

*Snigova O., Zhalilo Y. (2024)* Structural changes of the economy of coal communities in the process of just transition. Analytical report (in Ukrainian). Kyiv, Center for Anti-Crisis Studies, 23 p.

Meeting the challenge of global climate change is imperative for the policies of civilized countries for long-term prospect. Responsible countries should not lose the ability to advance competitiveness, economic dynamics, and people's standards of life by willingly accepting some limitations in the realization of development opportunities. Modern policies are designed to synchronously unleash alternative opportunities for climate-neutral (carbon-free) development, transforming limitations aimed to combat climate changes into new potential.

Ukraine's economic and industrial recovery after the war must be based on a just energy transition. The just transition mechanism should build the basics of structural policy, determines the choice of trends and priorities of structural reconstruction of coal regions' economy of Ukraine in post-war period.

The structural changes of the economies of coal regions and communities in the conditions of energy transition will be based on the existing economic potential, the opportunities of its involvement, ensured by energy transition, and on the capacity of this potential to create synergy effect for the economies of mentioned regions and communities.

The economic structure of coal communities, renewed in the process of just transition, has to ensure the sustainable development of these communities due to environment-friendly shift in production processes, decarbonization of economic activities, energy transformation of industry, abandoning of coal extraction for energy purposes and development of alternative energy sources and energy efficient technologies, acceleration of their implementation.

In Ukraine the Concept of State Programme of just transition of coal regions for the period of 2030 has been adopted in 2021. For now, the task is to harmonize the national legislation and programming documents in economic and social recovery, industrial, sectorial and regional development with the tasks of just transition. The acting legislation is still lagging with the positioning of just transition goals within the system of goals and tasks of recovery and structural changes, oriented at the European integration.

Strengthening the potential economic growth' points of coal communities in Ukraine in the conditions of abandoning coal extraction in energy purposes will require:

- The development of legislative and programming basics of just transition of coal regions, harmonization of strategic documents at all levels of energy transition;
- Improvement of strategic planning of economic activity diversification in coal communities taken into account the just transition;
- Enhancement of sectoral policies and post-war economic recovery policy, implementing the requirements of just transition;
- Creation the conditions of non-energetic employment of coal potential;
- Building the financial mechanisms of implementation the just transition measures, in particular the Just Transition Foundation based on the European experience of financing just transition;
- Creation of the mechanism of interests' coordination of the stakeholders of just transition of coal regions;
- Strengthening the educational and training dimension, aimed to improve the quality of labor potential, appropriate to the requirements of energy transition.

The coal communities have their endogenous reserves for just transition – an investment potential, naturally immanent to the regions, or inherited from previous industrial activity. These reserves can be the basis of successful structural changes. Revealing this potential should enable to find out the points of economic growth in the regions, affected by abandoning the coal extraction. The

activization of this potential should concentrate the limited resources at the innovative development directions of coal regions and, thus, ensure the maximal and prolonged economic effect of the structural changes.

The presented report recovers the potential opportunities of just transition of coal communities in the period of full-scale war and oriented at post-war recovery. The expert vision of the prospective of strategizing and programming the diversification of coal communities' economies has been presented and appropriate policies for national, regional and local levels have been suggested.

