

REGIONAL REPORT

CHAPTER 15 & 27 COUNTRY SPECIFIC REPORT

Under the Env.Net Project:

“Environmental Network factoring the environmental portfolio for Western Balkans and Turkey in the EU Policy Agenda”

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Chapter 15 & 27 Country Specific Report
Written Contribution from Western Balkans and Turkey
February 2021

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4x4x4 BALKAN BRIDGE

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Scope: Regional Country Specific Report on Circular Economy is an annually publication of the network which introduce and explore the topic of circular economy in the Western Balkan + Turkey region.

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Regional Report

Chapter 15 & 27

Written Contribution for the 2020 Annual Report



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01. Executive Summary

The “ENV.net factoring the environmental portfolio for WB and Turkey in the EU Policy Agenda” is a regional project which brings together seven partner organisations from the Western Balkans and Turkey and two EU member-state based partners. The network aims to generate region-representative evidence-supported input to contribute to EU discussions on matters of climate change and environment, and to explore and introduce to the region new inter-related aspects such as circular economy. In the process, the network foresees to also technically and financially support civil society organisations and media in each of the network partner countries to better understand and work on these issues.

This regional report briefly describes the main progress and challenges in Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Republic of North Macedonia, Montenegro, and Serbia) and Turkey regarding environment in general and harmonization of national environment legislation with environment acquis.

This report is a summary of the efforts made by the respective governments of the Western Balkans and Turkey to transpose, draft and approve EU Directives. This report evaluates the implementation and monitoring of agreed policies and strategies in order to achieve a good environmental status.

In Albania there is a lack of harmonization on climate change in national and sectoral policies when it comes to defining measures by the responsible institutions in the sectors that affect the reduction of greenhouse gases. We also see that setting restrictions and obligations in the private sector (businesses) and regulating market control over the production, marketing of products and raw materials that may lead to the discharge of GHG is still weak in implementation. It is predicted that, in the next decade, Albania will experience a decrease in annual rainfall by at least 7% by 2030.

Bosnia and Herzegovina is a potential candidate for EU membership; application for EU membership was submitted in February 2016. In May 2019, the European Commission submitted and adopted Opinion on Bosnia and Herzegovina's application for EU membership. The Opinion identifies 14 key priorities for Bosnia and Herzegovina to fulfil in order to be recommended for the opening of accession negotiations, in the areas of democracy / functionality, environment, the rule of law, fundamental rights, and public administration reform.

This report provides an overview of the legislation progress and challenges in Kosovo regarding environment in general and harmonization of national

environment legislation with environment acquis. Dates for preparing this overview are taken from a variety of sources, including government institutions, official state websites, national and international reports.

The Government of Montenegro should accelerate the implementation of the National strategy for the transposition, implementation and enforcement of the EU Acquis on environment and climate change, especially in the horizontal legislation, waste, water, nature protection and civil protection sectors. With regard to the EU accession process it is important to highlight that NEAS is limited until 2020 and there is no publicly available information on preparing the new Strategy or innovation of the existing one.

In North Macedonia, enforcement and implementation are areas that need significant efforts. Furthermore, there is a lack of capacity to effectively initiate and prosecute environmental crime. Human, technical and financial reinforcement is paramount result delivery.

Serbia is progressing towards EU accession; however, environment sector (and climate action), is not among priorities on the decision makers' agenda. Consequently, the sector is under the pressure of non-effective financing, low institutional, human and technical capacities, and within the inter-sectoral cooperation the diagnosis of what needs to be transformed is very slow.

Turkey continues to adopt the EU Directives on environmental protection and climate change as well as energy. However, Turkey remains one of the G20 countries that has not ratified the Paris Agreement. Full alignment regarding water, climate change, emission reduction, EIA, and nature protection is limited.

02. ALBANIA, Co-PLAN, INSTITUTE FOR HABITAT DEVELOPMENT

2.1 Chapter 15: Energy

2.1.1 National Electricity Sector

With the ratification of the COP 21 Paris Climate Agreement, the EU climate change policy entered a new phase with more ambitious climate and energy goals for 2030.

On April 2020, the Albanian Ministry of Infrastructure and Energy drafted the National Broadband Plan for Albania 2020-2025. This strategic document will replace the National Broadband Plan, approved by the Decision of the Council of Ministers no. 468 dated 30.05.2013, amended in 2015. The document reviews the vision, strategic objectives and goals for the development of broadband infrastructure in line with the latest developments in the telecommunications market, technological developments in this field, with the ever-increasing needs for digital high speed connectivity and communication as well, as a response to the demands and aspirations of digital transformation in support of all investments made by the Albanian government in the framework of digitalization of public infrastructure and electronic services.¹

On February, May and June of 2020, the Albanian Parliament adopted amendments to the Power Sector Law of 2015, which improved its compliance with the electricity acquis. EIB provided 12 mln euro to back Slovenia's "Resalta" growth in SEE and "Statkraft" Electricity Generation began the construction of a floating solar plant in Albania.

In May 2020, Albania adopted Law no. 61/2020 on some changes and additions to law no. 43/2015, "On the Electricity Sector".

The 2018-2030 energy strategy comes after a period of dynamic changes for the economy as a whole and in particular for the energy sector. The new ongoing strategic framework is based on two main pillars: the development of reforms to foster market liberalisation and regional integration, and huge investment on sustainable development driven by participation in the Energy Community and in particular, at an international level, by the Paris Agreement on climate change.

According to the World Energy Trilemma Index, during 2020, Albania made progress in the global ranking for energy sustainability. In the index published in 2020 by the World Energy Council, Albania is ranked 43rd out of 108 countries, gaining 30 positions compared to last year. Regarding the capacity to cope with

¹ National plan for sustainable development of digital broadband infrastructure 2020-2025

competitive pressure and market forces within the Union, Albania still has a lot to improve in terms of infrastructure on energy, transport and digital communication, as well as educational outcomes, while significant gaps remain compared to regional and European levels.

The main aspects that need to be considered in the National Energy sector in Albania for the following year according to the EU Criteria for enlargement are:

- The stability of the sale price of electricity from small HPPs to KESH should be guaranteed by the Albanian government.
- Completion of the legal framework for solar, wind and nuclear energy as a real possibility of their construction in the future.
- Following the European model of market liberalization due to the market structure and due to the geographical position of Albania.

The difference between the purchase price of energy from small HPPs by KESH sh.a and the price that KESH sh.a sells in the country or abroad to be subsidized directly by the state, which would also lead to the avoidance of delays in the payment of electricity bills, delays which have jeopardized the operation of a significant number of private producers of electricity generation.

- Orientation of government support policies towards the construction of clean energy, mainly hydropower plants but also natural gas power plants.
- Liberalization to the optimal extent of the national market and efforts for a common regional market starting first with the creation of the common market Albania - Kosovo.

The reform of the electricity market is on track but progress this year has been slow with limited achievements in terms of implementation of acquis.

The transmission system operator (OST) was certified and finally fulfils the independence conditions requested in the Secretariat's Opinion, following the adoption of amendments to the Power Sector Law in May 2020. The distribution utility OSHEE was transformed into a holding company with three subsidiaries, respectively licensed as the distribution system operator OSSH, the universal service supplier FSHU and the electricity market supplier FTL. Functional unbundling is currently being implemented and will be verified by the Secretariat.

The most notable progress was made in the process of establishment of the organized electricity market. Following the 2019 government's decision on the establishment of a power exchange, to be established by the transmission system operator OST, an open tender for the selection of other shareholders was completed in 2020. It resulted in the selection of the transmission system operator of Kosovo, KOSTT. The establishment and registration of the power exchange company ALPEX was completed in October 2020. According to the plan, the operation of ALPEX and market coupling of Kosovo and Albania should be launched simultaneously in the first half of 2021.

An early implementation of the Capacity Allocation and Congestion Management (CACM) Guideline started by the transposition of the procedure to designate the nominated electricity market operator, adopted by the regulatory authority ERE in line with the recommendation of the Energy Community Regulatory Board.

Until the establishment of the power exchange, excessive public service obligations remain in place on the wholesale market. The universal service supplier, "FSHU", and the distribution system operator "OSSH" are obliged to buy all the electricity required to supply customers under universal service and cover losses in the distribution system from the generation company, "KESH", under regulated conditions. If electricity is purchased at market conditions, KESH is obliged to compensate the costs incurred from the price difference. After an ongoing dry run, the balancing market is expected to start operating in 2021 according to the balancing rules approved by the regulatory authority in 2020, which allow for cross-border trading of balancing services. All three Network Codes on network connections were transposed by ERE in 2018. The transmission system operator, "OST", started publishing data on the ENTSO-E Transparency Platform. The REMIT Regulation is yet to be transposed and implemented. According to the amendments to the Power Sector Law of February 2018, all customers, except those connected to high voltage and 35 kV, continue to be supplied by the universal service supplier, FSHU, at regulated prices, until the distribution system operator OSSH informs the customer that technical preconditions related to the installation of interval meters are in place. For a period of two years after OSSH's decision the customers can be supplied by FSHU under the supply of last resort. This undermines the eligibility right of customers and the interest of new suppliers to enter the retail market. Cross-border capacities are allocated through SEE CAO, except split auctions applied with EMS of Serbia. Allocation of capacities on the 400 kV interconnection line with Kosovo

is pending implementation of the recently signed connection agreement between the transmission system operator of Kosovo, KOSTT and the ENTSO-E.

In 2019, OST and KOSTT signed an agreement on establishing a new load frequency control (LFC) block Albania – Kosovo (AK). The implementation will commence upon the establishment of the KOSTT system as a separate control area. It is expected that this is the first step of a future broader integration of Albania with organized regional electricity markets.

2.1.2 Renewable Energy and Energy Efficiency

At European level, Directive 2009/28 / EC requires each Member State by the end of 2020 to ensure that a certain share of total gross energy comes from renewable energy. This target is set to reach 20% and is expected to be achieved through various targets set at the level of Member States. So, it is mandatory that by 2020, 20% of energy consumption in the EU should come from renewable energy. In this context, during 2019, Albania adopted Decision no. 580, dated 28.8.2019 on the approval of the consolidated national action plan for renewable energy sources, 2019–2020. In 2018, renewable energy represented 18% of the energy consumed in the EU, on a path towards the 2020 target of 20%. This objective has been announced among the EU Member States with national action plans designed to pave the way for the development of renewable energy in each of the Member States.²

According to INSTAT (Institute of Statistics of Albania), during the first quarter of 2020,³ available electricity increased by 0.9%. Net domestic electricity production in this period reached the value of 1,546 GWh from 1,281 GWh of energy produced in the first quarter of 2019, marking an increase in production by 20.7%. This production was realized by public hydropower plants in the amount of 48.0%, by private and concession hydropower plants in the amount of 51.6% and by other producers (renewable energy) in the amount of 0.4% of the net domestic electricity production. The increase in electricity production has increased the gross imports of electricity (energy in receipt) by about 1.0 times and the increase in gross exports of electricity (energy in supply) by about 4.1 times, compared to the same period a year ago.

² Eurostat News release- Renewable energy in the EU in 2018 Share of renewable energy in the EU up to 18.0% Twelve Member States have reached a share equal to or above their 2020 target

³ <http://www.instat.gov.al/al/temat/mjedisi-dhe-energjia/energjia/publikimet/2020/bilanci-i-energjis%C3%AB-elektrike-tremujori-i-2020/>

In July 2020, an agreement was signed between the Albanian government and the French company VOLTALIA, paving the way for the start of works for the construction of the Karavasta Photovoltaic Park, which estimates that over 100 million euros will be injected into the Albanian economy.⁴

In August 2020, the law on the new Air Code was adopted, updated with the latest changes in the European regulatory framework and enriched with the missing provisions so far. Some of the innovations of this law are the clarification of the relations between the entities that provide services in the field of Civil Aviation and that will implement this. Also, the Civil Aviation Authority will have to enable the exemption to be allowed. Another innovation is the creation of the State Operational Security Program. In January 2020, the Energy Regulatory Authority issued decision no. 20, dated 31.01.2020 on determining the purchase price of electricity produced from small renewable sources from the sun with installed power up to 2mw for 2019.

In the framework of the Memorandum of Economic Cooperation for Projects and Purchases, between the Albanian Government and the US Government, on October 3, 2020, a Memorandum of Understanding was signed regarding the HPP Skavica Project⁵ as a project of national interest, which will enable Albania to establish full independence from energy imports and will position our country as an energy centre for the region. According to law no. 7/2017 on promoting the use of energy from renewable sources, the overall target of Albania for energy from renewable energy sources in the final gross energy consumption will be 38 % at the end of 2020. The share for the Contracting Parties is calculated based on the EU methodology and reflects an equal level of ambition as the objectives set for the EU member states. The targets for the share of renewable energy for the Contracting Parties by 2020 are the following: Albania 38%, Bosnia and Herzegovina 40%, Kosovo* 25%, Macedonia 28%, Moldova 17%, Montenegro 33%, Serbia 27% and Ukraine 11%.

The GEF (Global Environment Facility) has provided a grant to develop the country program of Albania, as part of the (UNDP) / United Nations Environment Program UNEP/Global Environment Facility GEF/ICA Global Solar Water Heating Market Transformation and Strengthening Initiative. The objectives of the Project are to facilitate the installation of 75,000 m² of new installed collector area over

⁴ <https://ata.gov.al/2020/07/31/nenshkruhet-marreveshja-mes-qeverise-dhe-kompanise-prestigjioze-voltalia-per-parkun-fotovoltaik-ne-karavasta-balluku-projekti-karte-e-biznesit-shqiptar-ne-france/>

⁵ <http://financa.gov.al/shqiperi-shba-nenshkruhet-memorandumi-i-bashkepunimit-ekonomik/>

the duration of the project, reach an annual sale of 20,000 m² by the end of the project and with expected continuing growth to reach the set target of 520,000 m² of the total installed SWH capacity by the end of 2020. More efforts need to be made in energy production from other renewable energy sources in addition to hydropower. In electricity generation, Albania almost exclusively depends on hydropower at 98% of its electricity capacity, making it extremely vulnerable to adverse hydrological conditions during the summer period. Albania, with a total surface area of 28,748 km², has a hydrographical distribution of 44,000 km², or 57% more than state territory. The country has the potential to produce 16 to 18 TWh of hydro-energy. So far, one third of this potential has been exploited.⁶ The main ongoing issues regarding Renewable Energy and Energy Efficiency in Albania are as follows:

1. Non-use of wind energy
2. Non- use of geothermal energy
3. Failure to produce RE from the agriculture sector
4. Non- use of PV energy

2.2 Chapter 27: Environment

2.2.1 Water quality and management

- Surface water quality

The area surrounding Albania has relatively abundant fresh water resources. Seven main rivers run from east to west in Albania. The contribution of rivers discharge into the Adriatic Sea is very large (95%), compared to the discharge into the Ionian Sea (5%). The total volume of water flow is 39,220 x 10⁶ m³/year. Two are the main periods of the year, in terms of the water flow: the wet period, (October - May) and the dry one (June - September). 86% of the annual water flow is discharged during the wet period and 8% during the dry one. June is the transition period, accounting for 6% of the annual water flow, according to the Ministry of Environment and Tourism of Albania.⁷

⁶https://www.solarthermalworld.org/search?search_api_views_fulltext=&field_six_pillars=All&field_market_sectors=All&field_country=44271&created%5Bdate%5D=&created_1%5Bdate%5D=

⁷ <https://www.climatechangepost.com/albania/fresh-water-resources/>

According to EUROSTAT,⁸ for the year 2020 Albania is ranked among the 10 countries (seventh from the bottom) for the poorest coastal water quality, where 65.7% of water is of exceptional quality. Although in relation to other European countries we lag far behind, compared to ourselves, significant improvements have been made. In 2015, only 32% of the coastal water was of excellent quality. Three years later, that weight has doubled.

In October 2020, the 2020-30 Strategy of the Water Supply and Sewerage Services Sector was presented. The Strategy was a joint initiative of the Ministry of Infrastructure and Energy (MEI) and the German Government (implemented through GIZ Albania), established from the Ministry of Infrastructure and Energy with Decision no. 775 dated 06.11.2018. The purpose of the Water Supply and Sewerage Sector Strategy is to improve the provision of quality water supply and sewerage services to the citizens of Albania and to support the economic development of the country, based on the performance of a key infrastructure service. To achieve this goal, it is essential that the Strategy defines some basic data and information related to the population, its patterns of change and the economic situation of the population.⁹

In April 2020, law no. 52/2020 on some changes in law no. 10 448, dated 14.7.2011, "On Environmental Permits", was adopted, providing for some new aspects related to the treatment of bridges and wastewater, in compliance with EU criteria for enlargement.

In May 2020, the National Environment Agency signed a Memorandum of Understanding and Cooperation with the Hydrometeorological Institute of Montenegro and the Ohrid Hydrobiological Institute with the technical support of the German Cooperation through the GIZ CSBL Project "Preservation and Use of Biod and Ohrid " in accordance with the Water Framework Directive, in joint monitoring expeditions, harmonization of methods and exchange of experience in the field of water quality monitoring according to the requirements of the Directive, as well as the establishment of a joint monitoring database in estimating the degree of water eutrophic for the three lakes.

⁸https://ec.europa.eu/eurostat/search?p_auth=TnYJWko6&p_p_id=estatsearchportlet_WAR_estatsearchportlet&p_p_lifecycle=1&p_p_state=maximized&p_p_mode=view&_estatsearchportlet_WAR_estatsearchportlet_theme=empty&_estatsearchportlet_WAR_estatsearchportlet_action=search&_estatsearchportlet_WAR_estatsearchportlet_collection=empty&text=Albania

⁹ <https://www.infrastruktura.gov.al/wp-content/uploads/2020/01/Strategjia-UK-2020-2030.pdf>

Despite the work done so far to improve the service for the provision of the highest quality drinking water and disposal of used water and to minimize the shortcomings, this service continues to face problems related to:

- Legislation and how it is used, definition of its scope and responsibility;
 - Competencies, decision-making and cooperation between institutions, lack of transparency and expertise in drafting strategies;
 - Lack of drinking water supply;
 - Reduced hourly supply of drinking water or not 24 per day;
 - Lack of sewerage for the disposal of used water;
 - Lack of water quality monitoring;
 - Illegal interventions in the network of drinking water supply pipelines;
 - Illegal interference in drinking water sources;
 - Shortcomings in the quality of drinking water analysis;
 - Deficiencies in the chlorination of drinking water;¹⁰
- River basin management

On April 24, 2020 ministers and representatives from Albania, Kosovo, Montenegro, Greece and Northern Macedonia approved the Strategic Action Plan (SAP) for the sustainable management of the Drin River Basin. The program consists of more than 100 actions aimed at managing water in the Drini basin, where 1.6 million people live. The Drin River Basin is an important source for fishing, electricity, agriculture, tourism and is used for drinking water. The SPA aims to address a number of cross-border issues, such as water pollution, biodiversity degradation and ecosystems, and water flow and sediment disturbances and will serve as a reference point for future cross-border environmental cooperation in the Drin basin.¹¹

In April 2020, Albania adopted law no. 41/2020 on some changes and additions to the law no. 9587, dated 20.7.2006, "On the Protection of Biodiversity", among

¹⁰ http://www.klsh.org.al/web/08_cilesia_e_ujit_4701.pdf

¹¹ <https://www.gwp.org/en/GWP-Mediterranean/WE-ACT/News-List-Page/drin-sap-endorsement/>

which was specified that the importation and/ or intentional introduction of foreign species or foreign invasive species in the environment, land, water or sea of the Republic of Albania is only done after the environmental impact assessment, referring to the legislation in force, proving that a foreign or invasive type will not negatively affect the environment, human health and sustainable development.

The process for the preparation of the Integrated River Basin Management Plans in Albania started last year and the leader of the process is the respective National Agency for Water Sources Management. The Agency is being assisted by EU-funded EUSIWM Project in this process.

In the framework of the National Sectoral Plan for Solid Waste Management approved by a decision of the National Territory Council no. 1, dated 13.01.2020, the urgency of the need for careful attention focused on avoiding the dumping of waste along rivers is reflected, as it is classified as the main cause of their pollution within the Republic of Albania.

According to ESIA SEE (Environment Social Impact Assessment South East Europe), the European Union monitoring reports in 2019 found high levels of pollution in Albanian rivers with phosphates and chemicals. The analyses released by Eurostat recently, in the framework of monitoring sustainable development objectives, found that Albanian rivers are the most polluted in Europe. Albanian rivers by measurement were found to have the highest level of biochemicals. One liter of water contained nearly 7 milligrams of biochemicals, the highest level in Europe. High biochemical parameters are usually signs of contamination that adversely affects water quality. The cleanest rivers have biochemical parameters of less than 1 milligram per liter. Moderately contaminated rivers show values ranging from 2 to 8 mg/L. The measurements showed that their level was 6.9 milligrams per liter in 2015 with a significant increase compared to 2013 when their level was 5.5 milligrams per liter.¹²

- Underground water quality

The monitoring network regarding groundwater is not representative due to the small number of monitoring stations in all the country, and is not aligned with the EU Directive 2006/118 / EC on the protection of groundwater against pollution and degradation, and the Water Framework Directive (Directive 2000/60/EC).

¹² <https://www.tap-ag.com/sustainability/esia-documents>

The Law no. 111/2012 on integrated water resources management was updated with Law No. 6/2018 "On some changes and additions to Law No. 111/2012" On Integrated Water Resources Management", which specified that "Natural and legal entities, which use groundwater without being provided with a permit or authorization, according to the provisions of law no. 111/2012 "On integrated management of water resources", are obliged to declare their activity at the offices of water basin administration, within 12 months from the date of entry into force of this law".

The Albanian Geological Service (AGS) contracted by the National Environmental Agency (NEA) is responsible to conduct underground water analyses in 59 monitoring stations and 23 wellsprings in all territory. The physic-chemical conditions of underground water quality monitored routinely by AGS are measured in alkaline, conductivity, acidity, COD / BOD5, nutrients PO₄, NO₃ and NH₄, pH. Whereas the heavy metals are not monitored annually due to lack of funds. Underground water quality level is measured with a contact gauge (portable or fixed). The microbiological analysis of groundwater for 2019 cost a total of € 9,360.

- Waste water and waste water treatment

Water resources are vital to the development of Albania's economy, especially in the fields of energy production, tourism and agriculture. The measure is mainly based on the new national strategy for the sector, which is being developed, is broadly defined and has a long-term perspective. However, the program focuses on three aspects in the short run: Reduction of non-revenue water by 20%, complementing actions to combat informal economy; 24/7 water supply in coastal areas; and improved water quality.

The indicators, which do not have target years, are not in line with the ERP timeframe (2022) and raise doubts about the implementation of the measure. It is necessary for the budget that the government and donors will invest in 2020-22 to achieve the targets to be indicated in public documents.¹³

¹³ Commission staff working document economic reform programme of Albania (2020-2022) commission assessment

Greater efforts are needed to enhance the capacity, efficiency and sustainability of services.

To consolidate progress, the draft law on the National Water Supply and Sewerage Sector Strategy 2020-2030 has to be adopted properly and detailed. The National Agency for Water Supply, Sewerage and Waste Infrastructure needs to increase its capacity, especially in the field of sewage and waste.

While wastewater treatment plants cover only about 15% of the population, they still face serious concerns, such as lack of permits and fees for wastewater treatment, inadequate operation and maintenance, and limited environmental impact due to networks and underdeveloped connections.

There is an urgent need to ensure full harmonization with the Urban Wastewater Treatment Directive, the expansion of sewerage networks, the licensing and implementation of tariffs for all wastewater treatment plants and the construction of new ones, especially in urban and coastal areas and those popular with tourists.¹⁴

2.2.2 Climate Change

Climate change became more pronounced during the second decade 2010 - 2020, a decade which began with the floods of Northern Albania, where the inhabitants were isolated for almost 1 month from the waters that occupied the regions of Shkodra, Lezha, Kurbin and partly Kruja. Various urban areas faced isolated floods from year to year until February 2015 when another massive flood endangered the lives and property of residents from Fier to Gjirokastra. It is exactly this decade that contains the hottest 5-year period in the history of climate measurements; the years 2015 - 2019 are considered to be the hottest years in the history of measurements

In the National Plan for European Integration 2018-2020, the Ministry of Tourism and Environment has foreseen the obligation to approximate national legislation with the EU acquis in the field of climate change and, specifically, the draft decision on the regulation for monitoring and reporting of GHG emissions and other information related to climate change at the national level.

¹⁴ Albania 2020 Report Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2020 Communication on EU Enlargement Policy

In September 2020, Albania adopted the law no. 116/2020 on the accession of the Republic of Albania to the Doha Amendment of the Kyoto Protocol of the United Nations Framework Convention on Climate Change, acceded to by law no. 9334, dated 16.12.2004.

The main aspects of this law for Albania are:

- a) fulfilment of the obligations of the Republic of Albania to the Convention to achieve its final objective, by promoting the reduction of GHG emissions and maintaining and increasing of site absorbers and reservoirs;
- b) adaptation to climate change at national and / or local level; and
- c) recording the country's achievements in these areas using methodologies according to the models of the Convention and the EU.¹⁵

Under the Paris Agreement, Albania committed to reduce its CO₂ emissions by 11.5% compared to the baseline scenario for the period 2016 to 2030 in its first Nationally Determined Contribution (NDC). In 2019, the country joined the NDC Partnership - a global initiative to help countries achieve their national climate commitments and ensure financial and technical assistance is delivered as efficiently as possible. It plans to revise its NDC by the end of 2020. The Government prepares for the fourth National Communication due in 2020 and the first Biennial Update Report expected since 2014. In 2019, the Government endorsed the National Climate Change Strategy, representing the country's low carbon-development strategy towards the implementation of the Paris Agreement. However, the country is yet to adopt an overarching legal framework for climate. A draft Climate Change Law is in place. The adoption of the law and of a decision on a mechanism for monitoring and reporting of greenhouse gas emissions, transposing the Monitoring Mechanism Regulation (EU) 525/2013 are still pending.¹⁶

The law and the decision will establish the institutional framework and arrange the rules for monitoring, reporting and verification of GHG emissions at the level of sectors/resources in line with the Monitoring Mechanism Regulation. While the draft law includes provisions on establishing a national climate change policy, it lacks specific reference to setting up a system on projections which would be required to be fully compliant with the Monitoring Mechanism Regulation. The establishment of a national inventory system for greenhouse gas emissions

¹⁵ <http://www.parlament.al/Files/Lajme/Dokument/BuletinInfoElektroniknr.1.pdf>

¹⁶ Energy Community Secretariat, Annual Implementation Report 2020

monitoring and reporting in line with the Monitoring Mechanism Regulation (EU) 525/2013 is still missing. The Prime Minister's Order of 7 March 2019 indicates the governance structure and timeframe for elaboration of the National Energy and Climate Plan (NECP), including the setting up of a dedicated national working group supported by five technical working groups and the appointment of focal points in line ministries. For the preparation of the analytical basis of the Albanian NECP, the Government relies on external expertise supported by international donors and experts. At the time this report was published, data collection and modelling were ongoing.

The first two chapters of the NECP were drafted and submitted to the Secretariat for an informal review in June 2020. Affected by the Covid-19 outbreak, the process is aimed to be finalised only in Q1 2021. It is strongly recommended that the different policy planning processes under the NDC update and the NECP are harmonized and streamlined.

2.2.3 Noise

In June 2019, the Supreme State Audit completed the performance audit on "Acoustic pollution", conducted at the Ministry of Tourism and Environment, the Ministry of Health and Social Protection, and the Municipality of Tirana. The Ministry of Tourism and Environment, by not approving a series of instructions, has failed to complete the legal framework on environmental noise with bylaws, even though 12 years have passed since the creation of the main noise law. Non-accreditation of the noise monitoring process also affects the low reliability of the data. The lack of noise measuring devices in ISHMPUT, makes it difficult to inspect and take concrete measures against entities that emit noise above the allowed norms.¹⁷

The Ministry of Tourism and Environment, in cooperation with the Minister in charge of public works, has not approved the instruction on the requirements and rules for acoustic verification of buildings, before they are put into use. Designs for constructions, reconstructions of residential buildings or economic and social activities are delivered in such a way that the noises inside or in its vicinity are within the border level. Lack of Guidelines from MTM and the Ministry in charge of public works in determining technical criteria and noise protection measures that in the design, construction and pre-use phase of buildings lead to

¹⁷ http://klsh.org.al/web/vendimi_ndotja_akustike_4942.pdf

exposure of residents to noise by increasing the negative effects that they (noises) bring to health.¹⁸

The Institute of Public Health (IPH) has not been able to assess, through epidemiological studies, the negative health effects of environmental noise for certain diseases such as cardiovascular disease, hypertension, etc.

ISHMPUT does not have noise level measuring equipment and, during field inspections, they only check if environmental permits of noise-emitting entities are in place.

2.2.4 Waste Management

The National Strategy for Development and Integration 2015-2020¹⁹ (NSDI), (GoA 2013), together with sector strategies, cross-sectoral strategies, master plans and action plans, all together form the framework of comprehensive strategic development. They set priorities, vision and at the same time (general and specific, medium and long term) objectives. Analysis of existing water policies show that the level of water services, despite substantial investments in all sectors over the last 25 years, is much lower than expected, partly as a result of the lack of clear policies (EC-IPA 2, 2014). Moreover, investment needs are still substantial and constraints on management capacity still exist.

In the framework of the National Sectoral Plan for Solid Waste Management 2020-2035 approved by a decision of the National Territory Council no. 1, dated 13.01.2020, the urgency of the need for careful attention focused on avoiding the dumping of waste along rivers is reflected, as it is classified as the main cause of their pollution within the Republic of Albania

The EU has made “better treatment of waste” a priority under IPA II (valid until 2020) to support Albania in complying with EU environment and public health standards. With Law No. 92/2016, however, there is evidence that the amount of waste increases along with an increase of illegal waste dumping, leading to breakdowns in the anyway fragile waste infrastructure and management in Albania.

¹⁸ http://klish.org.al/web/vendimi_ndotja_akustike_4942.pdf

¹⁹ <http://dap.gov.al/publikime/dokumenta-strategjik/278-strategjia-kombetare-per-zhvillim-dhe-integrim>

Treasury data published by Open Data Albania²⁰ shows that:

- From 2015 to June 2020, the Elbasan incinerator has received about €25 million. The concession contract awarded for this incinerator was €22 million but the government has paid the company €3 million more so far. The total cost will increase by several more million in the next two years.
- From 2015 to June 2020, the Fier incinerator has received about €22 million. The total cost of the project is €27 million. This means that the company has received 82 percent of the contract cost before even building the incinerator. The government will certainly pay millions more by the end of the concession contract, far exceeding its initial cost.
- From 2015 to June 2020, the Tirana incinerator has received about €25 million from the state budget. This means that in the first two years of the 30-year concession contract, and before having built the incinerator, the concessionaire has received over 20 percent of its total cost.
- The three concession contracts for the construction of incinerators have cost Albanian taxpayers €72 million until June 2020, while they have all failed to provide the expected services.

According to data from INSTAT, less than 1% of waste is incinerated and that number actually decreased from 2018 to 2019 instead of increasing. According to the Albanian National Plan it was envisaged that, until 2020, 55 % of municipal waste shall be recycled and composted, but that number was much lower by November 2020. Recycling in Albania has not seen no improvement in terms of quantity.

Another target is the increase of the minimum collection percentages for batteries, accumulators and their waste at national level from 25 % in 2015 to 65 % by 2025 based on the Decision of the Council of Ministers (DCM) No. 866 'On batteries, accumulators and their waste', dated 04/12/2012.

The national strategy on waste management (covering 2010–2025) is being revised but implementation remains at an early stage. Work done on waste landfills has brought waste treatment facilities closer to the EU standards. Further efforts are needed to close the gap for non-compliant landfills, increase the separate collection of different waste streams and reduce bio-waste. Economic instruments to promote recycling and prevent waste generation remain limited.

²⁰ <http://open.data.al/en>

2.2.5 Air Quality

In accordance with the World Health Organization's guidelines, the air quality in Albania is considered moderately unsafe. The most recent data indicates the country's annual mean concentration of PM_{2.5} is 18 µg/m³ which exceeds the recommended maximum of 10 µg/m³. Contributors to poor air quality in Albania include oil and gas extraction, inefficient technologies to heating homes, cement production, and an increase in vehicle emissions. Available data indicates that Tirana, Elbasan, and Korçë have consistently high levels of air pollution.²¹

Albania has also been ranked the second country with the highest pollution-related deaths in Europe, according to the yearly European Environment - state and outlook 2020 report. Second only to Bosnia and Herzegovina, roughly 23 percent of deaths in Albania were caused by air and noise pollution. Similar to Albania, most Eastern Europe countries were linked to poorer living conditions, which in turn promote the use of wood and coal to provide heating (thus aiding in higher levels of CO₂ emission), and extreme temperatures and weather conditions. Air pollution levels in Kosovo, based on information gathered from 2016, were higher than in Albania.

The adoption of the new environmental cross-cutting strategy for the period 2015–2020 has been delayed. As of late 2017, although several issue-specific strategies on environment exist, Albania does not have a visionary umbrella policy framework for environmental protection.

According to a 2020 report published by the European Environment Agency, people in Albania have a higher chance of dying from pollution than those in Western Europe. Albania found itself second on the “worst countries” list, after Bosnia and Herzegovina. In BiH, 27% of deaths are related to air pollution and environmental issues. The rate of deaths is the highest in Europe, and 14 percentage points higher than the median of the EU which is just 13%. With 23% of recorded deaths due to environmental matters, it is 10 percentage points higher than the European average.

The report said that pollution was resulting in a number of premature deaths. On average, 26,000 years of life have been lost over the last decade due to air pollution. All of these deaths have occurred under the age of 65. Then in January 2020, the Numbeo Pollution Index placed Tirana as the third most polluted city in Europe. The top spot was taken by Tetovo in North Macedonia followed by

²¹https://apps.who.int/iris/bitstream/handle/10665/69477/WHO_SDE_PHE_OEH_06.02_eng.pdf;jsessionid=2104E160D80200034BAFB5610A114AA0?sequence=1

Chelyabinsk in Russia. Its levels of pollution had increased as compared to figures from the previous year.

In June 2019, Albania adopted decision no. 412, dated 19.6.2019 on the approval of the national plan for air quality management which is the planning tool by which the Albanian Government aims to implement the 2008/50 / EC1 Directive on the assessment and management of ambient air quality, as well as relevant daughter directives, in accordance with the requirements of law no. 162/2014 "On the protection of ambient air quality".

The Government committed to reduce CO₂ emissions in the period 2016–2030 by 11.5 per cent compared with the baseline scenario. Another target is to reduce energy consumption by 9 per cent by 2018 compared with average consumption in the period 2004–2008. In the area of renewable energy, Albania aims to achieve a 38 per cent share of renewable energy sources in gross final energy consumption until the end of 2020, but achieving these goals by the end of the year seems unlikely.

Efforts have been made by Albania to comply with its international reporting obligations. However, the absence of monitoring data on species and habitats, air quality and greenhouse gas (GHG) emissions has impacted timely reporting in these fields.

2.6 Biodiversity and Protected Areas

In October 2020 the Japan International Cooperation Agency (JICA) and the Albanian Government signed a cooperation agreement on capacity building to improve ecosystem management in the Divjaka - Karavasta National Park. The main objective of the project is to increase the protection of nature and biodiversity in the protected areas of Albania. The project also aims to establish an ecosystem-based management approach and strengthen the function of the Divjaka - Karavasta National Park as well as to increase the human resource capacity of the Fier Regional Protected Area Agency (Fier ARZM), supporting the process of the ecosystem-based management model development for the enhancement of the capacity of NAPA officials in sustainable park management.

The National Strategy for Development and Integration (NSDI) 2007-2013, revised and updated as NSDI 2014-2020, was adopted in 2015. This document identifies the major goals and objectives for nature protection in accordance with the EU biodiversity strategy and in line with Aichi Biodiversity Targets to 2020 on CBD.

In light of the accession of the Republic of Albania to the EU, and as a candidate country to the EU, Albania started the transposition process of the EU directive to its national legislation nearly one decade ago. The focus of this process is on the establishment of a new legislative and institutional nature protection framework considering Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora i.e. Habitats Directive, Council Directive 2009/147/EC on the conservation of wild birds i.e. Birds Directive, CITES regulations and other relevant legislation. Within the current status of a candidate country, another obligation to be fulfilled is related to the establishment of the Natura 2000 network and there is an undergoing IPA project that follows comprehensive network development. Further on, some additional EU directives that are relevant for the marine environment are the Water Framework Directive 2000/60/ EC and the Marine Strategy Framework Directive (Marine Directive 2008/56/ EC).

In April 2020, Albania adopted Law no. 57/2020 on forests,²² which aims at protection of forests as assets of special importance, for their great and irreplaceable values in the protection of climate, land, preservation and improvement of productive potentials, balances of natural environment, biodiversity, genetic resources and hydric regime, as obligations of national and international interest, and which is partially approximated with:

- Council Regulation (EC) no. 2173/2005, dated 20 December 2005 "On the establishment of a FLEGT licensing scheme for imports of timber in the European Community";
- Regulation (EU) no. 995/2010 of the European Parliament and of the Council, dated 20 October 2010 "On the determination of the obligations of operators who place timber and timber products on the market", as amended";
- Commission Implementing Regulation (EU) No 607/2012, dated 6 July 2012 "On detailed rules regarding the due diligence system and the frequency and nature of controls over monitoring organizations".

²²<https://www.parlament.al/Files/ProjektLigje/20200507113711ligj%20nr.%2057,%20dt.%2030.4.2020.pdf>

03. BOSNIA AND HERZEGOVINA, LIR EVOLUTION

3.1 Introduction

This initial section is dedicated to present an overall picture of Bosnia and Herzegovina's EU Accession progress made during the last year, with regard to environment, climate change mitigation and energy sector.



Source: EU Data, near_factograph_bosnia_and_herzegovina_october_2020

In its December 2019 conclusions, the EU Council welcomed the Opinion and invited the Commission to focus its annual reports on Bosnia and Herzegovina, starting with the one in 2020, on the implementation of the key priorities from the Opinion. Bosnia and Herzegovina continue to implement the Stabilization

and Association Agreement and the meetings of the joint bodies under the agreement took place regularly, except for the parliamentary committee, which has yet to adopt its rules of procedures. The public political commitment of the authorities at all levels of government to the strategic goal of European integration remained to a large extent merely declarative and was not turned into concrete actions. Bosnia and Herzegovina have continued to participate actively in regional cooperation and maintain good neighborly relations. Progress on alignment with the EU Common Foreign and Security Policy has been made and should be further pursued.

