

The Just Transition Strategy within the Strategic Energy and Climate Framework



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The Just Transition Strategy within the Strategic Energy and Climate Framework

In February 2019, the Government of Spain presented the Strategic Energy and Climate Framework, seeking to facilitate the modernization of the economy and move towards a sustainable and competitive model which helps slow down climate change.

This Strategic Framework is shaped by:

- the Draft National Integrated Energy and Climate Plan (NECP)
- the Draft Bill on Climate Change
- the Just Transition Strategy.

These three elements are designed to give Spain a sound and stable strategic framework for the decarbonization of its economy: the draft bill delivers an efficient roadmap for the next decades; the 2021-2030 NECP has been drawn up with a view to achieving emissions neutrality in 2050; and the Just Transition Strategy provides for support and a just transition to ensure that people and regions make the most of the opportunities offered by this transition, so that nobody is left behind.





A Just Transition Strategy to Increase Climate Ambition

Two elements in the Strategic Framework significantly increase Spain's climate ambition.

The Draft Bill on Climate Change and Energy Transition (LCCTE) sets an ultimate target for 2050 in which the electricity system is one hundred per cent renewable and greenhouse gas neutral for the economy as a whole.

The draft NECP sent to Brussels envisages a reduction of between 20% and 21% in greenhouse gases over 1990 levels. This reduction would be in line with the European Union's emissions reduction goal of between 50% and 55% according to current allocation rules.

It also provides for renewable energy consumption to account for 42% of end-use energy in 2030. For electricity generation, renewables will make up 74%. By 2030, Spain's energy efficiency will have improved by 39.6%.

Increasing climate ambition brings with it many opportunities:

- It will mobilize €230bn in private, public and mixed investment over the next decade.
- It will enable Spain to reduce its energy dependency by 15%, from the current 74% to 59%, saving more than €75bn on the trade balance between 2020 and 2030.
- The Gross Domestic Product (GDP) will grow between €19.3 and €25.1bn between 2021 and 2030, up 1.8% in 2030 compared to a no-plan scenario.
- It will have a positive effect on employment, generating between 250,000 and 350,000 jobs over the next decade, particularly in the manufacturing and construction industries.
- It will allow for a reduction of approximately 25% in the number of premature deaths caused by air pollution.

In addition to the opportunities created, a third element of the Strategic Energy and Climate Framework, establishes a just transition strategy designed to meet potential challenges.

Context of the Just Transition Strategy

International Context

The just transition is the framework of action developed at the International Labour Organization and in the United Nations Framework Convention on Climate Change, with the aim of maximizing benefits for activity and employment, and minimizing the negative impacts of the ecological transition and decarbonization.

In 2015, the Paris Agreement recognized that policy implementation should take into account “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs”.

This framework was initiated by trade union organizations, which have called for social and employment guarantees to ensure climate change ambition is not at workers’ expense.

Building on these demands, the ILO Guidelines for a Just Transition offer a framework that countries can make use of, adopted through tripartite consensus, to guide the transition to low carbon economies.

In July 2018, the Government of Spain and the ILO signed a strategic agreement to implement the ILO Guidelines for a Just Transition¹ (approved by governments, unions and business organizations) as a guiding framework and practical action tool, of which the National Just Transition Strategy would be the first element.

Major challenges and opportunities in Spain

The National Just Transition Strategy is based on the recognition that, in Spain, it is particularly important to optimize the outcomes of the Ecological Transition where jobs are concerned. Spain’s unemployment rate is double the EU average and the second highest in the region. High levels of temporary recruitment (27.5%) and working poor (towards the top of the table for developed countries) requires the implementation of mechanisms to promote an ecological transition which seeks to generate more and better jobs.

Studies conducted by diverse international organizations show that the ecological transition can be an opportunity for job creation. Energy Transition could be of particular interest in Spain because in many sectors—including renewables, distribution networks, energy efficiency, building renovation or desalination—Spain has the necessary business fabric, as well as specialized and competitive human resources and research centres.

