JUST ENERGY TRANSITION INVESTMENT PLATFORM

PROGRESS REPORT

FEBRUARY 2026

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ABBREVIATIONS AND ACRONYMS

ACT IP	Accelerated Coal Transition Investment Plan
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
CDP	Cassa Depositi e Prestiti
CEB	Council of Europe Development Bank
CfD	Contract for Difference
CIF	Climate Investment Fund
EE	Energy Efficiency
ENDC	Enhanced Nationally Determined Contributions
ERC	Energy Regulatory Commission of North Macedonia
ESM	Elektrani na Severna Makedonija AD Skopje
EU	European Union
FIT	Feed-in-tarrifs
GHG	Green House Gas
IFI	International Financial Institutions
IMF	International Monetary Fund
JETIP	Just Energy Transition Investment Platform
JT	Just Transition
JTC	Just Transition Council
JTR	Just Transition Roadmap
MDB	Multilateral Development Bank
MEPSO	Macedonian Electricity Transmission System Operator AD Skopje
MoEMMR	Ministry of Energy, Mining and Mineral Resources
MW	Mega Wat
NDC	Nationally Determined Contributions
NECP	National Energy and Climate Plan
PPCA	Powering Past Coal Alliance
RINA	RINA Consulting S.p.A.
RED	Renewable Energy Directive
RES	Renewable Energy Sources
SME	Small and Medium Enterprises
TA	Technical Assistance
TPP	Thermal Power Plant
TSU	Technical Support Unit
USD	United States Dollar
WG	Working Group

1 EXECUTIVE SUMMARY

The Just Energy Transition Investment Platform (JETIP) is North Macedonia's central coordination mechanism for implementing a fair, inclusive, and investment-driven transition away from coal. Established in late 2023 (COP28) under government leadership and with support from international partners, JETIP provides a structured framework to align public and private finance, guide policy action, and coordinate social measures ensuring that no community or worker is left behind in the country's decarbonization process.

JETIP's creation marked a turning point in North Macedonia's clean energy trajectory — transforming the country's political commitment to coal phase-out into an institutionalized investment and governance framework. Anchored within the Ministry of Economy – Energy Department, the platform operates through a multi-level governance model comprising a Just Transition Council, an inter-ministerial Steering Committee, and a Technical Support Unit (TSU) responsible for day-to-day coordination and donor engagement. This architecture enables JETIP to connect policies, people, and projects under a single national framework.

JETIP PURPOSE AND OBJECTIVES

JETIP's overarching goal is to ensure that North Macedonia's energy transition is:

- ECONOMICALLY VIABLE – by mobilizing blended public–private finance for renewables, grid modernization, and regional development;
- SOCIALLY JUST – by supporting workforce reskilling, job creation, and community revitalization in coal-dependent regions (Bitola, Kichevo);
- INSTITUTIONALLY COORDINATED – by aligning government, private sector, and development partners under one investment and implementation mechanism.

Its key objectives are to:

- Mobilize finance and accelerate investments in renewable energy and enabling infrastructure;
- Manage the coal phase-out and economic diversification of affected regions;
- Strengthen institutional capacity and policy alignment with the EU Green Deal and NECP targets;
- Create long-term socio-economic resilience through skills, entrepreneurship, and community projects.

JETIP KEY ACHIEVEMENTS TO DATE

Below is a detailed summary of the key accomplishments driving this transition forward:

INSTITUTIONALIZATION AND GOVERNANCE SETUP: JETIP was officially launched in late 2023 (at COP28) as one of the first operational platforms in the Western Balkans. During 2024, the government established a high-level Just Transition Council to provide political and strategic direction. A dedicated Technical Support Unit (TSU), established by EBRD with the support from Bloomberg Philanthropies, established within the Ministry of Energy, Mining and Mineral Resources, is now operational to manage daily coordination of the JETIP.

FINANCING AND PARTNER MOBILIZATION: North Macedonia has secured over USD 85 million in approved climate grants and concessional finance from the Climate Investment Funds (CIF) under the Accelerated Coal Transition (ACT) program, complemented by financing commitments from EBRD, World Bank and IFC in approximate amount of nearly USD 500 million based on the Investment Plan for Accelerated Coal transition, adopted by the Government of the Republic of North Macedonia in March 2024. JETIP has used these resources to shape a prioritized, government-aligned project pipeline—covering renewable generation, grid modernization, and socio-economic just transition measures—designed to meet donor requirements and move rapidly to implementation.

EXPANSION OF RENEWABLE ENERGY CAPACITY: North Macedonia added over 350 MW of new renewable generation capacity in 2024, primarily solar photovoltaic, bringing total renewables installed capacity to 1,663 MW (nearly 56% of installed capacity) . Renewables provided 41% of electricity generation in 2024, up from 19% in 2020. Major projects initiated include the planned 400 MW Stip wind farm—the country's largest wind project, currently under development by Alcazar Energy with an estimated investment of EUR 430 million.

Once operational, it is expected to increase national wind capacity nearly fivefold by 2027 and generate clean electricity sufficient for around 100,000 households, contributing directly to North Macedonia's coal phase-out goals. Additional public-sector renewable investments include the expansion of the Bogdanci Wind Farm from 36.8 MW to 50 MW (enough to power an additional 6,000 households) and a new 30 MW solar PV programme at Oslomej and Bitola, expected to supply clean energy to approximately 8,000 households.

COORDINATION AND STAKEHOLDER ENGAGEMENT: JETIP has established structured mechanisms for coordination with international partners, local governments, and civil society. Regular working group sessions and consultations enable information exchange, project prioritization, and the development of monitoring indicators for social and economic outcomes. This participatory approach ensures broad ownership and transparency in the transition process.

TECHNICAL ASSISTANCE MOBILIZED (ONGOING): Under JETIP, priority TA is underway to accelerate delivery and de-risk investments, including:

- Grid Master Plan development to guide transmission/distribution upgrades, storage integration, and interconnector planning;
- Reskilling programs for ESM employees, preparing the workforce for operations in new green jobs and other labour market demands;
- ESM Decarbonisation Strategy, outlining pathways for coal retirement, asset repurposing of coal sites, and integration of RES and storage;
- CfD mechanism, covering auction design and institutional roles to operationalize the CfD scheme.

CHALLENGES AND LESSONS LEARNED FOR JETIP IMPLEMENTATION

While JETIP has made strong progress in establishing North Macedonia's just transition framework, several platform-specific challenges need to be addressed to ensure it delivers its full potential as the country's central coordination and investment mechanism.

INFRASTRUCTURE AND INVESTMENT GAPS: JETIP's ability to translate commitments into tangible results depends on developing a strong pipeline of bankable, implementation-ready projects. Although over USD 85 million in CIF funding has been secured, mobilizing private co-investment remains a challenge. Fully replacing coal by 2030 requires substantial investments in renewables and grid upgrades. Remediation of mining sites and repurposing of coal infrastructure will also demand substantial funding. Achieving the 2030 transition goals will require mobilizing initially estimated 3 billion Euros in investments. While initial donor funds are in place, scaling up private investment is critical. Additional technical assistance is required to complete feasibility studies, environmental assessments, and financial models that meet MDB and private-sector standards. Strengthening project preparation capacity within the partner institutions will be key to sustaining investor confidence.

GRID CONSTRAINTS: JETIP-supported technical assistance—such as the study done as a base for the preparation of the Investment Plan for Accelerated Coal Transition as well as on the basis of the inception Grid Master Plan—has revealed critical infrastructure constraints that could

[1] Annual report ERC, p.36

slow project rollout. Timely execution of priority transmission upgrades and interconnections is essential to ensure that renewable projects developed through JETIP can connect to the system without delays.

CFD AND FINANCING MECHANISM OPERATIONALIZATION: While the Contract-for-Difference (CfD) mechanism has been designed under JETIP to improve investment bankability, the next challenge lies in its practical implementation—finalizing the legal framework, institutional roles and funding safeguards. Ensuring fiscal stability, predictable auction cycles, and transparent processes will be essential for building market trust and accelerating renewable investments under the platform.

INSTITUTIONAL COORDINATION AND CAPACITY: JETIP's success now depends on the ability of institutions (line ministries, ESM, MEPSO, municipalities) to absorb funds and deliver projects at scale. The system still struggles to deliver as there not enough people to prepare projects, weak procurement and finance skills, slow environmental and permitting processes, and too little Project Manager Officers/owner's-engineer capacity in SOEs and municipalities. These bottlenecks slow conversion of concepts into tenders, contracts, and commissioning.

NEXT STEPS

Building on early successes, JETIP's near-term priorities are to:

- Operationalize the project pipeline, advancing renewable, grid, and community investment projects to implementation stage;
- Operationalize the coal phase-out, ensuring clear timelines, coordinated decommissioning plans, and sustained stakeholder buy-in. This includes integrated planning with ESM, municipalities, workers, and regulators; preparing coal site repurposing options; and linking reskilling, social mitigation and local economic revitalization directly to JETIP investment decisions.
- Expand financial mobilization: JETIP will broaden financing sources by converting donor commitments into private capital at scale—using blended finance and two-sided CfDs. Priorities include publishing an auction/tender calendar, finalizing CfD legal and regulatory arrangements, and structuring bankable projects with clear risk allocation and payment security.
- Coordinate for the required technical assistance for feasibility and technical studies (grid, sites, storage, interconnections), environmental and social assessments, reskilling programs, and institutional capacity building (PIUs/SOEs, procurement, project management)—so projects are truly bankable and ready for disbursement.
- Embed a unified monitoring framework linked to the JETIP pipeline, tracking socio-economic, environmental, and financial results (e.g., MW installed, RE hosting capacity added, jobs/reskilling outcomes, emissions reduced, private capital mobilized). Deliverables include a standard indicator dictionary, baseline and target setting, quarterly dashboards, and a public summary report.

2 INTRODUCTION TO JETIP

2.1. GLOBAL CONTEXT FOR CLIMATE AMBITION

The global climate agenda in 2025 stands at a decisive moment. Climate-related disasters—ranging from record heatwaves and prolonged droughts to catastrophic floods—have underscored the urgency of accelerating action to reduce greenhouse gas (GHG) emissions. At the same time, investment in clean energy technologies has reached unprecedented levels, with renewable capacity additions achieving record highs in 2023 and 2024. Despite this momentum, progress remains uneven, particularly in emerging and developing economies, where fossil fuel dependence, regulatory barriers, and financing constraints continue to slow the transition.

COP29 OUTCOMES[2]

At the 29th Conference of the Parties (COP29), held in Baku in November 2024, governments were urged to submit more ambitious Nationally Determined Contributions (NDCs) by February 2025, in advance of COP30 in Brazil. These NDCs are expected to include:

- Clear, sector-specific emission reduction targets, particularly for power, transport, and industry.
- Stronger adaptation and resilience measures for climate-vulnerable countries.
- Just transition frameworks that address social and economic impacts of the shift away from fossil fuels.

COP29 also confirmed that the long-standing target of USD 100 billion annually in climate finance was met in 2023, but emphasized that this level is insufficient. Tripling climate finance to USD 300 billion annually by 2030 will be required to close the global investment gap. Importantly, the long-awaited Loss and Damage Fund was operationalized, with more than EUR 12 billion pledged to support vulnerable countries.

A new Mitigation Acceleration Platform was also launched, with commitments from more than 70 countries to **triple renewable energy capacity** and **double energy efficiency improvements** by 2030. While these initiatives represent progress, global ambition still falls short of what is needed to keep global warming below 1.5°C.

GLOBAL TRENDS IN ELECTRICITY DECARBONISATION[3]

The power sector continues to play a pivotal role in the transition. Renewables accounted for **32% of global electricity generation in 2024,** up from 26% in 2020, driven by record additions of solar and wind capacity. Clean energy investment reached **USD 1.8 trillion in 2023,** including USD 660 billion in renewables and USD 400 billion in grid modernization. However, electricity demand is rising faster than renewable deployment, leading to continued reliance on coal and natural gas, especially in Asia.

[2] COP29 Climate conference Baku
[3] IEA Renewable electricity

Electrification trends are accelerating in transport and industry, with over 14 million electric vehicles sold globally in 2023. Yet, to align with the 1.5°C pathway, renewable capacity additions must **double to 1,000 GW annually by 2030,** coal generation must decline by over 70%, and renewable energy must provide more than 70% of power supply by 2040.

KEY GLOBAL CHALLENGES

Several systemic risks continue to shape the global transition:

- ENERGY SECURITY RISKS from geopolitical tensions and supply chain dependencies.
- PERSISTENT FOSSIL FUEL DEMAND, especially in emerging Asian economies.
- BARRIERS TO RENEWABLE DEPLOYMENT, including high capital costs, raw material shortages, and permitting delays.
- RAPIDLY RISING ELECTRICITY DEMAND, driven by data centers, digital infrastructure, and electrification.
- INSUFFICIENT EMISSION REDUCTIONS, with global GHG emissions still rising in 2023–2024.

This global context provides both opportunities and challenges for the Republic of North Macedonia. On one hand, accelerating global momentum for renewables and just transition frameworks strengthens the relevance of the country's own energy transition. On the other, persistent challenges in financing, regulatory predictability, and fossil fuel dependence mirror many of the constraints faced domestically.

2.2. LOCAL CONTEXT FOR CLIMATE AMBITION

North Macedonia's NDC adopted in 2021 have set an a 51% cut in GHG emissions target by 2030, compared with 1990 levels. This commitment underscores the dedication to the principles of the Paris Agreement and represents a significant stride toward a more sustainable, competitive and just future. The energy sector, which has been a substantial contributor to the country's emissions (more than 70% of North Macedonia's GHG emissions), finds itself at the forefront of the transformation. Coal has historically accounted for over 40% of electricity generation. The country's dependence on electricity and fossil fuel imports makes the country vulnerable to fluctuations in the volatile energy markets. As such energy and Climate policies are closely interlinked.

North Macedonia has set an a 51% cut in GHG emissions target by 2030, compared with 1990 levels. This corresponds to absolute emission reduction in 2030 compared to BAU: 7,6 Mt CO2 emissions.

Core action to achieve this is complete coal phase-out before the end of the decade. In 2024, 35% of the country's electricity was generated from coal, supplied by two power plants - 125MW TPP Oslomej and 639MW TPP Bitola.

North Macedonia targets 38% share of electricity in gross final energy consumption from RES (from 23% in 2020). Per green scenario of the draft National Energy and Climate Plan (NECP) this will require circa 1.7 GW new installed RE capacity by end of 2030.

Support will be critical to meet NDC target in the electricity sector, including for decommissioning, grid strengthening, storage and supporting just transition measures.

Figure 2.1: North Macedonia energy transition context

North Macedonia has made important progress in its energy transition in recent years. In July 2021 the country applied to join the Climate Investment Funds (CIF) Renewable Energy Integration and Accelerated Coal Transition (ACT) programs; by February 2023 it was invited to develop an ACT Investment Plan of up to USD 85 million for Pelagonia and the Southwest coal regions, supported by a USD 0.5 million preparation grant. Working with the EBRD (lead partner) and the World Bank Group, the Government prepared and submitted the ACT Investment Plan, which was approved on 22 March 2024, setting priorities for investments and technical assistance and a pathway to mobilize co-financing.

