

# **REPORT**

## **TO THE MINISTERIAL COUNCIL**

### **ON THE ACTIVITIES OF THE ENERGY COMMUNITY'S TASK FORCE ON ENVIRONMENT AND ITS MANDATE**

#### **I. BACKGROUND AND SCOPE OF THE REPORT**

With regard to Articles 12-17 of the Treaty establishing the Energy Community and following the decision of the Ministerial Council at its meeting of 24 September 2010 the Environmental Task Force (ETF) was created<sup>1</sup> and became effective upon the adoption of its mandate by the 19<sup>th</sup> Permanent High Level Group<sup>2</sup> and the election of its Chair.

Upon the proposal of the Secretariat, the Ministerial Council agreed to set the mandate of the Task Force until the end of 2015<sup>3</sup>, with the following scope of activities.

The ETF – following its mandate – is expected to periodically report on the progress with the realisation of its Work Programme.

Within the period of its mandate, the ETF had three meetings up to the date of this report, with one meeting and a workshop under preparation for October 2012. This report, however, intends to provide the overall information for the performance of the Environmental Task Force within its mandate and its Work Programme. It also puts some emphasis on the importance of the ETF future work with regard to the transposition and implementation in the Energy Community of the relevant pieces of the environmental *acquis* as described in the Energy Community Treaty.

#### **II. THE WORK PROGRAMME – SUMMARY INFORMATION**

The Work Programme of the Task Force contains three particular tasks related to Directive 1999/32/EC of 26 April 1999 relating to a reduction in the sulphur content of certain liquid fuels and amending Directive 93/12/EEC and Directive 2001/80/EC of 23 October 2001 on the limitation of emissions of certain pollutants into the air from large combustion plants.

As a first step, the implementation requirements arising from the two directives in question was clearly defined and explained to the members of the Task Force by the Secretariat in close cooperation with the European Commission.

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<sup>1</sup> See Conclusion 11 - Ministerial Council meeting, 24.09.2010.

<sup>2</sup> See Conclusions 26-27 – Permanent High Level Group meeting, 23.03.2011

<sup>3</sup> See Conclusion 11 - Ministerial Council meeting, 24.09.2010.

### **Task 1: Stock-taking Sulphur in Fuels**

In order to facilitate the Contracting Parties with the relevant tasks, the Secretariat developed a guideline and a roadmap for proper and timely implementation of the Sulphur in Fuels Directive as it is envisaged in Annex II of the Treaty establishing the Energy Community.

The guideline contained concrete advice on the major elements of this Directive and detail steps required for its implementation were drafted and proposed in a common exemplary roadmap. The roadmap proposed an indicative schedule for how to structure the pre-implementation process as a tool of assistance for the Contracting Parties to start that process in a timely and coordinated manner.

Certain Contracting Parties failed to submit credible roadmaps to the Secretariat regarding the implementation of the Directive in the case of which the Secretariat will need to take further action.

### **Task 2: Stock-taking Large Combustion Plants**

The Large Combustion Plants Directive (LCPD) requires significant emission reductions in the thermal heat and power production sector and therefore presents a major challenge for the Contracting Parties.

The discussion of the legal framework should include common reflection on the options given by some provisions in the LCPD. In certain cases, such as the concept of “old new” and „new new“ plants, the possibility of „opt-out“ for existing plants, the base year, the Commission’s evaluation of a national emission reduction plan, or Contracting Parties’ reporting duties under the Directive, a reference to the Ministerial Council for adaptation or guidance might be requested.

Another related issue is the replacement of the Large Combustion and IPPC Directives by the new Industrial Emissions Directive which will repeal the two former pieces of legislation within the European Union. The chapter on large combustion plants will enter into force as of 1 January 2016. The members of the Environmental Task Force were informed about the latest developments and the Secretariat will continue to provide further information on the newest developments in EU legislation in the framework of the Environmental Task Force.

### **Task 3: Initial compliance review Sulphur in Fuels**

The Secretariat carried out an initial compliance review in relation to the provisions of the Sulphur in Fuels Directive and with reference to the implementation deadline of 31 December 2011 as set out in the Energy Community Treaty.

According to the findings of this assessment, the majority of Contracting Parties unfortunately could not fully meet the requirements of the Sulphur in Fuels Directive by the deadline. The Secretariat informed the members of the Environmental Task Force that in such cases where the level of implementation remains at a low level, it would take further action.

### **III. CONCLUSIONS**

Based on the achievements reported above, the Task Force is on the way to accomplish its mandate and Work Programme in the envisaged time frame, however, intensified efforts from the Contracting Parties are necessary to fully achieve the goals described in the Energy Community Treaty as even with the current progress registered in many Contracting Parties, significant implementation challenges are laying ahead to all stakeholders in the Contracting Parties. One of the indicators is the level of preparation of primary and secondary legislation: in this regard, in a number of Contracting Parties the progress is not yet clear and visible.

In order to sustain the progress in the Energy Community and to successfully follow the very dynamic trend in the European Union in the area of environment, regional cooperation is of great importance, especially by having in mind the transboundary nature of air pollution. The work of the Environmental Task Force follows this concept and therefore represents an added value and a strong basis for the fulfilment of the demanding tasks in the area of environment.

Whilst envisaging the further development of the Work Programme of the Environmental Task Force, special consideration could be devoted to the following areas:

- More emphasis could be granted for the monitoring of the implementation of the Environmental Impact Assessment Directive.
- Monitoring the progress in each Contracting Party based on the roadmaps for the implementation of the directives.
- Capacity building for the directives' implementation requirements, as well as for using the available regional support mechanisms.