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ENV.net Advocacy Toolkit

Climate change and challenges
of the enlargement



The ENV.NET Project

The purpose of the ENV.net project is to increase the capacity of the ENV.net partners in countries adopting the EU environment and climate acquis so that citizens have a stronger voice and can better influence environmental and climate policy.

The project improves the skills and potential of ENV.net partners in policy monitoring, analysis and advocacy with the aim to improve environmental protection and increase the impact of civil society organisations. The project builds capacity, collaboration and civil society.

The project strengthens the ENV.net partners' potential.

- ✓ Monitoring and analysing environmental policy reform
- ✓ Stimulating government-civil society dialogue at national and regional levels
- ✓ Creating opportunities for citizens and CSOs to have a voice in the reform process
- ✓ Dissemination of information on the EU environmental acquis raises awareness among citizens and improves dialogue between civil society and government institutions.

Harnessing the experience of the ENV.net consortium, this advocacy toolkit provides guidance on best practice to influence decision-making processes on environmental issues at national and local levels. The ENV.net partners are: Co-Plan - Institute for Habitat Development (Albania), EEB (Belgium), punto.sud (Italy), ATRC - Advocacy Training and Resource Centre (Kosovo), 4x4x4 Balkan Bridges (FYRoMacedonia), EASD Environmental Ambassadors for Sustainable Development (Serbia) and TEMA (Turkey).

For more information about the project, check out the website www.env-net.org

Circle 1. Strengthened capacity of the ENV.net partner organisations to analyse, monitor and advocate on environmental policy issues.

Circle 2. Partners share experiences and knowledge with other environmental civil society organisations (CSOs) in their own countries. Training sessions, an interactive website and a helpdesk support this process.

Circle 3. CSOs promote awareness of environmental issues among civil society so people are better able to influence national governments, EU Institutions and other relevant stakeholders.

Introduction

Over the past several years, the impacts of climate change have become more visible across the globe. Unprecedented floods hit Southeast Europe in 2014, while 2015 was yet another hottest year on record worldwide. Such events set the stage for the discussion on the new international climate regime, for the period after 2020. The UN Climate Summit held in December 2015 resulted in the Paris Agreement and was in many ways historic.

The EU had an important role to play in securing success of the Paris Summit. European Delegations across the world have been working on bringing partners on board. Clearly, prospective EU members in the immediate neighborhood were the first test for EU climate diplomacy.

As a result of EU's influence, accession countries offered their first climate pledges in 2015. Unfortunately, in doing so, they have not fully complied with EU's 2030 climate goal. However, as Paris Agreement raised ambition to tackle climate change even further, we expect to see further development of a robust European policy framework, which will set the EU and its prospective members on a path towards a zero carbon economy.

Climate and energy targets will need to be progressively tightened. This means that accession countries will have a lot of catching up to do. Hence, they should start doing so immediately. One of the first tasks will be to swiftly implement the EU's Climate and Energy framework, both in the short to mid-term (until 2020 and 2030) and in the long-term (until 2050). The countries should start developing their climate strategies and review their climate targets, as the accession countries have the potential to achieve much more emission reductions compared to what they have put on the table ahead of Paris.

Full decarbonisation will allow all European leaders, citizens and workers to benefit in terms of good quality jobs, sustainable growth, improved competitiveness and better public health, while ensuring a just transition for the affected workers and communities.

Given the scale of the challenge, civil society has a particularly important role to play in this transition. We must ensure that policies adopted in the next years bring the region closer to the EU, not further away. Publication before you sets out some of the approaches that should be pursued in this process.



Section 1

Where are we?

European Union and the challenge of climate change

European climate policy has been built up over time, together with the climate movement and the UN Framework Convention on Climate Change (UNFCCC). Scientific bodies, such as the Intergovernmental Panel on Climate Change (IPCC) became increasingly certain in the causes and impacts of climate change. Following this suit, EU Environment Council agreed back in 1996 to limit global average surface temperature rise to below 2°C compared to pre-industrial levels. The uncertainty surrounding this threshold was significant, yet it has been assessed as crucial for stopping dangerous impacts of climate change.

According to the leaders of the European Commission's Climate Directorate (DG CLIMA), EU climate policy has largely been a learning-by-doing process. It has been revised every few years, keeping in mind that there is no one single policy instrument suited to bring down greenhouse gas emissions across all sectors of the economy. Hence, different approaches and

policies are applied across different economic sectors. The biggest challenge has been to ensure that such mix of policies delivers, while being effective, coherent, and cost-effective.

DG CLIMA also emphasises that solid economic and technical preparation of policy, as well as extensive stakeholder consultation, have been of the utmost importance. This is a particularly valuable lesson for the accession countries, as they are still struggling with having robust data to base these analysis on. Moreover, democracies and rule of law are still fragile, while the practice of stakeholder engagement in policy making is underdeveloped. Therefore it is crucial that the civil society insists to be included in shaping their countries' climate policies.

This toolkit will try to guide the reader through the evolution of climate policy in the European Union and shed some light on the prospects for the future.

Mitigation, step by step

Mitigation refers to efforts to reduce or prevent emissions of greenhouse gases (GHGs). Mitigation has the goal to slow down the temperature rise by using strategies designed to reduce anthropogenic emissions of GHGs. Mitigation may also be achieved by increasing the capacity of carbon sinks, for example through reforestation. One of the most significant mitigation strategies tries to curb the emissions through reducing the use of energy from fossil fuels, as this is one of the main sources of CO₂ emissions.

All Parties of the UNFCCC are required to mitigate climate change emissions based on their financial and technological capacities.

Step 1: Setting the targets

In March 2007 the EU Heads of State agreed on a set of three targets referred to as **"20-20-20 by 2020"**. The 2020 package sets three key targets:

- A reduction of greenhouse gas emissions by at least 20% in comparison to 1990 levels,
- A 20% share of renewable energies in final energy consumption (as well as a 10% target for renewable fuels) and
- 20% of savings on the projected EU final energy consumption in 2020.