Some steps have been taken in the recent months, amid the COVID-19 pandemic, to address the key priorities from the Opinion. In October 2019, the Council of Ministers adopted an action plan for the implementation of the recommendations from the Commission's 2019 analytical report, whose content was not fully agreed among all levels of government. The Constitutional Court repealed the provision on the death penalty in the Republika Srpska entity constitution, fulfilling part of key priority 10. Legislative amendments following a political agreement in June 2020 should allow holding local elections in Mostar in December for the first time since 2008, thus fulfilling part of key priority 1. In July 2020, all levels of government adopted the strategic framework on public administration reform, contributing to key priority 14. Bosnia and Herzegovina adopted the revised National War Crimes Strategy in September 2020, contributing to key priority 5. Preparations are also ongoing to hold the joint parliamentary committee. Bosnia and Herzegovina need to move forward on the other key priorities too.

Because of the COVID pandemic, health and social protection systems are burdened and Commission estimates and foresee a drop of between 4 and 6% of Gross Domestic Product (GDP) in the WB region. Thousands of citizens are at risk of losing jobs, and temporary government support measures (unemployment benefits, deferrals/waivers to tax and social security contributions, etc.) have an important fiscal impact. The EU provided essential and unparalleled support to the Western Balkans. This includes financial support of more than EUR 3.3 billion for countries in the region to address the immediate health crisis and resulting humanitarian needs. In the initial response to the COVID-19 outbreak Bosnia and Herzegovina reacted promptly and closely followed global recommendations by introducing mitigation measures to prevent, slow down and control the transmission of the virus. The authorities also increased health system capacities and re-oriented health providers towards COVID-19 designated facilities. The COVID-19 crisis demanded a high level of coordination among all levels of

government which proved challenging in practice. The established crisis management bodies acted in their respective jurisdictions, without countrywide harmonization of decisions and actions.

Bosnia and Herzegovina is overall at an early stage and has some level of preparation regarding its ability to take on the obligations of EU membership and needs to significantly step up the process to align with the EU acquis and implement and enforce related legislation. Limited to no progress was made on the different EU acquis chapters. Particular attention should be paid to the areas of free movement of goods, right of establishment and freedom to provide services, information society and media, agriculture and rural development, fisheries, transport policy, energy, economic and monetary policy, statistics, social policy and employment, enterprise and industrial policy, regional policy and coordination of structural instruments, education and culture, consumer and health protection, and financial control.

The overall legal and regulatory framework for civil society in Bosnia and Herzegovina is broadly in line with the EU acquis. No progress was made in addressing the Opinion key priority 11 on ensuring an enabling environment for civil society, notably by upholding European standards on freedom of association and freedom of assembly. Meaningful and systematic consultations between authorities and civil society remain to be ensured as part of an inclusive policy dialogue. A framework for the transparent funding of civil society organizations is needed.

Environmental Status in Bosnia and Herzegovina

This section is dedicated to highlight main environmental concerns and related developments / news of the environmental portfolio.

As main actor for environmental protection and as environmental defender is civil society sector. For this reason, serious problem is that legislation on public consultations is uneven across the country and there is no strategic framework for cooperation with civil society. Meaningful and systematic consultations remain to be ensured. The legal framework on public consultations needs to be improved and applied consistently. The legislative framework does not fully establish standards for monitoring and reporting on key government planning documents at each level of government, thus preventing public scrutiny over government work. Beyond legislative measures, more efforts are needed to raise awareness on various forms of consultation with the public. It remains key to

strengthen technical capacities at all levels of government on how to regularly use public consultations as a tool of policy-making.

The policy-making system in Bosnia and Herzegovina remains fragmented which influence on the environment as well. The Federation entity adopted a set of bylaws regulating annual, three-year and strategic planning. Otherwise, there has been no progress in developing harmonized legal provisions or methodological guidance for countrywide strategic planning. There is still no harmonization between central planning documents such as the medium-term and annual government programme, framework budget document and action plan for implementation of priorities and no harmonization of such documents with the sector strategies. Quality review remains insufficient.

Energy Community Secretariat, Bosnia and Herzegovina Summary Implementation

Summary Indicators	Transposition Assessment	Implementation Status	Descriptions
 Electricity		 55%	Implementation in the electricity sector of Bosnia and Herzegovina is moderately advanced.
 Gas		 0%	Implementation in the gas sector of Bosnia and Herzegovina is yet to begin.
 Oil		 20%	Implementation in the oil sector of Bosnia and Herzegovina is yet to begin.
 Renewable Energy		 49%	Implementation in the renewable energy sector of Bosnia and Herzegovina is moderately advanced.
 Energy Efficiency		 48%	Implementation in the energy efficiency sector of Bosnia and Herzegovina is moderately advanced.
 Environment		 48%	Implementation in the environment sector of Bosnia and Herzegovina is moderately advanced.
 Climate		 36%	Implementation in the climate sector of Bosnia and Herzegovina is still at an early stage.
 Infrastructure		 8%	Implementation in the infrastructure sector of Bosnia and Herzegovina is yet to begin.
 Statistics		 89%	Implementation in the statistics sector of Bosnia and Herzegovina is almost completed.
 Cybersecurity		 21%	Implementation in the cybersecurity sector of Bosnia and Herzegovina is still at an early stage.

At the Zagreb Summit on 6 May 2020, EU and Western Balkans leaders agreed that deepening regional economic integration has to be a prominent part of recovery efforts of the Western Balkans. To do so, Bosnia and Herzegovina need to continue playing a constructive role in building a common regional market, which will be critical to increase the attractiveness and competitiveness of the region. It will help Bosnia and Herzegovina to speed up the recovery from the aftermath of the pandemic.

In Federation of Bosnia and Herzegovina, the new Law on Environmental Protection is in parliamentary adoption procedure. It is foreseen that the relevant by-laws will follow. Amendments to the Law on Environmental Protection were also adopted by the National Assembly of Republika Srpska. In both entities, the new legislation should further align the provisions with the Strategic Environmental Assessment Directive and transpose the amending provisions of Directive 2014/52/EU. However, both laws should be improved in order to ensure that projects likely to have significant effects on the environment are duly assessed before development consent is given.

As one of the priority sectors for B&H IPA assistance is environment for which is concluded: Increased compliance with the EU environmental, climate change and energy acquis; improved implementation of the existing environmental and climate change policies, particularly in the waste, water management, industrial emission areas and air quality as well as emissions reduction and energy efficiency.

Summary of the Report

Key findings from legislation monitoring summarized as executive summary, intended to reach and facilitate main findings for policy maker audience.

(previous findings can be found in the Reports for 2019, and 2018)

Key findings from legislation monitoring in period from October, 2019 up to now are the following:

- Ministry of Energy, Mining and Industry adopts the Rulebook on regular inspections of heating and air conditioning systems (October 2019).
- In Federation of Bosnia and Herzegovina, the new Law on Environmental Protection is in parliamentary adoption procedure.

- The Law on Spatial Planning and Construction of Republika Srpska was amended to transpose requirements of articles 4 of Directive 2012/27/EU on energy efficiency (building renovation) (October 2019)
- Rulebook on minimum requirements for energy performance of buildings was adopted in Federation of Bosnia and Herzegovina (November 2019)
- The EU Council endorses Commission's Opinion in its conclusions, on the EU membership application of Bosnia and Herzegovina (December 2019)
- Bosnia and Herzegovina submitted its fourth Annual Report under the Energy Efficiency Directive to the Secretariat (August 2020)

There is no general environmental protection framework act in BiH. Laws on environmental protection are adopted at entities and district level (Federation of Bosnia and Herzegovina, Republika Srpska, Brčko District). Bosnia and Herzegovina continues to implement the Stabilization and Association Agreement and the meetings of the joint bodies under the agreement took place regularly, except for the parliamentary committee, which has yet to adopt its rules of procedures. Political and economic dialogue took place regularly via the joint bodies under the agreement, except for the parliamentary committee (SAPC), which has yet to adopt its rules of procedures. The country also participates in the ministerial dialogue between the economic and finance ministers of the EU and the candidate countries, where joint recommendations are adopted.

The EU provided financial assistance to Bosnia and Herzegovina under the Instrument for Pre-accession Assistance (IPA) with a total allocation of EUR 530 million in 2014-2020. The assistance is implemented under direct management by the EU Delegation in Sarajevo. The 2019 and 2020 action programmes include an EU contribution totaling up to EUR 170 million. As part of the response to the COVID-19 crisis, Bosnia and Herzegovina is benefiting of EUR 7 million for urgent medical equipment and EUR 73.5 million for socio-economic recovery measures under IPA II; negotiations for macro financial assistance (up to EUR 250 million in loans) are ongoing. The EU has supported Bosnia and Herzegovina in migration management with EUR 60.5 million since 2018 in both IPA and humanitarian (ECHO) funds. The adoption of countrywide sector strategies such as on public financial management, energy, and employment remains a key requirement for Bosnia and Herzegovina to benefit fully from IPA funding in the future. Bosnia and Herzegovina benefits from the IPA multi-country and regional programmes and participates in three cross-border cooperation programmes, as well as in transnational cooperation programmes.

Bosnia and Herzegovina participate with IPA support in the following EU programmes: Horizon 2020, Creative Europe, Fiscalism 2020, Customs 2020, Europe for Citizens, Erasmus+, Third Programme for the Union's action in the field of health, and the COSME programme.

Steps have been taken in the recent period to address some of the key priorities from the Opinion: In October 2019, the Council of Ministers adopted an action plan for the implementation of the recommendations from the Commission's 2019 analytical report, although the content was not fully agreed among all levels of government. The Constitutional Court repealed the provision on the death penalty in the Republika Srpska entity constitution, fulfilling part of key priority 10. Legislative amendments following a political agreement in June 2020 should allow holding local elections in Mostar in December for the first time since 2008, thus fulfilling part of key priority 1. Further reforms are needed to ensure that elections are conducted in line with European standards. In July 2020, all levels of government adopted the strategic framework on public administration reform, contributing to key priority 14. All levels of government now need to adopt the related action plan. Bosnia and Herzegovina adopted the revised National War Crimes Strategy in September 2020, contributing to key priority 5. Preparations are also ongoing to hold the joint parliamentary committee. Bosnia and Herzegovina needs to move forward on the other key priorities too.

Fundamentals

The citizens' right to access public information is regulated differently at the state and entity level. Whenever the information is asked it must be by mentioning the AARHUS Convention, otherwise the data are not provided. Proactive disclosure is not provided for at any level. Implementation deficits result primarily from administrative silence, delays in replying, incomplete information provided and insufficient institutional responsibilities in dealing with appeals. There are no mechanisms for monitoring whether the laws on free access to information are implemented effectively.

Bosnia and Herzegovina needs to address the 14 key priorities from the Commission's May 2019 Opinion on the EU membership application of the country, in line with the relevant Council Conclusions of December 2019. The Opinion is a comprehensive roadmap for deep reforms in the areas of democracy/functionality, rule of law, fundamental rights and public administration reform. Bosnia and Herzegovina needs to fundamentally improve

its legislative and institutional framework, including at constitutional level where necessary, to comply with the requirements of EU membership. Fulfilling the 14 key priorities will allow the country to open EU accession negotiations. By fundamentals it is considered on: democracy (elections, parliament, governance), rule-of-law, human rights. There are still no actions nor revisions of environmental rights, environmental accountability and governance, environmental monitoring, and fight against crime to environment.

3.2 Energy (Under Chapter 15)

- Security of Supply
- Energy Market
- Hydropower

The country remains at an early stage of preparations in the area of Energy. No progress was made and some of the measures introduced (including for the Block 7 Tuzla thermal power plant) represent a step in the wrong direction. Bosnia and Herzegovina needs to make significant efforts in improving cooperation and coordination to start making progress. A fragmented, inconsistent, uneven legislative and regulatory framework prevents the country from moving forward and meeting its international obligations. Bosnia and Herzegovina has yet to adopt concrete, comprehensive and binding action plan(s) in line with climate change commitments.

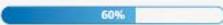
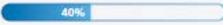
3.2.1 Renewable energy

Developments in Renewable Energy	Date
Annual Implementation Report 2018/2019, Energy Community Secretariat	November 2019
Bosnia Herzegovina adopts its Third Progress Report for Bosnia and Herzegovina under Renewable Energy Directive 2009/28/EC.	July 2019
Renewable Energy Action Plan of Republika Srpska	Updated October 2018, Adopted March 2016
Renewable Energy Action Plan of Federation of Bosnia and Herzegovina	Updated November 2018, Adopted May 2014
Bosnia Herzegovina adopts its First Progress Report for Bosnia and Herzegovina under Renewable Energy Directive 2009/28/EC.	November 2017
Secretariat submitted draft amendments to Renewable Energy Laws in force of Republika Srpska and Federation, introducing support schemes for renewable energy in compliance with State aid guidelines.	July 2017
Bosnia and Herzegovina adopt National Renewable Action Plan	April 2016
Law on Renewable Energy Sources and Efficient Cogeneration	2013; 2015

Based on the 2017 Progress Report submitted to the Energy Community Secretariat, the country achieved a 36% share of renewable energy sources (RES) in gross final consumption. The number of reported environmental concerns rose, mainly from the non-governmental sector regarding the development of small, dispersed renewable energy projects and in particular small hydro power plants (HPPs). In June 2020, the Parliament (House of Representatives) of the Federation of Bosnia and Herzegovina has urged in a resolution to ban the further construction of small HPPs in the entity. The Federation government was given three months to analyze related legislation and draft law proposals stipulating

the protection of rivers and environment, and to review all previously issued permits for already built small HPPs or those approved for construction. Stricter, more coordinated and harmonized legal frameworks introducing market-based support schemes, efficient investment planning as well as registration of projects are needed to warrant the promotion of RES while ensuring that all environmental concerns are duly addressed.

Energy Community Secretariat, Bosnia and Herzegovina Renewable Energy Implementation

Renewable Energy Indicators	Transposition Assessment	Implementation Status	Descriptions
National Renewable Energy Action Plan			Bosnia and Herzegovina submitted its NREAP and the first and third Progress Reports on implementation of the Renewables Directive to the Secretariat. The country has registered a 35,97% renewables share, however, this is below the 2018 trajectory of 38,4%.
Quality of support schemes			The support scheme is based on administratively set feed-in tariffs in both entities and fixed feed-in premiums in Republika Srpska only. Bosnia and Herzegovina has conducted an analysis to move towards a market-based scheme, however, it is yet to be adopted and implemented.
Grid integration			Connection to the transmission system is regulated by the state regulator, which stipulates that renewable electricity producers connected to the grid pay 50% of the fixed part of the connection costs. On the distribution level, priority dispatch and connection are provided. Renewable power producers who are in the incentive system have a guaranteed offtaker and are released from balancing responsibility, which is not in line with the State Aid Guidelines.
Administrative procedures and guarantees of origin			In order to simplify complex administrative procedures, the recommendations of a 2018 analysis on removing existing obstacles to investment in the energy sector are being implemented. There is no single administrative body. An electronic system for issuing, transfer and cancellation of guarantees of origin is not in place.
Renewable energy in transport			Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. The share of renewables in transport is only at 0,44% compared to the objective of 10% in 2020.

As for investing in RES, the framework continues to be cumbersome for issuing authorizations and licensing. The procedures need to be simplified to ensure a more favorable environment for such investments. There needs to be a higher level of transparency and more prudent oversight by the authorities for the disbursement of funds promoting RES. There are serious concerns related to the work of the Operator for Renewable Energy Sources in the Federation of Bosnia and Herzegovina. Responsible authorities should undertake meaningful measures to ensure prudent management and prevent any misuse of available

funds. In the Republika Srpska entity, the Law on Renewable Energy and Efficient Co-generation was amended, limiting the growth of incentives to generate electricity from RES and limiting efficient co-generation. The changes to the law removed support for wind projects, which is a step in the wrong direction. A serious reform of the legal framework for renewable energy is needed. Further alignment with EU requirements is necessary for the issuance, transfer and cancellation of guarantees of origins and for the use of minimum levels of energy for RES in new buildings and in buildings undergoing major renovations. Similarly, the legislative framework needs to be aligned with sustainability criteria in order to rectify identified non-compliance with the EU acquis. The Brčko District, which remains without legislation in this area, will receive technical assistance to enable it to develop the required legislation.

Bosnia and Herzegovina submitted its NREAP and the first and third Progress Reports on implementation of the Renewables Directive to the Secretariat. The country has registered 35,97% renewable shares; however, this is below the 2018 trajectory of 38,4%. In May 2020, Bosnia and Herzegovina sent to the Secretariat a proposal for a market-based support scheme mechanism and all accompanying legal acts prepared by relevant stakeholders. The Secretariat assessed it as generally in line with acquis. Unfortunately, it has not been adopted yet. In September 2020, upon the proposal of the independent system operator (NOS BiH), the State Electricity Regulatory Commission of Bosnia and Herzegovina (SERC) increased the permitted capacity of wind power plants which may be connected to the transmission network (from 460 MW to 840 MW) and solar power plants (from 400 MW to 825 MW). Priority or guaranteed access to the grid for renewable energy producers remains unsecured.

Support schemes and cooperation mechanism

The support scheme is based on administratively set feed-in tariffs in both entities and fixed feed-in premiums in Republika Srpska only. Bosnia and Herzegovina has conducted an analysis to move towards a market-based scheme, however, it is yet to be adopted and implemented. Bosnia and Herzegovina should transition towards a market-based renewables support scheme. The transposition of provisions on the sustainability of biofuels and the establishment of the electronic system for guarantees of origin should also be prioritized-

Integration to the grids

Connection to the transmission system is regulated by the state regulator, which stipulates that renewable electricity producers connected to the grid pay 50% of

the fixed part of the connection costs. On the distribution level, priority dispatch and connection are provided. Renewable power producers who are in the incentive system have a guaranteed off taker and are released from balancing responsibility, which is not in line with the State Aid Guidelines.

Administrative procedures and guarantees of origin

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Renewable energy in transport

Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. The share of renewables in transport is only at 0,44% compared to the objective of 10% in 2020.

3.2.2 Energy efficiency

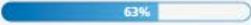
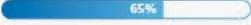
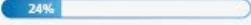
Developments in Energy efficiency	Date
Fourth annual report on the progress achieved towards the national energy efficiency targets	August 2020
In Brčko District, with the technical assistance provided by the Energy Community Secretariat, in 2019 activities related to the preparation of Law on Energy Efficiency of the BD started. The final draft has been prepared and in May 2020 submitted to the Government of the BD for comments.	Pending for adoption
Rulebook on establishment and management of registry for energy performances of buildings	Not adopted / deadline: April 2020

Energy Efficiency Action Plan of Bosnia and Herzegovina	Adoption of NEEAP 2019-2021 pending
Regulation on the implementation of energy audits and issuance of energy performance certificates for buildings; Rulebook on minimum requirements for energy performance of buildings in FBiH	November 2019
Law on Spatial Planning and Construction of RS underwent a procedure of amendments to transpose requirements of article 5 of Directive 2012/27/EU on energy efficiency (Official Gazette of RS, 40/13, 106/15, 84/19)	2013, 2019
Ministry of Energy, Mining and Industry adopts the Rulebook on regular inspections of heating and air conditioning systems	October 2019
Bosnia and Herzegovina submitted its third Annual Report under the Energy Efficiency Directive to the Secretariat.	July 2019
At the level of the state of Bosnia and Herzegovina, a decision on the establishment of an energy management system and an information system on energy efficiency was adopted by the Council for Ministers.	June 2019
The Rulebook on an energy efficiency information system was adopted in Federation of Bosnia and Herzegovina	January 2019
Bosnia Herzegovina submits its Second Annual Report under the Energy Efficiency Directive to the Secretariat.	November 2018
ESCO model contracts and the legal gap analysis were finalized and submitted to Bosnia and Herzegovina by EBRD and the Energy Community Secretariat, as a part of an international technical assistance program (REEP Plus).	June 2018
Energy Strategy of Bosnia and Herzegovina until 2035	2018
The Council of Ministers adopted the Action Plan for Energy Efficiency in Bosnia and Herzegovina in the period 2016 - 2018, as the first document in this field, which was prepared by the working group comprised of the representatives of	February 2018

the Ministry of Foreign Trade and Economic Relations, the relevant entity ministries and Brčko District. The Plan was adopted during 123rd Session of Council of Ministers, held in February 2018.	
Regarding energy efficiency measures in buildings, a comprehensive programme for energy efficiency improvements in the residential sector was launched by the EBRD Green Economy Financing Facility.	November 2017
Government of Republika Srpska in November 2017, adopted the Amendments to the Energy Efficiency Action Plan of RS until 2018.	November 2017
Government of the Federation of BiH adopted Energy Efficiency Action Plan and roadmap for implementation of Directive 2012/27/EU on Energy Efficiency.	July 2017
Federation adopted the Law on energy efficiency, aiming to implement Energy Services Directive 2006/32/EC.	February 2017
Three regulations came into force in Republika Srpska, setting the minimum energy performance requirements for buildings, as well as implementing schemes for energy audits and energy certification of buildings.	January 2016

In the area of energy efficiency, Bosnia and Herzegovina submitted its third Annual Report for Energy Efficiency to the Energy Community Secretariat in July 2019. Limited progress is noted in the reporting period, indicating that the implementation of energy efficiency legislation is not sufficient. Work on a new national energy efficiency action plan has, for the most part, been completed and the adoption of the plan is awaiting political endorsement. The country needs to take additional actions to achieve full compliance, which means transposing the Energy Efficiency Directive and the new Framework Energy Labelling Regulation. The Brčko District will receive technical assistance to develop the required legislative framework for energy efficiency. More comprehensive and coordinated action between all levels of the government is required in order to achieve measurable progress. It is in particular necessary to adopt uniform secondary legislation at the cantonal level that is fully harmonized with entity-level legislation.

Energy Community Secretariat, Bosnia and Herzegovina Energy Efficiency Implementation

Energy Efficiency Indicators	Transposition Assessment	Implementation Status	Descriptions
Energy efficiency targets and policy measures			The NEEAP 2019 - 2021 has still not been formally submitted to the Secretariat or adopted. The fourth Annual Progress Report was submitted in August 2020, meets the requirements of the Energy Efficiency Directive, and reports on targets for 2020 and 2021 and projections up to 2030. A specific target and policy measures (for building renovation and the energy efficiency obligation scheme) have also been finalized and supported with proposals for legislative changes, but not adopted.
Energy efficiency in buildings			Long-term building renovation strategies have been drafted on state and entity levels, together with necessary amendments to primary legislation (so far only adopted in Republika Srpska). Implementation progressed in Federation of Bosnia and Herzegovina with the adoption of rulebooks for energy performance requirements of buildings and regular inspections of heating and air conditioning systems in November 2019.
Energy efficiency financing			Each entity has established an energy efficiency and environmental fund, which also covers monitoring of implementation and reporting on achieved savings. The adopted energy efficiency laws of both entities and the draft law of Brčko District recognize ESCOs and energy performance contracting. However, the ESCO market is not functioning and important implementation gaps remain in e.g. public procurement, multi-year budgeting and adoption of model ESCO contracts.
Energy efficient products - labelling			No progress took place with respect to the update of the labelling regulation in the reporting period, as required by the Ministerial Council decision adopted in November 2018. To date, only a part of the regulation was adopted back in 2016 in Republika Srpska.
Efficiency in heating and cooling			Bosnia and Herzegovina has 32 district heating systems, covering around 8% of total heat demand in 2018. They are regulated by local self-governments, and the majority charge lump sums per square meter of the heated space (instead of accurate consumption based billing). Modernisation of district heating systems is ongoing, including several biomass-based district heating projects supported by EBRD. The assessment of high-efficiency cogeneration and efficient district heating and cooling potential required by the Energy Efficiency Directive is not yet finalised.

Energy efficiency targets and policy measures

The NEEAP 2019 - 2021 has still not been formally submitted to the Secretariat or adopted. The fourth Annual Progress Report was submitted in August 2020, meets the requirements of the Energy Efficiency Directive, and reports on targets for 2020 and 2021 and projections up to 2030. A specific target and policy measures (for building renovation and the energy efficiency obligation scheme)

have also been finalized and supported with proposals for legislative changes, but not adopted.

ESCO market development and financing

Each entity has established an energy efficiency and environmental fund, which also covers monitoring of implementation and reporting on achieved savings. The adopted energy efficiency laws of both entities and the draft law of Brčko District recognize ESCOs and energy performance contracting. However, the ESCO market is not functioning and important implementation gaps remain in e.g., public procurement, multi-year budgeting and adoption of model ESCO contracts.

Energy efficient products – labelling

No progress took place with respect to the update of the labelling regulation in the reporting period, as required by the Ministerial Council decision adopted in November 2018. To date, only a part of the regulation was adopted back in 2016 in Republika Srpska Institutional capacities.

3.2.3 Energy Performance, Classification and Audit in Housing and Industry Energy efficiency in buildings

Long-term building renovation strategies have been drafted on state and entity levels, together with necessary amendments to primary legislation (so far only adopted in Republika Srpska). Implementation progressed in Federation of Bosnia and Herzegovina with the adoption of rulebooks for energy performance requirements of buildings and regular inspections of heating and air conditioning systems in November 2019.

Efficiency in heating and cooling

Bosnia and Herzegovina have heating systems in 32 district, covering around 8% of total heat demand in 2018. They are regulated by local self-governments, and the majority charge lump sums per square meter of the heated space (instead of accurate consumption-based billing). Modernization of district heating systems is ongoing, including several biomass-based district heating projects supported by EBRD. The assessment of high-efficiency cogeneration and efficient district heating and cooling potential required by the Energy Efficiency Directive is not yet finalized.

3.2.4 Energy in Public Services and Mobility Sector

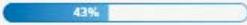
Environment (Under Chapter 27)

Latest developments in environment	Date
Law on environmental protection of FBiH	September 2019
Bosnia and Herzegovina fulfilled its reporting obligations on pollutants under the scope of the Large Combustion Plants Directive by submitting the relevant information to the European Environment Agency.	August 2019
Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska submitted to the Ministry of Foreign Trade and Economic Relations an amended Rulebook on Measures to Prevent and Reduce Air Pollution and Improve Air Quality.	December 2017
Environmental Approximation Strategy of BiH adopted	May 2017
Law on Air Protection RS	2017
Strategy for protection of biological diversity in period 2015-2020 and Action Plan for implementation adopted	May 2017
The environmental protection strategy of BD BiH 2016-2026	2016
Secretariat gave a positive assessment on Bosnia and Herzegovina's National Emission Reduction Plan.	October 2016
Bosnia and Herzegovina submitted its National Emission Reduction Plan to the Secretariat	December 2015
Law on Environmental Protection RS	2012; 2015
Law on Nature protection	2013
Law on Environmental Protection FBiH	2003; 2009
Waiting for adoption of new updated Law (2019, 2020)	

In Federation of Bosnia and Herzegovina, the new Law on Environmental Protection is in parliamentary adoption procedure. It is foreseen that the relevant

by-laws will follow. Amendments to the Law on Environmental Protection were also adopted by the National Assembly of Republika Srpska. In both entities, the new legislation should further align the provisions with the Strategic Environmental Assessment Directive and transpose the amending provisions of Directive 2014/52/EU. However, both laws should be improved in order to ensure that projects likely to have significant effects on the environment are duly assessed before development consent is given. A complaint concerning an alleged breach of the EIA Directive related to the hydropower project Gornja Neretva on the Neretva, Igaščica and Grebenac rivers, was submitted to the Secretariat. The competent authorities must secure early and effective opportunities to the public concerned to participate in the assessment procedures and foster stakeholder dialogue.

Energy Community Secretariat, Bosnia and Herzegovina Environmental Implementation

Environment Indicators	Transposition Assessment	Implementation Status	Descriptions
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)			New legislation to transpose the amendments introduced by Directive 2014/52/EU and for further alignment with the Strategic Environmental Assessment Directive is in the adoption procedure. Further improvements of the Law on Environmental Protection are necessary in order to fully transpose the amendments to the EIA Directive. Challenges related to the environmental assessments of planned hydropower projects should be assessed with the support of the Policy Guidelines on the development of small hydropower projects.
Sulphur in fuels			Legislation for transposing the 1,00% threshold for heavy fuel oil as well as the 0,10% threshold for gas oil is still lacking. A governmental working group with the task to prepare a decision on the quality of petroleum liquid fuels was established, without however a specific timeline. The Ministerial Council declared this as a serious and persistent breach.
Large combustions plants and industrial emissions			New legislation for further alignment with the provisions of the Large Combustion Plants and Industrial Emissions Directives was prepared and is in the adoption procedure. Serious efforts must be made in order to ensure proper implementation of the National Emission Reduction Plan.
Nature protection			The recent Declaration on the Protection of Rivers as well as the conclusions calling for a prohibition of the construction of small hydro power plants on the territory of Federation of Bosnia and Herzegovina is an achievement. The missing secondary legislation for the proper implementation of the Wild Birds Directive must be adopted. The network of protected areas is lacking effective protective measures and administrative capacity that can properly assess the impacts of energy projects on the protected sites.

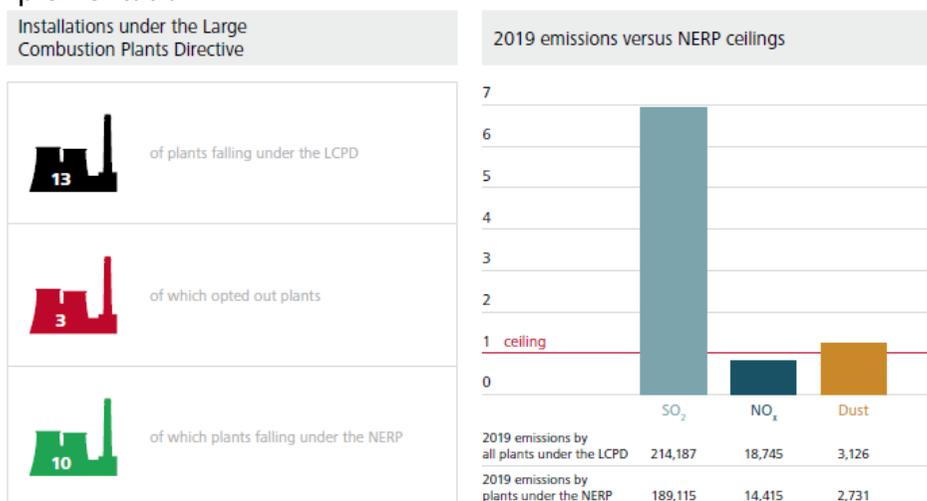
Environmental Impact Assessment / Strategic Environmental Assessment Directive

New legislation on transpose of the amendments is introduced by Directive 2014/52/EU and for further alignment with the Strategic Environmental Assessment Directive is in the adoption procedure. Further improvements of the Law on Environmental Protection are necessary in order to fully transpose the amendments to the EIA Directive. Challenges related to the environmental assessments of planned hydropower projects should be assessed with the support of the Policy Guidelines 02/2020-ECS on the development of small hydropower projects.

Sulphur in Fuels Directive

Legislation for transposing the 1,00% threshold for heavy fuel oil as well as the 0,10% threshold for gas oil is still lacking. A governmental working group with the task to prepare a decision on the quality of petroleum liquid fuels was established, without however a specific timeline. The Ministerial Council declared this as a serious and persistent breach (Case ECS-02/13S). As regards legislation on the sulphur content of liquid fuels, some steps are implemented at the level of Federation of Bosnia and Herzegovina. A working group was formed with the task to prepare a draft decision on the quality of petroleum liquid fuels at national level in line with the needs of the oil market in Bosnia and Herzegovina and in accordance with its international obligations. Given the fact that the serious and persistent breach remains unaddressed, the Secretariat had to apply for measures to be taken against the country.

Energy Community Secretariat, Bosnia and Herzegovina Environmental Implementation



Large Combustion Plants / Industrial Emissions Directive

New legislation for further alignment with the provisions of the Large Combustion Plants and Industrial Emissions Directives was prepared and is in the adoption procedure. Serious efforts must be made in order to ensure proper implementation of the National Emission Reduction Plan. Further alignment with Directive 2001/80/EC on Large Combustion Plants and the provisions of the Directive 2010/75/EU on Industrial Emissions is foreseen with the new Laws on Environmental Protection and on Air Protection in the Federation of Bosnia and Herzegovina, which are in parliamentary procedure. Three plants are being opted out, meaning that they can only remain in operation for not more than 20.000 operational hours until December 2023. Based on the current load factor, two plants are expected to reach the limit earlier than the provisioned deadline. The 2019 emissions from large combustion plants under the NERP show compliance with the ceiling for nitrogen oxides, while the ceilings of sulphur dioxide and dust are not complied with. The serious non-compliance with the ceiling on sulphur dioxide elevates the urgent need to secure sufficient financing for proper implementation of the National Emission Reduction Plan.

Nature protection

Alignment with the EU acquis on nature protection, in particular with the Habitats and Birds Directives, is very limited. There is no progress on the pending adoption of the list of potential Natura 2000 sites and secondary legislation. The planning for and investments in renewable energy, including hydro, wind and solar power plants, requires compliance with the EU's environmental legislation, including SEA, EIA and the Birds and Habitats Directives. There has been no progress in establishing a system in Bosnia and Herzegovina for collecting information on and systematically monitoring biodiversity. Bosnia and Herzegovina needs to designate institutions, ensure the necessary human and financial resources and establish structures for implementing the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The recent Declaration on the Protection of Rivers as well as the conclusions calling for a prohibition of the construction of small hydro power plants on the territory of Federation of Bosnia and Herzegovina is an achievement. The missing secondary legislation for the proper implementation of the Wild Birds Directive must be adopted. The network of protected areas is lacking effective protective measures and administrative capacity that can properly assess the impacts of energy projects on the protected sites.

3.2.5 Water Quality and Management

On water quality, the country still lacks a consistent and harmonized countrywide strategy and investment plans on water management that would include implementing legislation and monitoring. There is no water policy for Bosnia and Herzegovina. The sustainability of investments in the supply of water and in the management of urban waste water continues to be an issue. A consistent legal framework needs to be in place addressing water services to provide for sustainable investments. Regarding the growing development of hydropower investments, Bosnia and Herzegovina as a matter of urgency has to better enforce SEA, EIA, nature protection and water-related provisions of the EU acquis in order to adequately address growing environmental concerns. Specific plans for implementing EU legislation on drinking water, urban waste water and flood risk management are still to be adopted. A 'Roof report on river basin management plans' needs to be adopted for Bosnia and Herzegovina. An action plan for flood protection and river management in Bosnia and Herzegovina for 2014-2021 is being implemented. Flood hazards and risks are being mapped for the entire country.

Latest developments in water management	Date
Water Management Plan for the Sava River Basin in the period 2016-2021, FBiH	May 2018
Federation of BiH: Urban Waste Water Treatment directive 91/271/EEC have been transposed by the Order on conditions for wastewater discharge to natural recipient or to public sewage (Official Gazette of FBiH 4/12) Republika Srpska: Transposition of the Urban Waste Water Directive 91/271/EEC is considered fairly advanced	2012 and 2001
Law on water management RS	2006; 2009
Law on water management FBiH	2006

3.2.6 Climate Change

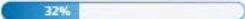
Developments in Climate	Date
National Energy and Climate Plans	Draft under preparation
Bosnia and Herzegovina officially launched a national working group to work on its NECP. The national working group is meeting regularly.	February 2019
Framework energy strategy until 2035 adopted at BiH level by the Council of Ministers	August 2018
As a non-Annex I party to the United Nations Framework Convention on Climate Change (UNFCCC), BiH ratified the Paris Agreement.	March 2017

The level of alignment with the EU climate acquis remains limited. Bosnia and Herzegovina is currently revising its 2013 national climate change adaptation and low emission development strategy covering 2013-2025, which is consistent with the EU 2030 framework on climate and energy policies. Its implementation and integration into all relevant sectors should be a priority. Bosnia and Herzegovina is working on a national adaptation plan (NAP) which will identify the necessary resources and set timelines for implementing climate change-related policies and strategies. The focus will be on sectoral approaches, on aligning with the EU climate acquis and on building institutional capacities in the medium term. The development of an integrated national energy and climate plan (NECP) for Bosnia and Herzegovina, in line with the 2018 Energy Community recommendation and related policy guidelines, is underway.

As for the UN Framework Convention on Climate Change (UNFCCC), the fourth national communication and the third biennial update report on greenhouse gas emissions are in preparation. Bosnia and Herzegovina ratified the Paris Agreement in 2017 and should now give priority to implementing its national determined contribution (NDC). NDCs are being revised together with their implementation plan. There is no progress on alignment with the EU climate acquis, which includes the EU Monitoring and Reporting Regulation, the directives on fuel quality, ozone depleting substances, fluorinated gases, carbon capture and storage and other relevant legislation. Ratification of the Kigali amendment to the Montreal Protocol on substances that deplete the ozone layer

is pending. To progress in aligning with the EU climate acquis and its implementation, Bosnia and Herzegovina needs to move away from a project-based approach. The country's administrative capacities should be significantly reinforced at all levels of government, covering all relevant sectors to ensure meaningful implementation of the required measures.

Energy Community Secretariat, Bosnia and Herzegovina Climate Implementation

Climate Indicators	Transposition Assessment	Implementation Status	Descriptions
National greenhouse gas emissions monitoring and reporting systems			Bosnia and Herzegovina still needs to define the system for GHG emission data collection and processing, quality assurance and control of input data, a reporting and monitoring system and the national legislation defining systems for policies, measures and projection.
National Energy and Climate Plans (NECPs)			Drafting of the NECP of Bosnia and Herzegovina is ongoing. No draft has been submitted to the Secretariat for comments by the cut-off date of this report.

Low Carbon-development Strategies Adopt Low-Carbon Development Strategies

A Climate Change Adaptation and Low Emission Development Strategy was adopted by the Council of Ministers in 2013, covering the period 2013 – 2025. It is currently being updated. Its integration into all relevant sectors is very slow, mainly due to the lack of knowledge and institutional capacity. Bosnia and Herzegovina is working on a National Adaptation Plan (NAP) which will identify the necessary resources and set timelines for implementing climate change-related policies and strategies. The focus will be on sectoral approaches, aligning with the climate acquis and building institutional capacities in the medium term. This constitutes an initial step in setting the general policy course for low-emission and climate resilient development; integrating more specific policies, measures and projects into sectoral strategies; and identifying existing opportunities for adaptation and mitigation actions to attract international support.

