FINANCING A JUST TRANSITION IN GORJ, ROMANIA

Using EU funding to mitigate the impact of layoffs at Oltenia Energy Complex

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Introduction

The medium and long-term prospects of Oltenia Energy Complex (OEC), located in Gorj County, Romania, are not at all encouraging—its costs are on the rise, the most important of which are linked to pollution. In 2018, the complex's four coal plants produced more than 13 million measured tons of carbon dioxide emissions[1].

For each ton, the company must buy an EU ETS certificate on a dedicated market, the average price of which was EUR 25 in 2019[2]. The price of electricity on the Romanian forward market was RON 237 /MWh in 2019[3] and the OEC units emit roughly a ton of carbon dioxide for each produced MWh, so we can conclude that half of OEC's revenue will be paid to compensate the pollution it causes, and that the costs will increase faster than the price.

The company is still paying off hundreds of millions of euro in loans, which were given for technological updates to its units for pollution reduction[4] (mainly desulphurisation systems). A new round of investments for reducing nitrogen oxide emissions was necessary in order to comply with the even stricter pollution limitations that will enter into force in June 2021. Moreover, all of the ten quarries providing the plants with coal are depleting and must be enlarged to remain active. Although Government Decisions regarding state-funded land expropriation were already issued for four of the quarries, the lands did not become operational as fast as planned, because complex bureaucratic procedures were required. The Government Decisions only ever apply to the land itself—the expropriated families must be compensated for what is on their land (homes, forests, usufruct for plantations, etc.) from the OEC budget. Additionally, the coal extracting gears in these quarries are old and many need costly repairs.

It is estimated that no lignite plant in Europe, including OEC, will be cost-effective by 2030 (by 2025 for hard coal plants)[5]. Given this context, Gorj County cannot afford to count on coal in the medium and long term to support its economy and a significant number of jobs.

The European Union cannot impose a national energy mix on member states, but, throughout the last two decades, the European Council has adopted increasingly ambitious environmental objectives. Given the impact of the energy sector on the environment, these objectives directly affect national energy production, distribution and consumption. The most important strategy was adopted in December 2019, when the European Union committed itself to reaching climate neutrality by 2050[6]. Shortly after, the European Green Deal was adopted, which aims to "mobilise public investment and help to unlock private funds through EU financial instruments, notably InvestEU", which would lead to at least EUR 1 trillion in investments[7].

An important component of this Deal is the Just Transition Mechanism, which will mobilise investments of at least EUR 100 billion between 2021 and 2027 from the European Union's budget, co-financed by the Member States and by contributions from the European Investment Bank and the InvestEU programme. In the European Commission's proposal, the mechanism is made up of three elements:

The Just Transition Fund (JTF)

will be included in the Cohesion Policy and will receive funding of EUR 7.5 billion. Each euro from this fund will be matched by the Member States with EUR 1.5-3 from the European Regional Development Fund and the European Social Fund, so the JTF will total between EUR 30 and 50 billion in the period 2021-2027. The fund is meant for regions where a significant number of people work in the mining industry or where industries with large greenhouse gas emissions operate. For example, the JTF could support workers in developing skills for the labour market and SMEs, but also to generate new economic opportunities that create jobs in these regions. JTF will also support important investments in the transition towards clean energy, such as infrastructure that increases energy efficiency.

+ A dedicated scheme in InvestEU

to mobilise up to EUR 45 billion in private investments dedicated to these regions. These could include decarbonisation, regional economy diversification, energy, transport and social infrastructure projects.

+ An instrument of the European Investment Bank

for public sector loans mobilising EUR 25-30 billion for investing in energy and transport infrastructure, heating networks or building refurbishment. The European Commission will submit a legislative proposal for this instrument in March 2020.

In conclusion, there are several opportunities for economic diversification in Gorj County, but these will only be available if concrete measures are taken to reduce the impact of the local industry on the climate. **The prerequisite for accessing the funding provided by the Just Transition Mechanism is drafting a territorial just transition plan (valid until 2030) in line with the transition towards a climate neutral economy.** The plan will outline the social, economic and environmental challenges facing the region and will specify the needs and measures for diversifying the economy, retraining the workers and restoring the environment.

Despite repeated layoffs by Oltenia Energy Complex in recent years and the ubiquitous presence of climate change on the public agenda, no long-term strategic initiative to find solutions to this problem has been devised. Recently, 13 mayors in Gorj County sent a letter to the prime minister to request the creation of an Integrated Territorial Investment (ITI) mechanism, but the letter did not suggest changing the existing position on decarbonising the county's economy. On the contrary, the letter's authors explicitly state they wish the coal industry to keep operating for as long as possible, despite the transition funding prerequisites[8]. The authorities still do not see the coal industry's inevitable closure by 2030 in concrete terms, instead seeking funding to finance individual projects without a long-term integrated vision.

1 The European registry for greenhouse gas emissions, https://ec.europa.eu/clima/policies/ets/registry_en#tab-0-1
2 https://sandbag.org.uk/carbon-price-viewer/
3 https://www.opcom.ro/pp/home.php
4 http://www.energynomics.ro/ro/boza-noile-norme-de-poluare-ar-putea-scoate-ceo-din-piata/
5 https://www.carbontracker.org/reports/apocoalypse-now/
6 https://www.digi24.ro/stiri/externe/ue/ue-poate-implementa-acordul-verde-chiar-daca-polonia-a-ramas-in-afara-obiectivului-pentru-2050-1230967
7 https://www.caleaeuropeana.ro/parlamentul-european-sprijina-pactul-ecologic-european-insa-avertizeaza-ca-va-modifica-orice-propuneri-legislative-pentru-ca-europa-sa-atinga-neutralitatea-climatica-pana-in-2050/
8 https://pandurul.ro/articol/13-primari-din-gorj-scrisoare-catre-premierul-orba_120282.html

Summary

Noticing that Gorj County policies in the last two decades neither decarbonised the economy nor diversified it, this report analyses the way EU funding was spent between 2007 and 2013, before starting the strategic planning for the next EU funding period, 2021-2027, and prior to accessing the newly available instruments.

