

## EBRD's Just Transition Initiative

*UNECE-UNDP event, Guidelines and Best Practices in North Macedonia  
for MSMEs in delivering energy efficient products*

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# The Vision: EBRD JT Initiative

“ *Just transition aims to ensure that the benefits of a green economy transition are shared, while protecting vulnerable countries, regions and people from falling behind.*

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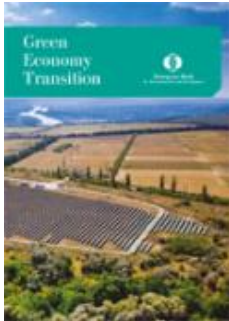


# The JT Initiative sits at the nexus of the green and inclusive dimensions



The EBRD has three decades of experience in facilitating transition towards sustainable market-oriented economies through its private sector-oriented business model.

## Green preserving the environment and protecting the interests of future generations



- In 2019, 46% of the EBRD's investments were green. The cumulative EBRD climate finance reached €33.4 billion with a private sector share of 62% and over 1,900 projects.
- The Bank is particularly well-positioned to: a) improve the footprint of **hard-to-abate sectors**; b) **work with local governments** on supporting environmental improvement investment and policy programmes, based on the Green Cities programme; c) support the **greening of SMEs** through intermediated finance.

## Inclusive



- ensuring equal opportunity for all regardless of their gender, place of birth, socio-economic environment, age or other circumstances
- To date, EBRD's approach to Inclusion covered over 230 projects worth over €10.5 billion.
  - Focus on **women, youth, underdeveloped regions, migrants, others**
  - The Bank has strong expertise in developing: a) **re / upskilling programmes** and **policy dialogues on regional inclusion** for affected workers and communities; b) **inclusive infrastructure investments** in regions; c) **credit lines for women- / youth- led SMEs**, SME advisory service

# Our JT approach is guided by EBRD's local and technical experience, and global lessons learned



## Strategic planning

- 1 Early engagement with a wide range of stakeholders.
- 2 Local ownership of the approach.
- 3 Interventions guided by a holistic plan based on assessment of challenges and opportunities.

## Institutions to implement change

- 4 An effective institutional structure, led by regional authorities supported by capacity building in collaboration with national government.
- 5 A strong public sector response in collaboration with the private sector.

## Design of specific interventions

- 6 Regional economic development strategies tailored to the local context.
- 7 Utilising GET opportunities, such as reconversion of stranded assets, eco-tourism, bio-agriculture or green buildings.
- 8 Support for workers to find new quality jobs tied to the needs of the local labour markets.
- 9 Environmental legacies addressed in line with the local regulatory "polluter pays" principles.
- 10 Focused investments in physical and digital infrastructure that strengthen regional integration with nearby economic centres.

# 3 JT priority themes

“ *Building on its existing policy and financing activities, the EBRD will enhance its focus on just transition through three themes:* ”



*green economy transition*



*supporting impacted workers*



*regional economic diversification*

Objectives are matched to indicators, with specific benchmarks that reflect ambition and are monitored throughout the project's life

## Indicators

- Reduction in GHG emissions (tonnes per year)
- Renewable energy installed in repurposed sites (MW)
- Renewable energy production in repurposed sites (MWh per year)
- Decontaminated or rehabilitated land (hectares)
- Workers enhancing their market-relevant skills as a result of training (n. women/men)
- Partnerships established/ strengthened between employers & education providers (n.)
- Number of people accessing employment (n. of women/men)
- SMEs or entrepreneurs supported by the EBRD (n.)
- EBRD financing to SMEs or entrepreneurs (€)
- Mobilised investment in new economic activities or sustainable infrastructure (€)

# Piloting strategic JT support in North Macedonia and the Western Balkans

## EBRD JUST TRANSITION DIAGNOSTIC

Just Transition  
vulnerability screening and  
regional assessment

Just Transition  
action plan

- Identify **vulnerable sectors, assets and groups**, as well as the mechanisms that will likely affect them.
- Assess the **potential** for (i) green economy transition, (ii) supporting impacted workers and (iii) economic development.
- **Assess existing plans**, governance and stakeholder activities.

- Identify a **clear set of policy and investment activities** to address just transition challenges and promote access to opportunities.
- Include a **detailed action plan**, with identification of potential sources of funding and investment.



## EBRD model

Investment

Technical  
assistance

Policy  
support

Targeted  
concession-  
ality

&

## Stakeholder engagement

Links btw  
private &  
public sector

Participatory  
stakeholder  
involvement

Link to  
national  
institutional  
context

Collabora-  
tions with  
other  
MDBs/IFIs

# The additional challenge of Covid-19: Building Back Better

The crisis exacerbates existing inequalities and impacts different people differently –

- **Regions** whose economic diversification had depended upon sectors that are now facing unprecedented challenges
- **Older** workers who miss out on life long learning and want to take fewer ‘risks’ in transiting into a new sector
- **Youth**, whose education is interrupted – making the transiting from education into employment even harder
- **Women** who shoulder the bulk of care responsibilities and are less likely to return into employment after furlough

A focus on **green investments and policies** is under threat given the crisis response needs / impacts

- Costly and **politically sensitive transition periods** are more difficult for governments to support in the face of a crisis that already has huge socio-economic costs
- **Investors** are less likely to invest given the uncertain economic climate



# Fostering collaborations

## Within the EU Member states

- Working under different windows of the JT Mechanism, with a particular focus on investments, guided by the territorial plans that are being developed.

## In the EU neighbourhood

- Working with the EC, the World Bank and the Energy Community Secretariat to operationalise a Platform on Coal Regions in Transition for Ukraine and Western Balkan countries.

## Internationally

- Leading the discussion on operationalising the JT also among MDBs as part of our work on Paris Alignment.