To implement the targets the EU introduced a set of policies in 2009, known as the "Climate and Energy Package", consisting of the following main elements:

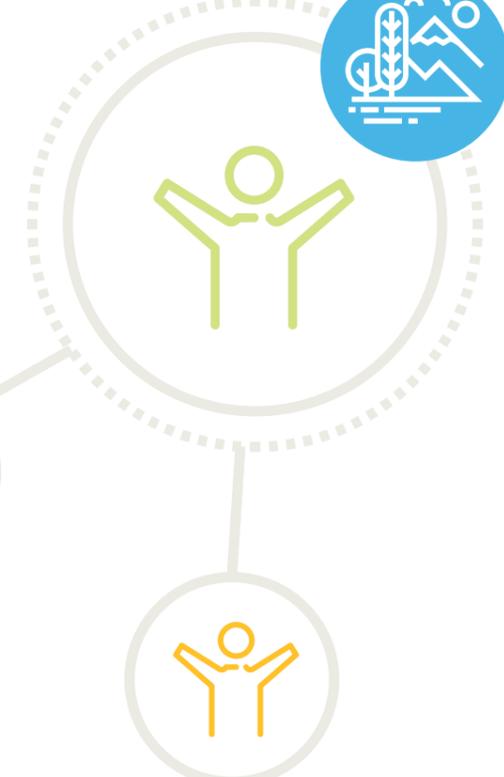
- a reviewed Directive on emissions trading (ETS Directive)
- the Effort-Sharing Decision (ESD) and
- the Renewable Energy Directive (RED)

2030 Climate and Energy Framework

In October 2014, the European Council agreed on the 2030 Climate and Energy framework for the EU, which sets three key targets for the year 2030:

- a binding EU target of **at least 40% less greenhouse gas emissions** by 2030, compared to 1990 (This target is divided in a 43% reduction target for the ETS and a 30% reduction target for non-ETS sectors).
- a target, binding at EU level, of **at least 27% renewable energy consumption** in 2030.
- an indicative target at EU level of **at least 27% improvement in energy efficiency** in 2030.

The 2030 reduction targets were an integral part of the EU's contribution to the Paris Climate Summit, namely the EU's Intended Nationally Determined Contribution (INDC). At the COP21 in Paris, countries agreed



to have regular reviews of their targets to assess whether they are in line with the global reductions target to keep temperature down to well below 2°C. The first such moments are the global facilitative stocktake in 2018 and the 2020 deadline for re-submitting the post-2020 Nationally Determined Contributions (NDCs).

As the current INDCs are inadequate and will lead to dangerous warming of more than 3°C¹- which is far from the agreed long-term objectives to keep temperature rise well below 2°C or to 1.5°C - it is critical that all countries, including the EU, raise their targets as soon as possible and finalise their reviews before the 2018 stocktake by the UNFCCC takes place.

For the European climate and energy policies to be consistent with the Paris Agreement, the EU's reduction target of - 40% by 2030 must be revised upwards to a reduction of at least 55%² less greenhouse gas emissions. The 40% target is not only inadequate but also inconsistent. As its ETS and non-ETS sub-targets do not contain the 'at least' prefix, the target is in fact a 40% target. At the same time, the EU is heading towards a massive overshoot of its 2020 target and will likely come close to a 30% reduction in 2020 already. This makes achieving a 40% reduction of greenhouse gas emissions everything but ambitious.

¹ For more detailed information see "Effect of current pledges and policies on global temperature", Climate Action Tracker, <http://climateactiontracker.org/global.html>

² http://www.greenpeace.org/eu-unit/Global/eu-unit/reports-briefings/2013/ecofys_PolicyPaper.pdf

2050 Roadmap

On top of the 2020 and 2030 climate targets, the EU has also proposed long-term emission reduction objectives, through its 2050 Low-carbon roadmap from 2011. The roadmap suggests that, by 2050, the EU should cut its emissions to 80% below 1990 levels through domestic reductions alone (i.e. rather than relying on international credits). Milestones to achieve this are 40% emissions cuts by 2030 and 60% by 2040.

In light of the global commitments made at the Paris Agreement, and in particular the requirement to pursue efforts to limit temperature increase to 1.5°C, the EU agreed to develop a new low-term GHG emission development strategy before 2020. Currently the development of the roadmap is in the phase of collecting inputs for modelling, and is supposed to deliver its first outputs next year. The new EU roadmap should be developed based on the latest scientific evidence of the global carbon budget **with high likelihood for achieving 1.5°C**.

It is important that it includes an understanding of fairness, capacity and responsibility when defining the EU's share of the global effort. Costs of climate impacts, loss and damage and adaptation need to be included in the modelling. Furthermore the roadmap should include extremely deep decarbonisation pathways to zero emissions for all sectors, and include proposals for (new) policy instruments that are capable of delivering the required emission reductions.

Step 2: Designing EU climate policy instruments

EU Emissions Trading Scheme & Market Stability Reserve

The 20% overall GHG emissions reduction target for 2020 and the 40% target for 2030 are mainly addressed by the EU's Emission Trading Scheme (EU ETS), which was established in 2005. It is the world's largest carbon market, covering more than 11,000 industrial and power plants in all Member States of the EU, as well as in Iceland, Liechtenstein and Norway, amounting to about 40% of the EU's total greenhouse gas emissions.

The EU ETS is a market-based mechanism

Its main features are an emission cap (a ceiling on the maximum amount) and trade in emission allowances. Companies covered by the ETS need to buy a pollution permit (or 'allowance') for each tonne of CO₂ they emit, although certain sectors (e.g. steel, cement) get (a large part of) their allowances for free. The number of allowances decreases every year so that total emissions will decline over time to - 21% in 2020 in comparison to 2005 levels.

Despite being hailed as the flagship of European climate policy, the EU ETS has significant shortcomings. Firstly, the 2020 target is out of step with reality: the 20% emission cuts have been reached already and by 2020 ETS emissions could even

be up to 38% below 2005 levels³. Secondly, due to the massive use of international offsets and the 2009 financial crisis, there's an enormous surplus of emission allowances, which will have grown to between 2.6 and 4.4 billion allowances by 2020. Furthermore, at an average of 5-6 euros⁴, the price for allowances is too low to drive any meaningful change, promoting the realisation of cheap GHG reductions (abroad) instead of giving a strong incentive to the business sector to invest in cleaner and more efficient production. This enormous structural oversupply, estimated at about 3 to 4.5 billion allowances, undermines the reliability of the EU ETS to generate the necessary transformation towards renewable energy industries or low carbon technologies.

In 2021 the EU ETS will enter a new phase, that will have to align with the reduction target agreed under the 2030 Climate and Energy Framework, of - 43% less greenhouse gas emissions by 2030. In that view the European institutions have started discussions on how to reform the ETS and in July 2015, the European Commission published its reform proposal.

