



Technical Assistance
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Summary

Evaluation of the Just Transition Fund

Final version

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Executive summary of the final report

Just Transition Fund

The Just Transition Fund (JTF) is one of the three pillars of the European Union's Just Transition Mechanism, which **aims to mitigate the effects of energy transition in regions particularly affected by the process of moving away from a carbon-intensive economy**. Poland, as the largest beneficiary of the JTF, received a total of EUR 4.78 billion, of which EUR 3.85 billion comes from EU funds and EUR 930 million is the national contribution. Support was provided to five regions:

- Lower Silesian Voivodeship: EUR 581.5 million (Wałbrzych sub-region);
- Łódzkie Voivodeship: EUR 369.5 million (selected municipalities from the Piotrków and Sieradz sub-regions);
- Małopolskie Voivodeship: EUR 264.5 million (Oświęcim sub-region);
- Śląskie Voivodeship: EUR 2,216.9 million (Katowice, Bielsko, Tychy, Rybnik, Gliwice, Bytom and Sosnowiec sub-regions);
- Wielkopolskie Voivodeship: EUR 414.8 million (part of the Konin sub-region).

Implementation began in 2023, after the programmes were approved by the European Commission.

Purpose and scope of the evaluation study

The aim of the evaluation was to assess the pertinence of EU regulations, the JTF implementation model in Poland, the effectiveness of interventions, as well as to identify barriers and formulate recommendations for the continuation of the instrument after 2027. The time range of the survey covered the period until the end of 2024 (or until mid-2025 for financial data, as well as taking into account changes related to the reconstruction of the government and information presented by the European Commission on the EU budget for the next financial perspective). A variety of research methods were used, including document analysis, interviews, CAWI and CATI studies, and case studies.

Conclusions of the study

The scale of the needs related to the transition process is enormous. In addition, the transition process of energy regions in Poland will continue for at least 10-20 years, taking into account the current information on the timeline for closing individual mines. Funds from the current JTF perspective enabled launching transition activities in many places, but the scale of the needs is enormous. **The process of closing mines and transforming regions is long-term, and requires stable and predictable financial and institutional support. The current JTF funds have made it possible to begin the procedure, but they are insufficient in view of the real social, economic and infrastructural needs.** Therefore, in the regions currently covered by the JTF, it is necessary to continue support both for the energy transition itself and for mitigating the socio-economic effects of the transition in the next financial perspective. In addition, continued dialogue and negotiations with the EC are necessary on providing support to further mining regions in Poland, where the transition process will accelerate in the coming years.

The need to continue to support the transition

The transition of energy regions in Poland is a process which will be spread over many years and which is deeply rooted in local social, economic and spatial structures. While the JTF has made it possible to start this process, its current level of support – both financial and institutional – is proving insufficient in response to the real needs. Discontinuation of financing carries the risk of inhibition of the initiated activities, loss of social trust and deepening of the negative effects of restructuring. **It is recommended to continue support in the next EU financial perspective – either under the extended JTF or through the creation of a new, dedicated instrument. The scope of support should take into account both infrastructure investments and soft measures, as well as new EU priorities,** including the development of competences in the defence sector, the resilience of critical infrastructure, access to housing, digital and water transition.

Maintaining a separate, dedicated instrument

Maintaining a separate, dedicated support instrument, such as the JTF, remains crucial for the effective implementation of the energy transition objectives in coal regions. **The structure of the JTF, different from the classic cohesion policy, allows for precise adjustment of interventions to local needs and combining various forms of support within one project.** Failure to continue the instrument would be perceived by the public as the EU's failure to meet its commitments, which could undermine the confidence of local communities in the fairness of the transition. It is recommended to maintain the subsidy nature of support and flexibility in combining infrastructural interventions with social, educational and competence activities. Only a dedicated instrument such as the JTF allows maintaining thematic concentration and responding to the complex, long-term challenges of transition regions.

