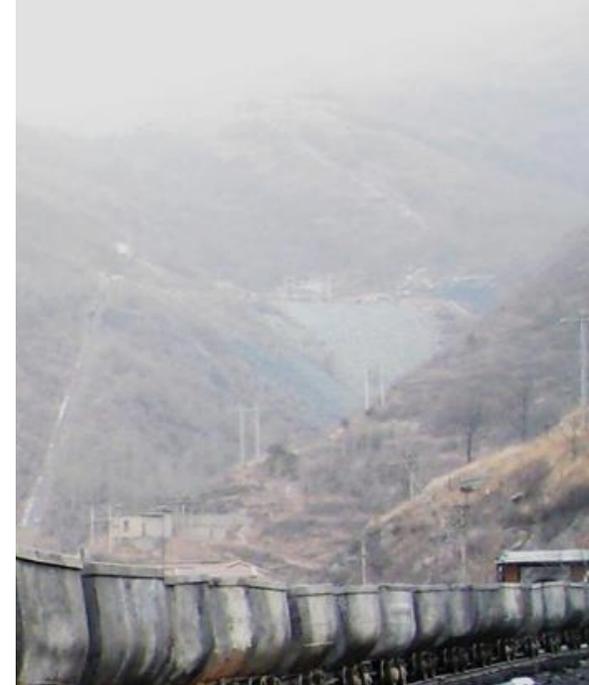


Strategy for the transition from coal of Jiu Valley

October 2020



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Introduction

The strategy for the economic, social and environmental development of the Jiu Valley (2021-2030) represents the strategic document that marks the opportunity for a significant transformation in the overall dynamics of this ailing area, by implementing impactful social, economic and environmental measures and actions.

The "Strategy for the transition from coal of the Jiu Valley" project is funded by the European Commission through the Structural Reform Support Program (DG-REFORM) and carried out in collaboration with PricewaterhouseCoopers, having the Ministry of European Funds as Beneficiary.

Jiu Valley is one of the pilot regions of the European Coal Regions in Transition Initiative, the Ministry of European Funds being appointed in 2018 as national coordinator of the Jiu Valley Initiative within the Coal Regions in Transition platform.

Today we will focus on the following key topics:

1

Context

2

Pillars

3

Objectives



Why this Strategy?

International energy markets are in a complex transition process on the geopolitical, economic, technological and environmental dimensions, with significant impact on the energy sector. Climate and environmental policies focused on reducing greenhouse gas emissions and implementing clean energy policies are one of the relevant factors in shaping consumption patterns for the energy sector in light of coal phase-out transition by 2030, as assumed by Europe and OECD.

- In 2019 the European Commission launched the **Coal Regions in Transition Initiative** and in December 2019 it presented the **European Green Deal** that aims to transform Europe into a climate-neutral zone by 2050.
- **The Just Transition Mechanism** was introduced as a tool to mobilize funds for investments in energy transition regions in the period 2021-2027 and support national and regional authorities in elaboration of transition strategies. Jiu Valley is one of the beneficiaries of this European initiative along with 18 other regions in 7 countries (Poland, Germany, Czech Republic, Greece, Slovakia, Spain and Slovenia).
- In a broader context, Jiu Valley strategy is aligned to the objectives of the **European Union Cohesion Policy** on the 5 investment priorities: **a smarter Europe, a greener, carbon-free Europe, a more connected Europe, a more social Europe, a Europe closer to citizens**, by supporting locally led development strategies and sustainable urban development across the EU.

What's the project's structure?

The Strategy for economic, social and environmental development of Jiu Valley is aimed at redesigning the area from a social and economic perspective, considering the negative impact of social developments and the limited economic progress triggered by the decline of the coal industry after the initiation of the mine closure process. The Strategy looks to 2030 horizon being conceived based on a thorough analysis of the as-is situation in Jiu Valley, its existing resources and opportunities, as well as based on an assessment of the needs of the two main target groups – the local population and the business environment, having the local administration as key driver for implementing the measures derived from this strategy.

