

TERRITORIAL PLAN FOR A JUST TRANSITION IN PRAHOVA COUNTY

(according to Annex II to Regulation 1056/2021 of the European Parliament and of the Council of 24 June 2021 establishing a Just Transition Fund)

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1. Presentation of the transition process and identification of the most affected territories in the Member State

Reference: Article 11(2)(a): a description of the national transition process towards a climate-neutral economy, including a timetable of key milestones for the transition to the Union's 2030 energy and climate targets and to a climate-neutral Union economy by 2050, in line with the latest version of the integrated national energy and climate plan

1.1 Presentation of the envisaged transition process towards the Union's 2030 energy and climate targets and a climate-neutral Union economy by 2050

(in line with the objectives of integrated national energy and climate plans and other existing transition plans, with a timetable for the cessation or reduction of activities such as coal and lignite mining or coal-fired power generation)

By Decision no. 1076/2021 (Annex 2), the Romanian Government approved the objectives, policies and measures set out in the *National Integrated Energy and Climate Change Plan (NIIIECP) 2021 - 2030*, which ensures the national contribution to achieving the European Union (EU) energy and climate targets for 2030 and for a climate neutral economy by 2050. This reference document, notified in final form to the European Commission (EC) in December 2021, defines, in accordance with Regulation (EU) 1999/2018, the pathway towards achieving Romania's contribution to the EU targets and sets the following interim national climate and energy targets for 2030:

- reduction of ETS emissions by 43.9% and non-ETS emissions by 2% compared to 2005;
- increase the overall share of renewable energy in gross final energy consumption by 30.7%;
- reduction of primary energy consumption by 45.1% and of final energy consumption by 40.4% compared to PRIMES 2007 projection at 2030 level.

Subsequently, in the *National Recovery and Resilience Plan (NRRP)*, approved by the EU Council on 3 November 2021 and currently under implementation, Romania has defined a series of reforms and investments essential to accelerate and support the transition to climate neutrality by:

- Commit to clear deadlines for decarbonising the energy sector by phasing out lignite and coal-fired power plants by 2032;
- replacing coal in the energy mix and strengthening the legislative and regulatory framework for private investment in renewable electricity generation;
- developing a legislative and regulatory framework favourable to future technologies, in particular hydrogen and storage solutions;
- reducing the energy intensity of the economy by developing a sustainable mechanism to boost energy efficiency in industry.

The NCCESR and the NRRP thus create the framework for the transition to climate neutrality of the Romanian economy to continue at a sustained and predictable pace in the period 2022-2032, given that Romania has already recorded and maintained positive developments in the main climate and energy indicators over the last two decades.

Verified ETS emissions in 2020 were 64% lower than in 2005 (National Environmental Protection Agency - ANPM - [Verified GHG Emissions](#) and NREAP, p. 46.), with the downward trend being particularly pronounced since 2017 (Graph 1).

In terms of the share of energy from renewable resources in gross final energy consumption, Romania recorded a share of 24% in 2017, up from 17% in 2005, with the largest increase in the share of electricity from renewable sources in electricity consumption (NEEAP, p. 151).

In terms of energy demand reduction, the NESCAP (p. 58) projects a slow reduction in primary and final energy consumption between 2020 and 2025, with decreases of 2.4% for primary energy consumption and 2.9% for final energy consumption. After 2025, energy savings will increase from 38.4% in 2025 to 45.1% in 2030 for primary energy consumption and from 34.0% to 40.4% for final energy consumption compared to the PRIMES 2007 baseline.

Most [ETS emissions checked](#) in 2020 (61.62%) come from Dolj, Gorj, Hunedoara, Mures, Prahova and Galati counties. The remaining ETS emissions (38.38%) come from 35 counties and Bucharest, which indicates a substantial concentration of emissions in the six territories mentioned. Of the total emissions verified at national level in 2020, 25.6% represent emissions related to the combustion of lignite and coal for electricity production in the facilities of Complex Energetic Oltenia (CE Oltenia) and Complex Energetic Hunedoara (CE Hunedoara), two public companies with operations in the counties of Dolj, Gorj and Hunedoara. Although the volume of emissions related to coal/lignite combustion in CE Oltenia and CE Hunedoara installations amounted to approximately 8 million tonnes of CO₂ in 2020, it was 66% lower than the volume of emissions in 2007, maintaining the pronounced downward trend of the last 15 years caused mainly by the implementation of the greenhouse gas emissions trading scheme (Graph 2).

These predominantly positive developments are also reflected in the contribution of the different types of electricity generation to national needs. According to the latest data published by the National Energy Regulatory Authority (ANRE) on [installed capacity in electricity generation capacities](#), in April 2022 coal-based generation accounts for 16.68% and natural gas-based generation, as a transition fuel to a decarbonised energy industry, accounts for 15.39% of an energy mix (Chart 3) dominated by hydro (35.83%) and renewable (24.33%) capacities.

The sustainable and compatible transition to low-carbon electricity generation compatible with national energy security objectives will be achieved by phasing out reliance on coal. This complex process will be the subject of a regulatory act

which will assume a 2022 - 2032 timetable for the closure of the total installed coal and lignite fired capacity of 4920 MW.

The draft regulation is under preparation at the level of the line ministry and will enter into force, according to the NPRP, by 30 June 2022 at the latest. However, the process has already started with the closure at the end of 2021 of 1695 MW of capacity and will continue, according to the timetable shown in Chart 4, until the closure of all installed capacity, of which 4770 MW represents capacity at CE Oltenia and CE Hunedoara. The timetable for the closure of the capacities of the two large companies, at power group level, is shown in Tables 1 and 2. In order to ensure the safe and stable operation of the national power system, the Turceni 5 group and the Rovinari 5 and 6 groups, totalling 990 MW, will be maintained as a technical reserve in the period 2026 - 2030. Thus, from 2031 onwards, coal/lignite-based electricity production will cease.

At the same time, the mining operations in Gorj and Hunedoara counties, which supply these energy blocks, are in the process of closing down until 2032, which will mean that in 2030, the last year of operation of the energy groups, the quantity of coal estimated to be extracted (approx. 10 million tonnes) will be 75% less than in 1993 (graph 5). From 2031, coal mining will also cease.

In terms of the CO₂ emission reduction target, the elimination of coal from the electricity generation structure will allow, in the period 2022-2030, an average of 5.9 million tonnes CO₂/year to be avoided, and from 2031 onwards, when all generation capacity will be closed, the avoided emissions/year will be 11 million tonnes CO₂ (Table 4).

In terms of gas-fired power generation, the largest installed capacity is located at Brazi in Prahova county and totals 860 MW, about 37.6% of the available dispatchable gas-fired generation capacity, according to Transelectrica. [The Brazi power plant](#), commissioned in 2012, contributes to the security of energy supply to the national grid (it can cover about 10% of Romania's electricity consumption) because it is not weather-dependent and can balance the market according to fluctuations in renewable energy production. The owner of the plant, OMV Petrom, [recognises climate change as one of the most important global challenges today](#) and acknowledges the targets set by the Paris Climate Change Agreement. At the same time, OMV Petrom is the first Romanian company to support the [Task Force on Climate Change Disclosure \(TCFD\)](#). The company is committed to a group-wide target of reducing the carbon intensity of its operations by 27% by 2025 compared to 2010, as well as eliminating flaring and routine ventilation by 2030 at the latest. For the Brazi power plant, the implementation of the company's emission reduction policy will result in an average volume of avoided emissions in the period 2025 - 2030 of approx. 293000 tonnes CO₂/year, and from 2031 onwards, avoided emissions will be approx. 500000 tonnes CO₂/year.

