

Joint NGO proposals on the Green Agenda for the Western Balkans

We, the undersigned, welcome the European Commission's (EC) work to advance the Green Agenda for the Western Balkans, a timely opportunity to realise the region's potential for sustainable development, allowing a better quality of life and a healthier environment.

The Western Balkans has 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. 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.

We underline that considerable attention needs to be given to implementation of the Green Agenda, as sustainability has not been given the priority it deserves in the region so far. Rather than burdensome rules, it is an opportunity to improve our quality of life and put the region at the forefront of a sustainable Europe.

Proposals per component:

Decarbonisation

- The Green Agenda must be based on **sustainable decarbonisation** of the Western Balkans' economies by 2050, in line with the Paris Climate Agreement and EU climate and energy policies, including the Clean Energy 4 All package. Guided by the EC and the Energy Community, all countries need to commit to climate and energy targets by 2030, **in line with the EU's ambition**. These must be complemented by concrete implementation measures, support and financing, and reflected in the National Energy and Climate Plans (NECPs) and Nationally Determined Contributions (NDCs).

In practice, this means not only a rapid coal phase-out but also a shift away from oil and gas use. This needs to be complemented with action to boost energy efficiency in buildings, address energy poverty, optimize energy systems, industry and transport, and deploy sustainable forms of renewable energy, with careful consideration of the individual and cumulative effects of power sources with high environmental and social impacts, such as hydropower. This is an excellent opportunity for the countries to relieve their pollution burden while spurring job creation in the sustainable energy sector.

- With the EU's assistance, the countries must do more strategic planning of the energy sector, to give equal consideration to the **climate, biodiversity and social impacts** of energy transition.
- Commitments to the Green Agenda must take a legal form, notably through the Energy and Transport Community Treaties, as well as the EU accession process - the key implementing tools that the Commission has at hand. This needs to include a legal climate commitment from all Western Balkans countries. Robust monitoring and sanction tools must be used to achieve full implementation.
- Transparency on the use of public resources in the countries has to be increased. To achieve this, **State aid regimes must finally be made independent and functional**, and Stabilization Association Agreement and Energy Community obligations upheld. The European Commission's Energy and Environment State aid Guidelines must be immediately adopted, to ensure greater efficiency of the countries' renewables incentives systems.
- **Carbon pricing**, including in the energy sector, must be introduced as soon as possible in those accession countries which have not done so already. In those which have (ie. Montenegro), its effectiveness must be ensured. Western Balkans coal plants account for 45 mio tCO₂ eq annually, and if emitters purchased CO₂ allowances, countries in the region would collect at least EUR 1 billion per year. The mechanism should be based on current emissions, and should be aligned with carbon neutrality goals by 2050. **Taxing imports of electricity** based on their carbon content could help speed up the process.
- The region's transport system is currently too reliant on roads and motorways. Sustainable transport needs to be made more prominent and **railways and urban mobility put at the fore**. Too much EU-related financing has supported motorways, while rail transport has declined. This has to be

reversed. Electrified urban public transport and pedestrian/cycling infrastructure need to be prioritised, and local authorities assisted to ensure public participation and investment into these modes.¹

Circular economy

- 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 **circular economy package urgently needs to be adopted and implemented**. The experience with the “new” EU Member States shows it is crucial to start early with implementing such legislation. The region can learn much from [Ljubljana's positive experience](#) in this respect.
- EU financing sources must be used **only for measures which contribute to the circular economy**, especially waste prevention, recycling, and composting. They must not be used for waste incineration, which locks in cities, financially and materially, for decades.
- Attention needs to be paid to including **informal waste collectors** in recycling systems and enabling them to work in healthier and more regulated conditions, instead of being further marginalised.

