

# Supporting the just transition through dedicated technical assistance

The EU's Just Transition Mechanism, financed by the Just Transition Fund, provides more than 50 regions across Europe with the opportunity to phase out high-emission, carbon-intensive industries. Guided by the principle of 'leave no one behind', the initiative seeks to address the social, economic, employment and environmental impacts of the transition with the aim of creating just and climate-resilient societies. The just transition entered the implementation phase in 2023. Projects supported by the Just Transition Fund will be rolled out across central and eastern Europe over the next few years.

## Gaps in Just Transition Fund allocations

To gain a better understanding of the gaps in the just transition implementation phase, CEE Bankwatch Network has produced a series of briefings examining the allocation of the Just Transition Fund across key policy areas in eight countries: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Poland, Romania and Slovakia. Our analysis focuses on the 28 Territorial Just Transition Plans developed for regions within these countries receiving support from the Just Transition Fund.

The briefings examine not only the content of the plans, but also how their objectives specifically translate into the allocation of funds. Delving into the economic, environmental and social aspects of the plans, the briefings show how investments will be distributed across these policy areas.<sup>1</sup>

The series reveals that funding priorities for the just transition vary significantly across countries. The Czech Republic demonstrates a balanced approach, allocating resources almost equally across economic, environmental and social policies. However, Romania's plan heavily prioritises economic policies to the detriment of environmental and social initiatives. Overall, economic and

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<sup>1</sup> Economic policies were defined as those directly aimed at the private sector or the improvement of employment conditions. Employment policies were also grouped under economic policies due to their primary benefits for private companies or individuals. Economic policies encompass initiatives such as investments in small and medium-sized enterprises (SMEs), workforce retraining or upskilling, and investments in large businesses. Environmental policies were defined as those that aim to enhance the environment, including increasing renewable energy production and brownfield decontamination. Social policies were defined as those intended to improve the communal and public conditions of regions and specifically benefit large segments of the population. These policies cover investments in social and healthcare, education (excluding retraining or upskilling) and public research organisations.

For more information

**Full name**

Dan Dobre

Just Transition Campaigner

CEE Bankwatch Network

[dan.dobre@bankwatch.org](mailto:dan.dobre@bankwatch.org)



Learn more: [bankwatch.org](https://bankwatch.org)



environmental policies receive the most funding and are seen as top priorities by most countries. Regrettably, the social initiatives of the just transition receive far less funding or are even ignored entirely, such as in Bulgaria, Hungary, Latvia and Romania.

## Where will the money go?

Planned allocations from the Territorial Just Transition Plans (percentage)

 Economic policies 
  Environmental policies 
  Social policies



Developed by CEE Bankwatch Network based on a methodology by Michiel Stapper and data on the Just Transition Fund allocation for the 2021–2027 budgeting period available from the Cohesion Open Data Platform. **The Bankwatch methodology categorises employment, reskilling, and upskilling measures under economic policies.**

The huge gap in funding for social measures (beyond job losses in transitioning industries) indicates that the broader social initiatives of the just transition will require additional support from other funds, such as the European Social Fund or the Social Climate Fund. Unfortunately, the allocations for environmental policies show that investments in energy communities – projects that could have multiple environmental and social benefits – have been overlooked.

Although some countries indicate that energy communities will be targeted using other financial instruments, the absence of funding signals a lack of interest in the topic and makes tracking these investments difficult. Similarly, nature restoration projects aimed at increasing biodiversity within former industrial areas may also require funding from other cohesion policy funds or future dedicated environmental funds. It is also concerning that allocations for nature restoration and biodiversity, areas that demand urgent attention and have massive potential to create new jobs, have been entirely overlooked.<sup>2</sup>

In addition, the fund allocations, based on the Territorial Just Transition Plans developed between 2021 and 2022, have been mostly rushed through under significant time pressure. Limited capacities within

<sup>2</sup> Dan Dobre, Miłostława Stępień, [Following the Money from Just Transition Fund](#), *Just Transition*, 29 April 2024.

certain regions have also affected the quality and scope of just transition planning. These factors are likely to have created gaps that have yet to be identified, further complicated by the emergence of new EU directives and guidance for achieving climate neutrality. For example, we know that municipalities in just transition regions seeking to phase out their energy-intensive industries are struggling to plan decarbonisation pathways in various sectors, especially the provision of heating and cooling services.