Another important natural gas-fired power generation capacity (800 MW) was the [Iernut thermoelectric power plant](#) in Mures county, commissioned in the years

1963-1967. In 2019, units 1, 2, 3 and 6 were permanently taken out of operation, with only units 4 (100 MW) and 5 (200 MW) currently in operation. Romgaz is currently implementing a project to build a new combined cycle power plant at Iernut with an installed capacity of 430 MW and a gross electrical efficiency at rated load of 56.42%. The construction permit for this project was issued in [October 2017](#) and the investment is included in the *National Investment Plan*, which includes investments for the modernisation of the energy sector, under the terms of Commission Decision C(2012) 4564 final of 6 July 2012 and Commission Decision C(2012) 8776 final of 5 December 2012. The project is in line with the NEEAP policy (p. 109) according to which natural gas is, for Romania, a transitional fuel with an essential role in balancing the national energy system, taking into account the intermittent nature of renewable energy.

Compared to the emission reduction target, the measures described above (Brazi power plant emission reduction plan and full closure of the old units at Iernut from 2025) will contribute to an average annual volume of avoided emissions of 700,000 tonnes CO₂ in the period 2025-2030 and over 900,000 tonnes CO₂ from 2031 (Table 4).

Linked to the elimination of coal from the energy mix from 2031, Romania has foreseen in the PNRR investments for new electricity generation capacity from renewable resources with the aim of connecting to the grid by the end of the quarter. II 2024 a wind and solar capacity of 950 MW. The PNRR also provides for the regulation, by the end of Q4 2024, of the capacity of renewable energy sources and electricity from renewable energy sources by the end of Q4 2024. II 2023 as the main support mechanism for investments in renewable energy production. In addition, [the projects approved in April 2022 by the Modernisation Fund Investment Committee](#), aimed at building 750 MW of photovoltaic capacity and 1200 MW of combined cycle natural gas-fired power generation capacity at the Oltenia EC, play a strategic role in the sustainable development of the national energy system.

All these measures will profoundly transform the structure of electricity generation in Romania. According to the NESCAP in conjunction with the restructuring plan of CE Oltenia (graph 3), in 2030 compared to 2020, the share of coal will decrease from 17% to 3.39%, the share of solar generation will increase from 7.18% to more than 20%, the share of wind generation will increase from 15.5% to 22%, while the share of gas-fired generation will decrease significantly from 18% to 12.8%.

In parallel with the decarbonisation of the energy sector, Romania's transition to climate neutrality also requires the decarbonisation of the industrial sector in line with the policies and measures aimed at substantial emission intensity reduction efforts in industry approved by the Romanian Government through the NESCAP:

- implementing best available technologies to reduce greenhouse gas emissions (p. 19);
- Adoption of advanced technologies through the implementation of carbon capture solutions, development of emission-free energy production capacities, new storage capacities (page 27);

- implementation of pilot and demonstration projects to promote the use of hydrogen in power generation and industry (page 27).

These measures are fully aligned with the [New Industrial Strategy for Europe](#), in which the transition of industry towards climate neutrality is a central point, as energy-intensive industries are considered *indispensable for the European economy and other sectors depend on them. Modernisation and decarbonisation of energy-intensive industries must therefore be a top priority. The European Green Pact sets the objective of creating new markets for climate neutral and circular products such as steel, cement and basic chemicals. To drive change, Europe needs new industrial processes and cleaner technologies aimed at reducing costs and improving market readiness (New Strategy, page 7).*

In Romania, emissions from industrial production are highly concentrated in three counties: Galati, Prahova and Mures. Thus, according to ANPM, 26% of the total verified emissions at national level in 2020 (Table 3) are related to steel, ammonia, nitric acid and fuel production in these counties. These industries define the economy of the counties in which they are located and are already engaged in a real process of transformation, making a key contribution to meeting the emissions reduction target.

Steel production in Galati is of strategic interest for the national economy because this material is vital for the manufacture of vehicles, ships, the construction sector, the electronics industry, as well as for the development in Romania of the production of machinery and equipment necessary for the exploitation of renewable energy sources.

The path identified for accelerating the steel transition is the only one that is sufficiently mature technologically according to the analysis in the Commission Communication SWD (2021) 353 [Towards Competitive and Clean European Steel](#), p.8, namely the adoption of direct reduction iron ore technology, further processed in electric arc furnaces in combination with scrap (DRI-EAF).

This transformation will allow the transition from a specific emission of 1.86 tonnes CO₂ / tonne of liquid steel to a specific emission of 0.6 tonnes CO₂ / tonne of liquid steel, significantly below the current references for the technology to be implemented under [Regulation 447/2021](#).

The transformation of the technological process, which is in the preparatory phase, will be implemented between 2023 and 2025 and will make it possible to avoid an average of 4.88 million tonnes of CO₂ emissions per year between 2025 and 2035 (graph 5). After 2035, a significant reduction in specific emissions of up to 0.3 tonnes CO₂ per tonne of liquid steel is expected in conjunction with the deployment of hydrogen as a fuel for DRI (currently only *Technology Readiness Level 5* in the above-mentioned Commission analysis).

About 6% of the verified emissions in Romania in 2020 come from fertiliser production based on ammonia production from natural gas at the Târgu Mureş plant. The activity is essential for agriculture and security

The fertilizers produced in Mures are used in about 50% of the conventional farms in Romania.

The strategy to accelerate the reduction of emissions from ammonia production *puts energy efficiency first* and includes a complex mix of measures (Figure 1) which, cumulatively, will lead to an average annual reduction of CO₂ emissions from ammonia production of 244,000 tonnes CO₂ between 2021 and 2030, and from 2030 onwards to an emission reduction of more than 470,000 tonnes CO₂ per year.

These measures will significantly accelerate the process of reducing the specific emissions related to ammonia production from a level of 2.07 tonnes CO₂ / tonne ammonia in 2021 to a level of 1.57 tonnes CO₂ / tonne in 2030 and 1.39 tonnes CO₂ in 2035.

The biggest contribution to this emission reduction will be made by implementing two projects in the period 2024 - 2025 to increase energy efficiency in the ammonia production process, which will save approximately 171,000 tonnes of CO₂ annually. The strategy also includes a pilot project for CO₂ sequestration in underground geological formations in Mures county, from which methane gas has been extracted in the past, with an estimated contribution to reducing emissions of approx. 140,000 tons CO₂ / year.

In terms of fuel transition, of the four refineries currently active in Romania, three are located in Ploiesti, Prahova county: Petrobrazi Ploiesti (owned by OMV Petrom), Petrotel Ploiesti (owned by Lukoil) and Vega Ploiesti (Annex 3: Frankfurt School Study, Deliverable 3, p. 78). According to ANPM, CO₂ emissions related to these three fuel producers amounted to 2.6 million tonnes in 2020, of which 1.04 million tonnes are related to the Petrobrazi refinery, which belongs to OMV Petrom, a company with [a group-wide environmental and emission reduction policy assumed](#) and discussed above.

The pathway to accelerating the transition of fuel production is addressed in the NEEAP through the transport sector emission reduction policy (NEEAP, p. 140). Thus, the NEEAP provides for policy measures to use pricing instruments to provide incentives for environmentally friendly transport by encouraging the purchase of environmentally friendly vehicles, the use of environmentally friendly fuels and the reduction of vehicle use, as well as by developing rail and public transport.

In order to implement this objective of the NEEAP, Romania is committed, through the NRDP, to create a legal framework to enable road decarbonisation in line with the *polluter pays* principle by exceeding by at least 3 percentage points the minimum targets for clean public vehicle procurement set in the EU Clean Vehicles Directive. The legislative package will include measures to incentivise the use of zero emission vehicles and fleet renewal programmes by individuals, private companies and public institutions, contributing to an increase of at least 100% in the number of zero emission vehicles registered in Romania compared to the initial 2020 figure and the scrapping of 250 000 polluting vehicles (EURO 3 or less) by 30 June 2026. Romania is also committed through the NRRP to develop infrastructure for alternative fuels for road vehicles, in particular through the installation of additional charging points.

for electric vehicles to reach at least 30,000 charging points by 30 June 2026.

