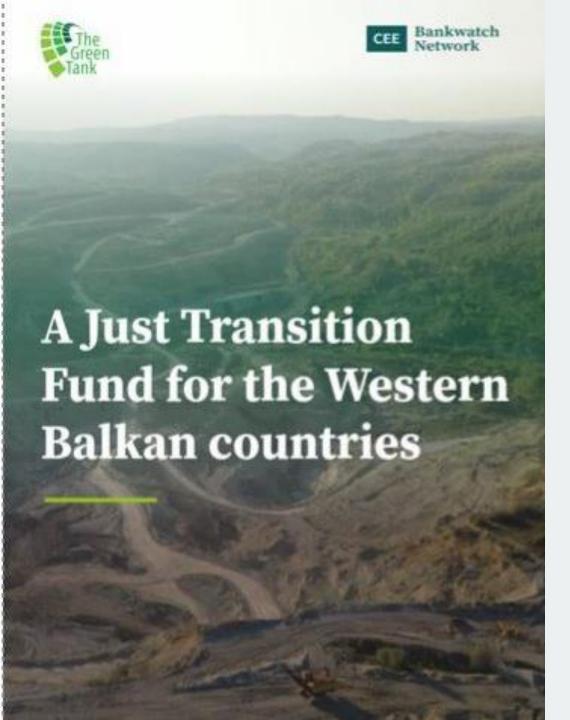


The need for a Just Transition Fund for the Western Balkans

Ioana Ciută 12 July 2022





Why the urgent need?

Commitments

The Western Balkan 6 embraced the 2050 decarbonisation goal (Sofia Declaration)

Economic reality of coal

CBAM and/or CO2 pricing will come, cause reduction of coal production.

Some plants will close sooner than thought.

- Financial weakness of the region
- High dependency on coal big social impacts



How? Sources for a dedicated JT Fund

Known, but not earmarked for JT

EC's Economic and Investment Plan for the Western Balkans (9 billion Euros)*

Available, but unclear in size and types of projects

Loans from the World Bank, EBRD, EIB, other IPA funds

Potential, but will take a while

Carbon pricing (ETS, CO2 tax) and/or EU budget equivalent to revenues from CBAM

Economic and Investment Plan Flagship areas

- 1. Connecting east to west (transport)
- 2. Connecting north to south (transport)
- 3. Connecting the coastal regions (transport)
- 4. Renewable energy
- 5. Transition from coal (gas and electricity transmission)
- 6. Renovation Wave (energy efficiency)
- 7. Waste and water management
- 8. Digital infrastructure
- 9. Investing in the competitiveness of the private sector
- 10. Youth Guarantee

Read more <u>here</u>

Why a **dedicated** fund for WB6?

- Clear governance & accountability & transparency
- Equal opportunities for all countries/ regions to apply for funding
- Signals to national/ local decision makers the commitment to fund JT specifically
- Requires rigorous participatory planning
- Encourages competitiveness and early planning



Principles of funding the transition

- must be based on participatory and transparent local development plans, created bottom-up.
- the projects supported must have a regional positive impact within the coal regions (e.g. encourage inter-municipal cooperation on joint projects).
- 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.
- the allocation of funds to coal regions must be fair, i.e. it should reflect the magnitude of the transition challenge



The earlier a country's coal-phase out commitment, the higher its share of a Just Transition Fund

This and more findings are revealed in a model-based analysis by The Green Tank and CEE Bankwatch Network available here

Thank you!



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