### **RePower the Regions: Bridging the gap to clean energy**

RePower the Regions is a 30-month Life+ project being implemented by CEE Bankwatch Network (October 2023 – March 2026). The aim of the project is to align regional clean energy plans with the EU’s 2030 climate goals by building strong local support and providing practical guidelines and roadmaps for transforming the regions. Focusing on nine CEE countries – Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Poland, Romania, Slovakia and Ukraine – the project seeks to help these countries:

- develop decarbonisation sector plans through pilot projects and best-practice examples;
- secure funding for environmentally and socially just projects not covered by the Just Transition Fund;
- build capacity and raise awareness about the just transition at the local level; and
- enhance community and participatory joint planning and cooperation.

## **Role of the EIB in the just transition process**

The Just Transition Mechanism is built upon three pillars, the first of which is the Just Transition Fund. The European Investment Bank (EIB) plays a crucial role in supporting the second and third pillars of the Just Transition Mechanism.

### **Second Pillar – InvestEU Just Transition Scheme**

The second pillar is a just transition scheme under InvestEU that provides EUR 1.8 billion in guarantees for a wider range of projects than those available through the Just Transition Fund. It supports investments by public and private sector entities in areas such as energy and transport infrastructure, digitalisation, digital connectivity, and the circular economy. InvestEU’s implementing partners, which include the European Investment Bank Group and national banks, will propose financial products for these investments.

The EIB, as the main implementing partner of InvestEU, is expected to cover 75 per cent of the programme overall. However, its share in the InvestEU Just Transition scheme could fluctuate depending on demand from the most affected regions. The EIB will support just transition projects across four policy areas: sustainable infrastructure; research, innovation and digitalisation; small and medium-sized enterprises; and social investment and skills development.

## Third Pillar – Public Sector Loan Facility

The third pillar is a public sector loan facility that combines a EUR 1.5 billion grant component from the EU budget with a loan component of up to EUR 10 billion from the EIB. This is expected to mobilise EUR 25 to 30 billion of public investment in energy and transport infrastructure, district heating networks, energy efficiency measures (including the renovation of buildings), and social infrastructure.<sup>3</sup>

Initially, the EIB will be the only finance partner of the facility. All EIB sectors contributing to the just transition are eligible, except a limited list of ‘excluded sectors’. Beneficiary projects can cover a wide range of investments that help meet the development needs arising from the transition towards a climate-neutral economy, as described in the Territorial Just Transition Plans.

However, two key factors may impact the intensity and speed with which the public sector loan facility is implemented. Firstly, projects supported by the facility cannot receive EU support through other pillars of the Just Transition Mechanism or other EU programmes. Secondly, until the end of 2025, grant resources will be earmarked for each Member State according to the Just Transition Fund allocation key, which may not necessarily reflect market demand.

In December 2021, the EIB approved a supporting measure under the third pillar, increasing its financial support for just transition operations in its cohesion priority regions. This will see EIB contributions exceeding 50 per cent of the project investment costs, while adhering to the rules limiting combined EU and EIB support.<sup>4</sup>

As of June 2024, there have been very few applications from central and eastern Europe for support under the second and third pillars of the Just Transition Mechanism, as these countries remain focused on spending the money allocated under the Just Transition Fund.

## Technical assistance provided by the EIB

Technical assistance programmes are designed to address the needs of just transition regions at the local level. The EIB offers the following free programmes to assist local stakeholders in planning and implementing the just transition.

### Technical Assistance for a Green Energy Transition (TARGET)

Launched in November 2021, TARGET is a technical facility that assists EU coal, peat and oil shale regions in identifying and planning clean energy and energy efficiency projects. It supports sustainable investments and encourages local employers to transition from fossil-fuel based activities. The facility, which beneficiaries can avail of free of charge, was developed jointly by the European Commission and the EIB to support the just transition, in addition to existing tools such as the Just Transition Mechanism.

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<sup>3</sup> World Resources Institute, [European Union’s Just Transition Mechanism: Transnational Funding and Support for a Just Transition](#), *World Resources Institute*, 1 April 2021.

<sup>4</sup> European Investment Bank, [Supporting the Just Transition Mechanism – comprehensive proposal of the EIB Group](#), *European Investment Bank*, 1 June 2022.

Both private and public sector entities can receive assistance with the preparation of individual projects or groups of similar projects, securing additional support from other EU technical assistance instruments and guidance during the early stages of project preparation (feasibility studies, environmental impact assessments, public consultations). The facility also provides public authorities with support for developing project pipelines and capacity-building activities.<sup>5</sup>

### Joint Assistance to Support Projects in European Regions (JASPERS)

Funded by the European Commission and the EIB, JASPERS is an initiative that provides beneficiaries with advice on strategies and projects, helping them align their projects with EU standards and improve their chances of securing EU funding.