As a first step, to tackle the vast surplus of emission rights that currently undermines the functioning of the scheme, the EU decided to implement, starting in 2019, the **Market Stability Reserve**, a mechanism that will control the supply of permits, by automatically absorbing allowances if the surplus exceeds a fixed limit, and release them back into the market in the event of a shortage.

³ Sandbag's forecasts shows that the EU is on target to achieve economy-wide emissions cuts of 30% by 2020, against 1990 levels. See https://sandbag.org.uk/site_media/pdfs/reports/EU_on_track_for_30_cuts_by_2020_9Dec15.pdf

⁴ For the most recent price of EU Emission Allowances, see Global Environmental Exchange, <https://www.eex.com/en/market-data/emission-allowances/spot-market/europe-an-emission-allowances#!/>





Albeit a good start, the MSR is merely part of the solution. Urgent and bold revisions are needed if the ETS is to be a policy instrument that drives emission reductions, and reforms need to go well beyond what the Commission proposed in 2015⁵. To make the ETS fit for purpose, surplus allowances should be cancelled permanently and the free allocation of allowances should be significantly limited. Moreover, the 2030 target of reducing ETS emissions by 43% is not coherent with the objectives set in the Paris Agreement. If the EU fails to raise the ambition level and reform the EU ETS accordingly, the sectors that cause almost half of Europe's emissions could continue polluting at business-as-usual levels for the next 10 years or longer and we would be at risk of a lock-in of carbon intensive infrastructure for years to come.

Effort Sharing Decision

In order to achieve its overall 2020 GHG emission reduction target, the EU adopted a dual approach, with the EU ETS covering power stations and industrial plants on the one hand and national targets to tackle emissions in the sectors that are not covered by the ETS on the other hand, as regulated by the Effort-Sharing Decision (ESD). The non-ETS sectors include transport, agriculture,

buildings, small industry and waste, while aviation and international maritime shipping are excluded. The ESD sets the target at -10% GHG emissions in these sectors by 2020 as compared to 2005. Under the 2030 Climate and Energy Framework, the target was raised to -30% by 2030.

The national emission targets have been established on the basis of Member States' relative wealth, measured by GDP. They range from a 20% emissions reduction for the richest Member States to a 20% increase for the least wealthy ones. The latter are allowed emission increases in certain sectors because their relatively higher economic growth is likely to be accompanied by higher emissions. Nevertheless their targets represent a limit on their emissions compared with projected business-as-usual growth rates.

In July 2016 the European Commission proposed a new legislative initiative, the Effort Sharing Regulation (ESR) that will replace the Effort Sharing Decision. The proposal provides guidance on issues such as the target from which emission reductions need to start in 2021⁶, and provisions on trade emissions allowances between countries but also between the ETS and non-ETS sectors.

⁵ For detailed suggestions on how to make the ETS fit for purpose, see CAN Europe' Position on the Post-2020 ETS Reform, April 2016, <http://www.caneurope.org/docman/position-papers-and-research/eu-ets-2>

⁶ For more information see CAN Europe's Briefing on this topic: "No cheating from the start - 2030 climate targets for EU Member States", July 2016, <http://www.caneurope.org/docman/position-papers-and-research/eu-ets-2/2927-can-europe-briefing-no-cheating-from-the-start-2030-climate-targets-for-eu-member-states/file>

Land Use, Land Use Change and Forestry

The Land Use, Land Use Change and Forestry (LULUCF) sector is a particular one. In terms of mitigation, LULUCF is an enormous sink, removing 350 Mt of carbon from the atmosphere every year in the EU. However forest management activities also produce emissions.

The current - 20% GHG reduction target for the whole of the EU does not include emissions nor removals from LULUCF. When setting the 2020 targets, LULUCF was kept separate from other sectors that produce emissions on the grounds that there were too many inherent differences for them to be addressed with the same instrument, such as the issue of accounting emissions from LULUCF.

In October 2014 the European Council decided that LULUCF should be included in the 2030 framework but left it open how that should happen. It is essential that the emissions of the LULUCF sector are addressed, but without compromising the emission mitigation commitment made for the ETS or non-ETS sectors. Emissions and removals from the LULUCF sector should be treated separately and on top of the EU's at least 40% domestic target. If credits from LULUCF were to be allowed to be put in the same basket as emissions from other sectors, the EU's 2030 target would be significantly reduced.

Step 3: Developing supplementing instruments

Apart from its commitments to reduce GHG emissions by 20% in 2020 and 40% in 2030 respectively, the EU has two other targets under its 2030 Climate and Energy Framework, namely a target for renewable energy consumption and a target for improvement in energy efficiency.

Renewable Energy

The EU has a target to meet 20% of its final energy consumption with renewable energy sources by 2020. To achieve this, the Member States have committed to reaching their own national renewables targets ranging from 10% in Malta to 49% in Sweden. They are also each required to have at least 10% of their transport fuels come from renewable sources by 2020. It was left to each Member State to meet its national target through national policy measures.

In October 2014, the European Council proposed a share of "at least 27%" renewable energy by 2030, but decided that this target would only be binding at EU level and therefore would not be broken down in binding national targets.



The primary policy tool in this area is the Renewable Energy Sources Directive (RED) from 2009. Since the current Directive ends in 2020, the European Commission is expected to present its proposal for continuation in the end of November 2016, within the forthcoming Winter package, which will be composed of:

- 1) a proposal for a revised/new Renewable Energy Directive for the period 2021-2030;
- 2) a proposal on the design of the electricity market;
- 3) a bioenergy sustainability policy and
- 4) a proposal on Energy Union governance.

The sustainability criteria are gaining importance, since there are currently no sustainability criteria for bioenergy used for heating and cooling and electricity generation, despite bioenergy representing about 2/3 of the current share of renewables in the EU.

The EU policy on renewables has been successful in increasing the share of renewables in final energy consumption from 8.5% in 2005 to 15% in 2015, and is well on track to deliver the target of 20% by 2020. The Renewable Energy Directive has had a positive impact on the market volumes and therefore also on cost reductions of renewable energy throughout the EU.

Nevertheless the target of "at least 27% renewables" in the energy mix by 2030 falls short of a much larger contribution the EU could take on. Moreover, the target ought to be reassessed in light of the successful outcome of the Paris Climate Summit. Increasing the share of renewables will reduce greenhouse gas emissions, increase energy supply security and promote innovation and technological development while at the same time creating employment opportunities.