The scenario put forward in the Draft National Integrated Energy and Climate Plan suggests an increase of 1.6% in employment in 2030 in the trend-based scenario.

1 [Click here](#) to check the ILO Guidelines

Despite net employment gains, the Energy Transition in Spain is having a negative sectorial and territorial impact which, in the short term, could mean serious obstacles to its implementation. Unfortunately, some impacts were already occurring or about to occur, with job losses in coal extraction, coal-fired power plants that have not made the necessary investment to comply with European standard BREF 2020, and at closing nuclear power plants without a recovery plan. For these short-term impacts, the Just Transition Strategy contemplates specific measures for immediate implementation as part of the Urgent Action Plan for Coal-mining Regions and Power Plant Closures.

But beyond energy generation, attention must also be paid to the potential effects of Energy Transition in other sectors like the automotive industry—a key part of Spain’s productive system—or the electro-intensive industries. The impact on these strategic sectors must be supported and minimized.

Finally, less visible negative effects on employment are those caused by the impact of climate change, which may also be very considerable in major sectors of the Spanish economy, such as tourism, agriculture and livestock farming, fisheries, and the forestry sector. Adaptation policies to minimize the impact on rural areas that are already suffering from depopulation will be essential.

A Just Transition strategy every five years

The Draft Bill on Climate Change, presented in the context of the Strategic Climate and Energy Framework, contains an obligation to adopt five-year Just Transition Strategies.



Objectives of the Just Transition Strategy

- To help make the most of the opportunities for employment generated by the transition to a green economy, improving competitiveness and social cohesion.
- To guarantee the harnessing of equal opportunities: gender, vulnerable groups, rural areas.
- To provide observation capacity on the status and trends of the labour market with regard to the Ecological Transition.
- To promote participatory sectoral forums.
- To produce sectoral plans in key economic sectors, analysing challenges, opportunities and threats, and designing the necessary measures to transform them
- To evaluate and improve the existing business-support instruments of the Central State Administration (RDI support, financing, loans, guarantees, safeguards, training, etc.)
- To put forward adequate support policies (industrial, RDI, the promotion of economic activity, employment and occupational training, etc.) so that the Central State Administration, Autonomous Communities, Local Governments and social partners can work in a coordinated fashion
- To minimize the negative impact on vulnerable areas by means of Just Transition Agreements and provide technical and financial support for their implementation, as in the Urgent Action Plan for Coal-mining Regions and Power Plant Closures (see section XX).

Measures proposed to make better use of opportunities arising from the Ecological Transition to generate activity and employment

Improved assessment of the impact of the Ecological Transition on employment

The Strategy mandates the Public Employment Service's Occupations Observatory to conduct regular analysis of the Ecological Transition in the different economic sectors to assess trends and development, job creation opportunities, economic activities and occupations with better employment prospects, the skills most in demand by businesses, training needs, etc.

The information will include data segregation by sex with a view to putting forward appropriate gender strategies. It will also include an analysis of vulnerabilities in specific places or sectors with a view to implementing anticipation policies.



Sectoral and industrial policies to optimize opportunities.

- The Strategy includes the areas of Energy Transition with most job creation opportunities: building renovation, renewables storage development, electrical mobility, biomethane, hydrogen.
- The Strategy defines proposals to offer businesses better support by means of an Adaptation Plan of the Central State Administration's Business Support Instruments, the promotion of transition support plans for industry and other sectors, and the Electro-intensive Consumer Statute to maintain and strengthen the competitiveness of these industries.
- The Strategy places special emphasis on green job creation in rural areas, in line with the Spanish Strategy on Depopulation, by encouraging renewable energies like biomass or biogas, and by promoting the Bioeconomy Strategy with a view to generating economic value, local market activation for products and subproducts, and a review of the Spanish Forest Plan.
- The Strategy incorporates cross-cutting tools such as the adoption of the Circular Economy Strategy and the promotion of ecological public recruitment.

Active green employment and social protection policies

The Strategy seeks to incorporate the Ecological Transition into the Annual Employment Policy Plans, paying particular attention to equal opportunities and improving the performance of employment services in vulnerable areas through the Public State Employment Service, in partnership with the Autonomous Communities (regions) and social partners.

