



**POLICY BRIEF**

# **How renewables can help regions move beyond fossil industries**

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# How renewables can help regions move beyond fossil industries

## Examples promoting an EU-wide just transition

The European Union (EU) has adopted the target to reach climate neutrality in the EU by 2050, enshrined in the 2021 EU Climate Law. This will result in declining workforces in certain industries as we transition away from a fossil fuel-based economy. To help regions and workforces affected by these declining industries, the EU offers funding promoting regional development and cohesion, including the Just Transition Fund (JTF).

Renewable energy can be an important part of the answer for affected regions for several reasons:

1. Workforces of declining fossil industries can apply their skills to expanding renewable energy industries along different segments of the value chain;
2. Regions with fossil industries often have considerable amounts of degraded land, largely due to the environmental impacts of those same industries, that can be used for locating renewable energy projects;
3. Regions with fossil industries can often benefit from robust electricity and transport infrastructure that enables cost-effective distribution of renewable energy whilst revitalising former fossil infrastructure.

Unlike other infrastructure investments or subsidies that might only provide temporary relief to workers, renewables present a more enduring and pragmatic solution to drive the deep, lasting revitalisation needed in transition regions and beyond. This policy brief presents examples of regions affected by the decline of fossil industries that successfully invested in renewable energy.

## EU funding instruments for the Just Transition

The EU has several funding instruments relevant for regions in transition, including the Cohesion Fund, the Modernisation Fund, the Recovery and Resilience Facility, and crucially the Just Transition Fund (JTF), a Cohesion Policy instrument dedicated specifically to supporting territories facing profound socio-economic challenges. The JTF is one of the three pillars of the European Commission's Just Transition Mechanism, a regional development programme launched in January 2020. The fund consists of €19.7bn to be distributed over the period 2021-2027 to support regions identified as likely to suffer negative social and economic impacts in the transition away from fossil fuels, carbon-intensive industries, and those with less capacity to finance their energy transition.

