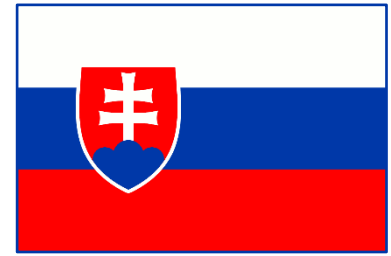


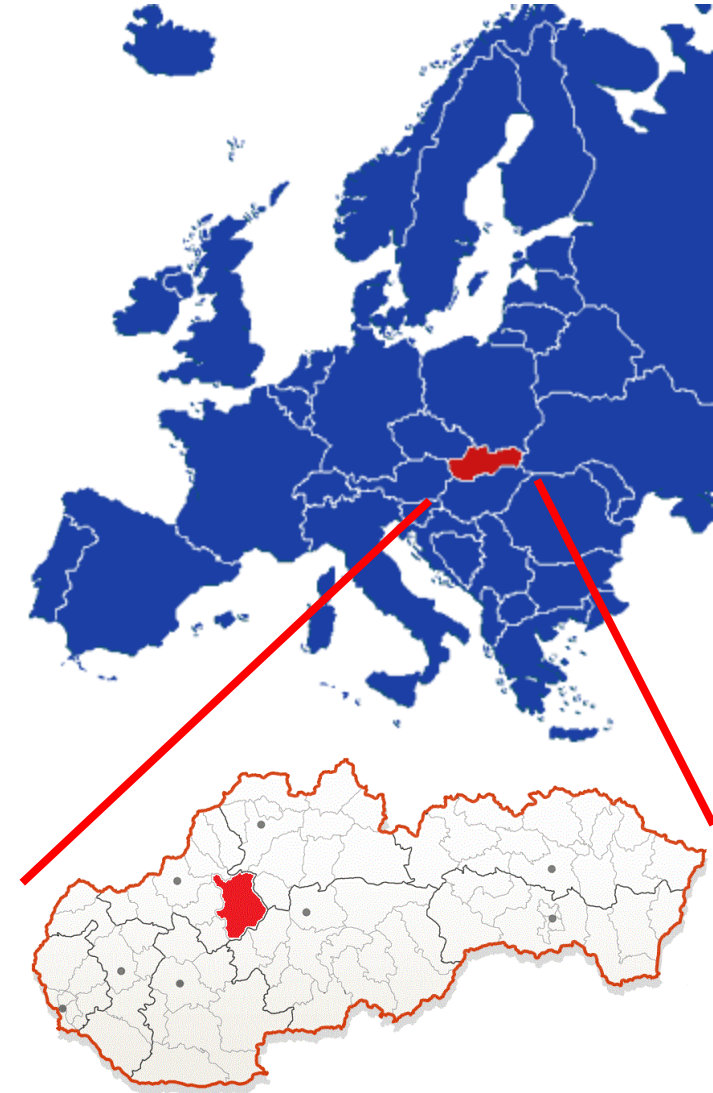


Just Transition in Upper Nitra

Upper Nitra coal region



- **Population:** 184 000 residents
- **Largest city:** Prievidza (46 500 residents)
- **Jobs in mining:** 3 000
- **Unemployment rate:** 5,45 % (04/2022)
- **Coal production:** 1,1m tonnes/year (2020)
- **Annual coal energy generation:**
1 TWh electricity; 240 GWh heat
- **The mining company:**
Hornonitrianske bane Prievidza (HBP)

