

Transforming the Western Balkans' power system

*The Balkan Green Agenda – convergence
with the EUGD or how to use the momentum
to start the coal to clean transition*

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Green Agenda for the Western Balkans as a way to incorporate the Green Deal into making the region climate neutral and facilitate the convergence with the EU

Green Agenda for the Western Balkans

01  **Cleaning energy sources, protecting the climate**

- > The Western Balkans is a region heavily affected by climate change. This calls for reducing greenhouse gas emissions and enhancing resilience to the impact of climate change.
- > The Western Balkan partners will be supported in aligning with the new EU Climate Law, the EU Emissions Trading Scheme as well as reducing CO₂ emissions through quotas and carbon pricing mechanisms.
- > In a region highly dependent on coal, the shift towards cleaner and renewable energy sources is a must. The EU will support this transition.
- > The EU will support the Western Balkan partners in increasing their rail capacity in deploying more environmentally friendly transport modes, including in urban areas, as well as smart mobility solutions.

DG NEAR

- Climate change can increase temperatures by 4.0°C in the entire region of the WB
- November 2020 WB-6 governments signed the Balkan Green Agenda
- **“The ecological transition for Europe can only be fully effective if the EU’s immediate neighborhood also takes effective action (EUGD)”**
- The Guidelines for implementing the Green Agenda for the Western Balkans have 5 pillars: from energy, mobility, fighting pollution to agriculture

The Economic and Investment Plan as an instrument for implementing the Green Agenda – convergence with 2030 and 2050 EU-targets should be priority, even if the current flagship initiatives do not reflect that

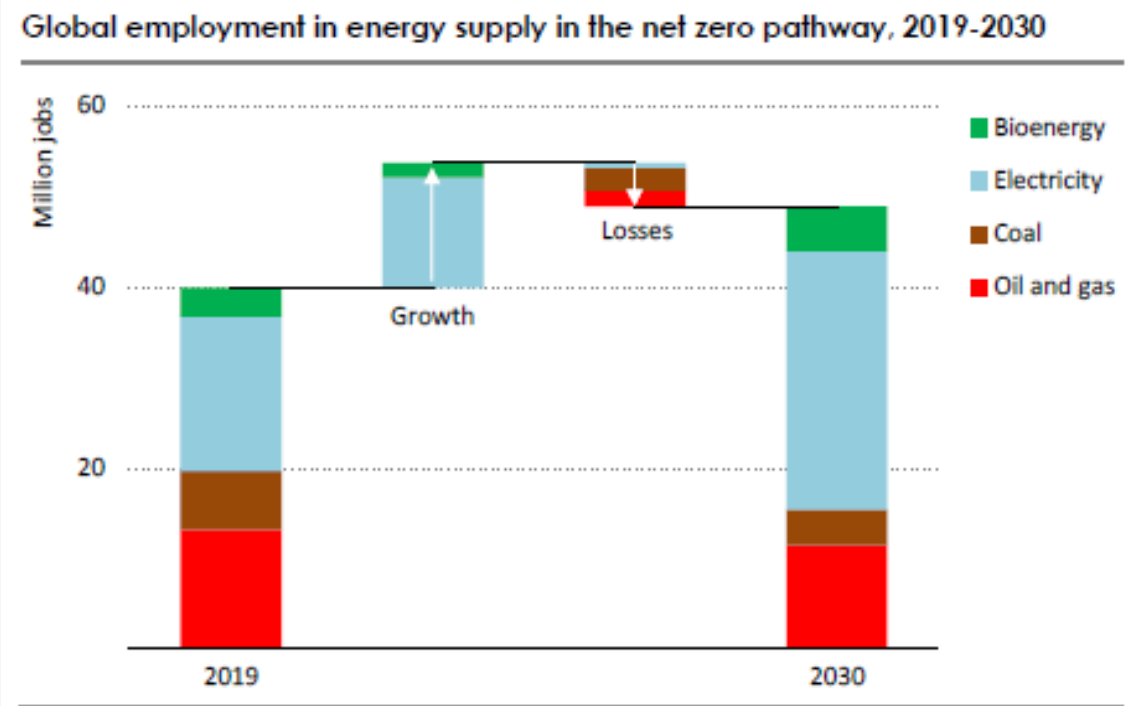
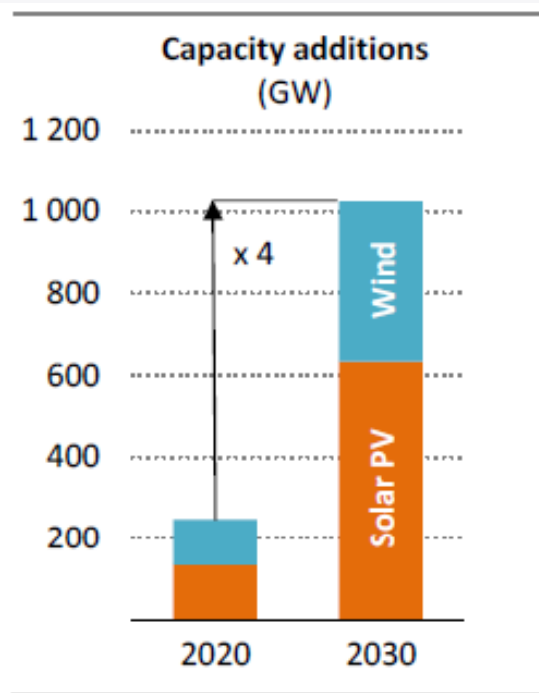