Green vocational training policies

The Strategy incorporates measures to review curricula taught in compulsory secondary education, vocational training and higher education and add contents referring to the Ecological Transition, and others such as digitalization and the promotion of Dual Vocational Training between green sector businesses and young people undertaking training.



Just Transition agreements

For those regions where the Energy and Ecological Transition may cause difficulties for economic activity, the Strategy incorporates a reactivation tool in the form of the Just Transition Agreements, which must provide an integral regional action plan.

The Just Transition Agreements have been enshrined both in the **Just Transition Strategy proposal** and the draft **Bill on Climate Change and Energy Transition**.

The main aim of the agreements is to maintain and create activity and employment in the region by supporting sectors and groups at risk, securing population levels in both rural areas and those where facilities are closing, and promoting diversification and specialization in keeping with the socio-economic context.

The transition agreements propose working on well-designed, transparent and inclusive processes, ensuring the extensive participation of the key stakeholders, with a view to building integrated regional development projects which maintain and promote new mid- to long-term employment and stimulate the Ecological Transition.

The Just Transition Agreements will take into account the need to improve the employability and working conditions of women and groups of workers experiencing difficulties in gaining access to the labour market, such as the long-term unemployed, people with disabilities and those at risk of exclusion.

The transition agreements will be negotiated and brokered involving as many actors as possible, especially local authorities. The aim is to combine social participation and the professionalization of processes. The agreements seek to make use of locally-generated resources, whether economic, social or environmental, and will attract inward investment, where necessary, supporting primarily those sectors which perform best in terms of environmental, economic and social sustainability.

These just transition agreements will be reached between the Ministry for the Ecological Transition on the one hand, on a report of the Ministry of Labour, Migrations and Social Security and the Ministry of Industry, Tourism and Trade, and other public authorities on the other hand. They will seek to engage all levels of administration; General State Administration, Autonomous Communities (regions), provincial and local government bodies.

Likewise, engagement will be encouraged in the agreements on the part of companies, business organizations, unions, universities, schools, environmental associations and non-governmental organizations, development agencies, local action groups and other related or affected bodies. The number and diversity of the parties involved will depend on the social context of the regions and project areas requiring support, but the implementation methodology must be participatory and inclusive at all stages: preparation, monitoring and evaluation.

Special emphasis will be placed on involving young people in the region, who should have the chance to participate in the decisions that may affect their lives in that place, shaping their vision of it and giving them an incentive to remain.

The Just Transition Agreements must include roadmaps and agreed transformation calendars, and will require the attainment of measurable targets which are both economic (number of jobs created and maintained, number of businesses created, supported in their transformation or whose activity has increased), and environmental (environmental improvement of the area, reduction in emission of greenhouse gases, etc.).

Evaluation will be a key element, which will serve to ensure the accountability of all parties.

By way of financial support, the agreements will include prompt assisted access to administrative support lines, technical assistance for European funding windows, prioritization in existing support lines through additional scoring and energy policy tools, such as specific renewables auctions. The end result will be a list of investments and projects with their specific funding sources.



The Just Transition Institute

A Just Transition Institute will be created to provide technical support in the drafting and implementation of Transition Agreements. The organization's governing board will include representatives from different administrations and social partners.

Participatory governance

In addition to better coordination and inter-ministerial and inter-administrative participation (at state, regional and local level), the Strategy seeks to boost social participation, generating an integrated debate on key issues for Spain's economic sectors, such as energy transition, mobility, circular economy, etc. To achieve this, Social Dialogue Roundtables will be set up on these topics in which administrations, unions, business and other related social partners will be involved.