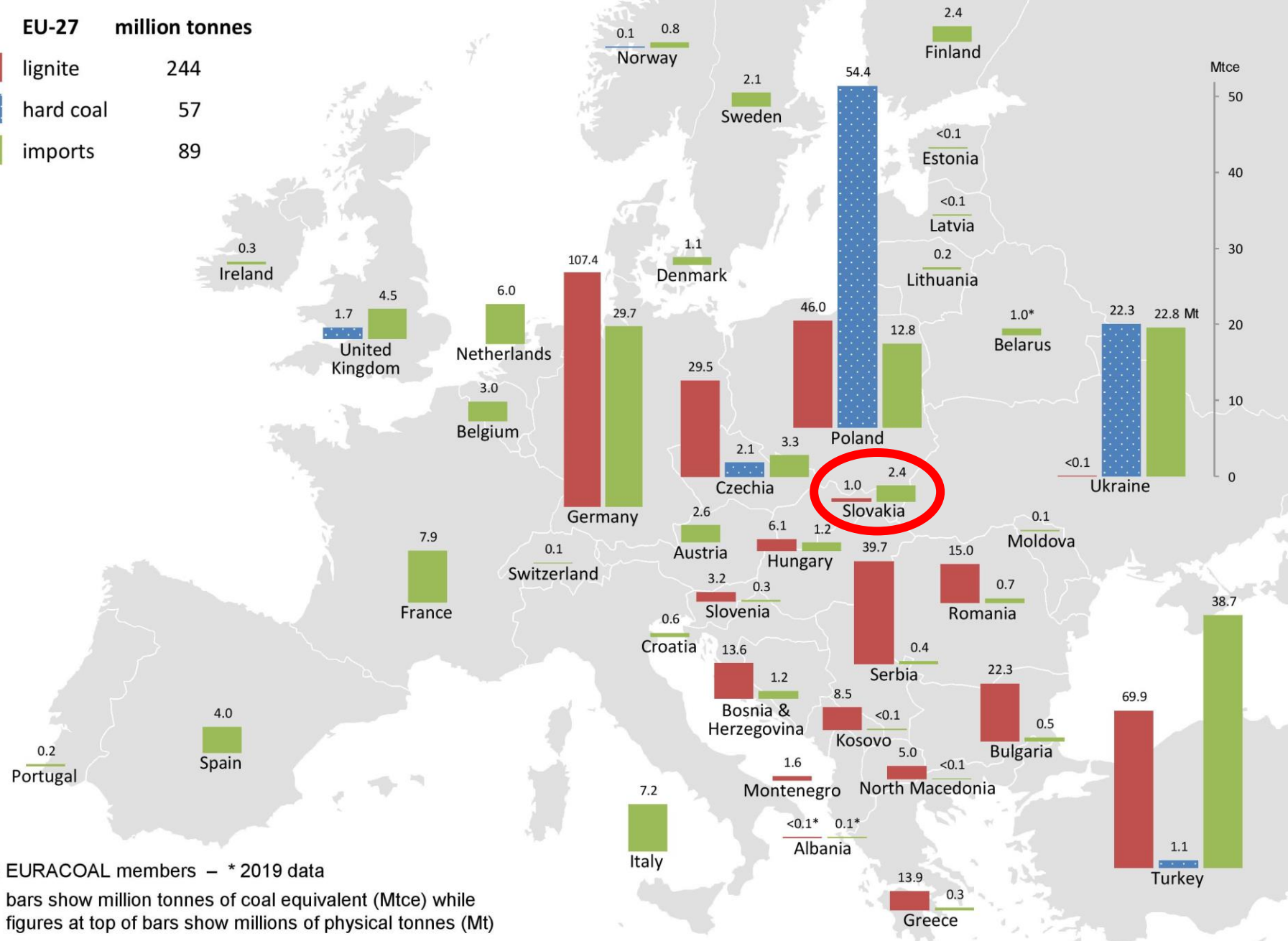


Coal in Europe 2020

lignite production, hard coal production & imports

EURACOAL

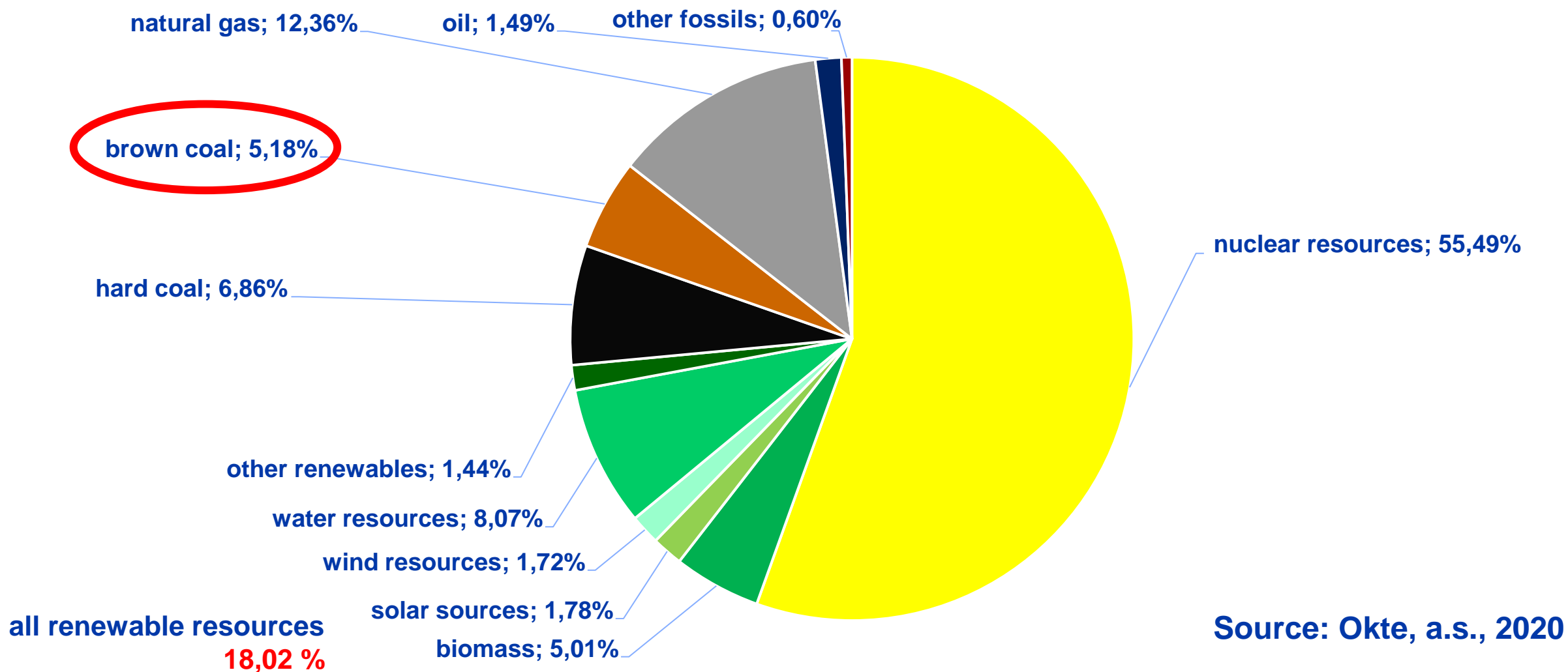
EU-27 million tonnes	
lignite	244
hard coal	57
imports	89



Source: EURACOAL members – * 2019 data

Note: bars show million tonnes of coal equivalent (Mtce) while figures at top of bars show millions of physical tonnes (Mt)

Energy Mix in Slovakia



Coal phase out: 2023



- € 115,7 million / annually paid by citizens and companies via electricity bills
- State aid for electricity production from domestic coal was planed until 2030.
- Slovak government in 2018 made **decision, to finish the indirect state aid until the end od of 2023.**
- The end of state aid de facto means **the end of unsustainable mining industry** in Upper Nitra region.



