



THEMATIC PAPER: CLIMATE CHANGE¹

1. INTRODUCTION

This thematic paper has been prepared in order to facilitate constructive and focused discussions in the Thematic Session on *Climate Change* at the 2010 Environment Forum Annual Meeting. A participatory approach was adopted in the drafting of this Thematic Paper. NGOs were invited to provide their input to a series of questions relating to climate change issues based on the situation in their country and building on discussions at the participatory meeting in their country. Nine NGOs² provided feedback on climate change issues; this input is summarized in the second section of this paper. This paper consists of a brief introduction to EU climate change policy, implementation issues in candidate and potential candidate countries and the main areas of concern pointed out by NGOs, a summary evaluation of the situation (using a SWOT analysis), as well as some concrete issues and cases highlighted by NGOs.

2. CLIMATE CHANGE IN THE EU

2.1. Background

Climate change represents one of the greatest environmental and economic threats facing the planet and is currently a top priority of European policy. The **European Climate Change Program (ECCP)** was launched in 2000 and led to the development and adoption of a series of new EU policies and measures, including the EU Emission Trading Scheme (ETS), the European strategy for adapting to climate change, and measures to reduce automobile emissions.

In January 2007, the European Commission published a climate change policy vision entitled '**Limiting Global Climate Change to 2°C: The way ahead for 2020 and beyond**' (COM (2007)2) which called for a range of actions to strengthen climate policy, headed by the proposal that the EU commit to a 20% reduction in emissions by 2020. At the same time, a set of documents on energy policy were released, underlining the link between climate and energy. '**An Energy Policy for Europe**' (COM (2007)1) outlines a ten-point Action Plan to advance energy policy in Europe.

¹ Background paper prepared for the Environmental Forum Annual Meeting, 27-29 September 2010, Brussels

² Nine NGOs provided input to this thematic paper



Following this, in January 2008, the Commission presented a package of legislative proposals under the collective title '**The Climate Action and Renewable Energy Package**' (the CARE package). The package aimed to reduce emissions by 20% below 1990 levels by 2020, reduce energy consumption by 20% through increased energy efficiency, and to meet 20% of energy needs from renewable sources by 2020. For sectors not covered by the ETS - e.g. transport (except aviation, which will join the ETS in 2012), farming, waste and households - emissions are to be cut to 10% below 2005 levels by 2020. By targeting environment and energy, as well as non-ETS sectors like waste, transport, agriculture, buildings and households; climate change substantially represents a horizontal, cross-cutting issue.

2.2 Current situation

In June 2010, EU leaders endorsed **Europe 2020: A strategy for smart, sustainable and inclusive growth** (COM(2010)2020), which had been put forward by the Commission in March. The Europe 2020 Strategy aims to turn the EU into a smart (based on knowledge and innovation), sustainable (promoting resource efficient, greener and more competitive growth), and inclusive (high employment, delivering economic, social and territorial cohesion) economy. The need for EU action under the 'sustainable growth' priority emphasizes the competitive advantage of green technologies, the need to implement emission-reduction commitments and strengthen resilience to climate risks, the financial and energy security related benefits of meeting energy targets and the aim of decoupling growth from energy and resource use. Strong dependence on fossil fuels such as oil and the inefficient use of raw materials expose consumers and businesses to harmful and costly price shocks, threatening economic security and contributing to climate change.

2.3 Future developments

The EU CARE package was adopted in 2008 and it is now the responsibility of EU Member States to implement the agreed legislation and meet the 20-20-20 targets. Binding national emission targets have been agreed for individual Member States depending on their current state of play and level of GDP, thus ensuring a fair distribution of efforts and adhering to the principle of common but differentiated responsibilities in tackling climate change (with higher reductions for richer countries and limited *increases* for the poorest ones). The EU is also committed to moving to a 30% reduction by 2020 compared to 1990 levels with a view to a global and comprehensive international climate change agreement for the post-2012 period, provided that other developed countries commit to comparable emission reductions and developing countries contribute adequately.