These concrete measures to accelerate the transformation of Romania's road transport with the help of NRTP reforms and investments are seen as the catalyst for Romania's controlled oil decline and fuel production transformation in the period 2022-2030.

With regard to the transition of steel, chemical fertilisers and fuels, there are, however, a number of particularly important considerations why the transition of these sectors cannot be determined today down to the last detail, and these are:

- The very high need for renewable electricity for green technological processes;
- The complexity and cost of integrating new technologies and state-of-the-art equipment into existing production infrastructures;
- Availability of raw materials, especially secondary ones such as scrap iron, for example;
- The social acceptability of certain carbon capture and storage technologies, even if they are carried out under the conditions laid down in [Delegated Act 2139/2021](#) on the technical criteria for screening to determine whether an economic activity is harmful to the environment;
- Market conditions unknown at this time for green steel or fertilizers made from green ammonia;
- Insufficient maturity level for a number of key technologies such as hydrogen.

All these key variables for achieving a transition of these sectors are today in various stages of exploration across the Union, an effort mainly supported by the Innovation Fund and Horizon Europe. From the perspective of enabling conditions for decarbonisation of the industrial sector, the NESCAP (p. 73) states that *an analysis of the main decarbonisation drivers towards 2050 is being carried out at the level of the main ministries involved in the transition process. In terms of renewable energy potential, Romania could opt for the use of hydrogen in industrial processes, as natural gas accounts for 34% of the energy mix currently used in the industrial sector, and replacing it with hydrogen from renewable or low-carbon sources is an important way to decarbonise. At the same time, the need for heat at high temperatures accounts for almost 60% of industrial energy demand. Hydrogen is one of the low-emission energy carriers/thermal agents suitable for generating heat at high temperatures.*

Taking into account the objective aspects presented above, we consider however that, in the case of the steel, fertilizers and fuels industries, there is currently a framework of policies and measures, coupled with the commitment of the most important economic operators, which allow Romania to assume the transition of these activities.

The picture of measures and policies that will make the transition to a climate-neutral economy is complemented by the reform of the legislative framework, foreseen in the NREAP, to [reduce the energy intensity of the economy](#). Thus, by the end of 2022, Romania will regulate the legal framework for:

- to set up a monitoring system for the implementation of the recommendations of energy audits in the ETS sector;
- removing barriers to contracting energy performance and applying energy efficiency standards to ensure product compliance with eco-labelling standards;
- to improve SMEs' awareness of energy efficiency (measures, programmes and benefits) and to introduce new standards for green financial instruments.

Complementary to this reform, the NSRF foresees the implementation, with the support of the European Investment Bank (EIB), of an instrument that will provide, between 2022 and 2026, guaranteed loans to large non-ETS companies, including for the transformation of production capacities and the streamlining of production processes to reduce environmental impacts, as well as for digitisation. The loans guaranteed by the EIB will have an estimated cumulative value of between EUR 1.6 and 2.14 billion.

In this way, Romania has created the framework for the gradual transformation of energy-intensive activities such as the manufacture of motor vehicles and components, non-metallic mineral products (cement, lime, etc.), metal construction and metal products, paper manufacture and the food industry into a low-emission economy.

In conclusion, through the objectives, policies and measures undertaken in the NCCESR and NREAP, Romania demonstrates concrete commitments to accelerate the transition to climate neutrality by 2030 and to achieve it by 2050.

Reference: Article 11(2)(b): a justification for identifying the territories as being most affected by the transition process referred to in point (a) of this paragraph and to be supported by the FTJ in accordance with paragraph 1;

[1.2 Identification of the territories expected to be most affected and justification of this choice, with appropriate estimates of economic and employment impacts based on the presentation in section 1.1.](#)

The severity of the impact of the transition on the territory is determined by the interaction of the following factors:

Contribution to the national emission reduction target

Prahova County is the centre of natural gas-based electricity production and fuel production, with the largest producer engaged in a process of

Gradual reduction of CO2 emissions according to the timetable presented in the previous section (see Table 4).

The following production capacities are located in the county:

- Brazi power plant (860 MW), commissioned in 2012, owned by OMV Petrom;
- Petrobrazi Ploiesti (owned by OMV Petrom), Petrotel Ploiesti (owned by Lukoil) and Vega Ploiesti refineries.

Regarding the Brazi power plant, according to the previous section, the implementation of the company's emission reduction policy will lead to an average volume of avoided emissions in the period 2025 - 2030 of approx. 293000 tons CO2/year, and from 2031 onwards, the avoided emissions will be approx. 500000 tons CO2/year.

The CO2 emissions of the three fuel producers mentioned above amounted to 2.6 million tonnes in 2020, of which 1.04 million tonnes are related to the Petrobrazi refinery, which belongs to OMV Petrom, a company with a group-wide environmental and emission reduction policy assumed and discussed above. OMV Petrom's plans to reduce emissions at the refinery level are in the process of being redefined. At the moment, it can be estimated that the volume of emissions that will be avoided on average, through the implementation of the environmental policy, in the period 2025 - 2031, are 55,000 tons of CO2 per year.

In this context, we mention the decline in employment in the oil processing industry. Over the last 10 years, the number of employees has been steadily decreasing, and in 2020 it is 35.77% lower than in 2010 (Chart 14).

Similarly, there is a decline in employment in crude oil and gas extraction. The volume of employees has declined steadily between 2010 and 2020. In 2020, the industry employs 58% fewer people than in 2010 (Chart 13).

Population decline

The total population of the city in 2019 was 712,254. The territory showed a sharp downward trend of 6.5% in the overall population between 2012 and 2020, while the downward trend in the working age population was 10.2% in the same period (Appendix 3: Frankfurt School Study, Deliverable 3, p. 74).

45,000 people in disadvantaged areas

Approximately 45,000 people live in the disadvantaged areas of the county, identified at the level of the local authorities, initially according to GEO 24/98 and later according to GEO 75/2000. Although the special legal regime for these areas is no longer active, significant territorial disparities persist and have been reconfirmed by the study *Territorial Disparities in Romania*, prepared by the Ministry of Development, Public Works and Administration and published in August 2021 (Annex 6). Disadvantaged areas

includes the town of Mizil, together with the rural localities of Filipeștii de Pădure, Filipeștii de Târg, Măgureni and Ceptura.

Incomes consistently below the national average and energy poverty

Between 2013 and 2020, the average net wage was below the national average by approx. 4%, and in the last 4 years the negative difference was 6% (Appendix 4: Frankfurt School Study, Deliverable 4, Table 7).

The territory has an energy poverty rate of 38% in winter and 30% for the whole year. (Annex 4: Frankfurt School Study, Deliverable 4, Table 10).

Level of unemployment

In December 2021, 5,915 unemployed people were registered in the territory, of which 2,973 were women. The unemployment rate was 2.03% in December 2021 close to the national average of 2.69% (Annex 5, Unemployment situation December 2021). However, a territorial analysis of the unemployment rate (Annex 8) shows that in 21 out of 104 territorial administrative units the unemployment rate exceeds the national average, in 7 of them it is above 6%. As regards the lower unemployment rate, we note that it is also influenced by the proximity of the capital, where many inhabitants of the county find a job, and cannot be entirely attributed to a dynamic economy.

High share of exposed labour force in industry and low technological level of production of goods and services

The workforce employed in the industry represents 28.6%, with a decreasing trend (-11.1%) over the period 2008 to 2019 (Appendix 3: Frankfurt School Study, Deliverable 3, p. 74). In terms of the technological level of goods production at the county level, in 2019, high technology was used in 1.64% of total production and medium-high technology was used in 29.76% of production. On the other hand, knowledge-based services, including research and development, have a share of approx. 8.8% in services provided at the county level. (Annex 6, page 19).

