

# Financing possibilities for just transition in the Western Balkans



Entrance to Rembas mine near Despotovac, Serbia. Photo: Kalpis via Adobe Stock

## Executive summary

The just transition of coal-dependent communities in the Western Balkans is moving forward very slowly, due to a lack of funding and clarity about how exactly to prepare.

For several years, Bankwatch and our partners have advocated for a dedicated Just Transition Fund for the region. In response, the European Commission and international financing institutions often name existing instruments which can be used to fund community redevelopment of coal regions.

This briefing provides an overview of such instruments, focusing on those directly available to municipal authorities, since their needs are often not prioritised by central governments.

Although it originated as an overview of how local authorities can access specific funds for just transition, the main finding is that it would currently be very difficult for them to secure sufficient grants from these sources for such a major and unfamiliar undertaking. We conclude that earmarked funding for just transition of

For more information

**Nevena Smilevska**  
Just Transition Coordinator for  
Western Balkans  
CEE Bankwatch Network  
[nevena.smilevska@bankwatch.org](mailto:nevena.smilevska@bankwatch.org)

Learn more: [bankwatch.org](https://bankwatch.org)



coal-dependent municipalities is greatly needed and that it needs to be accompanied by technical assistance to substantially support the process.

To that end, the new multiannual financial framework (MFF) for the period 2028 to 2034 needs to include an instrument to help local authorities in the Western Balkans deal with the effects of the transition away from fossil fuels. This instrument can take various shapes – earmarked funding in the Instrument for Pre-Accession Assistance (IPA) with direct access for local authorities, inclusion of the Western Balkans in the already existing EU Just Transition Fund or a new instrument. What is important is to provide such funding and ensure easier access for coal-dependent municipalities.

## Introduction

The just transition of coal-dependent communities in the Western Balkans is moving forward very slowly, due to a lack of funding and clarity about how exactly to prepare. The fact that coal-dependent municipalities generally have little to no say in the future of coal-related activities in their vicinity, nor in national-level funding allocations, further complicates the picture, yet it is they who will be on the front line of forthcoming changes in their communities.

The EU's Coal Regions in Transition initiative for the Western Balkans and Ukraine<sup>1</sup> brought together stakeholders and created interest among municipal authorities to prepare for a just transition, but a long hiatus between the end of its first phase in December 2023 and its successor, which will start work only in the second half of 2025, makes the process even more difficult.

The European Commission and international financing institutions (IFIs) very often state that even though there is no dedicated just transition fund for the Western Balkan countries, funding for this purpose is available through various instruments. When asked for details, they list several funds, but for stakeholders from the ground, particularly municipal authorities – the ones who need them most – it is very difficult to find clear information about them online.

For the purposes of this briefing, we took note of the instruments mentioned by IFIs and the European Commission on several occasions and checked which sources are available to municipal authorities and for which purposes.

Although we reviewed numerous instruments, in the following sections, we present only those that can be potentially used directly by local authorities for financing of just transition-related activities or other economic diversification activities:

- Instrument for Pre-Accession Cross Border Cooperation (IPA-IPA CBC)
- Technical Assistance and Information Exchange (TAIEX)
- High-Impact Partnership on Climate Action (HIPCA)
- Joint Assistance to Support Projects in European Regions (JASPERS)

---

<sup>1</sup> European Commission archived pages, [Coal regions in transition for Western Balkans and Ukraine](#), Publications Office of the European Union, accessed 20 December 2024.

- Land Utilization Rating Application (LURA)
- Swedish International Development Cooperation Agency (Sida)
- Japanese embassies (others may have funds available but do not provide clear online information or have different priorities per country)

More details on the methodology are provided in Annex I, while some of the other funds reviewed but not considered usable by local authorities, or at least not for just transition, are listed in Annexes II and III.

This research provides a strong reality check on the difficulties that local authorities face in securing funding, leading to a conclusion that more, specifically earmarked grant funds are desperately needed. These need to be directly available to local authorities and backed by strong technical assistance to help guide the just transition planning process.

## EU funds

Local authorities from EU Member States have several options for support of their just transition endeavours:

- the Just Transition Fund<sup>2</sup>
- technical assistance from programmes like START<sup>3</sup> and STEP,<sup>4</sup> as well as the other two pillars of the Just Transition Mechanism<sup>5</sup>
- non-dedicated funding streams such as the Recovery and Resilience Facility.<sup>6</sup>

However, none of these are available for the Western Balkan countries, who have access to the Instrument for Pre-Accession Assistance (IPA),<sup>7</sup> as well as technical – such as TAIEX<sup>8</sup> and Twinning<sup>9</sup> – and blending facilities – such as the Western Balkans Investment Framework (WBIF).<sup>10</sup>

In this section, we look at only two types of instruments: those which offer grants to municipalities and do not require state-level support to be applied for. This approach stems from our previous research,<sup>11</sup> where

---

<sup>2</sup> European Commission, [Just Transition Fund](#), *European Commission*, accessed 10 December 2024.

<sup>3</sup> European Commission, [Secretariat's Technical Assistance for Regions in Transition](#), *European Commission*, accessed 10 December 2024.

<sup>4</sup> European Commission, [Strategic Technologies for Europe Platform](#), *European Commission*, accessed 10 December 2024.

<sup>5</sup> European Commission, [Just Transition Mechanism](#), *European Commission*, accessed 10 December 2024.

<sup>6</sup> European Commission, [Recovery and Resilience Facility](#), *European Commission*, accessed 10 December 2024.

<sup>7</sup> European Commission, [Instrument for Pre-Accession Assistance](#), *European Commission*, accessed 10 December 2024.

<sup>8</sup> European Commission, [TAIEX](#), *European Commission*, accessed 10 December 2024.

<sup>9</sup> European Commission, [Twinning](#), *European Commission*, accessed 10 December 2024.

<sup>10</sup> Western Balkans Investment Framework, [Western Balkan Investment Framework](#), *Western Balkans Investment Framework*, accessed 10 December 2024.