Bosnia and Herzegovina still needs to define the system for GHG emission data collection and processing, quality assurance and control of input data, a reporting

and monitoring system and the national legislation defining systems for policies, measures and projection.

Alignment with the EU acquis on industrial pollution control and risk management is very limited. The Pollutants Release and Transfer Register (PRTR) still needs to be fully operational for Bosnia and Herzegovina. This includes enforcing the obligation to report to PRTR countrywide, enabling public access to and the integration of the collected data and its transmission to the EU institutions. The PRTR Protocol to the Aarhus Convention remains to be ratified. Bosnia and Herzegovina needs to further align with the Industrial Emissions Directive (IED) and the Directives on Eco-labelling and Eco-Management and Audit Schemes (EMAS). Bosnia and Herzegovina is not aligned with the EU Directive on the control of major-accident hazards involving dangerous substances (Seveso III).

Bosnia and Herzegovina have launched a national working group for developing the National Energy and Climate Plan (NECP). Most of the relevant institutional representatives have been nominated for all five thematic working groups. The legal basis needed for the NECP and entity energy and climate plans adoption is supposed to be defined by the two energy ministries of the entities and at state level. In parallel with the NECP, entity energy and climate plans will be developed. It is strongly recommended that the processes for the development of entity and integrated NECPs are streamlined. For the preparation of the analytical basis of the NECP, the Government of Bosnia and Herzegovina relies on international donors and external experts. While drafting has started, the Secretariat has not yet received the draft NECP.

3.2.7 Horizontal Legislation

Environmental Impact Assessment / Strategic Environmental Assessment Directive

Horizontal legislation to a limited extent is aligned with the EU acquis. Bosnia and Herzegovina needs to align with the EU environmental acquis at all levels of government in a harmonized and coordinated manner and strengthen administrative capacities for efficient implementation. The countrywide environment approximation strategy adopted in 2017, and supplemented by more specific environmental approximation programmes for the entities and the Brčko District, needs to be updated and fully implemented. The plan for implementing and monitoring this strategy remains to be adopted. The sub-

sector strategies at state and entity level, which are few in number, broadly remain non-harmonized between the entities for the respective areas covered, leaving the environment sector unevenly covered across the country. The countrywide environmental protection strategy for Bosnia and Herzegovina is now being developed. This will encompass sub-sector strategies for waste and water management, air quality and nature protection. The provisions of the environmental impact assessment (EIA) and strategic environmental assessment (SEA) have not been fully transposed in the legislation at entity level. Considerably stronger enforcement of SEA and EIA is needed to ensure that environmental concerns are adequately addressed when planning investments. The country remains without a standardized system or methods for gathering, transferring and reporting environmental data. A draft strategy also remains to be adopted to monitor the management and reporting of environmental data. There has been no progress in improving the public's access to information and its participation in the decision-making process. The legal framework regulating environmental inspections needs to be improved in line with the relevant EU acquis, and implementation needs to be enforced. Capacities need to be considerably strengthened. There has been no progress in aligning with a number of horizontal environmental directives such as the Directive on Environmental Liability, the Directive on Infrastructure for Spatial Information in the European Community (INSPIRE) and the Directive on Environmental Crime. The procedure for appointing national focal points for Bosnia and Herzegovina and for determining their functions concerning the implementation of environmental conventions to which the country is a signatory party, remains to be formalized and systematized.

3.2.8 Air Quality

Latest developments in air quality	Date
Law on Air protection RS	2011; 2017
Law on Air quality FBiH	2003; 2010

Alignment with the EU acquis on air quality remains limited. A well-functioning countrywide air quality monitoring network still needs to be established together with the programme for air quality improvement. Air quality plans for areas where levels of pollutants exceed limit values still need to be adopted. Air quality

management needs to be addressed in a harmonized and consistent countrywide manner to efficiently combat air pollution and reduce as quickly as possible the levels of pollution in exceedance of the limit values in a number of cities. Progress is needed also in addressing national emissions of main pollutants and establishing national emission inventories and reporting. Bosnia and Herzegovina should develop a national strategy towards decarbonization and cleaner energy production. No progress has been made in aligning with the EU acquis when it comes to reducing the Sulphur content of certain liquid fuels (the limiting value for the Sulphur content of heavy fuel oil being 1%). The country remains in serious and persistent breach of the Energy Community Treaty as stipulated in the Decision of the Energy Community Ministerial Council from 2018. There has been no progress on alignment with EU legislation on volatile organic compounds (VOC). There are no accredited bodies in Bosnia and Herzegovina for monitoring VOC emissions. Main emission sources in Bosnia and Herzegovina are the coal-power plants, industry, household heating and transport.

In its Nationally Determined Contribution (NDC) under the Paris Agreement, Bosnia and Herzegovina aims to achieve emission reductions of 2% by 2030, compared to the business-as-usual scenario. This would mean 18% higher emissions compared to 1990. The NDC is currently being updated. Work on the Fourth National Communication and the third Biennial Update Report to the UNFCCC has been ongoing since 2018. Rules on the development of GHG emission inventories are primarily stipulated by the air protection laws of the two entities. They are not yet in line with the requirements of Monitoring Mechanism Regulation (EU) 525/2013. The country should strengthen institutional capacities and formally define competences and responsibilities in this area. This includes the establishment of a GHG inventory system at national level. As a base for a future Long-term Strategy, the first draft strategy and roadmap with an action plan for the period 2020 - 2030 was developed in 2020. The adoption of the strategy is envisaged only by April 2022.

Bosnia and Herzegovina have launched a national working group for developing the National Energy and Climate Plan (NECP). Most of the relevant institutional representatives have been nominated for all five thematic working groups. The legal basis needed for the NECP and entity energy and climate plans adoption is supposed to be defined by the two energy ministries of the entities and at state level. In parallel with the NECP, entity energy and climate plans will be developed. It is strongly recommended that the processes for the development of entity and integrated NECPs are streamlined. For the preparation of the analytical basis of

the NECP, the Government of Bosnia and Herzegovina relies on international donors and external experts. While drafting has started, the Secretariat has not yet received the draft NECP.

Large Combustion Plants / Industrial Emissions Directive

Further alignment with Directive 2001/80/EC on Large Combustion Plants and the provisions of the Directive 2010/75/EU on Industrial Emissions is foreseen with the new Laws on Environmental Protection and on Air Protection in the Federation of Bosnia and Herzegovina, which are in parliamentary procedure. Three plants are being opted out, meaning that they can only remain in operation for not more than 20.000 operational hours until December 2023. Based on the current load factor, two plants are expected to reach the limit earlier than the provisioned deadline. The 2019 emissions from large combustion plants under the NERP show compliance with the ceiling for nitrogen oxides, while the ceilings of Sulphur dioxide and dust are not complied with. The serious non-compliance with the ceiling on Sulphur dioxide elevates the urgent need to secure sufficient financing for proper implementation of the National Emission Reduction Plan.

National greenhouse gas emissions monitoring and reporting systems

Bosnia and Herzegovina still need to define the system for GHG emission data collection and processing, quality assurance and control of input data, a reporting and monitoring system and the national legislation defining systems for policies, measures and projection.

National Energy and Climate Plans (NECPs)

Drafting of the NECP of Bosnia and Herzegovina is ongoing. No draft has been submitted to the Energy Community Secretariat for comments by the end of November, 2020.

3.2.9 Noise and Light Pollution

Latest developments in Noise protection	Date
Law on noise protection FBiH	2012

Law on noise protection is adopted only in Federation of BiH, while in Republika Srpska “the noise” is regulated within the Law on environmental protection, stating that noise protection should be regulated with specific act, but without specifying the relevant and responsible body for implementation. Significant further efforts are needed to align with the EU acquis on environmental noise.

3.2.10 Waste Management

Latest developments in waste management	Date
Draft of the Waste management plan of Republika Srpska	September 2019
Law on packaging waste	2018
Decision on requirements for transboundary transport of hazardous waste	September 2016
Law on waste management RS	2013; 2015; 2018
Law on waste management FBiH	2003; 2009; 2017
Law on nuclear waste	2009

A consistent countrywide strategy for waste management has yet to be developed. Due to its administrative order, Bosnia and Herzegovina needs to ensure a coordinated and harmonized countrywide approach in dealing with waste management. This needs to be reflected both in the legislative framework and its strategic approach. The environmental protection strategy that is under development could provide for this. Bosnia and Herzegovina need to align with the Landfill Directive, including by adopting a directive specific implementation plan and by closing down or rehabilitating non-compliant landfills. Substantial efforts and awareness-raising measures are required to reduce waste generation and promote reuse and recycling. Alignment is required with the EU acquis on sewage sludge, batteries, packaging, polychlorinated biphenyls/ polychlorinated terphenyls and end-of-life vehicles.

Waste management Strategy of Republika Srpska is adopted for period 2017 – 2026. In Federation of BiH, the Law on environmental protection was adopted by Parliament at the end of 2019, and still waiting for approval of House of People. Thus, the Plan of FBiH for waste management is not updated, and the “old” version is adopted for period 2012 – 2017. In the Federation entity, cantons are

obliged to develop and subsequently implement their own cantonal waste management plans (7 out of 10 have done so). In terms of the legislative framework, waste management is implemented primarily through entities and Brčko District laws on waste management. In the Federation entity, waste management is a shared responsibility with cantons. Some of the cantons have their own legislation on waste management.

Due to the administrative order of Bosnia and Herzegovina, the country needs to ensure a coordinated and harmonized countrywide approach in dealing with waste management. This needs to be reflected both in the legislative framework and its strategic approach. Insufficient human and financial resources hamper the development of legislation and its implementation. Bosnia and Herzegovina needs to align with the EU acquis on sewage sludge, batteries, packaging, polychlorinated biphenyls/polychlorinated terphenyls and end-of-life vehicles. It also needs to align with the Landfill Directive, adopt a respective Directive Specific Implementation Plan and close or rehabilitate non-compliant landfills. Substantial efforts and awareness raising measures are required to reduce waste generation and promote reuse and recycling.

In BiH the legislation in force is the Decision on requirements for transboundary transport of hazardous waste in accordance with the Convention on Transboundary Movement of Hazardous Waste and its Disposal. Decision was adopted by the Council of Ministers on 22nd of September 2016. According to statistical data, there are 91 landfills in BiH. Sanitary landfills are located in Sarajevo, Banja Luka, Bijeljina, Tuzla and Zenica. There is no landfill tipping fee or tax, which means there is no incentive to reduce the waste sent to landfill or for the establishment of alternative waste treatment options, such as recycling. This also means that the cost of waste disposal and the environmental impacts are not covered by the system. For the recycling of municipality solid waste just a limited number of activities, involving about 100,000 residents (less than 3% of the population) are in operation. Recyclables separated from the mixed municipal waste amount to approximately less than 5% of the total municipal waste mass where 20-25 % of waste paper, 1% of plastics, and less than 1 % of glass was actually segregated and collected. At least 95% of the collected mixed municipal waste is thus landfilled, mostly at non-sanitary disposal sites. Capacity to manage industrial and hazardous waste remains to be strengthened.

3.2.11 Chemicals and GMO's

On chemicals, Bosnia and Herzegovina's alignment with the EU REACH Regulation concerning the registration, evaluation, authorization and restriction of chemicals is uneven. It requires harmonization at all levels of government and strengthening the administrative capacities necessary for its effective implementation. The EU Regulation on Classification, Labelling and Packaging of substances and mixtures (CLP) needs to be implemented. Relevant bodies responsible for receiving information to formulate preventative and curative measures should be appointed. Bosnia and Herzegovina needs to align with EU legislation on asbestos and on the protection of animals used for scientific purposes. Bosnia and Herzegovina, as a party to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, needs to progress with its implementation. Progress is required in acceding to the Minamata Convention.

3.2.12 Civil and Animal Protection

Regarding civil protection, thanks to IPA support, the country is preparing, to become a participating state of the Union Civil Protection Mechanism (UCPM). Establishing secure trans-European services for telematics between administrations (sTESTA) is a pre-condition for connecting to the Common Emergency Communication and Information System (CECIS) of the European Commission in view of the Union Civil Protection Mechanism membership.

Bosnia and Herzegovina is encouraged to implement the recommendations of the TAIX peer review carried out in 2018. There is a need for more systematic horizontal cooperation and enhanced vertical coordination, including on standardization, statistics, rescue resources, professional training and risk assessment methodologies. Operational resources should be allocated at the municipal level, with specialized rescue units complementing these resources at cantonal and/or entity levels for disasters of larger scale or complexity. The Covid-19 pandemic highlighted the need to strengthen the legal framework and institutional capacities as well as human and financial resources of civil protection authorities also with regard to health emergencies. One risk assessment for the country, systematic inspections, the establishment of civil protection stakeholder associations and civil protection education, including first aid training, will help to foster Bosnia and Herzegovina's resilience when facing disasters. The introduction of the 112 European unified emergency number (for police, ambulance and firefighters) is recommended.

3.2.13 Circular Economy

Circular Economy (CE) become recognized in recent years in Bosnia and Herzegovina. Since the European Green Deal and Green Agenda for Western Balkan been presented, BiH starts to move forward in that direction, because of the pre-accession interest to become EU member.

Having these achievements and instructions from the EU and the EC, BiH should work in line with the Green Agenda for WB. The major issue is related to coal transitions. Investment and loan taken for Block 7 of Tuzla's thermo-power plant are not in line with the Green Deal and Green Agenda. European Union adopted the new Green Deal with clear guidelines and plans of the EU, which means the decarbonization of all sectors, especially energy, and no later than 2050. It means de-carbonization until 2035 or 2040, with deadlines being moved because funds are being adopted to speed up the process.

The Circular Economy (CE) concept is developed in more depth in 2020. The European Green Deal was announced and presented in December 2019, while in 2020 it was broadened to more extent. The CE concept enables to each country to reach higher ecological standards, and decrease negative influence of economic activities of natural resources usage. The CE is in line with presented European Green Deal. The EU will provide financial support and technical assistance to help those that are most affected by the move towards the green economy – so-called Just Transition Mechanism. It will help mobilize at least €100 billion over the period 2021-2027 in the most affected regions. The Western Balkan and Turkey regions are included as the most affected.

For the Bosnia and Herzegovina, and whole Western Balkan and Turkey areas, the European Commission presented its Plan. On 7th of October, 2020, the European Commission adopted a comprehensive Plan for the Western Balkans with the aim of fostering the region's long-term economic recovery, supporting green and digital transition, and supporting regional integration and convergence with the European Union. The main goal of the Economic and Investment Plan is to encourage the long-term economic recovery of the region and regional economic integration, and it is forecasted that the total IPA budget for period 2021-2027 will be 9 billion euros. It will support the green and digital transition in the Western Balkans, the implementation of the reforms needed to make progress on the EU path and bring the region closer to the EU single market. All this should lead to sustainable economic growth and job creation.

The changes in Law remained the same as in 2019. There is no specific term "circular economy" in entities and district laws and policies. In Republika Srpska,

it is mentioned in the amendment of the Law on waste management of Republika Srpska (July 2019) – as the EU Directive 2008/98/EZ on waste was changed in 2018. The responsible Ministry incorporated new terms such as reuse of products, green backyards, program of producers extended responsibility, recycling yard, waste management center and unregulated land field. In the same amendment, the responsibility is set on the local self-government units (cities and municipalities). Duties are specified for: development of separate waste collection systems, arranging ways to collect all types of waste, identifying locations for recycling yards, green yards and landfills, including larger waste collection sites, covering the costs of cleaning and rehabilitation of wild dumps, organizing educational and public awareness raising campaigns on eco-friendly waste management, as well as organizing public cleaning activities.

Since the whole year was marked with pandemic COVID-19, civil society organizations, companies and experts, mainly organized online events, sessions and discussions where the CE model is presented to wider audience in order to make clear approach and understanding the differences between linear and circular economy models. Because of pandemic many businesses remained closed because of inability to financially endure the whole situation.

Best practices examples of supporting circular economy principles in Bosnia and Herzegovina presented following companies: Elektro-Tim Company, EKOPAK, City of Neum, Initiative "Because It Concerns Us", City of Zvornik, landfill "Ekosep", company "23. Mart", Heinrich Böll Foundation, INTERA Technology Park, ZEOS eco-system, "Omorika Recycling", Aida Commerce, ALBA, CBOS, FORTIN, BH RECYCLING, GRIZELJ Sarajevo, ADRA, Mozaik Prijateljstva.

3.3 Wildlife and Nature Protection

The recent Declaration on the Protection of Rivers as well as the conclusions calling for a prohibition of the construction of small hydro power plants on the territory of Federation of Bosnia and Herzegovina is an achievement. The missing secondary legislation for the proper implementation of the Wild Birds Directive must be adopted. The network of protected areas is lacking effective protective measures and administrative capacity that can properly assess the impacts of energy projects on the protected sites.

Wild Birds Directive

Legislation that will impose effective measures against the deliberate killing or hunting of wild birds, deliberate destruction or damaging of nests and eggs and/or removal of their nests is still not in place in Federation of Bosnia and Herzegovina. In Republika Srpska, serious efforts must be made for improving the assessment of energy projects that might have significant impacts on protected areas.

The Federation lacks the competent bodies and adequate administration capacities necessary for the successful implementation of the measures in the protected areas. The entity has identified these issues in their Strategy and Action Plan for biodiversity protection, covering the period between 2016 and 2020. In Republika Srpska, the 2025 Biodiversity Strategy recognizes the need to establish a national ecological network and an inventory of Natura 2000 areas. However, the number of protected areas as well as the capacity for their management is low.

3.4 Conclusions and Recommendations

Bosnia and Herzegovina is overall at an early stage and has some level of preparation regarding its ability to take on the obligations of EU membership and needs to significantly step up the process to align with the EU acquis and implement and enforce related legislation. Limited to no progress was made on the different EU acquis chapters.

Bosnia and Herzegovina needs to fulfil obligations in the areas of democracy / functionality, the rule of law, fundamental rights, and public administration reform in order to be recommended for the opening of accession negotiations. In its December 2019 conclusions, the EU Council welcomed the Opinion and invited the Commission to focus its annual reports on Bosnia and Herzegovina, starting with the one in 2020, on the implementation of the key priorities from the Opinion. Bosnia and Herzegovina continue to implement the Stabilization and Association Agreement and the meetings of the joint bodies under the agreement took place regularly, except for the parliamentary committee, which has yet to adopt its rules of procedures.

Some steps have been taken in the recent months, amid the COVID-19 pandemic, to address the key priorities from the Opinion. In October 2019, the Council of Ministers adopted an action plan for the implementation of the

recommendations from the Commission's 2019 analytical report, whose content was not fully agreed among all levels of government.

The country remains at an early stage of preparations in the area of Energy. No progress was made while some of the measures were introduced (including for the Block 7 Tuzla thermal power plant) represent a step in the wrong direction. Bosnia and Herzegovina needs to make significant efforts in improving cooperation and coordination to start making progress. A fragmented, inconsistent, uneven legislative and regulatory framework prevents the country from moving forward and meeting its international obligations. In the coming year, Bosnia and Herzegovina should in particular: adopt gas and electricity legal frameworks compliant with the third energy package; intensify its efforts to implement connectivity reform measures to support the functional operation of the regional market; adopt state- and entity-level legislation on renewable energy and energy efficiency in line with the obligations stemming from the Energy Community Treaty.

Significant efforts are needed on implementation and enforcement. In the coming year, Bosnia and Herzegovina should in particular: implement the countrywide environmental approximation strategy, and accordingly enhance the legal framework, strengthen administrative capacity and monitoring systems, and improve inter-institutional coordination among all relevant authorities; formalize the procedures for the appointment and functions of the national focal points (NFP) for Bosnia and Herzegovina for the implementation of all environmental conventions to which Bosnia and Herzegovina is a signatory; start implementing the Paris Agreement by putting in place policies and measures to deliver on its nationally determined contribution (NDC), update and implement the climate change adaptation and low emissions development strategy, and develop an integrated national energy and climate plan (NECP) in line with the Energy Community recommendation.

04. KOSOVO, ADVOCACY TRAINING & RESOURCES CENTRE

Environmental Status in Kosovo

Country status

The Republic of Kosovo and the European Union signed the Stabilization and Association Agreement on October 27, 2015, in Strasbourg.

The agreement approved by the Government of the Republic of Kosovo on October 30, 2015, through Decision no. 01/55 on the approval of the Draft Law on ratification of the Stabilization and Association Agreement between Kosovo and the European Union and the European Atomic Energy Community.

The Assembly of the Republic of Kosovo on November 2-nd, 2015, ratified the Stabilization and Association Agreement between Kosovo and the European Union and the European Atomic Energy Community.

The Agreement obliged Kosovo, as a country aiming for EU membership, that during the process of accession, to adopt the entire *acquis* and make it part of its domestic legislation.

Despite the obligations assumed by the signing of the agreement, Kosovo has not yet managed to harmonize its national legislation with the EU *acquis*. Environmental legislation is one of the priority areas to be addressed, due to the serious environmental situation in the country, in waste management, water management, air quality, degradation of nature, uncontrolled exploitation of natural resources, etc.

As regards alignment with European standards, Kosovo is at an early stage. Legislative alignment has continued in some areas but implementation is weak. Some progress made in the area of free movement of goods and services, public procurement and competition as well as in improving the business environment. In the area of taxation and customs, some progress made in collecting revenue and simplifying administrative procedures, but Kosovo should step up the fight against the informal economy and tax evasion. The energy sector continues to face serious challenges. No progress has been achieved to address environmental issues. Overall, Kosovo needs to improve its administrative capacity and coordination, across all sectors, to ensure effective implementation of the *acquis*.

Gross Domestic Product (GDP) per capita grew from US\$1,088 in 2000 to US\$4,458, in 2019. However, Kosovo remains one of the poorest countries in Europe, with a per-capita gross domestic product (GDP) of about \$4,458.

Under such circumstances, there continues to be strong demand for natural resources. Currently, in addition to industry and transportation, the energy sector still has the greatest impact on the environment.

Lignite was the predominant product, accounting for 97.4% of the total coal used. Renewable energy sources represent only about 9% of primary energy consumption.

The air-quality monitoring data shows that the highest limit-value exceedances were recorded for PM10 and PM2.5, especially during the winter season.

According to the results, total greenhouse gas (GHG) emissions in Kosovo in 2009 were 10.5 Mt CO₂ equivalents. Carbon dioxide represents around 80% of all emissions, while methane and nitrous oxide together represent around 10%. The most important GHG inventory sector is "fuel combustion activity", which accounts for roughly 80% of all emissions. Kosovo has not yet determined the reference year for its GHG inventory.

4.1 Summary of the Report

In Kosovo, the environmental issues do not appear to be at the top of the of the Government activities agenda. However, there have been some minor achievements as per latest EU country report for 2020 related to Chapter 15 and Chapter 27.

Key findings from the legislation monitoring

- Non-harmonization of a large part of legislation, directives and strategies with EU environmental policies;
- Inter-institutional coordination and involvement of civil society remains limited;
- Lack of field inspections;
- Defective municipal regulations;
- Large number of illegal landfills;
- Lack of waste sorting and recycling programs;
- Deforestation and illegal logging remain a problem;
- Hazardous, solid waste and the lack of a concrete strategy for their treatment;
- Air pollution and lack of a plan to reduce emissions;

- Alarming water pollution and lack of their monitoring system;
- Partial implementation of the Biodiversity Action Plan, while in the field of nature protection there has been no development;
- The implementation of the climate change strategy is still at an early stage. Kosovo relies heavily on coal and does not comply with the emission levels set out in the National Emission Reduction Plan. There is still no strategy for adaptation to climate change.

Air quality, particularly in urban areas, continues to pose a major threat to public health.

In order to improve air quality and its protection against pollution, and in order to improve monitoring and reporting on air quality, the Kosovo Institutions need to:

1. Implement the Strategy and Action Plan on Air Quality;
2. To design specific projects in order to improve the quality of air;
3. To complete inventory of emissions and sources of pollutants in the air;
4. Fully functionalize the national air quality monitoring system in order to improve the collection, processing and reporting of data on air quality;
5. Implement the online (real-time) live data reporting system for air quality;
6. Strengthen the technical and institutional capacities for maintenance of the air quality monitoring network, servicing and calibration of equipment as well as the accreditation of the laboratory for air quality;
7. Improve cooperation between monitoring institutions and operators, especially in the process of information flow, processing, reporting and more efficient public information on air quality.

The current solid waste management system in Kosovo is environmentally unsustainable.

Kosovo produces tremendous amounts of organic and inorganic waste, which are disposed in the Public Landfills. Among organic waste discharged to landfills, the most common are: paper, food, glass, plastic etc.

Financial support from the States can have greater impact and a positive effect on increasing the participation of citizens in recycling in Kosovo, thereby

increasing household income and at the same time eliminating long-term environmental pollution.

Up to day, there is no public investments in this sector and no incentives for supporting private sector to be strong and developed in the Country.

Based on data from the Statistical Agency of Kosovo, the total amount of waste treated in Kosovo is 429,534 tonnes, increased from 20,641 tonnes from the previous year.

Regarding water quality, the level of alignment is limited. Lack of ground water monitoring is a problem that requires solutions. In addition, special attention should be paid to the development of water infrastructure, establishment of wastewater treatment plants and adaptation to climate change in the water sector. Among key sector priorities are completion of legislation in the water sector and its transpositions with the EU directives and the adaptation of the National Water Strategy.

In 2019, about 89.59% of the population of Kosovo were supplied with water through public systems, managed by Regional Water Companies, while about 10.41% of the population did not have access to water services.

In 2019, the total amount of water supply for households, industrial activities and institutions was 62.07 million mW.

Whereas, the supply of households with drinking water has changed from year to year, such as in 2010 it was 41.88 million m³; in 2014, it was 46.72 million m³; while in 2016 it reached 52.33 million mW, while in 2019 62.07 million mW.

Water used for systemic irrigation in agriculture has undergone significant changes from year to year. In 2010, it was 42 million m³; in 2014, it reached 53 million m³, while in 2017 it was 52.62 million m³.

From the data of accumulation lakes, it appears that the total volume of accumulations is 565 million m³.

Data from the publication show that the largest amount of water used on a daily and annual basis as the main source have accumulating lakes and natural resources.

Regarding nature protection, main findings and recommendations are:

1. Research and inventory of species and habitats;
2. To design the Red List of fauna of Kosovo; Continuous monitoring of the condition of rare and endangered plant and animal species;
3. Protection of rare and endangered species habitats and preparation of professional justifications for the designation of protected areas of birds and habitats according to the Natura 2000 network; Establishment of management bodies for protected areas;
4. Approval of the Spatial Plan for the "Bjeshkët e Nemuna" National Park.
5. Drafting of the Management Plan for the "Bjeshkët e Nemuna" National Park;
6. Capacity building of employees in protected areas;
7. Increase of staff in National Institute for the Protection of Nature.

Insufficient enforcement of legislation and polluter accountability is hampering progress in setting up a system for preventing industrial and chemical accidents. Mechanisms should establish to ensure sustainability of the operational costs of collection and transport of waste. An operator still needs to nominate for the future hazardous waste storage facility.

Kosovo is not party to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the regulatory framework on export and import of hazardous chemicals still needs to be implemented.

The law on Noise Protection approved from the Kosovo Assembly prevent or reduce on prioritized bases, the harmful effects, including annoyance, due to exposure on noise, in environmental. However, the Kosovo Government and Kosovo Assembly needs to developed secondary legislation for Law implementation.

Significant progress is still necessary in important areas such as flood protection.

Regarding the strategic framework, the Strategy and Action Plan on Climate Change has still not adopted. The level of alignment remains limited.

Kosovo needs to approve the action plan for the Energy Strategy 2017-2026 to make operational the policy orientations developed in the already adopted energy strategy. Even if this should address some of the energy and environment

problems in the medium term, Kosovo currently continues to rely nearly exclusively on lignite as a source of energy and on two obsolete and polluting coal power plants. As a result, Kosovo is continuing to face heavy air pollution problems and electricity supply shortages.

Some of the basic challenges facing the energy sector in Kosovo include:

1. Delays in the construction of new coal-based electricity generation capacities and rehabilitation of existing plants;
2. Insufficient generation capacities to cover the peak demand in the winter season;
3. Lack of secondary and tertiary power reserves in the system due to lack of flexible generators, since 97% of domestic generation is based on lignite;
4. Limited capacities of thermal energy power systems;
5. Lack of natural gas infrastructure;
6. Significant technical and commercial losses in the electricity distribution network; inability to correctly manage cross-border flows by the transmission system operator (tso) as a result of obstruction by the Serbian TSO;
7. Underuse of energy saving potentials;
8. Underuse of potential renewable energy resources;

The Constitution of the Republic of Kosovo, in addition to guaranteeing human rights, has also guaranteed environmental rights, such as;

1. The right to live in a healthy environment
2. The right to participate in public consultation
3. The right to be informed
4. The right to compensation in case of environmental damage
5. The right to organize, form associations, organizes gatherings, etc.

Although guaranteed by the Constitution and Laws, the practical implementation of these rights continues to be a challenge. The construction of more than 10 hydropower plants in Kosovo, contrary to the interests of the

inhabitants of the areas, is an argument that the interest of businesses is primary in relation to the public interest.

4.3 Environmental Accountability & Governance

The Law on Environmental Protection has defined the duties and obligations of Kosovo institutions in environmental protection:

1. The Assembly and the Government of Kosovo shall ensure the protection of the environment by issuing strategic documents and programs for the protection of the environment from specific areas, provided such strategic documents and programs shall be in conformity with the other provisions of this law.
2. The Ministry of Environment will protect the environment to the point that specifically authorized by this law, the provisions of supplementary normative acts issued by this law within the summary of responsibilities specified in the Law.
3. The municipality may, based on this law, have the duty to exercise responsibility for those environmental issues that arise or are likely to arise in that municipality, in case those issues may taken over, controlled, prevented, financed or managed by that municipality itself.

4.3.1 Environmental Monitoring

Monitoring of the state of the environment is implemented at the national level, by the Ministry of Environment through the Kosovo Agency for Environmental Protection, which provides permanent monitoring of the environment, the condition and characteristics of nature values, in space and at certain times, monitoring of degradation with the use of natural resources and their impact on human health.

The Agency is also responsible for collecting and systematizing basic data and other environmental indicators, data from entities responsible for pollution and environmental disturbance including water, air, soil, biological diversity, flora and fauna, climatic elements, atmosphere, radiation, as well as harmful and hazardous substances to the environment.

The data collected from the monitoring of the state of the environment constitute public information and are included in the Environmental Protection Information System. This data made known to the public through public media or other forms of public information.

4.3.2 Fight against Crime to Environment

The Law on Environmental Protection provides for the establishment of the Kosovo Environmental Fund. The Fund will be in a separate financial account within the Kosovo Consolidated Fund.

Funds in the Fund's account will be used to improve the environment, minimize concentrations of hazardous pollution, and promote environmental protection.

The fund will be funded by:

- (a) Funds from the public specifically addressed to the Kosovo Consolidated Budget Fund;
- (b) Revenues from environmental taxes approved by the Assembly;
- (c) Fines, penalties and taxes authorized by this law and revenues from polluters;
- (d) Any grant or donation specifically dedicated to the Fund.

Although provided by law, this Fund still not established so far.

4.4 Energy (Under Chapter 15)

4.4.1 Security of Supply

Renewable Energy Sources (RES) comprise a significant component of the energy sector in Kosovo, as is outlined in the Energy Strategy of the Republic of Kosovo 2017-2026.

The Energy Strategy of Kosovo 2017-2026, has provided the basic objectives in energy sector, such are:

1. Development and promoting the sustainable economic development;
2. Environmental protection; sustainable and reliable energy supply to final customers;
3. Efficient use of energy; development of new conventional and renewable generation capacities,
4. Creation of a competitive market;
5. Development of the gas system and the creation of new jobs in the energy sector.

The Energy Strategy 2017-2026 facilitates the promotion of RES, strengthening further fiscal and financial measures for RES and the legal and regulatory framework.

The energy sector holds an important place in the Stabilization and Association Agreement (SAA), which entered into force on April 1, 2016. Under this Agreement (Article 114), Kosovo is obliged to fulfil obligations related to the integration of the regional common market, which includes the Energy Community Contracting Parties. Implementation of the energy acquis related to competition in the energy market, protection of the environment, Energy Efficiency (EE), and renewable energy sources is an important set of obligations that Kosovo must fulfil in the energy sector in the near future. The Energy Strategy 2017-2026 is addressing these challenges.

The National Renewable Energy Action Plan (NREAP) for the period 2011-2020 submitted in 2013, establishing specific sub targets under the main target of 25% and proposing measures for their achievement until 2020. Kosovo decided within the framework of this first version of the NREAP to adopt a second, more ambitious target than the national mandatory overall target for the penetration of RES in the gross final energy consumption for 2020. This was determined in the Ministerial Council of the Energy Community Decision D/2012/04/MC-EnC on implementation of the Directive 2009/28/EC and amending Article 20 of the Energy Community Treaty. The NREAP mentioned that Kosovo intends to fulfil and surpass its national mandatory target through the implementation of national measures for the promotion of RES, without aiming at the exploitation of the various flexible mechanisms for cooperation, such as joint projects and schemes. This second target was set at 29.47% of the expected gross final energy consumption in 2020.

On security of supply, investment and maintenance continue to improve the reliability of the power transmission system. However, the new transmission line to Albania remains non-functional because of lack of implementation of the connection agreement between the European Network of Transmission System Operators for Electricity and the Kosovo Transmissions System Operator. (cfr. section Trans-European networks). While distribution losses are slowly dropping, the speed of investment in the distribution network is not satisfactory. Combined commercial (not paid bills) and technical losses in 2016 were high at 30%. There was no progress in aligning legislation in the area of compulsory oil stocks and obligatory petroleum reserves with the acquis. Current oil stocks estimated to last

only four days. Tariffs on petroleum products (lubricants and petrol coke) have been abolished.

4.4.2 Energy Market

As regards the internal energy market, there has been some progress in implementing legislation transposing the Third Energy Package. The regulatory authority began moves towards market opening by adopting the switching rules and by issuing licenses to two new suppliers to operate on the Kosovo market. An EU-based trader admitted without requiring an additional license. As regards new power generation capacity, the commercial agreement for the new power plant with the bidder has signed in December 2017, but its potential impact on public finances, tariffs and environment still needs to be assessed. Environmental measures are urgently required at the Kosovo B power station to reduce the level of ash dump in the air and to comply with the emissions reduction plan. According to the Energy Community Secretariat, the postponement of the emissions reduction plan to January 2022 is in breach of Energy Community Treaty provisions. Kosovo has made some progress in partially deregulating the generation price and phasing out cross-subsidies between different categories of customers. However, electricity consumption (nonpaid bills) in the north of Kosovo continues to be treated as a commercial loss, which is recovered under the retail tariffs. The Board of the Energy Regulatory Office is now functional, but the capacity and independence of the Office have been undermined by political interference, low administrative capacity and lack of human resources.

4.4.3 Hydropower

There are currently 14 small hydropower plants operating in Kosovo, built in some mountainous areas, mainly in Protected Parks, built in violation of applicable laws, without obtaining the consent of the Municipalities and without the consent of the residents of the areas. Only during 2020 in Kosovo were given approvals and construction permits to 21 Hydropower Plants, which are in various stages of construction. Construction permits issued without any Professional Environmental Assessment, without obtaining the consent of the Municipalities and without consulting the surrounding residents, as provided in the Aarhus Convention for public participation in decision-making in projects of general environmental importance.

During 2020, citizens organized number of protests where the construction of hydropower plants has begun, such as: Brezovica, Deçan, Peja, Dragash. In all these areas, the construction of hydropower plants has affected and will

negatively affect their lives, specifically in the reduction of water resources, necessary for livestock cultivation, land irrigation, use of drinking water, etc.

Due to public pressures, numerous protests, numerous articles in the media, pressure from civil society organizations, the Ministry of Environment and Spatial Planning in early 2020 has decided on a Moratorium to continue construction of hydropower plants.

Furthermore, the Parliament of Kosovo established the Parliamentary Commission of Inquiry on the process of licensing, operation, supervision and application for hydropower permits of the Commission,

4.4.4 Renewable Energy

There was very little progress in the renewable energy sources sector. While the legislation is partially aligned with the acquis, a new electricity market design should be put in place to facilitate integration of renewable energy generation. The auction market for producers remains non-existent.

Legislation still needs to be developed in line with connectivity measures. Kosovo should revise its action plan to get on track to reach the renewable energy target of 25 % in 2020. The level of investment remains minimal despite the existing legal framework for support schemes for energy produced from renewable sources. Kosovo needs to introduce a market-based approach for cost-effective promotion of renewable energy and integration of renewable energy into the market. Connection and access to the transmission and distribution grids remain the main barriers for renewable energy producers due to the inability of the grid operators to deal with intermittent electricity production. There is no regulation for minimum requirements for renewable energy in buildings. There was no progress in meeting the requirements for the use of biofuels in transport.

There are some hydropower plants in Kosovo, but with a small amount of production. Its production is almost 3-4% of the hydropower plants energy production. The energy produced by wind can also not be taken into consideration, because Kosovo does not have strong winds, with the exception of some high peaks, where investment would be very expensive.

4.4.5 Energy Efficiency

There was some progress on alignment with the energy efficiency acquis, with the adoption in 2017 of a law on energy performance of buildings. However, the

new law – linked with the draft Law on the Energy Efficiency Fund – on energy efficiency still need to be adopted.

The 2010- 2018 Energy Efficiency Action Plan envisages an energy savings target of 9 %, which seems unlikely.

Kosovo has approved its third energy efficiency action plan. The establishment of the Energy Efficiency Fund remains crucial to ensure more investment in energy efficiency measures in public and residential sectors.

The Kosovo Agency for Energy Efficiency is understaffed and has low capacity to monitor, evaluate and verify progress towards targets. Kosovo is at an early stage of preparing the legal and regulatory framework on nuclear safety and radiation protection.

The Law on Radiation Protection and Nuclear Safety adopted. The capacity of the Nuclear Safety and Radiation Protection Agency for licensing and inspections remains weak and its funding is insufficient to implement its mandate.

