



## Just Transition Platform – Policy approach:

# UPPER NITRA'S ACTION PLAN FOR A JUST TRANSITION - SHAPED BY LOCAL COMMUNITIES

Slovakia, Trenčín

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](https://ec.europa.eu/regional_policy/funding/just-transition-fund/just-transition-platform_en)

**Region:**

Trenčín

**Total budget (in €):**

N/A

**Sources of funding (in €):****EU funding:**

In the context of the disbursement of Just Transition Funds, Slovakia has received €459 million. Around €225.7 million has been devoted solely to the Upper Nitra region.

**National funding:** N/A**Regional funding:** N/A**Duration:**

The momentum for the Action Plan to take shape started in September 2017. The consultations spanned 2018 and 2019, with the final draft of the Action Plan being formulated in around four months. The Plan was finally approved by the Government in spring 2019.

**Responsible Managing Authority/Agency:**

The Action Plan, which essentially evolved into the Territorial Just Transition Plan (TJTP) of Upper Nitra, is now the responsibility of the Ministry of Investments, Regional Development and Informatization of the Slovak Republic.

## Summary

The Upper Nitra's Action Plan can be taken as a lesson in bottom-up just transition. Indeed, the distinctiveness of this approach lies in the extensive consultation and engagement of local stakeholders that led to the final formulation of the Plan. This process started in September 2017, when Prievidza's mayor organised a round table with representatives of many different interests – both regional and national – to discuss the post-coal future of the region. Despite initial attritions due to the unwillingness (later resolved) of some relevant actors to engage with this conversation at the local level, several more meetings, focus groups, and workshops took place throughout 2018.

Towards the end of the same year – almost concurrently with the decision of the Slovak government to end mining and domestic coal burning by 2023 – within the European Commission's Structural Reform Support Service (EC SRSS) some further diagnostic analysis were carried out and final drafting of the Action Plan to be submitted to the Slovak Government was initiated. The Action Plan is based on four strategic pillars, which can facilitate the employment-friendly path to decarbonisation in the region, and highlights available financing instruments to exploit for their implementation.

## Type of policy measure/activities:

The final version of the Action Plan – which benefited largely from the initial insights generated by local actors thanks to the initiative of municipalities – was drafted through extensive rounds of consultations with stakeholders from a variety of interest groups, who were able to suggest ideas and make concrete proposals on how to cope with the end of coal in the area. In the first stage of the process, workshops were held with a working group counting a limited number of participants. These led to the release of the first skeleton draft of the Action Plan. This document was then released to a wider set of stakeholders, who provided around 150 comments, which, once considered, formed the basis for an updated draft of the document. The updated draft was presented to the public for feedback using public hearings in four major towns of Upper Nitra, accumulating the participation of several hundred citizens. Here, the public was able to provide additional comments that were incorporated into the final draft of the action plan. Only at this stage was the plan opened up for official public consultations (i.e. involving the largest possible set of stakeholders, even at the national level). Once this last step had also been concluded, the Action Plan was submitted to the government for approval.

## Goals and approach:

The goal of the Action Plan, as stated by stakeholders, was to transform Upper Nitra into an attractive and self-sustainable region where the economy will be well-interconnected with other national economic centres and developed in symbiosis with the environment. The approach adopted was that of sourcing ideas and proposals from local communities, which are the most affected by the transition. In the consultation process, over 200 potential projects were identified and organised around the four strategic pillars:

- i. mobility and interconnection;
- ii. economy, entrepreneurship, and innovation;
- iii. sustainable environment; and
- iv. quality of life and social infrastructure.

The identified proposals represent a highly heterogeneous mix: they include both industrial initiatives largely sponsored by the private sector, but also more community-led ones such as the creation of sports centres and the creation of new social care facilities.

## Important outputs, results or achievements:

The Action Plan's approval in 2019 led to the implementation of several transformational measures in the region. The European Structural and Investment funds of the 2014-2020 programming period played a major role in kickstarting the transformation process and implementing measures aimed at diversifying the region's economy. These measures included supporting businesses, providing

retraining and education opportunities, building a new central heat supply, and strengthening administrative capacities in the region.