<sup>11</sup> CEE Bankwatch Network, [How to advance a just transition in the Western Balkans: Recommendations for the EU and national institutions](#), *CEE Bankwatch Network*, 2024.

some local campaigners noted that municipal authorities face difficulties in getting their just transition efforts prioritised – for realistic or political reasons, depending on the case.

Even if that were not so, local authorities need to be able to individually apply for projects to improve their community's standard of living, resilience and climate readiness. Therefore, we looked at instruments that are not earmarked for just transition but can help create an enabling environment and improve the overall readiness of municipal authorities in coal-dependent regions to deal with the process in a just way.

### Instrument for Pre-Accession Cross Border Cooperation (IPA-IPA CBC)

For the Instrument for Pre-Accession (IPA) we only list the cross-border cooperation programme between accession countries listed in the IPA III Regulation.<sup>12</sup> This is because for just transition activities, coal-dependent municipalities need to act in their own name and be the sole beneficiary of such an action. This may be difficult with the other IPA instruments where the country priorities are decided on at the national level and projects of higher importance for central governments get priority for funding.

With only 3.51 per cent<sup>13</sup> of IPA III dedicated to Window 5, where cross-border cooperation is included, and just transition not being mentioned in the horizontal priorities in Article 6(2) of the IPA III Regulation,<sup>14</sup> it may seem that preparing for a just transition away from coal is not part of IPA at all.

However, the overall goal of a just transition is to improve life in the community – from introducing new services, to creating space for tourism and improving the climate for small and medium enterprises whose work may or may not be related to the energy sector. Any of these activities would support the municipality in reducing its dependence on coal-related facilities by creating jobs and income independently of them and providing opportunities to shift its identity towards other fields. Thus the cross-border programme can make a contribution to community redevelopment, even without being labelled as 'just transition'.

Furthermore, other cross-border cooperation options exist with EU Member States (for Western Balkan countries that border the EU)<sup>15</sup> where there are also opportunities to include just transition and get support in solving at least some issues.

Knowing what to put forward as a priority for financing in this (or any other) type of grant would be much easier if the coal-dependent municipalities had territorial just transition plan equivalents (TJTP-equivalents)<sup>16</sup> that would support both their fundraising staff and potential partners in offering cooperation for the most relevant projects.

---

<sup>12</sup> European Parliament, [Regulation \(EU\) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance \(IPA III\)](#), OJ L 330, EUR-Lex, 20 September 2021.

<sup>13</sup> European Commission, [Commission Implementing Decision of 10.12.2021 adopting the Instrument for Pre-Accession Assistance \(IPA III\) Programming Framework for the period 2021-2027](#), European Commission, 66 accessed 10 December 2024.

<sup>14</sup> [Regulation \(EU\) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance \(IPA III\)](#).

<sup>15</sup> European Commission, [Commission Implementing Decision of 10.12.2021 adopting the Instrument for Pre-Accession Assistance \(IPA III\) Programming Framework for the period 2021-2027](#), 56. In addition to the IPA-IPA CBC programme, this Commission Implementing Decision also lists the Cross-Border Cooperation between IPA III beneficiaries and Member States (Interreg-IPA CBC) and European Regional Development Fund (ERDF) transnational and interregional cooperation programmes.

<sup>16</sup> CEE Bankwatch Network, [Local authority planning for a just transition: Why Western Balkan coal regions should create their own redevelopment plans and how it can be done](#), CEE Bankwatch Network, 2024.

**Guidance on IPA-IPA CBC** varies per call. More information per call is available on the [EU Funding and Tenders Portal](#).

Type of funding	Grant
Who issues it?	European Commission
Who is it available for? Who can apply?	Operations for funding under CBC programmes are usually selected via calls for proposals. <sup>17</sup> The goal is to <b>provide for genuine bottom-up involvement and partnerships between the public, private and community sectors</b> to create an environment conducive to sustainable socio-economic development and/or reconciliation. In all cases, the projects need to deliver clear cross-border impacts and benefits. In most cases it's not sufficient for a project to be implemented mostly on one side of the border.
Are partners needed	Yes, at least one beneficiary from each of the participating IPA beneficiaries is needed. Guidelines differ for each call for proposals. Therefore, none are linked here.
Conditions, preconditions and limitations	Being in a cross-border region listed in the call for proposals is a must for this instrument. Other criteria, conditions, preconditions and limitations can be found in each of the calls for applications, which are published separately for each combination of countries (see below).
What can it be used for? (each call has separate rules, so this table should be used only as a list of possibilities. The Joint Technical Secretariat for the relevant area should be consulted for any details)	<ul style="list-style-type: none"> <li>• Creating territorial strategies, plans or parts of plans</li> <li>• Research point (j) of the Annex 3 to the IPA Regulation<sup>18</sup> lists strengthening research, technological development, innovation and digital technologies, among others by promoting mobility and sharing human resources and facilities for research and technology development.)</li> <li>• Business/SME incubators (under point (i) which includes the promotion of and support to entrepreneurship, in particular in relation to SMEs, and the development of local cross-border markets)</li> <li>• Public services (public employment services; promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities)</li> <li>• Digitalisation</li> </ul>

<sup>17</sup> European Commission, [Commission Implementing Decision of 10.12.2021 adopting the Instrument for Pre-Accession Assistance \(IPA III\) Programming Framework for the period 2021-2027](#), 63.

<sup>18</sup> European Parliament, [Regulation \(EU\) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance \(IPA III\)](#). Full criteria can be found in Annex 3.