There is no radiation monitoring (for example of depleted uranium), no control of radioactive waste and no radiological emergency plan. Kosovo is not party to the Convention on Nuclear Safety or the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management.

4.5 Environment (Under Chapter 27)

4.5.1 Horizontal Legislation

Regarding horizontal legislation, further progress needed for full alignment and implementation of the remaining crosscutting environmental directives.

The lack of enforcement of Environmental Liability Directive undermines the effectiveness of environmental protection. Environmental inspectorates lack staff and capacity and are unable to ensure effective enforcement although some efforts have made for alignment with the Environmental Crime Directive.

The strategy on environment still needs to be updated and implemented. Implementation of priority measures is undermined by insufficient funding, a lack of administrative capacity and technical skills. The use of environmental and strategic impact assessments needs to improve considerably, especially in industrial sectors such as energy and transport.

Meaningful involvement of the public and civil society is necessary.

4.5.2 Air Quality

Measures to improve air quality still need to be adopted. Air quality, particularly in urban areas, continues to pose a major threat to public health. Kosovo's strategy for air quality and the law on ambient air quality continue not to be enforced. Uncontrolled pollution from the energy sector – particularly from the Kosovo B power plant and household heating – but also from industrial complexes, road traffic, and incineration of waste and other toxic materials remains a serious problem. Air quality plans for zones where the levels of pollutants visibly exceed limit values by a wide margin, especially in winter, have still not been prepared and adopted. The air quality monitoring system still needs to provide real-time data to the public. There is a lack of sufficient financial resources and capacity to maintain and calibrate the monitoring equipment. Urgent measures need to be taken to reduce household reliance on lignite heating.

The Ministry of Environment and Spatial Planning as a responsible authority for the air quality management has completed the legislation in this sector, based on the EU legislation and adapted to the country's socio-economic situation, which includes:

- The Law on the Protection of Air from Pollution, Law no. 03/L-160,
- Administrative Instruction (AI) on Emission Norms in the air by static sources,
- AI on controlling the emission of volatile organic compounds during disposal, dumping, filling and transportation of fuel,
- AI on the criteria for setting up monitoring points, number and frequency of measurements, classification of pollutants which are monitored, methodology of work and data reporting time,
- AI on the air quality norms,
- AI on the permitted norms of emissions in the air by movable pollution sources.

The Strategy on the Air Quality Strategy for the year 2013-2022 is part of the overall program for the protection of environment, which was approved by the Kosovo Assembly on 19.12.2013 no. 04/V-741.

This year, the Action Plan for Air Quality (APAQ) has been prepared.

Kosovo is a member of the Energy Community Treaty-ECT, thus has the obligation to prepare the National Plan for the Reduction of Emissions (NPRE), which has been forwarded to the ECT for approval.

4.5.3 Waste Management

The current solid waste management system in Kosovo is environmentally unsustainable.

The legal framework partially aligned but waste remains one of the most significant problems in Kosovo. Most waste streams end up in legal and illegal landfills. Collection coverage needs to further increase.

The strategy and master plan for waste management 2013-2022 is only partly reflected in municipal plans for solid waste. The responsible authorities should take steps towards a circular economy approach, by introducing separation of waste at the source, recycling and recovery of waste streams. The high number of dumpsites needs urgently and sustainably to address.

Most existing landfills are at the end of their storage capacity and pose considerable long-term environmental risk, especially groundwater contamination. This is particularly the case at the Mirash landfill in Obiliq/Obilić.

4.5.4 Water Quality

In the area of water quality, the level of alignment is limited.

A strategy and action plan on water protection have still not been adopted and urgent efforts are required to ensure the functioning of the river basin authority, established in July 2017, including preparation of its management plan. Untreated sewage and discharge remain the main source of pollution.

The groundwater-monitoring network is at an early stage. The system for monitoring surface water is not yet operational.

The identification of agglomerations and the definition of sensitive areas is required, in line with the Urban Waste Water Treatment Directive.

Budget funding needs to be secured for priority projects in this area. Tariff-rate collection needs to be improved and technical water losses reduced.

4.5.5 Nature Protection

On nature protection, there has been no progress on the alignment with the acquis. Effective protection for designated protected areas is not in place.

Illegal construction in protected areas needs to be combated effectively. Infrastructure plans need to ensure that nature protection obligations are respected, particularly in areas that could potentially become protected Natura 2000 sites.

The process of Natura 2000 designation is still at the very beginning due to a lack of technical and staff capacities in relevant institutions.

4.5.6 Industrial Pollution and Risk Management

On industrial pollution and risk management, alignment remains at an early stage.

Insufficient enforcement of legislation and polluter accountability is hampering progress in setting up a system for preventing industrial and chemical accidents.

Hazardous mine waste, and industrial dumpsites continue to pose a serious risk to soil and water. Mechanisms should be established to ensure sustainability of the operational costs of collection and transport of waste. An operator still needs to nominate for the future hazardous waste storage facility.

4.5.7 Chemicals

On chemicals, the alignment with the acquis remains at an early stage. Kosovo is not party to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the regulatory framework on export and import of hazardous chemicals still needs to be implemented.

4.5.8 Noise

The secondary legislation for Law on Noise still needs to be adopted. Strategic noise maps and action plans still need to be developed, as well as effective action to implement the law.

4.5.9 Civil Protection

Kosovo is not part of EU Civil Protection Mechanism; however, Kosovo is a beneficiary of the IPA Civil Protection Cooperation programme since 2010. Significant progress is still necessary in important areas such as flood protection. Kosovo faced difficulties to implement The Aarhus Convention, especially the obligation for public consultation for the investment in environment.

4.5.10 Climate Change

The level of alignment remains limited. Regarding the strategic framework, the Strategy and Action Plan on Climate Change still not been adopted. The Strategy also contains component on adaption to climate change.

The National Council for Environment and Climate Change failed to take concrete measures to mainstream climate action and to raise awareness in the public. There is still no evidence of mainstreaming climate change in any of the government projects, particularly in energy and transport sectors. Although Kosovo is not a signatory to the UN Framework Convention on Climate Change and therefore has not prepared an Intended Nationally Determined Contribution to the 2015 Paris Agreement, full implementation of its climate change strategy should help Kosovo reach the low emissions and climate-resilient objectives of the agreement. Regarding the transparency of climate action, responsibility for compiling greenhouse gas (GHG) inventory reports lies with the Kosovo Environment Protection Agency.

Kosovo still has to align with the EU Emissions Trading System. Further efforts should made in the field of emission standards for new cars and vans, consumer information, fuel quality as well as effort sharing, geological storage of CO₂, land use, land-use change and forestry, ozone depleting substances and fluorinated gases.

4.6 Concluding Notes

As regards alignment with European standards, Kosovo is at an early stage. Legislative alignment has continued in some areas but implementation is weak. Some progress made in the area of free movement of goods and services, public procurement and competition as well as in improving the business environment. In the area of taxation and customs, some progress also made in collecting revenue and simplifying administrative procedures, but Kosovo should step up the fight against the informal economy and tax evasion. The energy sector continues to face serious challenges. No progress has been achieved in addressing environmental issues. Overall, Kosovo needs to improve its administrative capacity and coordination, across all sectors, to ensure effective implementation of the *acquis*.

05. MONTENEGRO, GREEN HOME

5.1 Chapter 15: Energy

This initial section is meant to present an overall picture of Montenegro EU Accession progress made during last year, with regard to environment, climate change mitigation and energy sector.

In 2016, the Government of Montenegro adopted the National Strategy for the Transposition, Implementation and Enforcement of the EU Legal Framework in the Field of Environment and Climate Change (NEAS) with the Action Plan for the period 2016-2020, which includes an approximate cost estimate. At the Government of Montenegro session of February 8th, 2018, the Negotiating Position for Chapter 27 was adopted. The lack of administrative capacity and financial resources at national and local level are delaying the strategy implementation. According to the revised Action Plan, now it is obligatory to report on NEAS implementation on a bi-annual basis instead of a quarterly basis as it used to be before.

This Action Plan has recognized 253 obligations for implementation for 2018-2020 (131 for transposition and 122 for implementation). The last Report was adopted at the governmental session held on 26th December 2019 for the period July 2019 until December 2019. According to that report, from July until December 2019, 11 obligations are met (4 in transposition and 7 in implementation) or 23,4% - in the field of horizontal legislation 0%, in the field of air quality 100%, in the field of waste management 0%, in the field of water management 22.2%, in the field of nature protection 23.1%, in the field of industrial pollution and control 75%, in the field of chemicals 50%, in the field of noise 0%, in the field of civil protection 0%, and in the field of climate change 0%.

In total 64 obligations are planned in 2019, and 22 obligations are met (8 for transpositions and 14 for implementations) or 34,4% of them.

According to the same half-year report, 42 obligations planned in 2018 are not met or 45% of them.

Having in mind the high percentage of unfulfilled obligations from the previous period, the Government of Montenegro, during the governmental session held on 26th December 2019, concluded that all ministries involved in the implementation of NEAS are indebted to implement all obligations as soon as possible. However, as the Ministry no longer prepares reports on the implementation of NEAS, it is not known whether obligations are met or not.

The transposition of EU Acquis which regulates the climate change issues is in its early phase and climate policies are not adequately integrated into related sectors' policies.

The implementation of the Climate Change Strategy under the EU2030 framework needs to be ensured as well as its integration in plans and strategies in the field of Energy. Genuine dialogue between civil society and the Government is required to achieve effective public participation and consultation in decision-making.

The Fund for Environmental Protection (ECO Fund) was established in November 2018 ("The Official Gazette of Montenegro", No. 81/18) and needs to become operational (the management structure is nominated by a Decision published in the "Official Gazette of Montenegro", No. 16/19). At the 137th Governmental session, held on 3 October 2019, the Statute of the Fund for Environmental Protection (ECO Fund) was adopted.

Without running a Governmental session (due to the measures taken against COVID-19), on 2 July 2020, the Twenty-fifth Quarterly Report on Total Activities in the Process of Integration of Montenegro into the European Union for January – March 2020, was adopted. The Report contains an overview of the most important activities related to the political dialogue of Montenegro with the European Union, accession negotiations, informing the public about the process of accession, activities under some Chapters, implementation of the Stabilization and Association Agreement, harmonization of domestic legislation with European legislation and the Instrument for Pre-accession Support - IPA. Regarding Chapter 27 it is highlighted that the ratified Nagoya Protocol and the preparation of the Management Plan for Ulcinj Salina has started. For regular and comprehensive information and exchange of views on current topics and challenges of the negotiation process, the Report is forwarded to the Parliament of Montenegro.

- Environmental Status in Montenegro

Many strategic documents (NEAS, National Strategy for Air Quality, National Strategy on Biodiversity) are still incomplete.

The Government of Montenegro adopted changes on the Law on Protection on Noise in Environment and changes on the Law on Game and Hunting (which are in the Parliamentary procedure). The Management Plan for Communal Waste Water 2020-2035, the Statute of the Fund for Environmental Protection, Statement for Draft Decision on criteria, type and amount of compensation,

method of payment, taxpayers, as well as facilities for certain categories of payers for environment polluters for the Municipality of Pljevlja, the Plan for the remediation of hot spots in the Municipality of Pljevlja, the Plan for the reconstruction of TPP Pljevlja (First block) and topification of Pljevlja Municipality, by-law in accordance with the Law on IPPC, the Program for building WWTP and collectors system, the Act of Proclamation of the new protected area Nature Park „River Zeta“, the National plan for flood protection and rescue, the National plan for protection and rescue regarding technical and technological hazards, Information about concussions in the field of water and forest, Report on NEAS implementation for July-December 2019, Monitoring environment programme for 2020, Monitoring programme for Surface Waters and Ground Waters, Decision on Determination of Sensitive Areas in the Water Area of the Adriatic basin, Report on the Implementation of the AP for reducing the negative impact on the environment, the Report on the Implementation of the Plan for the reorganization and strengthening of administrative capacities for the sectors of environment and climate change in Montenegro for 2017-2020, the Management Forestry Programme for 2020, the Report on the Implementation of the Action Plan against illegal activities in the Forestry Department, the Report on the Implementation of Action Plan of the Forestry Strategy, the Report on the Implementation of Chemicals Management Strategy, the Plan for the elimination of HCFC substances that Deplete the Ozone Layer, By-law on the methodology used to establish the price of communal services, by-law according to the Law on Chemicals, the Report on the Implementation of the National Strategy on Air Quality and the Third Report on the Implementation of the Climate Change Strategy.

The implementation of Natura 2000 is ongoing

According to the Government Report for the 1st and 2nd quarters of 2020, the following obligations have been met: Amendments to the Rulebook on the Detailed Content of the Chemical Safety Report, the Rulebook on Plants Using Organic Volatile Compounds, the Rulebook on Amendments to the List of Classified Substances, Rulebook on Criteria for Identifying Substances as Persistent, Toxic and Very Persistent and Bio Accumulative, the Rulebook on emission limit values, technical measures for exemption from the application of

limit values and method of monitoring, the Rulebook on the content, form and manner of filling in the application for the issuance of an integrated permit.²³

Lack of political will, insufficient horizontal coordination between state authorities, delay in fulfilling certain obligations proves that the capacities of state administration are limited. All this leads to poor implementation and enforcement of legal acts, delays and deadline postponement.

Lack of human resources is evident. After the resignation of the Minister of Sustainable Development and Tourism in November 2019, the Government of Montenegro did not appoint a new one.

According to the Report on the Implementation of the Plan for the reorganization and strengthening of administrative capacities for the sectors of environment and climate change in Montenegro during 2017-2020, the six new employees are engaged from July 2018 until December 2019 (two of them in the two inspections). This Plan is significantly different from NEAS²⁴ and that should be harmonized and prescribe a clear vision and priorities. According to the NEAS, the total needs are 227 new employees (54 for Horizontal Legislation, 10 for Air Quality, 21 for Waste Management, 52 for Water Quality, 18 for Nature Protection, 13 for IPPC, 20 for Chemicals, 5 for Noise, 7 for Civil Protection and 27 for Climate Change) and 47 in three inspections (Ecological - 24, Forestry -14 and Water - 9).²⁵

There is no sustainable financial framework which can respond to demanding implementation and enforcement of legislation. ECO Fund is established but still not operational. Expectation that the Eco Fund could serve as a key mechanism for financing obligations under Chapter 27, is a challenge from the capacities, organizational, technical and financial point of view. The funds that could be collected are not sufficient for the costs of financing the environmental projects and costs estimated in the NEAS. For example, for "heavy" directives it is

²³ Report on the implementation of the Program of Accession of Montenegro to the European Union for the I and II quarter of 2020, Podgorica, July 2020.

²⁴ National Strategy for transposition, implementation and enforcement of EU environment and climate change Acquis (NEAS) with Action plan for period 2016-2020, pg. 174

²⁵ National Strategy for transposition, implementation and enforcement of EU environment and climate change Acquis (NEAS) with Action plan for period 2016-2020, pg. 140-200

necessary to prepare implementation plans followed by the planning of costs in the state budget.

It is obvious that there will be no substantial financial allocations for closing the Chapter 27 deriving directly from the state budget but rather from private sector penalties. Having in mind the low rate of collectability of tax and penalties from this sector, there is a reasonable doubt that proposed solutions within the Eco Fund will be able to significantly contribute to attain the committed activities under this Chapter. It is estimated that the total cost of alignment amounts to EUR 2,108 million²⁶ in nominal terms. Limited financial resources in the relevant ministries and administrative bodies remain a matter of concern, especially with regard to the overall capacity of these institutions in order to ensure the effective implementation and enforcement of the acquis. According to the Law on Budget for 2020 the amount of 1.63 mil. or 0.09% of total expenditures of the current budget funds were allocated for the Program "Environmental Protection and Communal Development", in 2019 €1.33 mil. or 0.08%, in 2018 the amount of €1.43 mil. or 0.09%, in 2017 the amount of € 1.8 mil. or 0.09% were allocated which is more than insufficient for carrying out the strategic and legislative activities in this area.

Funding for the EPA Monitoring Program for 2020 is €531.737²⁷, for 2019 it was €410.000, for 2018 €400.000, for 2017 €330,000, while for 2016 it amounted to €322,500.

Lack of horizontal coordination between governmental institutions seriously jeopardizes the quality of legislative processes.

Regarding the cooperation with the civil sector, more transparency and cooperation is needed. Further monitoring of legislative activities by the EU institutions, better communication with environmental CSOs as well as publishing of the opinions given by the European Commission to the drafted legislation could contribute to the quality of the legislative process. Although competent CSOs monitor, participate, argue and insist on dialogue in all important processes of national interest, this is largely ignored by the line

²⁶ National Strategy for transposition, implementation and enforcement of EU environment and climate change Acquis (NEAS) with Action plan for period 2016-2020, pg. 118

²⁷ Annual programme monitoring for 2020, adopted at 153th Governmental session, held on 26th December 2019

ministry and responsible institutions. The civil sector does not have adequate finance or state support that prevents it from monitoring the activities of state bodies in an adequate and continuous manner. The public call of the Ministry of sustainable development and tourism related to the financing of NGO projects was published with big delay (August 2019) and the implementation of approved projects only started in December 2019. Although in 2020 the public call was published in the first half of the year, the results of the call are significantly delayed and by the time this report was being compiled (September 2020) they had not been published yet. It is not clear why the procedure has been so delayed, but it is certain that the implementation of these projects will start by the end of the year.

5.2 Energy (Under Chapter 15)

5.2.1 Renewable Energy

The Renewable Energy Directive has been partially aligned through the Energy law. The national action plan on the use of renewable energy sources by 2020 was adopted in 2014. In 2016 41.6 % of energy gross final consumption came from renewable sources, thus exceeding the 33 % 2020 target.²⁸ The Draft Law on amendments to the Energy Law was adopted at the government session held in July 2020.

Montenegro committed to a binding 33% target of energy from renewable sources in gross final energy consumption in 2020. According to the energy balances published by EUROSTAT, Montenegro achieved a 45.1% share of energy from renewable sources (in total electricity generation) in 2017 and a 58.7% share in 2016, thus overachieving the 33% target for 2020. This is mainly due to revision of biomass data in 2011, leading Montenegro to exceed its target already in 2009 without any additional effort. Montenegro adopted and submitted to the Secretariat the National Renewable Energy Action Plan required by Directive 2009/28/EC. The NREAP foresees reaching 36% of energy from renewable sources in gross final energy consumption in 2020. The third progress report for 2016 - 2017 submitted to the Secretariat states that the country achieved a 31,8%, a share of energy from renewable sources in 2016 and a 32,3 % share in 2017, which contradicts the statistical data submitted by the Statistical Office of Montenegro to EUROSTAT. The calorific value of firewood is the main disputed parameter by the Ministry of Economy leading to different results in the calculation of the share

²⁸ Montenegro 2018 Report

of energy from renewable sources. The authorised institutions of the country have to comply with the acquis on energy statistics of Regulation (EC) 1099/2008, therefore enabling comparability of data.²⁹

Integrated planning development, decarbonisation of the energy sector through increasing energy efficiency and participation of renewable energy sources (OIE), introduction of BAT-BREF (Best Available Techniques - Reference Document) standards that imply new, more stringent limit values regarding the emissions of pollutants do not exist.³⁰

Significant quantities of electricity have been lost or unpermitted taken over from the transmission and distribution system for years (around 22%).³¹ There is low investment in the distribution system.

5.2.2 Energy Efficiency

Montenegro has defined the indicative goal of increasing energy efficiency since 2010, which represents a saving of 9% of the country's final energy consumption by 2018. This goal was also confirmed by the Energy Efficiency Action Plan for 2016-2018 from 2016. According to available data, 84% of the above goal has been achieved.

Montenegro has adopted the Energy Efficiency Action Plan for 2019-2021, aiming to continue saving by reducing electricity consumption by 1 percent per year. However, in October 2015, a decision was made at the session of the Ministerial Council of the Energy Community (D / 2015/08 / MC-EnC) according to which the transposing of the new Energy Efficiency Directive 2012/27 / EU3 (EED) became binding for the EC Member States, and therefore for Montenegro. The Public Private Partnership Law is adopted, thus fulfilling legal prerequisites for the realization of ESCO projects. The Ministry of Economy of Montenegro has prepared amendments to the Law on Efficient Use of Energy, adopted by the Parliament of Montenegro on 4 April 2019.

This Law will contribute to the harmonization with the requirement of the basic EU Directive on energy efficiency (Directive 2012/27/EU on energy efficiency). The obligation of Montenegro is to transpose it based on the membership in the

²⁹ Annual implementation Report Energy Community Secretariat 1 September 2017

³⁰ Analyse of Chapter 27 – Coalition 27, Montenegro

³¹ Annual Report on the Implementation" of the Energy Community in 2016.

Energy Community, regarding the introduction of the requirement related to the establishment of centralized reporting on the implementation of energy efficiency measures and achieved energy savings from all entities recognized by this law and conduction of a special study on energy efficiency improvement in buildings in Montenegro.

In addition, in accordance with the law, there are subsidies for users of material benefits and vulnerable energy consumers, and the right to invest in energy efficiency is provided to all citizens through numerous programs implemented by the Ministry of Economy (Solar Katuni, MONTESOL, ENERGY WOOD, Energy Efficient Home ..).The Ministry of Economy has implemented two projects, in order to provide citizens with the purchase and installation of a heating system for boilers and stoves on modern forms of biomass, such as briquettes and pellets, on credit for up to seven years without interest.

5.3 Environment (Under Chapter 27)

5.3.1 Water Quality and Management

In the field of water quality, from October 2019 until September 2020 progress in harmonization of Directive 2008/56 has been achieved. Progress in implementation regarding the obligations from NEAS has been achieved. The monitoring network for surface and groundwater is established in accordance with Directive 2006/118 and the First Programme Monitoring of surface and groundwater is adopted. Management Plans for two river basins have been produced but not adopted yet. The development of the National Marine Strategy has not started yet.

The Plan for WWTP construction was adopted. The Management Plan for Communal Wastewaters in Montenegro (2020-2035) was adopted.

The National Plan for Flood Rescue and Protection was adopted as well. Lack of financial resources for the construction or modernization of urban wastewater collection and treatment systems and water supply system as well as unclear division of responsibilities between competent authorities are challenging.

Pollution of municipal and industrial wastewater, construction in floodplains, intensive construction of small hydro power plants on mountain waters and in protected areas, remain the most serious threats.

In the area of water management, in the reporting period the further harmonization with EU Acquis has been achieved by adoption of the Law on marine environment protection. This Law is partly harmonized with:

1. The Commission Directive (EU) 2017/845 of 17 May 2017 amending Directive 2008/56/EC of the European Parliament and of the Council as regards the indicative lists of elements to be taken into account for the development of marine strategies. OJ L125,18.5.2017.
2. The Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU, OJ L125,18.5.2017.
3. Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of Marine environmental policy (Marine Strategy Framework Directive), OJ L 164, 25.06.2008.

At the 137th Government session on October 3rd, 2019, the Management Plan for Communal Wastewaters in Montenegro (2020-2035) was adopted. This Plan was submitted to the EC together with the Specific Implementation Plan of the Urban Wastewater Directive 91/271 / EEC (DSIP).

At the 145th Government session on 28th November 2019, the Programme for the construction of collector systems and plants for the treatment of Communal wastewater was adopted.

At the 148th Government session on 12th December 2019, the National plan for Flood Rescue and Protection was adopted.

The implementation of the IPA 2016 project "Management Support and monitoring in water management in Montenegro" ensures enforcement of the following Directives: Nitrates Directive, Groundwater Directive, Floods Directive and Marine Strategy Framework Directive. The implementation of this Project contributes to the implementation of obligations under the framework of the fourth final benchmark (water quality), in accordance with the requirements of

the EU Common Position for Chapter 27. The report on the implementation of the National Strategy on Water Management for 2019 has not been adopted yet.

New contracts are signed for the construction of sHPPs „Jezerštica“, „Bistrica“, „Jelovica 2“, „Jelovica 1“, „Crnja“, „Ljubaštica“, „Crni potok“.³²

In the water sector the system of competences is fragmented. The Ministry of Agriculture and Rural Development is the competent authority. According to the fragmented competences the level of implementation and enforcement of the water legislation is not adequate. Management plans for two river basins were produced at the end of 2019, but not adopted yet. Clear actions in this field are still missing. The construction of sewerage networks and wastewater treatment plants is being delayed. An effective monitoring and enforcement system is not established.

Measures to eliminate the pollution of inland surface waters, territorial waters and internal coastal waters by dangerous substances are not in place.

WWTPs are missing in many municipalities while the existing ones, e.g., in Podgorica, do not correspond either with capacity or technology standards.

5.3.2 Climate Change

From October 2019 until September 2020 progress has been achieved in further alignment with EU Acquis Communautaire.

The Parliament of Montenegro adopted the Law on Protection from the negative impact of Climate Change.

On 20th May 2020 the Government adopted the Plan on the elimination of HCFC substances that Deplete the Ozone Layer. On 30th July 2020 the Government adopted the Third National Report on Climate Change.

Although the Paris Agreement has been ratified, significant efforts need to be made to ensure the fulfilment of its international obligations and the EU Acquis in the field of climate change.

The importance of planning in the field of climate change in Montenegro is still not recognized in the right way. The transposition of EU Acquis which regulates

³² Information on contracts realization for building sHPPs (www.gov.me)

climate change issues is in its early stage and climate policies are not adequately integrated into related sectoral policies. The implementation of the Climate Change Strategy under the EU2030 framework needs to be ensured alongside its integration in plans and strategies in the field of Energy.

In the field of climate change, the Parliament of Montenegro adopted a Law on Protection from negative impact of Climate Change which transposes the relevant EU Acquis.

This Law is fully harmonized with:

1. The Commission Directive 2003/73/EC of 24 July 2003 amending Annex III to Directive 1999/94/EC of the European Parliament and of the Council (Text with EEA relevance), OJ L186, 25.7.2003.
2. The Commission Regulation (EU) No 291/2011 of 24 March 2011 on essential uses of controlled substances other than hydrochlorofluorocarbons for laboratory and analytical purposes in the Union under Regulation (EC) No. 1005/2009 of the European Parliament and of the Council on substances that deplete the ozone layer, OJ L 79, 25.3.2011.
3. The Commission Regulation (EU) No 291/2011 of 24 March 2011 on essential uses of controlled substances other than hydrochlorofluorocarbons for laboratory and analytical purposes in the Union under Regulation (EC) No. 1005/2009 of the European Parliament and of the Council on substances that deplete the ozone layer, OJ L 79, 25.3.2011.

The plan on the elimination of the HCFC substances that Deplete the Ozone Layer was adopted by the Government on 20th May 2020. A new inventory of GHG was prepared in 2019. GHG emissions are expected to be decreased by 2030 from 3,321 Gg CO₂e, which is the amount according to the scenario "without

measures", to 2,301 Gg CO₂e (including LULUCF).³³ If LULUCF is not included, emissions would decrease from 3,519 to 2,499 Gg CO₂. According to this scenario, the target value from NDC 2030 is expected to be achieved.

The transposition of EU legislation in the field of Climate Change is at a significant stage in Montenegro after the adoption of the relevant legal acts. The full implementation of the National Strategy has not achieved the goal of adequately integrating climate policy into other sector policies yet. The importance of climate change planning in Montenegro has not been properly recognized yet.

Slight progress has been made in implementing climate change mitigation measures or their adaptation, especially with regard to: administrative capacities, integration of climate measures into other sectors and cross-sectorial cooperation. A significant progress in the implementation of measures has been rendered inoperative since the legal framework in this area is still developing.

Integrated planning development, decarbonization of the energy sector through increasing energy efficiency and participation of renewable energy sources (OIE), introduction of BAT-BREF (Best Available Techniques - Reference Document) standards that imply new, more stringent limit values regarding the emissions of pollutants are not in place.

EE implementation instruments (such as the Energy Efficiency Fund and/or Energy Efficiency Agency) have not been established yet. The following shortcomings are evident in this field: insufficient and inadequate administrative and financial capacities, insufficient cooperation at both national and local level. The national registry for the EU ETS has not been established. The biofuels market has not been established, and the relevant requirements of the EU Acquis on this basis have not been transposed for the time being. A systematic method of informing consumers about CO₂ emissions when buying new vehicles is not prescribed or established.

5.3.3 Horizontal Legislation

In the field of horizontal legislation, from October 2019 until September 2020 no progress has been made in terms of harmonization with the relevant EU Acquis in this field.

³³ The Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry

Implementation of legislation is still challenging, particularly in terms of access to information in the possession of state authorities, the processing of those responsible for environmental crime, as well as the adequate implementation of the SEA and EIA mechanisms, especially at the local level. It is necessary to improve and coordinate the SEA and EIA procedures and harmonize procedures with the Appropriate Assessment on the Ecological Network Mechanism (AA). Civil society participation, access to justice and accountability for environmental damage are of significant importance and considered to be as key issues for the effective implementation of the EU Acquis.

The development of the Implementation Plan for Directive 2008/99 of the European Parliament and of the Council, dated 19 November 2008 on the protection of the environment through criminal law and for Recommendations 2001/331 of the European Parliament and of the Council, dated 4 April 2001 providing for minimum criteria for environmental inspections in the Member States is missing.

The cooperation with the civil sector and local communities is still challenging, especially in the early phase of information and consultation.

In the reporting period there are not adopted new laws and/or by-laws. Environmental monitoring is also a particular challenge. Information on the state of the environment for 2019 has not been adopted yet. A collision in laws can lead to their inadequate enforcement (Law on Environment, Law on Water, Law on Nature Protection).

According to the reports on the implementation of NEAS with AP for July-December 2020, no by-laws are developed and adopted as required by the Regulation 268/2010/EU of 29 March 2010 implementing Directive 2007/2/EC of the European Parliament and of the Council as regards the access to spatial data sets and services of the Member States by Community institutions and bodies under harmonised conditions and Decision 2009/442/EC of implementing Directive 2007/2/EC of the European Parliament and of the Council as regards monitoring and reporting.

In this area we would like to point out the necessity of better coordination between SEA and EIA implementation procedures and harmonize procedures with the Appropriate Assessment procedure on Ecological Network (AA). The implementation of SEA for the concession acts and plans is not mandatory. An efficient coordination between the stakeholders is not in place.

Environmental impact assessment, possible impact consideration, all alternatives and necessary mitigation and compensation measures need to be improved. The quality of elaborate impact assessments and public consultations with civil society and other stakeholders needs to be improved. An efficient coordination among the stakeholders is not in place.

The capacities of competent public institutions are low; there is a lack of proper public participation and influence of the investors, especially at the local level.

Proposed mitigation measures are often inadequate and unacceptable and the lack of control of measures in practice is evident. This was most evident in the case of small hydropower plants that have already been built and put into operation. During this summer, many cases were recorded where the riverbeds, on which such facilities have already been built, dried up due to inadequate mitigation measures or lack of control of measures. Better implementation and enforcement of the Directive about access to information, and better transposition, implementation, and enforcement of the Directives about access to justice and public participation are needed. Directive 2008/99/EC is highly transposed, but implementation is a challenge. The implementation of Directive 2008/99/EC is not at a satisfactory level due to the unclear provisions of the Criminal Code, the possibility of subjective interpretation by the participants in the proceedings and insufficient capacity of the inspection, prosecutor's office, and the judiciary and court experts. Objective disadvantages and problems are associated with the legal regulations in the Criminal Code Title XXV, concerning crime in the area of environmental protection. A particularly significant problem is the way in which courts interpret legal standards ("pollution on a larger scale or in a larger area", "danger to human life or health", "destruction of flora or fauna on a larger scale").

During 2019, the ecological inspection carried out 2.586 inspections (regular 1,463, on the initiative 185, on demand 27 and control inspection 911). 1224 irregularities were found. According to the previous report there were 2,237 inspections (regular 1,438, on the initiative 123 and control inspection 676). 783 irregularities were found. The penalties in the total amount were €8,700,00, with 78 requirements for initiating misdemeanour proceedings and 1 criminal report.³⁴

³⁴ Report on the work of the Inspectorate Administration in 2019, pg. 82:
<http://www.uip.gov.me/biblioteka/dokument>

909 decisions were adopted based on: Law on Waste Management (255), Law on Environment (183), Law on Air Quality (61), Law on Noise Protection (9), Law on Environmental Impact Assessment (174), Law on Protection against Ionizing Radiation and Radiation Safety (123), Law on Nature Protection (18), Law on Chemicals (38), Law on Integrated Prevention and Control of Environmental Pollution (6), Law on Protection against Non-ionizing Radiation (35), Law on Environmental Damage (6), Law on National Parks (1). Of the total number, the number of decisions that refer to prohibition of performing activities is 11.³⁵

The water inspection carried out 421 inspections (regular 222, on the initiative 117 and control inspection 82). 82 irregularities were found. According to the previous report, there were 431 inspections (regular 200, on the initiative 119 and control inspection 112) during which 73 irregularities were found. The penalties in the total amount were 6,630,00 €, with 13 requirements for initiating misdemeanour proceedings and 10 criminal reports.³⁶

The administrative and judicial procedures are not effective and access to environmental information, public participation and justice either. The implementation of Directive 2004/35/EC (ELD) on environmental liability with regard to the prevention and remedying of environmental damage is not in place.

Cooperation with the civil sector often represents only the formality while essentially it is absent.

5.3.4 Air Quality

In the field of air quality, from October 2019 until September 2020 further progress has been achieved in terms of the implementation of Directive 2008/50 and Directive 2004/10.

The implementation process of Directive 2016/2284 has to be accelerated. The TAIEX project is in place.

The expansion of the network station for air monitoring has already started. The number of measurement stations has increased. The implementation of the adopted action plans, the implementation of air quality plans, the quality control

³⁵ Report on the work of the Inspectorate Administration in 2019, pg. 82:
<http://www.uip.gov.me/biblioteka/dokument>

³⁶ Report on the work of the Inspectorate Administration in 2019, pg. 87:
<http://www.uip.gov.me/biblioteka/dokument>

of marine fuels, the establishment of maximum national emissions and the preparation of the National Program for Progressive Emission Reduction and full implementation remains a challenge. According to the Report on the Implementation of the National Strategy for Air Quality only 2 measures out of a total of 10 are implemented. The implementation of 6 measures is ongoing and 2 of them are not moving forward yet.

In order to improve the situation in this area, it is necessary to work on strengthening the implementation and enforcement of laws. Sustainable funding and properly staffed institutions are a prerequisite for progress. Full functioning air quality monitoring systems need to be established in order to provide objective data on air quality in the country. It is necessary to establish a fuel control system at sea.

In the reporting period the Rulebook on Amendments to the Rulebook on technical standards for air protection against emissions of volatile organic compounds formed by storage, refuelling and distribution of motor gasoline was adopted, transposing Directive 2014/99/EU.

Concerning implementation, the delivery of the remediation of the landfill of TPP "Pljevlja", the rehabilitation of flotation tailings Gradac, the preparation of a study on the improvement of public passenger transport, an educational campaign on the negative effects of ignition agricultural waste and construction of the first phase of infrastructure for heating of Pljevlja are ongoing.

On July 16th, 2020, the Government of Montenegro adopted the Report on the Implementation of the National Strategy for Air Quality with the 2019 Action Plan, without a governmental session.³⁷ The report states that only 2 measures out of a total of 10 are implemented. The implementation of 6 measures is ongoing and 2 of them are not realized.³⁸ The established real-time air quality reporting system is not operational. Monthly reports can be accessed on their website. . According to the NEAS's Reports, the planned obligation concerning transposition is fulfilled by MSDT regarding the adoption of the sub-legal act. However, all obligations in terms of implementation have not been fulfilled yet. From the Report on the Implementation of the National Air Quality Management Strategy, it can be concluded that the implementation part could be accelerated.

³⁷ In accordance to the measures against COVID 19

³⁸ Report of Implementation the National Air Quality Management Strategy for 2019, http://www.gov.me/sjednice_vlade_2016

Available reports on air quality are presented on the NEPA's website for October 2019 until August 2020.³⁹ An average concentration of PM2.5 particles on yearly level was above the prescribed limit value for the whole central and northern zone in January and February 2020.

In the reporting period, Pljevlja had exceeded the mean PM10 concentration limits for 97 days and the mean SO2 concentration limits for 14 days.

In Bar municipality 4 days were recorded as exceeding the average daily concentrations of suspended PM10 particles.

In Podgorica, in the measurement station Blok V, 53 days were loaded with high concentrations of PM 10 and in the measurement station Zabjelo, 67 days were loaded with high concentrations of PM 10. In Nikšić, 59 days were loaded with high concentrations of PM 10. In Bijelo Polje 105 days were loaded with high concentrations of PM 10. In Kotor 3 days were loaded with high concentrations of PM 10.

The air quality monitoring system has been improved but it should be improved on a continuous basis, which is necessary due to the frequent deterioration of air quality in larger agglomerations. The network of measurement stations in charge of monitoring air quality has been further expanded with three more new stations.

Concerning capacity building for air quality management, during 2019 under the IPA project "Strengthening the capacity for air quality management in Montenegro" with an amount of €1.1 million, new air quality monitoring and analysis equipment was procured, installed and put into operation. The revision of air quality zones was mandatory under the project, three new measuring points for air quality monitoring were set up, while new measuring instruments were installed on the existing ones and relocation of measuring points to more representative locations was performed, where possible and necessary.

At the end of 2019, the Ministry of Sustainable Development and Tourism financially supported the cooperation between the Agency for Nature and Environmental Protection and the Environment Agency Austria, which resulted in the development of an inventory of emissions of pollutants into the air for 2012-2018 and the updating of the inventory for the complete time series of 1990

³⁹ <https://epa.org.me/mjesečni-izvještaji-o-kvalitetu-vazduha/>

in accordance with the innovative methodology. The updated inventory has been completed in March 2020.

The Draft Air Pollution Control Program was finalized in September 2019 and is currently being updated in accordance with the innovated inventory of air pollutant emissions. This Program will be an integral part of the innovative Air Quality Management Strategy for the period 2020-2024.⁴⁰

5.3.5 Waste Management

No progress has been made in the field of Waste Management regarding transposition from October 2019 until September 2020.

The level of implementation of the EU Acquis in this sub-area is very limited and many other important steps still must be taken such as the establishment of an adequate network for waste disposal, prioritizing waste reduction and prevention, the establishment of a registry for waste producers.

