

Energy Community Task Force on Environment 12th Meeting

14 September 2016

Conclusions

1. In his opening remarks, Jürgen Schneider, Chairman of the Task Force provided a short recap on the work of the Environmental Task Force of the Energy Community in the past years, comprising of legislation related to environment, namely environmental impact assessment, sulphur in fuels and large combustion plants. He mentioned that this is the first meeting dedicated to the topic of climate change and that energy and climate issues are closely interlinked so it is very timely to have this discussion.
2. The Task Force adopted the agenda.

A low-carbon future for the Energy Community

3. The experts of the Energy Community Secretariat provided an introduction on the general context of today's meeting and how the climate dimension came to the forefront of the Energy Community's attention. They stressed the need to provide a low-emission development vision and strategy for the Energy Community and outlined the political-legal process that started already in 2014 with the High Level Reflection Group's report "An Energy Community for the Future"; which proposed that the Environmental Task Force shall also deal with issues related to climate change.
4. The representative of DG CLIMA also emphasised that climate and energy are two policy areas very clearly and closely interlinked. He also pointed to the political momentum resulting from the Paris Agreement adopted in December 2015 and possible to enter into force already in 2016. He mentioned that there are several positive developments in a number of Contracting Parties (e.g. Albania, Montenegro, Serbia) where an implementation of Regulation (EU) No 525/2013 (MMR) is at an advanced stage. He added that there are also several cooperation projects that strive for assisting countries in their development towards a low-carbon future, including by helping them to establish or improve national systems for monitoring, verification and reporting (MRV).
5. The Coordinator for the climate dimension under the ECRAN project presented the project in general and in particular the work that has already been done for preparing the Contracting Parties to the implementation of the MMR.
6. The Contracting Parties were invited by the Chairman to report on their experience with the monitoring and reporting of greenhouse gas emissions.
7. The representative of Kosovo* stated that although the country is not a party to the UNFCCC, the ambition is to carry on the same work as in the rest of the Western Balkans. The first step in this process was to introduce climate change in the Environment Protection Law, followed by the development of several administrative instructions adopted recently. Via those administrative instructions, the system for the data collection of greenhouse gases (GHG) was established. The work on the first GHG inventory was supported by UNDP, involving experts from the Czech Republic. The 2008-2014 inventory is currently being prepared and is expected to be finalised by the end of the year, using the 2006 IPCC guidelines. The National Council on Climate Change has also been established and contributes to the political process. The working group for data collection and the preparation of an inventory report was also established and more capacity building shall be carried out to improve this. The working group involves a very broad number of stakeholders. The

administrative instruction for transposing the MMR into national law is already on the legislative agenda.

8. The representatives of Ukraine reported that the country is under Annex I of the Kyoto Protocol and it was successful in using the financial mechanisms under that framework. In 2006 a resolution was already adopted for the mechanism and reporting of GHG emissions. Based on this resolution, Ukraine prepares a GHG emission inventory annually, for which the Ministry of Environment is responsible. Ukraine's current ambition is to maintain the system and to improve it.
9. The representative of Montenegro joined previous speakers in emphasising the need to talk about climate change issues in the context of energy and thanked the Energy Community Secretariat for including this topic on the agenda. In this Contracting Party, the first and second national communications were adopted and last year, inventories for 2013 were prepared and there is a certain institutional capacity already developed. A Rulebook on the list of GHG gases and one on the development of the inventory were adopted, however, full harmonization with the MMR is not yet in place. The national environmental approximation strategy was adopted recently and the foreseen year for accession is 2020 (not only for MMR but also other climate acquis). Some concerns do exist, as reporting on policies and measures and projections are currently not included in national legislation. The support received from ECRAN is therefore highly valuable. It was mentioned that the MMR is a complex piece of legislation and it also includes certain elements the Contracting Parties are not familiar with or they are not obliged to adopt for the time being. The majority of the Contracting Parties are non-Annex I countries, therefore it is not clear yet how to deal with references to the ETS and the Effort Sharing Decision.
10. The representative of former Yugoslav Republic of Macedonia indicated that the country prepares a GHG inventory since 2000 and that three national communications were prepared since then, the last one in 2014. The IPCC methodology is used for preparing the reports, covering six direct gases and four indirect ones. The key data source is the State Statistical Office but several other sources are also used as data sources. The process of verification is carried out by the national Academy of Sciences and Arts. The INDC was adopted on 5 August 2015, with 30% emission reduction compared to BAU scenario. The reporting exercise is still project-based and therefore the current idea is to create an analytical unit that would be responsible for emission monitoring and reporting in a systematic way.
11. Georgia highlighted that the country has recently started its national system of monitoring, reporting and verification of GHG emissions.
12. Albania provided a written statement to the Secretariat, outlining that the Government is currently working to finalize a climate change law with the purpose of fulfilling the national obligations under the UNFCCC and in view of future obligations under the Paris Agreement. Albania intends to ensure an effective institutional framework at national level contributing to mitigate the country's GHG emissions as well as maintaining and enhancing carbon sinks and reservoirs. At a meeting in July 2016, a possible inclusion of the National Agency on Natural Resources under the Ministry of Energy as responsible body for GHG emission inventory preparation for the sector of energy and transports was discussed. The final draft is expected to be finalized by the end of February 2017 and the adoption of the law on climate change and the decision on MMR is foreseen by the end of 2017.
13. Moldova provided a written statement to the Secretariat, mentioning that the process of aligning the national legislation with the MMR has already started under the auspices of the GHG Inventory Working Group of the Ministry of Environment (with the assistance of UNDP Moldova). The draft decision is currently under public consultation and it is expected that the Government will consider its approval by end 2016 / beginning 2017.
14. The representatives of GIZ ORF Regional Fund presented the current activities of the Project and the potential future support in the field of emission monitoring related to energy efficiency.
15. The representative of the Austrian Environmental Agency presented the experience of the Austrian Environmental Agency with the implementation and technical assistance of the MMR.