	<ul style="list-style-type: none"> <li>• Other—only what is relevant to just transition is extracted from Annex 3:<sup>19</sup></li> </ul> <p>(b) protecting the environment and promoting adaptation to climate change, mitigation of climate change and risk prevention and management through various actions; promoting resource efficiency and circular economy, renewable energy sources and the shift towards a safe and sustainable low-carbon, green economy, waste and water management;</p> <p>(c) promoting sustainable transport and improving public infrastructures;</p> <p>(e) encouraging tourism, especially sustainable tourism and preserving and promoting cultural and natural heritage;</p> <p>(f) investing in youths, sport, education and skills through developing and implementing joint education, vocational training, training schemes and infrastructure supporting youth activities.</p>
What does the funding issuer require from the national level?	Not applicable to this instrument – the Regulation requires that the country is in Annex I of the IPA Regulation <sup>20</sup> which applies to all Western Balkan countries.
(If applicable) Relevant rules and costs for using the instrument	The project has to take place in locations designated as cross-border regions in the country in question. Calls usually require co-financing for the project, which could be either another relevant non-EU project or a contribution from the municipal budget (e.g. salaries of designated staff). Please note that the rules for this are set in the call for proposals and may differ for each call.
How much money can be applied for	This depends on the call, but the total value of the CBC programme is set at 3.51 per cent of the available IPA funds. <sup>21</sup>
What is the intermediary or implementing agency if any?	For each of the country combinations there is a Joint Technical Secretariat which can give specific info about the implementing agency for each of the programmes: <ul style="list-style-type: none"> <li>• Bosnia and Herzegovina-Montenegro, email: <a href="mailto:infoJTS@cbc.bih-mne.org">infoJTS@cbc.bih-mne.org</a></li> <li>• Bosnia and Herzegovina-Serbia, email: <a href="mailto:office@srb-bih.org">office@srb-bih.org</a></li> <li>• Serbia-Montenegro, email: <a href="mailto:jts@cbcsrb-mne.org">jts@cbcsrb-mne.org</a></li> <li>• Serbia-North Macedonia, email: <a href="mailto:office@rs-mk.org">office@rs-mk.org</a></li> </ul>

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> European Commission, [Commission Implementing Decision of 10.12.2021 adopting the Instrument for Pre-Accession Assistance \(IPA III\) Programming Framework for the period 2021-2027](#), 66.

	<ul style="list-style-type: none"> <li>• Montenegro–Albania and Montenegro–Kosovo, email: <a href="mailto:sanja.todorovic@jts-mne-alb-mne-kos.org">sanja.todorovic@jts-mne-alb-mne-kos.org</a> (Head of office)</li> <li>• Kosovo-North Macedonia, email: <a href="mailto:info@cbc-ks-mk.com">info@cbc-ks-mk.com</a></li> <li>• Albania-North Macedonia, email: <a href="mailto:jts_mkal@yahoo.com">jts_mkal@yahoo.com</a></li> </ul>
Are there deadlines?	Yes, each call has its separate deadline. Check the EU Funding and Tenders Portal <sup>22</sup> regularly for calls.
What to know before considering this line of financing?	While this is not dedicated financing for just transition, some of the financing priorities are very supportive of creating space for relevant activities in regions bordering other candidate countries from the Western Balkans. These include, but are not limited to, promotion of the green economy, circular economy, sustainable tourism, waste and water management, investing in youth and vocational training and other areas which will make transition of the regions easier.

### Technical Assistance and Information Exchange (TAIEX)

TAIEX<sup>23</sup> is the European Commission’s Technical Assistance and Information Exchange instrument. It supports public administrations in approximation, application and enforcement of EU legislation and facilitates the sharing of EU best practices. It is largely needs-driven and provides assistance at short notice in three ways:

- **Workshops:** EU Member State experts present specific areas of EU legislation to beneficiary officials.
- **Expert missions:** EU Member State experts are sent to a beneficiary administration to provide in-depth advice on the transposition, implementation or enforcement of a specific part of EU legislation.
- **Study visits:** a group of five practitioners from a beneficiary administration take part in a study visit to an EU Member State’s administration.

The instrument is available to many countries, including the Western Balkans.<sup>24</sup> However, it is unclear whether local authorities can use it directly or need ministries to apply on their behalf. Although just transition is not mentioned anywhere in the priority areas, it may be useful to explore the use of this instrument for sharing experience and getting technical assistance to better prepare Western Balkan municipalities for the transition. Support for organising participatory planning and consultation processes, as well as topics connected to the transition, such as climate change (e.g. adaptation), agriculture, circular economy, renewable energy and energy efficiency and other fields, can serve as preparation for the just transition of a region or municipality.

<sup>22</sup> European Commission, [EU Funding & Tenders Portal](#), *European Commission*, accessed 10 December 2024.

<sup>23</sup> European Commission, [TAIEX](#), *European Commission*, accessed 10 December 2024.

<sup>24</sup> Ibid.

The **TAIEX guidelines** are available at [this link](#). A summary is given in the table below.

Type of funding	Technical assistance
Who issues it?	European Commission
Who is it available for? Who can apply?	<p>It is available for:</p> <ul style="list-style-type: none"> <li>• Civil servants, principally in central public administrations;</li> <li>• Judiciary and law enforcement authorities;</li> <li>• Civil servants working in Parliaments and legislative councils;</li> <li>• Representatives of social partners, trade unions and employers' associations.</li> </ul> <p>Note: TAIEX does not provide direct support to civil society, individuals or companies.</p> <p>Who can apply:</p> <p>Officials in line ministries dealing with community legislation, staff from regulatory or supervisory bodies and inspectorates, officials in notified bodies which implement or enforce legislation as well as officials in Parliaments, the judiciary and law enforcement agencies.</p>
Are partners needed?	No.
Conditions, preconditions and limitations	N/A
What can it be used for?	<p>Other – offering support, sharing knowledge and providing technical assistance. The dedicated TAIEX web page mentions:</p> <p>assistance or support in all fields covered by environmental legislation (air quality, waste management, nature protection, chemicals, industrial pollution and climate change);</p> <p>the close link between environment and energy: the topics addressed include renewable energy and energy savings.</p> <p>Under ‘inclusive economy for stronger society and innovation’ it mentions, among others, social and employment policy, small and medium enterprises and industry, regional policy and structural funds, science and research, education culture, sports and youth, financial and budgetary provisions, financial control and public administration reforms.</p>
What does the funding issuer require from the national level?	National-level officials from one of the following bodies need to apply on behalf of local authorities: Officials in line ministries dealing with community legislation, staff from regulatory or supervisory bodies and inspectorates, officials in bodies which implement or enforce legislation