Short-term challenges: Urgent Action Plan for Coal-mining Regions and Power Plant Closures

For the short-term challenges to be tackled by the Ministry for the Ecological Transition, such as the closure of coal mines, coal-fired power plants which have not undertaken investment and nuclear power plants with no prior recovery plan, the Strategy incorporates an Urgent Action Plan 2019-2021 with the following objectives:

- The guarantee that employees who lose their jobs in mining companies which close will receive adequate compensation in the form of early retirement or severance pay.
- The short-term maintenance of employment for mining districts by means of the Mine Restoration Plan and the Renewable Energies and Energy Efficiency Plan, as well as other plans to be developed with mining municipalities.
- Offering Just Transition Agreements to districts affected by the closure of mines, coal-fired power stations and nuclear power plants, so that closures do not impact employment and population at the end of the process.

With these objectives, the Just Transition Agreements will include tools such as:

- Guaranteeing, for all affected areas, priority access to all or part of electrical evacuation capacity and to the use of water which is the subject of concessions.
- Energy policy tools such as the option of organizing specific renewables tenders for these regions.
- Priority access to assistance and funds.

The point of departure for the Urgent Plan was the tripartite agreement¹ signed with mining unions and the employers' organization, which incorporated the following measures:

- A guarantee that the workforce of mining companies subject to closure will have access to stipulated economic benefits and compensation as a consequence of losing their jobs
- A plan to support occupational training and reintegration of the workers in the areas affected.
- A mine restoration plan to maintain local employment, particularly of workers made redundant from mining and related businesses, ensuring the safe closure of the facilities with the best possible environmental outcomes, the recovery of biodiversity and the promotion of new activities in the area. The restoration plan will also act as a catalyst for scientific innovation.
- The Renewable Energies and Energy Efficiency Plan for regions targeted by the urgent action plan.

The measures agreed in the framework were put into legislation in Royal Decree-Law 25/2018, of 21 December, on urgent measures for a just transition from coal mining and the sustainable development of coal-mining regions. Royal Decree Law 25/2018 guarantees immediate support measures for mining workers, the necessary modifications for the granting of aid to mining municipalities in the 2013-2018 framework and short-term financing.

¹ The agreement was signed on 24 October 2018 by the Government of Spain, the unions Comisiones Obreras (CCOO), Unión General de los Trabajadores (UGT) and Unión Sindical Obrera (USO), and the Federación Nacional de Empresarios de Minas de Carbón (Carbounión) coal-mining employers association.

Transition agreements in practice: mining municipalities in southwest Asturias

Within the framework of the Urgent Action Plan for Coal-mining Regions and Power Plant Closures 2019-2021, in mining municipalities in southwest Asturias, the following facilities (power plants and mining operations) have been identified as being in the process of closure:

Narcea or Soto de la Barca power plant, in the Tineo municipality. It belongs to Naturgy (Naturgy Energy Group, S.A.), which has applied for closure to the Ministry for the Ecological Transition. It had a workforce of about 80 at the date of closure to which must be added the employment generated by contracts, supplies and services for a sum of more than €1.4 mill. (estimated at 60 workers).

Mining operation in Cangas del Narcea, owned by Carbonar, S.A. It is the only mine in the municipality, which has currently entered an arrangement with creditors, and where there are currently 20 people working, including on the payroll and outsourced contracts for maintenance work, tailings dam restoration and other activities related to the closure; in January 2018, there were 45 people on the payroll and 105 more on outsourced contracts.

Mining operation in Tineo (Pilotuerto mine), owned by Unión Minera del Norte, S.A. (UMINSA) which went into liquidation in 2018. At the time of closure, the mine had 39 people on the payroll, 28 took early retirement and 11 voluntary redundancy. A further 36 on outsourced contracts lost their jobs owing to the closure.

Mining operation in Degaña (Cerroredo pit), owned by Compañía Minera Astur Leonesa, S.A., in the process of liquidation and whose assets were auctioned to Coto Minero Cantábrico, the former's preferential creditor. At this facility, about 200 workers are affected.

Based on the data provided by the companies involved, from the time of closure of the facilities, these closures will therefore result in the loss of more than 550 jobs in the region, to which must be added the reduction in workforce at the facilities in previous years. Most of the companies' workers are resident in the region's municipalities or the metropolitan area in the centre of Asturias.

