



Climate pledges in Southeast Europe: Analysis and Expectations for Paris

November 2015

From the 30th of November to the 11th of December 2015, the 21st Session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) will take place in Paris. The conference is perceived as a crucial step in the process to limit dangerous climate change, with the ambition to reach - after almost 20 years of mediation by the UN - **a universal and binding agreement on climate change, accepted by all nations**. To achieve this, the agreement must focus on mitigation - that is, efforts to reduce greenhouse gas emissions in order to limit global warming to below 2°C¹ - and societies' adaptation to existing climate changes and impacts. These efforts will need to take into account the needs and capacities of each country. The agreement should come into force in 2020 and will need to be sustainable to enable long-term changes.

COP21 is also expected to help mobilize \$100 billion per year by developed countries, from public and private sources, starting from 2020 onwards. This commitment should enable developing countries to fight climate change while promoting fair and sustainable development. More generally, COP21 needs to guide economic and financial stakeholders towards redirecting their investments in order to launch the transition to a low-carbon economy. Finally, France will be playing a leading international role, as the president of COP21, to ensure points of view converge and to facilitate the search for consensus by the United Nations and within the EU, which has a major role in climate negotiations.

As countries of Southeast Europe (SEE)² are particularly vulnerable to climate impacts, it is in their best interest that Paris produces a meaningful agreement that will limit the effects of a warming climate.

¹ An increase of the global average of up to 2 degrees agreed to be the threshold after which we greatly increase the risk of climate catastrophes. For more details on how the 2 degrees limit was agreed, see <http://www.carbonbrief.org/two-degrees-the-history-of-climate-changes-speed-limit>

² By Southeast Europe (SEE) we hereby refer to Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia. Kosovo is usually considered as a part of this region but it is not a party to the UNFCCC. We hereby acknowledge that according to the UN, the official name for Macedonia is "The former Yugoslav Republic of Macedonia". The designation of Kosovo is without prejudice to position on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.



WHAT DOES PARIS MEAN FOR THE SEE COUNTRIES?

The UN context

SEE Countries are all non-Annex I Parties to the UNFCCC. This means that they **do not have climate targets in the period up to 2020**, but are obliged to develop National Communications and Biennial Update Reports and submit them to the UNFCCC Secretariat. They are also expected to develop their GHG data inventories as part of this exercise. National Communications (NCs) provide information on greenhouse gas (GHG) inventories, and measures to mitigate and to facilitate adequate adaptation to climate change, while the Biennial Update Reports (BURs) provide an update on the information presented in the NCs, in particular on national GHG inventories, mitigation actions, constraints and gaps, including support needed and received.

Non-Annex I Parties are required to submit their first NC within three years of entering the Convention, and every four years thereafter. In the Balkans, so far, Macedonia has been the most active and has already submitted three National Communications together with a national inventory report. Albania, Bosnia and Herzegovina and Montenegro submitted two NCs each, while Serbia has only submitted its initial National Communication.

The first BUR should have been submitted by December 2014, and every two years thereafter. So far, only Bosnia and Herzegovina and Macedonia have provided their BUR inputs.

The acronym **INDC** stands for “Intended Nationally Determined Contribution”, and it describes the promises on climate action that countries will carry forward until the UN negotiations in Paris. After the UN climate conference in Warsaw in 2013 (COP19), the INDCs became one of the requirements for the SEE countries as well. However, after Warsaw, it remained unclear what an INDC had to contain. This was further specified in Lima, at COP20, when countries agreed that an INDC must include mitigation measures. In addition, countries were invited to consider adaptation plans to be part of their submission.

The success of the UN's new climate agreement depends on the ambition of INDCs, as well as on their implementation, which will determine our chances to keep average temperature rise well below 2 degrees Celsius, and will set the direction for climate action after 2020. INDCs should be economy-wide and imply reductions across all sectors. INDCs specify many technical details including the reference point (the base year from which emissions will be reduced), time frame, scope and coverage and methodology. Furthermore, the INDC submission should explain how the contribution is fair and ambitious as well as how it contributes towards achieving the objective of the UN's climate convention.