In parallel, the Government adopted the Just Transition Roadmap (June 2023) as the guiding framework for social measures and institutional coordination (now led by the Ministry of Energy, Mining and Mineral Resources). Beyond CIF, progress includes: establishment of the JETIP (run-up to COP28, with a Joint Declaration formalized on 3 Dec 2023), delivery of early RES projects (e.g., ESM's 30 MW PV program and Bogdanci wind expansion), advancing the CfD auction framework and grid-reinforcement planning with MEPSO, and a strong private-sector pipeline indicated by recent licensing/connection requests. Together, these steps move the country from planning to implementation on both the investment and just-transition tracks.

2.3. WHAT IS JUST ENERGY TRANSITION INVESTMENT PLATFORM?

In the run-up to COP28, North Macedonia established the Just Energy Transition Investment Platform (JETIP) as a national coordination and financing mechanism to channel international and domestic resources into coal phase-out, renewable deployment, and just-transition measures for workers and communities, while unlocking funding and resources from IFIs and donors. A Joint Declaration led by the EBRD was formalized on 3 December 2023 at COP28, confirming partner commitment to support and finance the just transition.

Country-led investment platforms for energy transition are no longer new concepts—they are already operational in several regions and have become central instruments for mobilizing finance, coordinating reforms, and ensuring just and inclusive outcomes. Launched at recent COPs and high-level summits, these platforms demonstrate that combining government ownership, donor alignment, and private sector engagement can accelerate the shift away from fossil fuels while supporting communities and industries in transition. Each platform reflects its own national context—whether focused on coal phase-out, industrial decarbonisation, or integrated water–food–energy systems—but they share common features: a clear long-term vision, multi-sector investment strategies, and mechanisms for ensuring that vulnerable groups are not left behind. The experience from countries like South Africa, Egypt, Indonesia, Vietnam, and Türkiye provides useful lessons and reference points for North Macedonia's JETIP, which builds on the same principles while tailoring them to national needs.

Table 2.3: Country Platforms for energy transition - Summary

Platform	Year Launched	Main Focus	Financing & Scale	Key Features
South Africa– Just Energy Transition Partnership (JETP)	2021 (COP26)	Coal phase-out; renewable energy; EVs; green hydrogen	USD 98 bn needed; initial USD 8.5 bn pledged by International Partners Group (IPG)	First large-scale JETP; embeds just transition for coal workers/ communities; global template (inspired Indonesia, Vietnam, Senegal, India
Egypt – NWFE (Nexus of Water, Food, Energy)	2022 (COP27)	Cross-sectoral: renewables, irrigation, agriculture, desalination	> USD 14 bn mobilized (grants, concessional loans, private capital)	Integrated platform aligning NDCs; multi-ministerial governance; strong social inclusion (farmers, women, rural communities)
Indonesia – JETP	2022 (G20 Bali)	Power sector decarbonisation; coal retirement	USD 20 bn blended finance (public + private; incl. USD 10 bn via GFANZ)	Caps power sector emissions by 2030; regulatory reform & utility restructuring; dedicated national JETP Secretariat
Vietnam – JETP	2022 (COP27)	Energy transition; coal-to-renewables	USD 15.5 bn over 3–5 years (50% public, 50% private via GFANZ)	Resource Mobilization Plan under development; focuses on social inclusion & net-zero by 2050
Türkiye – Industrial Decarbonisation Investment Platform (TIDIP)	2025	Heavy industry (steel, cement, aluminium, fertilisers)	USD 5 bn by 2030; reduce >20 Mt CO_2 annually	Sector-specific roadmaps (LCPs); aligns with CBAM competitiveness; builds investment pipelines with policy + finance + technology

2.3.1. Purpose and strategic importance

JETIP's core purpose is to facilitate the country's shift from coal-based energy to renewable sources in a way that also supports workers and communities. This platform serves as the central hub for planning and financing the transition – aligning national policies (like the NECP and Just Transition Roadmap) with international climate commitments and EU accession goals. By bringing together various funding streams and stakeholders, JETIP aims to ensure that investments in clean energy, grid infrastructure, and economic diversification are well-coordinated and effective. It is a key mechanism for North Macedonia to achieve its 2030 targets.

The Platform includes the following components and targets by 2030, aiming to mobilise financing and resources, including in grants and concessional resources to support its implementation:

- The deployment of 1.7 GW of renewable energy capacity, including procured competitively via auctions.
- Intention and plans to phase out of all 764 MW of coal-fired power plants, to enable a substantial emissions reduction.
- Strengthening of grid and storage infrastructure, reflecting development plans of the transmission and distribution system operators, to support absorption of renewable energy and energy security.
- Just transition support in line with the Just Transition Roadmap, adopted by the Government of the Republic of North Macedonia in June 2023, to ensure that the benefits of the green economy transition are shared, while protecting those whose jobs and livelihoods are affected by the coal phase out from falling behind.

-764 MW Decommission	Phase out coal-fired power plant capacity by 2030	**EUR3,000** Million mobilisation	from MDB investments, supplemented by public finance, private sector, commercial banks, to reach the climate ambition
1.7GW* Renewables	Accelerate the deployment of an additional 1GW of renewable energy capacity, including mobilizing the private sector through auctions"		Out of the total €3 billion, €2 billion will be leveraged via the Platform by unlocking investment barriers, primarily in renewables, and will be raised through private sector mobilization
5,000+ people supported	Enable just transition for coal workers (directly and indirectly affected) and communities in line with the Just Transition Roadmap	**EUR285** Million estimated Climate Finance needs	Grants & concessional finance from donors and philanthropies to support decommissioning, just transition measures, grid strengthening incl. storage solutions, and capacity building

Figure 2.2: A snapshot of JETIP objectives and targets

The Platform's project pipeline reflects total estimated mobilisation of approximately EUR 3 billion. Overwhelmingly this figure is expected to come from a range of commercial and international financial institutional investors and financiers.

Figure 2.3: Signatories of the Joint Declaration

* The total includes an additional 1 GW of new capacity on top of the existing ~0.7 GW already installed, resulting in a cumulative 1.7 GW

MDBs such as EBRD, World Bank, EIB, KfW, AFD, as well as CIF, Cassa Depositi e Prestiti (CDP) and Council of Europe development bank (CEB) have committed to support JETIP through direct finance and technical assistance and contribute co-financing or parallel financing to ACT pipeline projects. While the EU is not a formal signatory to JETIP—actively supports the Just Transition process in North Macedonia, including through technical assistance, grant funding, and alignment with broader EU accession and decarbonization objectives.

2.3.2. Financing the Just Energy Transition

The concessional and grant support needs are estimated at approximately EUR 285 million to address market barriers to unlocking private sector investments and enabling just transition, including addressing affordability concerns. This includes the cost of decommissioning and remediation of coal assets, network and storage investments, as well as socio-economic and capacity-building support. These funds will specifically target:

- THE DECOMMISSIONING AND REMEDIATION of coal-fired power plants,
- GRID AND STORAGE INVESTMENTS necessary to support renewable integration,
- SOCIO-ECONOMIC PROGRAMS and CAPACITY-BUILDING efforts to enable a just transition.

This support package is expected to include:

- EUR 25 MILLION in technical assistance grants,
- EUR 165 MILLION in investment grants,
- EUR 95 MILLION in concessional finance, which will be blended with capital from international financial institutions (IFIs).

Mobilization of these funds is envisioned as a continuous process, aligned with the pace of implementation across the Platform's components.

The ACT IP alone, envisages total mobilization of USD 676.3 million for the two most affected coal-phase out regions. The table below provides an overview of the types of financing instruments, sources and types of projects and activities to be supported.

Table 2.4: ACT IP Indicative Financial Plan for North Macedonia (USD million) *

Investment Plan Projects	MDBs	MDB share	CIF ACT	Private Sector	Gov/SOE/ other	Total	Pillars		
							Infrastructure	People	Governance
PROJECT 1: RETIRING COAL ASSETS AND RE-POWERING WITH RE									
A: Powerplant retirement, mine remediation and mine repurposing	WB, EBRD	110	(c) 25 (g) 0,5		35	170,5	V		V
B: PROSPECT: Providing Renewable Opportunities through Solar and Education in Coal	EBRD, IFC	230	(g) 1,8	75		306,8	V	V	V
C: PowerHub: Grid Strengthening, Batteries, Training for Tomorrow	EBRD, IFC, WB	75	(c) 27 (g) 2,5	10		114,5	V	V	
PROJECT 2: SOCIO-ECONOMIC REGENERATION OF PELAGONIA AND SOUTHWEST REGIONS									
A: Green & Growth programme for SMEs	EBRD	5,3	(c) 2,7 (g) 1,95			9,95	V	V	
B: Revitalise: industrial zones for economic regeneration	EBRD, WB	10	(c) 5,5 (g) 0,5			16	V	V	V
C: Climate-smart economic regeneration programme	EBRD, IFC	22	(c) 2,7 (g) 0,65			25,35		V	
PROJECT 3: ENERGY EFFICIENCY (EE), CLEAN HEATING, AND DISTRIBUTED GENERATION PROGRAM									
A: ECOBOOST: Empowering Coal Communities with Efficient and Renewable Lending	EBRD	8	(c) 5,6			13,6	V	V	
B: EcoCommune: Community-Centric Clean Energy Initiative	WB	11	(c) 8 (g) 0,6			19,6	V	V	
IP Total		471,3	(c) 76,5 (g) 8,5	85	35	676,3			

*Any financial commitments from the Investment Plan Components, especially the funds that will be borrowed from MDBs as well as the CIF funding that will be channeled through MDBs, will always be subject to separate contractual arrangements defining the applicable terms and conditions, to be entered into in accordance with the respective mandates, and the laws, rules, regulations, policies and procedures applicable to the respective Parties signing the agreements therefore. MDBs should strive to minimise the public lending costs, given the financial position of the country, while acknowledging the need for public sector lending in some transactions

Additional bilateral donors and international organizations are expected to join as co-financing partners in areas such as inclusion, skills development, and green economy transformation.

NATIONAL BUDGET ALLOCATIONS: The Government of North Macedonia will contribute via:

- Regulatory and policy reform financing (e.g., closure legislation, permitting reform);
- Institutional capacity-building (e.g., prequalification and trainings local institutions);
- Communications and transparency efforts, including community engagement;
- Programs for economic diversification and development;
- Social protection programs, such as early retirement schemes, income support, and labor activation measures.

These budget contributions signal domestic commitment and serve as leverage to attract external funding.

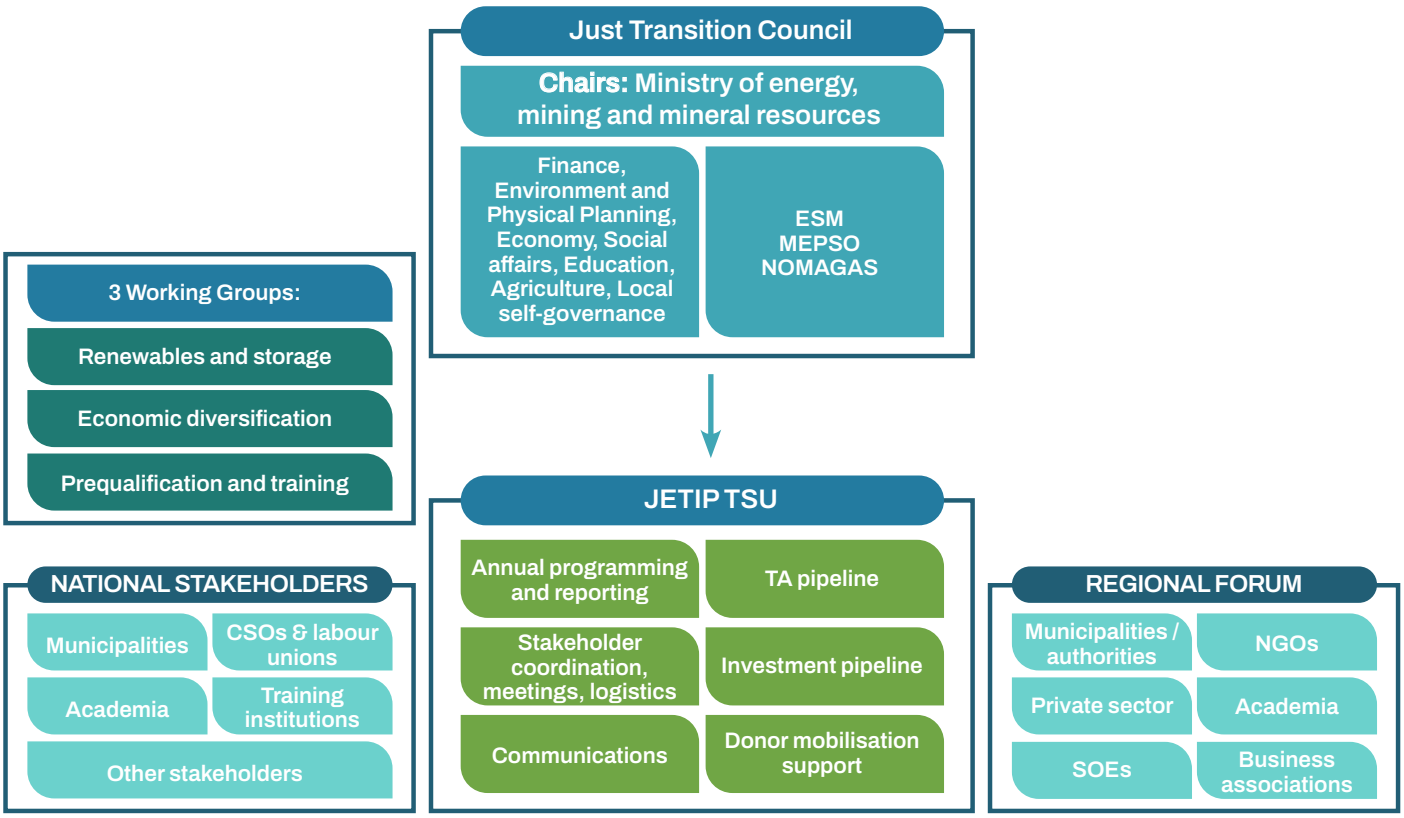
The just energy transition process must be driven by private capital, particularly in green energy and local economic diversification. It is important to attract the private capital in the JT strategic sectors, including but not limited to:

- RENEWABLE ENERGY PROJECTS: solar PV, wind farms, battery storage, and hybrid solutions are seen as priority investment areas.
- SME FINANCING MECHANISMS including guarantee facilities or co-investment funds and introduction of tailored products (e.g., green leasing, performance-based lending). Credit lines via local Financial Institutions such as the Green&Growth Program already developed under ACT IP and launched in June 2025. These are blended credit lines for SMEs and startups in transition regions. These credit lines are expected to be delivered by local commercial banks including grant components.

2.3.3. JETIP Governance Structure

The governance structure for the Just Energy Transition (JET) process is comprehensive and includes several key bodies and mechanisms that ensure inclusive, transparent, and coordinated implementation. The platform is anchored within the Ministry of Energy, Mining and Mineral Resources (MoEMMR), supported by a multi-level governance structure. At the top, a Just Transition Council (JT Council) composed of senior government officials provides strategic direction and approves major initiatives. Implementing oversight is coordinated through dedicated working groups focusing on specific areas such as renewable energy deployment, regional economic development, and workforce transformation. The Technical Support Unit (TSU) acts as JETIP's secretariat, managing day-to-day operations, monitoring project progress, and liaising among ministries, investors, and donors. Through this structure, JETIP assesses project proposals, supports toward alignment with national priorities, and helps unlock financing from various sources – including public budget funds, international climate finance, development bank loans, and private investments (the latter spurred by de-risking instruments like Contracts for Difference).