Identifying the aforementioned mining operations and power plants in the process of closure and analysing data on the residence of employees and people employed through outsourced contracts, suppliers and others, makes it possible to define an area that is particularly affected by these closures. In this case, the data allow the definition of a coherent geographical area which will be affected by the closures of the Narcea power plant and three mining operations, namely the mining municipalities of southwest Asturias.

This area of southwest Asturias includes four municipalities: Tineo, Cangas del Narcea, Ibias and Degaña. The facilities in the process of closure here are the Narcea or Soto de la Barca power plant, in the Tineo municipality, and various mining operations, both in Tineo, and in the municipalities of Cangas del Narcea and Degaña. Additionally, the Cerredo mining operation, in Degaña, might be affected by closure of the Compostilla II power plant, as it was the coal extracted in Degaña which fuelled the power plant.

Table 1 provides baseline data on southwest Asturian mining municipalities.

Municipality	Population (2018)	Area (km ²)
Tineo	9,543	540.83
Cangas del Narcea	12,579	823.57
Ibias	1,301	333.29
Degaña	949	87.16
Total	24,372	1,784.85

Table 1. Baseline data for municipalities in the southwest Asturian mining municipalities area.
Source: Own figures based on data supplied by Spain's National Institute of Statistics (INE)
and Sociedad Asturiana de Estudios Económicos e Industriales (SADEI)

What the four municipalities that make up the area have in common is their current, or in worst-case scenarios, very recent mining activity: all four municipalities are or have recently been affiliated to the Special Coal-Mining Scheme, to which would have to be added workers in the coal-mining sector in these municipalities whose affiliation is registered in another municipality where the head office of the mining company is located. Moreover, these municipalities share the characteristics of rural areas in general, and of Asturian rural areas in particular (population decline, ageing, masculinization, decrease in employment in the primary sector, etc.).

Public participation in the full diagnosis draft is underway and [can be consulted here](#) (Spanish version).

Action proposal and scheduling for the Just Transition Agreements of the Principality of Asturias

On 14 October, a meeting was held to launch the agreements for the Autonomous Community of Asturias. To see a list of participants, [click here](#).

At this meeting, a timeframe was presented which includes a process of public participation from November to mid-February, and the ultimate signing of the agreements, scheduled for between May and September 2020.

	2019			2020								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Tasks	Diag.	Prot.	Characterization Diagnosis Estrategy			Invest. / Financ. Definition			Agreements			
Procedures		Public Participation Process				Agreements Commitments						

Preparation Timeframe for Just Transition Agreements for the Principality of Asturias

The public participation process began in the second week of November, when a questionnaire and documents with a description and diagnosis of the area, was dispatched to organizations and social partners in the territory, including administrations, unions, business organizations, environmental associations, youth associations, research centres and others, and will conclude on 13 December.

The questionnaire **can be consulted here** (Spanish version).

The public participation process was launched on 21 November in Tineo, with the participation of 67 representatives of different agents: councils and local authorities, regional government, General State Administration, employers' organizations, unions, businesses, foundations, educational and research establishments and environmental organizations.

Cross-cutting elements covered by the Central State Administration to prepare the Just Transition Agreements

New legislation to maintain economic assets in the area linked to the power plants: access to network and water resources

As introduced in the Urgent Action Plan of the Just Transition Strategy (7.5, 1.c), the Ministry for the Ecological Transition has developed a legislative proposal to guarantee maintenance of two important assets for areas in the region. At the Council of Ministers on 22 November, legislation was passed to permit the replacement of coal-fired power with renewable power at the same point. Procedures will be established which take account of environmental, economic and social criteria, as well as the employment created. The aim is also for power plant water usage to be ploughed back into new projects in the same areas.

Urgent Mine Restoration Plan in Asturias

This plan, developed at the Instituto para la Reestructuración de la Minería del Carbón y Desarrollo Alternativo de las Comarcas Mineras, O.A. (IRMC: Institute for Restructuring the Coal-mining Industry and the Alternative Development of Mining Regions), seeks both to mitigate job losses and to recover the region's "environmental" value. The companies which own the sites covered by this Plan have either entered an arrangement with creditors or were put into liquidation by the closure date of 31 December 2018.

