The EU Green Deal for the Western Balkans

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Introduction

In December 2019, the European Commission launched its flagship policy: the European Green Deal. Its achievement could take Europe to climate neutrality by 2050 and see European Union economies producing net zero carbon emissions by that date. In addition, the policy aims at achieving zero pollution by the industry, thus protecting the health of its citizens. In line with its enlargement policy, which should result in bringing the acceding countries in line with the EU policies, the EU rightfully understood that this green deal needs to apply beyond its borders. In order for the European Green Deal to achieve its impact for the whole continent, it should incorporate the Western Balkans as part of this deal. The process would have multiple benefits, as the EU will be able to guide the region and contribute to improved livelihoods of those citizens, simultaneously benefiting from the added value the region could offer in achieving its own targets.

The Western Balkan region, on its path to join the European Union was fairly quick to subscribe to the European principles and standards, but continuously fails to implement them. Many challenges are ahead, but at the same time, the new policy under development- the Green Agenda for the Western Balkans - offers much more opportunities to overcome these challenges. Following its previous logic of Cohesion Policy and Instrument for Pre-Accession (IPA) policy, the EC has put forward the EU Green Deal focused on EU member states, and additionally proposed a Green Agenda policy for the Western Balkans countries.

With only 18 million inhabitants, change in the region should not be as daunting a task as in larger economies, if carried out efficiently, with true political commitment and regional cooperation. The Western Balkans have the necessary resources not only for sustainable renewable energy and energy savings, but also for the production of healthy food, while nurturing its exceptional biodiversity.
Common challenges for the EU Green Deal and the Green Agenda

The EU’s ambition with the Green Deal aims at increasing the 2030 Greenhouse Gas emission reduction target to at least 65% by 2030, energy efficiency to at least 40% with at least 45% of sustainably sourced renewable energy by 2030. These ambitions can only be achieved by a complete financial support overhaul leading to the decarbonization of systems and societies. But not too long ago the EU was heavily supporting large fossil fuel projects, especially by backing up gas infrastructure. Recent developments have pointed to the increasing need to divert financing into resilient, more sustainable practices which will bring stability to the economic model, even out inequalities across the EU and enhance public health and the environment.

Perhaps the same challenges apply to the countries of the Western Balkans, including the well-known democratization and rule of law. In 2005 the Western Balkan countries became signatories to the Energy Community Treaty which aims to integrate the European Union energy market with those of its neighbours and consequently contribute to the transposition and enforcement of EU legal framework in these countries. Among other requirements, the Treaty also set a deadline for Western Balkan countries to comply with EU pollution control legislation by 2018. Yet, in 2016, there were 16 coal fired power plants in the Western Balkan region emitting as much sulphur dioxide and dust as 250 plants from the EU. It is estimated that they are responsible for around 3,900 premature deaths annually, spread between the region and nearby EU countries (Matkovic-Puljic et al, 2019). The fact that in 2018 these emissions only increased, is a clear indication that the compulsory moves towards healthy energy sources, investments and retrofits in energy production across the Western
Balkans have largely been delayed.

Furthermore, due to the requirements of the Energy Community Treaty, some of the Western Balkan countries (Kosovo, Serbia, North Macedonia and Bosnia and Herzegovina) are using a mechanism called the National Emission Reduction Plan (NECP) which allows them to plan for the decrease of various pollutants collectively for all their power plants over a certain period of time. These plans should result in the countries’ compliance with the European Industrial Emission Directive, one of key directives in the legal framework of the Energy Community Treaty. However, none of the countries that have designed these plans have kept within the determined emissions ceilings in 2018 (Cuita et al, 2019).

Having in mind the immense impact of air pollution to human health and associated shortened lifespan, increased occurrence of chronic illnesses as well as decreased productivity of citizens, and finally- the costs of all of this- puts the spotlight on the Western Balkan Governments. One of the reasons for the incomprehensible lack of action to tackle air pollution coming from coal powered plants is the absence of determination and will of policy makers.

The Western Balkan region is increasingly receiving international attention on the issue of horrifying air pollution levels. Public is becoming aware and voices their demand for immediate action.

At the same time, the region and its economy are quite vulnerable to climate change. Regretfully, even though the Paris Agreement has been signed by most of the Western Balkan countries, little or no regional effort was made in increasing resilience in key sectors. One of the requirements from the Energy Community Treaty is also the preparation and submission of the National Energy and Climate Plans (NECP), expected to be completed by Western Balkan countries in 2020. These plans are considered as the important 10-year strategies to pave the path towards decarbonisation of the countries and the region and transformation of the societies. The NECPs are seen by the European Commission as one of the mechanisms to monitor and achieve progress during
the implementation of the green agenda policy.

Finally, the region’s habitats and biological diversity are becoming more fragmented, degraded, and under pressure from human activity. Coupled with the lack of sufficient research and monitoring as well as the inefficient designation of protected areas, this can easily result in the loss of vulnerable and endangered species and valuable ecosystem services for the survival of humankind.

The Green Agenda for the Western Balkans currently developed by the European Commission is following the same direction as the EU Green Deal – it should unlock the great renewable energy potential of the region while enhancing their citizens’ health. Therefore, the new policy is shaped around 5 areas of intervention: decarbonisation, circular economy, pollution reduction, sustainable farming and biodiversity. For all future comprehensive trade agreements with the countries of the region, the EC will make sure that the implementation and respect of the Paris Agreement becomes an essential element.