Pollution

- Decarbonisation of the electricity, heat and transport sectors have immense potential to reduce air and water pollution if sustainable solutions are used. Particular support is needed for **household energy efficiency measures, heat pumps, prosumers and energy communities, as well as the electrification of public transport**.
- Nevertheless, this will take time, and in the short term, **compliance with** existing obligations under the Energy Community Treaty - **the Large Combustion Plants Directive** - is crucial, with fines for polluters high enough to be dissuasive and proportional to the health damage caused. Countries failing to comply need to see concrete consequences, such as withholding IPA funds for the companies concerned.
- The existing official air monitoring systems must be upgraded to measure all regulated pollutants and **make the measurements available in real-time**. Setting up new monitoring stations and expanding the network is also of huge importance. Fugitive emissions from coal-related facilities, such as mines and ash disposal sites, should also be subject to continuous monitoring, with the data available made to the public. Competent institutions should regularly and without delay inform the public of the concentration of pollutants in the air, with the necessary health recommendations and measures.
- **Additional pollution prevention *acquis*** is also needed in the Energy Community Treaty, namely the Water Framework, Air Quality, National Emissions Ceiling Directives and Chapters II and IV of the Industrial Emissions Directive.

Sustainable farming and rural areas development

- Strict enforcement of obligatory common rules and standards for preserving the environment and the landscape (including measures to reduce the use of synthetic chemical pesticides, fertilisers, antimicrobials for farmed animals) and the extension of the area under organic farming management.
- Implementation of voluntary programmes and measures for the provision of environmental public goods and services going beyond mandatory requirements (agri-environment measures). In particular, these programmes should be tailor-made for small farmers in high nature value farming areas, because the abandonment of these leads to loss of landscape, habitat and species diversity (notably grassland).

¹ There must be no more projects like the EBRD-financed [Green Boulevard](#) and [Slavija roundabout](#) in Belgrade, which fail to provide safe pedestrian and cycling infrastructure and make more room for cars.

- „Greening“ of the human and social capital of farmers and other actors involved in the agro-food chain by introducing and promoting adequate educational, information, demonstration, dissemination and advisory programmes.

Biodiversity

The Western Balkans is well-known as a global biodiversity hotspot. It is a home to hundreds of unique freshwater and terrestrial species, many of which are under risk of extinction from infrastructure development. Therefore, mainstreaming biodiversity safeguards across all economic activities needs to guide the EU's and national governments' political and financial decision-making. In particular:

- Additional support from the EU is needed to implement **research and protection of high-biodiversity areas** as a future part of the Natura 2000 network. Too many nominated Emerald network sites remain poorly researched and unprotected by national legislation, for example the upper Neretva area of Bosnia and Herzegovina, while the identification of new proposed sites is hardly happening at all, even where important species are present (for example the upper Drina, the most important habitat for the endangered Danube Salmon, is not proposed as an Emerald site at the moment, nor is it protected under national legislation). To that end, and in light of recent pressures on freshwater ecosystems due to hydropower, we invite the Commission to encourage countries' to protect their most valuable rivers, such was recently the case with Zeta² in Montenegro and Krupa³ in neighbouring Croatia. Finally, since most of the critical ecosystems, particularly freshwater ones, are transboundary, there should be a regional assessment of critical habitats, which should inform decision-makers, both national and EU, about future infrastructure development.
- The lack of the **Birds and Habitats Directives**, as well as insufficient transposition and implementation of the **Environmental Impact Assessment** and **Strategic Environmental Impact Assessment Directives** in the countries also needs to be resolved as a precondition for further sustainable infrastructure development. This also means **accelerating the transposition of the Water Framework Directive** (and its “Daughter” Directives – FD, GWD, UWWTD, EQSD), which would see both biodiversity and water legislation move forward to jointly tackle the issue of freshwater biodiversity decline and water quality issues in parallel. The EBRD has critical habitats provisions in its environmental policy which can help to overcome the Nature Directives gap in projects it finances, but an increasing number of projects in the region are now financed by other actors, who do not have such provisions. Therefore increased efforts are needed to transpose and implement this legislation.