	as well as officials in Parliaments, the judiciary and law enforcement agencies.
(If applicable) Relevant rules and costs for using the instrument	N/A
How much money can be applied for	N/A
Who/which department to contact for information?	<a href="mailto:NEAR-Taiex@ec.europa.eu">NEAR-Taiex@ec.europa.eu</a>
Are there deadlines?	N/A
What to know before considering this line of financing?	While just transition is not mentioned anywhere in the rules, other relevant topics are included, such as public participation in planning and decision-making, climate change (adaptation is particularly relevant to just transition), agriculture, circular economy, renewable energy and energy efficiency and other fields that can serve as preparation for the just transition of a region or municipality.

## High-Impact Partnership on Climate Action (HIPCA)

The High-Impact Partnership on Climate Action (HIPCA)<sup>25</sup> was launched at COP26 in 2021. It was developed by the European Bank for Reconstruction and Development (EBRD) in collaboration with Austria,<sup>26</sup> Finland,<sup>27</sup> the Netherlands,<sup>28</sup> Switzerland,<sup>29</sup> the TaiwanICDF<sup>30</sup> (International Cooperation and Development Fund) and the United Kingdom.<sup>31</sup>

<sup>25</sup> European Bank for Reconstruction and Development, [High Impact Partnership on Climate Action Partnership Framework](#), *European Bank for Reconstruction and Development*, June 2021.

<sup>26</sup> European Bank for Reconstruction and Development, [Austria shareholder profile](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

<sup>27</sup> European Bank for Reconstruction and Development, [Finland shareholder profile](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

<sup>28</sup> European Bank for Reconstruction and Development, [Netherlands shareholder profile](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

<sup>29</sup> European Bank for Reconstruction and Development, [Switzerland shareholder profile](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

<sup>30</sup> European Bank for Reconstruction and Development, [Taipei China: EBRD donor profile](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

<sup>31</sup> European Bank for Reconstruction and Development, [United Kingdom shareholder profile](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

It is managed by the EBRD and deploys grants and concessional loans across the Bank's countries of operation in the southern and eastern Mediterranean; central Asia; eastern Europe and the Caucasus; southeast Europe; as well as central Europe and the Baltic states.<sup>32</sup> HIPCA works across eight thematic areas:

- Energy systems;
- Sustainable food systems;
- Green financial systems;
- Cities and environmental infrastructure;
- Natural capital
- Green buildings
- Sustainable connectivity
- Industrial decarbonisation

These are complemented by cross-cutting themes: energy efficiency; climate adaptation and resilience; just transition; digital solutions and gender and economic inclusion.

HIPCA's primary objectives<sup>33</sup> are to:

- i. Support investments and policy solutions that reduce or prevent greenhouse gas emissions and protect the environment;
- ii. Enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change;
- iii. Create and reinforce enabling environments that unlock the private sector to act as an agent for climate and environmental action.

Projects are guided by the EBRD's country, sectoral, and cross cutting climate strategies,<sup>34</sup> and aim to identify, test, and highlight innovative approaches and technologies, which—at scale—could enable systemic transformation.

---

<sup>32</sup> European Bank for Reconstruction and Development, [Where we are](#), *European Bank for Reconstruction and Development*, accessed 10 December 2024.

<sup>33</sup> European Bank for Reconstruction and Development, [High Impact Partnership on Climate Action Partnership Framework](#), *European Bank for Reconstruction and Development*, June 2021.

<sup>34</sup> European Bank for Reconstruction and Development, [EBRD Strategies and policies](#), *European Bank for Reconstruction and Development*, accessed 17 December 2024.

Guidance on HIPCA can be found at [this link](#), with a summary in the table below.

Type of funding	<ul style="list-style-type: none"> <li>• Grant</li> <li>• Credit</li> <li>• Blending</li> <li>• Technical assistance</li> </ul>
Who issues it?	The EBRD
Who is it available for? Who can apply?	EBRD countries of operation in the southern and eastern Mediterranean; central Asia; eastern Europe and the Caucasus; southeast Europe; as well as central Europe and the Baltic states. <sup>35</sup> The Western Balkan countries are eligible.
Are partners needed	No
Conditions, preconditions and limitations	The partnership operates across a range of EBRD instruments, so conditions need to be discussed with the national EBRD offices.
What can it be used for?	<ul style="list-style-type: none"> <li>• Research (as part of Component I of the instrument: ‘testing the adoption of innovative, low-carbon and climate-resilient technologies and processes, including the utilisation of low-GHG materials and the introduction of circular economy business models.’ The focus is on accelerating technological and digital solutions that allow benefits such as reduced pollution, more efficient delivery of public services, reduced energy and carbon intensities and more efficient use of land, water and energy.)</li> <li>• Assessments of economic development needs and potentials (investment appraisals as part of Component III)</li> <li>• Feasibility studies (as part of Component III)</li> <li>• Environmental assessments (as part of Component III)</li> <li>• Social assessments (as part of Component III)</li> <li>• Business/SME incubators (as part of Component I, HIPCA aims to channel advisory services and address barriers to help start-ups improve the efficiency of their results and access financing)</li> <li>• Services creation</li> <li>• Public services (as part of Component I support is possible to accelerate technological and digital solutions that allow various benefits including more efficient delivery of public services.)</li> <li>• Other: As part of Component II, HIPCA activities support capacity building, strengthening institutions and supporting legal and policy</li> </ul>

<sup>35</sup> European Bank for Reconstruction and Development, [Where we are](#).