Individual TPSTs for each coal region, including transition strategies

Experience from the current financial perspective indicates the need for a more individualized approach to transition planning in coal regions. It is recommended that **in the next financial perspective, each Polish coal region should prepare and negotiate with the EC its own, separate TPST (including mining regions that do not benefit from JTF support in 2021-2027).** These documents should not only contain a diagnosis of the effects of the transition, but also take into account local challenges, needs and potentials, and **outline the region's transition strategy, including plans for rebranding, economic specialization** and decarbonization schedules. Such an approach will allow for better adjustment of interventions to local conditions and will increase the agency of local governments and communities. At the same time, procedures related to the update of the TPST should be simplified, in particular in the context of projects carried out by large enterprises and investments reducing greenhouse gas emissions. To this end, more flexible solutions should be developed, including, among other things, implementing an individually notified aid programme. Therefore, it is recommended to develop a more flexible solution in this respect in the new perspective, for example, by defining clear criteria when an investment can be implemented in an area covered by the TPST, precisely defining the requirements for creating and maintaining new jobs or implementing the mechanism of an individually notified aid programme that would support the above-mentioned projects.

Determining the level of co-financing at NUTS level 3

The current system of determining the level of co-financing at the NUTS level 2 does not reflect the internal diversity of voivodeships. **It is recommended to set the level of co-financing at the NUTS level 3, which would allow for better adjusting the intensity of support and the required own contribution to local socio-economic conditions.** While in the current EU financial perspective for 2021-2027 this issue applies to the Wałbrzych sub-region and Eastern Wielkopolska, in the next financial perspective it may also apply to some sub-regions from the Śląskie Voivodeship, should they be classified as the so-called 'transition regions'.

Introducing the possibility of adapting the thematic scope of assistance to the specific situations of the regions

The thematic scope of JTF support was assessed as broad and adequate to the needs of the regions affected by the transition. It includes social (retraining of employees, social infrastructure), economic (support for SMEs, innovation, tourism) and environmental (RES, land revitalization, circular economy) activities. Respondents to the CAWI survey indicated that the main motivations for applying were pro-ecological investments, innovation and transition planning. At the same time, 44% of beneficiaries perceive new development needs not covered by the JTF, and over 84% of them declare their readiness to apply in the future. However, despite the wide thematic scope of the JTF, its practical use is sometimes limited by the interpretations of the European Commission.

The experience of the regions shows that effective transition also requires investments in road infrastructure, water and sewage infrastructure, local transport, including rail, or revitalization of degraded post-industrial areas, including mining and degraded areas, or support for tourism (not only sustainable). Therefore, it is recommended to extend the scope of JTF support to include infrastructure components, which, although not always directly related to energy transition, constitute its necessary foundation. In the next EU financial perspective, support should also take into account new priorities, such as development of competences in the defence sector, resilience of critical infrastructure, access to housing, digital and water transition.

Enabling the transfer of post-mining areas for economic purposes

The development of post-mining areas is one of the key challenges in the process of just transition of mining regions. The current regulations limit the possibility of transferring land by SRK only to public purposes, which hinders the development of local entrepreneurship and attracting investors. **It is recommended to amend the Act on the Functioning of the Hard Coal Mining Industry to enable the transfer of post-mining areas for economic, social and local government purposes, creation of special investment zones and ensuring greater transparency of the process of making real estate available.** This change should be supplemented by an aid programme agreed with the European Commission, enabling the financing of activities related to the reclamation, development and promotion of investment areas. Facilitating access to investment areas will contribute to the creation of new jobs and strengthening of local economies.

Support for strategic projects and investors

The energy transition of post-mining regions should be perceived not only as a process of phasing out the mining industry, but above all as an opportunity to build a new, sustainable local economy. **It is recommended to focus financial and institutional support on strategic projects that are part of the long-term vision of the region's development and have the potential to generate sustainable jobs, develop new sectors of the economy and attract investment.** Such projects should strengthen existing industries, develop new supply chains and create a multiplier effect for local SMEs. At the same time, there is a need to develop a comprehensive strategy for attracting investors, including promotional activities, simplification of administrative procedures and preparation of appropriately developed investment areas. Expanding the options for financing the preparation of investment areas and accompanying infrastructure should be treated as a strategic investment, increasing the attractiveness of the region and supporting its long-term competitiveness.