Further alignment with Directive 2008/98, Directive 94/62, Directive 1999/31, Directive 2006/66, Directive 93/86, Directive 2012/19, Directive 2011/65, Directive 2000/53, Directive 86/278, Directive 2006/21 and Regulation 493/2012 has not been achieved. It is necessary to implement the waste management options in line with the EU standards taking into account the hierarchical approach: reducing waste generation, maximizing recycling and reuse, limiting the incineration of non-recyclable materials, abolishing the disposal of non-refundable and non-recyclable waste, ensuring full implementation of the waste management policy goals. In order to ensure an adequate waste management system, it is necessary to ensure compliance with the principles of sustainable development, transparency and accountability in waste management. Future projects should be developed and implemented efficiently. The interests of local communities should be taken into account when implementing activities in this field. Impact assessments of projects in this area should not be realized "pro forma", but in an adequate way to show the impact on other segments of the environment. Considerable efforts in terms of strategic planning and investments are needed to implement the National Strategy for Waste Management until 2030 and the National Waste Management Plan for 2015-2020.

⁴⁰ Report on implementation of National strategy for Air Quality in 2019, pg. 5

A system for separate collection of other special waste categories has to be established.

There is an urgent need to remedy illegal waste disposal and the use of temporary waste disposal in all municipalities. Infrastructure for separate waste collection and recycling needs to be established. Local Action Plans have to be implemented. In the area of waste management, during the reporting period no activities regarding transposition were identified.

According to NEAS and AP Report from December 2019, the obligations deriving from the transpositions of Directive 2008/98, Directive 94/62, Directive 2006/66, Directive 93/86, Directive 2012/19, Directive 2011/65, Directive 2000/53, Directive 86/278, Directive 2006/21 and Regulative 493/2012 have not been fulfilled. The Rulebook on the methodology to be used for the establishment of communal service prices is adopted. The basic principles of waste management defined in the National Strategy for Waste Management until 2030 and the National Waste Management Plan for 2015-2020 are not enforced. A huge number of local municipalities dispose of waste on unregulated dumpsites and a large number of illegal landfills is evident. Due to the absence of the primary selection and a large fraction of organic components in the composition of communal solid waste, landfills are the sources of emission of greenhouse gases (methane). States Regulatory Monitoring Service has not been adopted and there is no valid data about potential soil contamination due to non-elaborated and improperly disposed industrial or municipal waste.

The report on the implementation of the National Waste Management Plan was not adopted during the reporting period.

5.3.6 Wildlife and Nature Protection

In the field of nature protection, from October 2019 until September 2020, no progress in terms of harmonization with EU Acquis was achieved.

Concerning implementation, progress has been noted with regard to increased percentage of protected areas. The Government adopted a Decision on the proclamation of the Nature park of the "River Zeta valleys". However, the designation of new protected areas is not accompanied with adequate management capacities. The majority of protected areas proclaimed in the last five years are still "paper parks" with no proclaimed managers or not developed and adopted management plans (MPs). Currently, PAs are faced with insufficient capacity to deal with all the aspects of environmental management.

Ulcinj Salina has been protected in 2019 as a Nature Park and listed on the Ramsar List of Wetlands of International Importance. A five-years Management plan has been prepared by the Working Group established by the Municipality of Ulcinj.

The transformation of the National Parks into a business company is questionable. The implementation of CITES Regulations and of the Convention is not at a satisfactory level. Work on established NATURA 2000 network is ongoing. Nagoya Protocol has been ratified.

It is necessary to work on the establishment of marine protected areas while ensuring in the meantime that marine species are protected from different possible negative impacts during seismic surveys on oil and gas exploration.

It is necessary to eliminate different solutions from existing regulations, work on the integration of a biodiversity policy into sectoral policies, strengthen the system for the management of protected areas at the national park level and establish a management system for protected areas under the responsibility of the local self-government. It is urgent to prevent possible negative environmental impacts of building construction in the Skadar Lake National park and on Tara River in the context of the Bar-Boljare highway development, respecting the procedures for small hydropower plant construction.

The report on the implementation of the National Strategy on Biodiversity has not been adopted yet.

The National Strategy on Biodiversity is valid until 2020. The new Strategy is not in place. According to the NEAS, the obligation stemming from the 2018 – 2020 waste Action Plan, adopt a Law on invasive species in order to transpose Regulation (EU) 1143/2014. This Law was likely to be adopted by the end of 2018.

Concerning the Nature protection field during the reporting period, the Draft Law on Game and Hunting was prepared, and it is now being reviewed by the Parliament in order to be adopted. This Draft Law transposed Regulation of the Council No. 3254/91.

The parliament of Montenegro ratified Nagoya protocol.

DSIP for Directive 83/129 concerning the importation into Member States of skins of certain seal pups and products derived therefrom has not been developed.

Capacity building to ensure the implementation of Regulation No.1007/2009 has not been performed.

DSIPs for Regulation No. 995/2010/EU, Regulation No. 363/2012/EU and Regulation No. 607/2012 are to be developed. The EU Acquis Report on the implementation of the Action Plan for the Prevention of Illegal Activities in Forestry is developed and adopted by the Government.⁴¹

Work for the Natura 2000 network establishment is ongoing. Through three projects during 2019, about 11% of the territory of Montenegro was mapped in accordance with the Habitats Directive, and field work was implemented in accordance with the Birds Directive. The achieved results in these three projects, together with the results achieved within the previously implemented IPA 2016 project "Establishment of Nature 2000", have so far mapped a total of about 25% of the territory of Montenegro in accordance with the Habitats Directive. The state field work activities on the establishment and identification of Natura 2000 sites in 2019 have been completed and verification and final data processing is underway. The 2020 budget provided funds for the continuation of field work and the implementation of activities for the further establishment and identification of Natura 2000 sites, which will be coordinated by the Nature and Environmental Protection Agency.⁴²

The Government of Montenegro is responsible for the final establishment of the ecologic network, based on the declaration act. The act needs to determine ecological network areas with the borders for each individual area, data on target species and habitats, the name of the manager, as well as the general measures for protection and conservation of the ecological network area. The adopted declaration act by the Government will be published in the Official Gazette of Montenegro.

Challenges related to the establishment of NATURA 2000 are associated with limited human resources capacities in government institutions at the national and local level in terms of the number of officials and experts dealing with this topic.

⁴¹ Third Report of NEAS implementation for period July-December 2019

⁴² "Establishment of the Natura 2000 network" coordinated by NEPA and financed from the state budget; "Conservation and sustainable use of biodiversity in the areas of Prespa, Ohrid and Skadar Lake" funded by the Government of Germany, and implemented by GIZ and NEPA within which Skadar Lake is mapped; "Promoting the management of protected areas through integrated protection of marine and coastal ecosystems in the coastal area of Montenegro" coordinated by the Ministry of Sustainable Development and Tourism.

The Nature and Environmental Protection Agency (NEPA) has the authority to propose areas of the ecological network with borders and data regarding target species and habitats. According to the National Strategy with Action Plan for Transposition, Implementation and Enforcement of the EU Acquis on Environment and Climate Change (NEAS, 2016-2020) a national Decree on the ecologic network will be adopted by 2020⁴³ or by the date of the accession.

Pursuant to the NEAS, the obligations regarding the Directive of the Council 1999/22, Regulation of the Council No. 2173/2005, Regulation of the Commission No. 1024/2008, Regulation No. 995/2010, Regulation of the Commission No. 363/2012, Regulation of the Commission No. 607/2012 have not been fulfilled.⁴⁴

In the reporting period, the Decision on the amendment of the Decision on the amount and manner of calculation and payment of fees for use of goods of national parks was adopted. Recategorization of protected areas was not done, which was a legal obligation. Many protected areas have lost the characteristics for which they were protected. IUCN protected area management category II is almost non-existent.

A joint UNESCO and IUCN advisory mission visited the natural asset World Heritage "Durmitor National Park" from October 31st until November 1st 2019. Montenegro has produced a National Report under the UNESCO Convention on the topic "State of preservation of NP Durmitor" which was submitted to the Secretariat of the Convention.

Success in implementation of the EU Acquis in the field of nature protection largely depends on mutual cooperation between the environment protection sector and other relevant sectors (spatial planning, agriculture, rural development, forestry, hunting, etc.). Planning and implementation of activities in the nature protection sector will require extensive consultation and communication with a wide range of stakeholders and non-governmental organizations for effective implementation.

In this field, better inspection control as well as enforcement of penalties (based on Criminal Law) is required. It is urgent to establish an efficient system with general protection for the important habitats, plant and animal species,

⁴³ Adopt national Decision on the ecological network by 2020 (see transposition table XXXVIII, measure 156)

⁴⁴ Third Report of NEAS implementation for period July-December 2019

preventing and stopping illegal and harmful activities causing unsustainable exploitation of natural resources.

At the 5th International Conference for the Protection of Ulcinj Salina it is concluded that ecological degradation of Salina is a fact, the process for the protection of this area is extremely slow and that everything has to happen faster due to evident ecological destruction. The issue related to Salina's land ownership was also pointed out as a very problematic one and it is recommended to find a solution so as it is not an obstacle any more.

Ulcinj Salina was protected in 2019 as a Nature Park and listed on the Ramsar List of Wetlands of International Importance. A five-years management plan has been developed. The Municipality of Ulcinj is obliged to manage this protected area but there are no financial and human resources for that. PE National Parks of Montenegro will manage this area until August 2021. PENPM is obliged to prepare the one-year management program for this area until the end of October 2020. Although hunting is banned in this area, it is still present.

The Tara River is much damaged by Bar-Boljare highway construction. The construction of the highway had a large negative impact on the protected Tara river. The landscape was completely changed. Part of the construction waste was deposited on the river banks and polluted the river. Untreated wastewaters from landfill sites on some locations are also polluters. UNESCO noted the severe impacts on the Tara riverbed from the construction of a new motorway crossing located upstream of the property, expressing their concern about potential downstream impacts, and thus also requests the State Party to carefully assess any impacts on the Outstanding Universal Value (OUV) of the property, including on the endangered Danube salmon, and to submit the findings to the World Heritage Centre for review by IUCN.

There is also a lack of supervision by the Forest Administration on the work of the concessionaire. The lack of the wood marking system is evident. With the lack of adequate biodiversity monitoring at the state level, it could be concluded that management, spatial planning, urbanization and protection measures are based on modest data, which are the cause of the unsatisfactory scope of monitoring programs, inadequate methodology, so decisions based on such data are problematic.

Problems may also be related to the provisions of the Law on Concessions that do not prescribe the obligation to seek opinions or information on the status of protection of the area. This confirms the inconsistency of other laws related to the

use of natural resources with the Law on Nature Protection. The challenge may also be the compatibility of planning and integration of nature protection measures in other sectoral plans and policies. The main tools used for mainstreaming biodiversity in other sectoral strategies, policies and plans are impact assessments – both at the level of strategies and plans (Strategic Environmental Assessments or SEA) and on project level (Environmental Impact Assessment or EIA). Appropriate Assessment (AA) is also so important for biodiversity and habitats conservation. An AA is necessary to determine the potential effects of a plan or project upon the integrity of a Natura 2000 site. Specifically, it should provide and analyse sufficient information to allow a competent authority to ascertain whether the plan or project will not adversely affect the site integrity.

A long-term program for biodiversity research has not been developed. The available funds for the implementation of the biodiversity monitoring program as well as the number of covered areas are varying by each year. For 2020 the amount of 60.000 € is allocated⁴⁵ as compared to 55.000 € allocated in 2019.

5.3.7 Industrial Pollution and Risk Management

From October 2019 until September 2020 progress in the transposition of the Directive on Industrial Emissions 2010/75 has been achieved by adopting the by-laws.

Inspection controls the SEVESO's facilities permanently.

The challenge is issuing IPPC permits and solving the hazard waste issue. It is necessary to work on introducing new technologies, sustainable financing for the implementation of activities in order to fulfil obligations from the EU Acquis, strengthening administrative and institutional capacities. It is necessary to work on the implementation of EMAS and eco-labelling. The risk is potential environmental pollution caused by accidents.

A PRTR Registry in accordance with Regulation No.166/2006 is not in place yet.

In the field of industrial pollution, the Government of Montenegro, at the 142nd Session, adopted the Regulation on types of activities and plants for which integrated permits need to be issued.

⁴⁵ Programme of environmental monitoring for 2020

The IPPC permit for „FAB LIVE " Company expired in July 2020.⁴⁶

In 2019 EPA issued the IPPC permit for the operator "TOSCELIK Alloyed Engineering Steel Ltd.", Nikšić.⁴⁷

In the reporting period, after issuing the IPPC permit for the Electric Power Industry of Montenegro, the activities in accordance with the program adjustment are underway. The tender procedure on the Ecological Reconstruction of block I of TPP "Pljevlja" was conducted and a contract was signed with the consortia Dec International-Bemax-BB Solar-Permonte. Regarding the procedure for issuing the integrated license for the Aluminum Plant Podgorica in Bankruptcy (KAP in Bankruptcy), the Ministry of Sustainable Development and Tourism adopted a conclusion on the suspension of the procedure, pending the determination of the plant operator and obliged to obtain the integrated license. NEPA received more than 100 notifications on Seveso facilities which are submitted by the operator of the Seveso plants. The total number of SEVESO higher risk facilities are six. In addition, three operators of higher-risk Seveso plants submitted a Safety Report and a Plan of Accident Protection to NEPA for approval.

The "Montenegro Industrial Waste Management and Cleanup Project" is ongoing. During 2019 it was working on sanitation at two hot spot locations in the Municipality of Pljevlja (Maljevac and Gradac).⁴⁸

The implementation of regulations in this field is not satisfactory bearing in mind the delay in the deadlines for obtaining IPPC permits. Untreated industrial wastewater is a source of surface water pollution. There are no known quantities of hazardous waste. There is no hazardous waste landfill but only temporary storage, after which waste is exported in accordance with the Basel Convention. There is no recycling of the battery and their disposal place is unknown. No hazardous waste from companies that no longer work. BAT-BREF principles have not been established.

Information about State monitoring has not been adopted yet.

⁴⁶ https://epa.org.me/wp-content/uploads/2019/01/dozvole_IPPC_sajt.pdf

⁴⁷ <http://www.epa.org.me/images/dozvole2019/1174-44.pdf>

⁴⁸ Information about project realization (www.gov.me)

5.3.8 Chemicals

In the field of chemicals, from October 2019 until September 2020 a limited progress was achieved by adopting the new by-laws. In the same period there was significant progress in the implementation of the National Strategy for Chemicals Management for 2019-2022. A Poison Control Centre has not been established yet.

A Registry in accordance with REACH Regulation is not in place.

Safe chemical management in this area remains a challenge due to the complicated procedures, lack of capacity and expertise in this area for the preparation and delivery of a dossier for the identification of dangerous substances. The establishment of the Chemicals Registry in the template prescribed by the EU and the Registry of biocide products remains the challenge.

It is necessary to strengthen capacities in order to fully implement and enforce legislation and to ensure sustainable financing of activities.

In the field of chemicals there is no progress in further alignment with the Regulation No. 850/2004, Regulation 2017/852 and Regulation 1272/2008.

Without running a session,⁴⁹ on 09th April 2020 the Government adopted the Report on the Implementation of the National Strategy for Chemicals Management. According to that Report, 17 out of 21 measures or 81 % of them were implemented during 2019, 3 measures or 14% partly implemented and 1 measure or 5% is not implemented at all.

On the basis of the Law on Biocidal Products, the Ministry for Sustainable Development and Tourism adopted a Rulebook on the content of the technical dossier and basic data on biocides, which fully transposed Annexes II and III of the (EU) Regulation No. 528/2012.

Pursuant to the Law on Plant Protection Products (Official Gazette of Montenegro, No. 051/08, 040/11, 018/14) the 4 Programs, 4 regulations, the Annual Plan of Official Controls until April 2020 and the Report on the implementation of the National Sustainable Plan for the use of plant protection products for 2018 were adopted.

⁴⁹ In accordance with measures against COVID-19.

Pursuant to the Law on Plant Nutrients (Official Gazette of the Republic of Montenegro, No. 048/07, No. 076/08, 073/10, 040/11, 030/17, 043/18) two programs were adopted.

During the reporting period, the Rulebook on determining the list of explosive substances that may be placed on the market (Official Gazette of Montenegro, No. 47/19) and the National Plan for Protection and Rescue from technical and technological accidents, and the Law on Amendments to the Law on transport of dangerous goods were adopted which further strengthened the protection system and rescue.

The legislative framework created by the adoption of the Law on Chemicals and the Law on Biocidal Products and the relevant bylaws has established a modern chemicals management system, which is significantly harmonized with EU regulations.

During the reporting period, the Nature and Environment Protection Agency issued 521 import permits,⁵⁰ but the information on the number of transit and export permits is not available.⁵¹

Montenegro does not produce chemicals, but it is necessary to collect data on chemicals that are entered in the chemicals registry.

One of the obligations set out in the Strategy was the establishment of a Poison Control Centre, within the Clinical Centre of Montenegro, which was not fulfilled.

5.3.9 Noise

From October 2019 until September 2020 no progress was noted in this regard.

The obligation regarding the development of strategic maps for main roads is not fulfilled.

In the forthcoming period it is necessary to strengthen the cooperation between the responsible institutions at central level, strengthen the capacities of local self-governments and provide sufficient budgetary resources for the development of strategic maps for roads at the local level. Action Plans need to be produced. In the period from October 2019 until September 2020 there is no progress in the reporting period.

⁵⁰ https://epa.org.me/wp-content/uploads/2020/01/dozvole_hemikalije_uvoz_sajt.pdf

⁵¹ <https://epa.org.me/dozvole-i-rjesenja/>

The obligation regarding the development of strategic maps for main roads is not fulfilled. The IPA Project that is going to finance this activity is in place.

The most important regulation in the noise sub-sector is the Noise Directive (2002/49/EC), which requires Member States to prepare and publish Strategic Noise Maps every 5 years (which includes noise assessment, noise reduction action plans for larger inhabited centres, road junctions and transport networks, and public information); a strategic noise map is part of the Chapter 27 recommendations relating to the alignment with European environmental standards.

Montenegro has largely harmonized legislation in this field, but implementation is limited. Strategic maps for two main roads managed by the state have not been prepared and the Action Plans have not been adopted yet. Running of one round table is insufficient to raise awareness on noise protection for main roads. It is necessary to elaborate this activity more seriously and provide a precise and adequate amount of budget allocation.

5.3.10 Civil Protection

From October 2019 until September 2020 some progress has been achieved in this field.

The Parliament of Montenegro adopted the Law on Amendments on the Law on Transport of Dangerous Substances.

The Plan for Flood Protection and Rescue and the National Plan for Protection and Rescue from Technical and Technological Accidents have been adopted.

Concerning implementation, regardless of the number of projects that are being implemented, a system for quick response in emergency situations is not in place. The equipment is missing and the existing one is obsolete and often unusable.

In period from October 2019 until September 2020 some progress has been achieved.

The Parliament of Montenegro adopted the Law on Amendments on the Law on Transport of Dangerous Substances.

During the Parliamentary session held on 12 December 2019, the Government adopted the National Plan for Flood Protection and Rescue and the National Plan for Protection and Rescue from Technical and Technological Accidents. Concerning implementation, regardless of the number of projects that are being

implemented, a system for quick response in emergency situations and adequate plans for fire and flood protection are not in place.

The report on the implementation of the National Strategy on Disaster Risk Reduction was not adopted during the reporting period.

5.3 Conclusions and Recommendations

Montenegro has some level of preparation in this area. Some progress has been made in further aligning of legislation with the EU Acquis particularly in the field of Water Quality regarding the transposition of the Marine Strategy Framework Directive and in the field of Climate change, and implementation in the field of Air Quality and Water Quality. However, significant efforts are still needed on implementation and enforcement.

Administrative capacities have been slightly strengthened. It is necessary to establish coordination mechanisms between SEA and EIA on the one side and the Appropriate assessment (AA) on the other side, improve quality of EIA, communication and coordination with NGOs and local governments, improve capacities of relevant inspections, improve the justice system and knowledge regarding the eco-crime and rationale of Crime Law regarding the environment and nature protection, and improve the implementation of the Directive 2008/99/EC. Montenegro should improve coordination between relevant sectors (environment, transport, energy, forestry, agriculture, hunting, tourism, etc.).

On air quality, Montenegro should establish a registry of air quality influence on the public health, support subsidies for energy efficient heating, establish the measurement network for air quality in the whole territory of the country.

Regarding waste and water management, Montenegro should improve the implementation of the government plan on waste management, adopt and implement River Basin management plans and accelerate the process for the Marine Strategy development. The level of implementation of the National Waste Management Strategy and national plans on waste management is not satisfactory, the recycling rate is still low, and infrastructure is poor.

On nature protection, Ulcinj Salina has been protected in 2019, five-years Management plan has been prepared but not adopted yet. The Municipality of Ulcinj is obliged to manage this protected area but there are no financial and human resources for that. PE National Parks of Montenegro will manage this area

until August 2021. The majority of protected areas proclaimed in the last five years are still “paper parks” with no proclaimed managers or no developed and adopted management plans. Currently, PAs are coping with insufficient capacity to deal with all the aspects related to environmental management. Montenegro should take urgent measures to preserve and improve the ecological value of protected areas and potential Natura 2000 sites.

On climate change, progress is achieved in further alignment with EU Acquis Communautaire.

The Parliament of Montenegro adopted the Law on Protection from the negative impact of Climate Change but has to intensify its work to ensure consistency with the EU 2030 climate and energy policy framework and to ensure that the Climate Change Strategy and the new Law are integrated into all relevant sectoral policies and strategies.

As for the UN Framework Convention on Climate Change (UNFCCC), Montenegro has adopted a Third National Report on Climate Change. Montenegro started with the development of the National Energy and Climate Plan in line with the Energy Community recommendations in June 2020.

06. REPUBLIC OF NORTH MACEDONIA, 4*4*4 BALKAN BRIDGES SKOPJE

6.1 Environmental Status in Macedonia

6.1.1 Country Status

The Republic of North Macedonia⁵² has been a candidate country since 2005. In 2008, the Council adopted the revised Accession Partnership⁵³ with the Republic of North Macedonia. The Commission has been recommending the Council to open accession negotiations on continuous basis since 2009.

In light of the progress achieved in previous years, in April 2018 the Commission repeated its unconditional recommendation to open accession negotiations. In June 2018, the Council set out the path towards opening accession negotiations in June 2019.⁵⁴

In June 2019, the Council discussed the European Commission's communication of 29 May 2019 on the EU enlargement policy and the report on the Republic of North Macedonia. In light of the limited time available and the importance of the matter, it decided to revert, no later than October 2019, to the issue of opening accession negotiations with the country, with a view to reaching a clear and substantive decision.

Yet again, in October 2019, the presidency issued procedural conclusions noting that the Council will discuss the issue after the October meeting of the European Council, and will revert to the question of enlargement before the EU-Western Balkans summit in Zagreb in May 2020.

Finally, on 26 March 2020, the European Council endorsed the Council's decision to open accession negotiations with North Macedonia.⁵⁵ At the EU-Western Balkans summit in Zagreb, held in May 2020, it was announced that by the end of 2020, North Macedonia would hold the first intergovernmental session with the

⁵² With the Decision on Declaring Amendments XXXIII, XXXIV, XXXV and XXXVI to the Constitution of RM, from January 11, 2019 Republic of Macedonia changed its name into Republic of North Macedonia <https://www.sobranie.mk/content/Odluki%20USTAV/odluka-amandmani-11.1.19.pdf>

⁵³ Revised Accession Partnership with RM <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:080:0032:0045:EN:PDF>

⁵⁴ Republic of North Macedonia: Status of negotiation <https://www.consilium.europa.eu/en/policies/enlargement/republic-north-macedonia/>

⁵⁵ Joint statement of the Members of the European Council, March 26 2020 <https://www.consilium.europa.eu/media/43076/26-vc-euco-statement-en.pdf>

EU Commission, which in effect would represent the beginning of the negotiation process for our EU accession.

At the time this report was being written, North Macedonia was still awaiting the approval of the new negotiation framework, and new challenges are on the horizon

Environmental Status

The baseline position for this legislation progress monitoring report are the key findings and recommendations regarding the ability of the Republic of North Macedonia to assume the obligations of membership vis-à-vis its environmental status notified in the 2020 EU Commission Report.⁵⁶

Concerning the area of energy, the Republic of North Macedonia has been assessed as moderately prepared. As noted, the country has made good progress in the adoption of implementing legislation in relation with the Third Energy Package.

Key recommendations for the country concerning Chapter 15: Energy notified in the last report included:

- Completing the unbundling of the gas transmission system operator;
- Incensement of the number of staff as well as the technical/engineering capacity of the Energy Department in the Ministry of Economy and the Energy Agency;
- Adoption and implementation of the Energy Efficiency implementing legislation.

Regarding the area of environment and climate change, the country has been assessed to be at some level of preparation. As noted in the Report, the country has made limited progress in “nature protection, civil protection and climate change areas”. However, the key problem with implementation continues to be the biggest issue: in all sectors, it is lagging behind.

⁵⁶ The Report, presented on October 6, 2020, is covering the period from March 2020 to September 2020.

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

Key recommendations for North Macedonia in the coming year concerning Chapter 27: Environment and climate change notified in the last report encourage the country to considerably step up ambitions towards a green transition and should in particular:

- Improve the inter-sectoral coordination and increase the financial resources for reduction of air pollution at the local and national level;
- Set up an integrated regional waste management system and intensify the efforts for the implementation of the adopted regional waste management plans;
- Implement the Paris Agreement, including by developing a comprehensive climate strategy and adopting a law, consistent with the EU 2030 framework, and develop a National Energy and Climate Plan, in line with Energy Community obligations

Having in mind that these two chapters are with an extremely complex acquis, which also requires significant investments in strengthening the institutional capacity for implementation, a special and continuous commitment by the authorities is needed. Hence, it should come as no surprise that most of the key recommendations relate to institutional strengthening and implementation in general, but also to the approximation of legislation and the strategic framework, as the need for further harmonization with European legislation is also pointed out in the report.

The need for additional funding to implement laws and policies is rightfully recognized in the report as a necessity and a challenge. For Chapter 27 generally it states that financial resources for the implementation of legislation are a challenge. Significant financial resources are also needed in Chapter 15 in the area of energy efficiency improvement, whereby the need for greater commitment of municipalities for its improvement is underlined.

Finally, we believe it is worth noting that in line with the new negotiation framework structure (instead of by chapters, it is organized in clusters, in total 6), in the Cluster 4: GREEN AGENDA AND SUSTAINABLE CONNECTIVITY, energy (Chapter 15) and environmental issues (Chapter 27) are coupled with transport policy (Chapter 14) and trans-European networks (Chapter 21).

The cluster is linked to the realization of the “European Green Deal”, which recognizes that the EU’s environmental transition is impossible without effective action in its immediate neighborhood. The second axis, connecting the chapters

in these clusters, is the “Connectivity Agenda” for the Western Balkans, aimed at strengthening infrastructure links with and in the region, especially in transport and energy, which should contribute to economic growth. Apart from Chapter 15 (Energy), which is assessed with good progress, it is worrisome that all the other chapters are assessed with limited or some progress. Chapter 21 is the only one with a good level of preparation, while Chapter 27 has only some level of preparation. The fact that these chapters are an important part of the Economic and Investment Plan for the Western Balkans is of particular concern.

In light of the Covid-19 health and economic crises, which has and is still affecting the country (and the world in general), the challenges referred to above (adoption, financing and implementation) are deemed to become even greater.

Summary of the Report

In the past nine months of 2020, it is fair to note that the environment was partially in the focus of the Government and Parliament activities. Even though the government and Parliament have been in large focused on other issues (the dissolution of the Parliament on February 12, and establishment of a Technical government to prepare the early parliamentary elections; the Covid 19 outbreak in March 2020, and all the challenges with the health and economic crises – currently still in the focus of the authorities; preparations for the early parliamentary elections initially foreseen for April 12, and eventually held in July 15, 2020; establishment of the new Parliament in August 2020, and belated establishment of the new political government in September, 2020; the uncertainty for holding the first intergovernmental session with the EU before the end of 2020), certain progress, in respect to the latest EU country report findings and recommendations related to Chapter 15 and Chapter 27 has been achieved, in a number of areas, as presented below.

6.1.2 Key Findings from the Legislation Monitoring

In the 2020 EU Country Progress Report for Chapter 15, the Republic of North Macedonia is assessed as moderately prepared. As noted, the country has made good progress in the adoption of implementing legislation in relation with the Third Energy Package. The National Energy Strategy (2020-2040) has been finally adopted. It fully reflects the EU energy and climate policy priorities and 2030 targets, as well as the integrated energy and climate strategy. The Energy Strategy is a particularly important strategic document that foresees how the energy life in Northern Macedonia will unfold in the next 20 years. On gas interconnections, North Macedonia has visibly shifted up a gear as regards the transposition of the Energy Community gas acquis. Unbundling and certification

of the transmission system operator was completed in due course, taking full account of the Opinion of the Energy Community Secretariat. The unbundling of the main distribution system operator is also in accordance with the acquis. Concerning the utilization of renewable energy sources (RES), the Energy Community lowered the 2020 renewable energy targets, and now the amended national renewable energy action plan aims to meet the revised binding target of 23% of energy coming from renewable energy sources by 2020 and 24% by 2025. As for the energy efficiency, the fourth action plan on energy efficiency has not been adopted. A new Law on energy efficiency that aims to align with the EU energy efficiency and the energy performance Directives has been adopted. The current legislation needs to be enforced. Adopting implementing legislation remains a challenge, due to limited human and technical resources at the Energy Department under the Ministry of Economy and the Energy Agency. . The Energy Efficiency Fund has not been set up yet.

Key developments in relation to environment and climate change, concerning air quality, the legislative alignment is almost complete, but its implementation remains weak. The new Law on Ambient Air Quality is still awaiting its adoption. In regards to the waste sector, the new Law on Waste Management has been developed, but it has not been adopted yet. The same applies to the several laws on special waste streams, which are still pending for adoption. The new National Waste Management Plan (2020-2030) has been prepared. In the context of the approximation of RS Macedonia with the EU goals for the introduction of a circular economy, the planning document also provides a framework of measures and envisages a period during which these activities could move forward in the country. On water quality, the country made limited progress. Further steps were taken to secure funds for the construction of the wastewater treatment plant in Skopje, and work on wastewater collectors is ongoing.

For nature protection, the country has made some progress. It is worth noting that in the past three years, nature conservation activities appear to have been overshadowed by other segments of the environment, particularly air pollution and waste. As regards industrial pollution and risk management, a new Law on Industrial Emission and related implementing legislation have been developed but not adopted yet. Concerning chemicals, the country ratified the Minamata Convention. In the period covered by this report, no progress was made in the area of noise pollution. There has been some progress on civil protection. The country continues to participate in the Union Civil Protection Mechanism (UCPM), such as the case with the Covid-19 crises, but it needs to strengthen its capacities for coordinated and efficient disaster mitigation and response action at all levels.

In addition, certain steps were taken to finalise the technical connection to the Commission's common Emergency Communication and Information System (CECIS). With reference to climate change, the alignment of the legal framework with the *acquis* is still at an early stage. The preparation of a climate law and a comprehensive strategy on climate action, consistent with the EU 2030 framework, is ongoing. The country is the first contracting party under the Energy Community that integrated the pillars of energy and climate approach into the new National Energy Strategy (2020-2040). The country finalised its 3rd Biannual Update Report to the UNFCCC and currently the 4th National Communication Report to the UNFCCC is being developed.

6.2 Energy (Under Chapter 15)

6.2.1 Security of Supply

The National Energy Strategy (2020-2040) has been finally adopted. It fully reflects the EU energy and climate policy priorities and 2030 targets, as well as the integrated energy and climate strategy.

The Energy Strategy is a particularly important strategic document that foresees how the energy life in Northern Macedonia will unfold in the next 20 years. The latest energy document is very different from the previous ones, primarily in terms of its structure, but also essential, as commented by experts and participants in its development process. It is based on the latest EU recommendations, and in addition to energy, the part of climate change is embedded. The document is based on five pillars: energy efficiency, decarbonization, integration and security of energy markets, research, innovation and competitiveness, and legal and regulatory aspects. Compared to previous such documents, the Strategy now has strengthened energy efficiency measures as one of the largest domestic resources, as well as investing in renewable energy sources. The Boskov Most and Lukovo Pole projects, as well as the construction of small hydropower plants in protected areas, have been discarded as investments, and no construction of new coal-fired power plants is planned.

North Macedonia, as a small country, must be (and is) open to any kind of cooperation with other countries, especially when it comes to cooperation in the energy sector, since, in terms of electricity production, the country is largely dependent on the production of coal-fired power plants. The future of REK "Bitola", as this concerns security of supply, is very uncertain, especially if a mandatory tax is introduced for CO₂ emissions, which will have a significant

impact on the operation of the plant. In the referent scenario of the Energy Strategy, it is assumed that there will be an increase in the price of CO₂ tax by 2040, up to 30 euros per ton, and more (currently 27 euros per ton, at EU level). In that case, REK "Bitola" can continue to work, but will have to install installation equipment for desulphurization and, in addition, to open a new coalmine. That investment amounts to between 200 and 250 million euros. If it is assumed that the tax will be over 30 euros per ton, then the operation of REK "Bitola" is in question, i.e., this plant will not be competitive in the electricity market.

The 2014 Law on Compulsory Oil Reserves was amended for the fourth time and its entry into force is now postponed for 2021 (with 6 years overdue). Corresponding implementing legislation and action plans that comply with the Oil Stocks Directive are in place, but the approval of the necessary by-laws and action plans is still in delay. As with the latest government decision, the oil industry is now compensated for holding emergency oil stocks.

6.2.2 Energy Market

On energy market, the country has made progress in aligning the national legislation framework with the EU's Third Energy Package in electricity and gas. The liberalization of the electricity market in North Macedonia for small commercial customers and households was made possible with the adoption of the new Energy law in May 2018, which provided for these consumers to become eligible to choose their supplier from January 1 in 2019.

There are about 18 thousand companies (consumers) in the country, registered by measuring points that are supplied with electricity on the free electricity market. According to the data available through the Energy Regulatory Commission, the number of companies in the liberalized electricity market may be slightly lower because one company can be connected to several measuring points. What is important for the regulator, as they say, is that they have not received significant complaints regarding the electricity supply and the mutual relations between the electricity suppliers and the companies.

According to the Energy and Water Services Regulatory Commission, the new model of a universal supplier has proved to be functioning well, providing stability and security in the delivery of electricity. Consumers so far have no objections. Starting from July 1, 2019, when the universal supplier EVN HOME DOO Skopje started performing the energy activity, according to the ERC, there have been no open questions regarding electricity supply.

EVN was selected as the most favorable bidder in the public bidding, and as a universal supplier in the regulated market, it works according to a fixed margin defined by the tender procedure in the next 5 years. The universal electricity supplier EVN Home supplies electricity to customers who have not chosen a supplier in the liberalized market. Specifically, EVN Home serves all households and businesses with less than 50 employees and a total annual income of less than 2 million euros that have not selected their supplier

According to the ERC, not only the free market, but also the energy sector as a whole is facing no major problems in the 2019-2020 season. They say that in the field of electricity, open questions arise in the networks due to the overload of some elements. However, in order to avoid such situations in the future or to minimize them, the authorities have taken the initiative and a draft decision is currently being prepared, which will provide for a mandatory indication in the process of obtaining the building permit, to state exactly what type of energy each new building will use for heating.

The key goal is to use the resources we have as a state in the most efficient and economical way to solve issue of heating for citizens. For example, where there is an organized heating system, the new buildings should be connected to it, and if the investor shows that there is a more efficient system to solve the heating problem, it is not disputable to implement that solution. In this way, companies in the energy sector will be able to properly plan future investments.

In accordance with the Law on Energy, consumers are obliged to choose a supplier on the open market within 90 days, a period after which the universal supplier (EVN Home doo) will no longer have the opportunity to supply them with electricity.

In May 2020, the companies in the field of energy from the country submitted their requests for determining the new price of electricity. The Energy Regulatory Commission after analyzing their overall costs, decided to increase the price of electricity for 7%, which instigated public protests.

On gas interconnections, North Macedonia has visibly shifted up a gear as regards the transposition of the Energy Community gas acquis. The activities on the gas pipeline section Skopje-Gostivar, with a pipeline leg to Tetovo, are ongoing and in progress. Their completion is expected in the first half of 2021. Activities on the gas pipeline sections Nehotino – Bitola, with a pipeline leg to Kavadarci are also in progress.

Unbundling and certification of the transmission system operator was completed in due course, taking full account of the Opinion of the Energy Community Secretariat. The unbundling of the main distribution system operator is also in accordance with the acquis.

The Macedonian Electricity Market Operator (MEMO), established as a spin-off of the transmission system operator in October 2018, became operational on 1 October 2019. Further to this, the Government's decree on operation of the organized market operator, including the necessary technical, staffing and financial conditions, was adopted on 29 October 2019. The new balancing mechanism is fully market oriented.

Progress has been made also concerning the gas transmission system. Namely, the deadlocked relationship between the State and Makpetrol has been finally resolved in November 2019. This agreement between the State and Makpetrol, envisaged to become operational in the early start of 2020, is not translated into practice yet.

6.2.3 Hydropower

Hydropower investments are expected to be in conformity with the relevant environmental acquis, considering that the Government has committed that all large industrial, hydro and mining investment projects must fully comply with and respect nature protection regulations and obligations as requested by the country strategic documents.

Related to promoting the use of RES in a way that ensures sustainable development, the Strategy notes that the construction of new small hydropower plants should be carefully assessed against environmental impacts and the benefits of electricity generated.

6.2.4 Renewable Energy

The utilization of renewable energy sources (RES) is one of the priorities in the energy sector that is strategically determined in the National Strategy for the utilization of RES until 2020.

The Energy Community lowered the 2020 renewable energy targets, and now the amended national renewable energy action plan aims to meet the revised binding target of 23% of energy coming from renewable energy sources by 2020 and 24% by 2025. In 2018, the country achieved only an 18.12% share.

By the end of August 2020, the Bogdanci wind farm delivered over 87 GWh of electricity, which is 37.5% more than the planned production for that period.

Thus, four months before the end of the calendar year, this production capacity that uses the wind as a driving force has already achieved over 91% of the annual production plan provided in the energy balance. The production of WPP Bogdanci in the first half of 2020 as of June 30 is 68,452 MWh or 43.5% more than the planned 47,712 MWh.