The EU accession

As all of the Western Balkans countries seek to join the EU well before 2030, their INDCs need to be in line with the EU's target, which is currently aiming to reduce emissions by at least 40% by 2030, compared to 1990 levels. The European Commission (EC) leads the accession negotiations and publishes



an annual progress report for all countries, which evaluates the progress each country has made towards alignment with the EU, with specific recommendations for improvement. In the progress reports for 2014³, the EC was very specific and asked all the accession countries *to put forward by the first quarter of 2015 its intended nationally determined contribution (INDC) to the 2015 Climate Agreement, consistent with those of the EU and its Member States.*

All of the SEE countries have missed the requested deadline, but eventually they all submitted their climate pledges. Our assessment below shows that these pledges are not consistent with those of the EU. The recently published 2015 Progress reports also called on all the countries to advance their climate strategies and start implementing their INDCs as a matter of priority. It was also recognized that significant efforts will be needed in order to catch up with the EU.

In practice, SEE countries clearly need more political pressure and support from the EU, including financial and technical assistance to step up their climate action. Paris will be an opportunity to discuss this in more detail, to fight for climate finance as well as to raise the ambition of the current climate pledges.

SEE COUNTRIES CLIMATE PLEDGES

As mentioned above, all SEE countries did eventually make their pledges, spanning from June to October. As they varied in time, they also varied in their nature, having very little in common.

The table below shows key data about the emissions reduction pledges. All pledges are made for the period up to 2030, but with different baselines used for emissions.

The most disturbing feature of the submitted pledges is their lack of ambition: most the targets account for an actual increase of emissions between now and 2030. Declaring emission reductions with 1990 as the base year (or an ambitious BAU, for that matter) has not been a difficult task for countries that suffered a major decline in economic activity since 1990. When comparing targets to 1990 levels, countries can declare significant reductions, but at the same time, they can increase their emissions year by year and expand their coal fleet.

Table 1: Overview of mitigation commitments by SEE countries (Sources: CAIT by WRI, INDC submissions)

Country	INDC (% reduction by 2030)	Baseline	Deviation compared to 1990 (%)	Deviation compared to 2012 (%)
Albania	-11.5	BAU	-55	-26

³ EU Enlargement Strategy and Progress report available at: http://ec.europa.eu/enlargement/countries/strategy-and-progress-report/index_en.htm



Bosnia and Herzegovina	-2	BAU	+18	+10
Macedonia	-30	BAU	+22	+11
Montenegro	-30	1990	-30	+9
Serbia	-9.8	1990	-10	+11

These targets are inadequate, given the fact that most of the countries of the Western Balkans are expected to become the EU Member States before 2030. Their targets should be comparable to the probable economy-wide targets for the poorest EU Member States. The EU as a whole has a collective target of at least 40% greenhouse gas emissions reduction by 2030.

This EU-wide target is translated into national goals by applying the overall reduction of the industrial emissions covered by the Emissions Trading Scheme (ETS) to all EU Member States in the same way (-43% of ETS emissions in 2005), combined with the likely target using a GDP per capita parameter for the emissions outside the ETS (the so-called Effort Sharing Decisions emissions covering transport, buildings and agriculture).

The result of this calculation⁴ indicates that even the poorest EU Member States will have to take on substantial reductions of their greenhouse gas emissions, starting from -25% to -65%, compared to 1990.

There are other issues with the INDCs too: they offer very few details on the means of implementation, mostly leaving specific measures to further national strategy planning. Furthermore, they have all been adopted in largely closed processes with little or no public consultation. Some INDCs (Bosnia and Herzegovina, and Macedonia) made conditional pledges, largely dependent on financial assistance.

Albania also expressed interest in climate finance, and the country even went a step further by setting a long term goal of staying below 2 tones per capita emissions by 2050. This would ensure it continues to have lowest per capita emissions in the region.

On a positive note, the countries remained largely open to the revision process, as they clearly showed awareness that the data they were working with is still unreliable. This represents a clear window of opportunity to further improve INDCs well before 2020.

WHAT SHOULD SEE COUNTRIES AIM FOR IN PARIS?

