

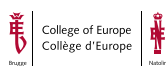


Annual meeting

of the Initiative for coal regions in transition
in the Western Balkans and Ukraine

November
2023

MEETING REPORT



Annual meeting of the initiative for coal regions in transition in the Western Balkans and Ukraine

Meeting report: November 2023

Prepared by the Secretariat of the Initiative for coal regions in transition in the Western Balkans and Ukraine

Imprint / Legal notice

The [Initiative for coal regions in transition in the Western Balkans and Ukraine](#) was led by the [European Commission](#) and six collaborating international partners: the [World Bank](#), the [Energy Community](#) Secretariat, the [European Bank for Reconstruction and Development](#), the [European Investment Bank](#), Poland's [National Fund for Environment Protection and Water Management](#), and the [College of Europe in Natolin](#). Collaboratively, they implemented the initiative from December 2020 until December 2023.

Learn more about the initiative:

 ec.europa.eu/coal-regions-western-balkans-ukraine

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Executive summary

The third [Annual Meeting](#) of the [Initiative for coal regions in transition in the Western Balkans and Ukraine](#) took place on 27 and 28 November 2023, gathering around 160 in-person attendees and on average 90 online attendees over the 1.5-day event. Live streaming and interpretation were available in Albanian, Bosnian, Croatian, Macedonian, Montenegrin, Serbian, and Ukrainian. The diverse annual meeting of the initiative brought together stakeholders such as public authorities from national and local levels, international organisations, representatives from the energy industry, and civil society. This gathering facilitated an open and candid discussion among the participants. It also provided a platform for the stakeholders to engage in direct conversations about the present status, obstacles, and potential pathways for achieving just transitions in Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia, and Ukraine.*

The first day of the Annual Meeting was opened by a keynote speech from a representative of the European Commission. It continued with the session which featured national government representatives offering insights into the progress of their respective countries' National Energy and Climate Plans (NECPs). Additionally, CAN Europe presented the key outcomes of a report assessing the NECPs of Bosnia and Herzegovina, Kosovo and Serbia. The first day ended with an update from the European Commission and the international partners of the Initiative ([World Bank](#), [European Bank of Reconstruction and Development](#), [Energy Community Secretariat](#), Poland's [National Fund for Environmental Protection and Water Management](#), [European Investment Bank](#) and [College of Europe in Natolin](#)). On the second day of the event, four panel discussions took place, each addressing specific thematic areas:

1. the role of peer exchange in facilitating the just transition;
2. governance structures and stakeholder engagement for a just transition;
3. financing the just transition and coal phase-out;
4. capacity building: what are the needs and what is being offered?

All recordings and presentations, as well as graphic recordings shown during the event, are available [here](#).

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ opinion on the Kosovo declaration of independence.

Day 1, Monday 27 November 2023

Welcome & setting the scene, 14:00 – 14:30 CET

Presentation of the agenda and objectives of the meeting:

- **Robert Pollock** (Master of Ceremony), Senior Expert, [Secretariat of the Initiative for coal regions in transition](#)

Welcome and keynote speech from the European Commission:

- **Cristina Lobillo**, Director Energy Platform Task Force, [DG ENER](#), European Commission

Key takeaways:

To inaugurate the annual meeting of the Initiative for coal regions in transition in the Western Balkans and Ukraine, **Cristina Lobillo** welcomed all the participants that joined

the conference and thanked all the six international partners of the initiative.

In her introductory remarks, she delved into the importance of the European Green Deal which has positioned the just transition as a cornerstone of EU economic policy since 2019, emphasising the commitment to decarbonise and leave no one behind. Recognising the success of initiatives related to just transition for European regions, the European Commission soon realised the potential benefits for neighbouring regions. Consequently, in 2020, Initiative for Coal Regions in Transition in the Western Balkans and Ukraine was launched. Over the past three years, the initiative provided an open platform allowing region-wide, multi-stakeholder dialogue, facilitating the exchange of experiences, knowledge, and best practices related to just transition in the region.

The European Commission also acknowledged that this marks the last event under the current initiative, but it is surely



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not the last event organised or supported by the European Commission on just transition in the Western Balkans and Ukraine. Fairness is a central element for success of any transition – the European Commission will thus continue to support it in the neighbouring regions as well.

As recalled by the President of the European Commission Von Der Leyen in her latest State of the Union speech, the future of the Western Balkans and Ukraine is in the EU and a window of opportunity has opened for the accession path of the Western Balkans and Ukraine with the adoption of the [2023 Enlargement Package](#). The recently announced [New Growth Plan](#) for the Western Balkans with its EUR 6 billion Reform and Growth Facility aims to accelerate fundamental reforms and socio-economic convergence for the region, and in which just transition will be a central cross cutting element. Further, the EU's continued support to Ukraine is unshakeable. With the latest payment of October, the EU's overall support to Ukraine amounts to almost EUR 83 billion, in addition to the proposed [Ukraine Facility](#) of up to EUR 50 billion for the following years, until 2027.

To conclude, [Cristina Lobillo](#) emphasised that continuing the cooperation between the EU and the Western Balkans and Ukraine will be essential for a prosperous common future, now more than ever. The transition cannot succeed unless it is fair and just, leaving no region, industry, worker or community behind. The European Commission then extended a cordial invitation to all speakers and participants, encouraging them to engage in insightful discussions during the Annual Meeting.

Just Transition as a building block in the transformation in the Western Balkans and Ukraine, 14:30 – 16:00

Moderated by:

- [Monika Figaj](#), Climate and Just Transition Expert, Energy Community Secretariat

Keynote speech by:

- [Adam Cwetsch](#), Head of European Green Deal Unit, Energy Community Secretariat

Panellists:

- [Branka Knežević](#), Head of Department for Primary Energy and Policy, Ministry of Foreign Trade and Economic Relations, Bosnia and Herzegovina;
- [Leonita Shabani-Mullarama](#), Acting Secretary General, Ministry of Economy, Kosovo;
- [Aneta Kankaraš](#), Head of the Office for Sustainable Development, Montenegro;
- [Oleksii Sobolev](#), Deputy Minister of Economy, Ukraine;
- [Viktor Berishaj](#), Western Balkans Climate and Energy Policy Coordinator, CAN Europe;
- [Nikos Mantzaris](#), Senior Policy Analyst & Partner, The Green Tank, Greece

Key takeaways:

The session started with a keynote speech by [Adam Cwetsch](#), who highlighted the imperative role of EU neighbouring countries in achieving the objectives set forth



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in the [EU Green Deal](#). He highlighted key drivers for the green transition in the countries covered by the Initiative, including decarbonisation, EU accession, and the [Carbon Border Adjustment Mechanism](#) (CBAM). Additionally, the Energy Community Secretariat is in the process of assessing and providing recommendations on the submitted drafts of the NECPs. So far three draft NECPs were submitted last June (Serbia, Bosnia and Herzegovina and Kosovo), and two NECPs were adopted earlier (North Macedonia and Albania). For the remaining countries, work is ongoing. The final versions of the NECPs are due in June 2024.

