A Just Transition Fund for the Western Balkans

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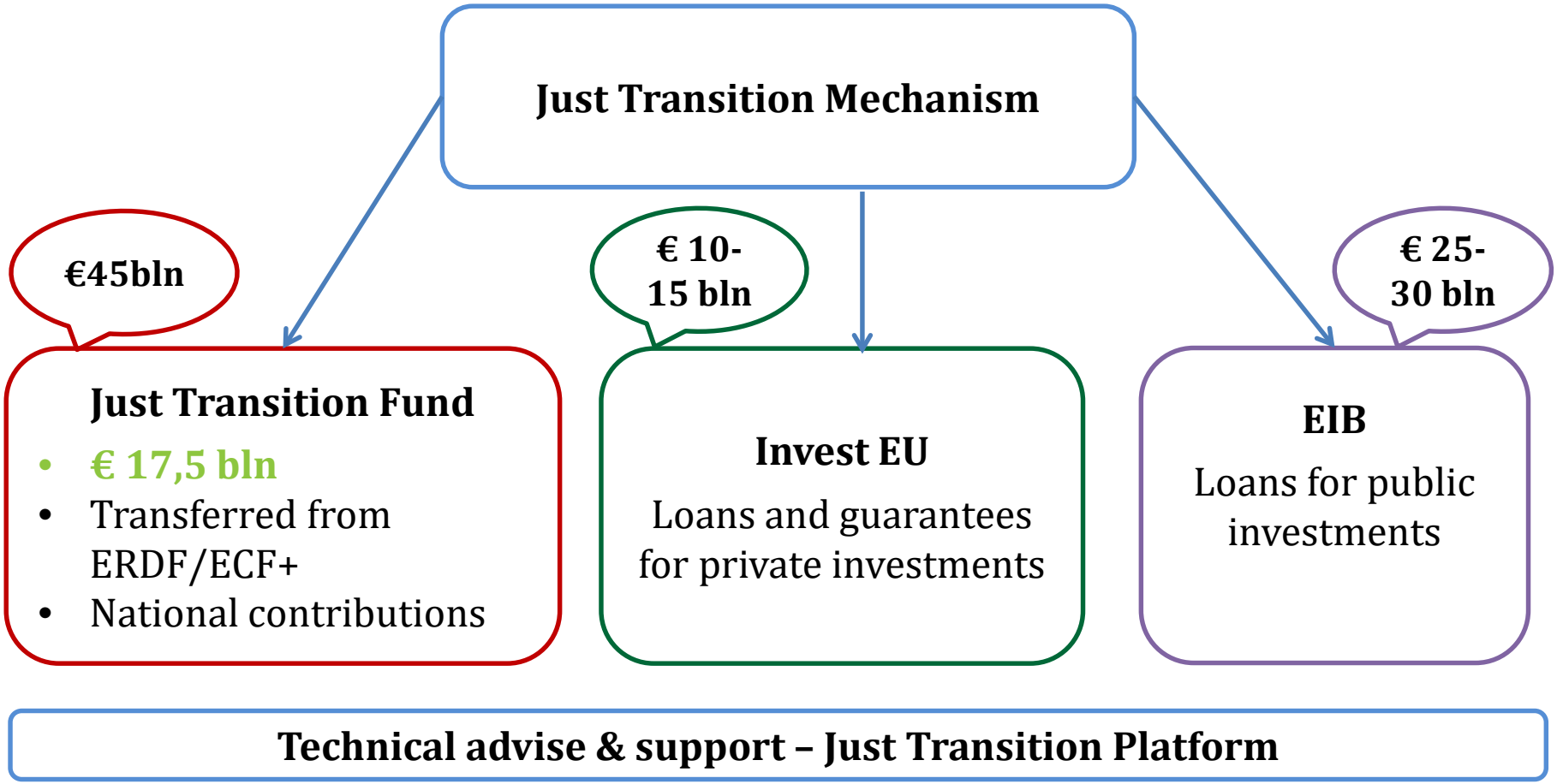
EU Just Transition Mechanism



- Up to ***€90 billion*** in 2021-2027
- Prerequisite for funding: ***Territorial Just Transition Plans***