This report aims to highlight the way EU funds were used to mitigate the social costs of layoffs within Oltenia Energy Complex, by retraining and labour market reintegration. These projects were funded by the Regional Operational Programme and the Sectoral Operational Programme Human Resources Development 2007-2013. This funding period is relevant because its effects should already be noticeable, and analysing these results could hint towards some best practices or, on the contrary, unproductive practices, for the next funding period (2021-2027).

Despite the lack of data regarding the results of EU-funded projects, these can be assessed by scrutinising, on one hand, some relevant examples, and, on the other hand, the demographic evolution of Gorj County, in order to observe whether changes occurred after the implementation and whether they are linked to the projects. Moreover, 2007-2013 was the first funding period after Romania joined the European Union and as such played an important role in alleviating the disparities between regions of new Member States and those of other developed Member States.

The report concludes with several recommendations for policy makers, meant first and foremost to make sure that the programmes' priorities in the next funding period are closely linked to the immediate necessities of the area concerned.

OEC Layoffs

Oltenia Energy Complex (OEC) is a company established on 31 May 2012 following the Romanian Government's decision[9] to reorganise the energy sector by merging the Oltenia National Lignite Society and three energy producing companies based on lignite: Rovinari Energy Complex, Turceni Energy Complex and Craiova Energy Complex.

Over the last ten years, the company's employee count has been plummeting, reaching 12 829[10] as of 13 December 2019, which is less than a third of the three companies combined in 1994 (45 000 employees)[11].

According to the answer to a request for public information sent to the Gorj County Employment Agency (AJOFM Gorj), the layoffs at Oltenia Energy Complex (or at the companies which merged into Oltenia Energy Complex in 2012 from 2007 until reorganisation) are the following:

	2007	2008	2009	2010	2011	2012
Oltenia National Lignite Society	0	0	472	254	603	0
Rovinari Energy Complex	0	0	39	113	42	0
Turceni Energy Complex	0	0	149	187	0	121

As such, according to AJOFM Gorj data, 1 980 people were laid off from 2007 until 2012 (the year of Oltenia Energy Complex's reorganisation and subsequent establishment). Between 2013 and 2016 the number of staff employed in mining activity shrank by 2 659 and is continually declining, proportional to the sector's decrease in activity. Moreover, of the 4 639 people laid off in this period, 4 335 were registered as unemployed with the AJOFM Gorj, i.e. they enlisted at the unemployment agency competent for their place of residence or domicile in order to apply for work. Of these, 2 814 people were registered as long-term unemployed, i.e. they had no job for longer than 12 months (for persons at least 25 years old) or longer than 6 months (for persons between 16 and 25 years old), respectively.

The people laid off from Oltenia Energy Complex or from the companies which merged into OEC were granted an unemployment allowance for a maximum of 24 months (according to their years of service), calculated based on the regulations in force, as well as a monthly additional income, all of which were paid from the state unemployment budget. Only 104 people of the total laid off were able to take advantage of labour market integration or social protection measures.

9 http://www.legex.ro/Hotararea-1024-2011-115869.aspx
10 http://ceoltenia.ro/job-uri/locurile-noastre-de-munca/
11 http://bankwatch.org/sites/default/files/coal-jobs-fraud.pdf pg. 27.

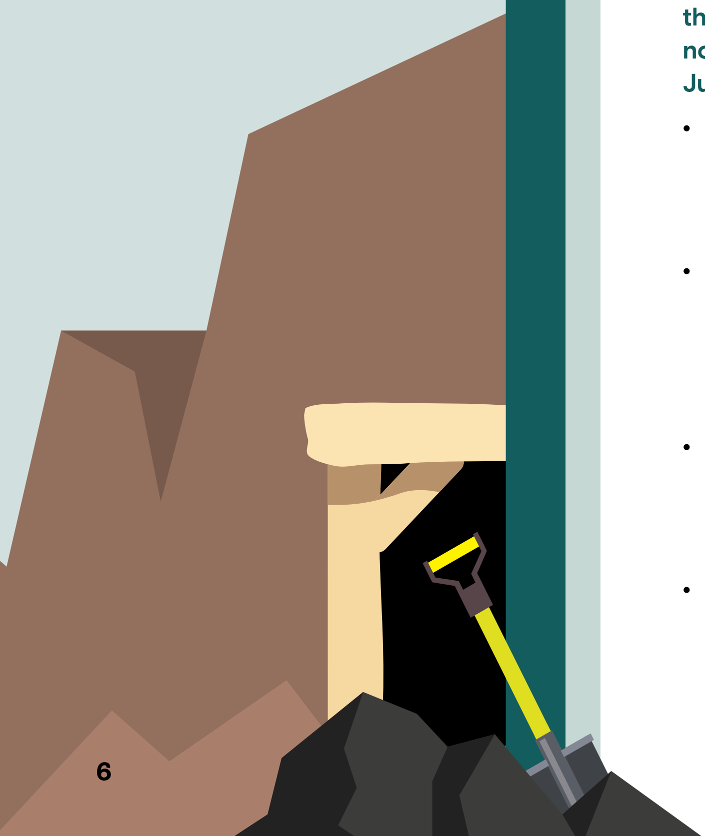
As for the quarry employees, the decrease was significant, from 12 589 in 2013 to 7 053 in 2017.

OEC's mining activity was carried out by 7 053 miners in 13 quarries, producing 22.5 million tons of coal, a significant drop of 7.2 million tons from the amount produced in 2012, when the company was established. The mining productivity was 3 190 tons/employee, a substantial increase from 1 778 tons/employee in 2013, but very far from the productivity level of companies operating in other EU member states[12]. At first glance, it seems that OEC almost doubled its productivity in five years.

OEC managed to extract similar coal quantities with a lower employee count—not by investing in more modern technical equipment or making the extraction process more efficient. As such, the increase in productivity has been detrimental to the miners, whose health is being threatened because their number is below the minimum required for some activities. Several work accidents took place in recent years, which were attributed to the layoffs made to increase productivity[13]. The OEC workers' unions voiced their concerns on repeated accounts regarding the seven day work weeks, which lead to employee burnout, and regarding the lack of investment in technical equipment[14].