The Way Ahead for our shared European future

Seven EU member states have stopped electricity production from coal, and 10 more are planning to become “coal-free” by 2030. In its recent long-term climate strategy draft, the European Commission called for net-zero emissions by 2050 - meaning a coal-free Europe. But achieving climate neutrality and zero net emissions in the countries of the EU alone will not decrease climate impacts or health problems in these countries. Both climate change and pollution know no borders, so if neighbouring countries suffer the consequences from these impacts, so will the citizens of the EU.

If the countries of the Western Balkan are to follow the same trend, leading to the decrease of air pollution, improvement of human health and decrease of health costs, decarbonisation is the crucial step forward. Accelerated investment in climate action will enable the creation of future-proof jobs, provide economic incentives and build resilient businesses
while driving innovation and a complete systemic transformation.

With these benefits at sight, all countries in the region must commit to an ambitious climate and energy target by 2030. Decarbonisation should not only mean a coal phase-out, the process should be implemented in a sustainable way supported by an increased effort to boost energy efficiency, tackle energy poverty, optimize energy and transport systems transform the industry and utilize sustainable forms of renewable energy sources. These actions will contribute to drastic improvement in air quality while stimulating job creation in the sustainable energy sector.

The process of the coal phase-out must be carried out in parallel to the just transition of the economies of the coal dependent regions. The Western Balkan region can learn from experiences in the EU. Just transition strategies, designed by local communities, for the needs of the local communities should be supported by national governments in order to minimize the negative economic impacts once the coal plants are closed.

Alternative tourism, development of cultural elements, support of agriculture and decentralized energy production can be key solutions to transform the region and create sustainable practices and local economies.

Like in the EU, the circular economy must be used as a tool for delivering part of the 2050 decarbonisation agenda, linking industry sectors producing sustainable products and design, supporting the sound use of secondary materials by facilitating a market for them, developing an efficient waste prevention and management system, and engaging communities and regions.

The energy and transport sector are interlinked with the pollution. Thus, sustainable measures implemented in these sectors will positively influence air and water quality in the region. In households, energy efficiency measures must be applied with much higher rate than ever before. Energy communities and the decentralization of energy production, enabling the citizens to produce and consume the energy (prosumers) must be supported. In
addition, air quality measurements and monitoring systems should be improved and the network of metering stations widened to enable data collection and appropriate planning of various measures. Countries of the Western Balkan should also improve their capacities to implement the existing obligatory legislation laid down under the Energy Community Treaty such as the Water Framework, Air Quality, National Emissions Ceiling Directives and Chapters II and IV of the Industrial Emissions Directive. At the same time, all polluters must be fined meticulously and in proportion to the health impact caused by the pollution.

Legislation and standards protecting the environment will also preserve and ensure sustainable farming and rural development. In addition, financial stimulation aimed at small local farmers for agri-environmental measures that at the same time improve farming and protect the valuable habitats should be enabled.

As the Western Balkan region is considered as a “biodiversity hotspot”, protecting the biological diversity should be paramount to the sustainable development. Science has proven the linkages between the unsustainable use of natural resources and the appearance of various pandemics in recent times. The current crisis with the coronavirus spread shows us that our economies are unsustainable and our resources are at stake. An increased effort in the protection of natural habitats and biological diversity could be the key to building a resilient society and economies.

Climate adaptation based on ecosystem services should be supported and this will also lead to the implementation of various nature-based solutions. Research and innovation go hand in hand when protecting the biological diversity and applying the green infrastructure to transform societies and economies.

The above mentioned measures mimic the objectives in the EU Green Deal and can play a role not only in achieving these objectives, but also bringing the region closer to the EU values and standards, as the ultimate goal of the enlargement policy.

The possible difficulties of finding public finance in the region is much more linked to the prioritization of some
over other projects and programmes. Large infrastructure has massively been supported and prioritized over a long period of time, while research and protection of biodiversity and tackling air pollution was never considered as a top priority. Therefore, any financing provided in future needs to be conditioned to climate action and biodiversity protection.

One of the financial mechanisms that would contribute to the implementation of Green Agenda for the Balkans, is the Instrument for Pre-Accession. It’s draft Regulation of the new, IPA III proposal, the European Commission made it clear that all investments should have “climate action” written all over them in order to be eligible for funding. Recently, the European Investment Bank, the largest lending arm of the European Union, has re-branded itself as the Europe’s Climate Bank as it ended support to any fossil fuel projects. These positive efforts, coordinated with the other financial institutions and donors, have an excellent opportunity to effectively bring the necessary change in the region.

Ultimately, decision making should be done in a transparent and participatory manner, including all stakeholders in the process. Meaningful public participation should also be one of the conditions when supporting the Western Balkan countries so that the rule of law and human rights are protected and enhanced. To respect the Aarhus Convention, for example, ratified by many of the Western Balkan countries would be a first step to ensure meaningful public participation in environmental decision making. Ensuring the citizens’ access to information on environmental issues is a precondition to proper public participation in decision-making processes. Timely involvement of public and civil society as well as all interested stakeholders has multiple benefits, both for societies and businesses as the joint decision making eliminates the possibility of flawed designs, inadequate implementation and consequently, complaints. Finally, building an independent judicial system ensures the access to justice when citizens’ environmental rights have been breached.

List of references
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IDSCS is a think-tank organisation researching the development of good governance, rule of law and North Macedonia’s European integration. IDSCS has the mission to support citizens’ involvement in the decision-making process and strengthen the participatory political culture. By strengthening liberal values, IDSCS contributes towards coexistence of diversities.

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