Energy Efficiency

Moderating energy demand by increasing energy efficiency is an important way of reducing greenhouse gas emissions. In that view, the EU set a non-binding target to reduce, by 2020, its energy consumption by 20% as compared to the business-as-usual (reference) projection made in 2007. In 2014 the European Council decided to step-up efforts and agreed upon an indicative energy efficiency target of 27% by 2030.

The primary policy to deliver this target is the Energy Efficiency Directive (EED). It provides a real added value to the European legislative framework, helping to create a level playing field among Member States. This is especially true for the mandatory 1.5% annual energy savings target set by Article 7 of the EED, which is the main tool to deliver savings and stimulate national action on energy efficiency. Nearly half of the energy savings from the Directive are expected to come from this Article alone. The Directive includes a wide range of other policy measures, and covers e.g. residential energy efficiency, energy audits in the commercial sector, retrofitting of public buildings and district heating.

The Energy Efficiency Directive will run until 2020 and the European Commission is expected to publish its proposal for a revision of the Directive in October 2016, together with a proposal for the revision of the Energy Performance of Buildings Directive and a proposal for a financial instrument for energy efficiency investments. It is expected that, as part of the proposal, the European Commission will put forward the target of "at least 27%" improvement in energy efficiency by 2030.

However, to tap into the EU's significant cost-effective energy savings potential, a 40% energy savings target, as a minimum, is needed. This has been repeatedly called for by, inter alia, the European Parliament.

Energy Union and its governance

To coordinate the transformation of the European energy supply and the transition to a low-carbon economy, the European Commission launched the "Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" in 2015, commonly known as the Energy Union. An overarching governance structure, the establishment of the Energy Union is based on five interrelated dimensions, i.e. energy security, a fully integrated energy market, moderating energy demand, decarbonising the economy and research & innovation. European Commission president Jean-Claude Juncker, created both a Vice-President position for the Energy Union and an Energy Union project team comprised of 14 Commissioners. European Commission Vice-President Maroš Šefčovič called the Energy Union the biggest energy project since the European Coal and Steel Community.

In November 2015 the Commission released its first State of the Energy Union Report, which brings together a series of Commission reports and initiatives in an integrated way. A second report with possible recommendations for Member States is expected in November 2016.

The Energy Union is an important opportunity to build a common vision for the future of the European Union's energy system by setting a transformative agenda. In light of that, the Energy Union framework recognises the need to move away from an economy driven by fossil fuels. However it fails to define

a clear course of action towards reaching this goal, which should namely be through reducing energy demand and promoting renewable energy.

This inconsistency poses a risk to the EU's long-term climate objectives, undermining the efforts to maximise the benefits of decarbonising our economy. The European Commission should place renewable energy and energy efficiency at the heart of the Energy Union and accelerate the phase out of polluting and dangerous energy technologies from its energy system. This is urgently needed if the EU is to deliver on its fair share of the efforts needed to avoid dangerous climate change and be in line with the Paris Agreement to keep global temperature increase well below 2°C and pursue the 1.5°C temperature rise limit.

The Commission's Communication on a Framework Strategy for the Energy Union, adopted in February 2015 foresees that the Energy Union needs **an integrated governance and monitoring process**, to make sure that energy-related actions at European, regional, national and local level all contribute to the Energy Union's objectives.

The core of the governance system will consist of several components: Integrated national energy and climate plans, a transparent monitoring mechanism based inter alia on streamlined reporting, and further **regional cooperation**.

A detailed proposal on governance is yet to be shaped. However, it is clear that it will have significant importance in the enlargement countries, given the regional approach to energy issues, that is already implemented in Southeast Europe through the Energy Community. This aspect might have serious impact on climate and energy policy of the region, well before the full EU accession takes place.



Adaptation, step by step

Adaptation means anticipating the effects of climate change and taking appropriate action to prevent or minimise the damage they can cause as well as taking advantage of opportunities that may arise. Early action will save on damage costs later. Adaptation strategies are needed at all levels of administration, from the local to the international level.

Adaptation affects most economic sectors and involves many levels of decision-making. Due to the varying severity and nature of climate impacts between regions in Europe, most adaptation initiatives are taken at the regional or local levels. Furthermore the ability to cope and adapt differs across populations, economic sectors and regions within

Europe. It should be increasingly integrated in numerous policy areas: disaster risk reduction, coastal zone management, agriculture and rural development, health services, spatial planning, regional development, ecosystems and water management. A variety of adaptation options should be considered, e.g. technological measures, ecosystem-based measures, and measures addressing behavioural changes, such as: using scarce water resources more efficiently, adapting building codes to future climate conditions and extreme weather events, building flood defences and raising the levels of dykes, developing drought-tolerant crops, choosing tree species and forestry practices less vulnerable to storms and fires and more.

Step 1: A broad strategy

After an initial European adaptation framework was set out in a White Paper in 2009, the European Commission introduced the EU Adaptation Strategy in 2013. The strategy sets out a framework and mechanisms for the EU to become more 'climate-resilient', through enhancing the preparedness and capacity of all governance levels to respond to the impacts of

climate change. To this end, the EU Adaptation strategy sets out three main objectives:

- ✓ **Promoting action by Member States:** The Commission encourages all Member States to adopt National Adaptation Strategies (NAPs), which serve as cross-sectoral planning instruments to inform and prioritise actions and investments towards climate change adaptation. The Commission provides guidelines for the formulation of these strategies and funding to help Member States build up their adaptation capacities and take action. The Commission also supports adaptation in cities through the Mayors Adapt initiative, a voluntary commitment within the framework of the Covenant of Mayors⁷.
- ✓ **Better informed decision-making** by addressing gaps in knowledge about adaptation, in particular related to information on damage and adaptation costs and benefits, regional and local risk assessments. Furthermore the Commission has developed the European climate adaptation platform (Climate-ADAPT) as the 'one-stop shop' for adaptation information in Europe.
- ✓ **'Climate-proofing'** action at EU level by further promoting adaptation in key vulnerable sectors such as agriculture, fisheries and cohesion policy, ensuring that Europe's infrastructure is made more resilient, and promoting the use of insurance against natural and manmade disasters.

Similarly to mitigation policies, the European Commission's guidelines on developing adaptation strategies recognise that there is no 'one-size-fits-all' framework for adaptation, but there are certain common aspects for good adaptation policy: adaptation requires a sectoral focus and mainstreaming with existing programmes and policies; a wide range of stakeholders needs to be involved in policy-making for adaptation; effective communication and awareness-raising is needed; and adaptation strategies need to be continuously updated based on new insights in climate change research.