The prime minister's inspection body investigated the activity of Oltenia Energy Complex in recent years, checking how the company had been managed from a financial and administrative viewpoint. The resulting report regarding the inspection carried out at Oltenia Energy Complex[15] was not officially made public, but it turned up in the media in June 2019. Some of the main topics covered included:

- **Board members infringing corporate governance law: Three members of the OEC board were named as having infringed upon Government Emergency Ordinances 114/2011 and 109/2011.**
- **Preferential contracts for transport and security: The 20 transport companies and 8 security companies OEC collaborates with were selected by negotiating without a prior call for tenders, thus infringing upon Law 99/2016.**
- **Less and lower quality coal: In 2018, the energy output of OEC decreased by 5% compared to the previous year, whereas coal consumption increased by 5% compared to the same year.**
- **Double price for CO2 certificates: In 2017 and 2018, OEC bought less than half of the CO2 certificates on time, acquiring the rest during the next year for nearly double the price.**



This report also suggests a change of perspective is required regarding the company's self-proclaimed efficiency. Regarding carbon reserves from 2017 until now, OEC had less coal available than required by Government Decisions. For example, pursuant to Government Decision 760/2017, on 28 February 2018 OEC should have stored 1 590 800 tons of lignite, but instead they had only a third of this amount—533 006 tons. Moreover, a significant part of the coal reserves reported by the OEC (which were already below the limit) belonged to the National Administration of State Reserves and Special Issues (ANRSPS). ANRSPS's coal reserves are meant for emergency situations: even if they are kept in storage units operated by OEC, they are not to be used by OEC. As such, the discrepancies between the coal quantity reported by OEC and the actual existing quantity question even more the company's capability to run efficiently.

Regarding productivity, in 2018 OEC used 5.38% more coal to produce 5.1% less electricity compared to the previous year. OEC leaders blamed this on the dwindling quality of the coal extracted from the quarries they run, which is also noticeable from the growing quantity of additional hydrocarbon needed for burning. Another effect of the low coal quality was the accidental halts in production, which generated additional costs for the company. All these accidental halts led to a total energy loss of 91 490 MWh (0.6% of the yearly production of 11 143 196 MWh), amounting to a financial loss of RON 39 436 294 in 2017 and 2018 combined[16].

Prospects regarding collective layoff measures are concerning. The layoff plan published in Annex 5 of the General Shareholders Extraordinary Assembly Meeting shows that more than a thousand people were laid off in 2017, reducing the employee count from 14 308 to 13 245, and 200 additional employees were laid off in 2018. This downward trend of OEC's employee count is not a new phenomenon: as mentioned previously, the OEC's employees today number less than a third of the original company's employees in 1994[17].

Moreover, the phase-out of four lignite mines planned for the near future will significantly increase the layoff count: Husnicioara – planned phase-out by the end of 2024 with 661 employees; Rovinari – phase-out by 2021 with 1 234 employees; Peșteana – phase-out by 2024 with 1 146 employees; and Lupoaia – phase-out by 2027 with 954 employees[18].

12 https://bankwatch.org/wp-content/uploads/2018/06/Jobs-study-june-2018-update-ENG-CEE-Bankwatch.pdf, pg. 51.
13 https://www.pandurul.ro/articol/nelu-rosca-mi-se-ndoaie-de-ce-zice-aga!_114132.html or https://www.pandurul.ro/articol/vilceanu-catre-boza-mandru-de-stirile-cu-oamenii-c_115306.html
14 https://www.pandurul.ro/articol/mineri-putini-si-obositi-sindicalist-urmeaza-zile-_105241.html
15 http://www.actualingorj.ro/wp-content/uploads/raport.pdf
16 http://www.actualingorj.ro/wp-content/uploads/raport.pdf, pg. 81.
17 https://economie.hotnews.ro/stiri-energie-23290431-nereguli-uriase-complexul-energetic-oltenia-descoperite-corpul-control-premierului-directorul-general-putea-demis.htm; https://www.ceoltenia.ro/job-uri/locurile-noastre-de-munca/
18 http://bankwatch.org/sites/default/files/coal-jobs-fraud.pdf, pg. 28.