Adaptation of state aid rules

The current state aid regulations do not take into account the specificity of projects implemented under the JTF, which is a significant limitation for beneficiaries and implementing institutions. **The complexity of regulations, the need to apply different aid regimes within one project and the limitations resulting from de *minimis* limits**

hinder the implementation of projects with high development potential, including, for example, social initiatives such as social cooperatives. As far as state aid regulations are concerned, **their simplification and adaptation to the specificities of transition projects is recommended, including developing dedicated guidelines and mechanisms to support beneficiaries and implementing institutions.**

In particular, the need to increase the limits of aid for projects with high development potential, such as social cooperatives, and to enable the combination of various forms of support within one project without the need to artificially divide it, is indicated. In addition, it is recommended to enter into dialogue with the European Commission in order to increase the limits of support for selected types of projects, which will enable their full utilization in the energy transition process.

Simplifying procedures and increasing flexibility

One of the challenges most frequently indicated by JTF beneficiaries are the complex application, tender and settlement procedures, which require significant administrative resources and specialist knowledge. The lack of flexibility in the implementation of projects and lengthy procedures for annexing contracts do not correspond to dynamically changing local conditions. **It is recommended to comprehensively simplify the processes of implementing the JTF, which includes reducing the number of required documents, digitizing procedures and extending the use of simplified forms of settlement, such as lump sums and unit rates.** It is also crucial **to create simplified support paths for the smallest beneficiaries** and to extend the time for preparing applications, especially in the case of local government units. Such activities will increase the availability of the programme, improve the quality of projects and accelerate the implementation of transition goals.

Strengthening coordination at central and regional levels

The current governance model of the JTF, which is mainly based on regional activities, does not ensure sufficient coordination **of supra-regional projects or coherence of inter-ministerial activities.** **It is recommended to implement a hybrid model that would combine a regional component with a national component, enabling the implementation of supra-regional and strategic projects. Strengthening the role of the MDFRP as a coordinating institution and creating the function of the Government Plenipotentiary for Transformation, who – provided that he/she has**

extensive powers – could improve inter-ministerial cooperation and strengthen Poland's position in the dialogue with the European Commission. **This function should be located in the newly created Ministry of Energy, within which the Department for Energy Transformation would be established, responsible for coordinating energy policy**, supervising the mining sector and renewable energy sources, and cooperating with other ministries and financing institutions.

Transformation projects of a supra-regional nature

The current decentralized model of JTF implementation does not allow for the implementation of supra-regional projects, which limits the potential for strategic interventions. **It is recommended to introduce a hybrid model, which would combine regional and central components and allow for the implementation of transition projects of national and supra-regional range, as well as strategic projects.** A key role in this model could be played by State Treasury companies implementing projects of strategic importance. The central component should be linked to a separate pool of financial resources. In addition, **the development of a National Just Transition Plan** is recommended, **as a strategic document strengthening the coordination of activities** between ministries and between the government and coal regions.

Strengthening information and promotion activities

The energy transition is not only a change in the economic structure, but also a profound social change that requires effective communication. **Information and promotion activities should be an integral part of transition projects, supporting social acceptance, countering disinformation and building a sense of shared responsibility among residents.** It is recommended to professionalize communication by hiring specialists, creating information strategies, using modern tools and conducting a dialogue with residents. Promoting good practices and successful projects that can inspire others and strengthen trust in the transition process is particularly important.

Need for greater exchange of knowledge and experience between regions

Implementation of the JTF revealed a lack of a systemic space for the exchange of knowledge and experience between regions. While regions face similar challenges, they often operate in isolation, which leads to multiplying mistakes and inefficient use of resources. It is recommended to **create a nationwide platform for the exchange of**

knowledge, managed by the Ministry of Development Funds and Regional Policy or a dedicated unit, which would collect interpretative resources, document templates, good practices and enable interactive communication. This should be complemented by regular webinars, workshops and working meetings to support the building of a network of cooperation and a community implementing the transition.