The programme helps applicants to prepare strategies and sustainable projects, and strengthens their capabilities in planning, designing, contracting and delivering across a wide range of sectors and topics. These include the circular economy, energy efficiency, carbon neutrality, smart cities, applied research and innovation, healthcare systems, connectivity and sustainable mobility, affordable water and sanitation services, flood and disaster risk management, and biodiversity protection.<sup>6</sup>

### European Local Energy Assistance (ELENA)

ELENA provides technical assistance grants for beneficiaries implementing projects in the areas of energy efficiency, distributed renewable energy, and urban transport. The grant can be used to finance costs related to feasibility and market studies, programming, business plans, energy audits and financial structuring. It can also be used to develop tendering procedures, contractual arrangements, and project implementation units. ELENA supports programmes above EUR 30 million over a period of around two to four years, covering up to 90 per cent of the costs associated with technical assistance and project development.<sup>7</sup>

While the availability of technical assistance shows an awareness of the urgent need to meet the challenges faced by just transition regions, challenges remain. One of the biggest issues is that much of the support typically prioritises larger stakeholders to the detriment of small and medium-sized enterprises and local municipalities, which require assistance with decarbonising the heating and energy services they provide to residents.

## Needs of just transition regions

The just transition implementation phase is underway. However, additional support is needed to drive implementation and help projects respond to their particular challenges. Bankwatch's Follow the Money briefings highlight the need for significant investments in the following areas: social well-being measures,

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<sup>5</sup> European Commission, [TARGET technical assistance](#), *European Commission*, accessed 27 June 2024.

<sup>6</sup> European Investment Bank, [JASPERS: Helping To Improve People's Lives](#), *European Investment Bank*, 8 June 2021.

<sup>7</sup> European Commission, [European Local Energy Assistance](#), *European Commission*, accessed 27 June 2024.

essential social services, biodiversity restoration and nature-based solutions, energy communities, and projects aimed at decarbonising the heating sector.

Harnessing this potential requires prioritising the development of high-quality local projects with strong community involvement. Local public authorities, non-governmental organisations, and trade unions are committed to using the Just Transition Fund as efficiently as possible. However, a general lack of capacity, the unprecedented challenge of bringing about a just transition, and the backtracking of some stakeholders, has created gaps that must be filled if the regions are to achieve a brighter future.

## Recommendations

### Dedicated regional assistance

Regional just transition support centres should be established to provide local and regional stakeholders with information, support and assistance aimed at ensuring a smooth just transition process. These one-stop shops would ideally provide information about the funding available at European, national and regional levels in support of the just transition. The set-up of these centres should be tailored to the circumstances of the region in question. For instance, in some regions, a dedicated just transition support office might be feasible. In others, existing bodies like local energy agencies or energy efficiency hubs could serve this function.

### Dedicated personnel and capacity-building assistance

These services are necessary to support the inclusive development of high-quality just transition plans and projects in the just transition regions. However, without readily available information and support, smaller stakeholders will be at a significant disadvantage, impeding their ability to engage effectively in the transition. It is also likely to lead to a situation where large, often incumbent, organisations prioritise their own interests and dominate these services, ultimately undermining the fairness of the just transition process and its outcomes.

In Poland, the managing authorities of EU-funded programmes are set to launch a new support scheme for monitoring committee members. The scheme, which offers grants to cover the organisation of expert meetings, the commissioning of research and, in some cases, participation in trainings, will be integrated across nationally managed programmes.

### Standardised guidance on technical assistance

The sheer number and variety of technical assistance programmes available for different institutions in transitioning regions can often be overwhelming. Navigating these options requires significant time and effort.

Therefore, a centralised guide on the Just Transition Platform providing an overview of the types of assistance available would considerably improve accessibility. This resource, ideally translated into all the languages used in the just transition regions, would empower citizens and organisations with the most relevant technical assistance programmes for their needs.

## Common standards for monitoring and evaluating the just transition

It is crucial that the European Commission assists regions in monitoring the just transition and accelerating its implementation to address the urgent need for energy security and climate action in a socially fair and sustainable way.<sup>8</sup>

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<sup>8</sup> Europe Beyond Coal, [How can we assist you? What kinds of technical assistance do just transition regions actually need?](#) *Europe Beyond Coal*, July 2022.