Other key issues that need to be addressed in the future include securing energy sources, i.e. less dependence on imports of foreign oil and gas, further integration of climate and energy policy, measures to address emissions from the transport sector, further action on energy efficiency, ensuring appropriate action and funding for adaptation to climate change, and reaching agreement on a global climate change framework for the post-2012 period.

The Athens process, signed on 8 December 2003, has shaped **SE Europe regional cooperation in the field of energy** leading to the establishment of the Energy Community of SE Europe on 25 October 2005. In October 2005, the European Community and the Contracting Parties decided to create an

Energy Community. The **Energy Community Treaty (ECT)** entered into force in October 2006. A single regulatory area in the region, aligned with EU legislation, is structured to help overcome market fragmentation, ensure security of supply and contribute to improving the state of the environment. It is important to note that SE Europe has a significant transit role for Russian natural gas to Western Europe. The Treaty consists of regulations regarding *electricity and natural gas*. Although the ECT does not specifically refer to the *coal* industry and *oil* sector, its implementation will also have strong effects in these sectors. An analysis of the implementation of the ECT reveals serious gaps in the institutional capacities of each Contracting Party in the SEE region.

Enlargement Strategy and Main Challenges 2009-2010 includes a sub-chapter on *Working together on climate change*. The EU is strengthening its regular dialogue on climate change with candidate and potential candidate countries, in particular through the future Regional Environmental Network for Accession – **RENA**. The Commission expects all enlargement countries to support the EU's objective of reaching an ambitious and comprehensive international agreement on climate change, i.e. as stated in the 2009 Copenhagen Accord.

This area (climate change at the crossroad to environment and energy issues) poses a serious challenge for the accession countries. The Commission will continue to support initiatives relating to climate change in the enlargement countries.

3. IMPLEMENTATION ISSUES IN CANDIDATE AND POTENTIAL CANDIDATE COUNTRIES

3.1. Current situation in the candidate and potential candidate countries

The EU's climate and energy targets are binding for EC member states and have an important influence on the accession process. The targets require significant investments for the candidate and potential candidate countries.

Every year the European Commission adopts its annual strategy document explaining its policy on EU enlargement as well as progress reports describing the political and economic developments in each candidate or potential candidate country (the 2010 progress report is currently under development). The Commission will continue to help each country implement necessary reforms in its path to EU membership.

3.2. Problems with the way the environmental acquis and climate change related legislation is implemented in candidate and potential candidate countries

NGOs see implementation of the EU acquis as a window of opportunity to improve the situation related to climate change issues in their country and are supportive of EU accession.

NGOs however evaluate progress in the area as being very slow and disappointing. Their main areas of concerns relate to:

- little progress in the adoption of regulations;
- **implementation remains the key concern and is still very low** especially at the local level;
- weak monitoring of implementation and consistency between different laws; and

- although comments from the public in the process of adaptation of regulation often raise **the need to include climate change impact assessments**, however this has not yet been incorporated.

Problems with implementation of the environmental and climate change acquis are mostly visible in the formulation and implementation of development policies - especially in the **energy** (energy production and investments, mining, regulation) **and transport sectors**. There is also a tendency to **avoid the use of SEA**.

With regard to agricultural policies, **officials are still not able to foresee future needs** especially in relation to protection from unsustainable agricultural production, methane emissions, urban structures and transport and energy infrastructure from climate change impacts.

There is as yet, little attention to major **international processes** related to environmental policies. In response to the Copenhagen Accord³, the EU as well as the EU candidate and potential candidate countries agreed to the Accord⁴ (Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, and the Former Yugoslav Republic of Macedonia).