Developing definitions of transition terms

The lack of consistent definitions of key terms related to the energy transition hinders the implementation of the JTF, leading to divergent interpretations and inconsistent assessments of projects. It is recommended to **develop uniform definitions and standards at the national level, in a participatory manner** – with the participation of central institutions, local governments, experts and social organizations. The result should be an official glossary of terms and a catalogue of standards, available digitally and regularly updated, which would be a reference point for all participants in the JTF implementation process.

Support for the preparation of projects

One of the key factors influencing the pace and quality of implementation of the JTF is the level of project readiness of potential beneficiaries. In many less affluent municipalities and districts, there is a lack of technical documentation, feasibility studies, environmental studies or investor cost estimates, which makes it impossible to effectively apply for funds despite urgent transition needs. **It is recommended to introduce a dedicated financial support mechanism for the preparation of projects, especially for local government units and non-governmental organizations** which play a key role in the transition process, but have limited resources. Funding for the preparatory phase will increase the number of high-quality projects, speed up the implementation of the JTF and allow for fairer access to funds. This support should also include the STEP component and strategic projects in the defence, energy and housing sectors.

Simplification of application and billing procedures, digitization of processes

The complexity of application and settlement procedures under the JTF is a significant barrier for many beneficiaries, especially smaller local government units, NGOs and local institutions. It is recommended to comprehensively simplify these processes, including **reducing the number of required documents, simplifying the rules for eligibility of**

expenditure, wider use of lump sums and unit rates, and replacing certificates with declarations. It is also crucial to implement intuitive electronic systems supporting the process of applying for projects and settling respective funding. Increased flexibility in the implementation of projects and earlier publication of competition documentation will allow for better adaptation of activities to local conditions. Any changes should take into account the requirements of the control and audit system so as not to impose additional burdens on the implementing authorities.

Reducing the time to evaluate applications and sign contracts

The long time of evaluation of applications and finalization of contracts under the JTF has a negative impact on the implementation of projects and discourages potential beneficiaries. **It is recommended to simplify the evaluation criteria, automate some of the processes and increase the number of people involved in the evaluation or consider using the Management Services Outsourcing (MSO) model as a tool to support verification processes** by Managing Authorities and Intermediate Bodies at the time of a cumulation of applications. **The implementation of modern IT systems of the Service Management Software class** and providing current information about the status of the project will improve the transparency and efficiency of the process. In addition, it is advisable to intensify training activities and publish guidelines with examples of the most common mistakes, which will increase the quality of submitted applications (including payment applications) and improve their handling.

Introducing advance payments or special support lines for own contribution

For many local government units and non-governmental organizations the need to make their own contribution is a significant barrier, especially in regions in a weaker financial condition. **It is recommended to reduce the required level of own contribution for entities with limited resources, to introduce advance payments for the implementation of projects more widely and to launch special support lines.** Such solutions will increase the availability of JTF funds, enable the activation of smaller centres and contribute to fairer development of the regions affected by the transition. Facilitating access to finance will allow for a fuller use of the potential of local communities.

Greater interpretative support from the Ministry of Finance and PR and the development of a common interpretative framework

During the implementation of the JTF, significant difficulties related to ambiguous interpretations of the provisions, definitions and eligibility rules of projects were revealed. The lack of consistent guidelines leads to uncertainty, prolonged application processes, and in extreme cases – to the rejection of projects that would be accepted in other regions. **It is recommended to increase interpretative support from the MDFRP and to develop a common interpretative framework, including the publication of official interpretations, the creation of a publicly available knowledge base, the organization of cyclical trainings and the development of a ‘dictionary of transition’.** Such actions will increase the transparency of the system, facilitate the preparation of projects and contribute to a more coherent and equitable implementation of the JTF.