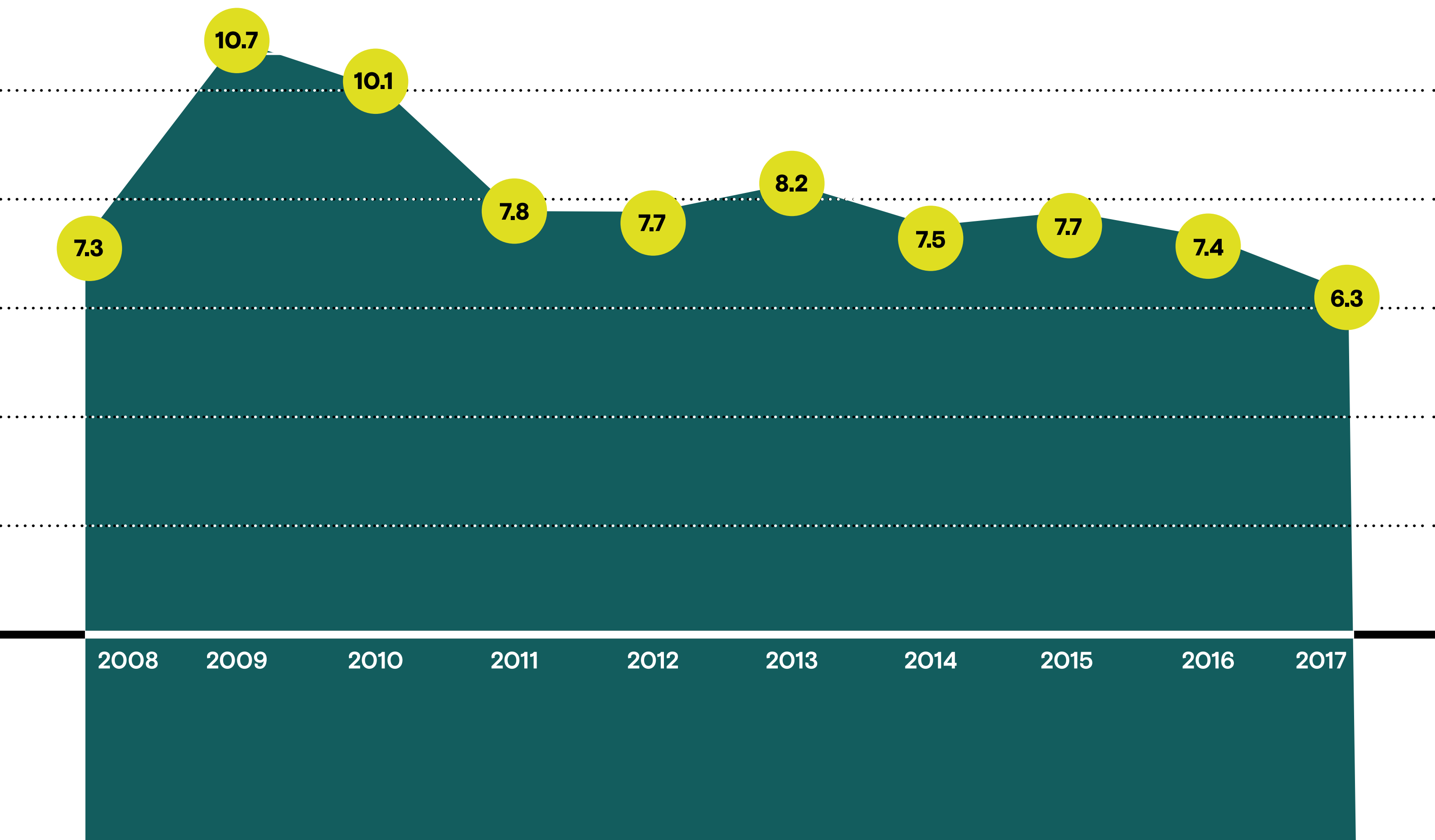
Demographic Evolution

According to data from the National Institute of Statistics,[19] the population of Gorj County has declined considerably in the last two decades. As the natural increase rate is on average seven times lower than change of domicile rate, it is likely that the demographic decline is caused mainly by individuals who relocate for a new job.

An important role was played by the downsizing programme at Oltenia Energy Complex, but also by the lack of other available jobs in the region. As is the case in many regions of the country, the families who were unable to find decent jobs in Gorj County were forced to migrate to other counties or abroad.

Although the unemployment rate (see the graph below) remained constant after the economic crisis (between 7% and 8% compared to over 10% during the economic crisis), the employee count decreased from 2012 to 2017. Because both figures are calculated in relation to the total active population, the apparent decrease of the unemployment rate is also due to migration, given that the employee count did not increase.

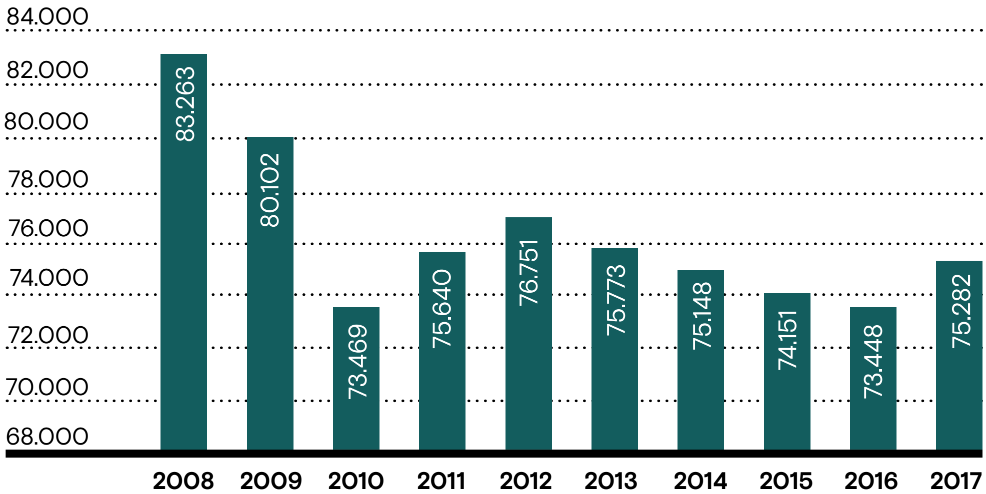
↓ **Unemployment rate, Gorj County, 2008-2017**



The total number of employees in the county, i.e. the people employed on a contract basis, whether temporary or permanent, full-time or part-time, has been in constant decline since 2007 (except immediately after the 2008 economic crisis). However, in 2017 the employee count increased almost back to the highest level seen after the crisis.

The total employee count decreased steadily from 2012 until 2016. Of these, employees we can estimate that roughly 25% worked at OEC (see Figure 3). This stayed relatively constant until 2016, when OEC employees were roughly 20% of the county's employees. This drop did not impact the employee count decrease in the county, as this kept its slightly decreasing trend, similar to previous years[20]. Given that OEC did not employ many new people in this period, it is likely that this employee count increase in Gorj County was due to other economic sectors.