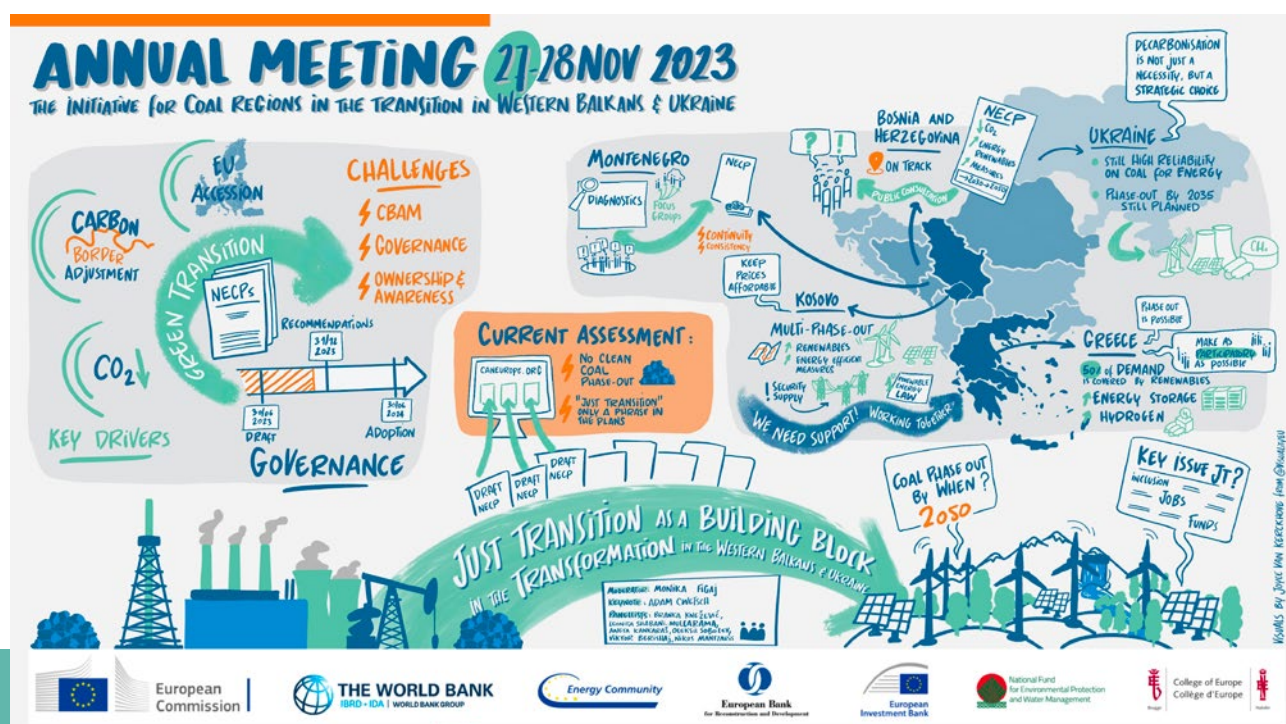
Monika Figaj reiterated that Just Transition does not and should not occur in a policy vacuum; instead, various policies and documents are shaping the process. This became one of the main points of the session: what are the key policies and documents shaping the Just Transition process in the Western Balkans and Ukraine?

Leonita Shabani-Mullarama shed light on the multifaceted challenges of transitioning away from coal for Kosovo. Coal has played a crucial role in Kosovo's economy for the past 60 years, boasting the second-largest reserve of lignite in the EU and the fifth largest in the world. Despite relying on coal for over 90 % of electricity generation, Kosovo's government is committed to moving forward. The government is actively dedicated to enhancing energy security by accelerating renewable energy initiatives and investing in energy efficiency. For example, a national energy strategy until 2031 is being developed, which will include substantial increases in renewable energy, investments in energy efficiency measures, and the establishment of ambitious targets. Additionally, Kosovo rolled out its first ever energy efficiency scheme in the residential sector last year, allocating around EUR 5 million.

Acknowledging Ukraine's heavy reliance on coal for electricity, heating, and job provision for thousands of Ukrainians, **Oleksii Sobolev** highlighted the government's commitment to a green recovery. The imminent challenge lies in the coal phase-out plan, announced in 2021, targeting a complete phase-out by 2035, emphasised through [Ukraine's decision to join the Powering Past Coal Alliance](#) (PPCA). Moreover, the recently approved 2050 energy strategy reinforces the commitment to eliminating coal from electricity production by 2025. Notably, the NECP is already in alignment with the 2050 energy strategy and public consultation, crucial part of the transition process, was initiated that week. Oleksii positioned the phased coal-out plan as not only a necessity but also a significant business opportunity for Ukraine, by providing an opportunity for Ukraine to become a provider of green products and energy, not only for its own nation but also for the European Union.

Branka Knežević mentioned that the NECP for Bosnia and Herzegovina was prepared in accordance with the guidelines and timeline provided by the Energy Community Secretariat and submitted last June for feedback. In July, public discussion was held in three cities, including an online e-consultation, and consequently comments were collected and published. The final version of the NECP is scheduled for completion and adoption by June of next year. **Leonita Shabani-Mullarama** echoed the same sentiment, emphasising that public consultation is not merely a procedural requirement but an essential component to engage various stakeholders in the sector. She elaborated on the substantial contributions received from entities such as the Ministry of Finance, Education, Trade Industry, and Civil Society.

Aneta Kankaraš provided significant insights into the impactful work conducted in the coal region of Pljevlja in



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Montenegro. The Office for Sustainable Development in Montenegro has emerged as a key player in facilitating the just transition, collaborating closely with the United Nations Development Programme (UNDP). The UNDP has been actively engaged in supporting the office, particularly in designing a comprehensive Roadmap for the Just Transition, set to be finalised by the end of this year. Financial support from the Government of Slovakia has also been instrumental in advancing these initiatives. Additionally, in June of this year, they published the [Diagnostics of socio-economic situation of coal region Pljevlja](#), and Kankaraš highlighted how this study and its results can contribute greatly to the country's Roadmap for the Just Transition and NECP. Both documents, the Diagnostics and the Roadmap, have been drafted through an extensive public dialogue and consultation. For this they used a platform named 'Dialogue for development' and organised several events to discuss the just transition process openly and transparently.