Allowing, where justified, investments in machinery and equipment using fossil fuels

The current JTF regulations exclude support for fossil fuel-based technologies, which – according to the EC's restrictive interpretation – leads to serious implementation difficulties and lower eligibility for a wide range of projects. This restriction applies not only to infrastructure investments, but also to educational, social and SME support projects. In many cases, the lack of available technological alternatives or their significantly higher cost makes it impossible to implement an investment. In addition, the lack of uniform guidelines concerning the concept of ‘viable alternative technology’ and regional divergences in the interpretation of the regulations increase the uncertainty of the implementing authorities and beneficiaries. In response to these challenges, the MDFRP, in cooperation with BGK, developed an auxiliary tool to assess the admissibility of support for investments using fossil fuels under financial instruments, with the option of its application also in grant projects. **It is recommended to conduct training for implementing institutions in coal regions, presenting the practical application of the tool in JTF projects, in order to ensure a consistent approach.**

Improving conformance of support to particular stages of the sector's transition

To date, activities under the JTF have not fully corresponded to the actual course of transition of the mining sector, which limited the effectiveness of the intervention. The lack of transparent employment restructuring plans and the mismatch between the support schedule and the pace of mine closures made it difficult to use the available

instruments. **It is recommended to synchronize interventions with restructuring plans, increase the flexibility of the offered support** so that it meets the diverse needs not only of miners, but also their families and employees of the mining-related sector, and strengthen the information and advisory component to increase the awareness and trust of potential beneficiaries in the solutions offered. Such an approach will allow for better adjustment of activities to the needs of local communities and will increase the efficiency of use of the JTF funds.

Increasing the transparency of plans to reduce employment in coal companies

One of the factors limiting the effectiveness of JTF activities is the lack of clear and publicly available plans for reducing employment in coal companies. Many miners do not yet feel a real need to change their career path, which translates into limited interest in training, career counselling or support for self-employment. The lack of clear communication from employers undermines the sense of urgency and makes planning difficult for both employees and institutions implementing transition activities. As a result, despite the availability of funds and support instruments, their use remains below expectations. In order to increase the effectiveness of the transition of the coal sector, **implementing a coherent information policy, including regular publication of restructuring plans** is recommended, and early information about available forms of support to anticipate crisis moments, so that employees have time to make decisions and use the available tools, and involve social partners and engage in local dialogue. Such actions will increase trust in the process and enable better preparation for the upcoming changes.

Low interest in support among miners, higher among back office employees and families

Evaluation of the JTF indicates a low interest in support among miners, with a simultaneous high involvement of employees of mine facilities, mining-related industries and miners' families. **It is recommended to direct transition activities to groups that show a real readiness to participate in the process of change.** This includes redirecting unused funds, tailoring the support offer, increasing the accessibility of activities, and ensuring a flexible approach to eligibility. Strengthening the social component in JTF projects will allow for a fuller use of the potential of local communities.

Differences in competition requirements and rules between regions

In the course of the implementation of the JTF, significant discrepancies in the approach of individual regions to the construction of competition documentation have been revealed. In particular, this concerned the definition of industries eligible for support, differences in co-financing rates – set in accordance with the category of the region at the NUTS level 2, which in practice meant greater burdens for poorer municipalities and social organizations in the Dolnośląskie and Wielkopolskie Voivodeships, dates and schedules of calls for proposals – delays in the mobilization of funds led to the of competitions in a short period of time. In order to increase the coherence and efficiency of the JTF implementation, **it is recommended to create mechanisms for the systematic exchange of knowledge between regions**. In particular, the need to implement an online platform, organize regular working meetings and resume training for MA and IB employees is indicated. These activities should be coordinated by the Ministry of Development Funds and Regional Policy, in cooperation with the regions.

Delays in launching the JTF and time pressure on the spending of funds from the Next Generation EU instrument

Significant delays were encountered in the implementation of the JTF in Poland – in many regions, funds were mobilized almost two years after the start of the 2021-2027 MFF. This delay resulted in the accumulation of competitions in a short time, which did not translate into an effective acceleration of spending. On the contrary, the overload of institutions evaluating applications, limited availability of contractors and short project implementation times have led to the risk of not using funds on time. The consequences for funds from the Next Generation EU instrument, which must be cleared and certified by the end of 2026, are particularly severe.