Let's mine out from uncertainty



- **May 2017** - Mayor of Prievidza's press conference in the central square
- **Appeal to start responsible discussions about future of Upper Nitra**
- **Main arguments:**
 - EU climate goals
 - huge investments needs
 - possible illegal indirect state aid
 - health benefits that can be achieved
- **Following activities:**
 - Round table about the future of Upper Nitra (09/2017)
 - Start of preparation the Action Plan (01/2018)



Participative approach



- **Transition Strategy** - Contract from EC was in realized by PwC – **independent consultants** helped to better facilitate the process
- **The previous work** of local working groups was followed up by experts
- **People directly from the region were involved** in analysis of the current state, to the definition of the vision for the region
- **The preparation process was participative** - included in the **public presentations, hearings** and the **comments procedure**.



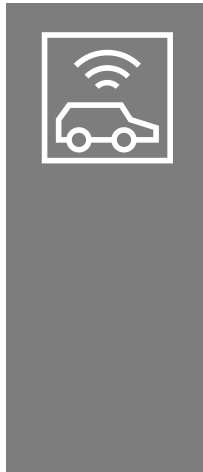
Pillars of the Action plan



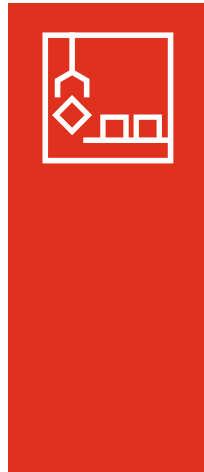
Vision

Upper Nitra will become an **attractive and self-sustainable** region where **economy** will be developed in **sympiosis** with clean **environment** and well **interconnected** with other economic centres.