Nikos Mantzaris provided insights into the challenges and broader implications of lignite phase-out in Greece in recent years. During the initial nine months of 2023, lignite production witnessed a significant 60 % drop, concurrent with a notable increase in renewable energy, which now constitutes 50 % of the monthly electricity output. Greece set to reach 80 % of electricity produced by renewables by 2030. Mantzaris underscored the importance of setting specific phase-out dates, which can often serve as catalyst of change. However, he acknowledged the challenges stemming from past mistakes, such as the construction of a new coal plant involving a substantial EUR 1.5 billion investment, slated to cease operations by 2028. The subsequent transition to fossil gas for energy production needed almost EUR 11 billion in subsidies during the energy crisis to mitigate adverse effects. He identified the reliance on gas as a transition fuel during a crisis as a flawed decision. Another significant drawback was the insufficient participation of local stakeholders in the planning phase. Mantzaris emphasised the crucial lesson that just transition processes should prioritise maximum participation, as it is key to ensuring success and sustainability.

Viktor Berishaj presented the findings from the assessment of draft NECPs of the Western Balkans by CAN Europe, introducing the recently published assessment report titled ['Missed targets: insights into the draft NECPs of the Western Balkans'](#). The analysis is based on five thematic pillars, namely climate and energy ambition, consistency, credibility, transparency and regional aspects. The assessment report highlights that while there has been some progress in the drafting of NECPs, substantial improvements are needed. The findings of the assessment further reveal a need for more concrete actions in Bosnia and Herzegovina, Kosovo and Serbia, particularly in the development of a well-defined coal phase-out strategy and measures to decrease reliance on coal by 2030. The report advocated for the necessity of roadmaps for just transition, and tangible and

quantifiable policy measures aligned with those roadmaps. Additionally, a larger engagement is needed to ensure widespread ownership of the transition process, which goes beyond the realms of energy and industry, emphasising the need for an all-encompassing, economy-wide plan.

During the Q&A session, a noteworthy comment emerged regarding the lessons learnt from the Greek case, emphasising the importance of openly discussing failures alongside successes to prevent their repetition. Another participant inquired about the anticipated timeline for the adoption of Just Transition action plans in their respective countries. In response, **Branka Knežević** highlighted the integration of the country's NECP with EU dimensions. Acknowledging the value of the technical assistance provided by the World Bank, she outlined that the document is currently in its second cycle of consultation, having collected comments and initiated a second round of discussions. The foundation for setting targets in the NECPs relies on modelling results, with the intention to publish the plans by the year 2024.

Updates from the international partners of the Initiative for coal regions in transition in the Western Balkans and Ukraine, 16:30 – 18:00 CET

Moderated by:

- **Robert Pollock** (Master of Ceremony), Senior Expert, [Secretariat of the Initiative for coal regions in transition](#)

Panellists:

- **Véronique Marx**, Just Transition Team Leader, DG ENER, European Commission;
- **Wolfhart Pohl**, Lead Specialist, Environment and Geosciences, World Bank;
- **Adam Cwetsch**, Head of European Green Deal Unit, Energy Community Secretariat;
- **Anna Vasyljeva**, Energy Transition Specialist, European Bank for Reconstruction and Development;
- **Matteo Rivellini**, Head of Division Western Balkans and Türkiye, European Investment Bank;
- **Marek Tabor**, Head of Office, College of Europe in Natolin;
- **Marcin Jamiołkowski**, Deputy Director, Poland's National Fund for Environment Protection and Water Management

Key takeaways:

The session started with **Véronique Marx** who highlighted the two key milestones achieved by the initiative, 1) community building and 2) awareness raising on just transition in the Western Balkans and Ukraine. In the context

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of the initiative, the Commission has financed a Secretariat which supported the implementation of activities of the initiative during the past three years. Some of these activities include the [Coal Regions Exchange Programme](#) for which eight exchanges between regions in the Western Balkans and Ukraine and Europe were organised. Throughout all the exchanges, there were stakeholders from 22 regions and around 250 participants were involved from a wide array of stakeholder groups (public administration from national level, regional level and municipalities, NGOs, academia and research institutes, business organisations and trade unions). During the exchanges, discussions were held on topics such as: just transition governance, repurposing of post-mining and post-industrial areas, renewables and alternative energy solutions, economic diversification and job security, strategy development and communication of a just transition. In addition to the exchanges, [six Workshops on Just Transition](#) were organised in the target countries of the Initiative to which participated around 470 stakeholders. Some of the topics discussed during the workshop included: preparation of NECPs; action plans at national level; strategy development; stakeholder engagement; environmental and health and safety aspects of the just transition. A series of [six Webinars on Just Transition](#) were also conducted, with an average of 100 online participants per session. Recordings with subtitles in the languages of the Initiative are also available on the initiative's website.

The World Bank, represented by **Wolfhart Pohl**, was the next Principal to provide an update. He presented notable activities undertaken, such as the development of the [Coal Regions in Transition Learning Academy](#) in collaboration with the College of Europe in Natolin and the various exchanges they organised between coal regions in the Western Balkans &

Ukraine and coal regions around the world. The World Bank also played a crucial role in developing diagnostic tools for coal regions, demonstrated by their work in Poland. Additionally, they contributed to the formulation of coal transition roadmaps, initially implemented in Greece and subsequently in North Macedonia, among other locations. The focus from the Bank has been on tangible efforts and transformative projects that can significantly impact the transition. Wolfhart acknowledged that their involvement in the initiative served as an entry point for various activities, but he also recognised that the desired goals are still far away.

Adam Cwetsch underscored the importance of the exchanges, emphasising the value derived from these interactions. Additionally, efforts to connect with local partners, especially from the public administration, were highlighted as a crucial aspect of their engagement with the initiative. Adam also pointed out the effectiveness of the different workshops organised in collaboration with initiative in the participating countries, which played a pivotal role in advancing the initiative's objectives for a just transition in the region.

Anna Vasylieva introduced their [Just Transition Initiative](#) which was launched in 2020 and provides support across three pillars, green economy transition, human capital development and regional economic diversification. She proceeded to delineate how, leveraging on their experience and expertise, they contributed to the initiative through two crucial components: policy and investment support. On the policy side, the Bank supports governments in integrating just transition considerations into key climate documents and regional development strategies, as well as the development of critical skills and labour market reforms. On the investment



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side, they focus on scaling up financing efforts in their operation countries, with significant work underway in North Macedonia where they are set to launch a [just energy transition investment platform during COP28](#).

Matteo Rivellini highlighted three key achievements during their involvement with the initiative. Firstly, there has been successful engagement with a broader spectrum of stakeholders, extending to the local level. The initiative played a crucial role in bringing the topic to environments that were not always receptive, thereby increasing awareness. Secondly, there has been a notable reduction in the gap between the European Union and Western Balkans and Ukraine countries, fostering collaboration among local, regional, and national authorities. Thirdly, the Initiative has played a vital role in contributing to the development of numerous country and regional action plans. It has actively localised the agenda while at the same time assisting in the formulation of these plans.