By analyzing data⁵ (and/or no data), it is evident that EU standards in combating climate change (and developing energy, transport, agriculture strategies which take into account environmental and climate change impact assessments) will be a **very big challenge for the candidate and potential countries and could be taken as a strong indicator of progress towards EU accession**. Croatia and Turkey are Annex I Parties. Other countries in the region are non-Annex I Parties (Serbia, Montenegro and Kosovo under 1244, still do not have initial national communications with relevant emission data, i.e. targets still do not have any base data).

Based on the input received from NGOs, it is evident that organizations dealing with the environment are **generally poorly involved** in contributing to the development of progress reports for the EU. This is particularly thought to be the case for organizations that operate locally. For those organizations that do participate in the process, there appears to be **little real impact of their participation**.

3.3. Problems with the way climate change related /environmental requirements in ECT and /or other regional/multilateral agreements are implemented

In the candidate and potential candidate countries, **a major problem exists in relation to horizontal legislation** and issues of **the energy sector that are not transparent**. This is a result of conservative stereotypes, the strong and active influence of different industrial lobbies, and a very low level of readiness (mostly formal and symbolic) of relevant authorities to focus on the development of sustainable energy scenarios based on energy efficiency and renewable energy development (reduction of carbon intensity / zero carbon approach). In the framework of the Energy Community

³ The Conference of the UNFCCC Parties (COP), at its fifteenth session, took note of the Copenhagen Accord of 18 December 2009 by way of decision 2/CP.15.

⁴ From Convention site, June 2010

⁵ By Environment Forum Thematic expert

Treaty for SEE and the Transport Observatory (which will become the Transport Community), it is noted that **EC legal entities are not really pushing governments to assess the climate, socio-economic and environmental impacts of future investments in related sectors.** This would only be **possible with a mandatory and strong SEA process** which highlights the best case scenarios for diversification and decarbonization of the energy sector and socio-economic and environmental impacts of these scenarios.

The development of the energy sector should be considered in conjunction with decarbonization of the **transport sector** and decisions should only be taken after wide, in-depth and sufficiently lengthy analysis and consultation with all interested stakeholders. NGOs are interested in taking part in the SEA assessment process and **are hoping that the EU will support them in their efforts to persuade authorities to implement this planning process and ensure proper public participation in decision-making processes.**

The implementation of SEA/EIA when it does exist is accompanied with huge problems especially in the cases of large projects such as the building of new power plants, highways and/or small hydro plants. In general, this process **is not transparent** and is affected by political decisions. Sustainable mechanisms for public involvement in the decision-making process are not yet in place. NGOs also noted that the ESPOO convention is far from being implemented in all SEE countries and the magnitude of programs that are on the horizon are important to be **assessed in the trans-boundary context.** There is no information available from the authorities if any country has been contacted by any other of the Parties of the Espoo Convention on any of the projects with trans-boundary impacts.

3.4. Implications of EU climate change policy, potential challenges, and the role of different actors

It is consensus among Environment Forum participating NGOs from candidate and potential candidate countries that the **harmonization of legislation with EU polices / legislation is useful and necessary and will have a direct benefit on the quality of life of citizens and the regulatory system in national legislation, will strengthen the environmental sector and help to build capacity for the implementation of regulations.** EU legislation provides strict guidelines and a framework which will act as a good foundation for the preservation of natural resources.

