

[FOCUS ARTICLE] The European "Green Deal" for the Western Balkans

Becoming climate neutral by 2050

In the recent Berlin Process Summit, the Western Balkans endorsed a Declaration on Energy Security and Green Transition in which the leaders committed to redoubling their effort to implement the Green Agenda for the Western Balkans aligned with the European Green Deal. This cooperation will contribute to greater energy diversification and cleaner energy, as well as speed up reforms on the region's national energy markets to align with those of the EU.

The current global crises, in particular the energy crisis, which was aggravated by the current war in Ukraine has yet again highlighted the urgency to transform the way energy is used and consumed and the urgency to move towards renewable energy. For the Western Balkans, which are hugely dependent on coal and energy imports, the crisis also presents an opportunity to develop the considerable potential for the region in renewable energy. Motivated to increase their energy security and to building protection from rising energy prices, while at the same time playing an active role in the fight against climate change, citizens and businesses in the WB are starting to turn to renewables self-consumption for electricity and heating even though there are still many obstacles. Wind and solar clearly offer the most promising opportunities for renewable energy production in the Western Balkans, due to the favourable climate conditions and steadily falling costs for the associated technology.

Efforts are accelerated on national and regional levels in the Western Balkans, to push forward actions towards the green transition. It is with that, that on October 27, 2022 POLICY ANSWERS supported a special panel session at the regional Economic Conference Montenegro 2022, organized by the Chamber of Commerce of Montenegro, where actions to explore the EU Initiatives and synergies for a smart and green future in the Western Balkans. The panelists debated the main reasons behind the challenges of implementing the Green Agenda, and the ways to move forward by connecting the lagging WB system to the broader EU initiatives and opportunities for a successful green transition. The huge potential of the public sector (e.g. energy savings) was strongly emphasized as well as the role of innovation and new technologies to find appropriate solutions and enable such transition. Among other topics, a particular emphasis was put on Circular Economy and the Smart City concept while the panel was also a perfect opportunity to give visibility to success stories in the WBs.

By endorsing the Sofia Declaration during the EU-Western Balkans Summit in November 2020, the leaders of the Western Balkans region had already recognised the need for more ambitious climate action and reaffirmed their commitment to align with European climate targets as part of the EU accession process. This declaration was preceded by efforts by the European Union to commit them to the goal of CO2 neutrality by the year 2050. The



'greening' of the Western Balkans envisaged by the Green Agenda is - as is also the European Green Deal - based on five pillars: climate action, including decarbonisation, energy and mobility, circular economy, biodiversity, fighting pollution, and sustainable food systems. The first pillar, decarbonisation, is central to achieving climate neutrality by 2050. The gradual introduction of emission certificates and the gradual phasing out of coal subsidies play an important role here. However, investments should also be made in more environmentally friendly technologies, such as natural gas and renewable energy sources.

As affirmed in a recent <u>policy brief</u> by the <u>WB2EU project</u> the Western Balkans are considered to be particularly vulnerable to the impact of climate change and are highly affected by air pollution and environmental stress and degradation. A number of mitigation measures can bring significant benefits for both air quality and climate alike.

The document outlines that the biggest challenge lies in reforming the energy sector, which is responsible for two-thirds of regional greenhouse gas emissions that continue to rise. The need to realise the benefits of energy transition for the local societies in terms of both health improvement and economic performance becomes more and more apparent. Yet greater attention is needed from the EU, towards the deficient environmental policies of the region. Moving away from coal and diversifying the region's electricity mix are critically important, keeping in mind that these industries have a long tradition and are a substantial source of employment in the region, with developed value chains and markets. Apart from Albania, where hydropower dominates, the economies of the Western Balkans rely heavily on coal for generating electricity.

Nonetheless, the Western Balkans made some improvements in aligning environmental and climate monitoring, as well as reporting legislation with EU standards. However, according to a report of the Joint Research Centre on the Status of Environment and Climate in the Western Balkans, which was published in June of this year, implementation is still limited and only partially realised. The report summarises the status of air, climate, water and soil in the Western Balkans, describing current knowledge as of 2021 and gaps in order to a) benchmark the progress during the accession process and b) support the implementation of the Green Agenda for the WB with particular reference to depollution and decarbonisation priorities. This information is also relevant for the EU Green Deal zero pollution ambition, as depollution in WB also reduces pollutant levels in neighbouring EU Member States. Despite significant improvements in the alignment of the climate and greenhouse gas emissions monitoring and reporting legislations and the good progress in the areas of air and water pollution in the latest two years, the implementation of EU legislations is still lagging behind. It is necessary to improve the integration of the environmental measures into key sectorial policies (on energy production, energy efficiency, industry, transport). This principle is reflected in the Green Agenda for the WB and the new EU Soil Strategy

The 2022 enlargement package of the European Commission further describes some <u>progress</u> <u>for the region</u> on their respective paths towards the European Union, with a particular focus on implementing fundamental reforms also towards the transition to Renewable Energy Sources. As regards Green Agenda some progresses were achieved in the areas of environment, energy and climate change. The Green Agenda for the Western Balkans is a promising tool with which to further advance the necessary climate and energy policies in the region.



In parallel, in Horizon Europe a lot of new interesting actions are coming up in various programmes, as <u>summarised here</u>, while the European Green Deal is implemented via several strategies and action plans contributing to its objectives, which are worth reading as several of the calls in the various programmes for which also the Western Balkans are eligible refer to their implementation (e.g. <u>Biodiversity Strategy for 2030</u> (to protect nature and reverse the degradation of ecosystems), <u>Circular economy action plan</u> (to pave the way for a cleaner and more competitive Europe), <u>Environment action programme to 2030</u>, to guide European environmental policy until 2030), <u>Plastics strategy</u> (to contribute to a circular economy, and tackles single-use plastics, microplastics and plastic waste), <u>Soil strategy</u> (to reap the benefits of healthy soils for people, food, nature and climate), <u>Zero pollution action plan</u> (to implement zero pollution action plan for air, water and soil as part of the European Green Deal) and many more.

The green transition presents a number of opportunities to increase economic competitiveness attract clean and advanced technology investments, improve air quality, river protection, and overall quality of life of its citizens, especially in vulnerable groups such are women, youth, and Roma people. Green transition offers substantial opportunities for the Western Balkans, including deeper integration into the Eurocentric value chains and access to a significant volume of EU resources to fund the green transition. Though the costs of transition are considerable, and green transition must be fair and just towards all individuals and groups of the region. All other opportunities related to the development or application of green technologies and investments, creating green jobs, and greening certain sectors, from industry and energy to education, transport etc. should be seized. In addition to political will, it is necessary to raise awareness of citizens and companies on the benefits of green transition, strengthen implementation capacities, and secure adequate funds.

But the transition will only happen if the people will have the awareness, knowledge and skills to drive the transitions forward. Therefore, the media have to have a key role in raising awareness of the importance of Green Agenda implementation. Aware and informed citizens are the additional impulses for governments to accelerate the implementation of plans and strategies.

Due to the relatively small area of the WB and the interconnections between ecosystems across and beyond the region, strengthening regional and international cooperation is essential to involve all the relevant actors and stakeholders in the design and implementation of environmental policies. The entire region has untapped potential for development of innovation, and just needs inspiration and proof that inclusive, fast and large-scale change is possible to achieve net zero emission in time. The Western Balkans are is part of the green transformation and can play a leading role in that.

The sooner all of us gain this awareness and begin working to provide our contribution, the easier and faster the change will be, and the quality of life considerably better.