Figure 2.4: Governance Structure of Just energy transition in North Macedonia



JUST TRANSITION COUNCIL (JTC): The Council is the highest decision-making body in the JET governance system. It sets overall national policy direction, identifies priority areas on an annual basis, mobilizes financial resources, and approves major investments and strategies. The members of the JTC are the Ministers representing the following Ministries: Ministry of Energy, Mining and Mineral Resources as the National coordinator, Ministry of Environment and Spatial Planning, Ministry of Finance, Ministry of Economy and Labour, Ministry of Social Affairs and Youth, Ministry of Agriculture and, Ministry of Local Self-governance, ESM, MEPSO and NOMAGAS. The Council operates based on voting: a majority vote (more than 5 out of 10 members) is required for project approval, while more sensitive or high-impact projects require a two-thirds majority. The Council receives regular updates from MoEMMR, the working group members and the Technical Support Unit, and can request further analysis when needed.

MINISTRY OF ENERGY, MINING AND MINERAL RESOURCES (MOEMMR) acts as the national coordinator. It manages and oversees the Just Transition process and ensures communication and collaboration with all stakeholders, including national institutions, donors, and international organizations. It also monitors and reports on the progress of actions defined in the JETIP Joint Declaration. The staff's roles encompass coordination for the decision-making process, monitoring and reporting on the project pipeline, stakeholder coordination, and strategic support.

TECHNICAL SUPPORT UNIT (TSU): Established by the EBRD, with support from Bloomberg Philanthropies, the TSU manages day-to-day implementation of JETIP. It supports the Council and the Steering Committee by organizing meetings, preparing workplans, managing the project pipeline, and monitoring implementation. The TSU ensures coordination between all actors and alignment with strategic objectives.

THEMATIC WORKING GROUPS: There are three Working Groups which members are representatives from the Ministries and state-owned energy companies (which institutions are part of the JTC):

A. WORKING GROUP FOR RENEWABLE ENERGY SOURCES AND STORAGE

- Focuses on the technical and regulatory aspects of the energy transition, including renewable energy deployment, energy efficiency, and decarbonization strategies.
- Develops action plans for achieving national energy targets in line with international climate commitments.
- Coordinates with the Ministry of Energy and the TSU on technical aspects of energy projects, such as grid modernization and renewable energy investment.

B. WORKING GROUP FOR ECONOMIC TRANSITION

- Analyzes the economic implications of the energy transition, focusing on sectoral transformation, economic diversification, and new job opportunities.
- Proposes economic policies that support the development of green industries and sustainable jobs.
- Collaborates with the Investment Forum to identify areas for investment in emerging industries and technologies that will drive economic growth.

C. WORKING GROUP FOR PREQUALIFICATION AND TRAINING

- Focuses on workforce development and labor market adjustments, ensuring that the transition is fair for workers.
- Identifies skill gaps and designs training programs to reskill and upskill workers from traditional energy sectors to new, green industries.
- Collaborates with educational institutions, vocational training centers, and businesses to develop job-specific training and qualification frameworks.

STEERING COMMITTEE

Co-chaired by MoEMMR and the EBRD, the committee includes representatives from key ministries and international partners such as the EU, World Bank, EIB, KfW, and others. It meets quarterly to provide strategic guidance, review TSU workplans, align investment priorities, and address strategic risks. It plays a key role in mobilizing financing and ensuring coordination across different investment and donor streams.

REGIONAL JUST TRANSITION FORUMS: There are two regional forums, in Kichevo and Bitola, covering the two most affected coal phase out regions.

- Ensure that the transition process reflects regional and local priorities.
- Act as coordination bodies between the central government and local stakeholders, ensuring that local development needs and challenges are addressed.
- Organize consultations and dialogues with local businesses, civil society organizations, and residents to align local initiatives with national transition plans.
- Report to the Working Groups and TSU on regional progress, challenges, and needs.

Since its inception, JETIP has been instrumental in coordinating stakeholders and financing mechanisms for North Macedonia's energy transition. It not only coordinates infrastructure projects such as new solar and wind farms, but also integrates just transition measures – for example, by linking renewable energy investments with programs for reskilling workers, supporting small businesses in mining regions, and modernizing the power grid to handle higher shares of variable renewables. JETIP's comprehensive approach ensures that climate action goes hand-in-hand with economic development and social inclusion, helping to maintain public support for the transition.

3 PROGRESS HIGHLIGHTS

Up until today, North Macedonia has made a significant progress to support the Just energy transition process in the country.

	RES deployment	Coal phase-out	Storage and grids	Just Transition
CONTEXT	The deployment **1 GW additional capacity of renewable energy by 2030,** including procured competitively via Contracts for Difference	Plan to phase **out all 764 MW of coal-fired power plants by 2030** to enable substantial emissions reductions	**Strengthening of grid and storage infrastructure,** reflecting development plans of the transmission and distribution system operators, to support absorption of renewable energy and energy security	**Just transition support in line with the Just Transition Roadmap,** adopted by the Government of the Republic of North Macedonia in June 2023
STATUS	• **100 MW RES close to deployment** in Bitola and Oslomej • Ongoing design and tender preparation of CfD Auctions for up to 0.8 GW of RES. **First auctions are expected in Q1 2026**	• **NECP to be adopted** by Q1 2026 • **ESM Decarbonization Strategy** to be finalized by end of 2025 • **Energy Strategy update** scheduled for 2026	• Preparation of the **Grid Master Plan** is ongoing • **Development of five Grid Strengthening Projects** in the Southeast and Southwest regions • **Annual Energy System Development Plan for 2026:** Requests for the construction of RES and gas PP with a total capacity of 7.1 GW and battery energy storage systems with a total operational power of 4.1 GW	• Human Capital Development and Reskilling Programme ongoing: **350/600 trained** • Implementation Plan and Roadmap for Career Counselling Service for **Just Transition of ESM** • **CIF funds mobilized** for supporting SMEs in the two affected regions, under EBRD Green&Growth programme

Figure 3.1: Summary of progress in line with JETIP components

In addition, with the operationalisation of the TSU, a comprehensive JETIP pipeline was developed (Annex 1) which brings together a mix of public investments designed to accelerate the country's clean energy transition and ensure a just socio-economic transformation in coal-affected regions. On the renewable side, the pipeline includes large-scale projects such as solar PV, floating PV, wind farms, hydro , and battery storage, as well as grid modernization and construction.

3.1. RENEWABLE ENERGY TRANSITION: FROM COAL TO CLEAN POWER

North Macedonia has taken important steps to accelerate its energy transition since 2021, with a notable increase in renewable energy deployment. Private investments in renewables rose significantly in 2022–2024, supported by regulatory approvals. The total installed capacity of power plants in 2024 amounts to 2,984 MW, which is 351 MW more than the installed capacity in 2023.

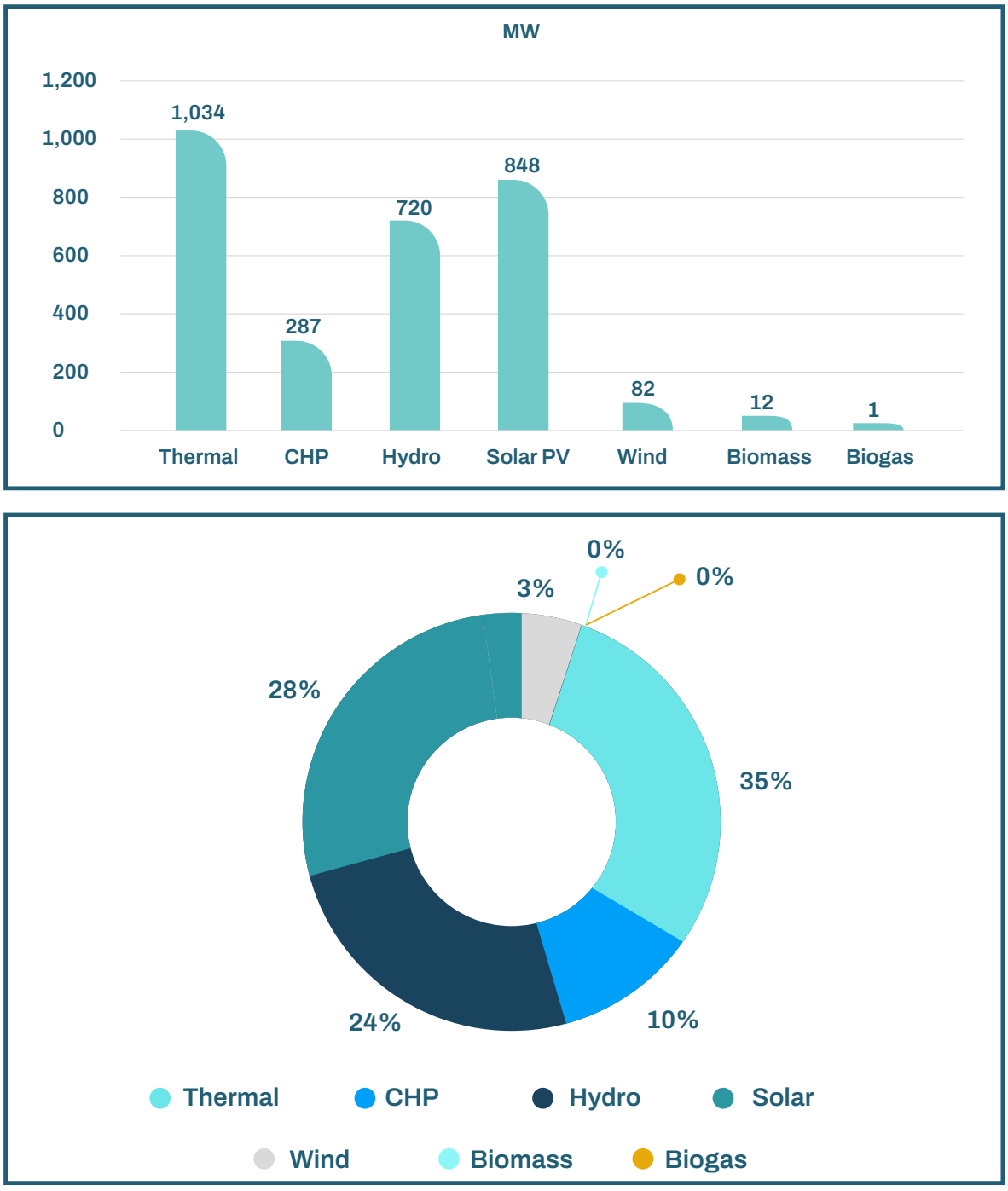


Figure 3.2: Installed Capacity and Share of Individual Technologies in the Total Installed Electricity Generation Capacity in 2024 (in MW and %)

In 2024, for the first time, renewable sources collectively represented the majority share (56%) of total installed capacity. In that year, 351 MW of new capacity was connected to the grid, of which 342 MW came from photovoltaic plants.

The country has significant renewable potential, especially for solar, along with opportunities in wind and hydro. The project pipeline is substantial: during 2024, ERC had issued 240 licenses for renewable plants, with the potential to add around 270 MW if fully realized. The largest solar and wind facilities are still state-owned, though most new capacity has been delivered through small and medium-sized projects led by private investors. Utility-scale renewables remain relatively limited. Subject to the initatives submitted for the purpose of compiling the Annual energy development plan for 2025 and 2026, under the new Energy Law, total requested capacity was close to 7,100 MW of new wind/solar/gas projects, plus ~4,172 MW of batteries (stand-alone and co-located). This surge in proposals underscores strong investor appetite and indicates that—with timely grid reinforcements, incentive mechanisms such as the CfD auctions, and streamlined permitting—North Macedonia can accelerate from today's small- and mid-scale additions to a bankable utility-scale build-out. To unlock this potential, North Macedonia is already benefiting from targeted technical assistance, notably EBRD-supported work with the MoEMMR to design and operationalise a detailed two-way CfD scheme, multi-year auction plan and enabling legal and institutional framework, alongside support for grid studies and project preparation. These TA interventions (outlined in Section 3.1.2) are critical for translating the emerging pipeline into investable projects that can deliver at least 800 MW of CfD-backed RES towards the 1.7 GW Joint Declaration objective by 2030.

3.1.1. Infrastructure projects

To illustrate progress under the Just Energy Transition Investment Platform (JETIP), the following flagship infrastructure projects are presented as highlight examples. These are not an exhaustive list of all RES and grid-related investments — detailed information on the remaining projects can be found in the JETIP Investment Pipeline (Annex 1).

FLAGSHIP PROJECT 1 — Oslomej & Bitola Solar PV Programme

Implementing Entity: AD ESM
Total Investment: EUR 25 million (EBRD loan) + EUR 5 million EU grant (WBIF)
Capacity: 30 MW (10 MW Oslomej 2 + 20 MW Bitola)
Impact: 46–48 GWh per year | 7,000–8,500 households powered |
≈ 40,000t CO_2 avoided annually
Status: Implementation ongoing (2025)

In 2025, North Macedonia's state-owned utility ESM is advancing its solar energy portfolio through the implementation of a 30 MW solar PV programme comprising two plants: a 10 MW Oslomej 2 installation on a rehabilitated lignite mine and a 20 MW Bitola facility adjacent to the Bitola thermal power complex. Funded by a EUR 25 million concessional loan from the EBRD, supported by a nearly EUR 5 million EU grant via the Western Balkans Investment Framework, these projects

are expected to generate around 46–48 GWh annually, supplying over 7,000–8,500 households and cutting carbon emissions by approximately 40,000 tonnes per year. This project is building on its earlier success with the 10 MW Oslomej 1 plant, which began trial operations in April 2022 and provides about 15–17 GWh per year—enough to power ~2,800 homes, supported by a EUR 5.9 million EBRD loan and a EUR 1.6 million WBIF grant. [5]

