



Case Study

# A dedicated governance body for just transition implementation:

The Just Transition Institute  
in Spain

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# A dedicated governance body for just transition implementation: The Just Transition Institute in Spain

The Just Transition Institute (Instituto para la Transición Justa or ITJ in Spanish) is a key governmental body established in Spain with the objective of identifying and adopting measures for a fair transition towards a greener, low-carbon economy. As part of Spain's Just Transition Strategy, the ITJ aims to minimise the negative impacts on employment and depopulation in territories affected by the transition.

## DESCRIPTION

**Location:** Madrid, Spain

**Type of action:** intermediary, governance coordination, area-specific support tools

**Actors:** Spanish government, trade unions, regional governments, local authorities, businesses, affected communities

**Financing conditions:** National government budget, Just Transition Fund and other EU support programs, leveraging private investments



## KEY POINTS



### APPROACH

- Establishing a new dedicated government body to manage and coordinate just transition efforts
- Tripartite agreements between the government, trade unions and companies
- Multi-level process to negotiate Just Transition Agreements between local, regional and national authorities and affected stakeholders



### ENABLING CONDITIONS

- Collaboration between all the administrations enabled by the Just Transition Strategy
- Territorial agents of the ITJ as locally rooted contact persons in the coal regions



### ACHIEVEMENTS

- Lack of anticipation from previous administrations to address just transition for coal mining
- Persistent structural and demographic challenges
- SMEs often lack the capacity to apply for complex tenders



### KEY CHALLENGES

- Establishing coordination channels across governance levels and inclusion of stakeholders has made the Just Transition Agreements widely accepted
- In the process of creating as many jobs in net terms as have been lost by the phase-out of coal in the coal regions
- Creating an innovative Just Transition tender system for new renewable projects that require additional activities that serve the objectives of the Just Transition Strategies

## Introduction

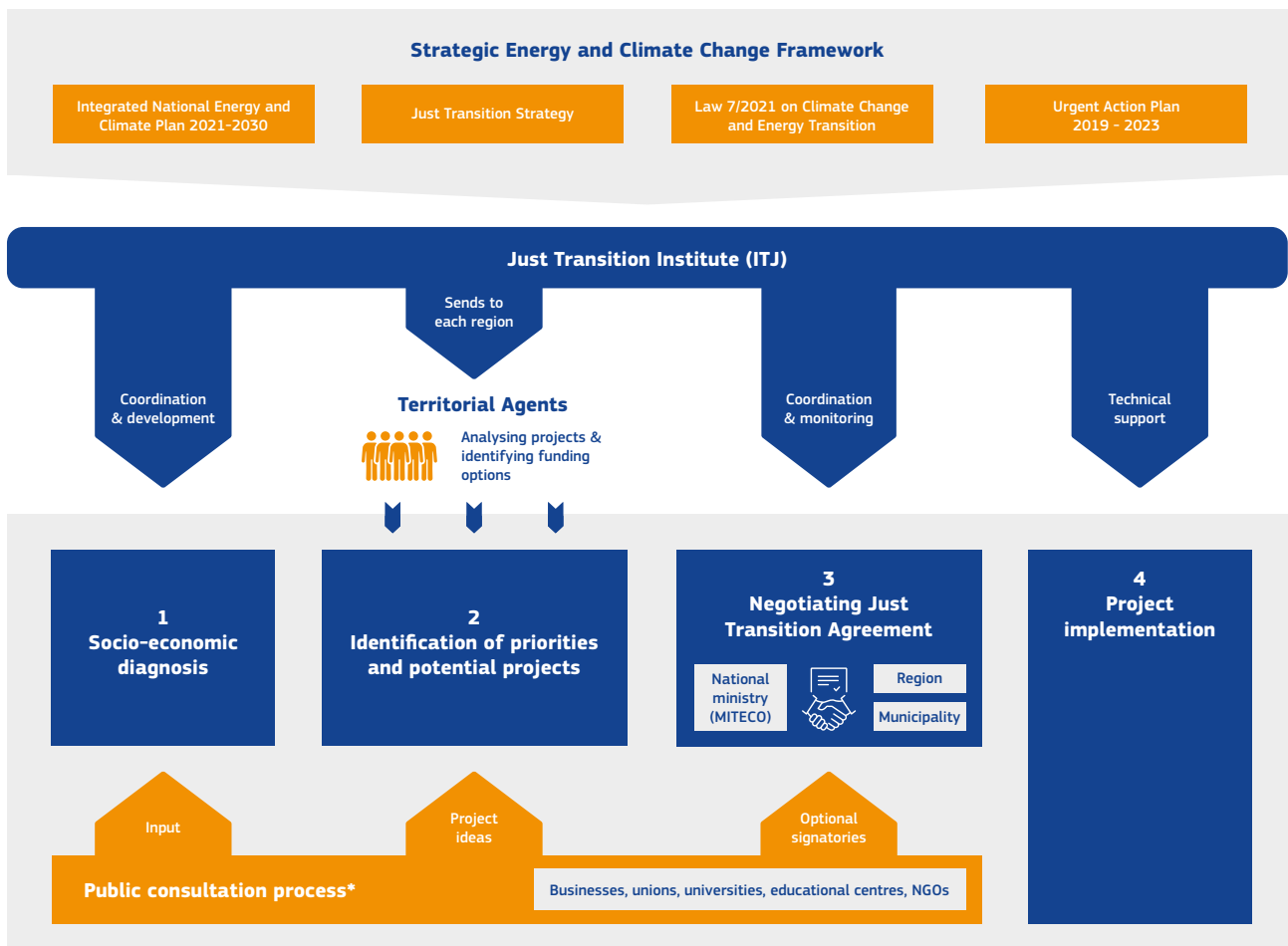
Coal has played a significant role in Spain since the 1970s. In 1986, the proportion of coal used as a primary energy source in Spain was at its highest recorded level, representing 23% of total energy consumption. Since then, there has been a significant decline in coal production and use<sup>1</sup>. Coal production became more and more uncompetitive, and between 1994 and 2014, Spain subsidised the sector with over EUR 22 billion in total. The number of individuals employed in coal mines has also decreased significantly, from 45,000 in 1990 to approximately 2,300 in 2018<sup>2</sup>. In 2018, the country had to abruptly stop all coal mining activities to apply EU state aid legislation from 2010, which banned the provision of