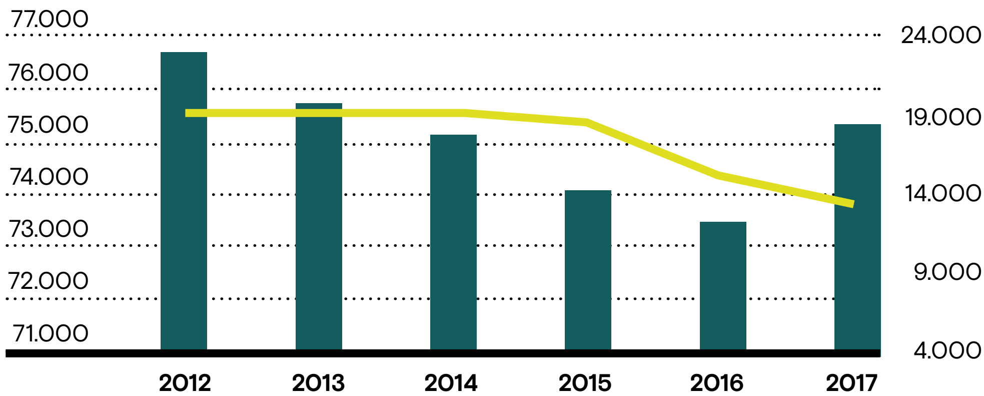
➔
Employee count, Gorj County 2008-2017



➔
OEC employees per total employees in Gorj County, 2012-2017

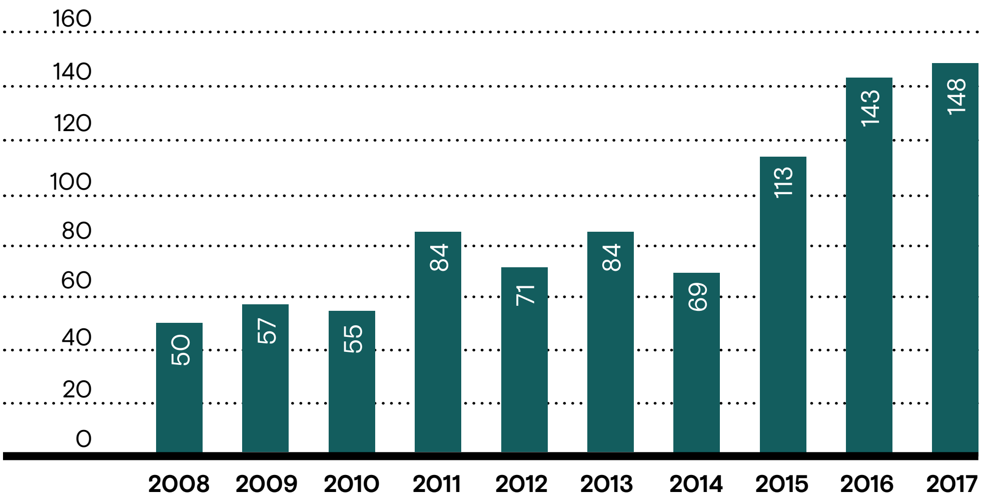
Employee count in Gorj (data on the left)

Employee count at OEC (data on the right)

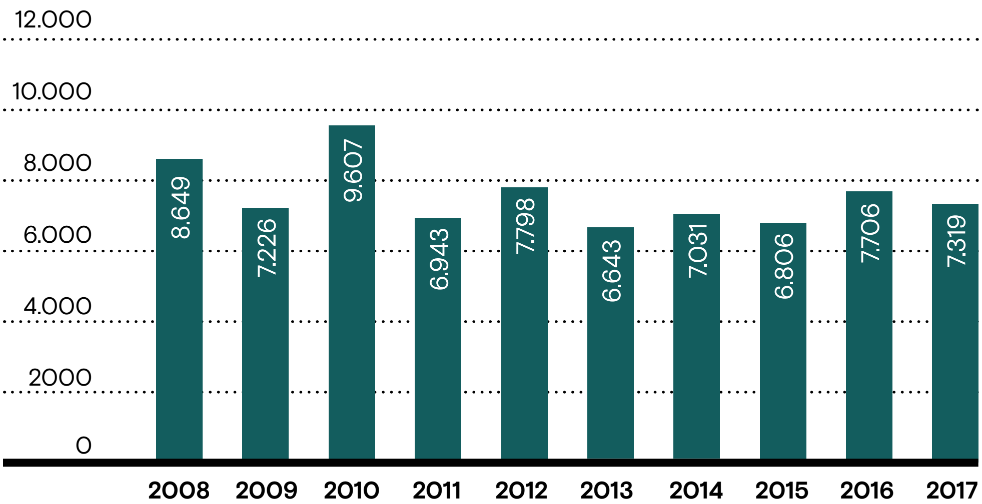


19 http://statistici.insse.ro:8077/tempo-online/
20 Two of the OEC power plants, Craiova II and Işalniţa, are operating in Dolj County, but the combined employee count of the two plants is under 10% of the OEC total.

The continuous decline in the number of available jobs, the degradation of socio-economic conditions, and the perceived lack of investments in new industries in Gorj County led to a large migration to more developed areas. Thus, the number of permanent migrants, i.e. Romanian citizens who emigrate and settle abroad, increased in 2008-2017. The change of domicile rate, i.e. people who, in a given time span, relocated to another town, increased considerably in 2010 and remained constant in the following years.