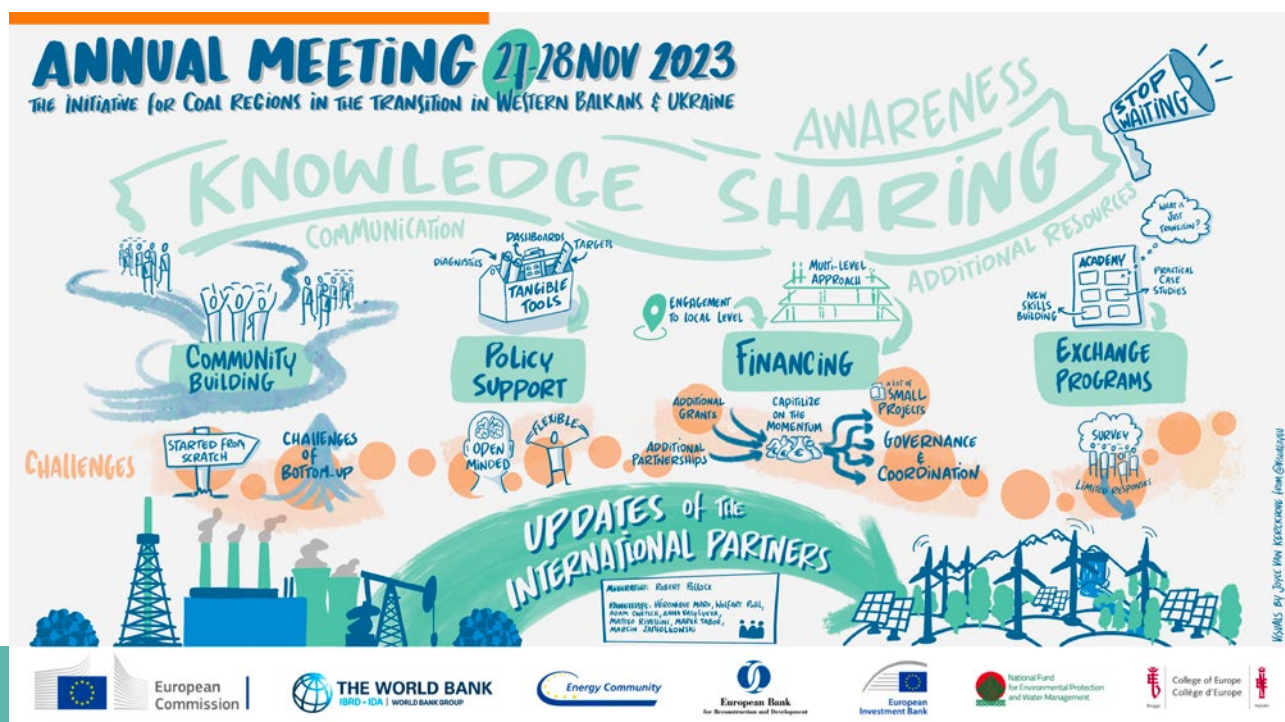
Marek Tabor also presented updates on the [Coal Regions in Transition Learning Academy](#) which includes six online courses related to just coal transition, enhancing knowledge dissemination within the initiative. **Marcin Jamiołkowski** also introduced their contribution to the initiative mentioning that they have been key in facilitating study visits in Poland, allowing for exchanges of best practices among participants. Marcin emphasised the significance of cultivating strong partnerships for future endeavours within the initiative.

In the latter part of the panel discussion, the focus shifted to discussing the challenges encountered during

the implementation of the initiative. **Véronique Marx** highlighted the initial hurdles faced by the initiative which had to build a community from scratch in uncharted territory and particularly with a bottom-up approach. The invasion of Ukraine also emerged as a significant drawback for the initiative's activities at a certain point. **Adam Cwetsch** echoed this sentiment, acknowledging that although the platform was not originally designed for wartime, it effectively adapted to engage with Ukrainian municipalities and civil society up until this day.

Looking ahead, lessons learnt emphasised the critical role of keeping the community alive, communication, knowledge and lessons sharing, capacity building for advancing towards a just transition. **Anna Vasylieva** underscored the urgency of implementation, stating that timelines, plans, and phase-out dates are already in place, urging collective action instead of waiting. Anna also expressed readiness from the Bank's side to mobilise grants, loans, and other instruments to provide support.

During the Q&A session, stakeholders inquired about financing opportunities for initiatives within their regions. The Principals provided diverse responses based on the needs and eligibility of their organisations. Additionally, questions arose about the future of the initiative and the timeline for upcoming activities. **The European Commission** revealed plans to continue the initiative, however in the next phase the initiative will have a different format and it will be run by DG NEAR. This phase will most likely start at the end of 2024, and it will broaden the scope to include energy-intensive industries.



Day 2, Tuesday 28 November 2023

Panel discussion 1 – The role of peer exchange in facilitating the just transition, 9:30 – 11:30 CET

Moderated by:

- **Carsten Rothballer**, Secretariat of the Initiative for coal regions in transition in the Western Balkans and Ukraine

Panellists:

- **Igor Golubović**, Head of Business Transformation Office at the RUPV Coal Mine Pljevlja, Montenegro;
- **Ognjan Pantić**, Programme Manager for Energy, Climate and the Environment at the Belgrade Open School, Serbia;
- **Mirnes Mujkić**, President of the Trade Union of RMU Banovići Miners, Bosnia and Herzegovina;
- **Olena Kasianchuk**, Head of the Lytovezh Territorial Community, Ukraine;
- **Karla Sitar**, Head of Development and Economy Department, Municipality of Velenje, Slovenia

Key takeaways:

The keynote presentation by **Carsten Rothballer** outlined the Initiative's Exchange Programme and featured eight fully facilitated exchanges in 2022 and 2023 involving approximately 250 participants, emphasising the significance of peer exchange for knowledge sharing. Key messages and lessons from the exchanges focused on transition governance, stakeholder engagement, economic diversification, regional development, infrastructure sustainability, and sustainable energy transition, with detailed insights soon to be accessible through the report titled 'Inspiring a just transition: Recommendations and lessons learnt through the exchange programme for decision-making and taking action', which will soon be available on the Initiative's website.

The session then continued with the speakers' interventions, in the first round each of them were asked what recommendations or lessons learnt they took away from the

exchange programme that can inspire decision-making and taking action on a just transition.

Igor Golubović conveyed that, for him, the most crucial lesson was recognising the importance of deciding on a coal phase-out in the just transition process, emphasising the need for clear and transparent strategies and concluding that a just transition should be viewed as an opportunity rather than a threat. **Karla Sitar** who participated in the exchange not only with Pljevlja under the CRIT WBUA exchange programme, but also with the regions from Poland and Germany, concluded the exchange is crucial in the just transition process.

