

Evaluation of the ERDF/JTF Programme NRW 2021-2027

Socio-economic and ecological status quo of the JTF-supported areas in North Rhine-Westphalia

Report on Evaluation 1 “Sustainable Coal Regions (JTF)”



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Report on Evaluation 1 „Sustainable Coal Regions (JTF)”

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On behalf of

The Ministry of Economic Affairs, Industry,
Climate Action and Energy of the State of
North Rhine-Westphalia



**Co-funded by
the European Union**

Date

February 2024

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Founding year

1959

Commercial Register Number

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English, German, French

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Executive Summary

Objectives and Methodology

To support regions facing significant socio-economic and ecological challenges as a result of the **EU's energy and climate policies for 2030 and the transition to a climate-neutral economy by 2050**, the EU has established the **Just Transition Fund (JTF)**. In North Rhine-Westphalia (NRW), JTF funds in the 2021-2027 programming period amount to around **683 million euros**, which will be spent in the two areas **most affected by the transition** in the **Rhenish region** and the **northern Ruhr region**.

The objective of **Evaluation 1 "Sustainable Coal Regions (JTF)"** is to determine the added value of the funding for the areas supported by the JTF in NRW. The evaluation is conducted in two phases (2024 and 2028). The first phase consists of a **status quo analysis**, which descriptively presents the socio-economic and ecological status quo and the changes that occurred in the **two JTF-supported areas of the Rhenish region and the northern Ruhr area** from 2014 to 2020 in the form of regional profiles.

This analysis thereby captures the different impact areas that correspond to the funding objectives defined in the ERDF/JTF Programme NRW 2021-2027. For this purpose, **secondary statistical context indicators suitable for spatial analysis** are defined within four impact areas and their corresponding sub-areas related to the funding objectives and support measures. These indicators are used to track changes in the socio-economic and ecological status quo in the JTF-supported areas and thereby estimate the impacts of the JTF measures.

Key findings for the JTF-supported area of the Rhenish region

Before the start of funding, the JTF-supported area of the Rhenish region displayed a **stable labour market situation**. The unemployment rate fell below the state average for NRW between 2014 and 2020, and employment growth was above the state average for NRW. However, the share of employees in the "Mining, Energy and Water Supply, Energy Industry" sector decreased during the same period, indicating a shift toward a climate-neutral industry.

The **economic development in the supported area between 2014 and 2020 was also overall positive**, with rising wage levels and GDP per capita. However, there are significant regional disparities within the supported area, especially between the economically strong Städteregion Aachen and the Rhein-Kreis Neuss compared to the more rural counties.

The **ecological status quo in the supported area still shows room for improvement**, particularly in terms of flowing waters. Most of the flowing waters are not in a good ecological state. In addition, the water body structure was only assessed as being near-natural in around 2 % of the measurements.

Despite positive developments until 2020, the JTF-supported area of the Rhenish region faces **significant challenges in the transformation process**. Without appropriate countermeasures, there could be a decline in employment and ecological challenges following the end of lignite mining. **Initiating measures through the JTF can therefore contribute to actively shaping the**

transformation of the supported area and to mitigating the negative effects of the phase-out of coal.

Key findings for the JTF-supported area of the northern Ruhr area

Despite a decreasing unemployment rate and positive employment growth since 2014, the labour force in the JTF-supported area of the northern Ruhr area has decreased, indicating a **demographic change-driven population decline**.

In 2020, 75% of the employed people in the supported area had a recognised vocational or academic qualification, which is above the average for the economic region Metropole Ruhr. Particularly, the number of people with recognised professional qualifications is high compared to NRW, **providing companies with many well-trained workers** who can help shape the economic transformation through targeted training measures.

Between 2014 and 2020, the supported area showed **positive economic development** but still lags behind the state average for NRW. There is still a **considerable need to catch up in terms of investment activity among companies in the area**, which is crucial for the transformation of the economy. However, investments in environmental protection have grown significantly in the region, with a growth rate above the state average for NRW. Additionally, there are considerable reserves of commercial land available in the area suitable for development, although some cities in the northern Ruhr area have a higher proportion of brownfield sites that would first need to be revitalised.

Although the labour market and economy show positive trends, the supported area of the northern Ruhr area faces significant challenges following the end of hard coal mining and the decommissioning work completed by 2027. **Without compensating measures**, unemployment could rise, and the number of positions for vocational training could continue to decrease. Thus, **funding through the JTF can help to compensate** for the emerging losses in employment and value creation in the northern Ruhr area.

Outlook

The regional profiles prepared for the two JTF-supported areas in NRW examined specific context indicators, which accurately captured the **regional conditions and developments prior to the start of JTF funding**. In the second phase of the evaluation, changes during and after JTF funding are measured using the set of context indicators developed and compared with the situation before funding began. From this **before-and-after comparison**, changes that could have been achieved through JTF funding can be identified. These will be used for the impact evaluation to assess the effects of the funding. In addition to the before-and-after comparison, additional analyses are required to determine the contribution of JTF funding to mitigating the social, employment-specific, economic, and ecological consequences of the transition to a climate-neutral economy in the two JTF-supported areas in NRW.

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Imprint

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Published by

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Status: February 2024
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Quotes according to § 51 UrhG ought to be equipped with the following citation: Prognos AG (2024): Sozioökonomische und ökologische Ausgangslage der JTF-Gebietskulisse in Nordrhein-Westfalen.