| Flagship Initiative under the Economic and Investment Plan | |
|--|-------------|
| FLAGSHIP 5 - TRANSITION FROM COAL | |
| As part of the Trans Adriatic Pipeline, the construction of the Fier-Vlora gas pipeline in Albania will be completed, and the Ionian-Adriatic pipeline along the coast will be prioritised | Gas |
| The Gas-interconnector Bosnia and Herzegovina – Croatia, complementing the above diversification | Gas |
| The North Macedonia – Kosovo Gas Interconnection, and extending the already ongoing investment of the North Macedonia – Greece interconnector, would start construction | Gas |
| The North Macedonia – Serbia Gas Interconnection will be prepared for construction | Gas |
| The Trans-Balkan Electricity Transmission Corridor in Serbia as part of interconnection between Serbia, Montenegro, and Bosnia and Herzegovina will be completed | Electricity |
| European Commission | |

- The Plan in total of 9 billion EUR puts strong emphasis on decarbonisation and clean energy
- However the flagship initiatives under the plan envisage investments in fossil gas – risk of stranded assets is large
- The Plan is still not operationalized – no clear if the operational programmes will have direct link to the EU 2030/2050 targets
- As it currently stands, the WB-6 countries risk diverging from the EU MS in replacing lignite with fossil gas instead of RES
- Without clear GHG reduction target and RES and EE targets on national and/or regional level it will be challenging to link the Plan to any credible decarbonisation action plan

Create a strong link between the Green Agenda and the Economic and Investment Plan with the 2050 net-zero target – focus should be put on accelerated RES deployment and jobs creation

Capacity addition in RES (wind+solar) needed by 2030 to reach net-zero in 2050 means net-positive addition of jobs on global scale – the WB-6 region can take advantage of its good renewables potential to increase jobs opportunities as it will be vital to minimise the hardships associated with the disruptions from the jobs losses in the lignite/mining sector



Any shift from coal must be planned well in advance and be embedded in broader regional strategies developed together with affected stakeholders – thus the launch of ‘Coal regions in transition platform in the Western Balkans and Ukraine’



Current regions part of the Platform

| Region | Country |
|--|------------------------|
| Tuzla canton, Srednjobosanski canton, Zeničko-Dobojski canton, Ugljevik region, Gacko region | Bosnia and Herzegovina |
| Prishtina region | Kosovo |
| Pljevlja region | Montenegro |
| Bitola region, Kičevo region | North Macedonia |
| Kostolac region, Kolubara region, Obrenovac region, Pomoravlje region | Serbia |
| Donets'k region, Luhans'k region, Lviv region, Volyn region | Ukraine |

- The Platform is relying on the experiences of the EU Initiative for coal regions in transition in order to prepare robust just transition plans for the affected regions
- Both initiatives contribute to implementing the European Green Deal, thereby helping build Europe's strategy for green, sustainable growth
- Apart from capacity building, dialogues, networking with EU coal regions in transition and creating JT plans an immense focus will be put on access to financing for transition projects
- Next five years crucial for creating JT plans and setting up roadmaps for coal to clean transition in the WB region

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Thank you for your attention!

Questions or Comments?
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