Step 2: Mainstreaming

Mainstreaming of climate change adaptation into the EU's sectoral policies and EU funds is an essential component of a successful comprehensive adaptation policy. The term 'mainstreaming' refers to the integration of climate change adaptation into related government policies in several sectors. In other words, instead of adding climate change adaptation as a new policy, it should be integrated (mainstreamed) into existing decision-making and policy processes.

The key organisational element of the EU's mainstreaming strategy is the establishment of a directorate-general for climate action (DG CLIMA) in 2010. Its Commissioner has "a cross cutting responsibility for developing adaptation to climate change inside the EU and for working with other Commissioners

to ensure that an appropriate climate dimension is present in all Community policies".

It must be noted that mainstreaming of climate change adaptation should take place not only at the EU level, but at all levels of government. Most adaptation measures will require to be integrated into national policies and into local policy implementation.

Step 3: Revise & Improve

The European Commission is initiating a report on the state of implementation of the EU Adaptation Strategy, which will be presented at the European Parliament and Council in 2017. Furthermore the Commission is to undertake an evaluation of the Strategy in view of a possible review in 2018, to align the Strategy with the Paris Agreement and take stock of the progress made so far.

⁷ The Covenant of Mayors for Climate & Energy brings together thousands of local and regional authorities voluntarily committed to implementing EU climate and energy objectives on their territory. In June 2016, the EU Covenant of Mayors and its international counterpart the Compact of Mayors merged their efforts into a new Global Covenant of Mayors for Climate & Energy, representing 518 cities, good for 435,636,779 people worldwide.

Financing climate action in EU and the enlargement countries

In its 2014-2020 multi-annual Financial Framework (MFF), for the first time the Council and Parliament endorsed a specific spending objective for climate related activities, amounting to 20 per cent of the overall budget in the MFF). The Commission in charge will review the functioning of the MFF 2014-2020 by the end of 2016 and is said to orient the EU budget further towards jobs, growth and competitiveness. Other funding opportunities can also be found via the work of the European Investment Bank or the European Bank for Reconstruction and Development. Adaptation, due to its mainstreaming approach, can be financed through a wide range of instruments.

For the enlargement countries, the key financing tool is the Instrument for Pre-Accession (IPA). IPA is now in the second cycle and it follows the planning of the MFF (7 year period, 2014-2020). The goal of spending 20% of funds for climate action applies to IPA funding too. Therefore, there is a strong role for NGOs to monitor the way these funds are spent in their countries and holding both the EU and national governments accountable for this. In some countries, such as Serbia, there are organized thematic civil society groups that monitor IPA funding. This is a good example that should be applied in all the countries.

The enlargement process: Who's left at the negotiating table?

In 2003, at the Thessaloniki Summit, the EU leaders committed themselves to help the integration of the remaining Western Balkan states into the European Union. The promised EU membership is highly conditional – it is only granted if countries meet all economic and political criteria, particularly in the areas of democracy, human rights and the rule of law. More than 10 years later, the Western Balkans, but also Turkey, still struggle with the very same issues. Human rights, freedom of the media and corruption are among the most pressing problems.

Although some obstacles still remain and general progress is slow, the EU accession and the requirement for regional cooperation have been the key drivers for change in these countries. The EU supports the accession process through

the Instrument for pre-accession assistance (IPA), which will provide several billion euros of financial aid to the countries by 2020. Additionally, the EU currently almost fully finances the functioning of the Energy Community. Finally, in times when the EU is developing a strengthened joint energy policy through an Energy Union, a strong and stable partnership with its immediate neighbours is essential for success.

The European Union already engages with the accession countries through different channels, including the Energy Community Treaty and the EU accession negotiations. This is both necessary and urgent, given the region's vulnerability to climate change demonstrated by the intensity of recent floods. With the quest for more coal on one hand, and necessity to tune energy sectors with the EU environmental

and climate policies, the region is currently at a crossroads. It is an imperative to carefully plan further policies and actions in order to avoid dangerous lock-in in carbon intensive infrastructure for the coming decades.

The table below describes the status of the accession negotiations in the Western Balkans and Turkey. Brexit will undoubtedly affect the pace of further negotiations, as well as financial support directed to the accession countries. In the light of these development, we again emphasise the crucial role of the civil society to keep the process alive, by pushing both their own governments as well as the European Commission to fulfill their commitments to the citizens of the region.

Table 1: Remaining enlargement countries and their progress in Chapter 27

Country	Status	Started negotiations	Opened Chapter 27 (Environment and Climate Change)
Albania	Candidate	No	No
Bosnia and Herzegovina	Potential candidate	No	No
Kosovo	Potential candidate	No	No
Macedonia	Candidate	No	No
Montenegro	Candidate	Yes, in 2012	No
Serbia	Candidate	Yes, in 2014	No
Turkey	Candidate	Yes, in 2005	Yes

What steps for the accession countries?

Step 1: Inclusive policy-making process

Countries on the road to the EU are undergoing a deep transformation. The governance system is being reformed while the public policy is starting to be developed in a way that is more inclusive to civil society. The principles of good governance, as well as exercising the rule of law are tasks that accession countries still need to learn to apply in a systemic way.

Civil society working on climate policies has to insist to be involved in policy-making from the very beginning. This will be the only way to ensure that decarbonisation allows for all citizens and workers to benefit in terms of good quality jobs, sustainable growth, improved competitiveness and better public health, while ensuring a just transition for the affected workers

and communities. We must ensure that policies adopted in the next years bring the region closer to the EU, not further away.

Policy tools such as Aarhus Convention can be some of the useful means to ensure civil society is thoroughly consulted in the decision-making process.

Step 2: Harmonising climate and energy policy with the EU

On the road to the EU, enlargement countries must plan for a gradual harmonization of entire EU acquis, meaning implementation of all climate, energy, environment and other policies. The process of policy approximation, together with its implementation, means that climate and energy targets will need to be

progressively tightened. This means that accession countries will have a lot of catching up to do. Hence, they should start doing so immediately. One of the first tasks will be to swiftly implement the EU's Climate and Energy framework, both in the short to mid-term (until 2020 and 2030) and in the long-term (until 2050). The countries should start developing their climate strategies and review their climate targets, as the accession countries have the potential to achieve much more emission reductions compared to what they have put on the table ahead of Paris. As all of the accession countries seek to join the EU well before 2030, their climate pledges (formally known as Intended Nationally Determined Contributions - INDCs) should be in line with the EU's target, which is currently to reduce emissions by at least 40% by 2030, compared to 1990 levels.