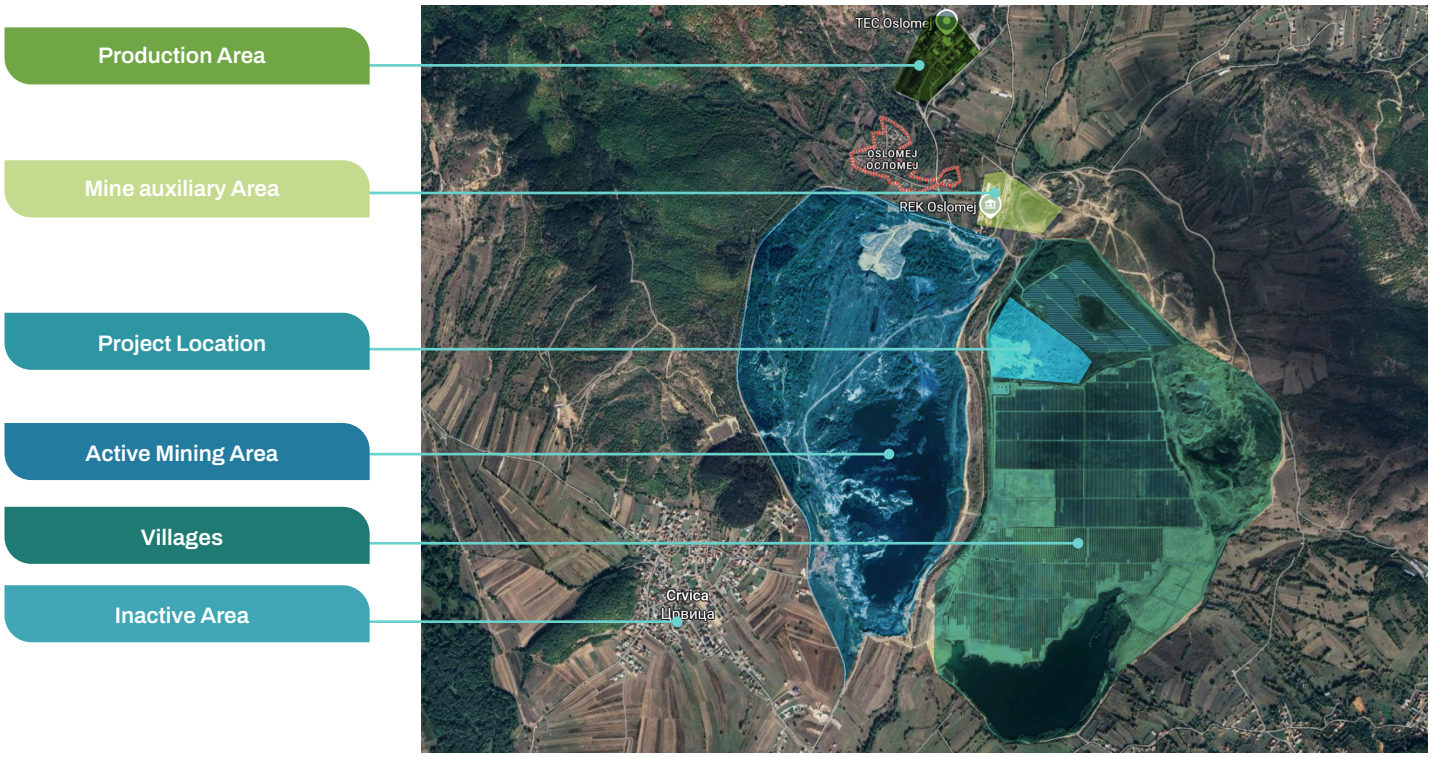


Figure 3.3: Oslomej Solar Power Plant Location

FLAGSHIP PROJECT 2 — Bogdanci Wind Farm Expansion

Implementing Entity: AD ESM
Total Investment: EUR 37.6 million (KfW, WBIF, AD ESM)
Capacity: 50 MW (4 × 3.4 MW turbines)
Impact: 46–50 GWh per year | ≈ 6,000 additional households powered
Status: Construction phase (2025–2026)

THE BOGDANCI WIND FARM EXPANSION represents a major step in North Macedonia's efforts to increase renewable energy production and reduce reliance on fossil fuels. The project, which marks the second phase of development for the country's first large-scale wind farm, will add four new wind turbines, each with a capacity of 3.4 MW. This will expand the farm's total installed capacity from 36.8 MW to 50 MW. Once operational, the new turbines are expected to generate between 46 and 50 GWh of electricity annually, providing power for approximately 6,000 additional households and increasing the total number of households served by Bogdanci to more than 22,000.The project totals EUR 37.6 million and is financed through a combination of international funding (e.g., KfW, WBIF) and national co-financing from AD ESM.[6]

[5] https://www.esm.com.mk/?page_id=9751&lang=en
[6] https://balkanengineer.com/events/north-macedonia-expands-bogdanzi-wind-farm-siemens-gamesas-help

Figure 3.4: Bogdanci Wind Farm

Details on remaining projects related to RES and grid infrastructure are included in the JETIP Pipeline (Annex 1).

There are several large-scale projects have been designated as strategic investments, including the planned 400 MW wind park in the Stip region (Alcazar Energy) which already marked the beginning of the construction works early 2025, and the 350–450 MW solar park Stipion (Akuo Energy), expected to start construction in the coming year.

FLAGSHIP PROJECT 3 — Štip Wind Farm (Alcazar Energy Partners)

Developer: Alcazar Energy Partners
Total Investment: USD 500 million
Capacity: 400 MW
Impact: Electricity for 100,000 households | 670,000 t CO_2 avoided per year
Partners: IFC (World Bank Group)
Status: Financial close expected late 2025 | Construction begins 2026
Employment Impact: > 630 construction jobs created

ALCAZAR ENERGY PARTNERS- SHTIP WIND FARM: In 2025, Alcazar Energy Partners announced the launch of the Shtip Wind Farm, a 400 MW project set to become the largest in North Macedonia and one of the largest in the Western Balkans, representing an investment of over USD 500 million. Located 75 km south of Skopje, the project will nearly quintuple the country's wind capacity, generate clean electricity for over 100,000 households, and avoid 670,000 tons of CO_2 emissions annually. The company signed a development support agreement with the International Finance Corporation ("IFC"), a member of the World Bank Group. The agreement

provides Alcazar Energy Partners access to development assistance funding for Phase I of the Shtip wind farm, the largest wind power project in North Macedonia, reinforcing both parties' commitment to mobilising private capital for sustainable infrastructure in strategic growth markets. As a key initiative under North Macedonia's Just Transition Investment Platform, it will support the coal phase-out, renewable energy expansion, and regional energy security through grid interconnections with Greece, Bulgaria, Serbia, and Kosovo. Financial close is expected in late 2025, with construction beginning in early 2026, creating more than 630 construction jobs, while contributing to Alcazar Energy's goal of building a USD 1 billion renewable energy platform across the Western Balkans.[7]

Figure 3.5: Official Signing of the Alcazar–IFC Collaboration on the sidelines of the ESG Adria Summit in Porto Montenegro

3.1.2. Ongoing technical assistance

The following technical assistance projects support North Macedonia's energy transition and infrastructure development.

With the technical assistance provided by EBRD, the MoEMMR is currently working on the development of a detailed design for a CfD scheme. Of the targeted 1.7GW of RES by 2030 subject to the Joint Declaration objectives, at least 800MW of this capacity is intended to be supported by the Government through the introduction of a Contract-for-Difference (CfD) support scheme for low-carbon generation.

[7] https://seenews.com/news/alcazar-ifc-in-funding-deal-for-400-mw-wind-farm-in-north-macedonia-1273815

The key objectives of this assignment are to:

- Develop the detailed design for a CfD scheme for North Macedonia, including all of the supporting institutional arrangements for its implementation
- Design a tender process through which CfDs will be awarded to project developers, and prepare all components of the associated tender package
- Support the process of making any necessary legal amendments to run the CfD auctions
- Develop a multi-year plan to auction CfD support to a target amount of RES capacity
- Support the Ministry to carry out the first three rounds of CfD auctions

CfDs incentivise investment in low carbon technologies by providing developers of projects with high upfront costs and long lifetimes with direct protection from volatile wholesale prices, while also protecting consumers from paying increased support costs when electricity prices are high. Generally, generators that meet predetermined eligibility requirements can apply for a CfD by participating in an auction in which different projects (potentially using different technologies) compete to win a contract with a designated, creditworthy support counterparty. Given their effectiveness, CfDs have been widely utilised across the European Union (EU) and feature prominently in the latest EU electricity market reform agenda, which includes a requirement for Member States to deploy two-way CfD mechanisms to support new RES capacity.

3.2. GRID, COAL AND SECURITY OF SUPPLY: THE TRANSITION TIGHTROPE

A central energy challenge for North Macedonia is managing the decline of its coal sector while maintaining security of supply. Lignite coal has been the backbone of the power system for decades – the two thermal power plants (TPPs) Bitola and Oslomej have typically supplied over half of the country's electricity. However, these Soviet-era plants face aging infrastructure and fuel constraints. Domestic lignite production has steadily declined due to depleted mines, low coal quality, and frequent breakdowns at TPP Bitola. In fact, total electricity generation in North Macedonia fell by 11% over the past decade (2010s), largely due to the drop in lignite power output. By 2020–2021, the country's import dependence spiked precisely because the coal fleet could not meet demand.

Guided by national strategies, North Macedonia is moving decisively toward ending coal-fired power generation. The country's largest coal power complex, Bitola TPP, is on track for retirement by 2030, and the smaller Oslomej TPP has already begun transitioning (one unit at Oslomej was converted to solar PV). Currently 764 MW of coal capacity remains operational. Government commitments – reflected in the Just Transition Roadmap (2023) and NECP – call for a complete coal exit by 2030 and carbon neutrality by 2050. In practice, coal output has been declining as renewable capacity rises and imports fill supply gaps. Coal-based generation in 2024 was constrained by maintenance and market conditions, prompting increased use of cleaner sources. Planning is underway for site repurposing and land rehabilitation at mines and plant locations, supported by international climate funds (e.g. the CIF's Accelerated Coal Transition program). Additionally, regulatory steps such as setting a carbon price or joining the EU Emissions Trading System are being evaluated to further disincentivize coal use and ensure a cost-effective transition.

In any case, any prolongation of coal use will require balancing energy security benefits against rising costs (maintenance, carbon costs) and the need to import coal as domestic lignite wanes. The gradual phase-out of coal generation to the major extent depends on the ability of the electricity grid to absorb and distribute a rapidly growing share of renewables. Without a modern, flexible, and reliable transmission system, the closure of coal plants would compromise security of supply. This makes grid reinforcement and digitalization inseparable from coal decommissioning in the transition process. North Macedonia is fully synchronized with the European grid (UCTE/ENTSO-E) and has cross-border lines with Serbia, Kosovo, Greece, Bulgaria. Currently, there are few ongoing projects where MEPSO acts as the implementing party, such as: (i) in the Southeast region, MEPSO is investing in the construction of a new 400 kV transformer station in Miletkovo and the reconstruction of transformer stations in Valandovo and Strumica, together with associated overhead transmission lines; (ii) in the Southwest region, modernization focuses on the digitalization and green transformation of the Bitola 1 and Sopotnica transformer stations. Major transmission line upgrades are planned, including the 110 kV Vrutok–Gostivar–Jegunovce–Skopje corridor and the 110 kV Ohrid–Struga–Globocica–Spilje–Vrutok corridor. The Macedonian section of the 400 kV interconnection Bitola–Meliti (Greece) will also be upgraded; (iii) In the Northwest (Polog) region, the focus is on relieving congestion in the transmission grid through reinforcement of the 110 kV interconnection from Vrutok HPP to Skopje 1 via Tetovo. Additional configuration of the 110 kV network is planned to address overloading issues and improve system stability. For more details please see Annex 1 – JETIP Pipeline.

On the natural gas side, North Macedonia uses relatively little gas in its energy mix – about 97% of households rely on other fuels, and gas is consumed mainly by industries and a few Skopje CHP plants. But gas is seen as a bridge fuel for transition and for new capacity (e.g. proposals for gas power plants to replace coal units). The country currently imports 100% of its gas from Russia, via a single pipeline connection to Bulgaria (part of TurkStream). This dependency is problematic both geopolitically and because Gazprom holds the pipeline capacity contract until 2030, limiting flexibility. Therefore, diversifying gas supply and expanding infrastructure is a strategic goal. In late 2022, an agreement with Bulgaria enabled access to non-Russian gas sources (via Bulgaria's interconnections) starting 2023. More importantly, construction of a new Greece–North Macedonia gas interconnector was just started in 2025 supported by the EIB, EBRD, and EU funds. When completed (~2027), this pipeline will allow import of Azeri gas and LNG (via Greece's terminals), breaking the monopoly of Russian supply. North Macedonia is also investing as a shareholder in Greece's Alexandroupolis LNG terminal – ESM has booked capacity and provided a EUR 5.6 million guarantee for future LNG imports. Further plans include potential connections to Serbia and Kosovo and an internal distribution network (the new state company NOMAGAS was formed in 2022 to manage gas development). While gas could improve energy security and help back up renewables, critics note it increases reliance on imported fossil fuel and could strand assets in a future low-carbon scenario. North Macedonia's leadership remains intent on gas diversification as part of its mid-term strategy, even as it simultaneously pursues decarbonization.

3.2.1. Ongoing technical assistance

With regard to the decommissioning of the coal power plants, ESM, with the support from EBRD, is currently working on the **development of a Decarbonization strategy** which aim is to design mid- and long-term activities, including targets, key performance indicators, and an investment plan aligned with national ambitions and net-zero emissions by 2050. The strategy will also include operational

procedures to assess climate mitigation in investments and develop a corporate climate risk governance framework. It is expected to be finalized and adopted by the end of Q1 2026.

To support further installation of renewable energy capacities, their integration into the grid, and improved investments in renewables, **MEPSO is currently developing a comprehensive Grid master plan .** The main objective is to fully map current and planned grid capacity needs in terms of modernization and construction of new transmission lines, substations, transformers, and ensure transparent, timely disclosure of grid capacities. The grid master plan is under development, providing a clear overview of the grid's capacity. Inception report is finalized and submitted for review. The draft plan is expected to be finalized by the end of Q1 2026. MEPSO leads the project with collaboration from renewable energy producers, ESM, EVN Distribution, and MERMS. The project is funded by EBRD, supported by Austria through HIPCA and Bloomberg Philanthropies.

3.3. JUST TRANSITION INITIATIVES

The main strategic framework for the energy transition is the JUST TRANSITION ROADMAP (JTR), which emphasizes inclusive governance, the active involvement of local stakeholders, and the need for tailored local development plans. Aside the decommissioning of the coal power plants and installation of RES capacities, the JTR highlights economic diversification, retraining of the workforce, creation of sustainable green jobs, and targeted support for vulnerable groups, including youth, women, and older workers. Gender and social inclusion are integrated as guiding principles throughout. To operationalize the Just Transition Roadmap, funds were mobilized from the Climate Investment Funds (CIF) through the Accelerated Coal Transition Investment Plan (ACT IP). The ACT IP is designed not only to channel resources into infrastructure development and clean energy projects, but also into small business creation in the coal-transitioning regions of Pelagonia and Southwest. Crucially, the scope goes beyond commercial energy projects: it also covers non-commercial initiatives, including energy efficiency improvements, environmental remediation, and measures to support workers and communities through reskilling, re-employment, and social programs. In this way, the ACT IP balances decarbonization priorities with socio-economic resilience. The JTR identifies four transition pathways that form the cornerstones of the Investment plan for Accelerated Coal transition.

To ensure continuity and concrete follow-up on annual basis, the Government adopted the Just Transition Annual Implementation Plan (JTAIP) for 2025. This plan represents the operational arm of the Roadmap and ACT IP. It goes beyond investment projects by defining a comprehensive package of non-infrastructure measures:

- Mapping of affected workers in Bitola and Kichevo;
- Development of vocational training curricula tailored to green sectors;
- Support for local entrepreneurship and small business creation;
- Setting up a national monitoring framework for just transition indicators;
- Regular reporting and cross-sector coordination mechanisms to align national and local action.