December 2019

December 2020



Stakeholder engagement strategy	Analysis of the key challenges and opportunities	Strategy for the economic, social and environmental development	Governance structure	Action plan and pipeline of projects	Communication plan	Experience exchange through study visits
<ul style="list-style-type: none"> • Identification and mapping of stakeholders (both at central and local level) • Definition of the stakeholder engagement strategy • Initiation of discussions and consultations 	<ul style="list-style-type: none"> • Analysis of the current situation and identification of key challenges, including previous attempts to revitalize the area • PEST, SWOT analysis • Best practices from other similar regions 	<ul style="list-style-type: none"> • Identification of development priorities • Preparation of options for vision • Preparation of draft strategy, in consultation with stakeholders • Development of proposed approach and identification of priorities 	<ul style="list-style-type: none"> • Analysis of relevant governance structure and bodies in the region • Best practices from other coal regions • Preparation of proposals for the governance structure, in consultation with stakeholders 	<ul style="list-style-type: none"> • Definition of specific actions/ measures to be taken together with the implementation timeline • Identification of financing needs and options for funding • Pipeline of 10 key projects 	<ul style="list-style-type: none"> • Identification of target groups • Preparation of key communication messages (for each target group) and forms of communication • Preparation of communication plan 	<ul style="list-style-type: none"> • Support the organization of 3 study visits • Preparation of topics for discussion • Preparation of a summary, highlighting lessons learned and how they can be used for the Jiu Valley region in its transition

Where are we today?

Finalizing the draft Strategy, Governance Structure and Action Plan, while working on the pipeline of projects.

- Finalizing the draft Strategy, the Action Plan and the options for the Governance Structure
- Agreeing with the Beneficiary and DG-Reform on fine tuning aspects for validation
- Working on the pipeline of 10 projects covering all four areas reflected in the pillars
- Finalizing the Communication Plan to be implemented by the Beneficiary and the local authorities
- Preparing to launch public consultations on the draft Strategy, Governance options and Action Plan to collect feedback from stakeholders in Jiu Valley and at central level
- Preparing to organize the virtual study visits for some key stakeholders (exchange of experience with counterparts in Ruhr/Germany, Silesia/Poland and West Macedonia/Greece)

What values ground the Strategy?

The successful implementation of the vision for the development of Jiu Valley should be aligned to key values and principles which are deemed critical for strengthening local communities' trust in the public decisional act, for bolstering accountability and the active profile of local decision-makers, for giving up on misconceptions and leaving aside scepticism about the real chance to materialize such complex initiatives with long term implications for the social and economic dynamics of the region and for achieving an outstanding outcome with positive results for a successful coal transition which could turn Jiu Valley into a success model to be replicated in other regions of the country.

Inclusivity – consultations with the large audience, considering the recommendations and the direct contribution of all categories of representatives of the local communities to the decisional process.

Accountability and professionalism – active leadership to be assumed by authorities in line with the envisaged objectives and the results to be achieved through this strategy.

Ethics and transparency – strategy to be implemented in a correct, consistent and balanced manner, by ensuring full decisional transparency at each relevant stage for its proper implementation.

Efficiency and thinking in the future – new governance mechanism to become fully operational; thorough planning of the actions envisaged for the future of Jiu Valley's generations; balanced use of the available funding for each project.

Innovation – new approach focused on innovation and embracing European best practices, by encouraging the local communities to play a direct role in redesigning the future of Jiu Valley.

Cooperation and partnership – close cooperation between local authorities and the most relevant categories of representatives in the local communities by fostering sustainable partnerships with the University in Petrosani, the local business community, the NGOs active in the region.