She outlined ambitious sustainability goals for Velenje and Slovenia, including a coal phase-out by 2033, aiming for climate neutrality by 2030, obtaining the Green Leaf title in 2024. However, the closure of the last coal mine in Šoštanj will lead to 5 000 job losses, necessitating the decarbonisation of the district heating system, transitioning to renewables, energy renovation of buildings, and a focus on city growth, education, new job opportunities, and support for startups and entrepreneurs.



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Ognjan Pantić explained that the Civil Society Organisation (CSO) took the lead in the Serbian delegation due to initial interest solely from the Trade Unions Confederation, later joined by the Ministry, reinforcing their commitment to the exchange; this coincided with the government's efforts in developing the NECP and the National Energy Strategy, making the exchange a valuable opportunity for learning from EU counterparts. **Olena Kasianchuk** expressed that their visit to Poland enabled her to understand how 'inactive' regions can be rejuvenated. They are currently involved in the closure of the last mines and are collaborating with the National government to transfer all assets to the local territorial unit for revitalisation purposes.

Mirnes Mujkić stressed the pivotal role of Coal Mine Banovići, providing around 85 % of jobs in the Municipality. Thanks to the [Aarhus centre](#) and [FES \(Friedrich-Ebert-Stiftung\)](#), in collaboration with CRIT WBUA Secretariat, they participated in exchange visits with the Ústí region in Czechia, and Velenje in Slovenia. Post-exchange, their main goals involved communicating the ongoing transition to miners, initiating consultations on heating system renovation, and beginning efforts on reskilling. He also outlined the Municipality's upcoming initiatives, focusing on entrepreneurship incentives, an 8.8 MW solar power plant construction, expressing a commitment to renewable energy, and concluding with the perspective that the transition is not only a challenge but an opportunity for positive transformation.

In the second part of the session, speakers were asked to address lessons learnt related to the transition governance and strategy, stakeholder engagement and communication.

Karla Sitar shared that they gained insights from the Polish experience, recognising that the Slovenian approach of dividing the just transition fund among eight Ministries, rather than centralising it, led to numerous implementation challenges. Additionally, through a bottom-up approach, they successfully persuaded the government to incorporate their suggestions into the NECP. This inclusion now plays a crucial role in the planning process and guides their strategy development.

Igor Golubović underscored the importance of the Pljevlja municipality taking ownership and leading the transition process, seeking support from CSOs and other stakeholders; he noted challenges arising from ongoing fluctuations in the national government, including frequent changes in the Ministries' organisational structure, with the Office for Sustainable Development remaining a consistent element. **Ognjan Pantić** mentioned that coal activities in Serbia span across nine municipalities without centralised governance. Drawing from the experience in Jiu Valley, they expanded their perspective on stakeholder engagement in the just transition process. This broader view underscores the inclusion of various interested parties beyond environmental organisations.



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Olena Kasianchuk highlighted close collaboration with a regional military organisation and the Ministry, involving different working groups. However, the national transition fund is currently inactive due to war, necessitating a focus on local funds for their transitional efforts.

In the discussion on stakeholder engagement and communication, **Karla Sitar** stressed the importance of a dedicated team for just transition projects and effective communication with all municipal departments. **Ognjan Pantić** shared insights on limited local interest in exchange visits and workshops, emphasising the importance of addressing real issues with direct impact and moving closer to those directly affected rather than central hubs.

During the Q&A session, when asked about the social aspect of the just transition, **Karla Sitar** mentioned the existence of a reskilling programme funded through the Just Transition Fund (JTF). However, she pointed out a challenge: the shortage of miners to sustain operations until 2033, necessitating the import of workers. Together with **Igor Golubović**, she emphasised the focus on the city's growth and education, asserting that the local government must take the lead in this process. The matter of energy independence falls under the authority of the National government, making them the only authority that can lead this process.

Mirnes Mujkić shared their focus on the reskilling aspect, with educational centres adapting and offering new programmes such as the installation of photovoltaic panels. Once again, the significance of involving trade unions in the process was underlined.

Panel discussion 2 – Governance structures and stakeholder engagement for a just transition, 11:30 – 13:00 CET

Moderated by:

- **Nevena Smilevska**, Just Transition Coordinator for Western Balkans, CEE Bankwatch Network

Presentation by:

- **Wolfhart Pohl**, Lead Specialist, Environment and Geosciences, World Bank

Panellists:

- **Valentyna Moskalenko**, Adviser to the Prime Minister, Ukraine;
- **Alexandru Albu**, Head of Operations Section 2, EU Delegation in North Macedonia;
- **Oleksandr Brykalov**, Mayor of Myrnohrad, Ukraine;
- **Toni Konjanovski**, Mayor of Bitola, North Macedonia;
- **Alexandru Kelemen**, co-founder of the NGO coalition Valea Jiului Implicata; Executive director of the local governing body Association for Integrated Territorial Development (ADTI), Jiu Valley, Romania.

Key takeaways:

The session started with a presentation by **Wolfhart Pohl**, introducing the **3x3 matrix**, a conceptual roadmap encapsulating the World Bank's approach to a Just Transition. The first pillar, focused on institutional governance, highlighted



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key activities such as the strengthening of laws, policies, and regulations pertinent to coal industry transition. Inclusive stakeholder engagement was also outlined as a key strategy for envisioning and strategising coal industry transition.

Nevena Smilevska consequently introduced the panel, which was divided in two segments: national-level governance structures, and stakeholder engagement at the local level.

Valentyna Moskalenko provided insights into the ongoing Just Transition efforts in Ukraine, affirming a coordinated national approach despite the full-scale aggression. Various ministries, including those for energy, infrastructure, and the environment, collaborate under the Prime Minister's leadership. The collaboration involves both central and regional administrations, as well as NGOs actively engaged in just transition initiatives in Ukraine. In each of the Oblasts where coal mines are present, dedicated councils are overseeing the transition process. Additionally, a notable development is the establishment of the Association of Coal Mine Communities in Ukraine, comprising 15 communities. This association will play a pivotal role in representing just transition interests both at the national and local levels.

Alexandru Albu provided insights into North Macedonia's progress. The country has emerged as a frontrunner in the Western Balkans in terms of just transition, having been the first country to prepare its NECP and the first to adopt a [Just Transition Roadmap](#) in June of this year. Consequently, new structures were created, including three working groups aligned with the roadmap's key themes: economic transition, energy transition, and reskilling and human capital. The next steps involve matching project proposals with existing strategies and needs, aiming for concrete implementation.

A Just Transition Council, newly formed, will monitor the process. To enhance coordination at the local level, regional fora in Kičevo and Bitola will be established, with participants engaging in both working groups and fora to ensure alignment. The Climate Investment Funds is considering offering [USD 85 million to support the programme's implementation](#).