	reform, to address regulatory and institutional barriers and create an enabling environment for successful project development and implementation. This includes, amongst others policy and regulatory support to municipalities to create a conducive environment for investments (point b of Component II); and technical assistance to authorities and companies for asset improvements and modernisation (point d of Component II).
What does the funding issuer require from the national level?	Any conditions need to be discussed with the country offices.
(If applicable) Relevant rules and costs for using the instrument	Can be combined with other instruments – EBRD staff should advise.
How much money can be applied for	Not noted in the instrument guidance
What is the intermediary or implementing agency if any?	Component IV: Investments (blended finance) can make use of bank intermediaries, but the other components do not involve intermediaries.
Who/which department to contact for information?	EBRD country offices in each country
Are there deadlines?	Not noted in the instrument document
What to know before considering this line of financing?	<p>Financial Instruments: The Partnership deploys a range of financial instruments, focusing on grants and concessional loans. The list of eligible instruments include, but are not limited to:</p> <ul style="list-style-type: none"> <li>i. <b>Grants</b> to support client / beneficiary technical assistance, for example in the form of capacity building, project preparation and implementation, climate vulnerability assessments, audits, and other activities.</li> <li>ii. <b>Grants</b> to support policy dialogue, for example in connection with the NDCs, the Paris Agreement Transparency Framework, as well Monitoring Reporting and Verification (MRV) frameworks in connection to the Paris Agreement.</li> <li>iii. <b>Investment Grants</b> to reduce the capital costs of a project where there are financial or commercial constraints on the use of loan financing.</li> <li>iv. <b>Incentive grants</b> to stimulate and reward sustainable investments and behaviour.</li> <li>v. <b>Concessional loans</b> to off-set high costs of early market entrants or affordability constraints.</li> </ul>

	<p>vi. <b>Credit lines and loans with incentive characteristics</b>, such as performance bonuses or interest rate reductions.</p> <p>vii. <b>Guarantees and risk sharing products</b> to expand investment outreach and launch new products.</p> <p>viii. <b>Equity</b> in the form of a capital investment in a company or project.</p>
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## Joint Assistance to Support Projects in European Regions (JASPERS)

JASPERS<sup>36</sup> is a partnership between the European Commission and the European Investment Bank (EIB). Its support is intended to enhance project quality and improve potential beneficiaries’ prospects for receiving EU grant funds or EIB loans. It combines the policy expertise of the Commission and the project experience of the EIB, and has around 120 experts with backgrounds in engineering, economics, environment and State aid. Support can be at strategic or project level, or for capacity building.

**Guidance on JASPERS** can be found at [this link](#), with a summary in the table below.

Type of funding	Technical assistance
Who issues it?	The European Commission and EIB (JASPERS) - see link below for contacts.
Who is it available for? Who can apply?	National regional and local authorities, as well as other beneficiaries of EU funds in EU, pre-accession and Eastern partnership countries.
Are partners needed	No
Conditions, preconditions and limitations	The applicant must be a potential beneficiary of EU funds (Instrument for Pre-Accession, WBIF, Reform and Growth Facility etc.). Assistance is granted for the preparation or implementation of a certain EU supported project.
What can it be used for?	<ul style="list-style-type: none"> <li>• Creating territorial strategies, plans or parts of plans</li> <li>• Technical assistance for planning</li> <li>• Research (circular economy and solid waste, energy, innovation, transport, urban development, water and wastewater)</li> <li>• Assessments of economic development needs and potentials</li> <li>• Maturing projects</li> <li>• Feasibility studies</li> <li>• Environmental assessments</li> <li>• Social assessments</li> <li>• Infrastructure (advisory role only)</li> </ul>

<sup>36</sup> European Investment Bank, [JASPERS](#), *European Investment Bank*, accessed December 2024.

	<ul style="list-style-type: none"> <li>• Energy efficiency for public buildings (advisory role only)</li> <li>• Energy efficiency for households (advisory role only)</li> </ul>
What does the funding issuer require from the national level?	Not clear <sup>37</sup>
(If applicable) Relevant rules and costs for using the instrument	JASPERS assistance is free for public authorities and promoters as the European Commission and the EIB cover the costs of the experts. <sup>38</sup> The process does not require a formal contract between JASPERS and the beneficiary, nor is procurement necessary. Where JASPERS support is provided, the beneficiary is not obliged to borrow from the EIB for the investment project, nor is the EIB obliged to cofinance the investment.
How much money can be applied for	N/A
What is the intermediary or implementing agency if any?	National Ministry of Finance or other national institution designated for contact with the EIB.
Who/which department to contact for information?	Potential beneficiaries interested in JASPERS assistance can call or email one of its offices, which can be found <a href="#">here</a> .
Are there deadlines?	N/A
What to know before considering this line of financing?	This instrument offers several options for technical assistance and should be explored by municipalities, at least through preliminary discussions.

## Land Utilization Rating Application (LURA)

Although the World Bank announced a dedicated programme for just transition for Bosnia and Herzegovina in 2024, we are not assessing it here because it is for only one country and its beneficiaries are already predetermined.<sup>39</sup>

Instead, we look at the LURA tool,<sup>40</sup> presented by the World Bank at both annual meetings of the Coal Regions in Transition for Western Balkan and Ukraine (CRiT WBUA) initiative.<sup>41</sup> LURA was presented for its role in repurposing brownfield mining sites for new sustainable uses, as an innovative tool to support

<sup>37</sup> European Investment Bank, [JASPERS support for the clean energy transition](#), *European Investment Bank*, 2023.

<sup>38</sup> Ibid.

<sup>39</sup> The World Bank, [Pilot Approaches To a Just Transition in Select Coal Regions of BiH \(P179990\). Project Information Document \(PID\)](#), *The World Bank*, 18 January 2023. The municipalities in focus are Banovići, Gacko, Ugljevik, and Zenica.

<sup>40</sup> The World Bank, [About LURA](#), *The World Bank*, accessed 10 December 2024.