This was one of the most complicated elements with regard to job preservation in mining areas for which the competent authorities had sought no solution in recent years. Restoration activities are the key short-term tools to prevent an immediate fall in employment.

In line with mine-selection criteria¹ and having studied their legal and administrative status, the IRMC, which depends on the Ministry for the Ecological Transition, has compiled an inventory covering those actions that may become short-term restoration projects, contemplating a preliminary budget and the possibility of creating jobs involving the restoration of facilities that come under the closure plan. This pre-selection, which leaves out those facilities whose receivers have expressed their intention to carry out restoration work or to continue extraction (although any such intentions must first be evaluated both by the competent mining authority and the IRMC with regard to paying back any aid received), includes four work units where subsidiary restoration by the Autonomous Community would be feasible.

These would be as follows:

1. Cerrredo or La Granda open pit (Degaña municipality)
2. Pilotuerto (Tineo municipality). Underground.
3. Tormaleo (Ibias municipality). Open pit.
4. Buseiro (Tineo municipality). Open pit.

The estimated minimum implementing budget would be €163 mill. with €9 mill. available in guarantees. The jobs created would vary depending on whether the restoration is planned over one year (534 jobs), two years (266 jobs/year) or three years (178 jobs/year).

Not all tasks can be completed initially since the maximum budget for the restoration plan is €158.4 mill., although some might be dealt with at a later stage.

The projects would be financed by means of direct grants eligible for up to 100% of the cost. The Autonomous Community would contribute 25% of the amount supplied by the IRMC.

Most restoration work would be carried out by redundant mining workers registered on the IRMC Job Bank.

¹ First criterion: Production units (UUPP) included in the Closure Plan of the Kingdom of Spain for non-competitive coal-mining, of those companies that cannot benefit from closure aid because they are insolvent. Second criterion: Abandoned mining liabilities, on motion of the Autonomous Communities, these were the Tormaleo and Buseiro open pits.



Social Plan and Programme for the Training and Job Placement of Redundant Mining Workers, including ancillary businesses

With the support of the Ministry of Labour, Migrations and Social Security and the involvement of the Autonomous Communities, the IRMC has drawn up a Specific Plan for Coal. Work is ongoing to introduce a Programme of advice and management of personalized pathways, vocational training and job placement for workers in Asturias, Castile and León, and Aragón, which will cater for a minimum of 500 people over 30 months from the date of formalization and will be funded from the IRMC budget for a total of €2.25 mill.

Personalized pathways and appropriate training will be developed for each professional profile, adapted to the labour market to promote job placement.

Personal support centres will be opened in specific places depending on the residence of the workers accessing the programme.

The basis for this will be the job bank available at the IRMC on which 225 workers are currently registered (61 direct workers and 162 on outsourced contracts), although it is hoped that more workers will sign up as greater confidence is generated in the chances of job placement.

The beneficiaries of this Plan will be people registered as job seekers with the public employment services of the Autonomous Communities affected and the IRMC Job Bank (priority and affected). The training and job placement scheme will cover both the workers of companies that filed for closure and workers from ancillary businesses. The aim is a placement rate of 80%.

Also important is the Social Plan, which allows for the early retirement of employees of an equivalent age of at least 48, who have contributed to the Special Coal-Mining Scheme for 25 years or have worked for at least 20 years, with voluntary redundancies for the rest, which vary depending on the number of years worked.

Calls for applications by the Institute for Diversification and Energy Savings (IDAE)

So that the regions that have helped in the economic development and energy resources, thereby contributing to the prosperity of the whole of Spain, can continue to be part of the energy transition, the IDAE has set up support in transition areas by means of three different three blocks of measures:

Specific block on Just Transition Agreements, in which IDAE actions are aimed at two very broad lines:

- Electrical renovation: generation and storage, self-consumption... using biomethane/biomass, solar or wind energy.
- Thermal renovation: cogeneration, air conditioning using biomass, geothermal or solar energy.

