforcing labour rights to deliver a Just Transition
- 3) Future-proof sustainable industrial policy – investment in best available technologies, renovation and technology transfer, use of public procurement criteria

Just Transition plans and Modernisation funding must address:

- 4) Skills and training – upskilling and reskilling, digital
- 5) Affordability of energy and low-carbon products in transition – energy poverty and industrial energy users (carbon contracts for difference?)
- 6) Infrastructure investment
- 7) Use of ETS revenues – strengthening the Modernisation Fund , the Just transition Fund(+ CBAM)
- 8) Ensure regional circumstances are reflected in the ETS revision and ‘Fit to 55’ package