<sup>41</sup> The World Bank Group, [Repurposing Mining Brownfields for New Sustainable Uses - How land repurposing supports the World Bank's Just Transition for All approach](#), *Initiative for coal regions in transition in the Western Balkans and Ukraine Annual Meeting*, 22-23 November 2022.

optimised land utilisation. It has already been used for some Western Balkan municipalities, including Živinice<sup>42</sup> in Bosnia and Herzegovina and Bitola in North Macedonia.

Local authorities need to ask the World Bank for a LURA assessment—they cannot use it themselves, but can benefit from the results. Having this kind of assessment would support any just transition plans, including a TJTP-equivalent,<sup>43</sup> in line with the World Bank’s Just Transition for All approach.<sup>44</sup>

Information about the **LURA tool** is available at [this link](#), with a summary in the table below.

Type of funding	Other – cloud base application for support of stakeholders dealing with post mine land transition management
Who issues it?	World Bank
Who is it available for? Who can apply?	The tool ‘has been developed in order to support stakeholders, organisations or entities involved with post mine land transition management.’ This can include local authorities and mine operators, who can apply separately or jointly. In some cases, endorsement from national authorities can be beneficial, but it is not strictly required.
Are partners needed	As this is a technical assistance tool, there are no guidelines indicating whether partners are needed.
Conditions, preconditions and limitations	An on-demand tool where the user needs to have an account pre-approved and created by the World Bank or the organisation that is using LURA.
What can it be used for?	<ul style="list-style-type: none"> <li>Creating territorial strategies, plans or parts of plans</li> <li>Technical assistance for planning</li> <li>Assessments of economic development needs and potentials</li> <li>Regeneration and decontamination of brownfield sites</li> <li>Services creation</li> <li>Building new facilities</li> <li>Infrastructure</li> <li>Urban/rural development</li> <li>Other (detailed spatial planning of a coal mine site)</li> </ul>

<sup>42</sup> Municipality of Živinice, [Examples of technical assistance/planned implementation of remediation and land repurposing projects](#), Initiative for coal regions in transition in the Western Balkans and Ukraine Annual Meeting in Brussels, 22-23 November 2022.

<sup>43</sup> CEE Bankwatch Network, [Local authority planning for a just transition: Why Western Balkan coal regions should create their own redevelopment plans and how it can be done](#), CEE Bankwatch Network, 2024.

<sup>44</sup> The World Bank Group, [Managing Coal Mine Closure: Achieving a Just Transition for All](#), The World Bank Group, 2018.

(If applicable) Relevant rules and costs for using the instrument	Contact the World Bank’s country offices for more information
How much money can be applied for	N/A
What is the intermediary or implementing agency if any?	Contact the World Bank’s country offices for more information
Are there deadlines?	N/A
What to know before considering this line of financing?	This is a tool for planning land use of areas that are currently coal mines. The result is a detailed map indicating where it is possible to have the following types of activities: industry, energy generation; business, recreation, tourism; forest, natural habitats; agriculture; possible water bodies. There is also the option of designating an area as unusable for any reason, e.g. it is a possible archaeological site. The tool also offers a land valuation option.

## Swedish International Development Cooperation Agency (Sida)

Sida works on assignment from the Swedish government. Any funding from Sida must therefore contribute to achieving the objectives from the government’s strategies – in this case the Strategy for Sweden’s reform co-operation with the Western Balkans and Turkey 2021 to 2027.<sup>45</sup>

The documents governing Sida’s activities<sup>46</sup> do not mention just transition as such, but emphasize a multidimensional approach to all issues, with actions contributing to more than one Agenda 2030 goal. Sida already has partnership actions that support just transition in some of the Western Balkan countries, however for more details on what is possible and what can be supported, local authorities would need to contact the Swedish embassies asking whether there are options for financing specific activities that would support local authorities or, potentially, groups of municipalities.

**Guidance on potential Sida funding** is available at [this link](#). A summary is provided in the table below.

Type of funding	Grant
Who issues it?	The Swedish Government
Who is it available for? Who can apply?	Organisations, public agencies, businesses and other legal entities, after contacting Sida for guidance on possibilities for cooperation.

<sup>45</sup> Government Offices of Sweden, Ministry for Foreign Affairs, [Strategy for Sweden’s reform co-operation with the Western Balkans and Turkey \(in Swedish\)](#), Government Offices of Sweden, Ministry for Foreign Affairs, 2021.

<sup>46</sup> Sida, [How we are governed](#), Sida, accessed 6 December 2024.

Are partners needed	Please contact Sida for guidance.
Conditions, preconditions and limitations	Sida’s work is guided by strategies, <sup>47</sup> available on this link and they are normally unable to accept spontaneous applications. Please contact Sida or the Swedish embassy in your country to find out whether you can submit an application.
What can it be used for? – all the activities listed are in line with Sida’s strategy, however none of them are listed there as such.	Other (all the activities listed are in line with Sida’s strategy, however none of them are listed in the strategies as such)
What does the funding issuer require from the national level?	Contact Sida for more details, as outlined below.
(If applicable) Relevant rules and costs for using the instrument	N/A
How much money can be applied for	This is not listed in the instructions on how to apply for financial support—it is subject to availability and needs to be discussed with Sida.
What is the intermediary or implementing agency if any?	N/A
Who/which department to contact for information?	If you have ongoing cooperation with Sida, turn to your contact person or focal point at Sida to explore the possibilities of additional financial support. Otherwise, you may turn to the Sida headquarters or the Swedish embassy in the country where the project is proposed. You may also seek a sub-grant from one of Sida’s partner organisations. For details see the guidance linked above.
Are there deadlines?	N/A
What to know before considering this line of financing?	Just transition is not mentioned as such in the guiding documents, only as part of environmental and energy-related issues. These documents also give priority to projects of regional or national importance, however it may be worth checking if your concrete idea may be funded.

## Japanese embassies in Western Balkan countries

Many embassies of developed countries offer some kind of assistance in the region. The Japanese embassies are among them, and they have a continuously open call for grants. Their Grant Assistance for

<sup>47</sup> Ibid.

Grassroots Human Security Projects (GGP) offers an opportunity to finance infrastructure development and procurement of equipment at a local grassroots level supporting basic human needs.