In the face of the risk of not using the full allocation of NGEU funds within the assumed deadline, **it is recommended to continue negotiations with the European Commission in order to postpone the period of eligibility for the expenditure, increase the flexibility of certification and enable allocation transfers**. Such activities will allow for more rational and qualitative implementation of projects. In addition, preparing a common position of the regions and the Ministry of Development Funds and Regional Policy is worth considering to justify changing the settlement schedule.

Information and promotion activities are well evaluated, but need to be continued

Information and promotion activities carried out under the JTF were assessed as effective and valuable, strengthening trust in the implementing institutions and building social acceptance for the transition. Their continuation is necessary due to the scale of the challenges and the need to ‘tame change’ in local communities. An **increase in expenditure on promotional and educational activities, the use of local communication channels and the involvement of ‘transition ambassadors’** is recommended. It is also important to systematically monitor the effects of communication and interregional cooperation in the field of good practices. Such an approach will allow for more effective outreach to beneficiaries and for continued positive perception of the transition process.

Despite numerous institutional and operational challenges, the implementation process of the Just Transition Fund in Poland has been assessed as adequate to the objectives of the Fund. The decentralized governance model, based on regional Territorial Just Transition Plans (TPST), made it possible to tailor interventions to local socio-economic conditions, but also revealed significant limitations in the field of inter-ministerial coordination and the implementation of supra-regional projects.

The high involvement of the Ministry of Development Funds and Regional Policy and regional institutions, including Managing and Intermediate Authorities, contributed to the smooth launch of calls for proposals and contracting of funds. Nevertheless, the pace of spending – especially of the funds from the Next Generation EU (NGEU) instrument – remains below expectations, in the context of the time rigors resulting from the regulations establishing NGEU (spending funds until the end of 2026), which raises the risk of not using the available funds during the foreseen programming period.

The Ministry of Development Funds and Regional Policy also played an important role in the preparation and implementation of the JTF, conducting negotiations with the European Commission, supporting regions in the development of the TPST, coordinating work with other ministries involved in the transition processes and monitoring compliance of the activities with the objectives of the Fund. It is recommended to further strengthen the role of the MDFRP coordinator, including by providing a dedicated pool of funds from the Technical Assistance, as well as to return to the concept of a hybrid model of JTF implementation, which, thanks to dedicated funds, would enable the implementation of supra-regional and strategic projects.

The proposed continuation of the JTF (or a similar instrument) after 2027 includes both maintaining a dedicated, flexible support instrument and adapting the implementation rules to local needs, simplifying procedures, strengthening coordination and developing information and promotion activities. **It is important to provide stable and predictable financial and institutional support that will enable an effective and just transition of coal regions in Poland.** Effective implementation of the recommended actions will require not only strong institutional leadership, but also consistent commitment from all levels of administration. Only then will it be possible to fully exploit the potential of the Just Transition Fund as a tool to support a fair, inclusive and long-term socio-economic transition of coal regions in Poland.

Failure to continue the Just Transition Fund beyond 2027 may result in serious consequences for regions in transition. First of all, there is a risk of losing the effects of existing investments, which were implemented with a great commitment by local communities and institutions. Failure to provide further support may lead to the inhibition of the development processes that have begun, the deepening of regional inequalities, and to the loss of trust in public institutions and the EU as a guarantor of a just transition. In addition, the lack of stable and predictable financing can discourage potential investors, weaken the motivation of local governments to plan long-term activities, and limit the ability of regions to adapt to climate, social and economic challenges. As a result, some post-mining areas may be marginalized, which will be contrary to the objectives of the cohesion policy and just transition.

Therefore, the continuation of a dedicated support instrument – whether in the form of an extended JTF or a new mechanism – is not only recommended, but essential to ensure the sustainability and effectiveness of transition activities in Poland.

