

In the EU it has been accepted as the norm that the coal era is coming to an end. Only six countries are yet to commit to a coal phaseout before 2030, while some southeast European countries – Greece and Slovakia – have committed to doing so even much earlier. The challenge is to plan alternatives as soon as possible and do so in a manner that is representative of the interests of workers and communities from the coal regions. Against this backdrop, the Western Balkans and Ukraine Coal Regions in Transition Platform has been established, encompassing a broad variety of institutional involvement. The Platform Initiative for the Western Balkans and Ukraine is the sister initiative of the Platform for Coal Regions in Transition, established for the EU countries in 2017 and aimed at supporting regions to move away from coal. Considerable progress has been made in the EU: a funding mechanism has been created to support coal regions to redevelop, and numerous regions in central and eastern Europe are now working on their Territorial Just Transition Plans.

The initiative for the platform derives from the Western Balkan countries' commitment to a clean energy transition, expressed in the Podgorica Joint Statement of 21 February 2019, which was complemented by a commitment to decarbonisation in line with the EU Climate Law, as expressed in the Sofia Declaration on the Green Agenda for the Western Balkans<sup>8</sup>. While some attempts have been made to start a dialogue on just transition in coal regions of the Western Balkans, mostly by civil society groups, so far none of the regions has a participatory plan for a just transformation of their mining areas. The Western Balkans and Ukraine Coal Regions in Transition Platform will hold its inaugural meeting on 10-11 December 2020. The CSOs endorsing this paper are drawing the Platform leadership's attention to four key principles which, if well taken into account and reflected in the Platform's working principles, would make the common work towards a just transition of the regions smooth, inclusive and relevant.

(I) The Platform must have clearly defined, consistent and measurable goals, set up within a clear time frame. With the announcement of the Platform, it was stated that it will aim to support coal regions in transition in the Western Balkans and Ukraine through knowledge exchange, peer-to-peer learning visits, technical assistance, access to a global learning academy for coal regions, and financial assistance for transition projects. Well-defined and realistic indicators need to be agreed and presented as soon as possible. The goals should be consistent with other processes related to the coal industry, such as the energy transition process led by the Energy Community Treaty. This is underpinned by the decarbonisation goals of the EU, including the transposition of the EU Climate Law as planned in the Sofia Declaration on the Green Agenda for the Western Balkans.

(II) The Partnership Principle must be a mandatory part of the Platform, which should put in place conditions to ensure that all stakeholders – local communities, NGOs, trade unions, educational institutions, local businesses, etc. – are involved, from participation in the Platform’s meetings, to the selection of pilot regions, to project selection and implementation. Although the sister 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. Such practices should be avoided. Concrete measures to ensure effective participation are detailed in a Europe Beyond Coal briefing from 2019, endorsed by seven NGOs<sup>9</sup>. This principle must apply on all levels downstream of the Platform. Thus, the planning processes that will kick off in the countries must take a bottom-up approach, engage communities and build ownership of the process. The processes need to be integrated, taking into account economic development but also infrastructure, education, participation and social and public policies. The local people know their needs best, so it’s imperative they be at the heart of the process. Civil society organisations, who have been defending the rights of coal affected communities for many years, should also be included, as they bring expertise on public participation and monitoring of public funds.

The participation of trade unions from day one is also essential, as they represent the workers for whom new employment must be designed. When sectoral restructuring decisions were made without their consultation, they were met with resistance, as they usually failed to meet the workers’ expectations.

(III) Funding the transition. 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, World Bank and others, should fulfil several criteria:

- These must be based on participatory and transparent local development plans, created bottomup.
- The projects supported must have a regional positive impact within the coal regions (e.g. encourage inter-municipal cooperation on joint projects).
- Such funds must exclude support to any kind of fossil fuel investments (not only coal, but also oil or gas), as well as to other investments likely to hinder the achievement of EU policy objectives, such as waste incinerators. They must move the regions from polluting to healthy and sustainable economies.
- The allocation of funds to coal regions must be fair, i.e. it should reflect the magnitude of the transition challenge: ○ More funds should go to NUTS-3 level regions<sup>10</sup>, whose

economy and population are currently more dependent on coal. ○ It should reward coal closure commitments. The Platform needs to incentivise the participating countries to set a coal phase-out date and to commit to clear mine and plants closure dates for participating regions.<sup>11</sup> Two of the Western Balkan countries – Serbia and Bosnia and Herzegovina – are still planning to build new coal fired power plants and open new lignite mining fields.

Ukraine, too, is planning to reconstruct one of the units at the Slovianska coal power plant, which has been in conservation since 1993, and extend its lifetime by 25 to 30 years. The Platform should make it very clear that such developments are incompatible with a just transition of coal mining regions, and no funding will be allocated to countries with active plans to bring online further coal capacity.

-Options for diversification of funds should be considered, e.g., creating a special fund in case a Carbon Border Adjustment tax is applied by the EU to the energy sector, which would affect the Western Balkans and Ukraine. Revenues collected through this fund could be used by the Platform to incentivize change in the respective countries.

If the countries join the EU ETS before becoming EU members, through the possible extension of the scheme to the Energy Community Contracting Parties, part of the proceeds from the purchase of ETS allowances could also be used for financing just transition. 4. All the Western Balkan countries are currently preparing National Energy and Climate Plans (NECPs) for the period up to 2030, with a view to 2050 decarbonization ambitions.

Provisions for a just transition away from coal need to be included in these plans, as well as in all local development plans. These need to be widely consulted at a stage where all options are still open. The Platform should incentivize the adoption of territorial just transition plans, which should be consistent with the NECPs. If needed, the just transition plans should go beyond the NECPs, to ensure consistency with achieving climate neutrality in the region by 2050.

Source: [bankwatch.org](https://bankwatch.org)