The second phase for the wind farm "Bogdanci", for which the implementation procedure is already underway, consists of 4 to 6 turbines, each with a nominal capacity of 3 to 4 MW. The second phase increases the capacity of the existing wind farm "Bogdanci" for an additional 13.2-15 MW. The project planned investment is 21 million euros, of which 18 million Euros from the German KfW Bank and 3 million Euros from AD ESM.

According to the program of the new government, a fundamental change of the energy profile of the country is planned in order to prepare the country for the future challenges for the coming years. For that purpose, the energy sector needs to be sustainable and diversified, with cheap energy and stable sources of supply, with significantly increased domestic production. The projections envisage that by 2024, over 50% of the total installed electricity power in the country will be from renewable energy sources, which will reduce emissions of harmful gases from energy sources by more than 20%.

The Program envisages modernization and transformation of TPP Negotino, into a plant that will use natural gas and will provide opportunities for increased agricultural production. Support for innovations in photovoltaic technology is announced, to help the new photovoltaic power plants with installed capacity of 400 megawatts, of which 100 megawatts are planned to be in TPP Oslomej, to produce about 560 gigawatt hours of electricity or about 10 percent of total domestic production.

In the next four years, it is planned to build wind power plants with an additional capacity of 160 megawatts and new 30 megawatts of biogas power plants, which will be offered to those investors who will open livestock plants or will be organized in cooperatives.

The program also envisages reinforcement of the electricity network throughout the country with new transmission lines and transformation stations, in order to enable new investments in photovoltaic and wind power plants throughout the country.

Full completion of the main gas pipelines and rapid development of distribution networks for households, administrative, commercial and industrial facilities are also planned.

At the moment our country has only one source of gas supply (Bulgaria), but it is working on expanding the network. The inter-connector with Greece is very important for us as a country. Connection with Albania, Kosovo and Serbia is also planned, which will create a larger source of gas supply, but will also ensure security and independence for us as a country.

6.2.5 Energy Efficiency

The fourth action plan on energy efficiency has not been adopted. A new Law on energy efficiency that aims to align with the EU energy efficiency and the energy performance Directives has been adopted. The current legislation needs to be enforced. Adopting implementing legislation remains a challenge, due to limited human and technical resources at the Energy Department under the Ministry of Economy and the Energy Agency.

Financing to promote energy efficiency should be increased, including by setting up the Energy Efficiency Fund. Household heating is a serious problem and has a major impact on air pollution. Municipalities should take steps to fully respect their obligation to develop and implement municipal energy efficiency programs. According to the provisions of the Law, all bylaws in the field of energy efficiency should be adopted within 90 days to 1 year from the date of entry into force of the Law on Energy Efficiency. The most important of these are the Rulebooks on Energy Audits of Buildings and Large Traders as well as the Rulebook on Energy Performance of Buildings, which should be adopted no later than 6 months after the new law comes into force.

The Energy Efficiency Fund has not been set up yet. The establishment of this fund is paramount for the delivery of energy efficiency (EE) programmes and measures, promotion of the EE market development, provision of grants, loans, financial guarantees and/or other types of financing that would guarantee results.

According to the latest "Energy Development Strategy in the Republic of North Macedonia by 2040" the country will need a minimum of 1.5 billion euros by 2040 to reconstruct existing housing, commercial and public facilities to implement energy efficiency measures.

The Strategy outlines three scenarios for the period up to 2040 – referent, moderate and green transition scenarios, and with them, the funds that will be needed to spend on changing windows, doors and roofs, the construction of new facades and other interventions and measures to achieve savings in energy consumption in already built facilities across the country.

The referent scenario envisages 1 billion and 576 million euros for the reconstruction of the existing facilities in the next two decades, while the scenario of moderate transition envisages 1 billion and 726 million euros for this purpose. The green scenario for energy reconstruction of existing facilities requires the most funds. According to the Strategy, by 2040, as much as 2 billion and 558 million euros will have to be allocated - mostly for the rehabilitation of residential buildings in Macedonian municipalities.

The new Law on Energy Efficiency has created a legal basis for the adoption of a national Strategy for the reconstruction of facades in the upcoming period. Using the TABULAR methodology, the typology of the buildings in the residential sector is currently being developed by collecting data on them, in order to establish a complete insight into the real situation.

The typology of buildings will be the starting point for the development of the Strategy for the reconstruction of buildings for housing, public and commercial buildings, which according to the Law on Energy Efficiency is expected to be adopted no later than two years from the entry into force of the law. However, the biggest dilemma for the state is the provision of funds for the implementation of energy efficiency measures at existing facilities. Preparations are underway for the launch of the Energy Efficiency Project in the public sector, which will reduce the energy consumption of these facilities through a loan from the World Bank in the amount of 25 million euros. Other sources of funding from the state will still need to be sought, and more time will be needed for the establishment of a national Energy Efficiency Fund.

The Ministry of Economy position is that the legislation on the establishment of the Energy Efficiency Fund will have to be drafted and adopted in approximately one year after the launch of the Energy Efficiency Project in the public sector, while the National Fund is expected to become operational within two years after the start of the project activities for the implementation of energy efficiency measures in the public sector.

6.3 Environment (Under Chapter 27)

6.3.1 Horizontal Legislation

The implementation of the regulations in the area of horizontal legislation is in the large under the responsibility of the Ministry of Environment and Physical Planning. More specifically, the responsibilities are fully defined and distributed among the relevant sectors within the Ministry, the Environment Directorate and the State Environmental Inspectorate. Additionally, the local self-government units have enforcement obligations defined in the horizontal environmental legislation.

Most of the horizontal legislation has been transposed into the Law on Environment and the secondary regulations deriving from it. The Directive 2001/42/EC on the assessment of the effects of certain plans and programs on the environment (SEA Directive), the Directive 2003/4 /EC on public access to environmental information, and Directive 2003/35 / EC on the provision of public participation in the donation for the establishment of certain plans and programs in the field of environment (Public Participation Directive) have been fully transposed. The Directive 2011/92/EC on the assessment of the effects of certain public and private projects on the environment (EIA Directive) is partially transposed. Environmental impact assessment (EIA) and Strategic Environmental Assessment (SEA) procedures need to be further improved. The quality of studies and public consultation processes, especially for projects related to hydropower, mining and infrastructure, needs to be further improved

So far, there is partial transposition (83%) of the Directive 2004/35/EC on environmental liability for damage to the environment, in relation to the protection and repair of damages to the environment (Environmental Liability Directive). In the period covered by this report, no progress is made in the area of environmental liability.

The Environmental Crime directive (Directive 2008/99/EC) is almost fully transposed (90%) into the Penal Code. Some progress is achieved, but the implementation of the environmental provisions of the Penal Code is at a very low level, due to the lack of capacity to effectively initiate and prosecute environmental crime. The Directive 2007/2/EC on establishing an Infrastructure for Spatial Information in the European Community (INSPIRE Directive) has been transposed (72%) into the Law on National Infrastructure for Spatial Information. Some progress is also achieved with respect to INSPIRE directive, yet a lot needs to be done in terms of implementation.

The draft Law on Environmental Inspection, prepared within the Twining project, "Strengthening administrative capacities at the central and local level for the implementation of the environmental legislation" aimed at strengthening the capacities of the State Environmental Inspectorate and local environmental inspectors for environmental monitoring, should provide for better organization of the environmental inspection, and transposition of the EU Directive 32010L0075, SEVESO Directive and Recommendation 2001/331 / EC on providing minimum criteria for inspections. In December 2017, the law has passed the government consultation. We are in 2020 now, and it is still waiting for adoption.

Cooperation with the civil society has enhanced. The Ministry of Environment improved the practice of organising working meetings with representatives from the civil society organisations in the field of environmental protection. The first Arhus Centre was set-up aimed to create opportunity for public participation related to environment related issues. However, further efforts are needed for effective public participation and consultation in decision-making processes. Fulfilling the form (invitation of CSOs to consultative meetings) does not suffice to achieving a meaningful improvement (closer and constructive cooperation with all stakeholders in the field of environmental protection). Constructive criticism directed at the work of the responsible institutions can only contribute to (and serve as) a roadmap for improving their work.

Administrative capacity at all levels remains weak and financial resources are still insufficient to implement existing legislation.

6.3.2 Air Quality

On air quality, the legislative alignment is almost complete, but its implementation remains weak. The new Law on Ambient Air Quality is still awaiting its adoption.

The lack of sufficient administrative and financial resources is still the main obstacle to putting in place air-quality improvement measures. The progress in terms of the implementation of the plan to reduce air pollution is slow, and the air pollution levels in the major cities, particularly with the beginning of the heating season are still high.

The two-year Plan for reducing air pollution (2019-2020)⁵⁷ presented in 2018, was aimed, if the planned activities are fully realized, to contribute to the reduction of air pollution in Skopje by 50%, and in other cities affected by air pollution, by 30

⁵⁷ https://vlada.mk/sites/default/files/programa/programa_namluvanje_aerogaduvanje.pdf

to 50%. The allocation of funds for the implementation of the Plan and the air-quality improvement measures (introduced in 2019) continued also in 2020.

The fundamental principle of this Plan for the reduction of air pollution is to tackle, or prevent, sources of pollution. Among other priority measures, such as: monitoring and replacement of all instruments in the 18 monitoring stations and application of modern mathematical models for modelling and proper forecasting of air pollution; increased inspection controls; public campaigns; changes in the legislation; the plan foresees dealing with the sources of pollution (household heating, transport, industry, construction, waste).

The national air quality-monitoring network has been renewed with the replacement of few analyzers, but it still requires considerable reinforcement. Out of 18 air quality-monitoring stations installed throughout the country, 16 are operational.

In March 2020, the Ministry of Environment signed an agreement with Euromak-Control DOO Skopje to prepare documentation for the commencement of the accreditation process of the Central Laboratory within the Ministry, which has not been accredited yet for air quality testing methods.

The selected company had an obligation to prepare the necessary documentation for the accreditation of the Central Laboratory within five months, after which it would apply to the Institute for Accreditation of Macedonia to have their methods for air quality testing accredited. The entire accreditation process is expected to be completed within a year. Once the methods used have been accredited, the MoEPP Central Laboratory will be able to perform air pollution measurements and pollution control inspections, and the results obtained from the samples taken by the competent inspections will be considered relevant in all official procedures. So far, this has not been the case.

The issue related to the accreditation of the laboratory at the MoEPP is not new. For decades, the environmental inspectors were taking the samples for testing in private laboratories, accredited for testing air pollution. Because these laboratories were often hired by the companies in question, environmental associations and the professional public pointed to a possible conflict of interest and unbiased measurements and determination of the actual situation with air pollution.

The city of Skopje, and few other municipalities have developed local plans, with measures to mitigate the air pollution issue and improve air quality in the urban areas, but the pace of their implementation should be increased. For example,

the City of Skopje, and some of the municipalities in the city (the municipality of Centar, Karposh), continued giving subsidies to citizens to cover bicycle provision costs (aimed to diminish the air pollution from the traffic) and air conditioners provision costs (aimed to diminish the air pollution from household heating), improvement of the cycling infrastructure in the city of Skopje (bike lanes, biking square, etc), cleaning of illegal dumpsites and increased inspections to prevent burning of the waste in the open air. Yet a lot more needs to be done to decrease the levels of air pollutants in urban areas.

In June 2020, the Intersectoral Working Group (IWG) on Monitoring the Ambient Air Quality responsible for defining and proposing recommendations and measures which need to be taken to improve air quality, held its 15th video-conference meeting, after which joint conclusions were reached, with appropriate proposals for short-term and medium-term measures.

Short-term measures included: one day a week to work from home (for example Friday); one day a week without motor vehicles (for example Wednesday); one day a week to teach on-line; once a month one session of the Government to be on-line; in the sessions of all various government Commissions, the invited guests to participate exclusively on-line; in the third package of economic measures to help only those companies that will show that their business plans for future activities take into consideration the environmental protection; exemption from repayment of subsidies if the company applies the measures of the new Macedonian Green Deal and the Paris Agreement; stimulating companies to design their business models according to the principles of circular economy; placement of mini containers for medical waste; adoption and implementation of the Decree on eco-labels; and harmonization and acceptance of the proposals from the initiative "On Bicycles" to create functional conditions for stimulating the use of bicycle traffic.

For medium-term measures, they proposed decarbonization of the heating methods (both in households and in public institutions); accelerated implementation of the Clean Air Plan ensured that there is no public institution that pollutes; subsidies for households to replace heating if it pollutes; protection of producers of renewable sources of energy; mass project "Renovation of buildings" for increased energy efficiency; equalizing the price of extra light fuel with diesel, etc.

6.3.3 Waste Management

Regarding waste management, the country's progress was limited.

In January 2020, the Parliament of North Macedonia, after nearly two months of receiving the proposal, finally passed the amendments to the Law on Waste Management that prohibit the import of waste to be used as an energy source.

Public pressure to amend the Law on Waste Management and ban the import of waste to be used as an energy source has increased following the announcement of an investigation case opened by the Bulgarian state prosecutor for an unregulated import of 25 Italian containers with waste at the port of Burgas, transposed by boat on September 5 last year, allegedly, to be burnt at the Bobov Dol thermal power plant. Additional confusion was made after different data from the State Statistical Office and the Ministry of Environment on the quantities of imported waste in the country in the past ten years have been presented in public. In that period, there have also been accusations from citizens and eco-activists who shared photos on social networks, showing that the cement plant USJE is poisoning the citizens of Skopje by burning imported hazardous waste. Nevertheless, the plant's general manager denied this. He acknowledged that the images on the internet are from USJE, but stated that it was an alternative waste fuel imported from Italy that was burned in the kilns in the cement manufacturing process.

On February 24, 2020, the ban on import and export of combustible waste between Bulgaria and North Macedonia entered into force. Both countries pledged that from February 24, such waste would not pass from Bulgaria to Macedonia, nor from Macedonia to Bulgaria.

Although the current law is generally in line with the Basel Convention on Waste, practice has shown that we lack an effective system of waste control and management. These problems must be seriously addressed by the Department of Environment, responsible for issuing the A-integrated permits, as well as by the State Environmental Inspectorate, which controls the industrial plants. Both A-integrated permits and how industry controls are handled should be revised to eliminate system failures, be it a result of incompetence or corruption.

Provisions in the Law that regulate the ban of import of waste for storage, for the purpose of disposal, and for the disposal and import of hazardous waste mixed with non-hazardous waste or other components that reduce the harmfulness and hazardous characteristics of the waste, remain in force. Provisions that regulate the permission for import of waste that can be safely recycled, without the risk of

endangering the environment, human life and health, as well as being used as raw material also remain in force.

The new Law on Waste Management has not been adopted yet, even though the Government has submitted the draft law to the Parliament. The same applies to the several laws on special waste streams, which are still pending for adoption.

The new National Waste Management Plan (2020-2030)⁵⁸ is in place. On August 21, 2020, the Ministry of Environment and Physical Planning announced that they are starting the procedure for conducting a strategic environmental impact assessment of the planning document "National Waste Management Plan of the Republic of North Macedonia 2020-2030".

The new National Waste Management Plan (NWMP) 2020-2030 for the Republic of North Macedonia focuses on finding practical, acceptable and financially feasible solutions and ways to finalize the activities that remained undelivered under the previous NWMP (2009-2015).

The main activities presented in NWMP 2020-2030 are aimed at improving the standards for household waste management in RN Macedonia, especially the problems of environmentally unsafe waste disposal at municipal non-standard landfills, which urgently need to be closed and new regional waste management centers need to be established. In addition, NWMP 2020-2030 aims to regulate the management of industrial and medical waste as well as of special waste streams.

A novelty in this plan, compared to the previous national plan, is that it includes programs for special waste streams (packaging waste, waste batteries and accumulators, as well as waste electrical and electronic equipment), which aim to provide specific guidelines in order to achieve the goals set out in the relevant laws on special waste streams, especially in the part of the quantities released on the market of these materials and products, as well as future forecasts and development trends in the next ten years.

In the context of the approximation of RN Macedonia with the EU goals for introduction of a circular economy, the Planning Document also provides a framework of measures and envisages a period in which these activities could move forward in the country. The key measures and activities proposed in the Planning Document are divided under clusters (in line with the new action plan

⁵⁸ <http://www.moepp.gov.mk/wp-content/uploads/2020/08/NPUO-2020-2030-final-draft.pdf>

for circular economy for a cleaner and more competitive Europe)⁵⁹ with a starting / implementation period appropriate for RN Macedonia.

Table1. Referent Circular Economy Action Plan for a cleaner and more competitive country

Key clusters ⁶⁰	EU (delivery dates)	North Macedonia (delivery dates)
A SUSTAINABLE PRODUCT POLICY FRAMEWORK,	2020-2022	2022 -2024
KEY PRODUCT VALUE CHAINS,	2020-2021	2021 -2025
LESS WASTE, MORE VALUE	2021-2022	2022 -2024
MAKING CIRCULARITY WORK FOR PEOPLE, REGIONS AND CITIES	2020	2022
CROSSCUTTING ACTIONS,	2020-2023	2022-2025
LEADING EFFORTS AT GLOBAL LEVEL	2020-2023	After the start of the membership negotiations
MONITORING PROGRESS	2021	2024

Public Hearing on the Draft Strategic Environmental Assessment Report for the National Waste Management Plan 2020-2030 is foreseen before the end of 2020.

The problem with reliable data gathering is still an issue. The lack of reliable data limits the accuracy and reliability of any planning process and makes it impossible to measure performance effectively in relation to the main objectives set out in NWMP.

In order to generate quality data on waste management and the “fate” of waste, improved data collection methods are needed. A long-term solution is the implementation of a comprehensive data collection and monitoring scheme

⁵⁹https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC_1&format=PDF

⁶⁰ https://ec.europa.eu/environment/circular-economy/pdf/implementation_tracking_table.pdf

based on electronic tracking and reporting of data from the generator, through the collector, to the subsequent waste handlers.

The development of information technology systems is estimated at 1.5 million euros to 4 million euros, and the costs for maintenance of the system are projected at up to 185,000 euros per year.

The integrated waste management system is still delayed as setting up the regional structures took longer than expected. Another challenge is the opposition of the local population in the regions and cities where the waste management centers are to be built, but also the unwillingness of the local authorities to stand behind the regional waste management system. The reasons can be sought in the insufficient information, the lack of political will, but also in the long and inefficient bureaucratic procedures in conducting the public procurement tendering procedures.

The economic incentives to promote recycling are still limited and the lack of an organized extended producer responsibility scheme is hindering the implementation of the process. The business interests are obviously a powerful obstacle to move towards a system that for a start would motivate waste generation diminishing, but also a higher “buy-in” among the population to support the “up-cycle and re-use” approach.

A systematic approach for the remediation of the environmental hot spots (Jugohrom - Jegunovce, the lindane dumpsites of OHIS, REK Bitola, Topilnica Veles....) is not yet in place. This increases the risks to human health and environment.

After the media and CSOs raised the issue of methyl acrylate deposited in an old and rusty cistern at the former OHIS industrial site, the government took measures to arrange for its safe transfusion into appropriate containers and transportation to a facility in Germany, with licenses and technology for the destruction of hazardous chemical substances. Luckily, for the citizens of Skopje, there was no uncontrolled leakage of this toxic and dangerous (flammable) chemical substance (methyl acrylate), deposited at former OHIS industrial site.

6.3.4 Water Quality

On water quality, the country made limited progress. Further steps were taken to secure funds for the construction of the wastewater treatment plant in Skopje, and work on wastewater collectors is ongoing.

Concerning development (and implementation!) of river basin management plans, on April 24, 2020, high-level representatives from North Macedonia, Albania, Greece, Kosovo and Montenegro, virtually signed a joint statement, thus endorsing the Strategic Action Program (SAP) for sustainable management of the extended Drin River Basin. Shared among these five countries, the Drin River Basin provides water resources for drinking, energy, agriculture, tourism and industry.

The Strategic Action Program for the extended Drin River Basin is an extremely important document for North Macedonia and the countries of the region (Greece, Kosovo, Albania and Montenegro). The document foresees improving the exchange of information on the state and water regime in the Drin River Basin, creating conditions for sustainable use of water and ecosystems, as well as developing cooperation measures in order to minimize the risks of disasters due to extreme natural phenomena and climate change until 2030.

One of the most important aspects for North Macedonia is the management of the Lake Ohrid mouth as a sub-basin of the Drin River Basin. Within the Drin project, a draft Management Plan for the Lake Ohrid Basin has been prepared. For years, there was no quality plan for the protection and management of the Lake Ohrid and all its mouths.

The goals of the program also include improved solid waste management measures and appropriate waste disposal, reduction of pollution with nutrients originating from untreated or inadequately treated wastewater discharged into the waters of the Drin Basin, and unsustainable agricultural practices, as well as pollution reduction with hazardous substances such as heavy metals and pesticides.

The Strategic Action Program plays two different roles: environmental, as an important step towards future joint management of the Drin River Basin, and political, as a message for regional cooperation.

The signing of SAP, in fact, opens a window of opportunities for providing funds from the donor community for the implementation of envisaged measures. At the same time, this is the country's contribution to the implementation of the European Union Water Framework Directive.

The Municipality of Ohrid has finally got an "Integrated Cadastre of Environmental Polluters" that covers air, water, soil, and waste pollutants in the municipality. The development of the Integrated Pollutants Cadastre is aimed at obtaining a basic qualitative and quantitative database on the status of emitters and emissions of pollutants into the air, water, and soil, waste generation and its treatment, in order to follow the trends of the basic indicators for the quality of the environment in the Municipality of Ohrid, as well as to control the success of the measures taken, based on appropriate decisions and solutions at local level.

The data base and the level of their processing will enable this Cadastre to be a dynamic strategic document and as such, together with the legislation in this area, to be an instrument of both state and local governments for sustainable environmental quality management in the Municipality of Ohrid.

A responsible water management system to monitor the quality and quantity of surface waters (lakes and river) needs to be in place.

During September 2020, the water level of the Lake Prespa dropped by 5 meters and 12 centimetres below the normal water level. The water in some places receded for more than 200 meters, so instead of beaches on the coast there were muddy swamps and reeds. Residents were worried that the lake (that means life to them) was slowly, but steadily disappearing in front of their eyes.

The authorities said that in addition to drought and climate change, this situation has also been influenced by the human factor, i.e., excessive use and abuse of lake water. In order to take measures, it is necessary to determine what the water balance is, how much there is a natural inflow, how much water is used for drinking and irrigation in agriculture. For that purpose, in March a working group was established and cross-border cooperation with Albania and Greece was planned, but the pandemic prevented further activities.

There is no information on what is happening on the Albanian and Greek side with the pumping of the waters from Lake Prespa for irrigation in the upper parts. There is a need for a database for proper forecasting of measures and activities that would be implemented by all stakeholders.

According to the analysis data from the Monitoring Station in Stenje, the chemical quality of the water in Lake Prespa is good, and now for the first-time results for biological quality are expected. It will certainly help to locate the pollution sources, whether they are from artificial fertilizers, pesticides, wastewater management, or other pollutants.

However, it is more than certain that accelerated measures and activities are needed to save Lake Prespa. Although the withdrawal of water is a process that has been going on for more than 15 years, the recent water level (dropping by 5 meters from normal) indicates an alarming situation that requests responsible neighbours for better neighbourhoods.

The issue of inadequate administrative capacity and inter-institutional coordination is still a challenge, and needs to be improved.

6.3.5 Nature Protection

Concerning nature protection, the country has made some progress. It is worth to note that in the past three years, nature conservation activities appear to have been overshadowed by other segments of the environment, particularly air pollution and waste.

Regarding the national legislation, a new Law on Nature Protection has been drafted and is awaiting to be adopted by the Parliament. Procedures for declaring protected areas and national parks have been initiated (for parts of the Osogovo Mountains, Shara Mountain, Vodno Mountain); five natural rarities were declared (including the old plane tree in Ohrid, as a contribution to the preservation of natural values at the national level); A Plan for Management of the Natural and Cultural Heritage of the Ohrid Region was adopted, as an obligation of the Convention for the Protection of the World Cultural and Natural Heritage (UNESCO); The 6th National Report to the Convention on Biological Diversity (CBD) has been prepared; and other acts and decisions related to the protection of the forest fund and other natural resources in the national parks, protection of wild species, as well as active involvement in international and regional initiatives for cross-border cooperation for nature protection.

However, considerable efforts are still needed concerning the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as it is still at an early stage. Likewise, the long-term funding for the fulfilment of the obligations arising for nature protection provisions.

6.3.6 Industrial Pollution and Risk Management

As regards industrial pollution and risk management, a new Law on Industrial Emission and related implementing legislation have been developed but not adopted yet. The remarks on the draft text presented at the public debates were

partially incorporated into the law. The main obstacle highlighted by the stakeholders is the timeframe for implantation, which due to the current state of the industry (technical and financial), will have effects in both economic and social terms.

Limited progress has been made on transposition of the SEVESO III Directive. The development of a Rulebook on the criteria for determining cases of a major accident, as well as the Rulebook on the types of hazardous substances and quantities for the presence of hazardous substances, harmonized with the SEVESO III Directive (32012L0018) is envisaged. Concerning EU Eco Label Regulations, depending on the approved funds, it is envisaged to continue with the activities related to the projects on environmental labelling. In the area of large combustion plants, the key priority is the proper implementation of the National Emission Reduction Plan (NERP), which started in January 2018. In order to achieve compliance, adequate financing must be allocated for emissions abatement. This is also in correlation with the legal provisions and capacities for inspection (needed for enforcement of the polluter accountability provisions, which at the moment is not at a satisfactory level.

Some progress has been made on integrated permits, in terms of quality and quantity. Local government capacity in the procedures for issuing B-integrated permits is still low.

6.3.7 Chemicals

Concerning chemicals, the EU Regulation on the classification, packaging and labelling of biocide products, as well as the REACH Regulation (EC) No. 1907/2006 on Registration, Evaluation, and Restriction of Chemicals is fully implemented. The Commission for Registration of Chemicals has been established, which besides representatives of the sector, includes well-known scientists from several scientific-research institutions. In total, 220 chemicals have been registered in the Republic of North Macedonia, out of which 99% in shortened procedures, as they come from the EU countries.⁶¹

In 2020, North Macedonia ratified the Minamata Convention. The objective of the Minamata Convention is to protect the human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds. It contains, in support of this objective, provisions that relate to the entire life cycle of mercury, including controls and reductions across a range of products,

⁶¹ National Programme for Adoption of the Acquis Communautaire (NPAA), revised 2017-2019, <http://www.sep.gov.mk/en/content/?id=13>

processes and industries where mercury is used, released or emitted. The treaty also addresses the direct mining of mercury, its export and import, its safe storage and its disposal once as waste. Pinpointing populations at risk, boosting medical care and better training of health-care professionals in identifying and treating mercury-related effects will also result from implementing the Convention.

6.3.8 Noise

Republic of North Macedonia so far has made good progress in approximating to the EU requirements on noise. The country has fully transposed the Environmental Noise Directive in its national legislation. Actions for the development of strategic noise maps are still under preparation. Equipment and relevant software for mapping have been provided. In addition, activities under the two-year IPA project (2019-2020), aimed to support the progress, are ongoing. The project envisages assistance from EU experts. Initially, mapping will include the city of Skopje, Bitola, Kumanovo and Tetovo. Inter-institutional cooperation and coordination between the key institutions is needed to ensure data collection. In the period covered by this report, no progress was made in the area of noise pollution.

6.3.9 Civil Protection

There has been some progress in terms of civil protection. The country continues to participate in the Union Civil Protection Mechanism (UCPM), such it was the case with the Covid-19 crises, but it needs to strengthen its capacities for coordinated and efficient disaster mitigation and response action at all levels. An inter-institutional working group has been set up to propose recommendations for improvement. The Covid-19 crises showed that there is a need for improvement of the legal framework and institutional capacities as well as human and financial resources of civil protection authorities also with regard to health emergencies.

In addition, certain steps were taken to finalise the technical connection to the Commission's common Emergency Communication and Information System (CECIS). However, the country has not still implemented the recommendations of the 2018 Peer Review, including improving cooperation and coordination between the Protection and Rescue Directorate and Crisis Management Centre.

6.3.10 Climate Change

The alignment of the legal framework with the acquis is still at an early stage. It should also pursue efforts to implement the Paris Agreement, which North

Macedonia ratified in November 2017. The preparation of a climate law and a comprehensive strategy on climate action, consistent with the EU 2030 framework, is ongoing. The country finalised its 3rd Biannual Update Report to the UNFCCC and currently the 4th National Communication Report to the UNFCCC are in preparation.

The development of the National Energy and Climate Plans in line with the Energy Community obligation and on mainstreaming climate action into other sectors is in its final stage.

The country is the first contracting party under the Energy Community that integrated the pillars of energy and climate approach into the new National Energy Strategy (2020-2040).

The Kigali amendment to the Montreal Protocol was ratified. Considerable efforts are still needed to align with the EU climate acquis.

Technical, institutional and administrative capacity remains weak and needs to be strengthened at all levels. The efforts to mainstream climate action into other sectors need to be intensified.⁶²

6.4 Concluding notes

- Access to information

The problem with reliable data gathering is still an issue. The lack of reliable data limits the accuracy and reliability of any planning process and makes it impossible to measure performance effectively in relation to the main objectives set in the national strategic documents.

Information on the implementation, in particular for those pieces of legislation that are covered by the alignment process, needs to be more up to date and in a transparent manner, available to everybody involved or interested in environmental monitoring and reporting. This will be of benefit to all parties concerned: administration, the public and businesses.

- Implementation and Capacity

Enforcement and implementation are areas that need significant efforts. Furthermore, there is a lack of capacity to effectively initiate and prosecute

⁶² Klimatski Promeni, <https://klimatskipromeni.mk>

environmental crime. Human, technical and financial reinforcement is paramount for delivering results.

- Programming the Progress in correlation with Financing

The need for additional funding to implement laws and policies is rightfully recognized in the report as a necessity and a challenge. For Chapter 27 generally it states that financial resources for the implementation of legislation are a challenge. Significant financial resources are also needed in Chapter 15 in the area of energy efficiency improvement, whereby the need for greater commitment of municipalities for its improvement is underlined.

Finally, we believe it is worth noting that in line with the new negotiation framework structure (instead of by chapters, it is organized in clusters, in total 6), in the Cluster 4: GREEN AGENDA AND SUSTAINABLE CONNECTIVITY, energy (Chapter 15) and environmental issues (Chapter 27) are coupled with transport policy (Chapter 14) and trans-European networks (Chapter 21).

The cluster is linked to the realization of the “European Green Deal”, which recognizes that the EU’s environmental transition is impossible without effective action in its immediate neighborhood. The second axis, connecting the chapters in these clusters, is the “Connectivity Agenda” for the Western Balkans, aimed at strengthening infrastructure links with and in the region, especially in transport and energy, which should contribute to economic growth. Apart from Chapter 15 (Energy), which is assessed with good progress, it is worrisome that all the other chapters are assessed with limited or some progress. Chapter 21 is the only one with a good level of preparation, while Chapter 27 has only some level of preparation. The fact that these chapters are an important part of the Economic and Investment Plan for the Western Balkans is of particular concern.

07. SERBIA, ENVIRONMENTAL AMBASSADORS FOR SUSTAINABLE DEVELOPMENT (EASD)

Introduction

To achieve this, in 2020 the European Commission presented the European Green Deal,⁶³ the most ambitious package of measures that should enable European citizens and businesses to benefit from sustainable green transition. The policy areas covered by the EU Green Deal are climate change, clean energy, circular economy and sustainable industry, sustainable mobility, environmental-friendly food system, biodiversity, zero-pollution and a toxic-free environment.

The EU will support its immediate neighbours so that the transition for Europe can be effective. At the Zagreb Summit on 6 May 2020, EU and Western Balkans leaders agreed that deepening regional economic integration has to be a prominent part of the recovery efforts of the Western Balkans. From this perspective, the Green Agenda for the Western Balkans is the instrument that will bring the European Green Deal closer to the Western Balkan countries. The Green Agenda intends to mirror the European Green Deal focusing on decarbonisation, circular economy, biodiversity preservation, and depollution.

This report⁶⁴ focuses on ENV.net3 targeted activities in Serbia in 2020 (and does not cover other subchapters). The Report represents a continuation of the previous Reports produced by EASD in 2018 and 2019, following the methodology presented in that Report: EC Annual Report 2020⁶⁵, and some relevant official documents, like Screening Reports⁶⁶ and documents available through the process of preparation of Position Paper for Chapter 27 - Serbia presented its Negotiating Position for Chapter 27 to EC in January 2020 and now is waiting for a COM to prepare the Draft EU common position. For Chapter 27,

⁶³ See: Communication from The Commission To The European Parliament, The European Council, The Council, The European Economic And Social Committee And The Committee Of The Regions, COM (2019) 640 from 11 December 2019, at https://ec.europa.eu/info/publications/communication-european-green-deal_en (accessed January 2020).

⁶⁴ Prepared by Environmental Ambassadors for Sustainable Development Team of Experts

⁶⁵ EC Serbia 2020 Report, available at

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/serbia_report_2020.pdf

⁶⁶ Chapter 15 Screening Report, available at

http://www.mei.gov.rs/upload/documents/eu_dokumenta/Skrining/screening_report_ch_15.pdf

Chapter 27 Screening Report, available at https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/screening_report_serbia_-_chapter_27_-_environment.pdf, and http://www.mei.gov.rs/upload/documents/skrining/screening_report_chapter_27.pdf

we take into account NGOs activities made by Coalition 27 in preparing a “shadow report”.⁶⁷ In reporting progress, we rely on: - monitoring of the implementation of the NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS - Third Revision, 2018,⁶⁸ as well as - research and activities achieved within ENV.net3 regional project: “Circular economy in Serbia – process started”,⁶⁹ the Reflection paper on air quality data for Serbia, the Position paper on COVID 19 and waste management, the Information paper on the meaning of Cluster “Green agenda and sustainable connectivity” for Serbia,⁷⁰ the 2020 Spotlight Report on Circular Economy in Serbia, EASD reflection on EU enlargement cluster methodology — Chapter 27 and clustering, “Ebart” Media Achieve analysis and the contribution made through the project EU Environment Partnership Programme for Accession (EPPA) in the Western Balkans and Turkey (highlight: participating NGOs agreed that transparency needs to be increased).

This report is complementary to other available relevant reports, covering only selected issues of interest for ENV.net3 regional project.

7.1. Energy (Under Chapter 15)

According to the European Commission’s latest annual assessment of the implementation of reforms in the country, for Serbia limited progress in the area of energy was marked. Some ENV.net related highlights of assessment concerning Chapter 15: Energy are as follows:

- advance on green energy transition: strengthen human resources capacity and promote investment in energy efficiency and substitution of coal power plants with gas and renewables, implement consumption-based metering and billing and move towards cost-reflective electricity prices. In other words, advancing on a green energy transition, away from coal needs to become a priority. Implementing the Paris Agreement, including by adopting a comprehensive climate strategy and law, consistent with the EU 2030 framework for climate and energy policies and well-integrated into all relevant sectors, and developing a National

⁶⁷ Available at <https://www.koalicija27.org/wp-content/uploads/2020/10/report-2020.pdf>

⁶⁸ NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS-Third Revision , Available at http://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/third_revision_npaa_18.pdf

⁶⁹ <http://ambassadors-env.com/en/circular-economy-in-serbia/>

⁷⁰ Prepared in November 2020 and based on analyses provided by ENV.net subgrant project Refresh 4EU

Energy and Climate Plan in line with Energy Community are also some other obligations.

- Awareness-raising activities need to be stepped up. Serbia needs to invest much more into the transition towards green energy, including upgrading outdated infrastructure in order to reduce pollution.

This chapter is with opening benchmarks; Serbia working on fulfilment of opening benchmarks.

7.1.1 Renewable Energy

On renewable energy, Serbia further progressed on transposing EU acquis into its legislation. Serbia adopted several pieces of secondary legislation on bio-fuels but implementation is pending. Bio-fuels are not yet used in the transport sector. The latest data for 2018 show that renewable sources accounted for a share of 20.32% of gross final energy consumption, which is well below Serbia's national renewables target set at 27% for 2020. Serbia needs to intensify its efforts to switch from feed-in tariffs to an auction-based scheme. Implementing legislation to enable prosumers to interact with the energy market should be adopted. Any further development of hydropower should be in line with EU environmental acquis.

Degradation of the natural habitats for mini hydropower plants construction is continuing, although analyses and recommendations of expert institutions are clearly indicating that mini hydro power plants should not be constructed in the protected areas. Local citizens and CSOs at a number of such locations are showing commitment not to allow small hydros on their rivers. EASD continued to support such activities related to protection of local natural resources.

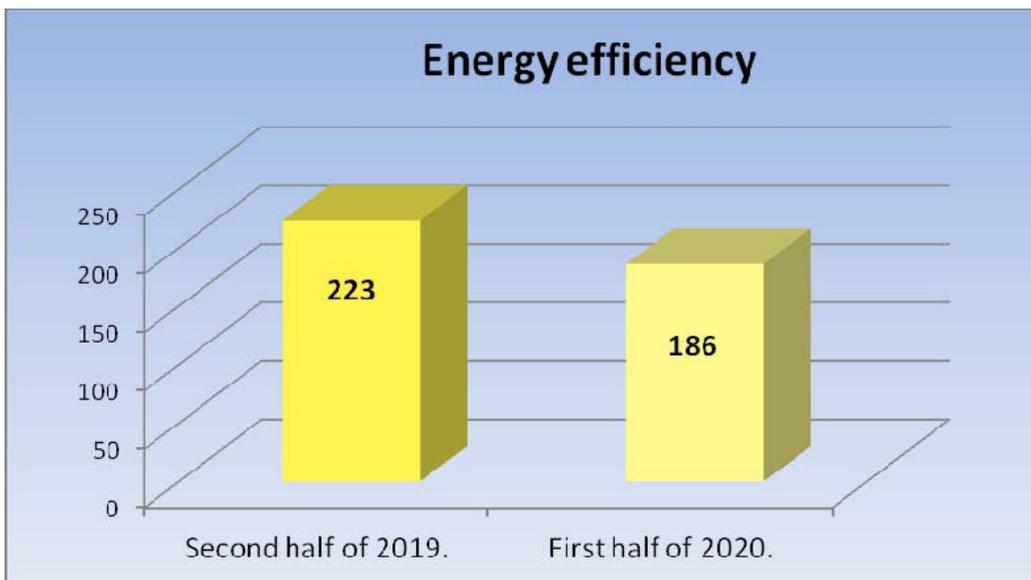
In 2020, EASD continued to work in partnership with the French institute in Serbia/Belgrade, which provided practical models on Renewable Energy Resources, through the bigger project Climate Caravan. More than 20 local communities hosted exhibitions, with the participation of more than 1000 students and citizens.