The JTAIP thus establishes the first structured framework for annual planning, monitoring, and stakeholder engagement, bridging strategic goals with on-the-ground implementation and ensuring that social and economic support measures stand alongside infrastructure investments. At the

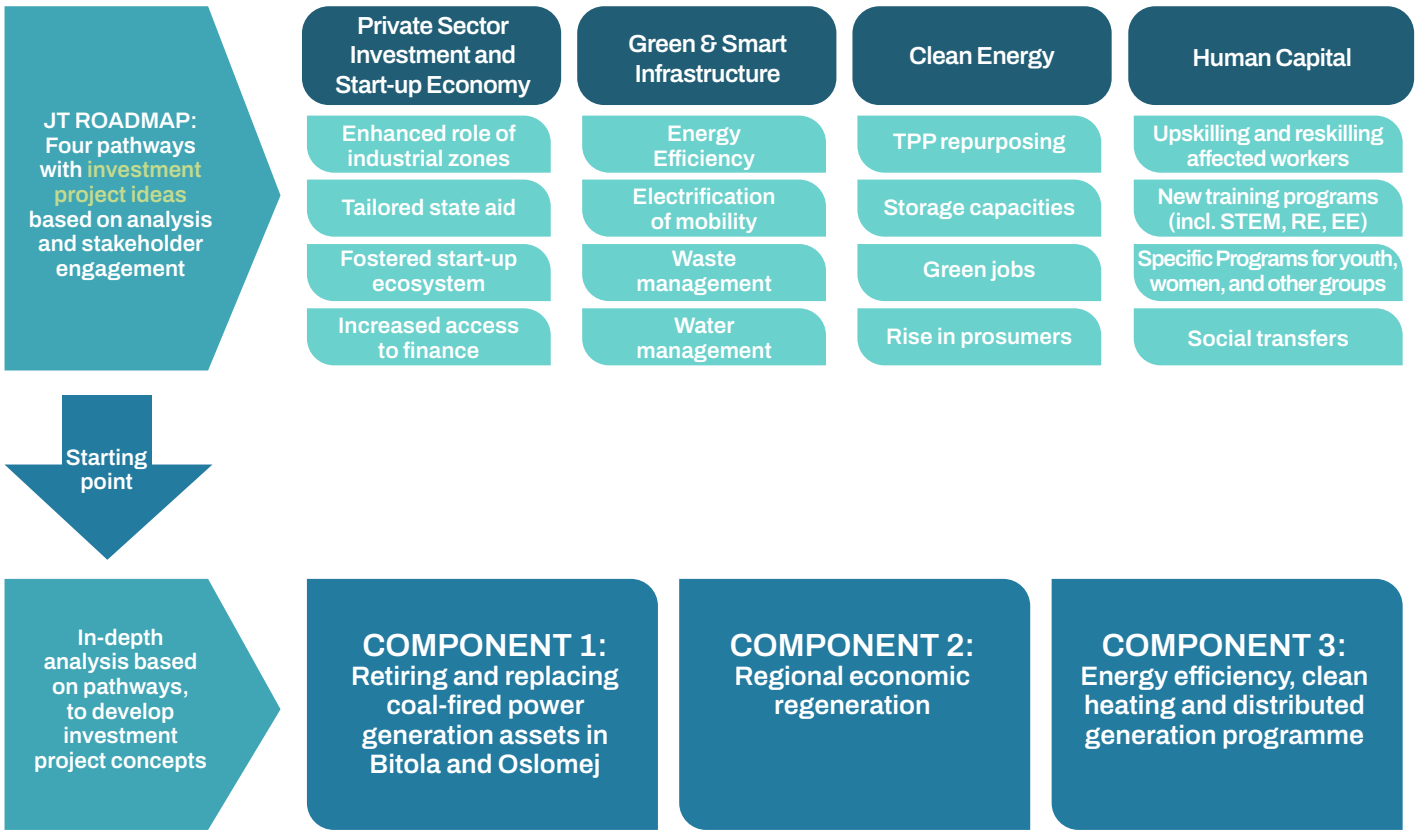


Figure 3.6: JT Roadmap, adopted in June 2023 - four transition pathways that form the cornerstones of the ACT IP

same time, by introducing this practice for annual planning, it complies with the Government's commitments under the Growth Plan and reform agenda.

Human capital is a critical pillar of the just transition process, making an early start both urgent and necessary. Building on strategic documents and national plans, the Government and ESM have committed to reskill more than 2,000 workers, equipping them with the skills required for emerging technologies and green jobs. To support this effort, the EBRD is assisting ESM in the development and delivery of over 20 certified training curricula over the next three years, backed by EUR 2.3 million in grant funding mobilized from multiple sources and projects.

In parallel, several targeted projects are already under way to translate these commitments into practice:

I. ENHANCING ESM'S ROLE IN NORTH MACEDONIA JUST TRANSITION: This project targeted initially internal HR practices in ESM and completion of content development for ESM on strategic workforce management. At the same time, the project is targeting 480 employees in Bitola and Oslomej, to be trained across different technical modules: Production Supervisor according to the Needs of Lean Industry 4.0, CNC Operator, Injection Molding Machine Operator, Specialist for Energy Management – Optimization of Processes in line with ISO 50001, Productivity Specialist and Photovoltaics Installer. The project is supported by the Japan Technical Cooperation Fund and implemented by the European Bank for Reconstruction and Development (EBRD). The trainings are ongoing and are expected to be finalized by the end of 2025.

Figure 3.7: Productivity Specialist Training, Kichevo, June 2025

II. INCREASING ESM'S CAPACITY TO PREPARE ITS WORKFORCE FOR THE CONSTRUCTION OF THE FIRST FLOATING PV PLANT IN NORTH MACEDONIA: the project includes technical training for 30 installers of combined solar systems and soft skills training—covering finance for non-finance professionals, internal communication, leadership, teamwork, and decision-making for 60 employees. The first part of the training programs for Training for non-finance professionals and Internal communication were held in June 2025 in Kichevo, while the technical training were launched end of August and should be completed by December 2025. This project is supported by the Bloomberg Philanthropies Fund and implemented by EBRD.

Figure 3.8: Finance for Non-Finance Training, Kichevo, June 2025

III. DEVELOPING ENERGY TRADING AND PROJECT MANAGEMENT SKILLS FOR ESM IN THE FRAMEWORK OF IMPLEMENTATION SUPPORT AND CAPACITY BUILDING: This initiative aims to develop energy trading and project management skills for at least 60 ESM employees, with a minimum of 25% women participants. This program includes a "training of trainers" component to ensure sustainable internal capacity building. Training will cover electricity trading (12 participants), project management (50 participants), and the training of trainers' program. The overall structure comprises baseline assessment and stakeholder engagement which was completed, content development and implementation support and capacity building. Training sessions are already ongoing and are scheduled for completion by December 2025.

IV. DEVELOPMENT OF MEPSO TRAINING CENTRE – The project plans to establish a new Training Centre for MEPSO near Ohrid – located in the Southwest region, aimed at building the necessary green and digital skills to support the energy transition. This centre will provide specialized training for MEPSO personnel and the wider transmission sector, including courses on grid management, SCADA systems, and retraining programs for coal mine and thermal power plant workers affected by the transition. The initiative seeks to address current skill shortages, promote regional capacity building, and explore long-term financial sustainability options, potentially positioning the centre as a Western Balkans hub for transmission sector training. The project began with implementation in June 2025. It is funded by the CIF's ACT programme.

In addition, with further mobilisation of the CIF funds, **EBRD HAS INTRODUCED THE GREEN & GROWTH PROGRAM FOR SMES IN NORTH MACEDONIA** in June 2025, with total size of USD 10 million out of which USD 2 million should be allocated as grants. The Green & Growth (G&G) programme will have two partially overlapping windows: (1) green - to support regional SMEs' low carbon transition via energy efficiency and renewable energy investments; and (2) growth – to support regional business growth and human capital development via capex investments. Via EBRD's Advisory for Small Businesses programme, this component will support companies in increasing employability via provision of trainings, as well as foster the entrepreneurial ecosystem in the regions though support to start-ups.

Figure 3.9: Official Signing Ceremony: Green for Growth – EBRD, NLB Bank, Sparkasse

3.4. EARLY RESULTS AND MEASURABLE PROGRESS

Although JETIP is still in its early implementation phase, tangible progress is already visible across renewable energy deployment, emissions reduction, energy security, workforce reskilling, and community development. The following impact indicators illustrate how the platform is beginning to deliver results on the ground while laying the foundation for long-term transition goals.

Impact Area	Progress & Figures (2022 –2025)	Forward Outlook / Targets
Renewable Energy Capacity	▸ 351 MW added in 2024 by public & private developers. ▸ Renewables = 55.7% of installed capacity by 2024. ▸ Renewable share of production: 41% (2024).	▸ Further pipeline includes Alcazar 300 MW wind & Akuo 350–450 MW solar. ▸ Goal: double RES capacity > 4,000 MW by 2030. ▸ ~50-100k people serviced each year through renewable electricity, or 5% of households in North Macedonia
Energy Security	▸ Electricity imports reduced from ~33% (2021) to ~11% (2024). ▸ Increased domestic RES + favorable hydro supported shift.	▸ Albania 400 kV interconnector will enhance two-way trade & regional integration.
Jobs and Workforce	▸ Reskilling programs for 2,000+ workers are planned. ▸ EUR 2.3m funding mobilised by EBRD for 20+ certified curricula. ▸ 600+ ESM workers already in training – 10+modules for selection.	▸ Training centers in Bitola, Kichevo, Ohrid expanding capacity for solar, grid, trading, and green jobs.
Community and Economy	▸ New SMEs emerging in coal regions. ▸ Improved local air quality observed during reduced coal output.	▸ Scale up diversification programs & strengthen monitoring of community benefits.
Mobilized funds	▸ +EUR 90 million mobilized for state owned projects ▸ +EUR 430 million estimate for the Shtip wind Farm – Alcazar Investment	▸ Target is minimum EUR 3 billion of funds to be mobilizied

4 CHALLENGES AND LEASSONS LEARNED

Despite recent progress, challenges remain. Grid capacity and permitting are key bottlenecks, as transmission and distribution systems require upgrades to handle the volume of new projects. Investors also face complex processes for spatial planning, land conversion, and environmental approval. Recognizing these obstacles early has provided valuable lessons to inform future actions and adjustments. The main challenges and lessons include:

BALANCING ENERGY SECURITY WITH COAL PHASE-OUT: Ensuring a stable power supply during the transition is a prime concern. With coal plants scheduled to shut down, the country must rapidly build enough renewable and backup capacity to avoid shortages. The transition timelines must be closely tied to grid readiness and alternative supply development; any delay in renewable projects or interconnectors can threaten energy security. This underscores the need for contingency planning (such as short-term use of gas or managed imports) and accelerated infrastructure deployment. The new Energy Law adopted in May 2025 introduced requirements for battery storage to accompany new renewable plants, aiming to support grid stability.

REGULATORY AND ADMINISTRATIVE HURDLES: Implementing new energy projects and transition programs often faces bureaucratic delays – whether in permitting renewable installations or rolling out training initiatives. JETIP's early operations highlighted the need for streamlining regulatory processes and improving inter-agency communication. Clear assignment of responsibilities and simpler procedures (e.g. one-stop permitting for renewables, fast-track approval for just transition projects) can greatly speed up progress.

SOCIO-ECONOMIC ADJUSTMENT IN AFFECTED REGIONS: The closure of coal mines and power stations in regions like Pelagonia has broader economic ripple effects. One lesson is the importance of early and inclusive planning with local stakeholders. Strategies such as establishing regional transition centers, involving municipalities in development planning, and phasing the coal exit in a way that gives communities time to adapt have been identified as crucial. It has become evident that diversifying local economies before mines close (by attracting new industries and investing in education) is more effective than reactive measures afterward.

FINANCING CONSTRAINTS: While initial donor funding has been secured, the scale of investment needed means private capital must be mobilized at an unprecedented level. North Macedonia's experience so far shows that creating the right incentives (transitioning from feed-in tariffs to competitive auctions and CfDs) and ensuring a stable investment climate (predictable regulations, creditworthy off-takers) are essential to attract investors. Financial instruments like two-way CfDs and blended finance arrangements should be operationalized quickly to bridge viability gaps in renewable and transition projects.

COORDINATION AND CAPACITY: Managing a multi-faceted program like JETIP stretches the capacity of institutions. Coordination among ministries – and between national and local authorities – has sometimes been challenging, leading to overlaps or gaps. A takeaway is that dedicating full-time staff (via the TSU) and establishing formal coordination bodies (Council, WGs) is vital, but equally important is continuous capacity-building. Training public officials in project management, stakeholder engagement, and technical subjects (energy markets, climate finance) is now recognized as a necessary investment to ensure effective implementation.

PUBLIC COMMUNICATION AND SUPPORT: Maintaining public support through transparent communication is another lesson learned. The ongoing challenge is to keep the public informed and involved, demonstrating tangible benefits (like new jobs or improved local air quality) to sustain a social license for the transition. Early in the transition, some public skepticism is met with proactive outreach – including consultations in coal towns, information campaigns about renewable energy benefits, and engagement with unions and civil society.

5 NEXT STEPS AND PRIORITIES

Building on the progress and lessons to date, North Macedonia has outlined several next steps and priority actions under JETIP to ensure continued momentum in the energy transition:

1. POLICY UPDATES AND PLANNING: It is important for MoEMMR to finalize the updated NECP by the end of 2025, integrating more ambitious renewable and efficiency targets and explicit just transition measures. This revised plan will guide the next phase of implementation and provide a clear signal to investors and communities about the country's path. Additionally, a legislative groundwork for introducing carbon pricing (aligning with the EU Emissions Trading System) and other regulations is a necessity to encourage clean energy investment.
2. FINALIZE ONGOING TECHNICAL ASSISTANCE: As a near-term priority, complete and operationalize key TA engagements that underpin investment and market reforms—e.g., the MEPSO Transmission Master Plan, ESM Decarbonisation Strategy, and CfD scheme design (including market, regulatory, and auction procedures). Actions include: (i) consolidating draft outputs and stakeholder comments; (ii) issuing final, endorsed documents with clear implementation roadmaps, budget needs, and institutional responsibilities; and (iii) translating recommendations into executable decisions (ERC/MEMO rulebooks, MoEMMR by-laws, MEPSO investment programs, and ESM CAPEX plans). This will de-risk the pipeline, align with the NECP update, and accelerate time-to-execution for priority projects.
3. INVESTMENT PIPELINE EXECUTION: Move flagship projects to execution – for example, close coordination with ESM and MoEMMR and other relevant stakeholders to ensure implementation of the strategic RES capacities. At the same time, it is also important to closely follow the implementation of the Shtip Wind Farm and other major private sector renewable projects reach financial close and start construction on schedule (late 2025 into 2026). Similarly, close coordination with MEPSO to expedite grid enhancement projects like the Albania interconnector o strengthen cross-border capacity. Thus, a regular update of the JETIP investment pipeline (see Annex 1) and active communication with JETIP Partners is inevitable to secure remaining financing needs.
4. JUST TRANSITION PROGRAMME DELIVERY: It is important to further operationalize planned just transition interventions on the ground. This includes launching the full suite of vocational training programs in mining regions by early 2026 (in partnership with local technical schools and employers), deploying grant funds to support SMEs and start-ups in affected communities, and implementing land reclamation and redevelopment projects at former mine sites. Setting up a monitoring system for tracking outcomes (e.g. jobs created, workers retrained) is a priority to measure success and adjust programs as needed.
5. STRENGTHEN INSTITUTIONAL CAPACITY: It is important to work closely with ministry officials, and improving coordination tools. One priority is to establish a central information portal for JETIP where stakeholders can access updates, project information, and progress reports – enhancing transparency. Regular multi-stakeholder forums (nationally and in coal regions) will be held to maintain inclusive dialogue and feedback loops.

Collectively, these priorities aim to ensure that North Macedonia not only meets its climate and energy targets, but does so on time and in a manner that is economically sensible and socially equitable. The focus is on actionable, near-term steps that lay the groundwork for the larger 2030 vision – demonstrating commitment to the just transition and building confidence among all stakeholders involved.