Since many of the local activities required to drive the just transition process forward will undoubtedly need facilities and equipment, this call from the Japanese embassies can contribute important support to improve the well-being of people affected by the transition that other project activities often do not cover. An especially interesting potential use, also mentioned in the country guidelines for North Macedonia on the link below, includes supply of equipment for vocational training courses (e.g. brick making, sewing, candle making machines - depending on the country, please see guidelines below) and agricultural training equipment (e.g. tractors, pumps, sprinklers). This can be potentially expanded for other fields, such as waste recycling, energy efficiency retrofits, installation of rooftop solar etc., although for more information the embassies should be contacted directly.

With timely customisation of educational facilities and procurement of high-quality modern training equipment, any reskilling and upskilling programmes can be started faster and produce better results. This is where GGP assistance can have a crucial role.

**Guidance on GGP assistance** can be found at the following links: [Albania](#) / [Bosnia and Herzegovina](#) / [Kosovo](#) / [Serbia](#) / [Montenegro](#) / [North Macedonia](#). A summary is in the table below.

Type of funding	Grant
Who issues it?	Embassy of Japan in Albania Embassy of Japan in Bosnia and Herzegovina Embassy of Japan in Serbia (accredited for Serbia and Montenegro) Embassy of Japan in North Macedonia Embassy of Japan in Austria (accredited for Kosovo)
Who is it available for? Who can apply?	Organisations that implement actions on a local level, such as: International or local NGOs Community-based organisations Local authorities Health Institutions Primary Schools and vocational (training) schools Other non-profit associations
Are partners needed	No.
Conditions, preconditions and limitations	N/A
What can it be used for?	<ul style="list-style-type: none"> <li>• Reskilling/ upskilling</li> <li>• Services creation</li> <li>• Building new facilities (small-scale or improving existing facilities)</li> </ul>

	<ul style="list-style-type: none"> <li>• Infrastructure (small-scale or improving existing infrastructure)</li> <li>• Urban/rural development</li> </ul>
What does the funding issuer require from the national level?	N/A
(If applicable) Relevant rules and costs for using the instrument	<p>All the proposed equipment, materials and services should be obtained from domestic providers.</p> <p>The Grant covers only the expenses of goods and services without VAT. VAT has to be borne by the grant recipient.</p> <p>‘Soft components’ (for example, training of the organisation’s staff for the proper use of donated equipment) can be financed, if combined with the main project.</p> <p>A third-party audit is required for all grants. Projects supported by the GGP scheme should be audited by an external auditor whose fee can be financed by the GGP.</p> <p>The following cannot be financed: consumable goods such as foods and medicine (except in case of emergency relief), operational and maintenance costs, administrative costs of the recipient organisation such as salary for staff members, ordinary cars (unless their use is specified), books (teaching materials, library collections, etc.), computers (unless their use is specified).</p> <p>Please note that the guidelines differ for the different countries, so please refer to the webpage of the embassy in your country for the most accurate information.</p>
How much money can be applied for	10 million Japanese Yen (JPY) (approx. EUR 60,000) in Kosovo, BiH and North Macedonia, up to 20 million JPY (approx. EUR 120,000) in Albania, Serbia and Montenegro.
Who/which department to contact for information?	Embassy of Japan in the corresponding country. See links above the table.
Are there deadlines?	Applications can be submitted all year round. Those submitted after June will be considered for the following year’s selection.
What to know before considering this line of financing?	Although it is not specifically aimed at just transition, GGP assistance targets projects that aim to meet basic human needs and those which are highly beneficial at the grass-roots level and require timely support. It is primarily designed for supply of equipment, but it can be used for education and vocational training, waste management, agriculture, etc., all of which can contribute to the just transition process.

## Conclusion

The overall conclusion of this research on financing just transition-related activities for municipalities is that funding is indeed difficult to find. While not completely unavailable, it is not earmarked for the purpose, there is very little of it and in most cases the amounts are not clearly stated. It takes a really dedicated, creative and visionary approach to make use of it. This is not likely to meet the needs of the affected municipalities. These were usually taken care of by the industry they were hosting and now find themselves in a situation of uncertainty about their future, having to lead a redevelopment process—which they have no experience of doing.

These municipalities will need all the help they can get and all the funding they can get to move forward from the dependence they have been in for many decades.

The fact that it is not easily possible to find funding for local redevelopment is another reason to **establish a just transition fund for the Western Balkan countries, earmark funding under other funds for just transition or extend the EU just transition fund to the Western Balkan countries**. The overall goal of a just transition is to improve life in the affected regions—introducing new services, creating space for tourism and improving the climate for small and medium businesses. These activities would support local authorities to reduce dependence on coal by creating jobs and income independent from the sector and giving the community an opportunity to shift its identity towards areas other than coal mining.

Furthermore, even for technical assistance tools such as TAEX or Twinning, just transition-related activities are not foreseen in their guidance documents. Even in cases where local authorities have fundraising staff, which is often not the case, it would not be immediately obvious how they could link them to the activities needed for just transition. Having a **technical secretariat to support fundraising efforts of local authorities for just transition-related issues** and encourage them to apply to all the available instruments would be a great help for the coal-dependent municipalities.

## Annex I – Methodology

Following discussion panels held during the Coal Regions in Transition for Western Balkans and Ukraine on 27 and 28 November 2023 in Brussels and meetings with selected EBRD Executive Directors, publicly available data related to funding was reviewed in detail.

The main information sources were the webpages of the relevant IFIs and the European Commission, development agencies, embassies and a database relevant for climate financing. The documents reviewed include governing strategies, manuals, guidance documents, implementing decisions and the websites of embassies of major donors in the Western Balkan countries.

The instruments which did appear to offer support for just transition were assessed against the table below, listing as much information as possible to support staff working on just transition-related issues in coal dependent municipalities.