7.1.2 Energy Efficiency

Serbia achieved some progress in energy efficiency by adopting rules on energy labelling. Serbia still needs to adopt amendments to the law on the efficient use of energy, improve energy audits and energy management, and implement requirements in the field of eco-design and related secondary legislation.

From 2018, EASD started energy efficiency advocacy, in partnership with “Elektroprivreda Srbije” and continued efforts to promote energy efficiency measures among Eco-school Serbia network in 2020, with the new partner, the French institute in Serbia. More than 20 local communities and 100 Eco-school, with the participation of more than 2000 students, received workshops and printed material with directions how to deal with energy efficiency in daily life and work.

ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive “Ebart” shows that in print media in Serbia the term “energy efficiency” appears to be in the following values:



As shown, the trend is visible, but more awareness rising and knowledge-based activities are needed.

7. 2. Environment (Under Chapter 27)

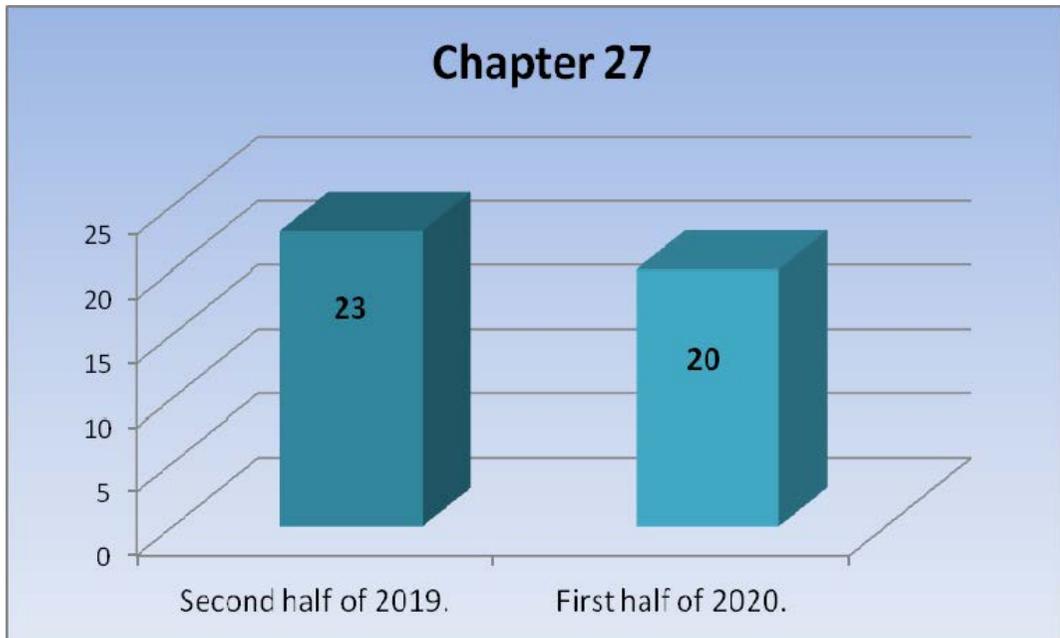
Some facts regarding Chapter 27 (Environment and Climate Change), are as follows: An explanatory meeting held from 15-19 September 2014; A bilateral meeting held from 17-21 November 2014; Received EC Opinion – Screening Report at the very end of 2016 without benchmarks. The Negotiation Position for Chapter 27 was finalized at the end of 2019, consisting of a number of DSIPs (Directive Specific Implementation plans), to support the position, and in January 2020, after the final approval by the Government, it is to be submitted to EC. The Negotiation Position for Chapter 27 was prior to the final Governmental approval, discussed and approved by the National Convention on the EU, EU and Environment Committees of the Serbian Parliament. The Serbian Environmental Protection Agency (SEPA) has a responsibility to produce a national State of the Environment report on a yearly basis, since 2006 (in accordance with Articles 76 and 77 of the Law on Environmental Protection). The Government and the Committee on Environment of the Serbian Parliament approved the latest 2018 Report in December 2019. Although the legal framework is advanced (EU directives transposed), the implementation of laws is “a little too slow”.

Serbia is now (October 2020) waiting for COM to prepare the Draft EU common position.

Serbia has achieved some level of preparation in the area of environment and climate change. Overall, Serbia made limited progress in the past year, mainly on strategic planning. The 2019 recommendations remain valid. Serbia should considerably step up ambitions towards a green transition.

ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive “Ebart” shows that in print media in Serbia the term “Chapter 27” appears to be in the following values for the second half of 2019 – the first half of 2020:

Chapter 27



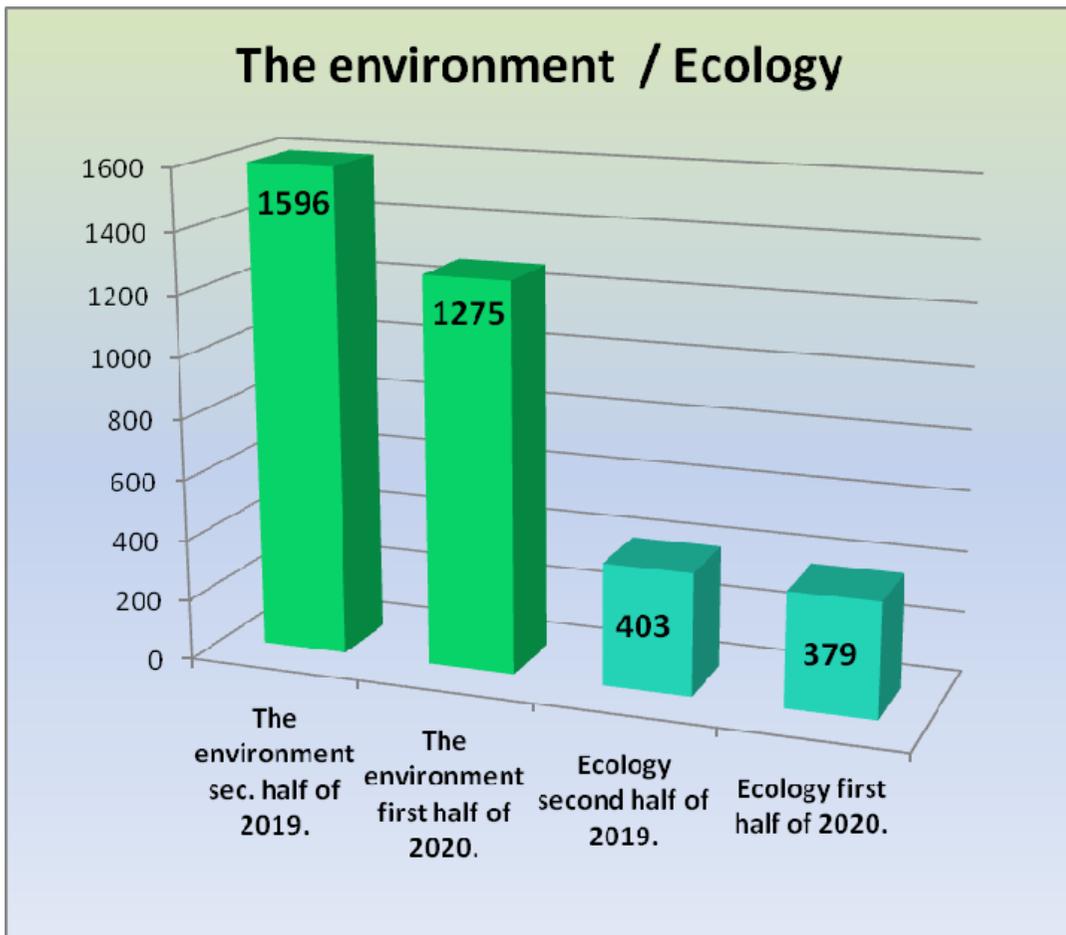
This research is the base of the EASD paper Environmental Communication: Media Archive Reports as a Participant Science Tool, accepted to be presented at the International Scientific Conference ICCM 2021- International Conference on Communication and Management,⁷¹ to be held in August 2021 in Athens, Greece (with acknowledgement to ENV.net project).

At the same time, ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive "Ebart" shows that in print media in Serbia the term "Environment/Ecology" appears to be in the following values:

⁷¹ <https://coming.gr/iccm2021/>

7.2.1 Water Quality and Management

The level of alignment with the EU acquis on water quality is moderate.



7.2.2 Climate Change

Serbia has some level of preparation on climate change, but implementation is at a very early stage. Developments in 2020 largely came to a standstill, reflecting a lack of political consensus about the urgency to act. Serbia has not adopted the climate law yet, prepared as a draft in 2018. The adoption and implementation of a climate strategy and action plan, which is consistent with the EU 2030 framework for climate and energy policies and which addresses adaptation to climate change, is paramount for Serbia's future low carbon development. The Draft National Climate Change (Low Carbon Development) Strategy and its Action Plan, developed by IPA 2014 supported project,⁷² passed several rounds

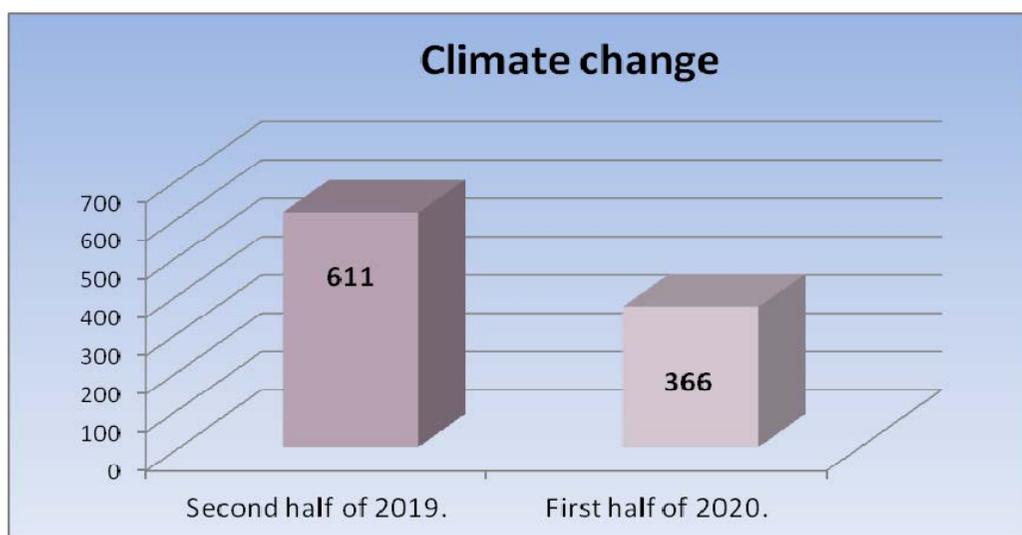
⁷² <http://www.serbiacclimatestrategy.eu/>

of the consultation process, including CSOs community. Serbia needs to invest much more into the transition towards green energy, including upgrading outdated infrastructure in order to reduce pollution.

The alignment of legislation on monitoring, reporting and verification of greenhouse gas emissions in line with the EU emissions trading system and Effort Sharing Regulation is pending.

Awareness-raising activities need to be stepped up.

ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive "Ebart" shows that in print media in Serbia the term "climate change" appears to be in the following values during the second half of 2019 and the first half of 2020:



The NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS - Third Revision, 2018,⁷³ planned:

Law	NPAA	Achieved until October/November 2020
Law on Climate Change	2018/II	NOT ADOPTED (wide public consultation in 2018)

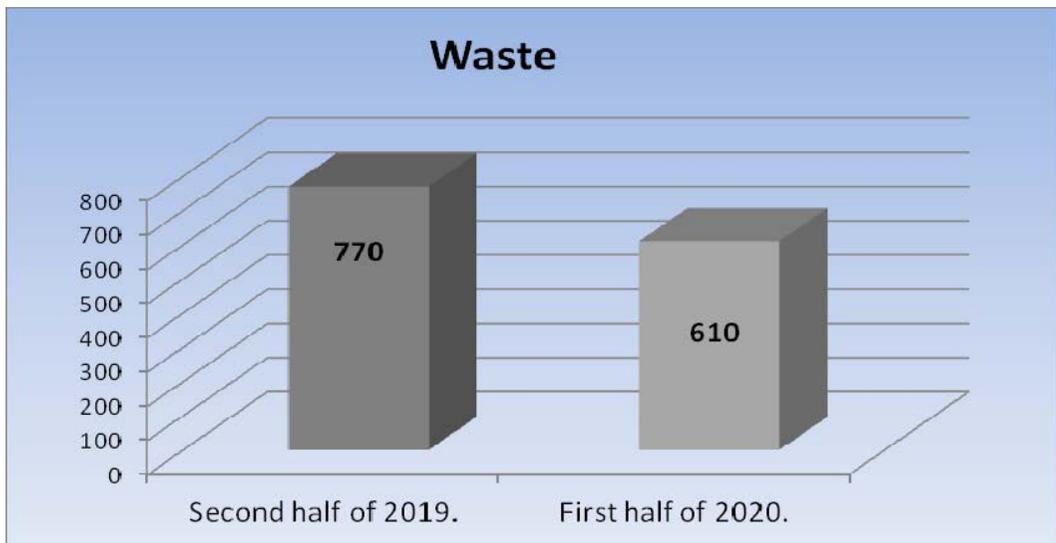
7.2.3 Waste Management

Regarding waste management, Serbia has a good level of alignment with the EU acquis in waste management, however the implementation remains at an early stage.

The proportion of recycled waste in overall waste management is still low, e.g. 3% for municipal waste. Serbia needs to redouble efforts to close its non-compliant landfills and invest in waste reduction, separation and recycling.

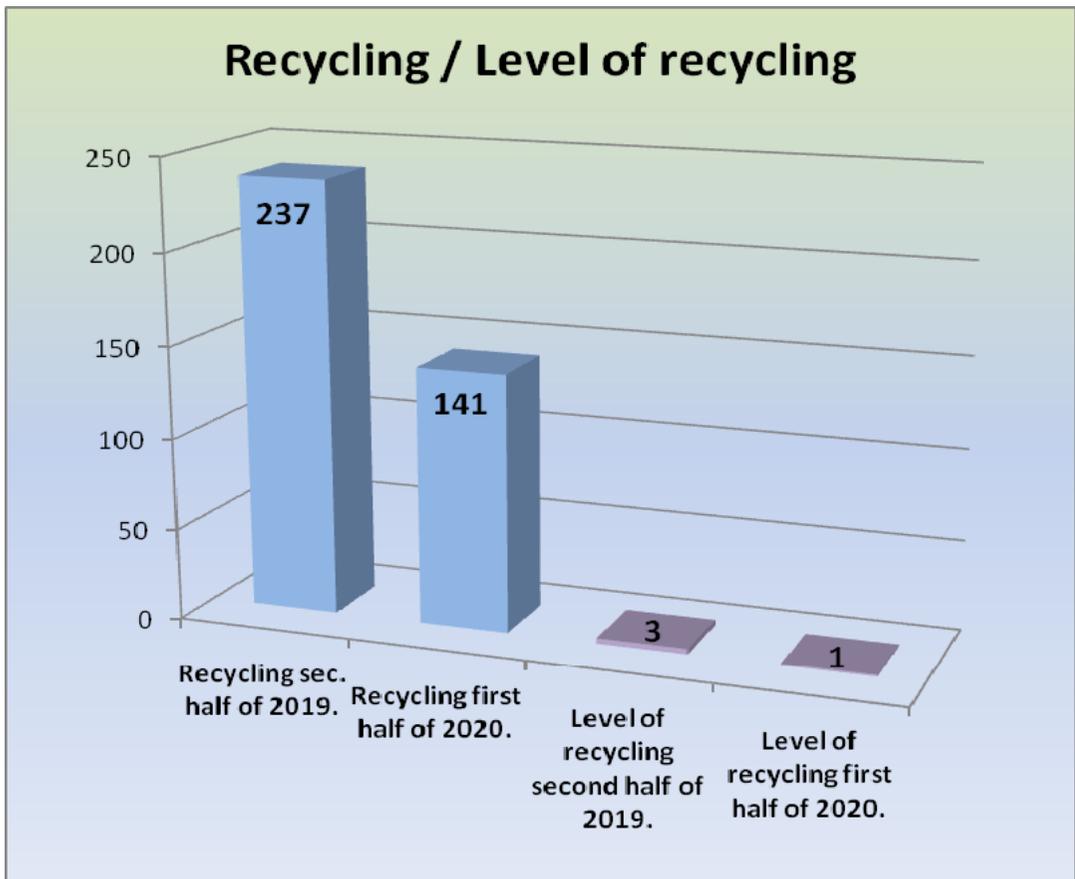
ENV.net3 research conducted in 2020 by EASD and implemented by Media archive "Ebart" shows that in print media in Serbia the term "waste" appears to be in the following values, during the second half of 2019 and the first half of 2020.

⁷³ NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS-Third Revision, Available at http://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/third_revision_npaa_18.pdf



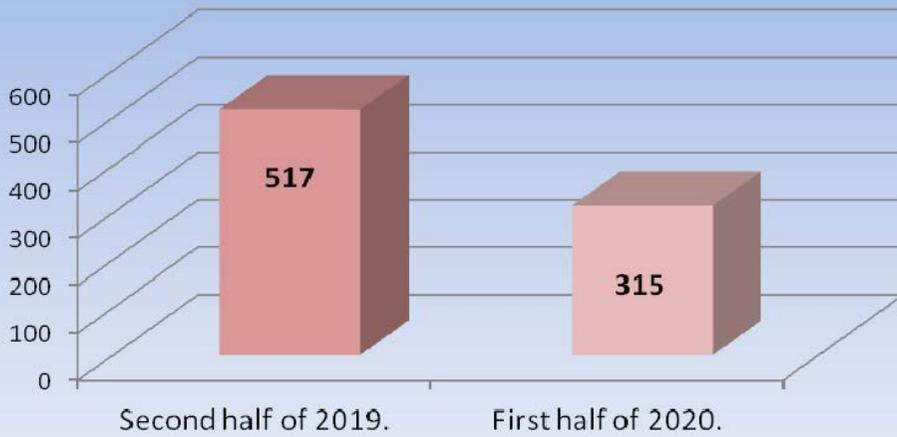
ENV.net3 research conducted in 2020 by EASD and implemented by Media archive "Ebart" shows that in print media in Serbia the term "recycling/level of recycling" appears to be in the following values during the second half of 2019 and the first half of 2020.

ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive "Ebart" shows that in print media in Serbia the term "Landfills (in Serbian "deponije")" appears to be in the following values during both time periods: the second half of 2019 and the first half of 2020.

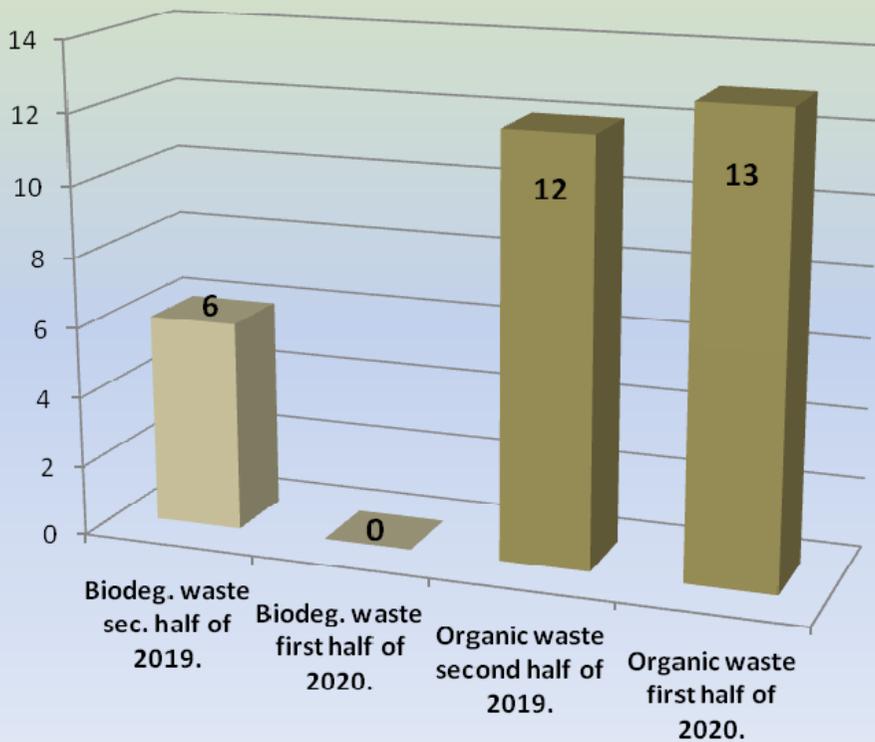


ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive "Ebart" shows that in print media in Serbia the term "biodegradable waste/organic waste" appears to be in the following values during the second half of 2019 and the first half of 2020.

Landfills



Biodegradable waste / Organic waste



In the NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS - Third Revision, 2018,⁷⁴ the Law amending the Law on Waste Management was planned for the beginning of 2019; however, adoption is postponed to 2021:

Law	NPAA	Achieved until October/November 2020
Law amending the Law on Waste Management	2019/II	A draft version of the new Law on Waste Management, has been prepared; no evidence on public consultation

Draft new /updated National Waste Management Strategy, with the National Waste Management Plan and National Waste Prevention Program, is developing under the Twining project "EU support to the development of a strategic framework in the field of waste management". This project also includes the development of a set of economic instruments for the implementation of European solid municipal waste regulations. Related DSIPs (Directive Specific Implementation Plan) are developed during the process of preparation of the Negotiation Position for Chapter 27.

Due to the fact that EASD is committed to information/knowledge-based advocacy, we just followed, but did not take part, a public consultation related to the Belgrade landfill and the construction of a waste to energy facility (expected to start in 2020).

7.2.4 Chemicals (and GMO's⁷⁵) and Animal Welfare

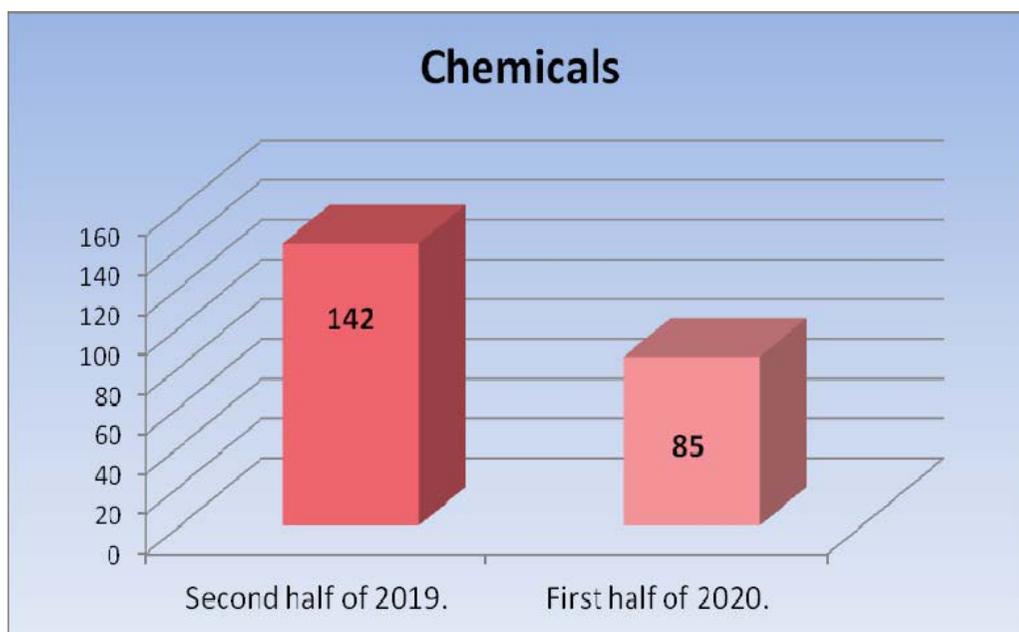
The Law on Chemicals and Law on Biocidal Products along with the relevant bylaws represent an advanced system of chemicals management, which is significantly harmonized with EU regulations. Serbia has a high level of alignment with the EU acquis on chemicals. Serbia opened an online platform to register biocidal products. Serbia needs to boost its administrative capacity to implement

⁷⁴ NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS-Third Revision, Available at http://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/third_revision_npaa_18.pdf

⁷⁵ In Serbia, GMOs are not part of Chapter 27

legislation in these areas, and ensure proper monitoring of persistent organic pollutants.

ENV.net3 research, conducted in 2020 by EASD and implemented by Media archive “Ebart” shows that in print media in Serbia the term “Chemicals” appears to be in the following values during the second half of 2019 and the first half of 2020.



EASD participated in activities which aimed to put an end to amalgam use; in 2020 the activity was quoted in the European Commission’s Report which recommends the phase out of amalgam (therefore the European Commission will propose a legislation in 2022 for a phase out on a specific date, earlier than 2030).

7.2.5 Circular Economy

The term “circular economy” is not mentioned in 2020 EC Report. Since 2018 CSOs in Serbia started to raise this issue.⁷⁶ Serbia is implementing some initiatives that support circular economy.

⁷⁶ Under the ENV.net3 project umbrella, and also look at <http://eukonvent.org/>
<http://eukonvent.org/category/vesti/> <http://eukonvent.org/category/saopstenja/>

An ex-ante analysis of effects related to the (future) circular economy policy is prepared, through the “Policy and Legal Advice Centre – PLAC III, EuropeAid/139295/DH/SER/RS project.

In 2020, the Serbian Ministry for Environment, supported by UNDP, published “A Roadmap for circular economy in Serbia”.⁷⁷ The purpose of the Roadmap is to encourage production through the application of circular business models, to motivate industry to create new work posts and to advance doing business by detecting innovative, sustainable solutions on the market.

The circular economy concept in Serbia is still in its early days.

In 2020, ENV.net3 research related to circular economy⁷⁸ was presented at EurAsia Waste Management Symposium 2020, Istanbul, Turkey, October 2020.

At the end of 2019 ENV.net3 developed and published the publication “Circular economy in Serbia – process started”.⁷⁹ The progress regarding circular economy at EU and UN levels, as well as the current situation in Serbia, with references to all past and ongoing projects and initiatives, are presented in the publication.

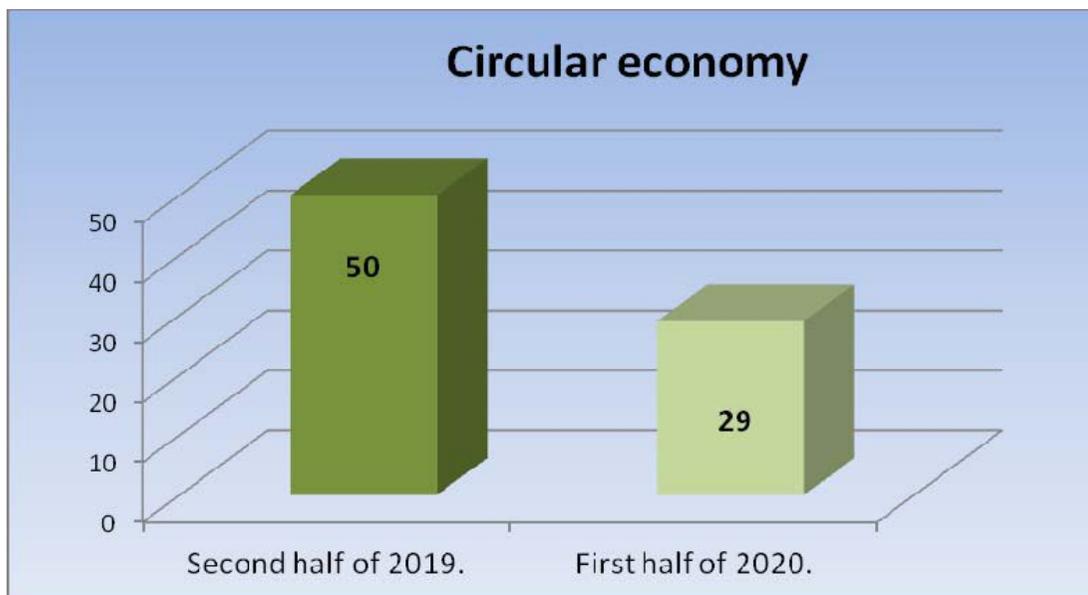
The above-mentioned publication is receiving great attention. It is posted on ResearchGate, and as of 31 October 2020 it counts: 309 reads of the publication in Serbian, and 124 reads of the publication in English.

Research conducted in 2020 by EASD and implemented by Media archive “Ebart” shows that in print media in Serbia the term “Circular economy” appears to be in the following values during the second half of 2019 and the first half of 2020.

⁷⁷ https://www.ekologija.gov.rs/wp-content/uploads/razno/2020/FINAL_202004020_roadmap%20SRBIJA.pdf

⁷⁸ <http://ambassadors-env.com/en/files/ABSTRACT-Circular-Economy-goes-beyond-Waste-Management-2020.pdf>

⁷⁹ <http://ambassadors-env.com/en/circular-economy-in-serbia/>



In 2020, EASD performed some milestone activities related to circular economy in Serbia. These include:

- workshops through Eco-schools Serbia network, about can recycling, “Every can counts in Eco-schools” project
- development of students entrepreneurship among children with special needs, based on circular economy principles and supported by the local community of the City of Sombor.

7.2.6 Wildlife and Nature Protection

EASD activities presented in 2.1.1, could also be considered in this thematic issue.

7.2.7 Air Pollution

In the field of air quality, Serbia has a good level of alignment with the EU acquis. However, Serbia needs to speed up implementation of legislation and air quality plans. While an air quality monitoring network is in place and is being extended, and real-time data are available, the monitoring of air quality still needs to be considerably strengthened.

Due the fact that Belgrade and some other cities are suffering from air pollution and are among the most polluted places in the world, in 2020 EASD performed some analysis related to air pollution and COVID-19 circumstances. It has been noted that 11 agglomerations in Serbia have above-the-limit levels of air pollution: Belgrade, Subotica, Pančevo, Užice, Smederevo, Kosjeric, Valjevo, Kraljevo, Sremska Mitrovica, Kragujevac and Niš. Five of these cities do not have any air quality management plans in place. Pollution induced by the Kostolac B thermal power plant needs to be addressed as a priority. Alignment with EU legislation on volatile organic compound emissions needs to continue.

7.3 Conclusions and Recommendations

The conclusion remains the same as the ones from the previous year (years).

- There is need to mainstream sustainability in risk management and foster long-termism (environmental and climate risks are currently not always adequately taken into account by the financial sector; social factors can also have concrete consequences for financial institutions including legal risks, etc.);
- The environmental (and climate action) policy framework needs to be reinforced in key economic and sectoral policies (like proper implementation of SEA, EIA, IPCC/Industrial Directives, investment tools); CSOs requested that the enforcement of SEA and EIA provisions be fully, and transparently, applied to any investments from IFIs, EU IPA funding, but also foreign investments, for instance, the Belt and Road initiative.
- It is necessary to accelerate the awareness raising and dissemination of science/knowledge on environment and climate action issues (as well as energy efficiency); under the umbrella of ENV.net3 project in Serbia knowledge-based activities are acknowledged, as presented in this report. Such CSO activities in the sector, as a crucial component to long-term sustainable transition, should also be financially supported by international donors; proactive cooperation between different stakeholder groups on environmental and climate action issues (like NGOs with the youth) and increased communication with the media, need to have more support;
- It is important to assure that quality, equity and relevance of education and training on environment and climate action match societal and economic needs.

08. TURKEY, TEMA

Introduction

Turkey and the EU were linked by an Association Agreement since 1963. In December 1999, the European Council granted the candidate status to Turkey. In 2005, the EU adopted the negotiating framework, and the accession negotiations were officially opened on 3 October 2005. Turkey started work to align its legislation to the EU Acquis in 2005. So far, 16 chapters out of 35 were opened to negotiations and only one chapter (Chapter 25 - "Science and Research") was closed provisionally.

Regarding trade relations, the EU remains Turkey's number one import and export partner while Turkey is the EU's 4th largest export market and 5th largest provider of imports. Turkey also participates in Erasmus+, Horizon 2020, Competitiveness of Enterprises and Small and Medium-sized Enterprises-COSME, Customs 2020, Fiscal 2020, European Environment Agency, Employment, and Social Innovation-EASI, European Monitoring Centre for Drugs and Drug Addiction and since 2016 Civil Protection Mechanism. Turkey has been receiving financial assistance under IPA II since December 2015.

Chapter 15 on "Energy" and Chapter 27 on "Environment and Climate Change" are necessary to create capacities at the national and local level while considering global environmental challenges. As of today, humanity is struggling with key challenges such as environmental degradation, the loss of biodiversity, climate change, climate justice, food security, water, and air pollution, inequality between and within countries, corruption, non-transparent data, unsustainable consumption patterns, national economies heavily depending on fossil fuels, and the like. There is a scientific consensus that climate change is due to human activities. The carbon dioxide level in the Earth reached 409 ppm in May 2019.⁸⁰ Besides, the global temperature is 1 degree warmer than the pre-industrial period as mentioned by IPCC. The two negotiation Chapters with the EU advocate an integrated policy structure for the longest time. Alignment with the two Chapters will contribute to moving Turkey towards embracing a better environmental performance.

Environmental Status in Turkey

Environmental status in Turkey seems to have some inroads. Particularly, Turkey has made considerable progress in terms of the alignment with the EU legislation

⁸⁰ More information is available at https://www.esrl.noaa.gov/gmd/ccgg/trends/gl_trend.html (updated on 9 May 2019).

as part of the EU accession process. According to the previous progress reports, Turkey has achieved progress in noise control and waste management in general, as mentioned by the Commission. However, additional legislative and national efforts need to be made in the field of adaptation to climate change, mitigation, nature protection, industrial emissions, water management, Environmental Impact Assessment (EIA), and effective public participation in environmental issues.

Turkey is also a party to key institutions of the EU such as the Council of Europe since 1949 as well as international conventions. However, Turkey has not ratified the Paris Agreement yet. In the latest Climate Change Performance Index, Turkey is described as a “very low performer” and is ranked 50th out of 60 countries.⁸¹ It also performs “low” in the category of greenhouse gas emissions and “very low” in the category of energy use.

Summary of the Report

Following the EU Council meeting in December 2009, Chapter 15 remains one of the blocked Chapters in the negotiations whilst Chapter 27 was opened to accession negotiations on 21 December 2009. In short, this report attempts to present an overview of Turkey’s performance in Chapter 27 and partly Chapter 15 concerning the environmental protection, climate change mitigation, and energy sector. The report aims to contribute a better understanding of the two Chapters in Turkey. Importantly, the report is not an alternative document to the EU’s progress reports. The main purpose of this document is to submit inputs for the country progress report.

Environmental Rights, Accountability & Governance

Turkish environmental legislations are mainly comprised of laws, regulations, statutes, and decisions. As a framework, the Environmental Law (No. 2872, adopted in 1983) aims to protect and improve the environment that is described as a common asset of all citizens in Turkey.

The state administration is organized hierarchically and rationally, ensuring basic lines of accountability. Most executive agencies are formally embedded under ministries. Internal and external oversight arrangements regarding the citizens’ right to access environmental information need to be better implemented.

⁸¹ Germanwatch, CAN Europe and New Climate Institute CCPI-Results 2019, available at https://www.climate-change-performance-index.org/sites/default/files/documents/ccpi2019_results.pdf

Citizens' right to access environmental information is regulated by the law on the right to information, which does not require proactive disclosure of information and provides for broad exemptions on the grounds of protecting state secrets, commercial secrets, and personal data. However, Turkey is still not a party to the Aarhus Convention.

Environmental Monitoring

Turkey is a party to all key international environmental conventions that provide appropriate policy frameworks and promote cooperation and coherent action at global, regional, and national levels to address environmental problems. The State of the Environment Report, as one of the main national state of environmental reports, is published by the Ministry of Environment and Urbanization every four years. Environmental Indicator Reports and Provincial State of the Environment Reports are also published annually.

8.1 Energy (Under Chapter 15)

Following the EU Council meeting in December 2009, Chapter 15 on Energy remains one of the blocked Chapters in the accession negotiations.

Global projections predict that the global economy will double until 2040 while the growth will not be reflected in the energy demand at the same rate. On a global scale, countries tend to grow by consuming less energy. There are no projections by sector in Turkey. However, the Turkish Electricity Distribution Utility (TEİAŞ) updates its 10-year projection each year. According to TEİAŞ's 10-year projection update in 2018, annual demand growth rates will be around 3.5-6.0 percent until 2027.

2012 had been announced as the "Coal Year" in Turkey to double the share of domestic coal in electricity generation. However, the share of domestic coal in electricity generation has decreased gradually, from 18.9 percent to 15.7 percent, while the share of imported coal has increased from 9.9 percent to 17.3 percent between 2011 and 2017, according to TEİAŞ. The capacity of imported coal doubled while the capacity of domestic coal increased by 13 percent despite all incentives.

8.1.1 Renewable Energy

Electricity generation from renewable resources met forty-four percent of Turkey's total electricity demand by the end of 2019, with wind and solar energy representing around ten percent. According to the statistics released by the International Renewable Energy Agency in March, renewables accounted for three-quarters of the new capacity additions in the global power sector in 2019.

Wind and solar energy—with continuing cost reductions—were the majority of them.⁸²

Solar, wind, geothermal and modern biomass account for 7% of Turkey 's energy supply – the G20 average is 6%. In the last five years, the share of these sources in total energy supply has increased by around 257%, much more than the G20 average (+29% 2013-2018). Geothermal energy makes up the largest proportion.⁸³

As stated in the country report, Turkey is improved to be well advanced on renewable energy and maintained increasing its power generation capacity by using local and renewable sources. In 2019, the share of renewable energy in Turkey's power generation was set at 34%, with a 20% majority in hydropower. Changes were established in the scope definition of renewable energy installations, which influenced the applicable state incentives. In line with legislative changes, it was precluded for renewable energy installations under 5 MW to collect state initiatives including preferential feed-in-tariffs and some tax exemptions. The legislative changes made in 2019 called for budgetary concerns related to the current feed-in-tariffs since it will be expired by the end of 2020. In that regard, tenders within the scope of Renewable Energy Resource Areas will be operated in Turkish Lira instead of US Dollars. The report also states that concerns regarding local-content requirements that affect the EU and other international companies' access to tenders in the renewable energy sector in Turkey remained.