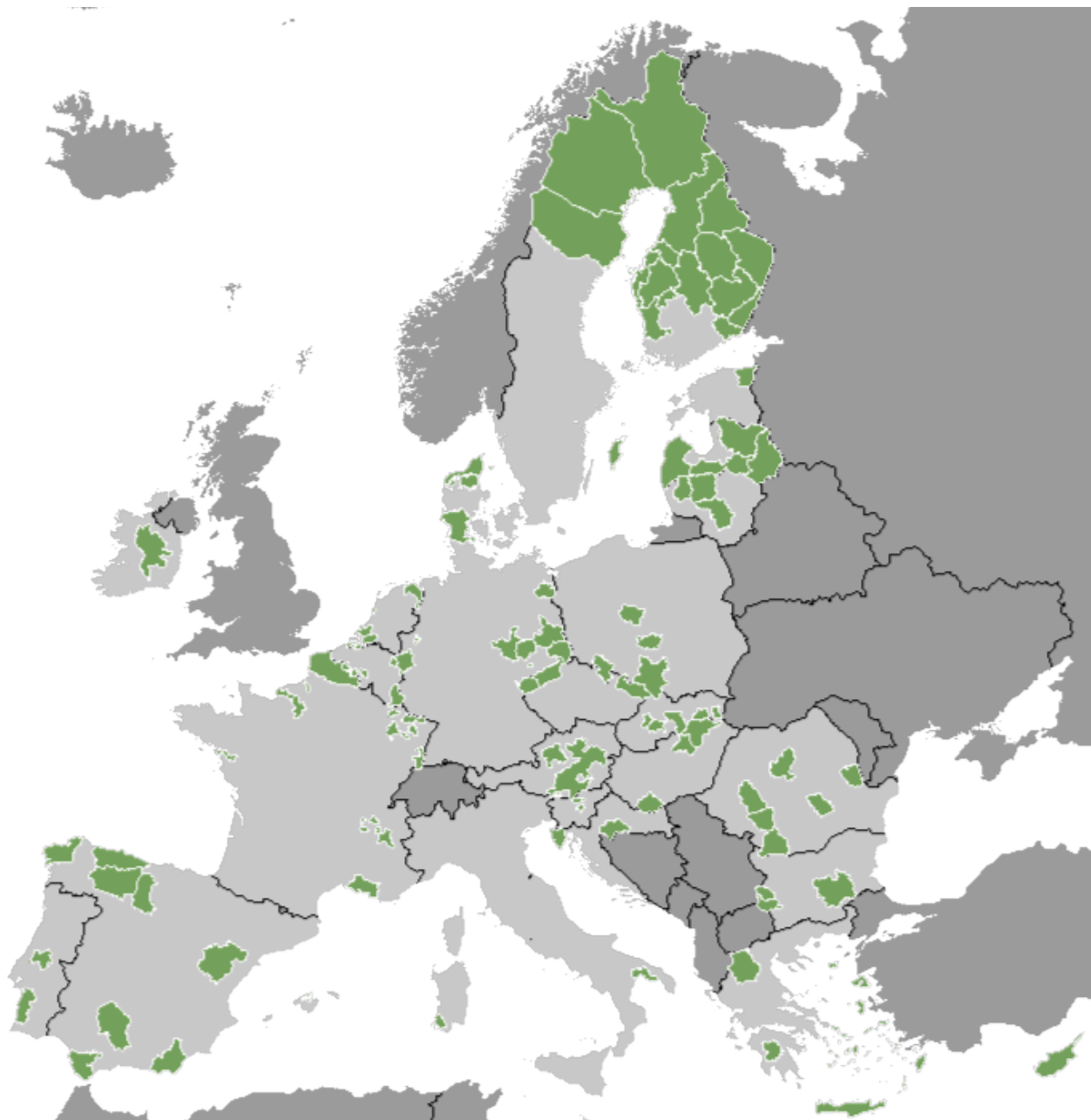


Figure 1 - EU regions with approved Territorial Just Transition Plans (TJTPs). Image used with permission. Source: DG REGIO, Inforegio Just Transition Fund Platform, available online [here](#).

The JTF supports **‘just transition’ activities**, including investments in renewable energy, decarbonising local transport infrastructure, and upskilling or reskilling programmes.<sup>1</sup> To benefit from JTF funding, EU governments submit Territorial Just Transition Plans (TJTPs) for approval by the European Commission. The 2021-2027 EU JTF programming was finalised with the late adoption of the Bulgarian TJTPs in December 2023, meaning that the focus is now on implementation and preparing for a potential new funding cycle.

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1. European Parliament, Council of the European Union, *Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund*, EUR-Lex, 1, 30 June 2021.

Funds for regional development have the potential to uplift regions transitioning from fossil fuels whilst decarbonising European energy systems. However, this impact will be diminished where investments prioritise unproven or costly technologies over reliable and urgently needed renewables and grid infrastructure. For instance, 19 of the approved TJTPs contain references to carbon capture and storage (CCS),<sup>2</sup> despite the fact that **CCS technologies are far from the point of scaling up**. By contrast, renewable energy technologies have proven again and again to deliver at scale.