An investment plan is currently in preparation with the involvement of the EBRD, the Western Balkans, and the EU Commission. The plan is expected to be finalised by the end of 2023, with implementation starting in February. Funding sources include instruments such as the Instrument for Pre-Accession Assistance, the Western Balkans Investment Framework, and the upcoming New Growth Plan for the Western Balkans.

To conclude, **Nevena Smilevska** asked what the priority actions should be for building a just transition strategy on a national level. She inquired whether the initial focus should be on creating a stakeholder engagement plan, strategy development, establishing task forces, crafting a financing plan, or other components. **Valentyna Moskalenko** emphasised that all these processes at the national level should progress simultaneously, with the establishment of a supervisory board to oversee plan development and financing strategies. **Alexandru Albu** stressed the importance of starting with local stakeholders, engaging with their needs, and mapping them out. Recognising that the concept of just transition may be new to people, he underscored the significance of exchanging experiences and knowledge from regions where just transition initiatives are already underway.

On the second panel, **Alexandru Kelemen** highlighted Romania's shift from a top-down to a more localised approach to the transition. This decision was prompted by the



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country's participation in the [EU Coal Regions in Transition Initiative](#), leading to a collaborative effort with local NGOs to ensure an inclusive strategy for the next decade. This endeavour saw the formation of a [coalition](#), growing from 4 to currently 25 NGOs, and an increased emphasis on public-private dialogues with local municipalities. A governance structure was established to oversee the strategy, featuring representation from six municipalities, NGOs, and universities involved in the drafting process. Finally, Kelemen stressed that stakeholder engagement is an ongoing, continuous process: he underscored the importance of engaging these groups not only in the planning stages in the beginning, but also throughout the implementation phase.

When **Toni Konjanovski** emphasised the importance of providing accurate and transparent information, acknowledging the potential for apprehension and anxiety in the Western Balkans regarding the transition. For this reason, the municipality is actively involved in awareness-raising activities on Just Transition, on energy and environmental topics. They recognise the importance of disseminating information at all levels, from schools to universities and the workforce. However, he noted challenges in providing quick responses to external questions and requests: there is an overall lack of readily available information within the government, who rarely shares information and often is not open to dialogue with local actors.

Oleksandr Brykalov shared the unique situation that Myrnohrad is facing, as the city is situated 60 km from Donetsk, 40 km from the border, and 30 km from an active battle zone. To add to the complexity, Myrnohrad has three state-owned coal mines and various industrial sites related to coal mining. Despite the challenging situation, in 2018, together with other towns of the Donetsk Oblast, they established the [Platform for Sustainable Development](#). Such cooperation among coal mining cities will foster the implementation of the principles of sustainable development, strengthen the partnership through social and economic development of the communities, reduce greenhouse gas emissions, and overall

transform the image of territories. Brykalov highlighted the importance of having strategic documents ready to be shared, understanding that quick decision-making was essential in their rapidly changing circumstances.

During the Q&A session with the audience, several important points were raised on actively engaging various demographic groups in the Just Transition process. **Nevena Smilevska** linked this question to the recently published report on '[The State of the Youth Engagement in the Process of Just Transition in the Western Balkans](#)', jointly written by CEE Bankwatch and Generation Climate Europe.

Mayor **Toni Konjanovski** emphasised the municipality's focus on youth, acknowledging the challenge of brain drain affecting the region. In Bitola, the IT sector has shown positive outcomes, with 25 000 young people directly employed. He shared a further positive example of a German company in an industrial zone near Bitola providing several employment opportunities and hope for citizens.

Alexandru Kelemen shared that they initially misunderstood the role of the youth. They changed their approach and engaged with them by creating entrepreneurial opportunities, offering cultural experiences, and designing programmes to address both hard and soft skills to make them stay in the region. He emphasised the need to focus on youth-led local initiatives and involve youth in the implementation as well. A result of this effective approach was the photo exhibition present in the conference venue, which was a project carried out under the EU Teen4Green project on the Jiu Valley mining area 100 years ago and today, with the participation of youth.

Toni Konjanovski echoed the sentiment that divisions between generations should be avoided. He also mentioned Bitola's Youth Council actively seeking solutions for the needs of young people in the city. Finally, **Oleksandr Brykalov** provided a unique perspective: contrary to some experiences, older people in their town proved to be more proactive and engaged than in other regions.



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Panel discussion 3 – Financing the just transition and coal phase-out,

14:00 – 15:30 CET

Moderated by:

- **Anna Vasylieva**, Energy Transition Specialist, EBRD

Panellists:

- **Nevena Smilevska**, Just Transition Coordinator for the Western Balkans, CEE Bankwatch Network;
- **Jelena Miloš**, Policy Coordinator Environment, Climate Change, DG NEAR, European Commission;
- **Hubert Strauss**, Lead Economist in Urban & Territorial Development Department, Regional Development Division, EIB;
- **Anes Kazagić**, Head of Strategic Development Department, Elektroprivreda BiH;
- **Stefan Kostovski**, Regional Energy Banker, EBRD;
- **Marcin Jamiołkowski**, Deputy Director, Poland's National Fund for Environment Protection and Water Management;
- **Borys Karpus**, Mayor, Municipality of Novovolynsk, Ukraine (online).

Following an introduction by **Anna Vasylieva**, each panellist received a question focused on the financing of the just transition and coal phase-out. **Nevena Smilevska** pointed to the two main gaps with regard to financing (the gap between just transition strategies and concrete action and the gap between the countries of the Western Balkans) as well as a use case in North Macedonia where a Just Transition Action Plan has now been approved and where financing is now finally being dedicated to.

Hubert Strauss then presented the role of the EIB in the just transition, including the recently developed [EIB Global](#)

[Approach to a just transition and just resilience](#) with which the EIB seeks to support the most vulnerable territories outside the EU with a clear ambition to decarbonise. Next, **Anes Kazagić** gave insights into the steps that his coal company has been taking to facilitate the energy transition including several rounds of modernisation of their coal-fired power plants (co-fired with biomass) and investments into wind and hydro-energy. He then pointed to the investment plans for more renewable energy, also including solar PV, and repurposing of land (mines turned into plantations of short rotation coppice, creating a carbon sink) planned for the next decades and the challenge of funding that is often slowing down these ambitious projects.

Marcin Jamiołkowski then shared some financing methods from Poland where funds stemming from the EU's ETS system have been earmarked for investments into just transition projects at the local and regional level.

Next, **Stefan Kostovski** laid out the successful example of just transition planning in North Macedonia where EUR 3 billion have now been dedicated to projects in the area of renewable energy, energy efficiency, retraining, and the development of the business sector in the two most affected regions of North Macedonia. This funding will be made up from grants and concessional debt funding through the [Climate Investment Fund's Accelerating Coal Transition programme](#), Multilateral Development Banks (EBRD, World Bank, etc.) as well as private investors – all to be presented as part of the JET Investment Platform for North Macedonia. Stefan also laid out the stakeholder engagement process that led to this milestone and gave advice to other coal regions in the Western Balkans to set their ambitions clearly (through their NECPs) and to develop sound and detailed just transition plans with projects to attract financing.