Other issues related to the Renewable Energy sources in Turkey are the lack of planning and lack of criteria for the plant site selection. Renewable energy shall be planned carefully by considering both efficiency and its environmental effects.

8.1.2 Energy Efficiency

In Turkey, industrial energy consumption is concentrated in a few sectors. The cement and iron and steel sectors consume 45 percent of the primary energy and 29 percent of the electricity consumed among the industrial sectors. There is also a high potential for energy efficiency and saving in these sectors. These two sectors have an opportunity to recover more than 20 percent of electricity. In the textile sector, the saving potential reaches 57 percent.

⁸² <https://www.atlanticcouncil.org/blogs/turkeysources/turkeys-renewables-sector-in-light-of-covid-19/>

⁸³ Brown to Green: The G20 Transition Towards a Net-Zero Emissions Economy, 2019
https://www.climate-transparency.org/wp-content/uploads/2019/11/B2G_2019_Turkey.pdf

According to the European Environment Agency's report (2014), the global energy intensity has decreased 2,1 annually since 2010, although Turkey is one of three countries that could not reduce its energy intensity among the European Economic Community countries. Turkey's energy intensity increased by 0.4 percent annually between 2005-2014.

Comparing to last year, there has been visible progress in energy efficiency. Particularly, the National Energy Efficiency action plan made some progress as it is also stated in the country report by the EU. However, the foreseen national energy efficiency financing mechanism is still not established. Concessional debt and international donor funding are still represented as the main ways of funding for critical and urgent projects across Turkey. Regarding financial matters, a new legal obligation was established for public buildings that urges to save a minimum of 15% of their energy bill compared to the calculated average consumption of the building in the last 3 years. To advance the capacity of public institutions and their infrastructure in energy efficiency, a new concessional loan and grant agreement was signed. Even though the country's policies on energy efficiency in buildings are advanced and adjusted in accordance with the EU acquis, there are some gaps. The existing gaps are mostly connected to inadequate details such as the problem of data quality regarding the status of energy efficiency, standards, and implementation methodologies.

On the other hand, the energy efficiency efforts for buildings and eco-design is not distinct. The current legislation remains insufficient in fully addressing the increasing demand for cooling and the potential use of renewable energy technologies in buildings. Even though Turkey has adopted the Energy Efficiency Law and Energy Efficiency Directive and issuing an energy identity card is an obligation for all the buildings and houses under the Energy Efficiency Legislation, the energy efficiency cards for millions of buildings and houses have not been issued yet. Further, there is no advantage, government initiatives, tax reduction for energy-efficient buildings so that building energy-efficient houses or renovating the building and houses to make them energy efficient are not attractive. There are no government initiatives or loans for renovating the old building to make them energy efficient and/or eco-friendly domestic heating solutions. The engagement of the public sector with improving energy efficiency undergoes a lack of a committed agency that could integrate the efforts of all stakeholders including various government agencies. The mentioned role has been played by the Department of Energy Efficiency and Environment, which is a part of the Ministry of Energy and Natural Resources, with certain institutional

limitations. More attention shall be given to domestic heating and energy labeling and improving the existed legislation is necessary.

8.1.3 Nuclear Power and Safety

There is still no nuclear plant in operation in Turkey. Legislation on the nuclear industry was enacted, however not consistent with Euratom regulation. The port construction of the Akkuyu Nuclear Power Plant (NPP) which is a joint project of the Turkish and Russian Governments, started in 2015. Despite all the economic and political problems of the Akkuyu Nuclear Plant constructed by Russian Rosatom, the construction continues. The project's EIA report has severe deficiencies including waste management, contingency plans, and assessment of seismicity.

There is one more Nuclear Power Station project going on in the north of Turkey. The EIA process for Sinop NPP on the Black Sea started in early 2017. There is strong public and civil society opposition against the project because of the deficiencies of the EIA reports and processes as well as the problems of the participatory processes. The final version of the EIA of the project has been announced by the Ministry of Environment and Urbanization. However, the EIA which was started to evaluate the impact of the nuclear power plant to its surroundings neither has a valid agreement nor a company to be commissioned for the construction of reactors. There are a lot of essential drawbacks and mistakes in the EIA report that should be completed and corrected before the possible EIA approval decision. One of the most important problems about the project is nuclear waste issues, and in the report it is explicitly mentioned that the 10 square kilometer area transferred to the Ministry of Energy to establish a nuclear facility would be used as a temporary waste storage area for 60 years of the power plant lifetime and the final disposal facility would be established by Turkey under the responsibility of Turkish Atomic Energy Institution(TAEK) to have the waste ultimately disposed of at this disposal facility. Such an explanation indicates that the government of Turkey also easily attempts to build a "final repository" which will be at least three times more costly and has never been successfully done in the world since 1942 when the first reactor was established in the World.

Turkey transferred the revised Stress Tests National Report connected to the Akkuyu nuclear power plant project in July 2019 after voluntarily committed to conducting the tests in alignment with the EU model in 2011. The next step is established to be the organization of a transparent peer 86 review of the National

Report by the Commission and the European Nuclear Safety Regulators Group (ENSREG), which Turkey has an observer status in.

On the other hand, findings show that Turkey made some progress on nuclear energy and nuclear safety. After the newly assigned chairman in 2019, the recently created Regulatory Body of the Atomic Industry was restructured once again at the beginning of 2020. The transition process between the previous and new regulatory bodies is yet to be completed. It should be reminded that the country has not yet joined the Joint Convention on the Safety and Spent Fuel Management and on the Safety of Radioactive Waste Management, and has not been affiliated with the European Community Urgent Radiological Information Exchange System yet.

8.2. Environment (Under Chapter 27)

8.2.1. Horizontal Legislation

The key points that need to be underlined in the field of horizontal legislation under Chapter 27 can be seen as follows:⁸⁴ Horizontal legislation in Turkey is still problematic. Environmental Impact Assessment (EIA) can be defined as a process that examines the possible outcomes of a planned project on the environment. It is an important tool, which is used in the decision stages of investments posing a threat to the environment and public health. However, the investments in fossil fuel energy, mining, and construction sectors mostly overlook or ignore environmental conservation.

In Turkey, EIA Regulation entered into force in 1993, however, the Regulation has been revised 19 times since 1993 and many changes have been considered problematic. The Strategic Environmental Assessment (SEA) Regulation was finally completed and entered into force in 2017. However, the two provisional articles granting exemptions to fisheries and forestry sectors until 2020, and industry, energy, transportation, waste management, and telecommunications sectors until 2023 are in contradiction with the objective of the Regulation. Also, some significant sectors such as energy and transportation are not subject to the Strategic Environmental Assessments Directive.

Concerning the infrastructure, energy, and transportation projects, the main objective of such projects is to increase social welfare. Social welfare and welfare

⁸⁴ This section is the summary of the two publications prepared by TEMA Foundation: "EIA Policy Paper 2018" (to be published soon) and "EIA Workshop-Conclusions" published in 2015 under the previous ENV.net Project period.

distribution cover three aspects: economic, social, and ecological ones. Problems/conflicts in the decision-making processes of projects arise from the fact that economic welfare is prioritized over the other two aspects. Between 1993 and 2019, as for the sectoral distribution of EIA decisions, investments in petroleum, mining, and energy sectors got the first two positions in cases with a positive result for EIA. Furthermore, 47% of all 63.112 "EIA not necessary" decisions were granted to investments related to petroleum and mining.⁸⁵

As stated in the country report by the EU, Turkey has achieved some level of preparation in the area of horizontal legislation. However, there are still serious concerns about the provisions in the Environmental Impact Assessment (EIA) legislation that waive licensing and other restrictions for strategically important investment projects. Procedures for transboundary consultations are not following the EIA and the Strategic Environmental Assessments (SEA) Directives. Even though the current EIA legislation is being carried out, the concerns regarding the application of the rule of law in court decisions on environmental issues, public participation as well as the right to access environmental information remain as significant concerns. The public interest in the Kanal Istanbul Project, the design of the artificial sea-level waterway that connects the Marmara Sea to the Black Sea, brought several cases against the positive decision of EIA to the court. In March 2020, the first tender was introduced for the planning phase that includes reconstructing two historical bridges located in the area where the canal is proposed to be built. Further an extensive impact analysis on how the project will affect the riparian states of the Mediterranean and the Black Sea and the riparian proprietors is deemed required. Considering Turkey is still not a party to the Espoo and Aarhus Conventions and aligned with the SEA Directive only in some sectors, the country's cooperation on environmental liability remained limited.

Cases alike threatening nature can also be seen in Turkey. By the end of 2013, a total of 62.754 hectares of forest area was used for activities such as mining and oil exploration. 33.959 hectares forest area was assigned to mining activities and 36.432 hectares for other energy activities in three years period, namely 2015-2016-2017.⁸⁶

Besides, it is predicted that the precipitation rates will decline 20-40 percent in southeastern and eastern parts, and up to 40 percent in western and central parts

⁸⁵ Ministry of Environment and Urbanization, available at <https://ced.csb.gov.tr/>

⁸⁶ The Foresters' Association of Turkey Report on Turkish Forestry https://www.ormancilardernegi.org/dosyalar/files/revize_rapor7%20web.pdf page 49

of Turkey, given the fact that the country is located in the Mediterranean Basin being highly vulnerable to climate change, according to IPCC. Considering all the facts, impact assessment processes in Turkey become much more important. As the need for efficient and integrated impact assessment processes grows rapidly, it is of great significance to improve current practices and the body of current laws.

Participation should be transformed into a process, which involves feedback mechanisms based on exchanges of views throughout the process, and should include setting a scope, as it should be done by changing the framework of public participation meetings from something which goes beyond its purpose and where the parties do not trust each other. As mentioned above, the Aarhus Convention has not been signed yet, which is an important shortcoming in terms of legislation related to participation in environmental decision making. Regulations on periods for the EIA stages are also intended to shorten periods. As the shortening of periods makes it difficult to examine the EIA applications and reports, monitoring and supervision is also an important stage in the EIA process. The regulations concerning how to handle monitoring and supervision are insufficient.

The scope can be dealt with in two sub-sections, namely, the identification of projects to be implemented by EIA processes and the identification of subjects covered by the EIA. Annex-1 and Annex-2 of the EIA Regulation determine which projects will be subject to EIA and which projects will be evaluated through screening criteria. It is seen that the scope of the EIA has been narrowed down with the recent changes made in these lists. This narrow-down was made by increasing the lower bounds of the capacities of some projects listed in Annex-1, by transferring the projects such as public housing and golf courses from Annex-1 to Annex-2, and by increasing the lower limits of some projects listed in Annex-2. These changes cause many projects that may have significant environmental impacts to be exempted from EIA processes.

Another important shortcoming in the designation of contents covered by the EIA is health effects. The HIA is an important tool to assess the likely impacts of a policy, a program, or a project on the health of a population living in that area. As of August 2020, Turkey does not have an HIA legislation. Besides, it is observed that the EIA processes being carried out do not address the public health data comprehensively and comparatively.

8.2.2 Air Quality

In Turkey, at least 75 million people breathe dirty air even according to national air quality limits.⁸⁷ In 2019, only one out of 81 cities had PM 10 levels below the WHO guideline levels,⁸⁸ and PM 10 in 3 cities was not measured properly. During the same year, Istanbul, Ankara, and Bursa are the first three cities where the number of deaths is highest due to air pollution. Besides, 13 cities in Turkey have experienced the most problematic air quality levels in the last three years. Air pollution is the biggest reason for premature deaths in Turkey. 45.398 premature deaths are caused by air pollution yearly.⁸⁹ Importantly, there is no legislation with limit values for PM 2.5. In addition, there is no health impact or cumulative assessment in the permit process of industrial facilities. Older versions of dispersion modelling programs are used at EIA processes.

National legislation regarding air quality still needs to be adopted conforming to EU directives on ambient air quality and national emissions ceilings, as stated in the EU country report. Besides, national legislation shall be adjusted to comply with the limits of all pollutants including PM 10, PM 2.5, and SO₂ with the air quality guidelines of the World Health Organization (WHO), and this must be applied to all industrial facilities in operation without any exception. Pilot PM 2.5 measurement must be disseminated to all cities in Turkey. The reliability of measurement data for all cities must be improved. Public, NGOs, and academia access to data should be announced in an understandable format. Public transportation and bicycles in cities can be promoted to decrease emissions from transportation. Clean Air Action Plans are under consideration whilst the plans for 64 out of 81 provinces are in place. In some cities, serious air pollution was reported on an annual basis, and local clean air action plans are also developed for 64 out of 81 provinces. A national strategy for air quality monitoring was already in place and 7 out of 8 planned regional networks were ready to operate. Many EIA reports do not mention the Clean Air Action Plans.

8.2.3 Waste Management

In general, Turkey is partially aligned with the new EU Acquis related to waste management. The country has followed a strategy that promotes a zero waste management approach including efficient use of natural resources and expended recycling and reuse. Following the first year of the project, Turkey

⁸⁷ Chamber of Environmental Engineers, Air Quality Report 2019.

⁸⁸ Turkish Thoracic Society Air Pollution Working Group, 2019.

⁸⁹ Temiz Hava Hakkı Platformu (2019), *Hava Kirliliği ve Sağlık Etkileri, Kara Rapor*, available at <https://www.temizhavahakki.com/wp-content/uploads/2019/05/Hava-Kirlili%C4%9Fi-ve-Sa%C4%9Flu%C4%B1k-Etkileri-Kara-Rapor-2019.pdf>

continued to fulfill the requirements of the Turkish Regulation on Waste Management (Official Gazette: 29314; 02.04.2015) and other legislative obligations. In addition, the Zero Waste Project aims to advance circular economy in Turkey. Further, the legislation introduced a ban on the free distribution of lightweight plastic bags that came into force in January 2019 and attracted substantial public interest. The project also established a by-law pathway on zero waste for municipalities, buildings and settlements to be concluded by 2023. Even though there has been progressing under the project, Turkey still needs to revise its consumption patterns to make sure that all wastes are classified by their sources and recycled, and to increase public awareness on climate change.

Capacity and cooperation for sorting, recycling, and medical waste treatment increased. However, an integrated waste management system is necessary for each province and town in Turkey. Importantly, wild dumping sites and landfilling methods still remain problematic in the country. In this respect, Turkey commits to reduce municipal landfills from 88,7 percent (2014) to 65 percent in 2023 and the current wild dumping sites will be rehabilitated across the country under the National Waste Management Action Plan (2016-2023).

The updated rates on regular storage and other methods used by municipalities are as follows:⁹⁰

- Regular storage: 61,2 percent
- Municipal garbage: 28,8 percent
- Recovery: 9,8 percent
- Others: 0,2 percent.

For waste treatments to achieve EU acquis standards, the efforts continued. Nevertheless, a lot of work is needed to increase the capacity of treatment. Almost 90% of the waste is still dumped into the landfills.

As stated in the EU country report, economic tools to advocate recycling and the prevention of waste generation advanced, but remained limited. In March 2020, Turkey also extended its previous recycling and initially identified its re-use targets that cover the years 2020-2031 and beyond. Hence, the target percentage for total recycling also increased. Legislation on ship recycling that embodies the

⁹⁰ More information is available at <http://cevreselgostergeler.csb.gov.tr/belediye-atiklari-miktari-ve-bertaraf-miktari-i-85749>

demands of the EU Ship Recycling Regulation was pending adoption. The existing notification practices were in accordance with the Basel Convention.

8.2.4 Water Quality

According to the World Resource Institute, Turkey is expected to be ranked among the most “water-stressed” countries by 2040.⁹¹ There are 25 basins defined by the Ministry in Turkey and each basin has its River Basin Protection Action Plan in place. So far, management plans for 5 out of 25 river basins were concluded and adopted. However, the main problem related to water issues in Turkey remained, which is the lack of an appropriate legal framework. Even though the legislative alignment on water quality has improved, the implementation also needs to be advanced. The Regulation regarding the Protection of Water Basins and the Development of Management Plans enacted in 2012, contains elements for the approximation of EU legislation, such as turning the "River Basin Protection Action Plans" into "River Basin Management Plans".

Drinking water quality is regulated by Regulation Concerning Water Intended for Human Consumption by the Ministry of Health in Turkey. As in the process of becoming a Member State of the EU, the Turkish regulation is compatible with the EU Drinking Water Directive.⁹² In addition, the law on Protecting Drinking Water Basins was amended in March 2020. The capacity of wastewater treatment also improved due to continuous investments.

8.2.5 Nature Protection

In Turkey, the Ministry of Agriculture and Forestry and the Ministry of Environment and Urbanization and their affiliated organizations. are responsible for developing policies related to nature protection, designating and managing protected areas, developing and implementing plans and programs. Even though the country has reached some level of preparation on natural protection, the framework law on nature protection is not effective yet. Regulations that decide planning and construction in forests and natural sites are still not in accordance with EU acquis, as mentioned in the EU country report. The institutional framework for designating and managing Natura 2000 sites has not

⁹¹ <https://www.wri.org/blog/2015/08/ranking-world-s-most-water-stressed-countries-2040>

⁹² Giresunlu E. at al, Drinking Water Treatment Plants in Turkey and Determination of Revision Needs, 2019 <https://dergipark.org.tr/tr/download/article-file/726895>

been drawn up yet, and it needs to be sufficiently resourced. The national biodiversity strategy and action plan have not been revised. Investments, particularly in energy (such as hydropower and coal power plants) and mining, need to be made in compliance with the relevant national and international obligations to protect nature. Some changes regarding the status of protected areas have occurred over the year. They include, but not limited to, the dismissed status of the National Park of Cappadocia as a national park. This change brought significant concerns regarding its legal basis, transparency, and the lack of stakeholders' involvement.

8.2.6 Industrial Pollution and Risk Management

The Ministry of Environment & Urbanization and the World Bank carried out a joint project between 2011-2016 on the MRV system. The objective of the project was to contribute to setting up the MRV system in Turkey, and the investigation of credits, trading schemes, and options to get prepared for the decision-making process. The Regulation on Monitoring of Greenhouse Gas Emission ("MRV Regulation") which was enacted in 2014 has been successfully implemented.

Working in accordance with the EU acquis in industrial pollution and risk management is considered as located in the initial phase by the EU country progress report.

8.2.7 Chemicals

The new regulation called "Registration, Evaluation, Authorisation, Restriction of Chemicals" with the Official Gazette number 30105 came into force on 23 June 2017. With this regulation, "Regulation on the Safety Data Sheets of the Dangerous Chemicals and Compounds", "Regulation on the Inventory and Control of Chemicals" and "Regulation on Restriction of Chemicals and Chemical Compounds" were consolidated. In addition, new restrictions accepted and came into force in December 2017 are also similar to EU REACH Annex XVII. On the other hand, Turkey has been identified as one of the countries of origin in 3.3 percent of all registered alerts in the EU market.⁹³ Even though the overall status of legislative cooperation is improved, the enforcement remains weak.

⁹³ European Commission (2018). *2017 Results of the EU Rapid Alert System for dangerous non-food products*, available at https://ec.europa.eu/consumers/consumers_safety/safety_products/rapex/alerts/repository/content/pages/rapex/reports/docs/Rapex_annual_Report_2017.pdf

Issues regarding genetically modified organisms (GMOs) in Turkey are still controversial. The legislation on the commerce of dangerous chemicals is yet to be completed. Even though the use of GMOs for food is banned in the country, Turkey's Biosafety Council approved the use of three types of soybeans and one type of corn GMO traits as animal food under the Decision published in the Official Gazette on 2 August 2017. Again, in January 2018, the Council approved the import application on two corn and one soybeans GMOs as animal food whilst ten cotton and four canola GMOs are not imported. In March 2020, Turkey adopted a law that aims to align with EU *acquis* on biocidal products.

The Turkish Biosafety Council was established under the Biosafety Law in 2010 (No. 5977). In August 2018, the Council was no longer active and its authority was transferred to the Ministry of Agriculture and Forestry. Turkey also enacted the legislation on persistent organic pollutants (POPs) dated 14 November 2018 with the Official Gazette Number 39595. Regulation on "Working Procedures and Principles of Animal Experiments Ethics" was published in the Official Gazette Number 28914, dated 15 February 2014. The embracement of a regulatory framework to enforce the Directive on the protection of animals used for scientific means has advanced. This regulation was adopted in April 2019.

8.2.8 Noise

Under the heading of noise, there is a single Directive (2002/49/EC) on the Assessment and Management of Environmental Noise. The Directive calls for the development of strategic noise maps by Member States showing the situation in all agglomerations with more than 250.000 inhabitants, all major roads which have more than 6 million vehicle passages a year, major railways which have more than 60.000 train passages per year and major airports within their territories. The Directive also requires the Member States to draw up Noise Action Plans.⁹⁴ The Ministry of Environment and Urbanization, in cooperation with relevant municipalities, plans to complete noise maps of 66 Turkish provinces by the end of 2019. The Environmental Noise Action Plan (2009-2020) was prepared. The alignment in the field of noise in accordance with the EU *Acquis* is well improved, according to EU's Progress Reports. However, implementation of the legislation should be increased as well.

⁹⁴ https://www.ab.gov.tr/chapter-27-environment_92_en.html

8.2.9 Civil Protection

Turkey ranks first in terms of humanitarian aid with 8.07 billion US Dollars.⁹⁵ However, Turkey also ranks third in the world in terms of earthquake-related casualties, including the 1999 Marmara Earthquake, the 2006 Flood in the South East, and the 2011 Van Earthquake. In this respect, the coordination of disasters and legal authority remains crucial.

Turkey and the EU have been collaborating in the field of disaster management. Turkey has been, for instance, a member of the European Civil Protection Mechanism since 2006. In addition, the number of refugees has reached almost 4 million,⁹⁶ which is the highest number of refugees around the world. The EU has contracted 50 humanitarian projects in order to help refugees. The EU humanitarian funding to support a similar type of humanitarian activities in basic needs, health, education through the Facility for Refugees in Turkey is 1.45 billion Euro between 2016-2018. The Facility supports both humanitarian and non-humanitarian assistance. It has a total budget of 6 million Euros from the EU and the Member States. According to a special report from the European Court of Auditors (ECA) published in November 2018,⁹⁷ Turkey provided significant support for the Facility.

In 2009, the Turkish Parliament approved the Law No.5902 establishing the Disaster and Emergency Management Authority (AFAD) under the Prime Minister. On 16 April 2017, Turkey adopted a presidential system of governance after a referendum. In the aftermath of the approval of the news system, AFAD was re-established under the Ministry of Interior⁹⁸ by the Presidential Decree No. 4 that was published in the Official Gazette on 15 July 2018. It takes necessary measures for effective emergency management and civil protection in the country. It operates to minimize disaster-related damages, coordinate post-disaster response. Importantly, it introduces a novel disaster management in the transition towards risk management. It has 81 provincial branches in Turkey.

The Turkish Parliament passed the Law on Precautions to be taken due to Disaster Affecting Public Life and Assistance to be Provided, No.7269. The legislative

⁹⁵ Global Humanitarian Assistance Report 2018.

⁹⁶ https://ec.europa.eu/echo/where/europe/turkey_en

⁹⁷ The European Court of Auditors (2018). *The Facility for Refugees in Turkey: helpful support, but improvements needed to deliver more value for Money*, Special Report No:27/2018, Luxembourg, available at https://www.eca.europa.eu/Lists/ECADocuments/SR18_27/SR_TRF_EN.pdf

⁹⁸ Presidential Decree No. 4, available in Turkish at

https://www.afad.gov.tr/upload/Node/29467/files/4_nolu_KHK_2nci_Bolum_AFAD.pdf

framework on disaster is present under the by-law on the Principles of the Organization and Planning of Emergency Assistance Regarding Disasters. At the national level, the Turkish Red Crescent Organization also organizes humanitarian relief and assists in the delivery of medical teams, equipment, blood, blood products, and their distribution and storage. Another one is the General Directorate of Civil Defense (Ministry of Interior) which aims to organize all activities.

As stated in the state progress report by the EU, Turkey's cooperation under the EU Civil Protection Mechanism (UCPM) has increased notably since 2019, regarding the efforts for the COVID-19 pandemic. The country is expected to commit further response capacities to the European Civil Protection Pool and to contribute to assistance under the Union Civil Protection Mechanism during emergencies. Turkey is supported to establish the Secure Trans European Services for Telematics between Administrators (sTESTA) system so that it could connect through the Common Emergency Communication and Information System (CECIS) with the Emergency Response Coordination Centre (ERCC) of the European Commission. The COVID-19 outbreak emphasized the need for a stronger legal framework and institutional capacities regarding health emergencies.

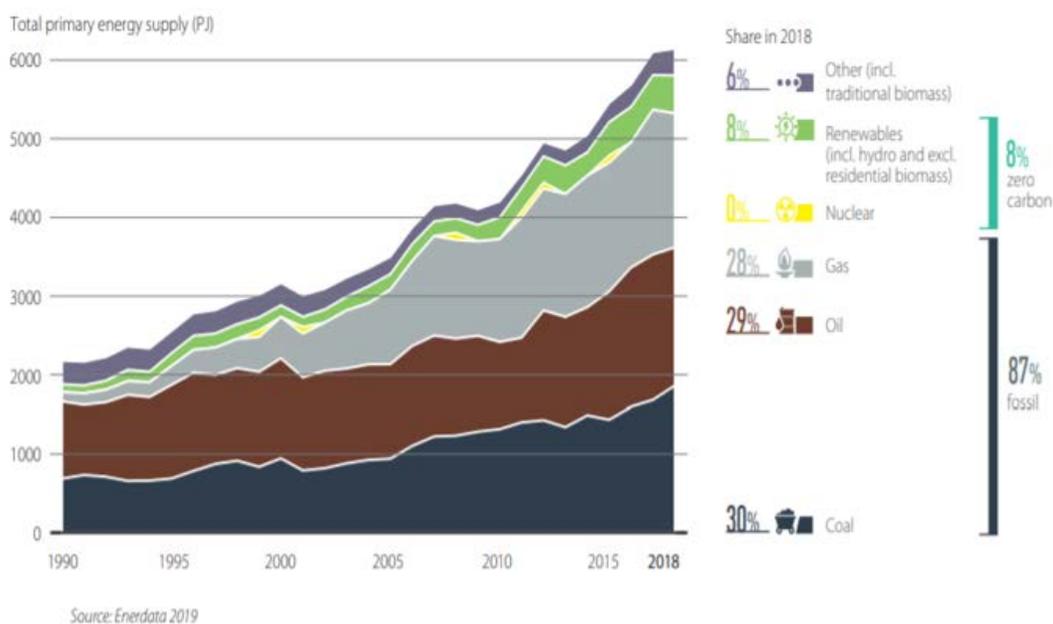
8.2.10 Climate Change

As a candidate country for the EU membership, environmental agreements should be at the core of Turkey's policy-making processes. Turkey must increase measures for climate change mitigation and adaptation. However, a national strategy in line with the EU 2030 climate and energy framework is yet to be formulated. Mainstreaming of climate action in sector policies remained limited. In addition, the current national strategy and action plan addressed the concerns related to climate change only partially and in a short-term aspect. Previously, Turkey indicated an intent to combat climate change in several international agreements. The country became a party to the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 and ratified the Kyoto Protocol in 2009 and signed the Paris Agreement in April 2016 but has not been ratified yet.

Greenhouse gas emissions from Turkey have doubled since the 1990s. According to the emission inventory of Turkstat (Turkish Statistical Institute), the most responsible sector for emissions is the energy sector (71,6 percent). The industry (12,5 percent), agriculture (12,5 percent), and waste sectors (3,4 percent) follow

the energy sector regarding emissions. There should be greenhouse gas emission mitigation efforts in every sector to attenuate climate change. According to Turkstat, in 2018, the total greenhouse gas emissions as CO₂ equivalent increased by 137,5 percent compared to the levels in 1990. The INDC target of Turkey is 21 percent emission reduction from 1.175 MtCO₂e to 929 MtCO₂e according to its business-as-usual scenario.⁹⁹ In that regard, reports show that there is a need for implementing the Fuel Quality Directive fully and for initiating alignment on emissions standards. Turkey is also expected to establish an alignment plan for the Carbon Capture and Storage Directive according to the EU country progress report.

Turkey's energy use per capita and the energy intensity of the economy are both below the G20 average, although energy use in particular has significantly increased in the past five years. This trend needs to be reversed to be compatible with a 1.5°C pathway.¹⁰⁰ Graph 1 shows the fuel mix for all energy supply, including energy used for electricity generation, heating, cooking, and transport fuels. Fossil fuels (oil, coal and gas) still make up 87% of Turkey's energy mix, which is above the G20 average (82%). Growing energy supply has mainly been



⁹⁹ More information is available at https://www4.unfccc.int/sites/submissions/INDC/Published%20Documents/Turkey/1/The_INDC_of_TURKEY_v.15.19.30.pdf

¹⁰⁰ More information is available at https://www.climate-transparency.org/wp-content/uploads/2019/11/B2G_2019_Turkey.pdf

covered by increased use of fossil fuels, but renewables are picking up speed supply for Turkey.¹⁰¹

Graph 1: Energy mix

Table 1 summarizes the policy activity and gap analysis for each of the sectors and respective benchmarks. The qualitative rating evaluates the current progress status in each respective sector and evaluates the sector’s transition into 1.5°C Paris Agreement compatibility.

Table 1: Summary table for sectoral policy activity and gap analysis in Turkey.¹⁰²

 <p>Industry sector</p>	<p>All new installations in emissions-intensive sectors are low-carbon after 2020, maximise material efficiency</p>	<ul style="list-style-type: none"> • Government has a stated objective to raise awareness of, support directly or indirectly, and impose obligations on end-users to improve energy efficiency in the existing buildings stock. • Unclear whether this objective will be supported by concrete policies, and thus unlikely that a renovation rate of 5% by 2020 will be achieved. 	 <p>Getting Started</p>
 <p>LULUCF</p>	<p>Reduce emissions from forestry and other land use to 95% below 2010 by 2030, stop net deforestation by 2025</p>	<ul style="list-style-type: none"> • The LULUCF sector constitutes a (growing) emission sink. • In addition, the Turkish government aims to further increase the amount of carbon sequestered in forests and further reduce deforestation. 	 <p>Fully Transitioned</p>
 <p>Commercial Agriculture</p>	<p>Keep emissions in 2020 at or below current levels, establish and disseminate regional best practice, ramp up research</p>	<ul style="list-style-type: none"> • Based on an expected shrinking of the Turkish agricultural sector and the objectives to limit GHG emissions and increase the sink capacity, agricultural emissions are likely to remain flat or decrease over time. 	 <p>Ambitious Plan</p>

¹⁰¹ Ibid

¹⁰² https://climateactiontracker.org/documents/672/CAT_2019-11-29_ScalingUp_TURKEY_FullReport_ENG.pdf

Sector	1.5°C-consistent benchmark	Overall evaluation based on policy activity and gap analysis	Policy rating
 Electricity and heat sector	Sustain the global average growth of renewables and other zero and low carbon power until 2025 to reach 100% by 2050	<ul style="list-style-type: none"> Targeted share of renewable electricity generation of 38.8% by 2023, however there are no targets beyond 2023. Significant untapped potential for renewable power, especially solar power. 	 Getting Started
	No new coal plants, reduce emissions from coal power by at least 30% by 2025	<ul style="list-style-type: none"> 0.3 GW of coal plants under construction and 33.8 GW in the pipeline either being permitted, pre-permit or announced. Although the pipeline is shrinking, Turkey still pursues new plants and does not consider a phase out of coal. For a Paris Agreement compatible pathway coal would need to be phased-out by 2030. Therefore, early retirement of current capacity and cancellation of planned capacity is required. 	 No Action
 Transport sector	Last fossil fuel car sold before 2035–2050	<ul style="list-style-type: none"> Turkey's national action plans on climate change and energy efficiency address the switch to alternative fuels and clean vehicle technologies. However, the objectives stay qualitative (e.g. development of legal arrangements, capacity building and promotion activities). Unclear whether the intended development and promotion of alternative fuels and clean vehicle technologies can be realised in the near to medium term. Turkey is developing an electric vehicle for domestic production, to be available as of 2022. 	 Getting Started
	Aviation and shipping: Develop and agree on a 1.5°C compatible vision	<ul style="list-style-type: none"> Unclear whether intended legislative arrangement around emission trading and modal shift in freight transport will result in significant GHG emissions reduction. 	 Getting Started

8.3 Conclusions and Recommendations

EU – Turkey relations have not been advancing so far. There are several reasons of that; Turkey's EU policy is unofficially suspended, and the EU's enlargement policy is struggling. Refugee issues are dominating relations. The legislation alignment is continuing in some fields however not in an ambitious way. The pandemic is another reason behind the deceleration of relations. On the other hand, EU acquis alignment is still a strong hook for environment CSOs for advocacy.

In the field of the EU energy policy, renewable energy is one of the priority sectors in the EU in meeting climate and SDG targets. Turkey is also rich in solar energy sources and has a very high potential to develop renewable energy markets at the national level. However, previous experiences in Turkey show that even renewable energy projects may turn to environmental disasters if the planning is not done properly by considering the geographical conditions and cumulative

effects of the projects. The Strategic Environmental Assessments Directive may help to improve the planning process of Turkey.

On the other hand, the European Commission proposed a green recovery plan to get rid of the negative effects of the COVID-19 pandemic in May 2020. The European Commission President Ursula von der Leyen said that “The recovery plan turns the immense challenge we face into an opportunity, not only by supporting the recovery but also by investing in our future: the European Green Deal and digitalization will boost jobs and growth, the resilience of our societies and the health of our environment,” about the proposed recovery plan. Turkey shall follow the developments about the EU Green Deal and Green Recovery closely and shall amend its development plans and create its recovery plans by considering European precisions.

As it is stated in the progress report; Turkey has reached some level of preparation on competition, agriculture, food safety, veterinary and phytosanitary policy, social policy and employment, environment, and climate change where more ambitious and better-coordinated policies still need to be established and implemented. In all areas, more attention needs to be given to enforce legislation whilst many areas require further significant progress to achieve legislative alignment with the EU acquis, strengthen the independence of regulatory authorities and build administrative capacities.

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- Government of Montenegro, Program for building WWTP and collectors system,
- Government of Montenegro, Information about concussions in the field of water and forest,
- Law on Amendments on the Law on Protection on Noise in Environment,
- Law on Amendments on the Law on Game and Hunting (Draft),
- Law on Protection from negative impact of Climate Change and Law on marine environment protection,
- Law on Amendments on the Law on Transport of Dangerous Substances,
- Law on ratification on Nagoya Protocol,
- Management plan for Communal Waste Water for period 2020-2035,
- Ministry of Sustainable Development and Tourism (2019), "The Sixth National Report to the United Nations Convention on Biological Diversity";
- Management Forestry Programme for 2020,
- National Strategy for transposition, implementation and enforcement of EU environment and climate change Acquis (NEAS) with Action plan for period 2016-2020
- Plan for remediation for hot spots in Municipality of Pljevlja,
- Plan for reconstruction of TPP Pljevlja (First block) and toplification of Pljevlja Municipality,
- Plan for elimination of HCFC substances that Deplete the Ozone Layer
- Report on Implementation of the AP for reducing the negative impact on the environment,
- Report on Implementation of the Plan for reorganization and strengthening of administrative capacities for the sectors of environment and climate change in Montenegro for the period 2017-2020,
- Report on Implementation of Action Plan against illegal activities in the Forestry Department,
- Report on Implementation of Action plan of Forestry Strategy,
- Report on Implementation of Chemicals Management Strategy,
- Report on Implementation of National Strategy on Air Quality and
- Report on the work of the Inspectorate Administration in 2019,
- Report on the work of the Prosecutorial Council and the State Prosecutor's Office for 2019 (Proposal);
- Report on implementation of Action plan for the prevention of illegal activities in forestry for the period 2019-2021
- Sector planning document, Montenegro -Environment & Climate action
- Statement for Draft Decision for criteria, type and amount of compensation, method of payment, taxpayers, as well as facilities for

certain categories of payers for environment polluters for Municipality of Pljevlja,

- Statute of Fund for Environmental Protection,
- Statute of an Environmental fund;
- Third half-year report of implementation of the National Strategy for the Transposition, Implementation and Enforcement of the EU Legal Framework in the Field of Environment and Climate Change (NEAS) with the Action Plan for the period 2016-2020 for period July-December 2019,
- Twenty-fifth Quarterly Report on Total Activities in the Process of Integration of Montenegro into the European Union for the Period January – March 2020;

5. REPUBLIC OF NORTH MACEDONIA, 4*4*4 BALKAN BRIDGES SKOPJE

- Revised Accession Partnership with the Republic of Macedonia
<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:080:0032:0045:EN:PDF>
- Republic of North Macedonia: Status of negotiation:
<https://www.consilium.europa.eu/media/43076/26-vc-euco-statement-en.pdf>
<https://www.consilium.europa.eu/en/policies/enlargement/republic-north-macedonia/>
- North Macedonia 2020 Report
https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf
- Ministry of Economy of Republic of North Macedonia
<http://www.economy.gov.mk/docs/strategii>
- Ministry of Economy, Strategic working plan 2020-2022
<http://www.economy.gov.mk/Upload/Documents/StrateskiPlan%202020-2022.pdf>
- Ministry of Environment and Physical Planning
<http://www.moepp.gov.mk>
- National Waste Management Plan (NWMP) – 2020-2030
<http://www.moepp.gov.mk/wp-content/uploads/2020/08/NPUO-2020-2030-final-draft.pdf>
- Draft Environmental Strategic Assessment report on the National Waste Management Plan (NWMP) – 2020-2030
- A new Circular Economy Action Plan For a cleaner and more competitive Europe

https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b73501aa75ed71a1.0017.02/DOC_1&format=PDF

- Government of the Republic of North Macedonia
<https://vlada.mk>
- Climate Change
<https://klimatskipromeni.mk>
- National Electronic Registry on Regulations of the Republic of Macedonia (ENER)
<https://ener.gov.mk/>

6. SERBIA, ENVIRONMENTAL AMBASSADORS FOR SUSTAINABLE DEVELOPMENT (EASD)

- provided as footnotes

7. TURKEY, TEMA

- provided as footnotes