

JUST TRANSITION IN KOSOVO- A GREEN AND ECONOMICALLY VIABLE SOLUTION.

REPORT



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1.0 INTRODUCTION TO JUST TRANSITION

In recent years, Kosovo has been actively engaged in harmonizing its legal framework and integrating the concept of Just Transition in a sustainable manner. Being a member of the Energy Community, a signatory of the Sofia Declaration, and an aspiring European Union member, Kosovo is closely bound to its international obligations and commitments. Thus, the imperative to shift towards a green and sustainable economy transcends local needs, encompassing critical international implications, including the EU market and political integration, and coming closer to the UN conventions.

The transition to a green and sustainable economy in Kosovo isn't merely a domestic necessity; it holds significant international ramifications owing to the nation's global commitments and aspirations. To achieve a just and equitable transformation aligning with both local and international objectives, it's imperative to address environmental, economic, and social dimensions of this transition comprehensively.

Understanding the driving forces behind political commitments to achieve net zero emissions is crucial. Equally important is how different components of national governance systems can facilitate the translation of these commitments into legal frameworks and policies, ensuring their sustained and effective implementation.

Integrating the Just Transition concept into national policymaking necessitates minimizing adverse effects from climate policies while maximizing positive social impacts for workers, communities, and other stakeholders. Despite the economic opportunities a net zero transition presents, the decarbonization journey may pose challenges to vulnerable communities. Poorly managed transitions could lead to opposition from those who stand to lose, potentially hindering progress towards net zero goals.

This document aims to enhance policymakers' understanding post the adoption of net zero commitments and elucidate how these commitments are being integrated into national climate governance systems.

2.0 LEGAL AND REGULATORY FRAMEWORKS IN KOSOVO

Kosovo is progressively building its legislative framework to mitigate climate change effects and foster green growth, with laws governing various sectors like energy and environmental protection. However, Kosovo lacks a Just Transition Diagnostic document, necessary for developing a Just Transition Roadmap, unlike other Western Balkan countries. Furthermore, Kosovo faces challenges in aligning with EU standards, particularly in education, due to the fact that lifelong learning and vocational trainings are relatively new topics and with the improvement of technology and innovation that fosters green transition, those become imperative. Transport infrastructure is also another sector where Kosovo falls behind due to the lack of data that are used for decarbonization of the sector and with the Multimodal transport strategy just recently approved and the action plan still not put out for public discussions.

The energy sector remains a bottleneck for economic development, with more than 95 percent of the electricity being generated by outdated coal fired thermal power plants, emphasizing the urgent need for reliable and clean energy sources[1]. Despite progress, structural changes are slow, and efforts to enhance labor rights and safety need further attention. At the national level, Kosovo is actively pursuing policies aimed at reducing carbon emissions, transitioning to renewable energy sources, and fostering sustainable practices.

The Just transition is a cross cutting challenge and opportunity, with many institutions being actively involved in the process and many strategies/ laws already adopted and developed. The Ministry of Environment and Spatial Planning has adopted the Climate Change Strategy 2019-2028, outlining measures to mitigate greenhouse gas effects and adapt to climate change[1]. Similarly, Kosovo's Energy Strategy developed by the Ministry of Economy emphasizes the generation of clean energy, while the draft National Energy and Climate Plan sets out the transition strategy, published on the Energy Community Secretariat webpage[2]. The Multimodal Transport Strategy 2023-2030 promotes sustainability in the transport sector, advocating for a shift to rail transport, sustainable mobility modes, and cleaner vehicles, alongside stricter emission standards[3].

Additionally, the absence of policies and initiatives at the local level renders the transition less inclusive and more challenging to execute. Presently, only a few municipalities have devised energy efficiency action plans, primarily focusing on public assets. However, these plans lack strategies addressing the private sector's involvement, thus limiting their scope and effectiveness.

While the line ministries and municipalities have not implemented specific legal frameworks regarding Just Transition, given the global focus on transitioning to more sustainable and environmentally friendly economies, it's possible that Kosovo, like many other countries is mainstreaming the just transition principles within different sectorial policies, however, to do so, a roadmap and an interinstitutional body composing of all the stakeholders needs to be created, to coordinate and push the just transition.

