



## **The transition towards a greener future of Western Macedonia is the first project supported by the European Union's Public Sector Loan Facility**

Brussels, 7 November 2023- **Commissioner Elisa Ferreira**, responsible for Regional and Urban Policy, **Paloma Aba Garrote**, Director of CINEA (the European Climate, Infrastructure and Environment Executive Agency) and **George Kasapidis**, Regional Governor of the Greek region of Western Macedonia are pleased to announce that the Socioeconomic Transition of Western Macedonia project has officially entered into force on the 27<sup>th</sup> of October with the signing of a Grant Agreement by all parties.

This is the first project supported under the new **Public Sector Loan Facility** (PSLF), which with the Just Transition Fund and the Just Transition scheme of InvestEU forms the Just Transition Mechanism (JTM).

The project will support financing sustainable investments worth EUR 80.7 million, helping Western Macedonia in its transition away from carbon intensive activities, such as lignite mining and its combustion in coal-fired power plants. Under the agreement, the PSLF offers a grant worth EUR 14.5 million, which the European Investment Bank (EIB) complements with a loan of EUR 58 million.

The project will send a positive signal regarding the region's ability to stimulate the economy and deliver a just transition. The initiative coordinated by the region of Western Macedonia brings together 15 projects in six municipalities (Argos Orestikou, Kozani, Kastoria, Florina, Eordaia and Kastoria), all united towards achieving the common objective of reducing inequalities among people and places within the region by:

- enhancing the economic diversification of the region,
- increasing energy efficiency of public infrastructure and reducing energy cost,
- upgrading cultural and tourism infrastructure,
- improving healthcare infrastructure,
- upgrading road intra-regional connectivity and enhancing road safety.

The project is in line with the Just Transition Territorial Plan of the Western Macedonia region that will support a Just Transition after the closure of the lignite industry and improve regional infrastructure in the sectors of energy, transport, health, culture and tourism.

**Commissioner Elisa Ferreira, responsible for Regional and Urban Policy** stated:

*"I commend the Region of Western Macedonia for obtaining the very first grant awarded by the Public Sector Loan Facility under the Just Transition Mechanism. This is our moment to be part of a generational change and mobilise all the resources available to ensure that the climate transition happens in a fair way, leaving no one and no place behind."*

**CINEA Director Paloma Aba Garrote** stated:

*"I am very pleased to see the first ever grant agreement under the Public Sector Loan Facility to come alive. The socioeconomic transition of Western Macedonia project has been selected to help the Region to meet its development needs in its transition away from carbon intensive activities and to contribute to the overall Just Transition of Europe to a climate-neutral economy. I look forward to hearing about the progress made by the project over time and the successful results achieved for the benefit of all citizens."*



**George Kasapidis, Regional Governor of Western Macedonia** said:

*"The opportunity given for the Region and the Municipalities of Western Macedonia to implement necessary projects co-funded by EU with a grant from the Just Transition Mechanism is very important. Particularly, at the beginning of the process of creating the new productive model of our region, in the post-lignite era, projects in the fields of energy upgrading, transport, health, culture and tourism can make a decisive contribution to improving the quality of life of citizens and dealing with unemployment, in strengthening social cohesion and - at the same time - achieving the objectives of the EU for a low-carbon economy and energy efficiency."*

#### **About the socioeconomic transition of Western Macedonia project:**

This project was selected in April 2023 as one of the projects to receive a EU grant from the **Public Sector Loan Facility (PSLF)**, which is a blending instrument under the **Just Transition Mechanism (JTM)**, combining grants from the European Commission and loans from the European Investment Bank, to support public sector entities in the most affected regions in Europe to meet their development needs in the transition towards a climate-neutral economy.

#### **About the PSLF:**

The Public Sector Loan Facility (PSLF) is the third pillar of the Just Transition Mechanism (JTM) – a key tool of the European Green Deal Investment Plan to make sure that no one and no region is left behind in the transition to a climate-neutral economy.

The PSLF combines loans from the European Investment Bank (up to EUR 10 billion) with grants from the European Commission (up to EUR 1.5 billion). The combined support is designed to mobilise additional investments for public sector entities in the regions most affected by the climate transition, as identified in the territorial Just Transition Plans, to meet their development needs in the transition towards a climate-neutral economy. The blending of the European Investment Bank loan and the Commission grant will facilitate the financing of projects that do not generate sufficient streams of revenues to cover their investment costs.

To learn more about the Public Sector Loan Facility under the Just Transition Mechanism, visit our website:

[Just Transition Mechanism \(europa.eu\)](https://europa.eu/just-transition-mechanism)

#### **About the Just Transition Mechanism:**

The three pillars of Just Transition Mechanism (JTM): the Just Transition Fund, the InvestEU "Just Transition" scheme and the Public Sector Loan Facility hope to mobilise EUR 55 billion in support of the identified Just transition Regions.

To learn more about the Just Transition Mechanism, visit our website:

[InfoREGIO - Just Transition Mechanism \(europa.eu\)](https://info.regio.europa.eu/just-transition-mechanism)



### **CINEA:**

The European Climate, Infrastructure and Environment Executive Agency (CINEA), an Executive Agency established by the European Commission to implement parts of EU funding programmes for transport, energy, climate action, environment and maritime fisheries and aquaculture, manages the PSLF.

CINEA aim is to support its beneficiaries, establish strong partnerships, deliver high-quality programme and project management, foster effective knowledge sharing and create synergies between programmes - to support a sustainable, connected, and decarbonised Europe.

For more information visit our website: <https://cinea.ec.europa.eu>

Email: [cinea-communication@ec.europa.eu](mailto:cinea-communication@ec.europa.eu)

### **EIB:**

For further information on the loan awarded by EIB to the Socioeconomic Transition of West Macedonia project:

[SOCIOECONOMIC TRANSITION OF WESTERN MACEDONIA \(eib.org\)](https://www.eib.org/en/projects/sectors/regional-development/index.htm)

[EIB confirms €900 million of support for vital investments in public sector to finance social cohesion, sustainable urban regeneration, and a just transition toward climate neutrality](https://www.eib.org/en/projects/sectors/regional-development/index.htm)

For further information about how the EIB supports the Just Transition in Europe, visit the EIB website: <https://www.eib.org/en/projects/sectors/regional-development/index.htm>

For further information on EIB loan products for the public sector: <https://www.eib.org/en/products/loans/index.htm>

Email: [infodesk@eib.org](mailto:infodesk@eib.org)

### **Project Coordinator:**

For further information on the implementation of the project visit the Western Macedonia website:

Website in Greek: <https://www.pdm.gov.gr/>

Website in English: <https://en.pdm.gov.gr/>