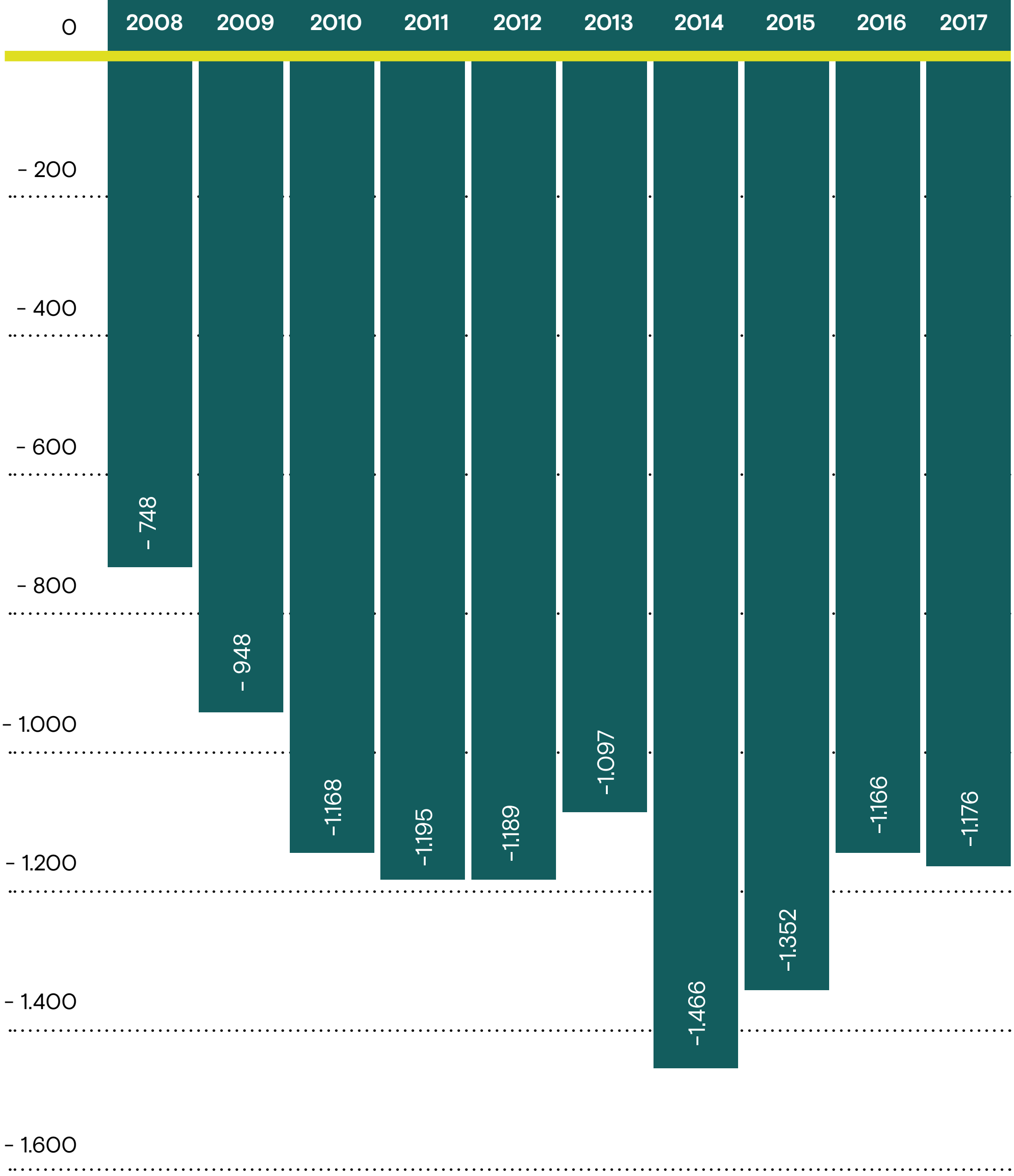


Permanent migrants, Gorj County, 2008-2017



Changes of domicile, Gorj County, 2008-2017

The annual natural increase, i.e. the difference between the crude birth rate and the crude death rate, was negative throughout 2008–2017. The slight recovery of the natural increase in 2012–2013 was broken in 2014, when it suddenly fell to –1 466 people, the lowest natural increase rate in the analysed time period. After 2014 the natural increase started to recover, reaching –1 176 people.



Regional Operational Programme (ROP) Projects in Gorj

Structural funds aim to support job creation, business competitiveness, economic growth and sustainable development and to improve citizens' quality of life. These funds are mainly meant to consolidate European Union cohesion by targeting less-favoured or developing areas[21].

The Regional Operational Programme (ROP) for 2007-2013 was financed by the European Regional Development Fund (ERDF) and implemented crucial elements of the National Regional Development Strategy of the National Development Plan (NDP). This funding sought to contribute, together with the other Sectoral Operational Programmes, to fulfilling the objective of the National Regional Development Strategy of the NDP and the National Strategic Reference Framework, namely closing the social and economic development gaps between Romania and other EU member states[22]. The strategic objective of ROP and the five thematic Priority Axes consisted of supporting the economic, social, territorially balanced and sustainable development of the Romanian regions, focusing on urban growth poles, improving the business environment and basic infrastructure.

The purpose of ROP was therefore to support the equally balanced growth of all parts of the country, not by redistributing public resources, but by ensuring that all areas should have a minimum level of business, social and human capital infrastructure to allow economic growth.

The total allocated ROP budget was roughly EUR 4.4 billion, of which EU funding was 84% and national funding 16% (14% public financing and 2% private financing).

ROP funds were allocated by the programme's Priority development Axes and, spatially, by Development Regions.

The economic shift in Romania after 1990 generated a restructuring process of the country's industry, which led to the diminishing of economic activities in industrial towns and, as a result, to a significant number of employees being laid off. Therefore, the population's income decreased, the public investment in basic infrastructure was reduced and the social situation in urban centres worsened[23].

21 https://ec.europa.eu/regional_policy/en/policy/what/investment-policy/
22 http://arhiva.fonduri-structurale.ro/Detaliu.aspx?t=Regional
23 http://www.adrcentru.ro/Document_Files/PORInfoSolicitanti/00000127/dxf7O_POR_iunie_2007.pdf, pg. 123.