Due to the lack of data, it is still fairly difficult to estimate what the national 2030 targets for the accession countries should be. This also depends on the equity parameters we take into account and the level of ambition of the GHG emissions reduction target (in line with the current EU target or higher).

However, given the fact that most of the countries are expected to become the EU Member States before 2030, their targets should be at least comparable to the probable economy-wide targets for the poorest EU Member States.

This EU-wide target is translated into national goals by applying the overall reduction of the industrial emissions covered by the Emissions Trading Scheme (ETS) to all EU Member States in the same way (-43% of

ETS emissions in 2005), combined with the likely target using a GDP per capita parameter for the emissions outside the ETS (the so-called Effort Sharing Decision emissions covering transport, buildings and agriculture).

The result of this calculation indicates that even the poorest EU Member States will have to take on substantial reductions of their greenhouse gas emissions, starting from -25% to -65%, compared to 1990. Given that most Balkan countries have a GDP per capita lower than the poorest EU Member States, their commitment might be slightly below -25% but there is not much differentiation to be expected. Moreover, the GDP per capita of both Serbia and Montenegro - which are the most advanced in the accession process - is already now comparable to that of Bulgaria. This shows that for instance Serbian climate pledge of about 10% emission reduction compared to 1990 is far too low and is not compatible with the country's choice to join the EU in the next decade.

The following table shows the reduction pathways for the EU poorest Member States until 2030:

Table 2. The reduction pathways for the poorest EU Member States until 2030 (Source: EEA EU Greenhouse Gas Data Viewer and ETS Data Viewer, GDP per capita (PPP) by the World Bank)

Country	GDP per capita (PPP) in 2013, in current International \$	Emissions (in million tonnes CO ₂ eq) 1990	Emissions (in million tonnes CO ₂ eq) 2005	ETS sector (in million tonnes CO ₂ eq) 2005	Non-ETS sector (in million tonnes CO ₂ eq) 2005	ETS sector (in million tonnes CO ₂ eq) 2030	Non-ETS sector (in million tonnes CO ₂ eq) 2030	TOTAL emissions (in million tonnes CO ₂ eq) 2030	% of emissions reduction 1990	% of emissions reduction 2005
Bulgaria	15732	109.824	63.86	37.82	26.04	21.56	25.78	47.34	-56.90	-25.87
Latvia	22568	26.213	11.06	2.85	8.20	1.63	7.71	9.34	-64.38	-15.55
Lithuania	25453	48.721	23.32	6.60	16.72	3.76	15.38	19.14	-60.71	-17.91
Romania	18974	257.688	141.34	73.14	68.20	41.69	66.83	108.52	-57.89	-23.22
Croatia	21350	31.98	30.73	12.43	18.30	7.08	16.65	23.74	-25.77	-22.75
Hungary	23334	97.60	78.38	29.80	48.58	16.98	44.21	61.19	-37.31	-21.93
Poland	23690	466.37	398.83	221.29	177.54	126.14	161.56	287.69	-38.31	-27.87
TOTAL		1038.398	747.504					556.96	-46.36	-25.49

Table 3. GDP per capita (PPP) in the Western Balkans (Source: The World Bank)

Country	GDP per capita (PPP) in 2013, in current international \$
Albania	9 931
Bosnia and Herzegovina	9 535
FYR of Macedonia	11 612
Montenegro	14 132
Serbia	13 020

Montenegro and Serbia - the most advanced countries in the EU accession negotiations - have their relative GDP per capita values at a level similar to Bulgaria (see Table 3).

Given that Bulgaria needs to make reductions of almost 60% compared to 1990, it is clear that these two countries would be facing a substantial target to reduce their greenhouse gas emissions well below their 1990 levels, but also below their 2005 levels.

Step 3: Implementation

EU accession negotiations are rather slow in most of the countries, yet all of them declare they plan to be EU members' till mid-2020s at the latest. This means they will by this date, need to implement all the transposed policies and measures. Hence, it is a matter of urgency that all countries move towards meeting EU goals as soon as possible. NGOs have particularly significant role to play in this: we must raise awareness about the issue, communicate the benefits of early climate action and emphasise the necessity for building climate resilience.

Section 2

The Paris Agreement: A signal towards zero emissions

What has been decided in Paris?

In December 2015, the 21st Session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) took place in Paris. The conference was perceived as a crucial step in the process to limit dangerous climate change, with the ambition to reach - after almost 20 years of mediation by the UN - a universal and binding agreement on climate change, accepted by all nations. Representatives of 195 countries negotiated for ten days and a final agreement was adopted by consensus on 12 December 2015. After years of failed negotiations, the adoption of the Paris Agreement was a historic turning point in the battle against global warming. The Parties unanimously promised to reduce their carbon output as soon as possible and to do their best to keep global warming to well below 2°C, and pursue efforts to limit it 1.5°C.

The Paris Agreement is currently open for signature by States and regional economic integration organizations that are Parties to the UNFCCC. It will enter into force - and thus become fully effective - when 55 countries that produce at least 55% of the world's greenhouse gas emissions ratify, accept, approve or accede to the agreement. The entry into force is expected to take place on 4 November 2016.

Key features of the Paris Agreement are the following:

- ✓ An ambitious collective goal to hold warming well below 2 degrees with efforts to limit warming to 1.5 degrees;
- ✓ An aim for greenhouse gas emissions to peak as soon as possible, and to achieve **net-zero emissions in the second half of this century**;
- ✓ A requirement for mitigation measures of individual countries to be expressed in nationally determined contributions (NDCs);
- ✓ A process that demands a revision of NDCs at least every 5 years representing progression beyond the last NDCs;



- ✓ A reaffirmation of the binding obligations of developed countries under the UNFCCC to support the efforts of developing countries, while for the first time encouraging voluntary contributions by developing countries too;
- ✓ An extension of the current goal of mobilizing \$100 billion a year in support by 2020 through 2025, with a new, higher goal to be set for the period after 2025;
- ✓ A mechanism to address loss and damage resulting from climate change - although it has to be noted that the agreement does not involve or provide a basis for any liability or compensation;
- ✓ The call for a new mechanism, similar to the Clean Development Mechanism under the Kyoto Protocol, enabling emission reductions in one country to be counted toward another country's NDC.