4 of Pillars of the Action plan



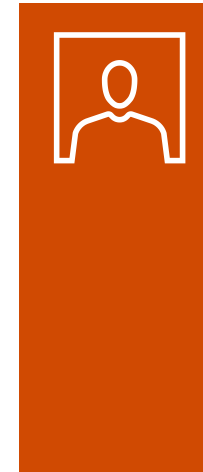
**Mobility and
interconnection**



**Economy,
entrepreneurship
and innovation**



**Sustainable
environment**

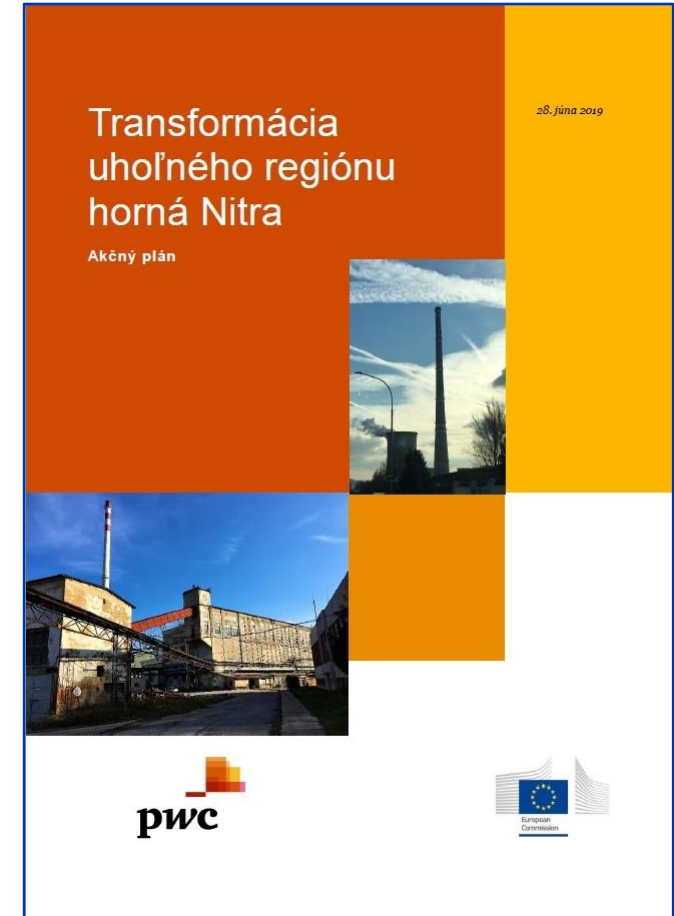


**Quality of life and
social infrastructure**

Start of implementation



- **July 2019** - Transformation Action Plan was approved by Government
- **Quality of project ideas** – only few are truly innovative
- **Capacity building needed** – brain-drain is the key issue, it shows the low attractiveness of the region
- **EU funds** - end of the multiannual financial framework (2014-2020) and the parameters of new (2021-2027) were not approved
- **Before Just Transition Fund** – European Commission proposed creation of a Just Transition Mechanism, which includes a Just Transition Fund after the approval of the action plan (in December 2019). It was necessary to wait for a regulation and rules for this new instrument.



First projects



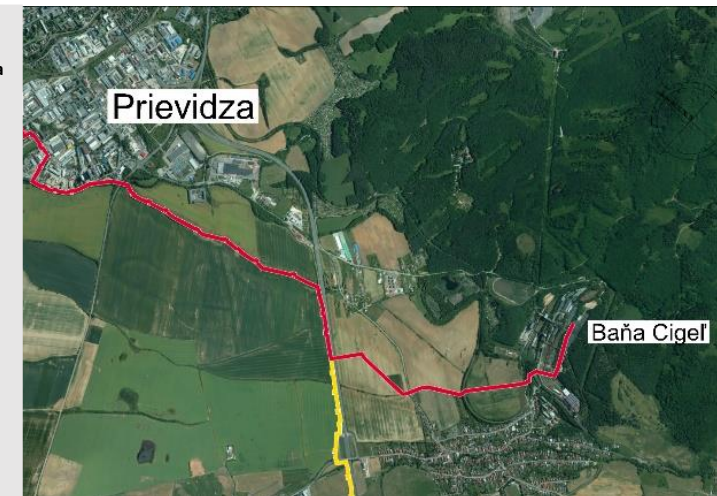
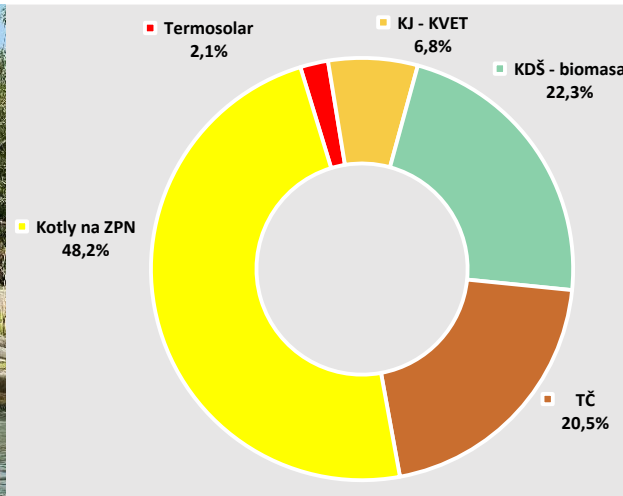
- **Heating solution for Prievidza** - new heating system must be in operation from mid 2023.
- **Support for employability in the Upper Nitra region** requalification, retraining and work with employers
- **Strengthening institutional capacities** in local governments - new project managers
- **Call for support SMEs** focusing on innovation in the production process



Heating for Prievidza



- **Phasing-out coal** means the **need to address solution of new heating system** from 2023.
- The proposal of the company PTH, which is **owned by the municipality (51 %)** and the mining company (49 %), was selected.
- **Mix of RES sources** at HBP's old mine site in the Cigel': low-potential mining water, heat pumps, biomass boilers, solar panels (and a small gas cogeneration unit).