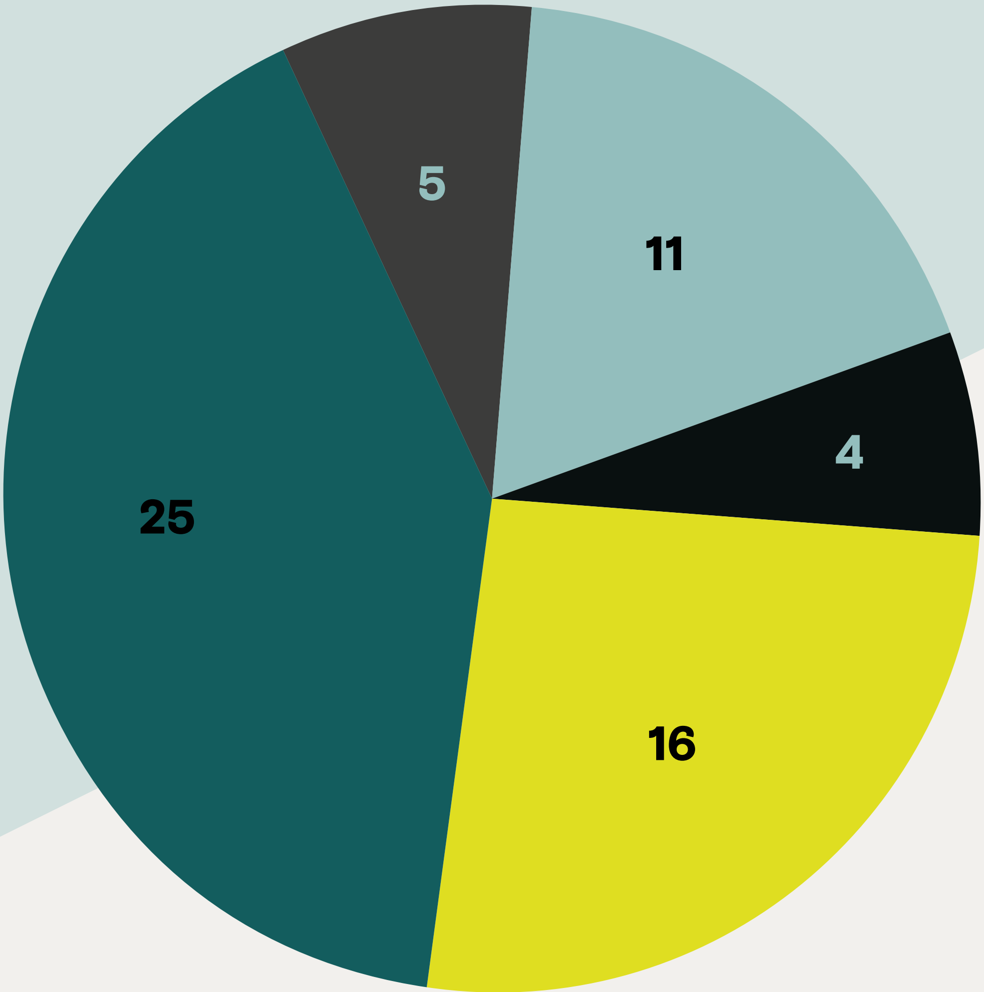
→

In Gorj County, part of the South-West Oltenia development region, 60 ROP-funded projects were carried out from 2007 to 2013, covering all five Priority Axes, of which the most were implemented for

Priority Axis 4
Strengthening the regional and local business environment

Priority Axis 3
Improvement of social infrastructure

Priority Axis 1
Support to the sustainable development of urban growth poles.



- Urban growth
- Transport infrastructure
- Social infrastructure
- Business environment
- Tourism

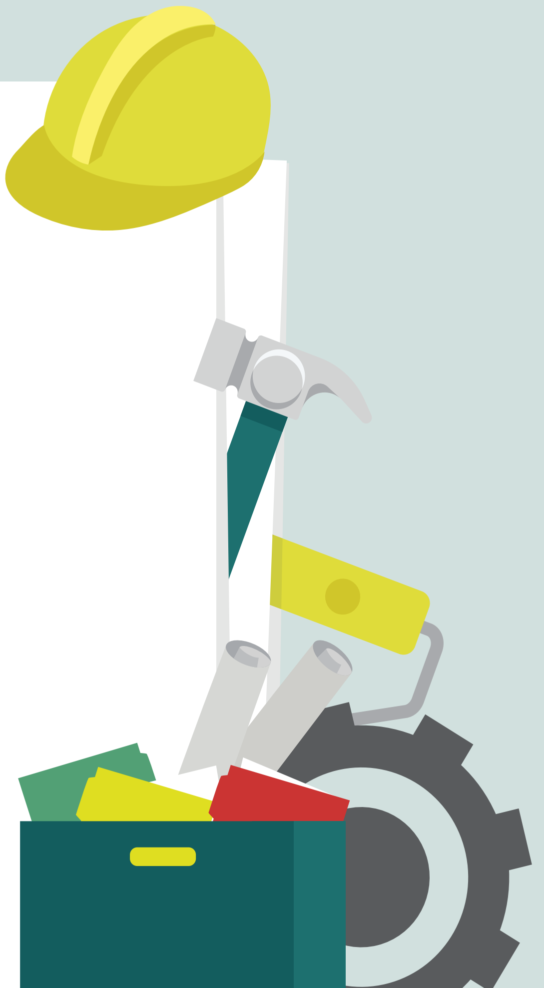
Within the county, the city of Târgu Jiu has a clear lead: 30 projects have been implemented there, of which 15 received financing under Priority Axis 4. These objectives aimed to sustainably develop micro-enterprises and diversify their activity by technological streamlining or acquiring gear and equipment, but also to create new economic units. Micro-enterprises play an important role in local economic development and in creating new jobs, and implementing these types of projects is necessary for supporting the business climate of local communities. However, if we compare the unemployment rate or the effective employee count at the county level, we cannot draw a correlation between these projects and an increase in jobs and employment. For the other towns of Gorj County, many of the projects focused instead on the cities' sustainable development by regenerating problematic urban areas, developing and/or rehabilitating the infrastructure and urban public utilities or financing investments in the urban public transport. Social infrastructure modernisation and rehabilitation was also a point of focus (childcare centres, centres for the elderly, assistance centres for the disabled, youth centres, etc.), but so was creating and developing tourism infrastructure.

Sectoral Operational Programme Human Resources Development (SOP HRD) Projects in Gorj

Another relevant operational programme regarding employment, having the potential to mitigate the impact of layoffs, was the Sectoral Operational Programme Human Resources Development (SOP HRD). This set the priority axes and the major intervention areas for Romania in the human resources field in order to implement EU financial assistance through the European Social Fund, within the frame of the "Convergence" objective, for the programming period 2007-2013.

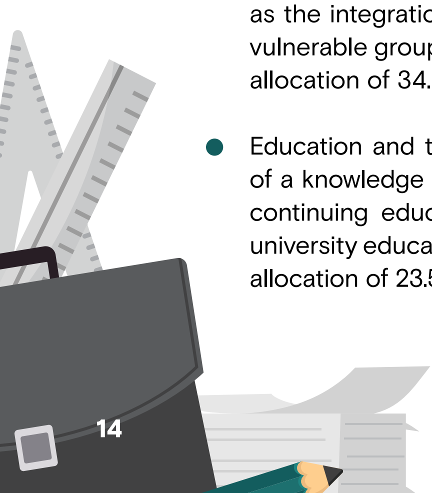
SOP HRD was the programme submitted by Romania and approved by the European Commission through which the development strategy and the intervention of the European Social Fund were defined, for helping in meeting the human resources development objectives[24]. The general objective of SOP HRD is the development of human capital and increasing competitiveness, by linking education and lifelong learning with the labour market and ensuring increased opportunities for future participation on a modern, flexible and inclusive labour market for 1,650,000 people[25].

For reaching the national and EU objectives, the total financial allocation for SOP HRD was EUR 4.089 billion out of which EUR 3.467 billion were from the ESF funding and approximately EUR 613 million are from the national public contribution[26].