6 STAKEHOLDER ROLES AND PARTNERSHIPS

Successful implementation of JETIP relies on the active participation of a wide range of actors. Each stakeholder group contributes specific expertise and resources, while coordination mechanisms such as the Just Transition Council, working groups, and the Technical Support Unit ensure alignment. Partnerships bring together government policy authority, state-owned enterprises' technical capacity, private capital, donor support, and civil society oversight, creating a platform that balances decarbonization with social and economic needs.

Table 6.1: Key Stakeholders and their roles in JETIP

STAKEHOLDER	MAIN ROLE IN JETIP
GOVERNMENT MINISTRIES	Ministry of Energy, Mining and Mineral Resources leads coordination. Finance aligns funding; Economy works on reforms; Labor & Social Policy and Education focus on workforce/social measures; Environment oversees climate standards.
LOCAL AUTHORITIES	Municipalities in coal regions (Bitola, Novaci, Kičevo) implement local projects (e.g. retraining centers, infrastructure) and ensure transition plans reflect community needs.
SOES (ESM, MEPSO)	ESM: Coal phase-out, new RES projects, workforce transition. MEPSO: Grid modernization and regional interconnections. Both implement projects with financiers.
PRIVATE SECTOR	Develop new RES projects through JETIP frameworks (auctions, CfDs). SMEs supported via programs like EBRD's Green & Growth credit line.
INTERNATIONAL PARTNERS	EU, EBRD, WB, EIB, KfW, CIF provide grants, concessional finance, and technical support (e.g. CIF's USD 85m ACT package). Donors coordinate through JETIP governance.
CIVIL SOCIETY & ACADEMIA	NGOs and universities support transparency, monitoring, and reskilling research. They engage in consultations, advisory panels, and awareness efforts.

ANNEX 1: JETIP INVESTMENT PIPELINE

No.	Title of project	Project description	New RES installed capacity (MW) - where applicable	Lead MDB / Project lead	Co-financiers	Beneficiary	Project location	Envisioned completion date	Total project value (EUR)	Project status	Link to project (where available):
1	Grid Network Codes Allignment	A project to align grid newtork codes, following the example of World Bank project in Serbia	0	World Bank	/	MEPSO	North Macedonia		TBD	Concept	/
2	Socio-economic asessment in coal-affected regions	Socio-economic asessment- household survey with affected coal communities	0	World Bank	/	Ministry of Energy, Mining and Mineral Resources	Pelagonija, SW	09/2024	100,000	Completed	/
3	Air-Quality Project	Monitoring stations, subsidies for households for EE	0	World Bank	/	Ministry of Environment	North Macedonia		TBD	Concept	https://projects.worldbank.org/en/projects-operations/project-detail/P177610
4	Green Transition Center of Excellence (GTCE)	The Green Transition Center of Excellence (GTCE) is envisaged as a green and just transformation center of excellence acting as an enabler for green transition in the Pelagonija region. The main objective of this public-private initiative is to establish functional cooperation among the key local stakeholders in the "green ecosystem" of the region, encompassing public institutions, academia, civil society, and the private sector with the aim to improve the capacities of the municipalities in the Pelagonija region for triggering and implementing investments towards more environmentally friendly and society-justifiable practices as a basis for a new green and just economy.	0	UNDP	/	"SMEs Residential"	Pelagonija region	01/2027	1,000,000	Under implementation	https://skills4future.mk/wp-content/uploads/2024/07/Green-Transition-Center-Pelagonija-ENG-.pdf
5	HPP Cebren	Construction of Reversible HPP Cebren and dam Orlov Kamen with minimum installed capacity of 333 MW	333	TBD	WBIF	ESM	Chebren		-	Concept	
6	Vardar Valley (SPP)	Construction of small dams and HPPs with total capacity of 29,41 MW	29	TBD	/	ESM	Vardar Valley	01/2032	50,000,000	Concept	
7	"Tenovo-Kozjak Tunnel (HPP Raven to HPP Kozjak) (SPP)"	Obtaining new water quantities in HPPs in River Treska	0	TBD	/	ESM	Kozjak	01/2030	125,000,000	Concept	
8	Wind Park Miravci	New Wind Park of ESM with a installed capacity of 108 MW with an envisaged nominal annual power generation of 300 GWh. The Project will be located in the area of the Village of Miravci, Municipality of Gevgelija	108	EBRD	CDP	ESM	Miravci	01/2029	150,000,000	Pre-feasibilty	/
9	EIB Global €100 million of EU investment with Development Bank of North Macedonia to boost green transformation of SMEs	In cooperation with the Development Bank of North Macedonia (DBNM) and local commercial banks, EIB Global, the arm of the European Investment Bank for activities outside the European Union, will provide €100 million to boost development and the green transition of small and medium-sized enterprises (SMEs) and mid-caps in the country. The funds will address the liquidity and investment needs of local businesses, and finance energy and green transition projects. This will support low-carbon and climate-resilient growth in North Macedonia, in line with the European Union's Economic and Investment Plan and the Green Agenda for the Western Balkans.	0	EIB	/	Development Bank of North Macedonia	North Macedonia	ongoing	100,000,000	Under implementation	https://www.eib.org/en/press/all/2023-275-eib-global-unlocks-eur100-million-of-eu-investment-with-development-bank-of-north-macedonia-to-boost-green-transformation-of-smes

10	NEW Battery storage and SCADA project	SCADA and BESS 300MW/h Investment in balancing capacities – Battery Storage Systems, next to the future large solar PV plants in Bitola, Shtip and Kichevo. An initial capacity of up to 300MWh of batteries will be sufficient for the first stage, for up to 1880MW solar PV Plants, planned in the area of Municipality of Shtip; the area of TPP Oslomej (Municipality of Kichevo), and the area of TPP Bitola.	0	EBRD	"KfW WBIF CIF"	ESM	Bitola	12/2026	91,300,000	Pre-feasibilty	/
11	Photovoltaic power plant Bitola III	Supply and installation of 100MW PVPP on the former lignite coal mine.	110	KfW	EBRD	ESM	Bitola	06/2027	87,000,000	Tender Preparation	https://www.gtai.de/resource/blob/1791286/ce50bffc0e940c79e-4a3ea771f202096/AUS202406211791284.pdf
12	Greening Financial Systems technical assistance programme	EIB Global, the financial arm of the European Investment Bank (EIB) for activities outside the European Union, has signed a cooperation agreement with the National Bank of North Macedonia under the Greening Financial Systems (GFS) programme. The agreement will enable the provision of advisory services to the National Bank designed to enhance its regulatory and supervisory climate risk management practices, as well as the reporting capacities of the financial sector in the country. These activities will help local banks understand the climate risk exposure of companies in North Macedonia and support their sustainability practices.	0	EIB	/	National Bank of The Republic of North Macedonia; Four Commercial Banks - Komercijalna Banka, ProCredit, NLB, Sparkasse	Global	ongoing	300,000	Under implementation	https://www.eib.org/en/press/all/2024-078-north-macedonia-eib-global-supports-greening-of-the-financial-system-through-dedicated-advisory-programme
13	"PAHE Tashmarunishta (SPP)"	Construction of new PAHE Tashmarunishta, with an installed capacity of 225 (3 x 75) MW - hydro	225	TBD	/	ESM	Tashmarunishta	01/2030	80,000,000	Concept	
14	"Reversible HPP: Kozjak-HPP Sv. Petka (SPP)"	Construction of a pump with two turbines between Kozjak and Sv. Petka reservoirs	0	EBRD	/	ESM	Kozjak	01/2029	58,000,000	Concept	/
15	Floating PV plant	"First 50MW Floating PVPP project of ESM. To be constructed on Shpilje HPP reservoir. The project is financed by EBRD and EIB "	50	EBRD	EIB	ESM	Debar	12/2028	52,000,000	Feasibility	https://www.esm.com.mk/wp-content/uploads/2022/01/20220622_Kapitalni-proekti-ESM_eng.pdf
16	"Solar District Heating Bitola (SPP)"	The follow up phase of Bitola Solar District Heating (Bitola SDH) project, will increase the share of renewable energy in the Country's energy mix, while focusing on heating sector, with capacity of 20-30 MWt. WBIF grant - pre-feasbility study	25	KfW	WBIF	ESM	Bitola	01/2030	50,000,000	Pre-feasibilty	
17	Photovoltaic power plant Bitola II	Supply and installation of 60MW PVPP on the former lignite coal mine.	60	KfW	/	ESM	Bitola	12/2026	47,300,000	Concept	https://seenews.com/news/kfw-lends-n-macedonias-esm-55-mln-euro-for-green-energy-projects-1268405
18	District heating in Bitola	"Pipes from REK Bitola to Bitola to establish a distribution network in the city. "	90	KfW	ESM	Government of the Republic of North Macedonia	Bitola	12/2026	51,000,000	Under implementation	https://finance.gov.mk/agreements-for-realization-of-district-heating-bitola-project-signed/?lang=en
19	Transmission grid strengthening in the Southeast region	"- New 400kv SS in Miletkovo - Reconstructin of the SSs in Valandovo and Strumica and the conecting OHTLs - Regional training center in Ohrid for Southeast Europe. - New Central Scada and new SCADAs for all reaming SSs of MEPSO - Cybersecurity for MEPSO "	0	EBRD	"WBIF CIF"	MEPSO	Miletkovo	10/2027	34,000,000	Under implementation	" https://www.ebrd.com/work-with-us/projects/psd/54625.html"

20	Rehabilitation of large HPP	Revitalization of six major hydropower plants (HPP Vrutok, HPP Vrben, HPP Raven, HPP Tikvesh, HPP Spilje and HPP Globochica), providing between 20% and 30% of the total electricity generation in the country. This investment will increase their installed capacity by an additional 13.5 MW, increasing electricity generation by approximately 47.5 GWh annually, reducing the maintenance costs, increasing both the reliability and stability of the system and protecting the environment. The rehabilitation is co-financed by EU WBIF grant in the amount of EUR 11 million.	13	KfW	"WBIF German Government"	ESM	North Macedonia	02/2027	46,125,500	Under implementation	https://www.wbif.eu/news-details/energy-support-package-action-rehabilitation-six-hydropower-plants-north-macedonia
21	400/110 kV Substation (SUVODOL), 2x 400 kV OHTL lines, & 400 kV Bays at SS BITOLA 2	"The project will enable up to 1500 MW integration from renewable energy sources (solar, pump storage, etc.) - Insufficient hosting/evacuation capacity of the local transmission grid"	0	TBD	/	MEPSO	Bitola (Suvodol and Brod-Gneotino mines vicinity)		35,299,440	Pre-feasibilty	
22	Wind farm Bogdanci – Phase II	Within the second phase of this project, the installation of 3 turbines in the Bogdanci wind farm with an installed capacity of 13.2-15 MW is envisioned, while the project beneficiary is JSC ESM.	15	KfW	WBIF	ESM	Bogdanci	06/2027	35,000,000	Under implementation	https://wbif.eu/project-detail/PRJ-MKD-ENE-033
23	Photovoltaic power plant Bogdanci with Battery Energy Storage System (SPP)	"With the construction of the PVPP Bogdanci, near the existing Wind Park Bogdanci, the participation from renewable energy sources will be increased by up to 35 MW, and electricity generation will be approximately 60 GWh per year. The installation of battery energy storage system nearby the PVPP, will increase the availability for balancing the entire power system in Republic of North Macedonia. "	35	AFD	/	ESM	Bogdanci	01/2028	30,000,000	Feasibilty	/
24	GFF (Green Finance Facilty)	The combined funds will be provided to local SMEs. The SMEs will be entitled to receive 10 per cent grants for investments that are completed successfully in renewables or combined energy efficiency and renewable energy projects or five per cent grants for projects involving technologies that are exclusively energy efficient.	0	EBRD	"Government of Republic of North Macedonia Joint SDG Fund (IOM)"	PFI (Partner financial institutions) and SMEs	North Macedonia		30,000,000	Under implementation	https://www.ebrd.com/work-with-us/projects/psd/53583.html
25	EU for Green Economy IPA 2021	Promote the sustainable economic development of North Macedonia, contribute to the implementation of the Green Agenda for the Western Balkans, and increase the number of green jobs and the size of the circular economy. The action will also enhance the competitiveness of the agricultural sector, and consequently business development.	0	EU	/	Government of the Republic of North Macedonia	North Macedonia		28,900,000	Tender Preparation	https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance/north-macedonia-financial-assistance-under-ipa_en
26	Improvement and upgrade of Skopje District Heating Network	The purpose of the Project is to create a more sustainable, cost-effective, and efficient district heating for Skopje. By integrating renewable energy sources, optimizing heat resources from CHPs and industrial waste, and strategically upgrading the network, the aim is to improve the system's reliability, reduce environmental impact, and potentially lower costs for consumers.	0	EBRD	/	ESM	Skopje	01/2032	27,800,000	Pre-feasibilty	/
27	Public Sector Energy Efficiency (PSEEP) Project	Supporting energy efficiency investments in public facilities (loan from the WB in the amount of EUR 25 million + WBIF investment grant EUR 2,2 million). The project includes energy efficiency investments in the healthcare buildings managed by the Ministry of Health and buildings and street lighting owned by municipalities. Furthermore, this project supports establishing and operationalising an Energy Efficiency Fund (EE Fund) as a sustainable and revolving financing mechanism to scale up energy efficiency investments together with the Macedonian Development Bank. Under PSEEP, a EUR 5 million component is needed to support the first EE Fund investments in municipal projects once the Fund is established and operationalized.	0	World Bank	WBIF	Ministry of Finance - MSIP	North Macedonia	09/2027	22,830,000	Under implementation	https://projects.worldbank.org/en/projects-operations/project-detail/P149990