[1] Energy Regulatory Report, source: [https://www.ero-](https://www.ero-ks.org/zrre/sites/default/files/Publikimet/Raportet%20Vjetor/Annual%20Report%202022.pdf)

[ks.org/zrre/sites/default/files/Publikimet/Raportet%20Vjetor/Annual%20Report%202022.pdf](https://www.ero-ks.org/zrre/sites/default/files/Publikimet/Raportet%20Vjetor/Annual%20Report%202022.pdf)

[1] Climate Change Strategy 2019- 2028 Actio Plan On Climate Change 2019- 2021, Source: https://konsultimet.rks-gov.net/Storage/Consultations/14-13-59-04102018/Climate%20Change%20Strategy%20and%20Action%20Plan_sep_2018.pdf

[1] Energy and Climate Plan, source: https://www.energy-community.org/dam/jcr:e6badfbe-313d-4ebc-a450-416dcdbd5499/20230714_Final%20Version_First%20Draft%20NECP%202025-2030%20of%20Kosovo.pdf

[1] Multimodal Transport Strategy 2023 – 2030, soruce: <https://kryeministri.rks-gov.net/wp-content/uploads/2023/05/MULTIMODAL-TRANSPORT-STRATEGY-2030.pdf>

3.0 ADDRESSING GAPS AND CHALLENGES IN CURRENT POLICY FRAMEWORK, ENHANCING THE JUST TRANSITION PROCESS

Several gaps and challenges hinder the just transition of Kosovo towards a sustainable and green economy. One key aspect is the absence of an integrated approach to incorporating the net zero target into law, which could enhance accountability and ensure alignment between intentions and actions. Strengthening the legal framework could also provide long-term predictability and policy continuity. The lack of coal phase-out date in the RES law or the Energy Strategy and the absence of clear plans for retraining and redeploying workers in the coal industry further exacerbate the challenges. Without a concrete timeline for transitioning away from coal and supporting affected workers, Kosovo risks facing social, economic, and environmental consequences. Addressing these gaps and challenges through comprehensive legislation and strategic planning is essential for a successful and just transition towards a sustainable and green economy in Kosovo.

In the transport sector, while Kosovo has initiated steps to enhance environmental sustainability through its Multimodal Transport Strategy, implementation remains suboptimal. The strategy lacks comprehensiveness, particularly in addressing emissions reduction from freight transport and transport hubs. Moreover, there's a need for improved monitoring and data collection to track key indicators such as emissions and motorization rates. The uptake of zero-emission vehicles in the fleet is hindered by the lack of programs and incentives[1]. Furthermore, policy implementation remains limited, with insufficient measures adopted from the Climate Change Strategy and Action Plan, which lack clear decarbonization pathways for achieving net-zero emissions by 2050. Additionally, limited capacities within government ministries, particularly in areas related to environmental sustainability and labor market transitions, pose significant challenges. The absence of adequate knowledge and expertise in best practices for transitioning away from fossil fuels further compounds the issue. Without access to relevant information and know-how, policymakers struggle to devise effective strategies for retraining workers, developing green industries, and mitigating social impacts.

Kosovo faces challenges in disaster risk reduction and adaptation to climate change, with delays in the development of a National Adaptation Strategy and revisions of Disaster Risk Assessments. Municipal capacities for dealing with natural hazards are often inadequate, and the Early Warning System remains incomplete[1].

In environmental protection, revisions of air quality strategies and action plans are pending, with incomplete adoption and implementation. Similarly, amendments to the water supply and sanitation regulatory framework only partially align with EU directives, indicating a need for comprehensive reforms.

The approval of the Law on Renewable Energy Sources is pending, delaying the implementation of broader schemes for new renewable energy capacities. Green growth priorities need to be better integrated into the National Development Strategy, with specific emphasis on renewable energy and energy efficiency projects[1].

Overall, Kosovo lacks clear emissions reduction targets and faces challenges in implementing and enforcing legislation on energy efficiency. Alignment with Energy Community regulations and enforcement of relevant legislation remain critical for the country's sustainable transition.