Concentration of energy-intensive industries and high levels of air pollution

The territory concentrates a number of energy-intensive industrial activities, such as the manufacture of non-metallic mineral products, the manufacture of components for automotive production (bearings, tyres) and the manufacture of glass, oxygen and paper. Although the environmental impact of these activities is not in all cases reflected in ETS emissions, they contribute to the degradation of air quality throughout the county, but especially in the Municipality of Ploiesti, for which the Ministry of Environment, Water and Forests (MMAP) has established, by Order MMAP 2202 / 2020, the obligation to draw up an integrated air quality plan, given the recorded exceedances of the following pollutants for nitrogen dioxide and nitrogen oxides (NO₂/NO_X), particulate matter (PM₁₀) and benzene (C₆H₆). The following pollutants are exceeded at county level: nitrogen dioxide and nitrogen oxides (NO₂/NO_X), particulate matter (PM₁₀),

particulate matter (PM2.5), benzene (C6H6), nickel (Ni), sulphur dioxide (SO2), carbon monoxide (CO), lead (Pb), arsenic (As) and cadmium (Cd) (Source: MMAP Order 2202 / 2020).

Insufficient development of renewable energy production capacities

According to the latest data published by [Transelectrica](#) in May 2020, in Prahova county, the PV generation capacity in operation (PFI power, according to emitters) totalled only 145.21 MW, i.e. 10.48% of the total installed PV capacity. In addition to this, there is a very low wind power generation capacity in operation (PFI power according to emitters) of 0.02 MW.

The economic and social impact until 2030 of the county transition was analysed in a study carried out by the Frankfurt School of Finance and Management funded by the EU Structural Reform Support Programme. The study used the E3ME macroeconomic model to model the effects of the transition at the county level. The modelling was based on the provisions of the NESCAP, but was carried out before the finalisation of the timetable for the closure of coal-fired power generation capacity under the draft Decarbonisation Act, and before the establishment of the other reforms and investments to accelerate the transition to climate neutrality in the NREAP referred to in the previous section. For these reasons, the NCCSP scenario defined at the study level does not include the effect of accelerating the transition to neutrality through the implementation of the relevant reforms and investments in the NRDP. Thus, as the reference scenario in the study (Annex 3: Frankfurt School Study, Deliverable 3, page 44) is assessed as likely to lead to a faster decarbonisation process than the NESCAP scenario, the modelling results for the reference scenario will be taken into account in this plan.

In this scenario, in terms of projected changes in employment (Annex 4: Frankfurt School Study, Deliverable 4, Chart 41), the modelling shows a significant imbalance between job loss (8700 jobs) and job creation (5400 jobs) for occupations requiring basic or medium level of education.

In view of the above, we believe that the selection of Prahova County is justified for mitigating the effects of the transition to climate neutrality.

Reference: Article 6

[Identification of the outermost regions and islands with specific challenges in the territories listed in section 1.1 and the specific amounts allocated to those territories, with corresponding justification](#)

Not applicable.

2. Assessment of transition challenges for each of the identified territories

[2.1. Assessing the economic, social and territorial impacts of the transition to a climate-neutral economy](#)

Reference: Article 11(2)(c): an assessment of the transition-related challenges facing the territories identified as most affected, including the social, economic and environmental impacts of the transition to a climate-neutral Union economy by 2050, identifying the potential number of jobs affected and jobs lost, the risks of depopulation and the development needs and targets to be achieved by 2030 and related to the transformation or cessation of high greenhouse gas emitting activities in these territories;

The process of transition to climate neutrality in Romania presented in the previous section allows the identification of the following sectors generating socio-economic impacts at the territorial level:

- The gas-fired power generation and fuel production sectors, the largest producer of which is committed to a gradual reduction of CO₂ emissions according to the timetable presented in the previous section (see Table 4).
- Sectors with high energy consumption and a significant number of employees for which the PNRR creates the possibility to access EIB guaranteed loans for productive transformation and climate action projects supporting Romania's green transition, such as: metal construction and metal products (1959 employees), manufacture of non-metallic mineral products (2265 employees), manufacture of components for automotive production (4500 employees), non-ETS chemical industry (1000 employees), food industry (8000 employees) (number of employees according to INS, 2020).

Job losses

3586 jobs are at risk of being lost by 2027 unless a phase-down process is implemented. According to an analysis by the Prahova Chamber of Commerce and Industry, there are 771 businesses in the county that are active in the extractive and petroleum products processing industry, the oil machinery manufacturing industry and related services. The activity of these enterprises represents 22% of the county's economic activity and 32% of the turnover of the industrial sector.

Job losses at the territorial level up to 2030 are shown in Table 7, which presents the results of the E3ME macroeconomic modelling (Annex 4: Frankfurt School Study, Deliverable 4, Figure 41).

The model indicates that job loss is significantly higher than job creation in activities requiring medium and basic skills. The territory adds jobs in services (4600), but also 2900 jobs for specialists in various fields of activity (high level of training).

With the exception of agriculture, the biggest loss is for *skilled and related workers* (5800) and *unskilled workers* (1600). The modelling also shows the loss of 1300 jobs for *operators and assemblers*. Services are practically the only sector that could compensate for job losses in activities requiring medium and basic skills, but the expected generation is insufficient.

Social impact

Of the 3,586 negatively exposed jobs, we estimate that approx. 62.5% are occupied by people up to 50 years of age, while employees aged 51 to 60 years represent 34%, people who are at the age of maturity, most of whom are family breadwinners and who may find it difficult to adapt to the demands of new jobs. Although the impact will be felt most acutely by those who are sole breadwinners, it can be estimated that each job lost has the potential to affect at least another 1.5 people, making the impact of job losses felt by at least 5,300 people.

As for the average net salary of the affected persons, it is high (3,870 lei), being about 22% higher than the average net salary of the county (3,021 lei) and 17% higher than the average net salary at national level (3,217 lei), the data being related to 2020.

Therefore, the jobs affected by the transformation processes are characterized by an average level of training, but by a level of pay that is clearly higher than similar jobs in terms of level of training in the SME sector of the county, a level of pay that we can estimate by reference to the provisions of GEO 43 / 2019 on some tax changes in the construction sector, according to which, in the period from 1 January 2020 to 31 December 2028, for the construction sector, the guaranteed minimum gross basic wage per country is 3,000 lei / month. Thus, the minimum net wage that can be taken as a reference point for the net wage level in the SME sector for similar jobs is approx. 1,774 lei / month, approx. 55% below the net wage level in the transformation sectors.

Environmental impact

In terms of the state of the environment, Prahova has a large number of abandoned industrial sites, many of them contaminated. In the city of Ploiesti alone, there are hundreds of hectares where oil refining and processing activities were carried out in the past. Due to the complexities of ownership, there have been great difficulties in implementing the polluter pays principle and in subsequently redeveloping these areas within the municipality. Soil contamination remains an environmental problem also in other areas of the territory such as Câmpina, Brazi, Băicoi, Boldești, Urlați, in connection with historical oil extraction, but also with mining at Filipeștii de Pădure, Ceptura, or in connection with the chemical industry at Valea Călugărească.

The need for retraining

Analysing the occupations of people affected by the restructuring of sectors undergoing transformation, we note the significant number of occupations that indicate a particular need for further training / specialisation and that have a significant potential for integration into the low-emission economy of the future according to the skills needs estimated for 2030 by CEDEFOP in the 2020 Skills Forecast Romania: winder, electrician, electromechanic, electrician, tool operators, engineers / sub-engineers, thermal and sound insulation, locksmith, machinist, hydraulic operators or energy installation operator. A number of occupations are also notable

for which there is a high demand expressed by employers for the next two years, such as lathe operators, welders, sheet metal workers, locksmiths, etc.

However, it is expected that all affected persons, other than those eligible for retirement, will need at least some form of support when re-entering the labour market, given the difficulty of transferring to a new job at a later point in their career.