EU JTF allocation

ANNEX I

MEMBER STATE ALLOCATIONS

	Allocations from the European Union Recovery Instrument	*Allocations from MFF resources*	*Total allocations*	*Member States' share from total*
Belgium	*95*	*71*	*166*	*0,95 %*
Bulgaria	*673*	*505*	*1178*	*6,73 %*
Czechia	*853*	*640*	*1493*	*8,53 %*
Denmark	*46*	*35*	*81*	*0,46 %*
Germany	*1288*	*966*	*2254*	*12,88 %*
Estonia	*184*	*138*	*322*	*1,84 %*
Ireland	*44*	*33*	*77*	*0,44 %*
Greece	*431*	*324*	*755*	*4,31 %*
Spain	*452*	*339*	*790*	*4,52 %*
France	*535*	*402*	*937*	*5,35 %*
Croatia	*97*	*72*	*169*	*0,97 %*
Italy	*535*	*401*	*937*	*5,35 %*
Cyprus	*53*	*39*	*92*	*0,53 %*
Latvia	*100*	*75*	*174*	*1,00 %*
Lithuania	*142*	*107*	*249*	*1,42 %*
Luxembourg	*5*	*4*	*8*	*0,05 %*
Hungary	*136*	*102*	*237*	*1,36 %*
Malta	*12*	*9*	*21*	*0,12 %*
Netherlands	*324*	*243*	*567*	*3,24 %*
Austria	*71*	*53*	*124*	*0,71 %*
Poland	*2000*	*1500*	*3500*	*20,00 %*
Portugal	*116*	*87*	*204*	*1,16 %*
Romania	*1112*	*834*	*1947*	*11,12 %*
Slovenia	*134*	*101*	*235*	*1,34 %*
Slovakia	*239*	*179*	*418*	*2,39 %*
Finland	*242*	*182*	*424*	*2,42 %*
Sweden	*81*	*61*	*142*	*0,81 %*
EU 27	*10 000*	*7 500*	*17 500*	*100,00 %*

Allocations in EUR million, in 2018 prices and before deductions for technical assistance and administrative expenditure (totals may not tally due to rounding up or down)

- Less ambitious MS receive high shares of the JTF (PL, RO, BG,CZ)
- 7 MS with no coal exit or coal exit after 2030

  → ***2/3 of the fund***

EU JTF allocation - Criteria

- GHG emissions in industrial regions (49%)
- Employment in industrial regions (25%)
- Employment in coal mining (25%)
- Peat production (0.95%) and oil shale production (0.05%)

+

- Gross National Income (GNI) per capita adjustment
- Cap on maximum share – no MS receives more than 20%
- Minimum aid intensity (14 EUR/capita)

*The allocation of the EU JTF (17.5 billion) did **not capture** the **urgency** of the transition challenge*

JTF for the WB - Criteria

1. Air pollution levels from coal power plants
   - EEA, 2020
2. Coal employment
   - Coal mining + coal power plants
   - JRC, 2018
3. Transition speed away from coal
4. Crude oil production
   - Eurostat, 2017-2019
5. Gross National income per capita
   - The World Bank, 2017-2019

Criterion 3. Transition speed

$$S = \frac{Elect.\,from\ coal_2(2030) - Elect.\,from\ coal_1(2019)}{Year_2(2030) - Year_1(2019)}$$

Coal phase out dates:

- N. Macedonia: 2027
- Montenegro: 2035
- ***Serbia, BiH, Kosovo?***

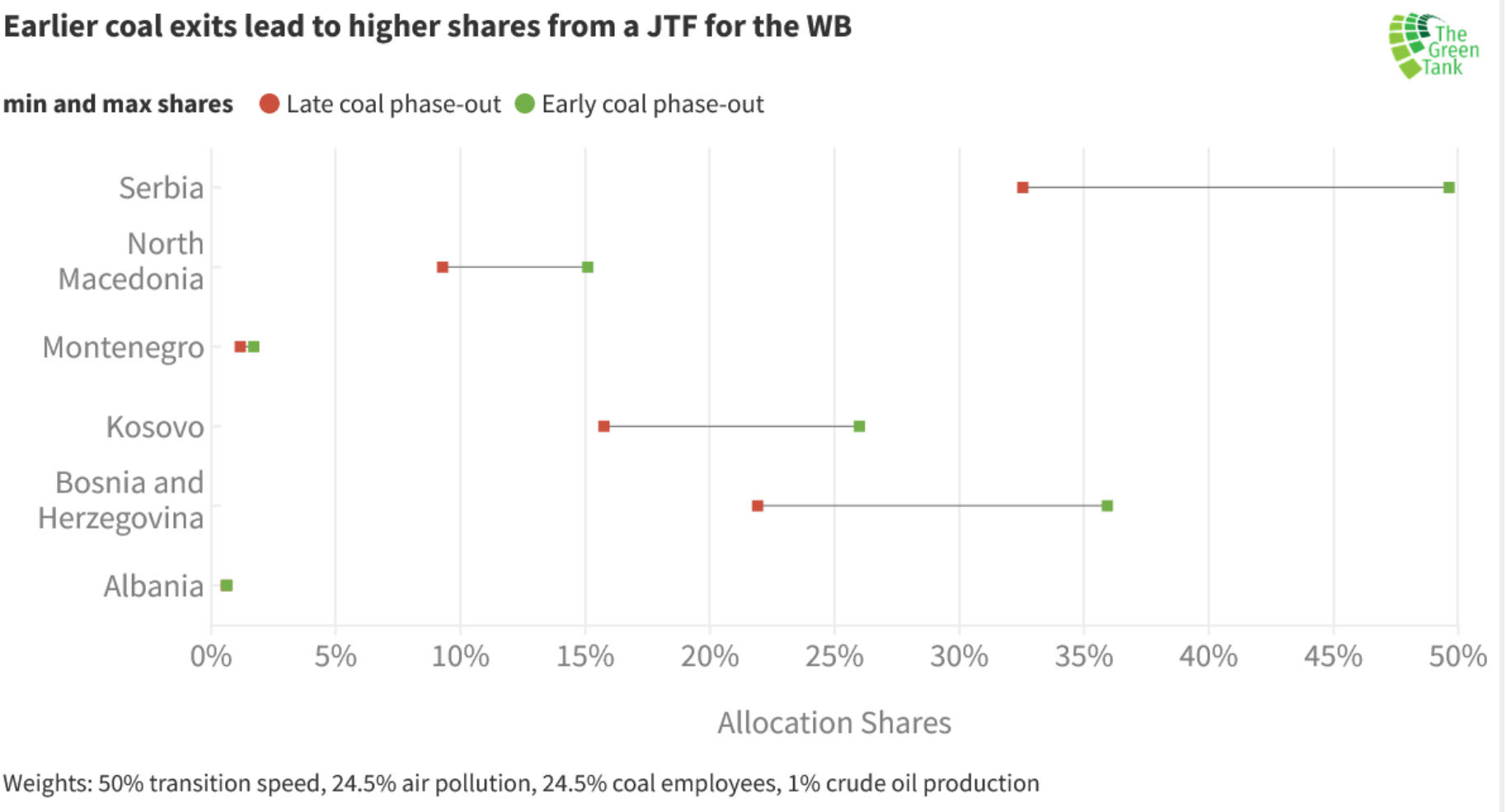
Scenarios

Scenarios	Serbia	BiH	Kosovo
Serbia 2030	2030	2050	2040
BiH 2030	2050	2030	2040
Kosovo 2030	2050	2050	2030
Ambitious phase-out	2030	2030	2030
Baseline phase-out	2040	2040	2040
Late phase-out	2050	2050	2040

Sensitivity Analysis

- Coal phase out scenarios
- Weighting factors

Results



- Serbia receives the highest share, followed by BiH, Kosovo, North Macedonia, Montenegro and Albania

Summary

- ***Faster coal phase-out*** **→ *higher share from the JTF***

- Serbia benefits the most from the fund: 33% - 50%
- BiH: 22% - 36%
- Kosovo: 16%-26%

- N. Macedonia benefits from the 2027 coal phase-out date
- Montenegro could triple its share, if it decides to close the last coal power plant by 2022

Recommendations

- Earlier planning is essential - Minimize adverse effects
- Process should be transparent and participatory

- Account for the coal-related air pollution in the region
- Take into account the transition speed (urgency)

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Thank you!

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