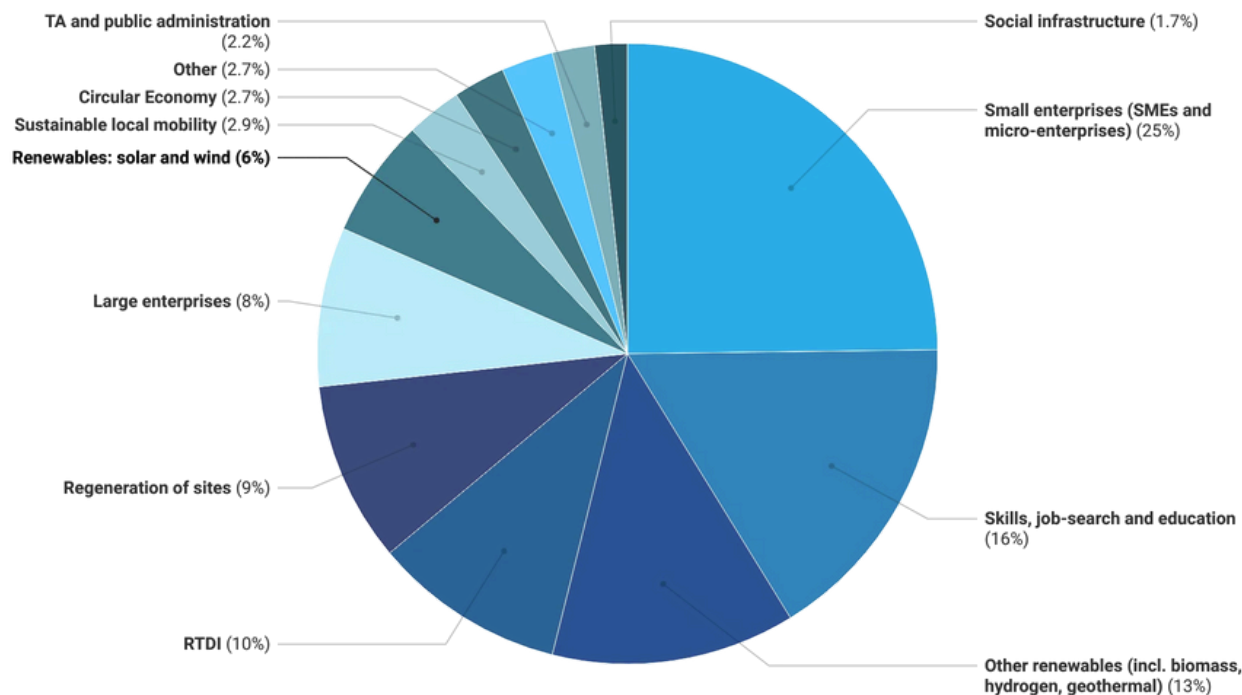


Figure 2 - Allocation of funding by Just Transition Fund thematic focus in the EU-27. Source: *DG REGIO*. Created with Datawrapper

Across all EU countries, around 19% of JTF financing is expressly dedicated to ‘clean energy’ projects. Of this, only 6% is allocated to solar and wind energy projects, with the rest going to other renewable energies including geothermal, biomass, and green hydrogen. Beyond that, investments in reskilling programmes and research and development can also benefit the deployment of renewable energies by preparing workforces to transition away from fossil industries to the renewable energy industry and fostering innovation in renewables.

The following examples highlight how regional development funds can promote renewable energy and become key to the long-term revitalisation of regions dependent on declining fossil industries, uplifting local populations and workers in the process.

2. Source: Just Transition Platform Secretariat, European Commission. Data available on request.

## 1. Spain, Andorra node (Teruel) – Revitalising former fossil sites to create jobs in construction, manufacturing, and environmental restoration

### 🎯 Moving from a coal-dependent economy to a renewables manufacturing hub

Andorra (in the Spanish region Teruel) is an internationally recognised case of long-term economic and community revival through renewable energy. The multi-faceted development plan includes seven new PV plants, seven wind farms, two energy storage plants and an electrolyser for green hydrogen production using surplus renewable electricity. The Teruel region has been significantly degraded by coal mining, demanding significant works to restore the surrounding areas. However, by giving priority to coal mining workers, the region saw the immediate transformation of coal jobs into green jobs. Since the first wind farms were developed, wind turbine manufacturing has also been established in the region, thereby bringing in additional construction and maintenance jobs.

- **Funding source:** EU funds (Recovery and Resilience Facility, RRF), national funds, private investments.
- **Number of targeted workers:** 6,300 jobs created, 500 of which are permanent.
- **Link to JTF thematic focus:** Rehabilitation of industrial sites and contaminated land and economic regeneration thanks to renewables.
- **Responsible for implementation:** Aragon Region, Endesa.

References: [Spain's Ministry for Ecological Transition](#); [ENEL Green Power](#)



## 2. Germany, Lusatia – Maximising existing grid infrastructure to create jobs whilst revitalising former fossil sites

### 🎯 Making use of abandoned lignite mining sites for renewable energy plants

Five different wind projects (~ 140 MW) and four solar projects (~ 22MW) have been realised using a former open-pit coal mine measuring around 62 km<sup>2</sup>. The existing grid infrastructure conveniently allowed for joint connection of both solar and wind units, and the projects were combined with landscape rehabilitation and ecological restoration efforts.