Zooming in: Mitigation

The Paris Agreement articulates two long-term emission goals. First, a peaking of emissions as soon as possible (with a recognition that it will take longer for developing countries); then, a goal of net greenhouse gas neutrality in the second half of this century. The Agreement sharpens the long-term temperature target from staying below 2°C, to staying “well” below 2°C, while pursuing efforts to limit temperature rise to 1.5°C

With respect to countries’ individual mitigation efforts, the agreement prescribes a set of binding procedural commitments. Each Party shall prepare, communicate and maintain successive nationally determined contributions (NDCs), with an NDC communicated at a minimum every five years. Developed countries should adopt economy wide absolute emission reduction targets immediately, and developing countries should aim for this over time. Each subsequent NDC will have to represent a progression beyond the Party’s last NDC. Importantly however, the implementation of NDCs is not a part of the Paris Agreement. The Agreement only provides binding, procedural rules for the preparation and assessment of NDCs - not for their execution.

Zooming in: Adaptation and Loss and Damage

A major priority for many developing countries was strengthening adaptation efforts under the UNFCCC. The Paris Agreement does that by establishing a global goal of “enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change” as well as by requiring all parties, “as appropriate,” to plan and implement adaptation efforts.

The Agreement thus determines that countries should put more emphasis on adaptation planning. Furthermore Parties should strengthen their cooperation, including through the transfer of funds. The adequacy of action and support will be reviewed as part of the global stocktake. However, a specific target for supporting adaptation in the near and long-term was not included in the final text. As a result, vulnerable countries have little assurance that their livelihoods will be adequately protected against future climate impacts.

Participant countries to the COP21 recognised that next to mitigation (emission reductions) and adaptation (preparing for climate change impacts), there is a third, equally important pillar in climate action, which is loss and

damage - addressing the damaging impacts of climate change. Together with the recognition of the 1.5°C target, this has been a substantial achievement for the countries that are most vulnerable to climate change. The agreement includes a free-standing provision extending the Warsaw International Mechanism for Loss and Damage.⁸ It is to be noted that the loss and damage provision specifies, at the insistence of developed countries, that it “does not involve or provide a basis for any liability or compensation.”

Zooming in: Climate Finance

Although wealthy developed countries hold most responsibility for creating the climate crisis, the worst impacts of climate change disproportionately affect the world’s poorest countries; for example, unmanageable and frequent disasters like hurricanes and cyclones, severe and regular droughts and flooding, and long-term threats such as food and water insecurity. According to the World Development Report 2010⁹, mitigation in developing countries could cost between \$140 to 175 billion per year over the next 20 years, with adaptation investments rising to an average of \$30 to \$100 billion a year between 2010 and 2050.

⁸ Adaptation means anticipating the effects of climate change and taking appropriate action to prevent or minimise the damage they can cause as well as taking advantage of opportunities

⁹ See <http://siteresources.worldbank.org/INTWDR2010/Resources/5287678-1226014527953/WDR10-Full-Text.pdf> that may arise. Early action will save on damage costs later. Adaptation strategies are needed at all levels of administration, from the local to the international level.

- Principles for accounting of emissions and removals: all Parties' submission of their NDCs will be guided by the principles of environmental integrity, transparency, accuracy, completeness, comparability and consistency, and avoidance of double counting. Guidance for accounting methodologies to be used in NDCs will be developed and adopted by 2020.

The new transparency mechanism is to be negotiated by 2018, and adopted in 2020 - codified in time to inform the next round of NDCs.

For the transparency mechanism to be effective, it will require accurate and precise Measurement, Reporting and Verification (MRV) of greenhouse gas emissions from

all nations. The Paris Agreement is great in that it sets up a structure for MRV. However, the capacity for implementation is deficient. For the last two decades, roughly 40 developed countries (previously known as Annex I Parties under the Kyoto Protocol) have been required to report their emissions to the United Nations on a regular basis, in a detailed manner. In a few short years however, all nations will be expected to report their emissions, including 150 nations which have little experience in carbon accounting and limited resources of technical expertise in this field.

Capacity building in carbon accounting for developing countries is thus crucial in order to effectively implement the Paris Agreement.

Structure of the agreement and legal aspects

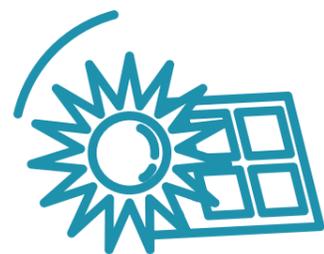
The text commonly referred to as the "Paris Agreement" is actually two different documents: the agreement itself, which is legally binding, and the Paris Decision, which passes the agreement and sets out a number of less legally binding ways to approach and observe it.

The Paris Agreement is a treaty under international law, but only certain provisions are legally binding. The issue of which provisions were to be binding (expressed as "shall," as opposed to "should") was a central concern for many countries. There are further limitations to this aspect, as the text does not foresee any compliance regimes nor provides for sanctions for countries violating the legal obligations under the Agreement.

For example, the countries' pledges with regards to their domestic GHG reductions, as formulated in their

NDCs, will not be legally binding. There will be no sanctions when countries are unable or unwilling to fulfil their national contributions. However, in order to create more certainty that contributions will be implemented, countries are obliged to establish the necessary policies and the reporting obligations, including an expert review of their NDCs. This is a powerful tool that can help ensure that the targets will be met.

Furthermore, it is of crucial importance and a great achievement that all countries will be obliged to report on their emissions and removals in the same way. Timely and comparable information will be crucial if the world is to achieve the long-term goals agreed in Paris.



What comes next?

All countries of Southeast Europe adopted their INDC and submitted them to the UNFCCC Secretariat; analysis showed that targets do not correspond to EU's goals. In fact, most of the countries claim to reduce emissions compared to 1990 while they're in fact increasing them, compared to current emissions (due to collapse of industry in the 1990s).

Step 1: Ratification of the Paris Agreement

Within 2016 to 2018, we expect to see nearly all countries actually ratifying the Agreement. Essentially, the hard-won Paris deal cannot come into force until at least 55 countries, representing 55% of the world's emissions, have taken the necessary steps at home to formally accept it. Ratification is therefore a process that takes place at the national level, as countries have to go through the constitutional and legislative procedures necessary to ratify the international agreement.

As of 3 September 26 Parties have ratified and it is estimated that at least 58 countries are likely to have ratified the Paris Agreement by the end of 2016, accounting for 59.88% of global emissions. Under this

scenario, the Paris Agreement will entry into force by the end of the year. Within 2016 to 2018, we expect to see nearly all countries actually ratifying the Agreement.