Support for employability in the Upper Nitra region



- **National project** funded from the European Social Fund and the European Regional Development Fund
- Employee who would be released **stays longer employed** in the mining company. During participation in the project, he gets (**maximum 6 months the wage**) in the amount of his average wage.
- Participant gets a **tutor who accompany him** through the retraining process, help him to develop the skills needed to find a job and provide him with targeted assistance. **Based on the personal preconditions** completion of the so-called **balance of competences**.
- **One professional retraining course** for the development of professional skills paid from the project budget up to a maximum of **700 €** (eg electrical engineering, welding, forklift operators, CNC machines, accounting, etc.).
- **Contact centers in 3 cities** - lawyer service, psychologist, finance expert and implementation of community support activities.



Special law to support miners



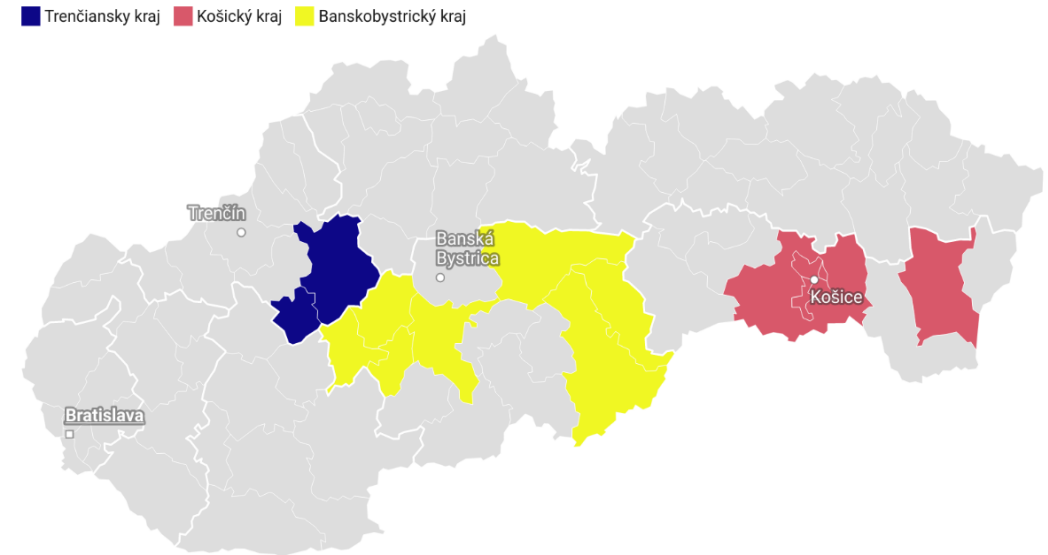
- It regulates the **provision of the state social benefit - compensatory allowance for miners**
- Only for employees who have **terminated their employment with a permanent underground workplace due to a coal phase out.**
- The amount of the compensatory allowance **depends on the number of years worked underground.**
- The compensatory allowance is **provided for a period from 1 up to 7 years.**

Years of work in underground	Compensatory allowance amount	Period of provision (in years)
3	207,50 €	1
4	225,70 €	1
5	243,90 €	1
6	262,10 €	2
7	280,30 €	2
8	298,50 €	2
9	316,70 €	2
10	363,10 €	3
11	387,30 €	3
12	411,50 €	3
13	435,70 €	3
14	459,90 €	3
15	484,10 €	7
16	508,30 €	7
20	605,10 €	7
30	847,10 €	7

Territorial Just Transition Plan



- **Just Transition Fund** will be in Slovakia implemented as a **specific objective of the operational program**
- **Strategic material** for using JTF is the **Territorial Just Transition Plan**
- Amount for 3 eligible regions in Slovakia - **€ 459 million**
- **Three pillars:**
 - I. Economic diversification
 - II. Sustainable environment
 - III. Quality of life and social infrastructure



I. Economic diversification



II. Sustainable environment



III. Quality of life and social infrastructure

Thank you for your attention!

Alojz Vlčko

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