In terms of responding to the expected significant need for vocational training and labour market reintegration support for people affected by the territorial transition process, this will be a particular challenge for the employment agency, its subordinate vocational training centres, as well as for public or private sector vocational training providers authorised under adult vocational training legislation. Particular attention should be paid to early training in order to cope with the large number of people with long-term careers in activities requiring non-transferable or difficult-to-transfer skills in a low emission economy.

Development potential

As regards the potential for economic diversification and development opportunities in the territory, these are identified at the level of the county's development strategy in correlation with the smart specialization strategy of the South Muntenia region 2021 - 2027 by taking into account several analyses on entrepreneurial dynamics, innovation potential of the region, existing infrastructure and R&D activity.

Thus, these strategic documents identify the following areas whose development could contribute in the period 2021 - 2027 to the diversification of the county's economy and to mitigating the impact of the transition to climate neutrality: Bioeconomy (agricultural and industrial biotechnologies, but also biotechnologies oriented towards environmental protection, pollution reduction and waste recovery), production of electrical components and equipment, production of healthy food, integrated cultural, spa/resort tourism and active tourism opportunities, as well as health economic development through support for bio/nano medical and pharmaceutical technologies (advanced medicines, therapies, diagnostics and vaccines), smart/personalised/preventive medicine and bio-security.

[2.2. Development needs and targets up to 2030 to achieve a climate-neutral Union economy by 2050](#)

Reference: Article 11(2)(d)

The overall goal of the Just Transition Territorial Plan is to protect the county's population and economy in the context of the challenges of the transition to climate neutrality and to foster the full exploitation of the development opportunities created by the pathway to a low-emission economy.

In order to achieve this objective, the territorial plan proposes the **convergent mobilisation of all available resources** to meet the following needs which

stems from the transition process:

- The need to achieve environmentally sustainable economic diversification, especially of the productive entrepreneurial sector, in order to increase competitiveness and the capacity of the local economy to generate sustainable, secure and attractive jobs;
- The need to increase the access of job seekers and employers to quality qualification/ retraining, further training and specialisation programmes that are dynamically and proactively linked to the expected demand for qualifications and specialisations in the county economy;
- The need for job-search assistance services and active inclusion measures for job-seekers, prioritising the needs of medium and basic educated people affected by the reduction or transformation of economic activities negatively exposed to the transition to climate neutrality;
- The need to generate jobs in modern and sustainable public services provided by using the county's renewable energy generation potential;
- The need to stimulate research and development activity involving universities and public and private research organisations in order to identify optimal solutions for transforming economic activities negatively exposed to the transition, but also, where appropriate, to exploit the development opportunities created by the transition process.
- The need to combat energy poverty by installing photovoltaic/photothermal panels at household level in the context of the European Solar Roofs Initiative;

[2.3. Consistency with other relevant national, regional or territorial strategies and plans](#)

Reference: [Article 11\(2\)\(e\)](#)

PTTJ Prahova aims to mitigate the socio-economic impact of the implementation of the policies and measures aimed at substantial reduction efforts in industry emissions intensity approved by the Romanian Government through the NRECP, as well as the impact of the reform foreseen in the NREP to reduce the energy intensity of the economy through the development of a sustainable mechanism to stimulate energy efficiency in industry and increase resilience.

In terms of its contribution to mitigating the effects of transition at territorial level, the NRRP is the national plan with the highest level of convergence with the TPCT. Thus, the territory's strategy for accessing funding opportunities under the NRRP focuses on investments in the fields of education and health, with a view to facilitating the population's access to primary healthcare.

(especially in rural areas), combating early school leaving by developing educational infrastructure, including for vocational and technical education, and adapting the educational offer for the digital jobs of the future. Alongside these are investments in the construction/rehabilitation of buildings serving children at risk of separation from their families, the development of social infrastructure for people with disabilities, and the construction of housing for young people, teachers and doctors.

At the same time, the territory is the beneficiary of a transport infrastructure project of national interest funded by the PNRR, namely the construction of the A7 - Ploiesti-Pascani motorway sector.

In terms of the coherence of the proposed investments for the business environment, the PNRR will provide guaranteed loans for productive, commercial development, digitalization and internationalization of SMEs and large enterprises throughout the country, while the PTTJ investments are aimed at the creation/expansion/diversification/reconversion of goods and/or services production units in the county, leading to the creation and maintenance of environmentally sustainable jobs.

In terms of sustainable urban mobility, NRTP investments target intra-urban transport, while PTTJ supports inter-urban public transport to connect disadvantaged/isolated areas with the main urban agglomerations in the county to ensure access to vocational training programmes and employment opportunities.

With regard to energy resilience of public services, the NRDP supports the thermal retrofitting of public service buildings, but the indicative county allocation of approx. 36.36 million (without over-contracting) is limited, while PTTJ invests in small-scale renewable energy production and storage capacities, including associated transmission networks, for the supply of renewable energy for essential public services in schools, hospitals, old people's homes, crèches, social centres, vocational training centres, etc. Similarly, in terms of combating energy poverty, the NRDP funds energy efficiency measures for multi-family buildings, while the PTTJ aims to create prosumers by installing photovoltaic/photothermal panels at household level.

Consistency of the PTTJ with Romania's National Strategy for Sustainable Development 2030

PTTJ takes into account the objectives of Romania's National Strategy for Sustainable Development 2030, which aims to increase the share of renewable energy sources and low-carbon fuels in the transport sector, stimulate the digital economy and industrial investment, promote development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship through start-ups, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises.

The objectives proposed in the PTTJ converge with the directions of the Strategy for Sustainable Development of Romania 2030, namely with ensuring a stable and transparent regulatory framework in the field of energy efficiency in order to attract investments; with the rehabilitation of industries to become sustainable, with increased efficiency in the use of resources and increased adoption of clean and green industrial technologies and processes, with stimulating the digital economy and industrial investments that are located in the most profitable area of the value chain, which take advantage of

and the results of national R&D&I efforts and which address stable and growing markets. Also, promoting development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship through start-ups, creativity and innovation, and stepping up efforts to transition to a more inclusive economy "green", low-carbon, climate resilient and for the integration of climate change adaptation measures in vulnerable economic, social and environmental sectors, in line with EU policies are action lines that frame the operations of the TPJT.

Consistency of the TFWP with the National Employment Strategy 2021 - 2027

The social dimension of the PTTJ is closely in line with the directions identified in the National Employment Strategy 2021 - 2027 and the related Action Plan, approved by GD 558/2021, in particular by contributing to the directions of action related to the transition process to the "green economy" (stimulating entrepreneurship and creating green jobs), mapping occupations and skills, as well as ensuring correspondence between occupations, qualifications and their skills content, organising vocational training programmes for employees to develop and diversify skills in the context of technological and digital changes in the labour market.

Thus, within the framework of the TFWP, priority is given to operations supporting the employment of persons directly affected by the transition process through job loss, persons belonging to disadvantaged groups both for measures aimed at the business and entrepreneurial environment and those related to the retraining and labour market integration of persons affected by the transition process (facilitating access to the labour market and providing packages of services and measures adapted to persons from disadvantaged groups, supporting the workforce to obtain the skills needed to make the transition from declining to growing sectors in the green economy, supporting the establishment of innovation and entrepreneurship centres (such as business incubators).

Consistency of the TFTP with the National Green Jobs Strategy 2018 - 2025

Also, the operations targeted by the PTTJ are consistent with the National Strategy for Green Jobs 2018 - 2025 and the related action plan, approved by GD no. 594/2018 by prioritizing for funding measures on the creation and maintenance of environmentally sustainable jobs, retraining and skills upgrading measures in areas with high potential for sustainable job creation, respectively environmental economy (environmental protection, water supply and sewerage services, waste management, forestry, renewable energy production, thermal rehabilitation). The transition to a green and energy-efficient economy clearly involves reshaping the labour market and adapting professional skills to the new economic challenges.

Among the action lines of the National Strategy for Green Jobs 2018 - 2025 in which PTTJ operations are included: increasing innovation in firms by supporting innovation and technology transfer entities in areas of smart specialization; promoting and strengthening entrepreneurial initiatives for job creation

green, promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and stimulating the creation of new firms, including through business incubators, training and development of green skills).