Jelena Miloš then presented the new European Commission Action that will replace the [Initiative for coal regions in transition in the Western Balkans and Ukraine](#) in 2024. This new Action will be part of the new [Growth Plan for](#)



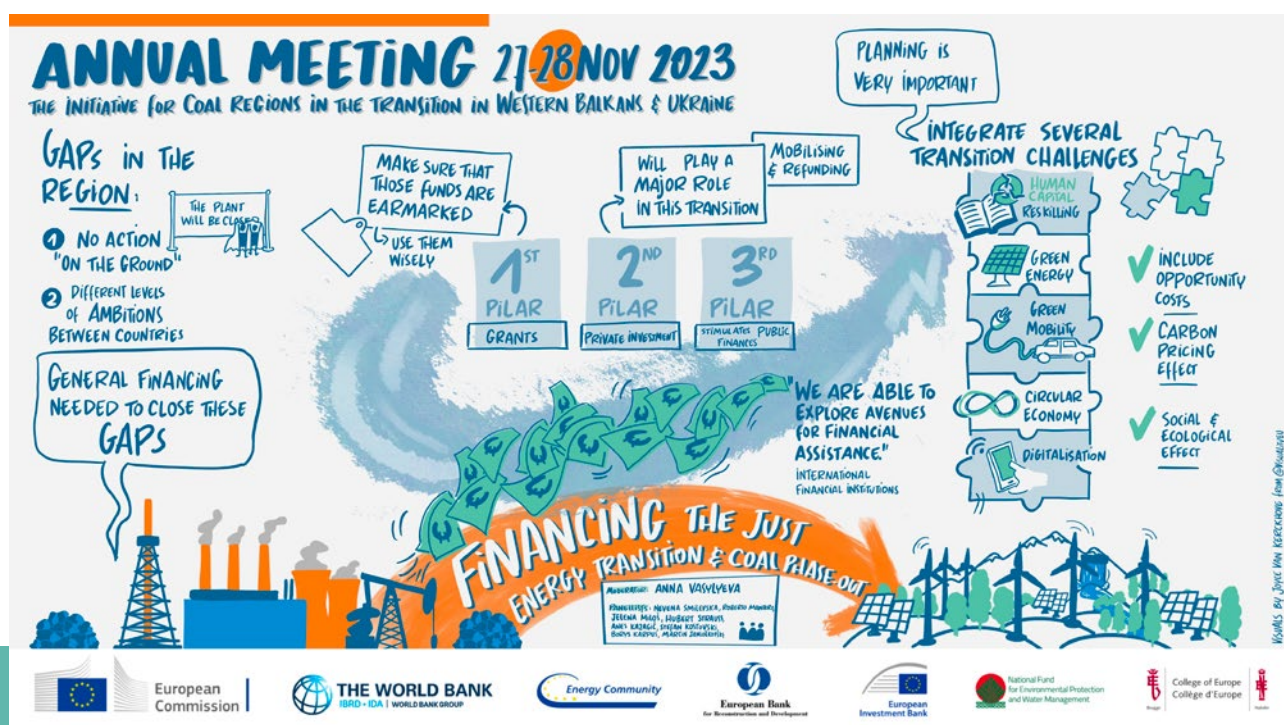
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the Western Balkans and the Reform and Growth Facility (under DG NEAR's Instrument for Pre-accession Assistance IPA 24) under which EUR 6 billion (of which EUR 2 billion are grants) will become available for (among other policy areas)¹ the integration and decarbonisation of the Western Balkan's energy markets. However, these reforms will be more strongly linked to economic reforms in the country, urging the Western Balkans to come up with a Reform Agenda by April 2024. Starting in late 2024, the new Action under IPA24 will continue to support stakeholders from the region through exchanges and capacity building and with a stronger focus on project preparation and the local level and the attraction of investments. Finally, **Borys Karpus** gave an online intervention about the financing situation in Ukraine, where coal phase-out (until 2035) is seen as a part of broader reconstruction efforts. In Ukraine, support from MDBs and private investments will be the most important sources to finance projects, starting with those focused on human capital development.

In the second round of questions, **Jelena Miloš** reiterated the need for planning for just transition, especially focusing on human capital development investment which are often harder to discern than investments into energy infrastructure. Hubert Strauss and Stefan Kostovski then both gave advice to mayor and utility companies looking for financing: first, prepare a clear strategy and action plan (approved by governments and including the views of all stakeholders); second, identify clear projects; and then, look for investors.

In a lively Q&A with the audience, concerns over the sustainability and justness of hydro projects in Bosnia and Herzegovina were raised. Furthermore, **Jelena Miloš** revealed further details about the Growth Plan for the Western Balkans and the Reform and Growth Facility which will be distributed between the countries according to GDP per capita. She clarified that only the Action (new Platform) will start at the end of 2024, while support through the **Western Balkans Investment Framework** will continue as always. **Hubert Strauss** also confirmed that **JASPERS** will continue to provide technical assistance support for just transition projects in the region. Another question on the financing of smaller scale projects in district heating and geothermal research, was answered by Hubert and Stefan who both suggested to bundle smaller, similar projects together to overcome the credit risk often present with smaller investments. Finally, a question on the human-centred approach for just transition was raised. To gain the trust of the people on the ground, **Nevena Smilevska** advised to fund 'quick win' projects that bring an immediate advantage to the local directly affected community (e.g. in the area of construction/buildings, energy efficiency, agriculture and waste management). To this, Hubert Strauss also added that circular economy projects and the relocation of government sights/buildings to the coal region are ways to gain trust in the affected region.

- 1 Free movement of goods; Free movement of services and workers; Access to the Single Euro Payments Area (SEPA); Facilitation of Road transport; Digital Single Market; and Integration into industrial supply chains



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Panel discussion 4 – Capacity building: what are the needs and what is being offered?,

16:00 – 17:30 CET

Moderated by:

- **Olaf Osica**, Director of the Centre for Eastern Studies, College of Europe in Natolin

Panellists:

- **Roberto Mantero**, Institution building, TAIEX, Twinning, DG NEAR, European Commission;
- **Magdalena Chawuła**, Mining Specialist, Global Extractives and Energy Practice, World Bank;
- **Mirnes Bajtarević**, Mayor of Kakanj, Bosnia and Herzegovina;
- **Mirza Kušljugić**, President of Managing Board, RESET;
- **Aurora Popova**, Department of Energy, Ministry of Economy, Kosovo;
- **Piotr Cofalka**, Deputy Director for Research and Development, Institute for Ecology of Industrial Areas, Poland

Key takeaways:

The session started with a presentation by **Roberto Mantero** on [TAIEX](#), a technical assistance and information exchange instrument of the European Commission, designed to assist public administrations in EU neighbouring countries in aligning, implementing and enforcing EU legislations as well as to facilitate the sharing of EU best practices. The programme is needs-driven and delivers appropriate tailor-made expertise to address issues at short notice in three ways, via workshops, expert missions and study visits. This serves as an invitation for both in-person and online attendees to submit their applications.

