

The European Commission on Thursday found Romania's plans to provide 447.8 million lei of support to alleviate the social and environmental impact of closing two uncompetitive coal mines by 2018 to be in line with EU state aid rules. It also concluded the support would not unduly distort competition, according to a press statement released on Thursday by the Commission.

Following the decision taken by Romania to close two uncompetitive coal mining units, Romania notified to the Commission plans to provide public funding of 447.8 million lei to ensure their orderly closure.

The European Commission's assessment has found that, in line with the Council Decision, the aid aims to ease the closure process by providing financial support totalling 233.7 million lei to those workers who will lose their jobs due to the closures. In particular, the state support will fund compensation salaries for the laid-off personnel and programmes to retrain former employees to work in alternative professions and other social security benefits for these workers. Furthermore, this support will be used to undertake necessary underground safety measures related to the closure, to rehabilitate the mining sites and to re-cultivate land after the mine closures. The remainder of the aid totalling 214.1 million lei will cover production losses of the mines until closure.

Responsibility for decisions on whether or not to close public coal mines rests with member states. EU state aid rules, in particular Council Decision 2010/787/EU, allow member states to support the closure of uncompetitive coal mines in order to alleviate the social and environmental impact.

Aid to cover exceptional costs resulting from activities related to the closures, notably to mitigate social costs such as the costs of social welfare benefits or early retirement, costs incurred in safety or site rehabilitation for the production units subject to closure, as well as the pumping and cleaning of water from decommissioned mines can be paid out after the closures until 2027 and must also be based on an agreed closure plan.

Closure aid can cover operational losses subject to certain limits and must be based on an agreed closure plan. The Council Decision requires that a mine receiving closure aid must cease mining activities by the end of 2018 at the latest.

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