ESF investments in Romania through SOP HRD and their financial allocations were as follows:

- Promoting lifelong learning and the adaptability of labour source and enterprises (Priority Axes (PA) 2 and 3), with a weight in the financial allocation of 38.37%;
- Promoting active employment measures for the inactive population, especially for people living in subsistence agriculture, young unemployed persons and long-term unemployed persons, as well as the integration on the labour market and the social inclusion of vulnerable groups (PA 4, PA5 and PA6), with a weight in the financial allocation of 34.21%;
- Education and training in support of the growth and development of a knowledge based society, aiming at modernising the initial and continuing education and training systems, including support for university education and research (PA 1), with a weight in the financial allocation of 23.55%[27].



An example of a project co-funded by the European Social Fund through SOP HRD was carried out by the County Employment Agency Gorj (AJOFM Gorj) between November 2010 and April 2012, titled **"Active Measures for Employment Programme – PAEM"**. The project was implemented in Gorj County, in the cities of Târgu Jiu, Rovinari and Târgul-Cărbunești, for 18 months and targeted young unemployed persons between the ages of 16 and 24 and long-term unemployed persons, both young and old. The project's main objective was to improve the adaptability of the participant groups to the local and regional labour market necessities and evolution and to generate a long-term positive effect by developing a business culture in the target group[28]. According to the project's results, of the 899 young unemployed aged between 16 and 14 and long-term unemployed who received job information and counselling, only 105 had a job at the end of the project[29].

"Steps towards the future" is another project co-founded through SOP HRD, launched by the Gorj Psychologist Association. The project, carried out from July 2014 to December 2015, aimed to provide specialised services for stimulating the workforce and targeted people in search of a job, young unemployed persons, long-term unemployed persons, as well as unemployed persons over 45 years old. Although 488 people were retrained in this project, there is no data available about the project's success rate.

24 http://www.fonduri-structurale.ro/Document_Files//resurseumane/00000030/9lqmd_dci_2013.pdf, pg. 2.
25 https://www.fonduri-structurale.ro/Document_Files/resurseumane/00000030/rcxgy_POSDRU_engleza.pdf, pg. 4.
26 http://old.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Documente_Suport/Evaluari/3_EVALUARI_POSDRU/3_Multiannual_evaluation_plan_en.pdf, pg.5.
27 http://old.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Documente_Suport/Evaluari/3_EVALUARI_POSDRU/3_Multiannual_evaluation_plan_en.pdf, pg.6.
28 http://paem.centruldecalcul.ro/index.php?option=com_content&view=frontpage&Itemid= 1
29 http://paem.centruldecalcul.ro/images/Comunicat_de_presa_inchidere_proiect_PAEM.pdf

Conclusions and Recommendations

The previous sections detailed the stage of the layoffs at Oltenia Energy Complex in the last years in order to get a glimpse of the evolution of the largest employer in Gorj County from the viewpoint of the employees. Subsequently, we compared the data to the county's representative demographic data in order to observe whether and how OEC affects the situation in the region. The last section analysed the most relevant finalised operational programmes to identify the extent to which they achieved their objectives.

The goal of these three analyses was to complete a puzzle showing which approach was the most successful for reintegrating laid off miners in the labour market. Unfortunately, the most important pieces are missing. Quantitative data about the EU-funded projects is scarce, whereas qualitative data is non-existent. Even though we have a picture of the main issue and which solutions were suggested for it in 2007-2013, we barely know their success rate—but we can assume what it was, especially if we observe the evolution of the local economy, starting in 2014.

However, understanding the demographic evolution of Gorj County and of the workforce within Oltenia Energy Complex is enough to fulfil the purpose of this report: identifying concrete suggestions to guide the planning for the next programming period of the European budget and for the other funding instruments mentioned in our introduction. We thus put forth the following recommendations:

- Funding priorities must be dictated locally, at the grassroots level. Tens or hundreds of (re)development strategies for Romania's regions have been drafted in the last 30 years, but they were almost always conceived at the central level, by people who were never directly confronted with local issues. As a result, various bureaucratic documents were issued, which were never implemented and were never supported by the local population.
- From now on, the public must always participate in the decision making process. Given the approach which currently dominates the decision-making process in Romania, this proposal is radical, so change will not happen overnight. However, current methods, where an elite decides for the whole community, are alienating the citizens, who do not commit to the redevelopment process. However, there are various collections of good practices, so we do not need to reinvent the wheel. Citizens and their representatives—be it NGOs, associations or worker unions—must be involved in all steps pertaining to the planning, implementing or evaluating of the concrete strategies and projects and must be granted the power to make decisions or add and change relevant elements.
- Any current or future strategy must be devised with the energy transition in mind. The goal of decarbonisation by 2050 is extremely ambitious and it requires changing all sectors of the economy. Projects that fail to take this into consideration will have significantly lower chances in the funding competition.
- High potential sectors must be identified locally, by studies applying a scientific and objective method and by consulting the economically active population. Projects proving the capacity to contribute to decarbonising the economy must be prioritised; otherwise, local enterprises will again risk being forced in a few years to find solutions to reduce greenhouse gas emissions.
- Oltenia Energy Complex must prepare a realistic plan for its downsizing in the future years and estimate how many people will be laid off and how many will retire in the following years. It is unlikely that coal plants will continue to operate after 2030, given the plants' age, the production costs (which will surpass the energy selling price) and the fact that state aid for the coal industry is illegal in the European Union. The intention to build photovoltaic plants with total installed power of 300 MW is a concrete step in the right direction, as this projects allows the company to continue its activity in its field of expertise, as well as to keep a part of its workforce.
- Given the tough challenges of energy transition, the state institutions must take the initiative and adapt to the communities' needs. This also means increasing the capacity to allocate the necessary resources—both allocated working hours and specialised staff for specific needs. The County Employment Agency, Constantin Brâncuși University or the Schools Inspectorate are a few examples of institutions without the help of which retraining the workforce will be impossible.
- Current regional operational programmes for the period 2014-2020 must be assessed fairly before the new ones, for 2021-2027, are finalised. Relevant factors are not only the EU funding adsorption rate or the variety of projects, but also their quality. These can be assessed based on various indicators, such as the number of created jobs or the growth of newly-established enterprises. New operational programmes must be defined while taking these assessments into consideration.