



Centar za
životnu sredinu



How to hit the ground running on just transition in the Western Balkans and Ukraine

Recommendations for the Secretariat of the Initiative for Coal Regions in Transition in the Western Balkans and Ukraine

15 July 2020

We welcome the European Commission's (EC) work to advance the Initiative for Coal Regions in Transition (CRiT) for the Western Balkans and Ukraine (Platform), a timely opportunity to realise the region's potential to shift towards more sustainable, inclusive and resilient development, allowing a better quality of life and a healthier environment.

As the tender for operating the Secretariat of the Platform is closing this week, we would like to highlight a set of recommendations based on our previous experience with the Coal Regions in Transition Initiative in Central and Eastern EU Member States. These should ensure the smooth functioning of the new initiative, accepted and adhered to by all parties involved.

Transparency above all

First and foremost, we underline that considerable attention needs to be given to **transparency in all of the Platform's and Secretariat's future actions**. Transparencyⁱ is essential for the credibility of the Initiative for CRiT in the Western Balkans and Ukraine. It will help to ensure that the Pilot Regions are selected in a transparent manner and that all relevant stakeholders can be fully involved in the further process of transition within the Pilot Regions.

We urge the Commission to make **the Partnership Principleⁱⁱ a mandatory part of the initiative** and to put in place conditions to ensure that all stakeholders are involved, from selection of Pilot Regions to project selection and implementation. Although the EU Platform for Coal Regions in Transition has become more participatory over time, the country teams - where important decisions are made - remain open only to those recommended by national governments. It is therefore essential that the Commission insists on the **participation** of at least two representatives from local and international civil society in all the country team meetings facilitated by the Platform.

Especially given the unfortunate context created by the COVID-19 pandemic, we recommend that one of the first actions of the Secretariat be the creation of an **online hub, to increase the visibility of the Platform and to promote its transparency**. The hub should disclose all projects put forward by the Pilot Regions, also indicating to which funds projects are connected and how they assist the transition to a low carbon economy. Equally, the online hub should also be a knowledge hub. A wealth of knowledge has already been generated across Europe and we believe that information and lessons learned from and beyond regions where the transition is already taking place should be shared.

We would recommend that **pilot coal regions have an obligation to report on the activities** developed in the context of the Platform. Participant countries need to be held accountable and stakeholders should be able to monitor progress.

Funding the transition

Regarding funding for the just transition of coal regions, which we imagine either as a Just Transition Fund (equivalent to the EU level one) or as grant-based co-financing for local development measures, supported by European funds, the EIB, the EBRD and others, it should fulfill several criteria:

- These must be based on **participatory and transparent local development plans**, created bottom up.
- Such **funds cannot be used to support any kind of fossil fuel investments** (not only coal but oil or gas), nor other investments likely to hinder the achievement of EU policy objectives, such as waste incinerators. Gasification of countries like Montenegro or Kosovo, that currently have very low use of gas in their energy mixes and are not connected to international pipelines, would be nothing but a distraction from the real transition of the coal regions. According to the 2019 [Carbon Budget](#), the global increase of greenhouse gas emissions is currently driven by gas and oil projects, so connecting completely new countries to gas pipelines at this stage is very much the same as allowing them to build new coal-fired power plants. The jobs created in high carbon industries are not sustainable, and they will need to be replaced again in a decade.
- The funding should be governed by the Partnership Principle
- The **allocation of funds** to coal regions must be fair, ie. it should **reflect the magnitude of the transition challenge**.
 - More funds should go to NUTS-3 level regionsⁱⁱⁱ whose economy and population are currently more dependent on coal.
 - It should reward climate ambition, giving more money to countries committing to clear mine closure and coal phase-out dates.^{iv}

Good practice to follow

Nearly three years after first engaging with the Platform for Coal regions in Transition on the EU level and contributing to the improvement of some of the processes along the way, we have collected a series of positive examples that should inspire regions in the Western Balkans and Ukraine.

Firstly, we have seen that effective participation procedures help overcome entrenched positions and ensure the necessary support for the transition. In **Slovakia**, *'The Transformation Action Plan for coal region Upper Nitra'* was prepared by a consulting company but is largely based on inputs from local communities in Upper Nitra, who have been organising in working groups to prepare scenarios for the transformation of the region since 2018. The Action Plan confirms the rejection of a new mine at the Novaky

coal complex, which private company Hornonitrianske bane Prievidza (HBP) was intent on opening. Locals' inputs have resulted in a plan that aims for „developing economic activities in symbiosis with a clean environment”^v.

Secondly, having an institution responsible for the transition is the key for good plans to be put into practice. As is the case for most Western Balkan countries, **Romania** is a centralized state which lacks regional authorities with enough power to be able to lead the transition. In order to overcome this challenge, NGOs supported the towns in Jiu Valley to set up a coalition for this purpose. This collaboration became official when the six mayors signed a Memorandum of Understanding in July 2019 in Brussels, during a Coal Platform meeting, and was put to use a few months later, when they applied together for technical assistance to identify redevelopment projects.

We express our readiness to be a watchful but constructive partner to the Secretariat, the EU, the Energy Community and IFIs in the shaping and functioning of the Platform.

Sincerely,

Balkan Green Foundation
Centar za Ekologiju i Energiju
Centar za životnu sredinu
CEE Bankwatch Network
Climate Action Network – Europe
CEKOR
Ecoaction
Green Home
The Green Tank

ⁱ Including, but not limited to: clear and publicly available selection criteria for the regions and projects, clear criteria for the selection of members of the country teams, publicly available agendas and minutes of the meetings etc.

ⁱⁱ The [European Code of Conduct on partnership](#) has proven to be a useful tool within the EU on Structural and Cohesion Funds, and needs to be a binding condition for any funding for just transition in the Western Balkans and Ukraine as well.

ⁱⁱⁱ In the countries where NUTS region definition exists (eg. Montenegro, North Macedonia, Serbia) and apply the same criteria for NUTS 3 in countries where they are not defined yet: <https://ec.europa.eu/eurostat/web/nuts/nuts-maps>

^{iv} More detailed comments with regard to the EU Just Transition Fund that may also be applicable to the Western Balkans can be found in Bankwatch's input to the recent consultation [here](#).

^v <http://www.just-transition.info/slovak-government-to-approve-today-just-transition-plan-for-upper-nitra>