Some of the instruments which were reviewed and could be useful, but did not apply to all the countries in the region are listed in Annex 2 of this briefing. Those that had limited or no use for just transition of municipalities but may have use related to climate change issues are listed in Annex 3. We did not list the opportunities that are directed only at the national level, considering the briefing is aimed at local authorities.

Blank table used for assessment of the instruments:

Type of funding	<input type="checkbox"/> Grant <input type="checkbox"/> Credit <input type="checkbox"/> Blending <input type="checkbox"/> Technical assistance <input type="checkbox"/> Guarantee <input type="checkbox"/> Other
Who issues it?	
Who is it available for? Who can apply?	
Are partners needed (just yes/no?)	
Conditions, preconditions and limitations	<p>E.g. for conditions and limitations: guarantee from the European Commission – who can it be issued for; other important conditions and limitations listed in the instrument rules</p> <p>E.g. for preconditions: having a roadmap, having a TJTP or TJTP-equivalent, governmental decisions, other preconditions</p>
What can it be used for?	<input type="checkbox"/> Creating territorial strategies, plans or parts of plans <input type="checkbox"/> Technical assistance for planning

	<input type="checkbox"/> Research (topic to be specified if limitations apply) <input type="checkbox"/> Assessments of economic development needs and potentials <input type="checkbox"/> Maturing projects <input type="checkbox"/> Feasibility studies <input type="checkbox"/> Environmental assessments <input type="checkbox"/> Social assessments <input type="checkbox"/> Regeneration and decontamination of brownfield sites <input type="checkbox"/> Severance pay for affected workers <input type="checkbox"/> Reskilling/ upskilling <input type="checkbox"/> Smart specialisation strategies <input type="checkbox"/> Business/SME incubators <input type="checkbox"/> Services creation <input type="checkbox"/> Building new facilities <input type="checkbox"/> Infrastructure <input type="checkbox"/> Energy efficiency for public buildings <input type="checkbox"/> Energy efficiency for households <input type="checkbox"/> Public services (can be specified if applicable) <input type="checkbox"/> Urban/rural development <input type="checkbox"/> Digitalisation <input type="checkbox"/> Other (specified)
What does the funding issuer require from the national level?	E.g. government must apply, government must approve, must have a certain level of budget, requires guarantee, (for technical assistance) can be only used as part of credit application.
(If applicable) Relevant rules and costs for using the instrument	E.g. For credit lines: commission, interest rate, other costs E.g. For grants or other instruments: essential requirements (if any)
How much money can be applied for	
What is the intermediary or implementing agency, if any?	E.g. commercial banks, central government financing department, or similar
Who/which department to contact for information?	
Are there deadlines?	
What to know before considering this line of financing?	Key considerations the researcher may come across as they read through the relevant material

## Annex II – Other useful funding possibilities

The following is a list of funding instruments that were assessed as potentially useful for just transition on a local level in Western Balkan countries, but would need further research into how they can be utilised:

- Funding from other embassies that have climate as their priority, including, but not limited to German and British embassies. The conditions and practices vary between countries, so contact the embassies directly to explore bilateral cooperation opportunities.
- EU funds such as the European Fund for Southeast Europe,<sup>48</sup> the Green for Growth Fund<sup>49</sup> and Western Balkan Investment Framework<sup>50</sup> should be explored on a case-by-case basis and in cooperation with the national level.
- KfW Development Bank<sup>51</sup> offers opportunities for municipalities, however no earmarking for just transition is visible on the webpage, therefore this needs to be discussed on a bilateral basis.

## Annex III – Funding possibilities that are not useful for just transition for municipalities, but may be useful for climate-related issues or for other stakeholders

The following is a list of funding instruments that were assessed and were not found appropriate for the current stage of just transition processes in the Western Balkan countries:

- Adaptation Fund<sup>52</sup> – Although Western Balkan countries are listed as eligible and it is possible for municipalities to apply, the projects that were funded were from long ago and it is unclear if the region is still a priority.
- Adaptation for Smallholder Agriculture Programme<sup>53</sup> – National level funding, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia are eligible.
- Climate-KIC<sup>54</sup> – Offers funding for start-ups, however limitations apply – the applicant needs to be a partner. Western Balkan countries are eligible. Based on calls for proposals.

---

<sup>48</sup> European Fund for Southeast Europe, [European Fund for Southeast Europe](#), *European Fund for Southeast Europe*, accessed 13 December 2024.

<sup>49</sup> Green for Growth Fund, [Green for Growth Fund](#), *Green for Growth Fund*, accessed 13 December 2024.

<sup>50</sup> Western Balkan Investment Framework, [Western Balkan Investment Framework](#), *Western Balkan Investment Framework*, accessed 13 December 2024.

<sup>51</sup> KfW, [KfW Development Bank](#), *KfW*, accessed 6 November 2024.

<sup>52</sup> Adaptation Fund, [Adaptation Fund](#), *Adaptation Fund*, accessed 17 December 2024.

<sup>53</sup> International Fund for Agricultural Development, [Adaptation for Smallholder Agriculture Programme](#), *International Fund for Agricultural Development*, accessed 17 December 2024.

<sup>54</sup> Climate-KIC, [Climate-KIC](#), *Climate-KIC*, accessed 17 December 2024.

- The Green Climate Fund<sup>55</sup> is available for Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia. Funding can be for municipalities, but the application process goes through National Designated Authorities (NDAs) which are government institutions, different for each country.
- The Mitigation Action Facility<sup>56</sup> is for national level funding for mitigation actions in the priority areas of energy, transport and industry and is based on calls for proposals.



*This publication has been financed by the Swedish International Development Cooperation Agency, Sida. Responsibility for the content rests entirely with the creator. Sida does not necessarily share the expressed views and interpretations.*



*Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.*

---

<sup>55</sup> The Green Climate Fund, [Green Climate Fund](#), *The Green Climate Fund*, accessed 17 December 2024.

<sup>56</sup> The Mitigation Action Facility, [Mitigation Action Facility](#), *The Mitigation Action Facility*, accessed 17 December 2024.