In terms of **potential challenges**, although sets of legislations have already been adopted in each country; in a number of cases they only formally exist and are not fully enforced and/or nationalized but are merely copied and pasted. The enforcing institutions often have poor capacities (inspectorates, municipal environmental offices etc) and are directed from above in terms of reduction in public spending, number of employees etc. This is unfortunately not compatible with the huge capacity building needs of the above mentioned institutions. Also, for example feed-in-tariffs for renewables are practically serving as a window for huge multinationals to buy the best locations for wind mills or solar fields with the aim of exporting clean energy to their countries of origin and extracting profits out of the country with no obligation of reinvesting this into the country. One of the problems identified in strengthening environmental NGOs is that there are so many “one man” NGOs (which are seen as an employment opportunity), however most NGOs do not last for five years.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Opportunity to create an action plan; • Possibility of association of the region about creating an action plan; • Exchange of experts and experience in the region; • Active civil society organizations in promotion of these issues; • Regional initiative to plan climate change mitigation and adaptation on regional level; • Energy efficiency and renewable potential 	<ul style="list-style-type: none"> • Insufficient use of communication channels with the EC; • Lack of data, information and knowledge of decision-makers at the national level; • Lack of a action plan to mitigate climate change; • Bad Energy Development Strategy; • A small number of companies which have an Integrated permit; • Lack of administrative capacity (especially at local level), bad implementation of law; • Unwillingness of decision-makers to review the overall situation and determine priorities; • Communication between decision makers and representatives of CSOs; • Old technology of production of energy, • Lack of funds, low level of awareness and education on climate change; • Corruption in energy sector
Opportunities	Threats
<ul style="list-style-type: none"> • Establish communication channels with EC (DG Environment); • Strengthening regional cooperation on this issue; • Adoption of laws and regulations related to this topic; • Revision of the Energy Development Strategy; • Promotion of clean technologies; • Investment in green jobs and technologies; • Implementation of best practices of EU countries, gaining new experiences on the implementation of particular directives, strengthening the role of NGOs in this process; • Price increase of fossil fuel; • Early action to manage the risks that changing climate trends pose to existing energy infrastructure; • Using renewable energy sources 	<ul style="list-style-type: none"> • Lack of resources for strengthening capacities for the implementation of policies on these issues; • Insufficient regional cooperation on this issue; • Failure to undertake an audit of the Energy Development Strategy; • Lack of financial support; • A large part of state property in the hands of foreign investors which include electric power system and forests; • Insufficient cooperation between institutions, • Construction of new coal power capacities, • Issue not a priority of governing institutions; • Corruption

NGOs highlighted various **actions** which need to be taken to improve the situation. There is a need to formalize mechanisms for the direct involvement of civil society in the decision-making process and improve transparency in law-making, increase inter-sectoral cooperation, which currently does not recognize the environment (low priority of environmental sector), and improve communication between NGOs and Government (which is currently the main problem in most countries and EU should insist on solving this problem). Good communication and flow of information between all participants (NGOs, Government, Environmental Forum and EU) it is very important.

In terms of the roles of different actors, the **EU should establish functioning channels of communication with environmental NGOs** and other CSO organizations with the aim of **strengthening the role of CSO in policy development and implementation and decision-making processes at all levels of governance**. This will also guarantee a transparent and bottom-up approach to the formulation and implementation of development policies and strategic planning (e.g. the lack of a General National Plan in Albania and the need for transparent process in this regard⁶). NGOs should be supported in establishing a representative network of CSOs with the aim of having a clear and decisive voice in decision-making at the national, regional and local levels and strategic planning in all levels of governance. In this way, the sense of ownership and citizen's involvement will be developed and a continuity in the development process established, and disruptions in election and post-election periods avoided. With regard to climate change, there is a need to improve the situation and **strengthen the institutional structures** for climate change, collecting data on GHG emissions, and implementation of specific programs to reduce GHG emissions.

Environment Forum is seen as an important aid in the strengthening of expertise in reinforcing the impact of the decision makers at the national level.

There is the need for some sort of environmental education programs/majors in universities or regional training centers that actually educate those seeking employment in the fields of environmental policies, environmental leadership, strategic /action planning, environmental sciences, and NGO management. Capable **NGOs should have a significant role in transferring knowledge and skills at all levels**, especially to the government sector.

There should be pressure on technology that should be based on concepts of directives BAT - Best Available Technologies (not using clean technology in the field of energy and transport are the main causes of climate change).