28	Grid strenghtening of the South-west region	- Digitalization & Green SS Bitola 1 & SS Sopotnica - Reconstruction of 110 kV OHL Vrutok - Gostivar - Jegunovce - Skopje 3 - Gjorce Petrov - Skopje1 - Reconstruction of 110 kV OHL Ohrid - Struga - Globocica - Spilje - Vrutok - Upgrade 400 kV Interconnection Bitola (MK) - Meliti (GR) (Macedonian part) - Implement Dynamic Line Rating (DLR) System - Reconstruction and rehabilitation of Pylon Testing station in Ohrid - Equipment for Training Center for High-Voltage Equipment Operators	0	EBRD	WBIF	MEPSO	South-west region	12/2030	26,300,000	Concept	https://www.ebrd.com/work-with-us/projects/psd/54625.html
29	HPP Shpilje 2	"Hydropower plant Spilje was designed and constructed with installed capacity of 66MW, with the revitalization of the main equipment of the hydropower plant, performed from 1997 to 1999, the installed capacity of HPP Spilje is increased to 84MW, and has an average annual generation of 300GWh. "	28	TBD	/	ESM	Shpilje	01/2030	22,000,000	Concept	
30	HPP Globochica 2	"The Hydro-Power System (HPS) on the Crn Drim (Black Drin) is the highest capacity hydro-power system compared to the others in North Macedonia. Both power-plants Globocica and Spilje contribute on average about 450-500GWh generated electricity in to the power system of North Macedonia. HPP Globocica as the first plant on the Black Drin is a combined (accumulation and derivation) power plant, with installed capacity of each of the two units is 25m3/sor50m3/sal together, i.e. a total installed capacity of 42 MW, with average annual production of 190GWh. "	20	TBD	/	ESM	Globochica	01/2030	21,000,000	Concept	
31	EU for Economic Cohesion IPA 2024	Supporting the economy, trade and agriculture, addressing the climate change challenges on central and local levels by supporting structural reforms in energy and energy transition from fossil fuels towards clean energy in line with the Green Agenda for the Western Balkans.	0	EU	/	Ministry of Energy, Mining and Mineral Resources	North Macedonia		20,600,000	Concept	https://euprojects.al/euprojects/eu4green-support-the-implementation-of-the-green-agenda-for-the-western-balkans/
32	EU for Clean Air project	"This EU-funded initiative aims to enhance air quality in North Macedonia's major urban centers, including Skopje, Kumanovo, Tetovo, and Bitola. It involves transitioning 70 public buildings to clean energy heating sources, procuring six eco-friendly CNG buses for Skopje, establishing urban green belts with 6,000 trees, developing a Feasibility Study for the District Heating System expansion in Skopje, and installing three local air quality monitoring stations. "	0	EU	/	Government of the Republic of North Macedonia	"Tetovo Skopje Kumanovo Bitola"		19,387,116	Under implementation	https://environment.ec.europa.eu/topics/air_en
33	Photovoltaic power plant Bitola I	Supply and installation of 20MW PVPP in the region of Bitola	20	EBRD	WBIF	ESM	Bitola	12/2027	16,000,000	Tendering	https://www.ebrd.com/work-with-us/projects/psd/52320.html
34	Install Additional Distribution of Transformers EVN	"- Increases reverse capacity on the MEPSO/EVN interface to accommodate high RES penetration. - Insufficient hosting capacity of 110/x kV distribution substations."	0	TBD	/	EVN	" Resen (SS Resen) Demir Hisar (SS Sopotnica) Makedonski Brod (SS Samokov)"		11,485,698	Concept	
35	Regional EU4Green	EU4Green: Support the implementation of the Green Agenda for the Western Balkans	0	EU	Environment Agency Austria	Government of the Republic of North Macedonia	Western Balkan region	12/2025	11,000,000	Under implementation	https://euprojects.al/euprojects/eu4green-support-the-implementation-of-the-green-agenda-for-the-western-balkans/

36	EU4Green	By bolstering the Green Agenda's regional governance, the project seeks to support the Western Balkans in transitioning to a more sustainable and climate-resilient future, benefiting local and European markets.	0	EU/ Environment Agency Austria	Austrian Development Agency	Government of the Republic of North Macedonia	North Macedonia	12/2025	10,000,000	Under implementation	https://eu4green.eu/
37	"Renovation Plan for Central Government Buildings"	"The overall objective for the Renovation Plan is to achieve energy efficiency improvements in the buildings sector and help to meet the strategic targets as outlined in the national strategic documents."	0	Reform Agenda	/	Ministry of Energy, Mining and Mineral Resources	North Macedonia	01/2027	9,400,000	Concept	
38	Photovoltaic power plant Oslomej II	"Supply and installation of 10MW PVPP on the former lignite coal mine."	10	EBRD	WBIF	ESM	Oslomej	12/2027	9,000,000	Tendering	https://www.ebrd.com/work-with-us/projects/psd/52320.html
39	"In-out connection of 110 kV OHTL HPP Vrutok – SS Skopje 1 in SS Tetovo"	Due to the increase in the load in the electric power system, there is overloading in the network in the Northwestern region. The problem may be solved with additional configuration of the 110 kV network in the region of Polog.	0	MEPSO	/	MEPSO	"Skopje Tetovo"	01/2028	6,000,000	Concept	https://www.gtai.de/resource/blob/1791286/ce50bffc0e940c79e-4a3ea771f202096/AUS202406211791284.pdf
40	Scaling-up actions to tackle air pollution	The project support the local authorities in five pilot municipalities in North Macedonia to detect and measure sources of air pollution, identify and plan proper measures to address the problems, and implement mitigation activities, along with a horizontal prevention activity of raising public awareness and facilitating behavioral change.	0	UNDP	Municipalities (Kavadarci, Strumica, Kumanovo, Gostivar, Struga)	Ministry of Environment and Physical Planning, Ministry of Energy, Mining and Mineral Resources Local Governmets, citizens, including socio-economicaly vulnerable groups	"Kavadarci Strumica Kumanovo Gostivar Struga"	04/2026	2,454,608	Under implementation	https://www.undp.org/north-macedonia/blog/scaling-solutions-leveraging-open-data-tackle-air-pollution
41	CfD auctions for RES inveastments	"Design, tender preparation and implementation of CfD Auctions for up to 0.8GW of RES. "		EBRD	CIF + TBC	Ministry of Energy, Mining and Mineral Resources	North Macedonia	12/2026	2,300,000	Under implementation	/
42	MEPSO Grid Master Plan	"• Develop a grid masterplan for renewable energy integration • Upgrade the 400 kV national grid • Address technical barriers to renewables integration • Conduct Cost Benefit Analyses (CBA) • Enhance MEPSO's planning and operational capacity"	0	EBRD	Austria & Bloomberg Philanthropies	MEPSO	North Macedonia	06/2026	1,000,000	Under implementation	/
43	Decarbonisation project for health sector	New project for supporting decarbonization of the health sector in North Macedonia	0	EIB	/	Ministry of Health	North Macedonia		1,500,000	Concept	https://www.undp.org/north-macedonia/blog/scaling-solutions-leveraging-open-data-tackle-air-pollution
44	Supporting Energy Reforms IPA 2020	The specific objectives of this assignment are to support the country in the effective energy policy and ensure the strategic framework is in place, duly implemented and monitored; national legislation is aligned with the EU Energy acquis; and Institutional capacities for implementation and enforcement of the legislation strengthened.	0	EU	/	Government of the Republic of North Macedonia	North Macedonia		920,000	Under implementation	https://enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance/north-macedonia-financial-assistance-under-ipa_en
45	Delivery of Trainings on Finance Access for Clean Energy Private Sector Companies	This tender aims to assemble a pool of qualified and experienced experts (4-8 experts) to provide support in development and delivery of trainings aimed at building the capacity and bankability of companies. Specifically, the pool of trainers is expected to deliver on topics contributing to business development and finance readiness of private sector companies in the renewable energy sector.	0	German Federal Ministry for Economic Cooperation and Development*	/	Clean Energy Private Sector Companies	Global		354,750	Under implementation	

46	City Climate Finance Gap Fund	City Climate Finance Gap Fund is a climate action trust fund that provides early-stage project preparation support to cities in developing countries.	0	EIB	/	Local governments	Global		500,000	Under implementation	https://www.citygapfund.org/
47	ESM decarbonization strategy	Decarbonization strategy for ESM including investment decarbonization plan and TCFD reporting capacity buiilding		EBRD	Sweden (Municipal and Climate Fund II)	ESM	North Macedonia	08/2025	250,000	Under implementation	https://www.ebrd.com/news/2023/ebrd-supports-macedonian-public-utility-jsc-elektrani-na-severna-makedonija.html
48	Enhancing ESM's role in North Macedonia's Just Transition	"Prequalification and training of 480 ESM employees from REK Bitola and REK Oslomej Decision on trainings and selection criteria Curricula development Communication strategy, national training strategy"		EBRD	/	ESM	"Bitola Oslomej"	12/2025	200,000	Under implementation	
49	MEPSO Training Centre	As part of the North Macedonian Investment Plan (IP) which is supported by the CIF accelerating coal transition (ACT) (and aligned with an investment into the transmission grid in the country through the transmission utility MEPSO), this TC plans to support with the new training centre for workers. This training centre will be developed using existing land and infrastructure on MEPSO properties to establish a new training centre in Ohrid in the coal-dependent Southwest region. Given the dearth of relevant skills for the energy transition in the region, the centre will also focus on enhancing green and digital skills, including (as an example) the ability to manage the grid for a higher level of renewable energy integration and cybersecurity knowledge for operators of digital energy systems i.e. Supervisory Control and Data Acquisition (SCADA) platform simulators.	0	EBRD	CIF	MEPSO	Ohrid		190,315	Under implementation	https://www.ebrd.com/content/dam/ebrd_dxp/documents/project/54625/mepso--transmission-grid-strengthening-board-report.pdf
50	North Macedonia: Increasing capacity of ESM's to prepare its workforce for the construction of the first floating PV plant	"Develop a reskilling and redeployment Initiative through assisting ESM in creating a comprehensive reskilling and redeployment program to increase the capacity of its workforce to prepare it for the construction of the first floating PV plant. - Introduction of a series of high-quality, nationally accredited retraining courses, developed in collaboration with local TVET institutes. Gender implications will be considered throughout the program, ensuring the design and delivery of gender-sensitive training sessions. - Targeted 100 employees to be trained"	0	EBRD	/	ESM	Pelagonia and Southwest region	02/2026	100,000	Under implementation	/
51	Stakeholder Review on Gender for North Macedonian ACT Investment Plan (Women-led coal transitions – WOLCOT)	Through the Women-Led Coal Transitions (WOLCOT) programme from CIF there will be an emphasis addressing gender inequality within the workforce of MEPSO as well as the wider economy. As a precusor to that programme, we are preparing a TC to undertake some baselining activity ahead of the beginning of this programme. This includes collecting sex disaggregated data on the country's workforce, mapping relevant stakeholders as well as an awareness campaign to improve understanding of equal opportunities within the energy sector in North Macedonia (in particular linked to MEPSO's new training centre being formed).		EBRD	/	ESM	North Macedonia	05/2025	42,000	Under implementation	https://www.cif.org/knowledge-documents/women-led-coal-transitions-wolcot-grant-mechanism-under-accelerated-coal
52	ESM - Project Management Training & Energy Trading	This specific Assignment will support ESM to build project management and electricity trading capacity through the development and implementation of recommendations and best practices to support the Company's re-structuring to be able to deliver towards efficient trading operations, including two new certified training programmes for at least 60 employees, of which at least 25% will be female. The training initiative should target young workers to enhance their access to market-relevant skills in the sector, and include a cooperation with a specialised national or international university.	0	EBRD	/	ESM		12/2025	98,715	Under implementation	/

53	MEPSO Corporate governance Action Plan	Gap Analysis and Action plan for Corporate governance of MEPSO	0	EBRD	/	MEPSO	North Macedonia	06/2025	75,000	Under implementation	/
54	Stakeholder Review on Gender for North Macedonian ACT Investment Plan (Women-led coal transitions – WOLCOT)	Through the Women-Led Coal Transitions (WOLCOT) programme from CIF there will be an emphasis addressing gender inequality within the workforce of MEPSO as well as the wider economy. As a precusor to that programme, we are preparing a TC to undertake some baselining activity ahead of the beginning of this programme. This includes collecting sex disaggregated data on the country's workforce, mapping relevant stakeholders as well as an awareness campaign to improve understanding of equal opportunities within the energy sector in North Macedonia (in particular linked to MEPSO's new training centre being formed).	0	EBRD	/	Supportive of wider JETIP goals	North Macedonia	05/2025	47,758	Under implementation	/
55	Capacity building support for the Ministry of Energy, Mining and Mineral Resources – Technical Expert	Technical expert support for the Ministrty of Energy		EBRD	/	Ministry of Energy, Mining and Mineral Resources	North Macedonia	04/2027	75,000	Under implementation	/
56	North Macedonia: Technical Support Unit of the Just Energy Transition Investment Platform	The objective of the TSU is to facilitate the implementation of the JETIP on a day-to-day basis. The TSU should ensure effective coordination among stakeholders for a success just energy transition, support strategic and operational objectives.	0	EBRD	Bloomberg Philanthropies (BP)	Ministry of Energy, Mining and Mineral Resources	North Macedonia	06/2027	500,000	Under implementation	
57	Policies and Recommendations for Employment and Social Protection in the Context of the Transition Process in the Pelagonija Planning Region	This document proposes policies and measures for employment and social protection that address challenges in a timely manner, ensuring effective management of coal phase-out in Pelagonija and South-West regions, and a fair, inclusive transition for all stakeholders.	0	UNDP	/	"SMEs Residential Unemployed"	Pelagonija and South-west region	01/2027	20,000	Concept	https://www.undp.org/north-macedonia/projects/green-finance-facility-improve-air-quality-and-combat-climate-change-north-macedonia
58	EIB Global technical assistance grant to boost the rollout of green financing for SMEs	The technical assistance will support the implementation of a new green credit line for SMEs extended to the Development Bank of North Macedonia (DBNM) in July this year	0	EIB	/	Development Bank of North Macedonia	North Macedonia		1,000,000	Under implementation	https://www.eib.org/en/press/all/2023-326-eib-global-provides-a-eur1-million-technical-assistance-grant-to-boost-the-rollout-of-green-financing-for-smes-in-north-macedonia
59	Regional EU-WB6 Just Transition project	A regional/multi-country project that will support the efforts of the WB6 countries in just transition.	0	EU	/	Government of the Republic of North Macedonia	North Macedonia		-	Concept	https://enlargement.ec.europa.eu/document/download/c8a403a9-4996-4668-a162-373e4662058a_en?filename=AD%2006%20Just%20transition%20WB-FINAL.pdf
60	Update of the NECP	Revision of the MK NECP and support with setting up the framework for its monitoring and implenetation.	0	EU	/	Ministry of Energy, Mining and Mineral Resources	North Macedonia	12/2025	212,000	Under implementation	/
61	Comprehensive Technical-Regulatory Advisory to enhace RE-based share in electricity grids of WB	This regional project focuses on building competencies and providing up-to-date knowledge on innovative technological solutions for the electricity sector in the WB. Technological progress is amplified by enhancing the regulatory framework for an increased use of Reneable Energies (RE). In addition, the project aims to create the basic awareness for the need to establish appropriate education and training opportunities for a RE based energy transition among the relevant organizations.	0	GIZ	/	Energy regulators, grid operators or energy service companies	Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Montenegro, North Macedonia, Serbia	07/2026	-	Under implementation	