Consistency of the PTTJ with the Regional Development Strategy 2021-2027 South Muntenia Region

The MS Region Development Strategy 2021-2027 aims to support the region's transformation into an equitable, inclusive and prosperous society with a modern, dynamic, resource-efficient and low-emission economy. To this end, 7 strategic priorities are foreseen: sustainable development of local and regional infrastructure, sustainable urban development, increasing the competitiveness of the regional economy through smart specialisation and digitisation, environmental protection through increased energy efficiency and transition to a circular economy, supporting education and employment, supporting health and social inclusion, rural development and agriculture. Measures such as stimulating national, regional, local mobility, investments in technical and public utilities infrastructure, promoting investments in renewable energy and circular economy, increasing energy efficiency of enterprises, public/residential buildings, urban regeneration are consistent with the investment operations of the TPJT. The human capital operations of the TPCT are also in line with the region's strategic development directions in this area, in particular by supporting programmes for the continuous training of specialists and researchers, the workforce, its adaptability and the promotion of entrepreneurship, and by increasing the capacity of institutions responsible for implementing employment policies.

Coherence of the PTTJ with the Regional Strategy for Smart Specialisation South Muntenia 2021- 2027

The Smart Specialisation Strategy for the South - Muntenia region 2021-2027 represents a new strategic approach to economic development through the funding of research and innovation, identifying the areas with the greatest strategic development potential. The eight areas of smart specialisation, vertical priorities at the level of the South - Muntenia region are: construction of machinery, components and production equipment, agriculture and food industry, tourism and cultural identity, bioeconomy, development of the circular economy, smart localities offering innovative services to citizens, high-tech industry and research, ITC, health.

The coherence of the TPJT with the smart specialisation strategy is highlighted in the integration of R&D results in the economic activity of SMEs, in the creation/development/expansion of business incubators and in the vocational training associated with the just transition process. Thus, the areas of smart specialisation identified in the strategy constitute the prerequisites for the development of initial investment, technology transfer and retraining of the workforce in the process of just transition.

Consistency of the PTTJ with the Sustainable Development Strategy of Prahova County for the period 2021 - 2027

One of the directions of action mentioned in the Sustainable Development Strategy of Prahova County for the period 2021-2027 is to increase the county's equitable contribution to achieving Romania's decarbonisation target and improving the quality of the environment. In this regard, the need to ensure access to affordable energy for all, in a safe, sustainable and modern way is promoted, together with sustainable consumption and production models. As regards the business environment, sustainable and inclusive economic growth, the promotion of sustainable industrialisation and the encouragement of innovation are promoted. Thus, the aim is to increase the competitiveness of SMEs in the county with a focus on declining urban areas, as well as to develop entrepreneurship, the social economy, adapting local industry to technological progress and environmental requirements. The operations of the PTTJ are also part of these lines of action.

2.4. Types of operations envisaged

Reference: Article 11(2)(g)

Taking into account the priority development needs identified in order to respond adequately to challenges related to the transition to climate neutrality, the territorial plan sets out the following types of operations:

A. Support for the development of productive activity of micro, small and medium-sized enterprises, including through technology transfer activities, leading to diversification, modernisation and economic conversion

The operations aim at exploiting own or local/regional market innovative potential by creating/expanding/diversifying/reconverting production units of goods and/or services in the county, leading to the creation and maintenance of environmentally sustainable jobs.

This will be achieved through investment measures in:

- Tangible and intangible assets related to the creation of a new unit, the expansion of the capacity of an existing unit and/or the diversification of the production of an unit through goods and services not previously manufactured/supplied in the unit or a fundamental change in the overall production process of an existing unit;
- Salary costs related to newly created jobs generated by the support for the above activities, costs related to the training of newly hired staff, and other activities/costs as per applicable State aid rules;
- Activities related to the retraining of newly hired production staff;
- Certification of products, services or various specific processes related to the activity of creating/expanding/diversifying the goods and services provided;
- Activities to promote and digitise the production process/delivery of newly created/expanded/diversified goods and/or services, including online sales tools and/or product promotion activities;
- Investment in own R&D activity with the aim of maturing research results and integrating them into productive activity, and

investments related to the uptake/integration of research results from third parties to increase competitiveness.

The contribution of this type of operation to a just transition will be ensured by:

- Creating and maintaining environmentally sustainable jobs, in particular for people affected by the process of transition to climate neutrality at territorial level, as well as for those who fall into the category of disadvantaged, severely disadvantaged and disabled workers (as defined in the GBER Regulation);
- Prioritising areas of smart specialisation and/or related areas or areas that can contribute to their sustainable development in the process of integrating R&D results into economic activity;
- Prioritisation of disadvantaged areas at county level, identified at the level of the local authority unit, initially in accordance with GEO 24/1998 and subsequently in accordance with GEO 75/2000. Although the special legal regime for these areas is no longer active today, significant territorial disparities persist and have been reconfirmed by the study *Territorial Disparities in Romania*, prepared by the Ministry of Development, Public Works and Administration and published in August 2021;
- Prioritize identified marginalized communities at the county level according to the updated version of the Marginalized Communities Atlas, when available;
- Use, where possible, of renewable energy in the proposed productive activities and/or implementation of energy efficiency measures.
- The use of resources from recycling, repair and reuse in the production process, where possible.

B. Supporting the development of start-ups, including through business incubators / accelerators

The operations aim to support the creation and incubation of micro-enterprises, including through the creation of /expansion/diversification of business incubators/accelerators in order to reach the critical mass of resilient SMEs needed to revive economic activity in the county.

This will be achieved through investment measures in:

- Creation and market penetration of micro-enterprises (services for business registration, business plan development, business start-up consultancy and investment in tangible and intangible assets);
- Creation / upgrading / expansion of business incubators / accelerators, including the development of advisory services leading to job creation, business diversification and the development of an entrepreneurial environment within local communities. The business incubator infrastructure includes buildings, production premises, facilities, electricity supply systems, telecommunication networks, gas, water and sewage networks, parking and internet services in accordance with the provisions of Law 102/2016 on

business incubators. It is also envisaged to equip business incubators/ accelerators with the necessary equipment to carry out their activities.

The contribution of this type of operation to a just transition will be ensured by:

- Supporting entrepreneurship, in particular of workers affected by the transition to climate neutrality, to create new environmentally sustainable jobs.
- Priority funding for technology incubators (SMEs with technological growth potential), academic incubators (SMEs whose activity lies in the application or use of research and development activity within a university or research institute or develops entrepreneurial initiative within a university environment, with the objective of retaining young people in the community and commercialising technologies developed and developed by students or faculty), social incubators (SMEs that use entrepreneurship and innovation to create social impact), sectoral incubators, linked to areas of smart specialisation, and virtual incubators in the form of business portals.
- Prioritisation of disadvantaged areas at county level, identified at the level of the Local Authorities, initially according to GEO 24/98 and subsequently according to GEO 75/2000. Although the special legal regime for these areas is no longer active today, significant territorial disparities persist and have been reconfirmed by the study *Territorial Disparities in Romania*, prepared by the Ministry of Development, Public Works and Administration and published in August 2021;
- Prioritize identified marginalized communities at the county level according to the updated version of the Marginalized Communities Atlas, when available;
- Use, where possible, of renewable energy in the proposed productive activities and/or implementation of energy efficiency measures.
- The use of resources from recycling, repair and reuse in the production process, where possible.

C. Supporting workforce transition

The operations aim to help jobseekers and workers, especially the most vulnerable, to adapt to the demands and opportunities of a diversified and environmentally friendly economy.