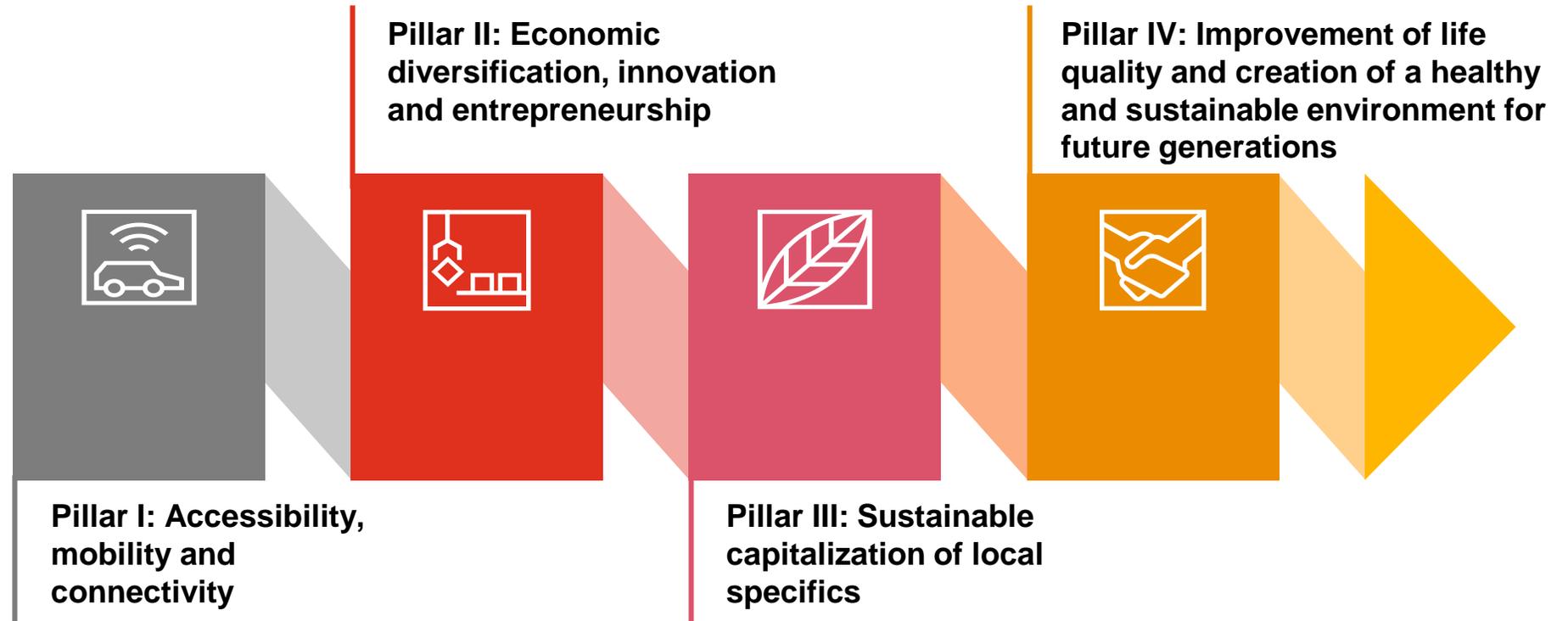
Sustainability – authorities to ensure sustainability of all actions on social, economic and environmental dimensions, by effectively integrating the accountability concept in all actions pertaining to the strategy.

Which are the pillars of the Strategy?

The proposed vision and strategic objectives are conceived by integrating the values, interests and development needs so as to revive Jiu Valley and to provide for real prospects for growth and modernization in various areas.

The development priorities grounding the strategy through the pillars contained in the strategy are the result of an inclusive consultation process with various stakeholders interested in this initiative – decision makers at central level and local level, mayors of the 6 cities and municipalities, University of Petroșani, local business environment represented by associations and entrepreneurs, NGOs with various profiles, institutions and associations with a social, medical and educational profile, Jiu Valley media and the population belonging to local communities.

Jiu Valley: energy-redesigned and socially revived region, sustainable and interconnected, with a competitive economic environment, boosted by investments and innovation and acknowledged for the local specifics



Why these pillars?

Starting from the integrated vision for Jiu Valley, the strategy is built on 4 pillars.



Accessibility, mobility and connectivity – to enable all activities related to future new economic operations, for attracting investors, facilitating development of tourism and enhancing the daily routine for the people of Jiu Valley; improved infrastructure and conditions for easy access and mobility are needed to achieve development objectives, and raise to the mobility standards of other regions.



Economic diversification, innovation and entrepreneurship – to boost economic development and social progress, secure a prosperous future for Jiu Valley during the coal transition, capitalize on the local assets, skills and economic activities; economic diversification supported by entrepreneurship and innovation is needed to align to the imperative for a new energy dynamics.