It is a consensus among NGOs that nuclear is completely unacceptable from environmental and security reasons (terrorist attacks potential in region not only in the area of a power plant but also during the shipment of fuel or waste), unresolved regional political questions, safety reasons (waste storage, seismology etc), enormous costs, lack of expertise, lack of good governance, corruption and the closeness of political elites with criminal circles. Based on this or similar reasons, nuclear cannot be considered as a solution for any of the countries in the region. The **region has enormous potential for energy efficiency, renewable energy and energy savings which should be exhausted before any other approaches are taken.**

NGOs are very concerned with the lack of data and the environmental/energy security of the region. For example in Albania, if there is no official restriction of CO₂ emissions, it is foreseen that in 10 years CO₂ emissions will increase more than three times. This is due to pressure from companies from EC Member States, particularly from Italy, to install a high level of CO₂ and polluting industries⁷ in Albania as well as the indifference / corruption of decision-makers in the Albanian Government.

⁶ Possible case study

⁷ Possible case study

ANNEX: SPECIFIC ISSUES AND CASES FROM CANDIDATE AND POTENTIAL CANDIDATE COUNTRIES

In spite of many achievements and progress in the area, NGOs register many cases where they think opportunities were missed and/or the acquis has not been properly implemented. The list below include some of the cases and issues which NGOs would like to highlight and stimulate discussion on lessons learned and what could be done to improve the situation or revert decisions.

Serbia: Development and revision⁸ of investment plans in the energy sector without proper climate and SEA assessments (including socio-economical and climate assessment of those projects). This includes plans to build new coal based TPPs in Kostolac and Kolubara, building of hydro power plants on Ibar and Drina, and building a gas power station in Novi Sad. There are also plans to take part in "South stream" pipeline without proper consultations, SEA, climate assessment etc, development of a master plan for the transport sector, highways on corridor X, road from Belgrade to South Adria (Montenegro). There is a need for intervention and pressure on decision makers to include climate change and SEA assessments in their investment plans and strategies.

Montenegro: Strategy of energy development for Montenegro until 2025⁹.

Kosovo¹⁰: Keen to pay attention to energy issues. A new energy plant is in the process of being built in Kosovo and will use energy that is based on fossil resources. This process should be as transparent as possible to civil society and to the broader public, and should respect EU environment standards overseen in EU directives and strategic objectives. It is the need for openness and pressure on governments to invest EC/public money in a transparent and participatory way.

Albania: All polluting industries recently installed and planned do not fit at all with the Europe 2020 Strategy and the enlargement strategy. The lack of a General National Plan in Albania is a major concern and there is a need for a transparent process in this regard. Albania is showing clear signs of becoming a target for relocation of carbon intensive activities such as coal powered power plants; cement production factories etc, from EU member states. This process of carbon leakage is made possible due to the fact that Albania has no cap on carbon emissions under the Kyoto Protocol. This issue has to be addressed by the country either as part of the SEA or national strategy for minimizing carbon intensive technologies.

Macedonia¹¹: Old technologies for producing electricity are based on coal.

Turkey: Environmental organizations do not have a place in the government's decision-making process. No environmental NGOs are included in the Climate Change Coordination Council of Turkey. The climate strategy document has been prepared without consultation of environmental NGOs. The strategy promotes nuclear energy, coal, and hydroelectric dams as responsible alternatives to oil and fails to address pollution created by the country's livestock and transport sectors.

⁸ Possible to develop case study

⁹ Possible to develop case study

¹⁰ Under 1244

¹¹ Former Yugoslav Republic of

Sub-regionally: Based on the input received from NGOs, one of the most important (advocacy) initiatives was the request of the environmental movement BELLS¹² (NGOs and other stakeholders from the Western Balkans) to *initiate the development of a regional strategy and a joint action plan for climate change which was addressed to governments in these countries*¹³.

¹² Balkan Environment Life Leadership Standards (BELLS) Movement: www.bellsmovement.org

¹³ Could be used as the case study of the good practice