The realisation of solar and wind plants has already proven to be a driving force for the economic regeneration of the region. The project has created jobs in the construction and operation of the renewable energy facilities. Additionally, Lusatia's TJTP allocates funding to specific training courses in electrical engineering and renewable energy technologies, contributing to the long-term availability of a local skilled workforce.

- **Funding source:** Private investments; JTF.
- **Number of targeted workers:** 120 workers in wind and solar plants, 1,400 jobs created with new blade manufacturing plant.
- **Link to JTF thematic focus:** Rehabilitation of industrial sites and contaminated land and economic regeneration thanks to renewables.
- **Responsible for implementation:** Municipalities of Klettwitz and Schipkau, project developers, Lusatia government.

References: EU Joint Research Centre ([2018](#), [2020](#)); [Tracer H2020 project](#); [WWF](#)



### 3. Spain, Asturias – Creating renewable energy jobs based on social dialogue

#### 🎯 Involving trade unions in monitoring and evaluating just transition processes

This collaborative model has brought together public, private, industrial and social partners. These include the Asturias Government, the Asturian Energy Foundation, trade unions, employers, municipalities, universities, and other stakeholders. The Observatory has a broad remit, including facilitating trade union participation in regional policy formulation processes and anticipating and addressing the needs of workers in transition. It is also involved in specific public and citizen initiatives - environmental rehabilitation of former mining areas, geothermal district heating projects, and small-scale solar projects - which have thus far led to the direct creation of more than 350 jobs.

Following the success of the Asturian case, the European Parliament and the European Economic and Social Committee have called for the establishment of an EU-level Observatory, to ensure this essential social dialogue is prioritised in the transition.

- **Funding source:** JTF.
- **Number of targeted workers:** 350+ through public projects involving the Observatory.
- **Link to JTF thematic focus:** Measures to promote equal opportunities and active participation in society.
- **Responsible for implementation:** Asturias government, Asturian Energy Foundation.

References: IndustriAll March 2023 and [December 2023](#); [Asturian Energy Foundation](#),



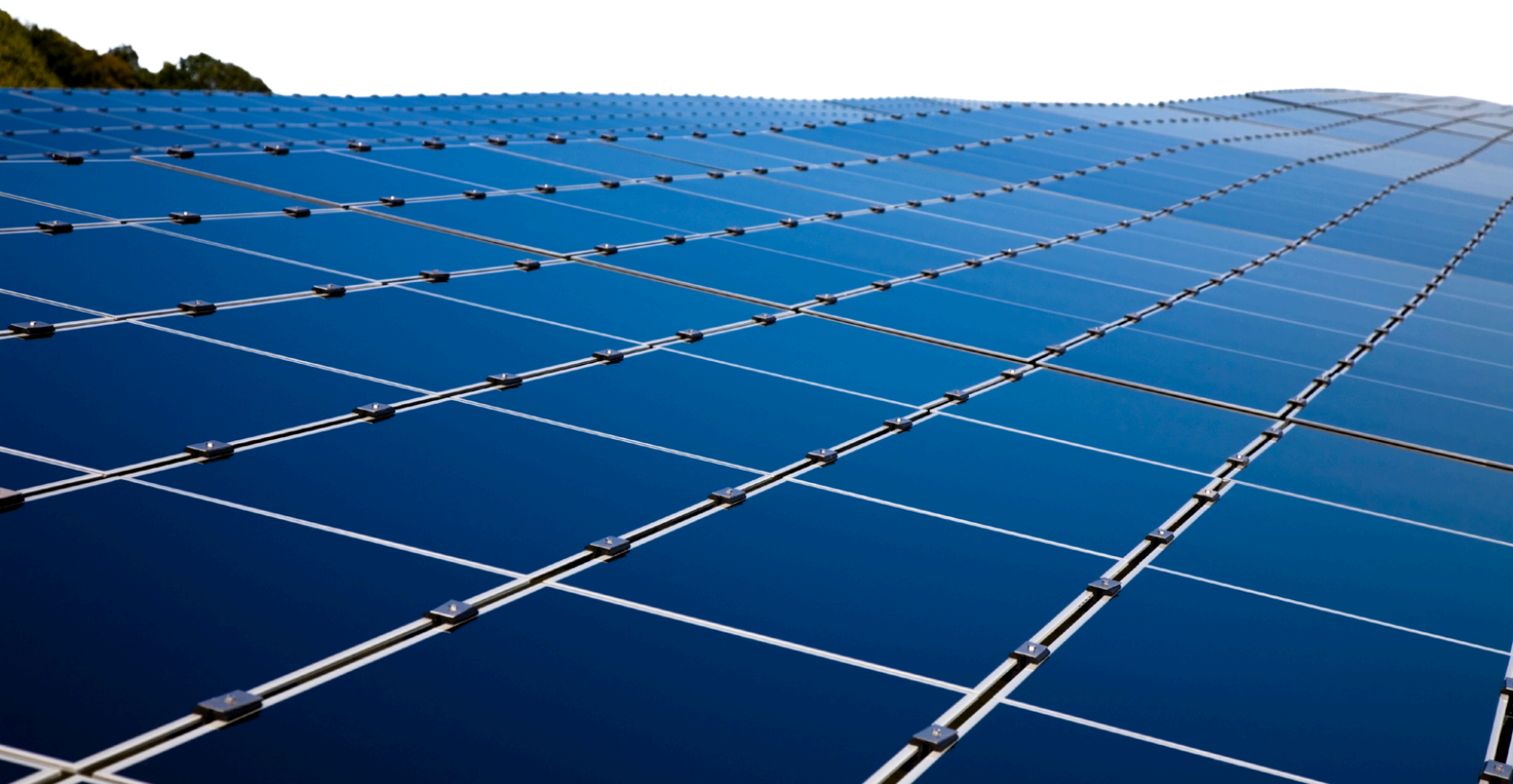
#### 4. Austria, Burgenland – Investing in local technology centres