This will be achieved through investment measures in:

- Increasing the capacity of the County Employment Agency (AJOFM) to define and continuously update sectoral training needs in relation to the dynamic process of economic transformation in collaboration with economic and social partners and relevant authorities;
- Develop and equip training centres to meet the need to diversify and increase the coverage of training services offered;

- Up-skilling and/or re-training of jobseekers, as well as support services and active employment measures for jobseekers. The persons concerned may be directly affected by the transition process through job loss or may be indirectly affected by the transition due to inadequate or insufficiently adapted skills in demand.
- Up-skilling and/or re-training of workers employed in sectors/industries affected by transition as well as in those with high potential for sustainable employment.
- Socio-vocational support services, in addition to employment services: training allowances to cover training-related expenses - transport, meals, etc.

The contribution of this type of operation to a just transition will be ensured by:

- Prioritising people directly affected by the transition process through job loss, in particular people who have been in employment with a basic or medium level of education and young people up to the age of 29, people over 55, women, single parents, members of ethnic minorities and other vulnerable groups.
- Prioritising vocational training for occupations with basic and medium level of training related to sectors related to smart specialisation areas and other sectors with potential for sustainable development, as well as sectors of the environmental economy (environmental protection, water supply and sewerage services, waste management, forestry, renewable energy production, thermal rehabilitation);
- Take into account, when establishing and updating training needs, the CEDEFOP Report on trends in the evolution of skills demand on the Romanian labour market, the medium/long term labour market forecasting methodology developed by the eSPOR project - Relationship with Employers, as well as the short and medium/long term skills needs forecasting application developed by the ReCONNECT project - Adapting to Change, when available.
- Prioritisation of disadvantaged areas at county level, identified at the level of the Local Authorities, initially according to GEO 24/98 and subsequently according to GEO 75/2000. Although the special legal regime for these areas is no longer active today, significant territorial disparities persist and have been reconfirmed by the study *Territorial Disparities in Romania*, prepared by the Ministry of Development, Public Works and Administration and published in August 2021;
- Prioritize identified marginalized communities at the county level according to the updated version of the Marginalized Communities Atlas, when available.

D. Ensuring access to essential public services for communities affected by transition

The operations aim to increase the energy resilience of essential public services by integrating renewable energy sources, and to combat energy poverty by creating prosumers and developing energy communities.

This will be achieved through investment measures in:

- Small-scale renewable energy generation and storage capacity, including associated transmission networks, necessary for the provision of essential public services

in schools, hospitals, old people's homes, crèches, social centres, vocational training centres, etc.

- Purchase of clean vehicles and charging stations needed for inter-urban public transport services to connect disadvantaged areas with the main urban agglomerations in the county to ensure access to vocational training programs and employment opportunities;
- Installation of photovoltaic/photothermal panels at household level, in the context of the European Solar Roofs Initiative, to combat energy poverty, create energy communities and increase acceptance of the energy transition through prosumer status.

The contribution of this type of operation to a just transition will be ensured by:

- Creating and/or maintaining environmentally sustainable jobs in key public services for the employment of people directly affected by the transition process and vulnerable people;
- Increase installed capacity and the total amount of energy produced from renewable sources;
- Reducing annual primary energy consumption in households and public services;
- Prioritisation of disadvantaged areas at county level, identified at the level of the Local Authorities, initially according to GEO 24/1998 and subsequently according to GEO 75/2000. Although the special legal regime for these areas is no longer active today, significant territorial disparities persist and have been reconfirmed by the study *Territorial Disparities in Romania*, prepared by the Ministry of Development, Public Works and Administration and published in August 2021; Prioritize identified marginalized communities at the county level according to the updated version of the Marginalized Communities Atlas, when available.

E. Support for the greening and conversion of buildings affected by declining or transforming economic activities

The operations aim to reduce pollution and generate sustainable employment by bringing back into the economic, social and cultural mainstream disused sites resulting from the decline and/or transformation of economic sectors.

This will be achieved through investment measures in:

- Regeneration / decontamination / restoration of disused buildings, respecting the *polluter pays* principle, and their reconversion to create sustainable jobs.

The contribution of operations to achieving a just transition will be ensured through the promotion of integrated rehabilitation / decontamination projects of unused polluted sites (abandoned industrial sites, unused land) for new economic / social uses /

cultural projects that will lead to the creation of sustainable jobs and/or an improved quality of life for the inhabitants of the affected areas.

All the investments proposed in the plan will contribute to the transition to a low-carbon economy (2050) and to achieving the related environmental targets. Thus, all investments will be planned / designed, implemented and subsequently operated so as not to significantly undermine, within the meaning of *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088*, the following environmental objectives:

- (a) climate change mitigation;
- (b) adapting to climate change;
- (c) sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control;
- (f) protecting and restoring biodiversity and ecosystems.

This also implies compliance with the applicable technical screening criteria set out in *Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical screening criteria for determining the conditions under which an economic activity qualifies as an activity contributing significantly to climate change mitigation or adaptation and for determining whether that economic activity is significantly detrimental to any of the other environmental objectives*.

[Reference: Article 11\(2\)\(h\)](#)

Update or supplement this section by reviewing the territorial plans for a just transition, depending on the decision to provide such support

Operations for large enterprises

According to the provisions of Regulation 1056/2021, productive investments in enterprises other than SMEs can be supported under the following conditions:

- These are investments in the fixed capital or intangible assets of enterprises in order to production of goods and services, including for a fundamental change in the process the overall production of the product(s) targeted by the investment in the unit, thus contributing to gross capital formation and employment;
- The investment is included in the indicative list of investments in large enterprises in accordance with Art. 11(2)(h) of Regulation 1056/2021, which implies estimate the number of jobs that will be created by the proposed investment;
- The investment is necessary for the implementation of the territorial plan;
- The investment contributes to the transition to a low-carbon economy (2050) and to achieving the related environmental targets in this respect as well:

- The investment qualifies as an environmentally sustainable activity according to:
 - o REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088
 - o This also involves reference to the applicable technical examination criteria laid down in the Commission DELEGATED REGULATION (EU) 2021/2139 of 4 June 2021 of supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical screening criteria for determining the conditions under which an economic activity qualifies as an activity contributing substantially to climate change mitigation or adaptation and for determining whether that economic activity causes significant damage to any of the other environmental objectives.
- The investment does not lead to relocation within the meaning of point 27 of Art. 2 of Regulation 1060/2021: 'relocation' means the transfer of an identical or similar activity or part of it within the meaning of Article 2(61a) of Regulation (EU) No 651/2014: (61a): "relocation" means the transfer of an identical or similar activity or part thereof from an establishment of one of the Contracting Parties to the EEA Agreement (the original establishment) to the establishment of another Contracting Party to the EEA Agreement where the aided investment takes place (the aided establishment). A transfer exists if the product or service from the original establishment and the aided establishment serve at least partly the same purposes, meet the same type of customer requirements or needs and jobs are lost in identical or similar activities at one of the original establishments of the beneficiary in the EEA;
- The provisions of the applicable State aid legislation are respected.

So far, large companies have shown interest in the proposed support through the JFF, but have not yet finalised a clear portfolio of projects. We consider this type of funding to be essential for the county as there are real prospects for the development of the green economy, both through existing economic operators, but especially by attracting new foreign investors and developing new sustainable economic branches. It is beneficial and in the spirit of economic diversification for this funding to take the form of competitive calls precisely so as not to exclude access for new investors and not to limit the positive effect on the economy and the creation of new green jobs.

[Reference: Article 11\(2\)\(i\)](#)

Update or supplement this section by reviewing the territorial plans for a just transition, depending on the decision to provide such support

Reference: Article 11(2)(j)

In terms of its contribution to mitigating the effects of transition at territorial level, the South Muntenia ROP is the operational programme with the highest level of synergy and complementarity with the TPJT. Thus, the measures/operations promoted by the two strategic documents are complementary, in particular as regards the promotion of technology transfer, investments in tangible and intangible assets in micro-enterprises and SMEs, including the adoption of digital technologies and tools, promotion of entrepreneurship, support to the entrepreneurial innovation ecosystem, development of competences and skills for smart specialisation at SME level, investments in public/residential buildings to ensure/improve energy efficiency, connectivity at regional level and the development of underused or abandoned land. The social dimension of vocational training for people directly/indirectly affected by the climate neutrality transition process is not covered by the operational programme.