[1] Interview, Representative of MoE

[1] Final Evaluation Of The UNDP Kosovo Disaster Risk Reduction Initiative (KDRRI) Project, Source: <https://erc.undp.org/evaluation/documents/download/9757>

[1] Interview, Representative of MESPI

3.1 Engagement Stakeholders

In Kosovo's journey towards a just green transition, stakeholder engagement emerges as a critical factor for success. The shift from fossil fuels to renewable energy sources carries profound implications, particularly for workers and communities dependent on the fossil fuel industry.

These stakeholders often face uncertainties about their future livelihoods and the resilience of their communities in the transition process. Therefore, involving workers, community members, and relevant associations in decision-making processes is essential to identify their needs, challenges, and aspirations. Communities affected by mining activities, often remote from decision-making centers, must have their voices heard to address socioeconomic and environmental injustices. Scaling up recycling systems for these resources could offer new job opportunities and facilitate a just transition for workers exiting the fossil fuel sector.

Trade unions also play a crucial role in advocating for workers' rights and facilitating the transition to a low-carbon society. Their expertise and support are invaluable in ensuring a smooth and equitable transition process, especially when it comes to the reskilling of workers of KEK or mining sector.

However, challenges persist in Kosovo's just transition journey, with stakeholders highlighting issues of transparency, inadequate information-sharing, and limited engagement, particularly among youth. Government institutions have been criticized for their lack of proactive measures and transparency in guiding the transition process. Furthermore, the absence of dedicated NGOs working on just transition, especially on the local level, exacerbates the deficiency of knowledge and expertise in managing the transition effectively.

Engaging international partners is vital for Kosovo's just green transition, as it allows for the exchange of knowledge, expertise, and resources to address complex challenges. Collaborating with international organizations, such as the United Nations, the European Union, and non-governmental organizations specializing in sustainability and renewable energy, can provide valuable insights and support. These partnerships can facilitate capacity building, technology transfer, and access to funding mechanisms essential for implementing sustainable energy solutions. Furthermore, international cooperation fosters alignment with global best practices and standards, enhancing Kosovo's integration into the broader clean energy and climate action agenda. By leveraging the expertise and resources of international partners, Kosovo can accelerate its transition to a more resilient, inclusive, and environmentally sustainable future.

4.0 BEST PRACTICE AND CASE STUDY- PROMOTING A JUST APPROACH TO THE GREEN TRANSITION PROCESS

Best practices in the just transition process involve a multifaceted approach that addresses the needs of workers, communities, and the environment while navigating economic transformations towards sustainability.

Active participation of diverse stakeholders, including workers, unions, community members, government agencies, and businesses, is essential to ensure meaningful engagement, collaboration, and trust-building. Collaborative planning allows stakeholders to contribute their expertise, perspectives, and priorities, fostering buy-in and ownership for more effective implementation and sustainable outcomes. Centering the transition process around just transition principles prioritizes the well-being of workers and communities, ensures equitable access to opportunities, and addresses historical injustices such as the rights of minority groups, engagement of women and youth as well as the vulnerable communities. Investing in education, training, and skill development programs equips workers with the tools and resources needed to thrive in emerging industries, mitigating job displacement, and fostering a skilled workforce for the green economy.

Furthermore, supporting the diversification of local economies by promoting industries with low environmental impact, such as renewable energy and sustainable agriculture, reduces dependency on fossil fuels and creates new job opportunities. Implementing social safety nets and support mechanisms, such as unemployment insurance and job retraining programs, cushions the impact of economic transitions on vulnerable workers and communities.

Aligning transition efforts with existing policies and integrating just transition principles into broader policy frameworks ensures coherence and effectiveness, incorporating sustainability goals into economic development plans, energy policies, and labor regulations. Establishing robust monitoring and evaluation mechanisms allows for ongoing assessment of transition progress, identification of challenges, and adjustment of strategies as needed, facilitating adaptive management and continuous improvement.

