

CONCEPT ON THE ROLE OF JUST TRANSITION IN THE RECOVERY OF UKRAINIAN COAL MINING COMMUNITIES



Ukraine's coal mining communities are located in 5 regions - Donetsk, Luhansk, Dnipropetrovsk, Volyn and Lviv. Despite a different situation in the communities and the challenges caused by Russia's military aggression, all of them need comprehensive recovery and changes in the structure of the local economy, considering the unique problems that have arisen because of the functioning coal industry in these towns.

The coal mining communities have the potential of highly skilled personnel and experience in industrial development, which are key factors for the country's further economic development. At the same time, these communities are facing acute social, humanitarian and economic problems caused by the Russian invasion and serious economic challenges for Ukraine. The success of the economic transformation and development of coal mining communities will demonstrate to Ukrainians and the international community the ability of Ukraine and Ukrainians to rebuild an economically strong and socially responsible country that deserves a place in the European Union. Such success is essential to boost private investment, support the European integration process, and return those citizens who have temporarily fled their communities (and, in some cases, the country) due to the hostilities.

A number of actions taken by the government and international partners of Ukraine before the Russian full-scale invasion indicated an inevitable transformation of the energy sector and a gradual phasing out of coal: ratification of the Paris Agreement in 2016, signing of the Energy Partnership between Ukraine and Germany in August 2020, creation of the Initiative for coal regions in transition in the Western Balkans and Ukraine in the same year, Ukraine's announcement of the date of the coal phase-out in the electricity sector by 2035 (for the state-owned TPPs) and 2040 (for the private sector) at the COP26 international climate conference in Glasgow in November 2021. In addition, in 2020, the National Coordination Centre for the Transformation of Coal Regions was established, and in 2021 the Concept of the State Target Program for the Just Transition of Ukraine's Coal Regions until 2030 was adopted. Despite the challenges of the war, just transition is also mentioned in Ukraine's draft Recovery Plan, presented in July 2022 at the Ukraine Recovery Conference in Lugano, Switzerland.

Given the inevitability of coal phase-out due to economic factors, the significant level of destruction of coal-related facilities caused by Russian aggression, Ukraine's international commitments and plans to achieve climate neutrality in the energy sector by 2050, a set of measures aimed at just transition of coal mining regions as part of Ukraine's post-war recovery is needed. Implementing such measures should include a comprehensive vision and programs - at the national level for just transition and the inclusion of key principles and project areas of work focused on just transition in local recovery strategies/programs/plans.

To develop a common vision for the just transition of coal mining communities, a working group was established in March 2023, bringing together representatives from 17 coal communities to join forces, synchronise work on community recovery strategies/programs/plans, and update project ideas that were developed before the Russian full-scale invasion.

Representatives of 17 coal mining communities from four regions of Ukraine - Donetsk, Dnipropetrovsk, Lviv and Volyn - are facing significant challenges caused by the full-scale invasion. These challenges have different manifestations depending on the specific community: some enterprises are relocated, leading to the departure of the population, which may also create a risk that they will not return; in other communities, the number of internally displaced persons (IDPs) and relocated enterprises is increasing, leading to new challenges in terms of housing policy and may lead to overloading of infrastructure.

Despite the different locations of the coal mining communities and the conditions in which the population finds itself, they share a number of complex issues that need to be addressed and resolved, such as:

- ◆ limited employment opportunities for both laid-off coal workers and IDPs;
- ◆ difficult economic situation due to the mono-functionality of coal mining communities and the dependence of budget revenues on the operation of coal enterprises;
- ◆ dependence of the local population on fossil fuel (for domestic use and heating);
- ◆ lack of a clear plan at the national level for the gradual closure of mines and a program to support the population of coal communities during the transition period. This leads to a vulnerable position of local authorities, which lack sufficient information and resources to effectively plan the energy transition and support the socio-economic development of their communities. Insufficient support for coal communities during the transition period may also lead to increased social tensions in these regions;
- ◆ the coal industry leads to a number of environmental problems, in particular, due to the pollution of soil, ground and surface water, and air. And, as a result, it has an additional negative impact on public health, increasing the burden on healthcare facilities that have limited capacity to provide medical services, especially in small settlements.