The measures promoted by the TPJT are mainly integrated, interconnecting the economic-productive dimension with issues related to the circular economy, the integration of research results into business activity and the creation of sustainable jobs, in a narrower territorial context, strongly affected by the process of transition to climate neutrality and/or the need to adapt to the decarbonisation of industry.

In the context of the transition to climate neutrality in the targeted territory, PTTJ supports the entrepreneurial culture for the creation of start-ups and business incubators/accelerators. Investments to ensure/increase energy efficiency and measures for the use of renewable energy sources are complementary to those related to PTTJ where pro-consumption and energy resilience of public services in the targeted territory are targeted.

The coordination of the process of avoiding double financing, compliance with the cumulation of applicable State aid and/or analysis of related/partner enterprises will be carried out at the level of the funding line, through investment differentiation criteria established at the level of the specific guidelines and procedural verification criteria respectively.

Synergies and complementarity of the TPJT with the Education and Employment Operational Programme (EOP) 2021-2027

The employment measures of the EOP are convergent with the operations of the TFWP, taking into account investments in the modernisation of labour market institutions, in the improvement of labour market monitoring instruments and mechanisms, in the active integration of disadvantaged groups in the labour market, in the preservation of jobs in the

activities

/economic sectors affected by systemic problems, to promote the economy

social economy and entrepreneurship, including social entrepreneurship, for the promotion of social economy and entrepreneurship, including social entrepreneurship, for lifelong learning by expanding/diversifying training opportunities. The EOP investments have a general dimension, while the JTP targets the need for training and/or retraining resulting from the process of transition to climate neutrality in the targeted territory.

Synergies and complementarity of the JTP with the Operational Programme for Smart Growth, Digitisation and Financial Instruments (POCIDIF) 2021-2027

The POCIDIF aims to support the activity of innovation consortia formed by research organisations with expertise and experience in the field of RDI, innovation hubs for research and technology transfer projects. The POCIDIF finances operations complementary to the JTTP by continuing and expanding business accelerators, creating and encouraging innovative companies that will subsequently attract funding from other capital funds or even strategic investors. Thus, the POCIDIF foresees the development of a combined venture capital and grant type financial instrument for accelerators, seed and scale-up. PTTJ differs from POCIDIF in the social and territorial dimension of the operations supported and in the type of funding provided - grant. Also, the double funding avoidance mechanism described above will be applicable in this case.

With regard to investment in SMEs, the POCIDIF aims both to stimulate access to finance for enterprises and to digitise them, but using financial instruments, while the TPJT uses grants to increase the productive capacity of SMEs and create jobs.

Synergies and complementarity of the TPJT with the Operational Programme for Inclusion and Social Dignity (POIDS) 2021-2027

The investments financed by the POIDS are synergistic and complementary with the operations related to the TPCT in terms of supporting rural communities with no or reduced access to social, employment and health services, combating school drop-out, social inclusion, training/skills development in the areas of smart specialisation, entrepreneurship, industrial transition, etc., of human resources within enterprises.

Synergies and complementarity of the TPJP with the 2021-2027 Sustainable Development Operational Programme (SDOP)

The investments financed by the OPDD are coherent and complementary with the operations of the PTTJ in particular through the priority related to environmental protection through biodiversity conservation, air quality assurance and remediation of contaminated sites, in particular by supporting the process of preliminary and detailed inventory and investigation of potentially contaminated sites (mainly through the development of a database and a GIS platform allowing their permanent updating. The PTTJ aims to reduce pollution and generate sustainable employment by bringing the site back into the socio-economic mainstream.

cultural sites resulting from the decline and/or transformation of economic sectors in the territory concerned.

All these programmes complement the actions targeted by the TPCT, providing accompanying support measures that contribute to mitigating the socio-economic impact of transition while responding to local needs.

[Reference: Article 11\(2\)\(k\) and Article 11\(5\)](#)

The design of the JTPP for Prahova County took into account the structuring of funding and operations in such a way as to create a leverage effect for funding projects from other sources as well, including the other two pillars of the Just Transition Mechanism. The implementation of GHG emission reduction targets and the transition to a climate-neutral economy requires substantial private investments for technical and technological transformation of the main economic sectors contributing to the climate impact of Prahova County's economy. Therefore, in our view, achieving the goal of climate neutrality by 2050 requires meeting the financing needs from all appropriate available sources so that, in the end, the level of household income is not affected by the process of transition to a climate neutral economy.

For the development of cutting-edge technologies, for the adaptation of companies to new technologies and for the implementation in production of both internal R&D&I results and those due to technology transfer, we will approach the provision of support with the objective of multiplying by 3-4 times the resources invested by attracting private capital. Developing technology parks and attracting investors will use InvestEU and EIB resources to create the right economic conditions.

The complementarity of the use of Invest EU and EIB resources stems, as we have already pointed out, on the one hand, from the fact that our vision integrates a mechanism for structuring financing based on maximising its leverage effects, and on the other hand, the development of the county and the elimination of existing economic gaps, the increase in household welfare are objectives that go beyond the framework of the TPCT and integrate it.

With the resources of the two pillars we intend to finance:

- a. Developing technology parks and transforming them to the standards of the climate neutral economy, i.e. we will develop a programme to support the technological development of companies to adapt products and production processes to the climate neutral economy.
- b. Implementation of R&D&I and technology transfer results for new energy resources with limited or zero environmental impact.
- c. Energy efficiency and optimisation of production processes.
- d. Improving the full use of agricultural and forestry by-products by integrating them into circular chains at county level, thus contributing to increasing value added in agriculture.
- e. Developing innovative sustainable transport infrastructure, equipment and technologies by [supporting investment in sustainable and safe transport infrastructure](#) and multimodal platforms.

CJ Prahova involved the EIB by organising an online workshop attended by EIB representatives as well as representatives of the business environment, Prahova Chamber of Commerce, ARD Sud Muntenia, local public administration and representatives of the academic environment where various ways of collaboration were identified, including the development of technology parks and attracting investors with the aim of increasing the use of labour resources.

In order to involve all partners in the implementation of the PTTJ, Prahova County Council intends to set up a Steering Committee with the participation of representatives of local public authorities, business and social partners.

3.2. Monitoring and evaluation

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3.3. Coordinating and monitoring body/bodies

The Regional Implementation Directorates of DG EMRP will be used as Intermediate Bodies in the implementation of the programme, given the experience of managing non-reimbursable funds in two programming periods (POS M 2007 -2014, 4 billion euro; POIM - environment, energy, Axis 9 COVID - approx 5 billion euro), as well as the relations already established with LPAs.

4. Programme-specific output or result indicators

Reference: Article 12(1)

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Table 1. Indicators of achievement

Specific objective	ID [5]	Indicator [255]	Unit of measurement	Milestone target (2024)	Target for 2029

Table 2. Outcome indicators

Specific objective	ID [5]	Indicator [255]	Unit of measurement	The value of reference	Reference year	Target for 2029	Data source [200]	Comments [200]

5. Acronyms and abbreviations

AIMMAIPE	Agency for SMEs, Investment Attraction and Promotion Export
AJOFM	County Agency for Employment
APM	Environmental Protection Agency
INS	National Institute of Statistics

GDP	Gross domestic product
POIM	Large Infrastructure Operational Programme 2014 - 2020
PM10	Airborne pollution due to the production of lignite-based heat, traffic and construction activities
PNIESC	Integrated National Energy and Climate Change Plan climate
PNRR	National Recovery and Resilience Plan
EC	European Commission
SEN	National Energy System
GES	Greenhouse gases
SRSP	Structural Reform Support Programme