It is also a success that, after appropriate fine-tuning and elaboration, it has evolved into the EU-approved TJTP that details the investment priorities for the region and outlines the conditions to access financing.

## Scalability<sup>1</sup> and transferability<sup>2</sup>:

The concrete proposals put forward in the Upper Nitra's Action Plan are grounded in an understanding of the local context and the possibilities available in the region. Accordingly, the scalability and transferability of the single initiatives should be considered given local conditions in other areas that may be interested in them. However, the approach itself – namely how to carry out extensive consultations and local stakeholders' engagement – is easily replicable and should be pursued in other areas that are likewise over-reliant on declining industries. Concerning scalability, one of the challenges highlighted was precisely the difficulty of having stakeholders at different levels of government and representing different interests communicate effectively. With implementation over a wider area, this problem may be exacerbated.

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:

At the base of the Action Plan's success lay a marked sense of urgency. The municipalities felt the necessity to open the topic of the post-coal future of the region. With this respect, it's also important to highlight the important role of local politicians who initiated the debate even though it might have had negative repercussions on their political palatability, as a large share of their constituency was employed in the mining industry or revolving around it. Similarly, one should praise the role of citizens, who acknowledged the importance of the issue and showed their support to the political delegations who made it a top priority in the 2018 local elections. One final success factor concerns the large consultations held and the engagement of local actors, which ensured that people in the region felt a degree of ownership of the plan, and a stake in the future development of their region.

## Key challenges:

Several challenges hindered the development of the Action plan and may even act as bottlenecks in its implementation. First, some stakeholders commented on how the Government gave mixed signals concerning the future of coal in the region, with high-level officials at times rejecting in toto the possibility of mine closures. Second, as the livelihoods of many in the area were connected to the mining industry and the thermal power plant in the area, the topic of coal phase-out was often treated as taboo. Third, the region is severely affected by brain drain and a shrinking working-age population. While this lessens concerns related to increased unemployment due to the mines and plant closures, it also foreshadows difficulties in implementing the projects listed in the Action Plan. Fourth, perhaps inevitably given the large number of stakeholders involved, communication and governance weren't always as effective as the situation would have required, with different levels of government often struggling or even unwilling to work together on the issue.

It is crucial to note that the transformation process of the Upper Nitra region is currently irreversible. Slovakia has successfully fulfilled its commitment to phase out the last coal mines in the area by 2023. This commitment was also included in the TJTP, highlighting the country's dedication to a cleaner and more sustainable future.

## Central framework conditions<sup>3</sup>:

The Trenčín region (the region which includes the Upper Nitra area) is the only coal-mining region of Slovakia, with the first mines dating as far back as 1909. Hornonitrianske bane Prievidza (HBP), the private company that owns mining operations and the Nováky power plant in the region, employed around 1 600 people in 2022, with more jobs indirectly connected to this sector of economic activity. In December 2018, the government decided to gradually end coal mining in Slovakia by 2023 due to environmental goals and public economic interest as well. It should be noted that the industrial history of the region led to the degradation of the environment, which is now in need of restoration, also to foster the nascent tourism industry which could ameliorate the diversification prospects of the region.

With the adoption of the Action Plan in 2019, several measures have been implemented to help diversify the region's economy. In addition, the Just Transition Fund of the 2021-2027 programming period will support other measures of the Action plan with the adoption of the TJTP in November 2022.

## Outlook:

While the analysis conducted for the Action Plan recognises how it is unlikely that all the project ideas listed in the Action Plan will eventually come to fruition, a realistic assessment of the most promising reveals how employment prospects in the region are not as grim as one would have imagined at the beginning of this process. Indeed, just a 30 % realisation rate of the forecasted projects should be sufficient to weather the negative employment outlook entailed by layoffs in the mining sector (provided that effective up-skilling and re-skilling schemes are in place to foster

transitions to other sectors). Also noteworthy to this point is the fact that 45 % of the people currently employed in the mines and the power plant are aged 55 or above, which makes them eligible for early retirement schemes.

<sup>3</sup> 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:

- Local municipalities in the Upper Nitra area
- Ministry of Investments, Regional Development and Informatization of the Slovak Republic
- PricewaterhouseCoopers
- Representatives of NGOs, unions, and industry

### Website / social media:

N/A

## Sources:

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