The panel discussion then kicked off with presentations on the achievements and ongoing efforts related to capacity building from the different representatives in the panel from

the regional, national and international organisation points of view. As such, **Magdalena Chawuła** shared valuable practical insights on the [Coal Regions Learning Academy](#), specifically on how to register, how to use it and what are the main benefits that stakeholders can gain upon the completion of the course. Furthermore, Magdalena highlighted the impactful knowledge exchanges that they organised between Bosnia Herzegovina and the USA (Appalachia) and between Ukraine and Poland, emphasising their role in fostering knowledge exchange and capacity building.

Subsequently, **Mirnes Bajtarević** presented the just transition process in his municipality. One spotlighted challenge is the lack of awareness and understanding of the notion of just transition and coal phase-out within the community, considering the deep historical connection between Kakanj and its mine. In light of it, addressing this challenge will require significant capacity-building efforts.

From the Kosovo standpoint, **Aurora Popova** presented some of the initiatives that are underway in their country, focusing on the capacity-building aspect for a just transition, which is enshrined in Objective 3 of their NECP. This objective involves training and retraining efforts in green energy-related jobs and promoting women's inclusion in the sector. Additionally, Kosovo has taken steps to support prosumers, providing subsidies to encourage their transition to renewable energy sources.

Mirza Kušljugić presented the recent paper titled '[Chaotic and fake decarbonization of power sectors in the Western Balkans](#),' which presents research on the decarbonisation of the energy sector in the region. The study is based on a survey involving over 100 experts from Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. In the paper, they argue that the current state of affairs in the region is chaotic, mirroring the political landscape. Despite the presence of NECPs in these countries, progress does not seem to be aligning with these strategies and there is a lack of coordinated action. To advance decarbonisation, Mirza emphasises the need



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for democratisation, digitalisation, and a sustainable energy transition. Progress can be achieved through technical and financial assistance, along with solidarity for the poorer, more-vulnerable, and less-developed countries. In addition, collaboration with the EU is crucial for alignment and success.

Piotr Cofałka provided an overview of the just transition process, accomplishments, and challenges at the local, Silesian Voivodeship, and national levels in Poland. An illustrative example of their transition efforts is the transformation of the old coal mine of Katowice, which is located in the centre of the city into the [Katowice culture zone](#) which includes a museum, congress centre, orchestra, and green public spaces. In addressing capacity building, Piotr highlighted their initiatives within the region and mentioned a significant project, [V4RIT-SUARR \(V4 Regions in Transition Supporting Ukraine Redevelopment and Reconstruction\)](#), aimed at enhancing capacity in Ukraine. Drawing from their experiences in the Silesian Voivodeship with closure of mines and plants, Piotr emphasised the applicability of this knowledge to neighbouring countries which have similar transition challenges in the regions, such as in the west of Ukraine. He underscored the importance of scientific cooperation, citing collaborative efforts with partners like the [Central Mining Institute](#) in Poland.

Continuing the conversation, **Mirnes Bajtarević** stressed the vital importance of building-up capacities, placing it on par with the necessity for financing and a robust legal framework. Regardless of the availability of funds, Mirnes suggested taking a step back and involving much more academia, citizens, and other stakeholders in order to enhance the human capital and knowledge required for full implementation. In this context, Mirnes praised the CRIT

WBUA Initiative as a valuable effort to enhance capacities in the region, emphasising the importance of its continuation for optimal outcomes in the ongoing transition.

Aurora Popova mentioned that since they are a relatively new country, they are still in the process of learning themselves of how to do a just energy transition. From the national standpoint, she highlighted that there is availability of funds and there are many investment windows but what they miss is the power of absorption for this fund and they are learning this in Kosovo. In addition, she mentioned that the key ingredient for a successful transition lies in the interconnectedness of promotion and implementation, necessitating collaboration between local, central levels, and academia. In her role at the Ministry, she highlighted their commitment to openness to actively engage with stakeholders in every legislative process by conducting numerous consultations to ensure inclusivity and transparency.

To conclude, **Mirza Kušljagić** provided a positive example, citing his hometown Tuzla where chemical production ceased during the war, leading to the loss of around 4 000 jobs but that managed to recover by diversifying their economy. The lessons learnt from Tuzla, according to Mirza, include the need for a mayor with a clear ambition, followed by a strategic plan, a team of experts, and the necessary capacities. In Tuzla, this approach resulted in the development of a new sector – tourism. Mirza highlighted that this transformation, including the creation of four recreational lakes, was achieved without assistance from international financial institutions, loans, or external support. He offered a suggestion to mayors: focus on small fixes and projects as they can bring about significant positive changes.



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Closing remarks,

17:30 – 18:00 CET

Closing keynote speeches by:

- **Véronique Marx**, Just Transition Team Leader, DG ENER, European Commission;
- **Richard Masa**, Head of Sector for Western Balkans Investment Framework, DG NEAR, European Commission

Key takeaways:

Véronique Marx emphasised the just transition community's growth and the mutual learning achieved through the last three years of the Initiative. She stressed the significance of building communities and fostering connections between the stakeholders from the EU and its candidate countries on just transition. Legislative efforts in the Western Balkans and Ukraine have been substantial, with the European Commission committed to supporting their path to EU membership and climate neutrality.

Richard Masa outlined the newly proposed [Growth Plan for the Western Balkans](#), featuring a financial package of EUR 6 billion for 2024–2027, emphasising a green and just transition in the energy sector. The plan includes a financial package of EUR 6 billion, with EUR 2 billion in grants and the rest through loans for 2024–2027, conditional on socio-economic and political reforms. The Reform and Growth Facility within the package focuses on accelerating the green transition, particularly through the implementation of NECPs. The Economic and Investment Plan, with WBIF as the primary financial vehicle for the energy sector, was emphasised, along with plans for a just transition initiative starting in 2024 under IPA 2024, targeting the private sector, IFIs, municipalities, and support pilot projects in regions looking to phase out coal and carbon-heavy industries.

The European Commission reaffirmed its unshakeable support for Ukraine, with the most recent payment in October bringing the total support to nearly EUR 83 billion. Furthermore, they have proposed an [additional allocation of up to EUR 50 billion for the future period until 2027](#).



Authors:

Secretariat of the Initiative for coal regions in transition in the Western Balkans and Ukraine.



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