The rules of the call for applications are currently being drafted and it is therefore of interest to know the portfolio of projects identified in the different areas. The lines in question offer aid for initial investment, co-funded by the European Regional Development Fund (ERDF) and will total approximately 300 million.

General Sectoral Block: programmes for mobility and efficient, sustainable vehicles, such as Plan MOVES.

Investor Blocks. IDAE would provide company capital, financing, subsidies... This would be a line of investments whereby ad-hoc groups could team up with investors in the areas on demand.

Infrastructure Development Agreements for the Mining Closure Plan and Grants for the Recovery of Coal-Mining Regions based on Job Creating Business Projects

The Institute for Restructuring the Coal-mining Industry and the Alternative Development of Mining Regions (IRMC) has renewed the Framework Agreement for a Just Transition from Coal-Mining and the Sustainable Development of Mining Regions for 2019-2027.

The framework cooperation agreements with the Autonomous Communities serve to channel IRMC support to the development of both infrastructure projects and projects to restore degraded areas. The support in question is in the form of direct grants.

In the Principality of Asturias, 70 actions have been selected involving specific infrastructure agreements in Asturias, with maximum financing of €97 mill. (75% provided by the IRMC and 25% by the Principality of Asturias).

Grants for the Recovery of Coal-Mining Regions based on Job Creating Business and Investment Projects, on the other hand, provide an overall amount of aid of €250 mill. to boost recovery in mining areas in Castile and León, Asturias, Aragón and Castile La Mancha, in the 2019-2023 period, which can be extended until 2027. The basic regulatory orders for these grants for the 2019-2023 period are in the pipeline.

With regard to the call for application for 2018, the Principality of Asturias has nine business projects to create 52 jobs with the provision of €1.7 mill.) as well as 65 small business projects to create 113 jobs with the provision of €2.6 mill.).



REINDUS call¹. Supporting Industrial Investment

The General Secretariat for Industry and SMEs has different budgets and financing and guidance programmes. These include the REINDUS programme, which has €400 mill. and aims for 20% of GDP to be industrial in 2020. One aspect of the programme is its support for investment in the production industry in partnership with the Instituto de Desarrollo Económico del Principado de Asturias (IDEPA: Institute for Economic Development of the Principality of Asturias), in all projects involving manufacturing activities.

This aid is awarded on a competitive basis for all projects from anywhere in Spain, with a list of priority municipalities which include all the municipalities and regions affected in the Principality of Asturias.

Industrial investment will be financed in small, medium and large companies in the following categories:

- Creation of industrial establishments
- Relocation
- Improvements and/or changes to production lines: purchase of equipment for modernization or new lines.
- Productive implementation of technologies of “Connected Industry 4.0.”

The deadline for the 2019 call for applications was 4 November 2019. It will be decided in February 2020 and paid in May 2020.

The loans will be 75% of the bankable investment with a fixed interest rate of 1% for the full term of the loan to be paid back over ten years, including a three-year grace period.

¹ It should be noted that there is no overlap between this aid and any of the others presented at this event.

Regional incentive aid in the 2014-2020 period

The business investment aid to promote economic activity in the most disadvantaged areas provides economic support throughout the Principality of Asturias. The eligible sectors are:

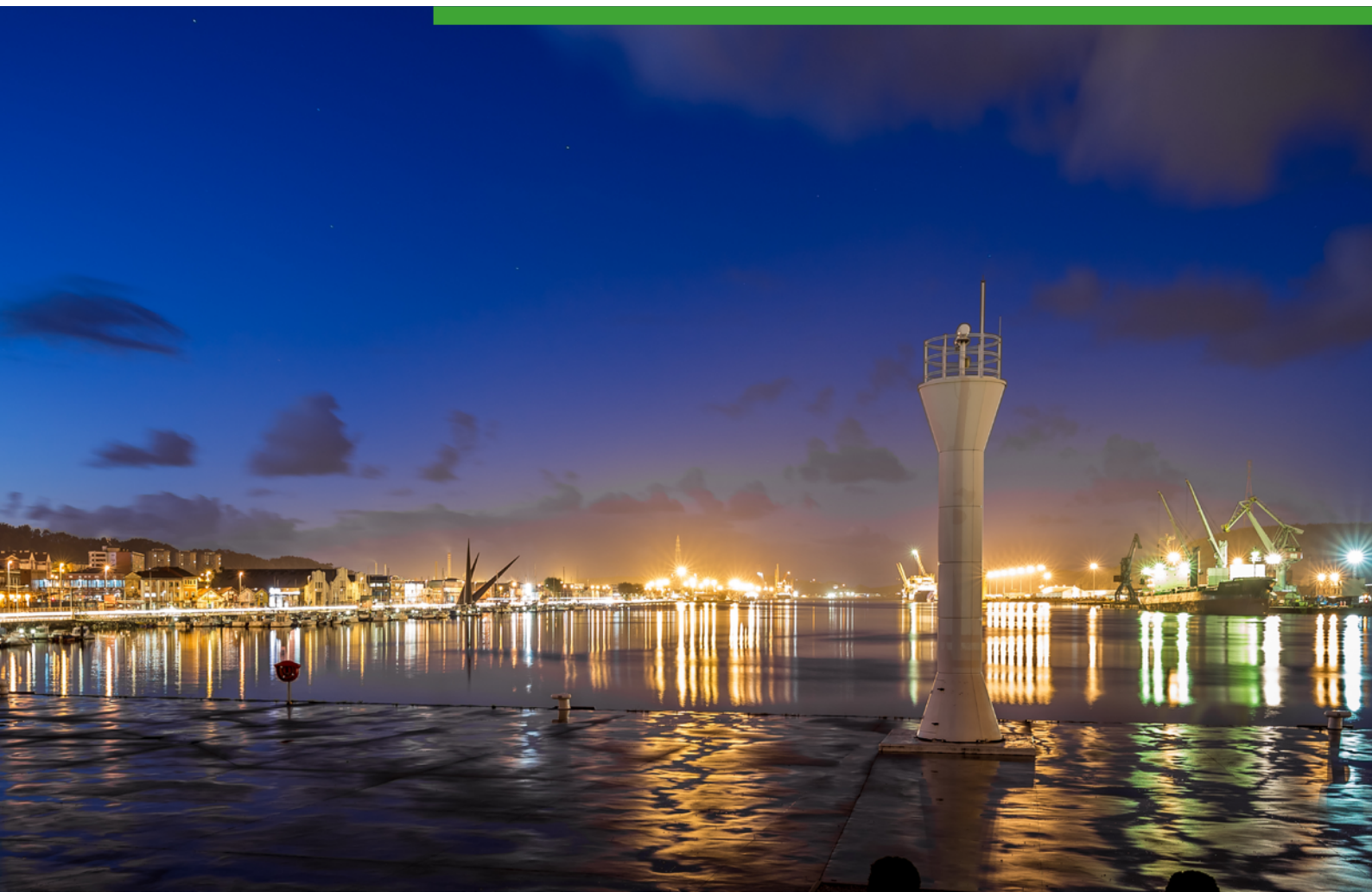
- Industrial sector: downstream industries and production support services.
- Tourism sector: tourism establishments and complementary leisure facilities.
- Exceptionally, projects in other sectors that contribute to regional development.

The coal and steel sector will not be eligible for regional incentive aid. This aid is therefore complementary to specific aid for the coal sector.

The basic conditions required for this type of aid are as follows:

1. To be located in the Principality of Asturias.
2. Minimum size and types of project: new establishments or upgrading/modernization of existing facilities with a minimum investment of €900,000, conditional on the creation and/or maintenance of jobs and investment.
3. The projects must meet these requirements:
 - Economic, technical and financial feasibility.
 - A minimum 25% self-financing/own funds.
 - The investment must not have started before the application.
 - Incentive effect.

The aid is given in the form of outright grant, calculated as a percentage of the investment eligible based on job creation, increased productivity and technology, use of local natural resources and the project's capacity to stimulate the local economy.





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