Collaborating with international partners, sharing best practices, and learning from successful transition experiences in other regions enhances knowledge exchange and accelerates progress towards shared goals. Best practices in just transition processes, are exemplified by Oslo, Norway, highlight several key lessons that can inform similar efforts here in Kosovo. First, engaging stakeholders at various levels, including local unions, government entities, and business organizations, is essential for building collective visions and ensuring inclusive decision-making.

Oslo's Declaration on Just Transition, developed in collaboration with local unions, underscores the importance of partnership and dialogue in shaping transition plans[1]. Norway's strong alignment between government, business, and labor leaders, although not without challenges, has facilitated coordinated action towards common goals. Harnessing this alignment for transitioning to a green economy requires building collective visions and fostering collaboration among diverse stakeholders, this solution perfectly aligns with Kosovo's decision to mainstream just transition throughout sectorial policies.

Oslo's emphasis on human capital underscores the importance of investing in people and leveraging transferable skills to navigate the transition effectively. Recognizing and valuing the contributions of workers and communities is vital for ensuring a more just and equitable outcome. Oslo's approach to just transition planning, characterized by engagement with workers and stakeholders, highlights the importance of bottom-up involvement and participatory decision-making. While challenges such as the COVID-19 pandemic may disrupt progress, maintaining a focus on meaningful engagement and collaboration remains essential.[2] Establishing structures like Just Transition Council has provided a platform for ongoing dialogue and feedback, similar practices are needed to be adopted by Kosovo as well. By learning from Oslo's experiences, Kosovo can advance its own just transition processes towards more sustainable and equitable futures, while aligning even more with the Energy Community targets.

[1] Just Transition- an idea whose time has come, source: <https://www.industriall-union.org/just-transition-an-idea-whose-time-has-come>

[2] Ibid.

5.0 POLICY RECOMMENDATIONS AND STRATEGIES

To ensure a green and just transition in Kosovo, several key recommendations should be considered. Firstly, Kosovo must significantly enhance its ambition and administrative capacities to align with EU standards on transport, energy, and environment. This entails developing consistent strategies, action plans, and legislation in line with the principles of the Green Agenda for the Western Balkans and the Economic and Investment Plan.

Given Kosovo's reliance on outdated and polluting lignite-fired thermal power plants, urgent action is needed to meet Energy Community targets. Streamlining permitting procedures for renewable energy projects is crucial to expedite deployment. This includes adopting the National Energy and Climate Plan (NECP) by June 2024 and aligning legislation with the Energy Community Electricity Integration Package. Strengthening implementation and enforcement of energy efficiency legislation is imperative, alongside fulfilling obligations under the connection agreement with ENTSO-E without delay.

Addressing environmental hazards requires decommissioning non-operational parts of thermal power plants, improving waste management practices, and reducing industrial pollution through the implementation of relevant laws. Additionally, Kosovo should harmonize legal provisions on environmental liability and raise public awareness of environmental protection measures. Moreover, Kosovo must implement its climate change strategy and action plan, align with the Green Agenda for the Western Balkans, and finalize drafting the long-term decarbonization strategy. Establishing mechanisms for carbon pricing and preparing for the EU Carbon Border Adjustment Mechanism are essential steps to advance alignment with EU standards.

Furthermore, drafting a comprehensive Decarbonization Strategy encompassing various sectors such as energy, agriculture, and forestry is necessary for sustainable economic development. Increased coordination through the National Climate Change Council can help mainstream climate action and raise public awareness. Lastly, Kosovo should ensure timely reporting of greenhouse gas emissions inventory and align its strategic and legislative frameworks with EU goals outlined in the Fit for 55 packages.

Regarding the inclusion of Just Transition in Kosovo's legal framework, several patterns or scenarios can be considered to ensure its effective integration. One approach could involve the development of a dedicated JT Law, which outlines specific measures, guidelines, and mechanisms for managing the transition process. This legal framework could draw upon existing legislation and set practices, similarly to the Climate Change Law.

Another approach is to continue mainstreaming JT on sectorial policies that concern related fields such as renewable energy, environmental protection, labor rights, and economic development. However, if doing so, collaboration with relevant stakeholders, including workers' unions, community representatives, government agencies, and international partners, is essential for drafting as well as implementing an inclusive and comprehensive JT legislation.