subsidies to the coal mining industry. Lacking a proactive gradual phase out strategy at that time, local coalitions quickly formed between workers, unions, municipalities and businesses, strongly calling on the government to provide support for a fair transition including solutions for the miners and local communities, such as opportunities for new jobs and investments into the local areas that were facing depopulation. In response to the protests, and encouraged by a new national administration with ambitions to push a strong renewable energy development agenda, in October 2018, unions and the Spanish government made a deal known as *Plan del Carbón*, that made pledges to invest EUR 250 million into the mining regions and provide a plan for dedicated support for workers.<sup>3</sup> In the same way, a tripartite agreement has been reached on the closure of thermal power plants in 2020.

1 <https://ourworldindata.org/energy/country/spain>

2 [https://www.transicionjusta.gob.es/content/dam/itj/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain\\_4%20years%20towards%20a%20just%20energy%20transition.pdf](https://www.transicionjusta.gob.es/content/dam/itj/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain_4%20years%20towards%20a%20just%20energy%20transition.pdf)

3 <https://www.transicionjusta.gob.es/en/reestructuracion-mineria/acuerdo-marco-mineria-carbon-2019-2023.html>



\*Including dedicated consultation frameworks for women and young people

**FIGURE 1: SIMPLIFIED OVERVIEW OF THE POLICY FRAMEWORK FOR JUST TRANSITION AND THE ROLE OF THE ITJ IN THE JUST TRANSITION AGREEMENT DEVELOPMENT PROCESS.**

Source: Own depiction

Influenced by the lessons learned from this process, and due to continuous demands from local communities, Spain adopted a completely new Strategic Framework for Energy and Climate Change in 2019, including a Just Transition Strategy, an Integrated Energy and Climate Plan, Law 7/2021 on Climate Change and Energy Transition and an Urgent Action Plan (which reiterates the Plan del Carbón) to address the negative impacts in the coal regions (see figure 1). Moreover, the Framework included the establishment of a dedicated autonomous administrative body with the objective to manage the transition towards climate neutrality, that is, The Just Transition Institute (ITJ). Established in April 2020, and formally ranked as a Directorate General attached to the Ministry for Ecological Transition and Demographic Challenge (MITECO), the ITJ mainly has been tasked with mitigating the social and economic impacts of the transition away from coal mining and coal-fired power plants. The ITJ succeeds the former Institute for Restructuring Coal Mining and Alternative Development of Mining Regions (IRMC), continuing its work with expanded responsibilities. What is special about the Institute is that it is a dedicated **government body that deals exclusively with the coordination of the just transition implementation process**, rather than having several ministries deal with just transition policies.

While the transition and the work of the ITJ are still ongoing, the Spanish approach has been praised as a good practice for its structured approach to ensuring stakeholder participation and local ownership, as well as designing projects that serve multiple just transition objectives.