##### Utilising innovation and technology research as drivers of job creation for renewables

EU regional funding was used to create and expand six technology centres offering both vocational and higher education training for renewable energy in Burgenland. This has had a multiplier effect, leveraging private funding and stimulating employment and local skills retention. A useful example is the solar installer training offered at the European Centre for Renewable Energy in Güssing, which has been a key factor in attracting a solar panel manufacturing plant to the area.

- **Funding source:** EU funds (mainly European Regional Development Fund, ERDF); national funds; private investments.
- **Number of targeted workers:** Around 1,700 employees working in six centres (2013 data).
- **Link to JTF thematic focus:** Investing in local research centres to stimulate local renewables manufacturing capacity and other ancillary businesses.
- **Responsible for implementation:** Burgenland State Government.

References: European Commission, DG REGIO ([2009](#); [2013](#))



## Using EU (Just Transition) funds for a renewables-ready workforce

The transition to 100% renewable energy is not only essential for achieving climate neutrality; it is also the key to solving some of Europe's most pressing economic challenges. It can create stable, long-term, and attractive employment opportunities and promote economic regeneration, especially in regions and sectors of the workforce most impacted by the transition away from coal and other fossil-based industries.

Several EU funding mechanisms, particularly the JTF, have been designed to address these issues. By adopting the following principles, this funding can be optimised to offer the most effective support and opportunities for regions transitioning away from fossil fuels.

- **Prioritise projects that leverage further investments in renewable energy:** Renewable energy offers great potential to revitalise regions moving away from fossil fuel dependence. To fully leverage this opportunity, we recommend prioritising renewable energy projects with the potential to attract further private investment along the whole value chain (manufacturing/recycling of solar/wind project components in particular). These projects are characterised by their scale, particularly in their capacity to generate significant job opportunities.
- **Involve trade unions and civil society in decision-making:** The meaningful participation of trade unions in the planning and allocation of funding brings valuable expertise and perspective that greatly enhance both the process and its outcomes, illustrated by the case of the Asturian Just Transition Observatory. By providing meaningful opportunities for social dialogue and collective bargaining, projects will benefit from stronger stakeholder buy-in, better implementation, and therefore better transition results.
- **Give workers economic protection during retraining periods:** Many projects that were funded under JTF included workers' training, given that fossil workers' technical skills can be very useful in renewable energy jobs. For retraining programmes to be attractive, it is important to provide workers with full wage compensation during the period of retraining. Furthermore, beyond technical needs, workers may benefit from training in soft skills and job search assistance.



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