As 2020 has been declared a “Super Year for biodiversity”, in preparation of the upcoming COP15 under the UN Convention on Biological Diversity, the Commission should engage with all countries to ensure they develop ambitious commitments to protect and restore their ecosystems. **National Biodiversity Strategies and Action Plans (NBSAPs) will form a key part** of the Western Balkan countries' strategy to tackle biodiversity issues. Streamlining these Plans with the broader EU Biodiversity Strategy would be beneficial. The Commission should encourage governments to develop an implementation and financial plan for the successful execution of the NBSAPs. This could also inform the Commission and other donors on needs for financial and technical support.

Financing (including a potential just transition fund)

We need to underline that much of the apparent difficulty in finding public financing in the countries is the result of mis-prioritisation and wasteful spending, rather than an overall lack of funds available. Therefore, the first measure needs to be to stop building infrastructure which is not in line with a decarbonised, efficient, circular economy, which would free up funds for measures which are. Similarly, investing in energy savings measures would help to reduce costs of electricity and heat generation infrastructure and introducing CO₂ taxes would also bring in additional funds.

We see the IPA funds and the European Investment Bank playing a key role, with assistance from the EBRD, World Bank/IFC, KfW and others. However, all donors need to be coordinated, unlike in the recent case of

² https://wwf.panda.org/wwf_offices/wwf_in_europe.cfm?356831/We-welcome-the-decision-to-establish-the-Nature-Park-River-Zeta

³ https://wwf.panda.org/wwf_offices/wwf_in_europe.cfm?357438/River-Protection-Precedent-in-Croatia-River-Krupa-Permanently-Protected

the Belgrade incinerator, when the EBRD, OeEB and IFC financed a project that the EIB, EC and NGOs found incompatible with the circular economy.

More funds will be needed for a **just transition of mining regions**, which we imagine as grant-based co-financing for local development measures, plus a public sector loan facility by the EIB.

- These must be based on participatory and transparent local development plans, created **bottom up**.
- The [European Code of Conduct on partnership](#) has proven to be a useful tool within the EU on Structural and Cohesion Funds, and needs to be a binding condition for a potential Western Balkan Just Transition Fund as well.
- It must be made clear that such funds cannot be used to support any kind of **fossil fuel** investments (not only coal but oil or gas), nor **other investments likely to hinder the achievement of EU policy objectives**, such as waste incinerators.
- Additional **technical assistance for project preparation and public consultation** may be needed, as the EIB has told us in the past that one of the reasons it finances very few energy projects in the region is due to their low quality.
- The allocation of funds to coal regions must be fair, ie. it should **reflect the magnitude of the transition challenge**.
 - More funds should go to regions whose economy and population are currently more dependent on coal.
 - It should reward climate ambition, giving more money to countries committing to clear mine closure and coal phase-out dates.⁴

Role of CSOs in the Green Agenda process

Civil society is ready to be a watchful but constructive partner to the EU and national governments in implementation of the Green Agenda for the Western Balkans. On our side, we commit to:

- Promoting the benefits of sustainable development to communities across the region, thus ensuring their support for the necessary measures;
- Providing our expertise on policy, law, science, communication and community engagement to governments open to partnerships;
- Raising awareness and encouraging debates on sustainable development policies with key stakeholders in the public, private and civil society sector, including engaging in dialogue with the European public banks to help to shape funding directions for future actions.
- Continuing our watchdog activities and ensuring that public interests are served and prioritised in political and financial decision-making, at programme and project level.

In return, we invite the European Commission to establish a quarterly dialogue with civil society representatives in Brussels working on the region. These should involve representatives of all key DGs, including the rotating presence of high level officials. These would enable a regular exchange of views on progress with implementing the Green Agenda. EU delegations should ensure similar dialogues with the CSOs based in the Western Balkans.

The European Commission and the delegations should require regional governments to follow the same approach and establish or keep an open dialogue with the civil society and follow best practice when it comes to civil society early participation in decision making processes. The [partnership principle](#) needs to be adapted for the IPA funds as well. We also believe a similar code would be useful in the accession process, in order to better include bodies representing civil society in monitoring the quality and transparency of decision-making.

⁴ More detailed comments with regard to the EU Just Transition Fund that may also be applicable to the Western Balkans can be found in Bankwatch's input to the recent consultation [here](#).

This statement is supported by:

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