The EU and its 28 individual member states make up 12% of global emissions, so their contribution to the Paris Agreement is more than significant. They acted together to negotiate the Paris deal and will act jointly in fulfilling their commitments under it. The EU member states are bound by the same target - an emissions reduction of "at least 40%" by 2030 compared to 1990 levels.

The EU's ratification process is more complicated than that of any other national state, since both the EU and its member states are responsible for ratifying the Paris Agreement. The reason for this is that the EU is a party to the UNFCCC in its own right, and is responsible for overseeing certain parts of its commitments under the Paris Agreement while other elements reside under to the competences of its member states. At the beginning of October 2016, the EU completed its own ratification procedure and formally adopted the Paris Agreement.

Since there is a strong preference across the board of the UNFCCC that the EU and its 28 member states present a united front by depositing their instruments of ratification at the same time, there are currently two ratification processes happening in parallel, the EU's own ratification

procedure on the one hand and the ratification procedures at the national level of individual member states on the other hand. It must be noted that the member states do not need to ratify the Paris Agreement for the EU to complete its own ratification procedure. The latter entails that the Paris Agreement has to pass through three EU institutions: the Commission, Parliament and Environment Council, which consists of the Environment Ministers of all member states. In June 2016, the Commission released a proposal for a Council Decision, which starts the ratification of the agreement on behalf of the EU. This decision will be adopted by the Environment Council, and in a later stage the European Parliament must give its consent.

Step 2: Revising INDCs

Then, up to 2020 some countries, like e.g. Serbia, will be starting a structured process to develop their national climate plans. These will be excellent opportunities to raise the ambition of the INDCs. In other countries, NGOs will need to use the moments of accession process and the Paris Agreement to push for the ratchet up of INDCs to happen before 2020. A more detailed timeline is yet to be determined.

Step 3: Implementation

Once the Agreement enters into force, and the measures to meet national targets are set out, the implementation of the provisions must follow urgently, if we are to meet the objectives of the Agreement and stay well below 2 degrees of warming.



Where is the space for public engagement?

The European Commission leads the accession negotiations and publishes annual Progress reports for all countries, where it evaluates the progress a country has made towards the alignment with the EU and ask for further improvement. In the Progress reports for 2014, just before the Paris Climate Summit, the European Commission was very specific and asked all the accession countries to put forward their pledges to the 2015 Climate Agreement, consistent with those of the EU and its Member States.

As we mentioned, the pledges eventually came, but there is no evidence so far that they are in line with the EU's target. The public should scrutinize all national INDCs and the upcoming climate policies that candidate countries will be developing. It is in the public's best interest to ensure these new policies are truly aligned to the EU, as the costs of non-compliance will be extremely high at a later stage, upon the accession.

National Coalitions monitoring climate and environment policies in the accession process

Accession negotiations are particularly lively in Serbia, a country that plans to build several new coal power plants right before joining the EU. Hence, particular focus is on strengthening NGO engagement during the EU accession negotiations, so that the EU policies are not unreasonably delayed in the process.

As a way to better influence the accession process and share resources and expertise, civil society coalitions have been launched across the region. As of 2014, there is an active Coalition 27 – a growing group of civil society organisations from Serbia and EU that monitors and influences the accession negotiation concerning environment and climate change.

Similar efforts exist in Montenegro, where an NGO Coalition has been established in 2016. In Turkey, there is an active Climate Coalition, which primarily looks into Turkish climate policy.

These Coalitions use different methods to influence the policy-makers, including shadow reports on the progress of their countries' transposition and implementation of EU legislation, advocacy meetings, media work and more.

How to build advocacy approaches in the enlargement process?

Our analysis has shown that climate action in the enlargement countries must be ramped up in the next years, particularly since the region is highly vulnerable to climate change impacts. It may, in fact, be among the first and worst hit in Europe.

These countries need both political pressure and support from the EU, including financial and technical assistance to step up their climate action. Unfortunately, most of the countries wish to further grow their coal fleet till 2030; in fact, 6 to 8 gigawatts of new coal power capacity is planned to be developed, in countries including Serbia, Montenegro and Bosnia and Herzegovina. In Turkey alone, we are looking at potentially more than 70 new coal-fired generation units.

In order to change this, we need to work together. EU support is necessary but will not yield results without national consensus, that civil society sector can drive. This should ensure that the region is steered towards a zero-carbon economy, in a just and timely manner. This way, a carbon lock-in would be avoided, for both the EU and the region.

Civil society organisations interested in climate policy-making in the enlargement process have several ways to contribute to the process. As

presented throughout this document, they should:

- Pressure national governments to harmonize national climate legislation with the EU as soon as possible; the pressure should go beyond mere transposition but also looking into the implementation of the existing legislation.
- Have regular conversations with the European Commission and Members of the European Parliament who are part of their country delegations; These EU institutions should be regularly briefed about in-country developments and pushed to maintain the accession negotiation continue at the same pace, despite Brexit.
- Monitor and influence climate action in the Energy Community and the Western Balkans 6 processes (not eligible for Turkey).
- Monitor how European funds in their countries' are being spent, most notably the Instrument for Pre-Accession (IPA). CSOs have a role to play in educating the public about the IPA spending and prompting governments' to come forward with climate-friendly projects.



Annex I

List of acronyms

- CSO** Civil society organisation
- DG** Directorate-General
- EC** European Commission
- ESD** Effort Sharing Decision
- ESR** Effort Sharing Regulation
- ETS** Emissions Trading Scheme
- EU** European Union
- GHG** Greenhouse gasses
- INDC** Intended nationally determined contribution
- IPA** Instrument for Pre-Accession
- MSR** Market Stability Reserve
- MRV** Monitoring, reporting and verification
- SEE** South East Europe
- UNFCCC** United Nations Framework Convention on Climate Change

Annex II

Key resources and information on EU and Climate change

- CAN Europe**
caneurope.org
- Carbon Brief**
<http://www.carbonbrief.org/>
- Climate policy info hub**
<http://climatepolicyinfohub.eu/>
- DG Clima**
<http://ec.europa.eu/clima/>
- European Climate Adaptation Platform:**
<http://climate-adapt.eea.europa.eu/>
- European Climate Foundation**
<https://europeanclimate.org/>
- European Environment Agency**
<http://www.eea.europa.eu/themes/climate/policy-context>
- Intergovernmental Panel on Climate Change**
<http://www.ipcc.ch/>
- Polimp.eu**
<http://polimp.eu/>
- United Nations Framework Convention on Climate Change**
<http://newsroom.unfccc.int/>