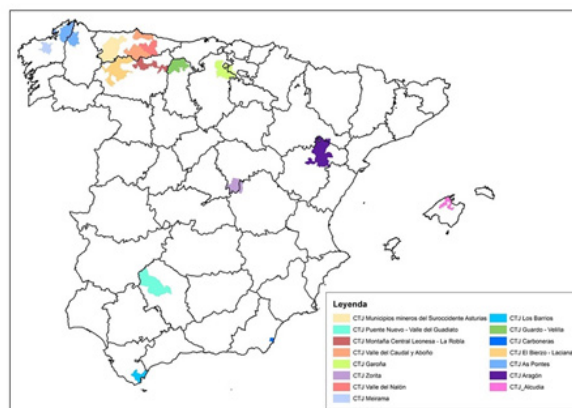
## Enabling conditions

The main enabling condition for the Institute has been to coordinate the establishment of **Just Transition Agreements (JTAs)** between local, regional and national authorities, and stakeholders in all areas that were affected by the closure of coal mines, as well as thermal and nuclear power stations<sup>4</sup>. These Just Transition Agreements are the main instrument of the Just Transition Strategy, and should steer the implementation of measures to the most affected areas and, most importantly, ensure governance coordination and coherence with the overall goals of the framework. The JTAs' main objectives are to:

1. Maintain and create activity and employment in the defined areas through the support of sectors and groups at risk;
2. Promote economic diversification and specialisation consistent with the socio-economic context;
3. Support at-risk sectors and groups with tools to boost investment, environmental restoration, the improvement of public infrastructures, support for industrial projects, retraining of workers and the development of SMEs.

<sup>4</sup> Nuclear power plants will shut down until 2035, mainly due to economic reasons as nuclear energy would be overall much more expensive than energy coming from renewables (including storage costs).

Currently, 15 JTAs cover 197 municipalities across 8 Autonomous Communities (see figure 2). Their scope is determined through an assessment of the socioeconomic impacts of closures on local communities, and based on a public participation process.



**FIGURE 2: MAP OF AREAS MOST AFFECTED BY THE ENERGY TRANSITION THAT ARE THEREFORE INCLUDED IN JUST TRANSITION AGREEMENTS.**

Source: [Just Transition Institute](#)

A major facilitating factor has been the **establishment of collaborative relationships with regional and local authorities**. The Just Transition Agreements require local, regional and national governments to work together, and to do so, the ITJ employs **Territorial Agents** in each region to facilitate constant dialogue between local actors and government. These agents are tasked with serving as a contact to the ITJ in the region, but also concretely have the responsibility to help identify support instruments and financing possibilities for project ideas, particularly for the benefit of SMEs and small municipalities.

Additionally, the Just Transition Institute uses a **tendering process** to award funding for projects in those areas. Any support programme that is launched by ITJ will be available to all coal regions, and only the chosen projects receive the available public funding. This competitive bidding process allows the Institute to set standards and shape project design. For instance, the Institute aims to pay particular attention to the challenges and opportunities for women's employment and well-being in those areas<sup>5</sup>.

The Just Transition Institute also introduced '**Just Transition Tenders**' (also called Just Transition nodes) for granting grid access to renewable energy projects for former mining or power plant areas. Rather than assigning grid access in accordance with chronological order (first come, first served), it has been decided that access will be allocated on the basis of social and economic criteria as well. This approach has been deemed most conducive to the creation of employment and social impact within the designated territory.

<sup>5</sup> A table that gives an overview of support instruments in place for Just Transition in Spain (2019-2023) can be found in this publication: [https://www.transicionjusta.gob.es/content/dam/iti/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain\\_4%20years%20towards%20a%20just%20energy%20transition.pdf](https://www.transicionjusta.gob.es/content/dam/iti/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain_4%20years%20towards%20a%20just%20energy%20transition.pdf).

## Key challenges

Despite progress in the energy transition and activities under the Just Transition Strategy, fulfilling the objectives of the policy remains challenging. This is due to time pressure stemming from ambitious goals to become climate neutral by 2050 as most other countries in Europe, but also due to the late start of activities under the Just Transition Strategy in 2019, when the energy transition was already at a very advanced stage. As mentioned in the introduction, agreements for coal mining & coal power plants phase out and additional support were signed between the government, trade unions and companies only in 2018 and 2020. By that time, most of the remaining nine mining companies had gone into bankruptcy or liquidation. This means that the new **Just Transition Institute began its work once the phase-out of coal mining had almost been completed**. While the new institutional architecture was still being set up, the ITJ had to deal with impacts that were already unfolding in regions affected by the closure of coal mines and power plants, rather than trying to prepare for future structural change.