62	Energy Efficiency in Public Buildings - Cool by Green Climate Fund (North Macedonia can access money from this program for which it has applied)	The Programme for Energy Efficiency in Buildings (PEEB) Cool includes 11 (including Macedonia). The PEEB Cool project will transform the construction sector by advancing more energy-efficient building design, construction, and operation. It will prioritise sub-sectors with significant potential for climate change adaptation and greenhouse gas reduction such as large-scale new housing schemes and commercial buildings involving both the public and private sectors.	0	Green Climate Fund	/	National Designated Authority - Government of the Republic of North Macedonia	North Macedonia		-	Under implementation	https://www.greenclimate.fund/project/fp194
63	Green Industrial Zones - Gevgelija	Support for the Directorate for Technological Industrial Development Zones (DTIDZ) to help attract investments to North Macedonia's advanced manufacturing sectors, focusing on greening the industrial zones. The programme is co-financed by EU WBIF.	0	IFC	/	DTIDZ	Gevgelija		-	Tendering	https://fez.gov.mk/en/green-investment-opportunities/
64	Integration of North Macedonia into the pan-European Energy Market and extend the EU internal energy market rules and principles based on a legally binding framework	The Energy Community is an international organisation which brings together the European Union and its neighbours to create an integrated pan-European energy market.	0	Ministry of Energy, Mining and Mineral Resources	/	Ministry of Energy, Mining and Mineral Resources	North Macedonia		-	Under implementation	https://neighbourhood-enlargement.ec.europa.eu/document/download/d678df93-33f1-4992-bc5e-52c86874f955_en
65	The Cooling Facility	The Cooling Facility will be one of the world's first cooling-focused facilities to provide cooling solutions in nine countries. It will focus on regulation, policy, technical assistance, and financing to address and help remove barriers to developing sustainable cooling investments. Planned measures include financing for investments in innovative, climate-friendly cooling technologies and systems and creating an enabling environment by strengthening institutional, policy and regulatory frameworks and building the capacity of key stakeholders in technologies, business models and cooling project appraisal and implementation. (EUR 10,000,000 to go to EE Fund + EUR 5,000,000 grant)	0	World Bank	GCF	Government of the Republic of North Macedonia	"Bangladesh El Salvador Kenya North Macedonia Malawi Panama Sao Tome and Principe Somalia Sri Lanka "	07/2032	-	Under implementation	https://www.greenclimate.fund/project/fp177#impact
66	"Zletovica II Phase (SPP)"	Irrigation phase and small hydro power plants	9	TBD	/	ESM	Zletovica		-	Concept	https://www.wbif.eu/project-detail/PRJ-MKD-ENE-003
67	Green & Growth - Sparkasse Bank AD Skopje	"The facility will consist of a loan to SBS in the amount of up to EUR 3.6m. The financing will be from two blended sources: EBRD market-priced loan and concessional funding from the Climate Investment Special Fund – CTF. The operation will enable SBS to provide access to finance for green and capex investments by local Small and Medium-sized Enterprises ("SMEs") and corporates operating in Pelagonia and the South-west regions of the Republic of North Macedonia. The design of the product ensures an equal split between two windows to support (1) green investments in Renewable Energy ("RE") and Energy Efficiency ("EE") (the "Green" window) and (2) capex investments in expansion of existing businesses or opening of new businesses in the respective regions to support regional business growth (the "Growth" window). Additionally, the Facility will include incentive payments to end-borrowers for eligible energy efficiency and renewable energy investments, or eligible CapEx investments. The primary objective of the investment incentive payments is to stimulate demand for green and capital expenditure investments."		EBRD	Climate Investment Special Fund - CTF	Government of the Republic of North Macedonia	Pelagonia and the South-West regions of the Republic of North Macedonia	06/2030	3,567,923	Under implementation	https://www.ebrd.com/home/work-with-us/projects/psd/55994.html

68	Green & Growth - NLB Skopje	"The facility will consist of a loan to NLB Skopje in the amount of up to EUR 3.6m. The financing will be from two blended sources: EBRD market-priced loan and concessional funding from the Climate Investment Special Fund – CTF. The operation will enable NLB Skopje to provide access to finance for green and capex investments by local Small and Medium-sized Enterprises ("SMEs") and corporates operating in Pelagonia and the Southwest regions of the Republic of North Macedonia. The design of the product ensures an equal split between two windows to support (1) green investments in Renewable Energy ("RE") and Energy Efficiency ("EE") (the "Green" window) and (2) capex investments in expansion of existing businesses or opening of new businesses in the respective regions to support regional business growth (the "Growth" window). Additionally, the Facility will include incentive payments to end-borrowers for eligible energy efficiency and renewable energy investments, or eligible CapEx investments. The primary objective of the investment incentive payments is to stimulate demand for green and capital expenditure investments."		EBRD	Climate Investment Special Fund - CTF	Government of the Republic of North Macedonia	Pelagonia and the South-West regions of the Republic of North Macedonia	06/2032	3,567,923	Under implementation	https://www.ebrd.com/home/work-with-us/projects/psd/56148.html#customtab-ed35b5a729-item-37b1e0bc39-tab
69	Green & Growth North Macedonia	The technical assistance activities for Green & Growth North Macedonia will enable the transfer of skills and expertise currently lacking in local markets, and develop market-based support mechanisms to encourage renewable energy and energy efficiency investments by SMEs and corporates. At the PFI level, dedicated technical assistance will support product design, and establish necessary procedures and structures to deliver finance for the relevant green investments. PFIs will be assisted with business development, including (marketing and promotion strategies), to target all relevant sectors, ultimately enabling PFIs to develop and launch a green lending product of their own. Local PFIs will be trained to identify GET eligible sub-loans using the EBRD's Technology Selector, and will be supported in the verification of their sub-project portfolio, which ensures that sub-projects are implemented according to the Facility eligibility criteria, and triggers the payment of investment incentives to the end borrowers.		EBRD	Climate Investment Special Fund - CTF	Government of the Republic of North Macedonia	Pelagonia and the South-West regions of the Republic of North Macedonia	01/2030	364,369	Under implementation	
70	Green & Growth North Macedonia	Type of co-investment grant: Incentive payments to end-borrowers for eligible energy efficiency and renewable energy investments, or eligible CapEx investments. The primary objective of the investment incentive payments is to stimulate demand for green and capital expenditure investments among companies in the Pelagonia and Southwest regions of North Macedonia		EBRD	Climate Investment Special Fund - CTF	Government of the Republic of North Macedonia	Pelagonia and the South-West regions of the Republic of North Macedonia		1,063,075	Under implementation	
71	Transmission strenghtening through TA partnership with RTEi	"Support for adequacy and reserve sizing reports Support for digitalization roadmap"	0	AFD	/	MEPSO	/	04/2027	850,000	Under implementation	/
72	Potential support to hydro sector in the country	Potential support to hydro sector in the country	/	AFD		ESM		/	Concept		

73	Leveraging green zones (Eco industrial parks) for Just Transition in North Macedonia	This technical assistance project is linked to the component 2 of the Investment Plan (Revitalise: industrial zones for economic regeneration, and is aimed to support the socio-economic regeneration of Pelagonia and Southwest regions of North Macedonia through supporting municipal industrial zones, following the retiring of the coal-fired TPPs, in line with the Just Transition Roadmap for the ACT (Accelerating Coal Transition) Program Investment Plan, adopted by the government in 2023.	0	World Bank	/	Ministry of Economy and Labour	"Pelagonija Southwest region"	12/2027	500,000	Concept	/
74	Energy Efficiency in Student Dormitories Phase 1	Deep reconstruction of the 3 state owned Dormitories		KfW	WBIF	Ministry of Education and Science - Government	North Macedonia	12/2027	29,668,375	Under implementation	https://dormfor10.mk
75	Energy Efficiency in Student Dormitories Phase and Resource Centers for Student with Special Needs	Deep reconstruction of 6 state owned Dormitories and 7 resource centers		KfW	WBIF	Ministry of Education and Science - Government	North Macedonia	12//2029	64,623,003	Tendering	https://dormfor10.mk
76	Policy Based Loan (PBL) for decrbonisation	Results based matrix approach for climate action. Action within the Berlin Process Agenda		KfW		Government of the Republic of North Macedonia	North Macedonia	12/2030	90,000,000	Under implementation	
77	Irrigation Programme North Macedonia	Climate adaptation project focusing on reconstruction of 2 existing and impementation of 2 new large irrigation systems		KfW	German Government	Ministry of Agriculture Forestry and Water Ecionomy - Government of the Republic of North Macedonia	North Macedonia	12/2029	82,800,000	Under implementation	
78	SBF -Project Preparation Facility for Green Transition	This facility is used for the prepartion of FS's and ESIA's mainly		KfW	German Government	ESM	North Macedonia	2026	2,400,000	Under implementation	
79	SBF- Management support for ESM	This facility is uised to provider additiuonal expert support for ESM Management in the impementation of the projects		KfW	German Government	ESM	North Macedonia	2030	500,000	Under implementation	
80	Reform Process for ESM	Support the green transition process of ESM		KfW	EU EFSD+	ESM	North Macedonia	2029	1,500,000	Tendering	
81	Financial modelling for ESM	Support for ESM for standardized financial forecast and financnial reporting		KfW		ESM	North Macedonia	2027	200,000	Under implementation	
82	Support for the preparation of the Grid Codes	Support for MEPSO in line with the new Energy Law		KfW	EU EFSD+	MEPSO	North Macedonia	2027	200,000	Tendering	
83	EE Credit Line for MBDP	Credit line for EE for SME's		KfW		MBDP	North Macedonia	2030	70,000,000	Concept	
84	MKD-KOS 400kV interconnector	400kV line between North Macedonia and Kosovo (part in North Macedonia)		KfW	EU WBIF	MEPSO	North Macedonia	/	tbd	Concept	
85	EPBD Package	Support for the preparation of diiferent subsidiary legislation according to EPBD Directive (Energy Performance of Buildings)		KfW		Ministry of Energy - Gopvernment of North Macedonia	North Macedonia	2027	200,000	Under implementation	

ANNEX 2: KEY NATIONAL AND INTERNATIONAL CLIMATE STRATEGIES AND PLANS

The table below presents a summary of key National and International Climate Strategies and Plans based on which North Macedonia is moving toward the decarbonisation.

Table A 2.1: Key National and International Climate Strategies and Plans

Climate and energy	General commitments – North Macedonia
United Nations Framework Convention on Climate Change (UNFCCC)	Non-Annex I party - no mandatory greenhouse gas emission targets.
Kyoto Protocol in 2004	Active role in global efforts for GHG emissions reductions, but no mandatory greenhouse gas emission targets.
Paris Agreement (2016 and 2018)	Active role in global efforts for GHG emissions reductions, but no mandatory greenhouse gas emission targets.
Contracting Party of the Energy Community	Implementation of the EU climate and energy acquis.
Nationally Determined Contribution (NDC)	Reduce the CO2 emissions from fossil fuel combustion by 36% by 2030 compared to the business as usual (BAU) scenario. Comply with the carbon price of the EU emissions (ETS) trading system until 2027.
Energy Community 2030 climate and energy targets	82% net emissions reduction by 2030 compared to 1990 levels, share of RE at 38% and energy efficiency at 2,03Mtoe in PEC and 2,00Mtoe in FEC
Enhanced nationally determined contributions (ENDC)	51% reduction in GHG emissions compared with 1990 levels, or 82% net emissions reduction by 2030 compared to 1990 levels, including though retirement of all coal-fired power plants.
National Energy and Climate Action Plan (NECP) in 2022 (update due end of Q1 2026)	Coal phase-out by closing the thermal power plants (824MW in total); increase the share of renewables in the electricity production mix; Reduce electricity import dependence (that reached a high 33% in 2021) and preserve the forests as the only carbon sink in the country.
Four National Communications (NC) on Climate Change (latest April 2023).	North Macedonia's commitment to fulfilling its international obligations under the UNFCCC is presented in this Fourth National Communication—plans and measures for emissions reductions in key sectors.
Three Biennial Update Reports (BUR), the last being in June 2021	2050 target of a carbon-neutral continent with the EU through mainstreaming a strict climate policy and reforming energy and transport sectors.
Sofia Declaration – Western Balkan leaders	Aligning with EU Climate Law, including 2050 climate neutrality ambition, set forward-looking 2023 energy and climate targets, continue alignment with the EU Emission Trading Scheme, review and revise, where necessary, all relevant legislation to support progressive decarbonisation of the energy sector and secure full enforcement, notably through the Energy Community; increase the share of renewable energy sources while decreasing and gradually phasing out coal subsidies, actively participate in the Coal Region in Transition initiative for the Western Balkans, develop programs for addressing energy poverty and financing schemes for household renovation and providing basic standards of living.

Climate and energy	General commitments – North Macedonia
The Energy Development Strategy (2020) (Energy Strategy)	Compliance with the EU's 2030 framework, and its 2050 energy roadmap, including e**nergy efficiency, with 2040 targets to:** maximise energy savings up to 52% of primary and 28% of final energy; **integration and security of the energy markets:** ensure that North Macedonia is even more strongly integrated into the European markets, to provide the necessary flexibility for higher integration of RES; **decarbonisation:** In the green scenario in 2040, the Strategy reduces greenhouse gas emissions to 61% compared to 2005 or 73% compared to BAU while strongly increasing the use of RES up to 45% in gross final energy consumption; **R&I and competitiveness** minimize the total cost of the system based on the optimization of the lowest prices and **legal and regulatory aspects:** full compliance with the EnCS acquis.
Energy Efficiency Law (2020)	Transposition of the Energy Efficiency Directive 2012/27/EU, Energy Performance of Buildings Directive 2010/31/EC and stipulates preparation of Energy Efficiency Action Plans - which are now part of the integrated NECP and will cease to exist as separate plans.
Energy Law (2025) - full transposition of the Clean Energy Package and a new RES Law is under preparation to transpose RED II.	Transposes the Third Energy Package in the electricity and natural gas sector and the Renewable Energy Directive 2009/28/EC. It allows further unbundling of the distribution and supply of electricity and establishes full liberalization of the electricity market. The transposition of the Clean Energy Package was due by December 2023, and the RED II Directive should have been transposed by December 2022. The new Energy Law was enacted in May 2025 and the Renewables Law is under preparation.
The Law on Climate Action (Law or LCA) - under development, to be enacted latest by the end of 2025	Should fully transpose EU climate legislation, enabling low-carbon development and climate change resilience. It is expected to set a profound change in the climate capacities of the country, as well as to enhance cross-sectoral policy coordination and climate mainstreaming.
Long-Term Strategy for Climate Action and Climate Action Plan (Climate Strategy 2021)	The Strategy provides a long-term objective quantifying North Macedonia's contribution to the global effort to reduce national net GHG emissions (including Forestry and Other Land Use and excluding MEMO items by 72% by 2050 compared to 1990 levels (or GHG emission reduction of 42% by 2050 compared to 1990, excluding FOLU and MEMO items) and increased resilience of North Macedonia's society, economy, and ecosystems to the impacts of climate change.
Powering Past Coal Alliance (PPCA)	The PPCA is a coalition of national and sub-national governments, businesses, and organisations working to advance the transition from coal power generation to clean energy. It sets out our collective commitment to accelerate the transition from coal to clean energy. North Macedonia and Montenegro are the first from the Western Balkan countries to join the coalition in 2021 by setting coal phase out dates.

North Macedonia's energy policies are strongly driven by its EU integration aspirations and commitments under the Energy Community Treaty (which extends EU energy legislation to contracting states). The country has worked to align its laws and strategies with EU standards on energy market liberalization, renewables, and climate. Key elements and targets of the policy framework are presented in the table below:

Table A 2.2: Key regulatory and strategic documents and commitment targets

Document	Adoption Year	Main Focus	Key Targets / Commitments
Energy Law (2018)	2018	Electricity market reform, EU alignment (Third Energy Package)	▸ Liberalization of electricity market• Unbundling of sector activities• Introduction of renewable energy premiums (feed-in premiums replacing FITs)
Energy Law Update (2025)	2025	Alignment with EU Clean Energy Package & Green Deal	▸ Recognition of prosumers and energy communities ▸ Mandatory smart metering infrastructure ▸ Social protection for energy-vulnerable customers (targeted subsidies) ▸ Integration of energy storage, e-mobility, hydrogen
Energy Development Strategy 2020–2040	2019	Long-term sector vision (Green Scenario)	▸ Coal exit by 2025 (Green Scenario) ▸ 45% renewable share in gross final consumption by 2040
National Energy and Climate Plan (NECP 2030)	2022 (revision expected end-2025)	Medium-term decarbonization framework (first in Western Balkans)	▸ 38% RES share in gross final energy consumption by 2030 ▸ 51% RES share in electricity ▸ 19% RES share in transport ▸ 51% GHG reduction vs 1990 (82% incl. sinks) ▸ Significant EE measures (heating & cooling 38.9% RES share)


RINA