Based on this, coal mining communities have common areas of work that require attention for the successful just transition and recovery of Ukraine. These areas of work are primarily the following:



Education and employment:

- ◆ the need to research local labour markets and employment opportunities for coal miners and the population of mining communities in general;
- ◆ gradual retraining of coal industry workers in areas identified as promising for certain territories (e.g., heavy industry, agriculture, tourism, etc.);
- ◆ assistance in or guarantees of employment for coal industry workers;
- ◆ protection and benefits for laid-off workers of pre-retirement age;
- ◆ considering the challenges caused by the full-scale invasion of Russia, creating opportunities for training and employment for IDPs, as well as creating favourable conditions for the return of locals who have left;
- ◆ the need to develop the public sector, create public spaces, engage the public in the process of the transformation of coal regions, create training opportunities for the development of the public sector and appropriate financial support programs for projects aimed at the post-war recovery of coal mining communities.



Economic development:

- ◆ analysis of local resources to identify economic development priorities;
- ◆ a strategic, comprehensive vision for the development of coal regions, including a locally understandable strategy for mines closure and just transition of coal regions, considering the need for diversification and decarbonisation of the local economies;
- ◆ use of the existing infrastructure, namely revitalising industrial sites and developing industrial parks. Communities that have initiated the creation of industrial parks based on closed mines should be supported as a matter of priority. Industrial clusters, military bases, and industrial tourism are also relevant areas for the use of such infrastructure;
- ◆ local use of available resources through the development of local production and investment, development of clusters;
- ◆ development of enterprises and industries that will be involved in the reconstruction;
- ◆ development of small and medium-sized enterprises;
- ◆ creating conditions for the successful operation of industrial parks in small and medium-sized communities.



Energy transition:

- ◆ a clear vision of the sequence and process of the closure of coal mines and transition to renewable energy sources is needed, considering the need to address economic, environmental and social challenges;
- ◆ decarbonisation and decentralisation of the energy system;
- ◆ use of renewable energy sources to replace coal in heating and electricity generation, for example, using the potential of mine water;
- ◆ implementation of energy efficiency and energy saving measures.



Addressing environmental problems associated with the coal industry:

- ◆ water pollution (increased salinity of groundwater) requires the implementation of measures to purify mine water;
- ◆ disruption of groundwater management and pollution of water bodies caused by mine flooding requires additional engineering measures to contain and minimise all negative effects;
- ◆ coal dust and smouldering of waste heaps require the development of a mechanism for waste heap management and waste heap reclamation.

An important condition for comprehensive changes in coal towns is active cooperation between mining communities, cooperation with representatives of civil society, businesses, national authorities, international financial institutions, donors and other partners.

The working group, consisting of representatives of 17 coal communities, is ready to work on strategies/ programs/reconstruction plans based on the principles of just transition and to work on individual projects that will contribute to an active energy transition. To this end, representatives of these communities are already cooperating with local NGOs, preparing projects and are ready to cooperate with international.

THE CONCEPT WAS SUPPORTED BY 16 COMMUNITIES, NAMELY:

Donetsk region:

Novohrodivka city military administration
Selydove city military administration
Myrnohrad city military administration
Bilozerske city military administration
Dobropillia city military administration
Pokrovsk city military administration
Toretsk city military administration
Novodonetske settlement military administration

Lviv region:

Chervonohrad city council

Dnipropetrovsk region:

Mykolaivka village council of Synelnykove district
Pavlohrad city council
Ternivka city council
Verbkiv village council

Volyn region:

Poromiv village council
Novovolynsk city council
Lytovezh village council

The working group was created at the initiative of the Platform for Sustainable Development of Coal Towns of Donetsk Oblast. More information about the Platform is available on the website: <https://justtransition.org.ua/en/main-en/>

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