**Additionally, structural and demographic circumstances will continuously make it difficult to successfully develop alternative business opportunities and investments that also create jobs in the region.** While, for instance, renewable energy development has significant potential in many affected regions, they do not always also generate significant local employment opportunities. The ITJ aims to address these issues through specific just transition tenders, as introduced above. However, regions with a greater degree of economic diversity before the transition found more success in such diversification and adaptation efforts, while the least developed regions still have the greatest challenges.<sup>6</sup>

However, the approach using **tendering for projects** as the main mechanism for project design also poses challenges. For instance, smaller companies or organisations have a competitive disadvantage in these processes as they usually lack the experience and capacity for writing complex project proposals. While technical assistance is available through the ITJ, building these capacities will take time.

**Prioritising the employment of women**, as foreseen in the Just Transition Strategy, within the calls for business and training projects also remains a challenge. While 40% of jobs created in supported projects are taken up by women, in total, women share of jobs in sectors related to the energy transition remains at 18%<sup>7</sup>. This highlights the success of the ITJ projects in increasing numbers significantly, yet there remains much to do.

6 [https://www.transicionjusta.gob.es/content/dam/itj/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain\\_4%20years%20towards%20a%20just%20energy%20transition.pdf](https://www.transicionjusta.gob.es/content/dam/itj/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain_4%20years%20towards%20a%20just%20energy%20transition.pdf), p. 49

7 <https://www.fundacionnaturgy.org/en/women-occupied-4-out-of-10-of-the-new-jobs-linked-to-the-energy-transition-in-the-2015-2021-period/>

Lastly, even though the Just Transition Strategy aims to include stakeholders throughout the process, polls have also found that local actors perceive the energy transition to be primarily driven by the national government and energy corporations, indicating that local ownership of the transition still needs to be improved.<sup>8</sup>

## Achievements

Overall, the work of the Institute has been seeing positive results in terms of its success in stimulating investments and creating jobs. Spain is **on the way to creating as many jobs in net terms as have been lost by the phase-out of coal in the coal regions**.<sup>9</sup> Retraining courses have been seen as successful, as 95% of former coal workers who were looking for a new job found one, after finishing a green job retraining.

In particular, the aforementioned Just Transition Tenders have been commended as a good practice for power plant site repurposing and providing a more holistic regional development approach. For example, the [case of Andorra](#) in Teruel, often cited as a good practice, aims to become a renewable energy hub. In this case, the tender system was used to grant grid access for 1.202 MW of solar PV and wind at the retired power station to Enel Green Power España, who won the tender.<sup>10</sup>

Apart from the pure renewable energy development, the project also includes a total of EUR 1.5 billion to be invested in industry development, supporting agriculture in form of olive cultivation, measures to protect biodiversity, business new businesses in the logistics sector, investment into tourism infrastructure and job training in collaboration with a local rural women's association.

Additionally, the Institute has implemented several measures, including social aid programmes, and relocation support for personnel. For example, the ITJ has allocated financial resources with the purpose of providing social assistance for more than 300 mine workers who are retiring early from the workforce. A number of further measures are being implemented, encompassing the provision of support for entrepreneurship and municipal projects, as well as initiatives focused on environmental restoration.

8 <https://www.sciencedirect.com/science/article/pii/S2214629624000446>

9 [https://www.transicionjusta.gob.es/content/dam/itj/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain\\_4%20years%20towards%20a%20just%20energy%20transition.pdf](https://www.transicionjusta.gob.es/content/dam/itj/files-1/Documents/Publicaciones%20ES%20y%20EN/Spain_4%20years%20towards%20a%20just%20energy%20transition.pdf)

10 Further information: <https://www.enelgreenpower.com/media/news/2023/06/bbc-documentary-teruel-project>

## Further reading

- World Resources Institute: Spain's National Strategy to Transition Coal-Dependent Communities. <https://www.wri.org/update/spains-national-strategy-transition-coal-dependent-communities>
- MITECO: Just Transition Strategy. [https://www.miteco.gob.es/content/dam/miteco/es/ministerio/planes-estrategias/transicion-justa/Just%20Transition%20Strategy\\_ENG.pdf](https://www.miteco.gob.es/content/dam/miteco/es/ministerio/planes-estrategias/transicion-justa/Just%20Transition%20Strategy_ENG.pdf)

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## Initiative for coal regions in transition

The Initiative for coal regions in transition is led by the European Commission.

👉 [ec.europa.eu/coal-regions-in-transition](https://ec.europa.eu/coal-regions-in-transition)

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