16. The representative of the European Climate Foundation presented the South East Europe Electricity Roadmap (SEERMAP) project, which provides electricity sector modelling at national and regional level. The model developed in the framework of the project strongly advocates the case for complete decarbonisation by 2050 of the Contracting Parties' energy sectors.
17. The representative of the World Bank Office in Vienna presented the activities of the World Bank in the climate field, based on the Group's Climate Change Action Plan for 2016-2020, with particular focus on the Western Balkans countries.
18. The representative of the Regional Cooperation Council presented the currently ongoing activities linked to environment, a prominent part of the South East Europe 2020 Strategy. He also presented the Podgorica Declaration, adopted by the Ministers responsible for environmental and climate issues in April 2016.

Commission proposal on the recommendation to implement Regulation (EU) No 525/2013 (MMR)

19. The representative of DG CLIMA presented the proposal of the European Commission on the Recommendation on preparing for the implementation of the MMR.
20. The representatives of Ukraine pointed out that according to the position of this Contracting Party, the Recommendation sets a parallel scheme on reporting that creates a discrepancy between the reporting schemes.
21. The representative of DG CLIMA clarified that the purpose of the Recommendation is not to create any duplication but rather to start a process at Energy Community level that would gradually contribute to a higher quality emission monitoring and reporting in the Contracting Parties.
22. The representative of the Secretariat explained the following: firstly, since a Recommendation has no legally binding force under Article 76 of the Energy Community Treaty, it cannot create parallel schemes; secondly, under Article 2 of the Recommendation, work shall start under the auspices of the Environmental Task Force, identifying the relevant provisions of the MMR in the Energy Community.
23. The representative of Montenegro supported the proposal as well as the two-step approach of adopting a Recommendation at the 2016 Ministerial Council, with a Decision to be taken later on. Internal governance structures and intersectoral coordination were mentioned as a possible concern and it was requested that the ministries responsible for climate issues are kept informed in a clear and transparent manner by the Secretariat. A request to the Secretariat was also presented that a timeline under Article 2 of the Recommendation shall be drawn up for planning purposes.
24. The representative of DG CLIMA replied that it is indeed extremely important for having a cross-sectoral approach in the national administrations to make the link between climate and energy policies operational.
25. The representative of Kosovo* supported the proposal in general. A suggestion was presented to reinforce the provision in Article 1(2) of the Proposal to express the need for support in the Contracting Parties.
26. The representative of Georgia asked what would be the status of the country if it joins the Energy Community in 2016. The representative of the Secretariat explained that upon accession, Georgia is put on an equal footing with the other Contracting Parties and will have the same obligations resulting from decisions taken at the Ministerial Council as well as support/assistance from the Secretariat to the Contracting Parties.
27. Albania and Moldova supported the Proposal in their written statements provided to the Secretariat.
28. Serbia, via a written statement, provided a comment related to the domestic institutional framework linked to climate change and energy issues. Furthermore, Serbia pointed out that the relation between the scope of the MMR and that of the Energy Community Treaty shall be made clear.

Conclusions

29. The Chairman concluded that there was general support for the Recommendation, taking into account the comments from the Contracting Parties on avoiding any duplication of work, on the specific situation of Ukraine as an Annex I party to the Kyoto Protocol and the deadlines in this process, on the need to support the Contracting Parties by the Secretariat and by international donors and on the need to streamline work between the ministries responsible for energy and climate policy in the Contracting Parties.
30. Taking the above considerations into account, the Task Force endorsed the proposal of the European Commission and referred it to the attention of the PHLG with a recommendation to adopt it at the Ministerial Council meeting on 14 October 2016.

Any other business

31. The indicative date for the next meeting of the Task Force is 15 February 2017.