Sustainable capitalization of local specifics – to capitalize on the utmost natural beauties of the area, boost tourism, develop local crafts and promote the historical heritage, based on an integrated approach meant to bring visitors to Jiu Valley all year-round and generate significant revenues to the local budgets; develop the regional brand and promote traditions.



Improvement of life quality and creation of a healthy and sustainable environment for future generations – to change people's life to the better and healthier, instil a new social dynamics based on development of skills for access to new jobs, secure better living conditions with improved social assistance, enhance high performance in education and in provision of medical services and develop a new environmental culture aligned to the green economy requirements; determine local youth and elder population remain in Jiu Valley and align the region to the new environmental trends.

What we aim for?

The consultation process had a key role in building trust in the decisional transparency and the outcome of this endeavour, given the strong scepticism dominating the region in light of the results considered „modest”, „insufficient” or „poor” derived from previous efforts to draft development strategies for Jiu Valley, which did not allow for real progress to achieve all desired social and economic objectives.

In brief, the objectives of the just transition in Jiu Valley are the following:

- Equal living conditions and job opportunities for the local communities, including the vulnerable population
- Implementation of measures, particularly for professional requalification, to help former and present miners who will lose their jobs as soon as the remaining operational mines are closed
- Strengthening the capability for response to the demands of the labour market considering the available work force in Jiu Valley
- Promotion and implementation of policies and sectoral programs in relevant economic fields such as energy, by assessing challenges and capitalizing on opportunities through measures designed to trigger change
- A more effective use of the financial instruments and means of developing skills to support social and economic development
- Mine closure and reconversion of the respective areas for touristic purposes in conditions of utmost protection and without subsequent impact on population’s health



Few considerations on the projects

The Strategy defines the pillars, the development priorities and the measures to be implemented based on the Action Plan and the identified funding sources through the governance structure that will be in charge with implementing the projects.

- We collected a very long list of proposals from various stakeholders
- Being limited to only 10 projects, we will propose 2-3 relevant projects for each area reflected by the pillars
- The long list will be part of the strategy with prospects for other projects to be implemented by local authorities and based on proposals to be provided under dedicated programs of the European Commission such as START and TRACER
- We count on the owners of the projects to fully engage to support the implementation together with the local authorities and other relevant entities depending on the nature of the project
- We closely coordinate with the Ministry of EU Funds for best alignment of these projects to the available funding sources such as Just Transition Mechanism and the Modernization Fund, but also operational programs pertaining to the upcoming financial programming 2021-2027, being of utmost importance for securing the needed funding to successfully implement this strategy

Key prerequisites

The implementation process has particular complexity derived from the need to properly organize activities and the need for utmost coordination. A key prerequisite for the successful implementation will be the effective communication and the engagement of all decision makers at local level and within the governance structure. As the measures envisaged in the strategy depend highly on stakeholder's engagement, easing communication in-between them and accountability of all parties will be critical at all stages.

- Cultivate **trust**, inspire **confidence**, promote **inclusiveness** and show **transparency**
- Utmost **engagement by all relevant parties** in charge with implementing specific actions and projects, with responsibilities to be assumed by each responsible authority and entity
- Utmost **central governmental coordination to support local authorities** and for alignment with the most relevant policies at national, regional and local level in the respective areas
- Fostering **long term and functional partnerships** between local authorities and NGOs, the academia and the business environment representatives
- **An integrated approach** meant to secure best results and most effective developments (e.g. healthcare and social assistance to be considered altogether, tourism to be developed in an integrated approach for all 6 cities and municipalities)
- **Regular and consistent public campaigns to raise awareness on the relevance of this strategy** and the benefits it will bring to the local communities, as well as on their role to secure a successful coal transition (e.g. embrace professional reconversion, focus on acquiring knowledge in modern fields such as IT, renewables, green and circular economy)
- **Regular campaigns to help local population learn** about new job opportunities, labour market demands, environmental trends and implications of developments related to green economy etc.
- Engage in **conducting serious studies and analyses needed for developing some areas** at local level (e.g. evaluate the renewables potential, assess opportunity to develop some economic operations in sensitive areas such as those closer to Natura 2000 sites) to avoid promoting an aggressive economic development which may negatively impact both population and environment

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