The current emissions reduction pledges that governments have put forward are inadequate to keep global warming well below the 2°C threshold agreed. What is currently on the table will lead to a world that is going to be [at least 2.7°C degrees warmer](#). In such a world, frequent floods and droughts, water

⁴ Please refer to the annex for a detailed calculation.



and food scarcity, increasing numbers of refugees, conflicts, and irreversible damage to ecosystems, economies and livelihoods will become a daily reality.

Southeast Europe is particularly vulnerable to these adverse impacts of climate change. The floods and droughts have caused severe damage in the past years already. The total damage, since 2000, caused by extreme weather events exceeds 5 billion euros in Serbia only. The floods of 2014 strapped nearly 2 billion euros out from national budgets in Bosnia and Herzegovina, Croatia and Serbia.

The worsening climate conditions may also lead to further escalation of migration in the coming years and decades. The ongoing refugee crisis, severely affecting the Balkans, already now portrays the impact that such migration could have on the region.

The Paris summit alone will not be able to provide a full answer to the climate crisis, but it has to increase our chances to limit climate change so as to well below 2°C temperature increase. SEE countries, together with the EU, need to support this process and advocate for progressive outcomes, in order to protect their citizens and their economies from dangerous climate impacts.

[The South East Europe 2050 Energy Model\(s\)](#) have already shown that there are several pathways for reaching EU targets which are both technically feasible and cost-effective. SEE leaders have no more excuse to delay immediate climate action.

Specifically, decision-makers from the SEE region need to:

ESTABLISH A LONG TERM GOAL

- Advocate for a goal to phase-out fossil fuel emissions to be included in the Paris agreement. Domestically, they should focus efforts on phasing-in 100% renewables by 2050, based on diversified renewable energy mix resulting from a sound assessment of national renewable potentials and equally balancing environmental, economic and social aspects.
- Primary focus on energy efficiency as a "first fuel", as it creates better employment opportunities and cushions against the impact of price rises.

BOOST THEIR CURRENT EMISSION REDUCTION PLEDGES

- Advocate for an upward revision of all current, inadequate pledges to start immediately after the summit and be finalised before 2018.
- Provide further details about the INDC, including specific measures that will lead them to the proposed targets.

TACKLE CLIMATE FINANCE

- Advocate for a strong climate finance package that guarantees to continue and scale up the provision of new and additional public climate finance, for both adaptation and mitigation after 2020 linked to adequate commitments by Governments of region to shut down existing TPPs.



- Ensure that the Paris agreement stimulates a shift in all financial flows and investments away from fossil fuels and into renewable energy and energy efficiency, e.g. by providing impetus to a phase out of fossil fuel subsidies already before 2020.

ADDRESS OTHER ISSUES

- Ensure that the possible use of carbon market mechanisms to reduce emissions is allowed only if they deliver real, additional, internationally verifiable and permanent cuts.
- Firmly support a human rights based approach and public participation in the Paris climate agreement and apply it domestically.
- Advocate for an inclusion of a long term adaptation goal, which would link levels of emissions to levels of adaptation actions, and the issue of loss and damage in the Paris agreement; advocate for allocating specific public funding for adaptation and loss and damage.

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ANNEX

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

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

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

Country	GDP per capita (PPP) in 2013, in current international \$
Albania	9931
Bosnia and Herzegovina	9535
FYR of Macedonia	11612
Montenegro	14132
Serbia	13020

Detailed emissions data in SEE countries (Source: CAIT by WRI)

Country	Reduction (%)	By year	Baseline	Emissions excluding LULUCF ⁵ 1990 (in million tonnes CO2eq)	Emissions excluding LULUCF 2012(in million tonnes CO2eq)	Emissions BAU (in million tonnes CO2eq)	Pledged emissions (in million tonnes CO2eq) 2030	Reduction compared to 1990 (%)	Reduction compared to 2012 (%)
Albania	-11.5	2030	BAU	12.04	7.33	6.17	5.46045	-55	-26
Bosnia and Herzegovina	-2	2030	BAU	25.71	27.51	30.85	30.233	+18	+10
Macedonia	-30	2030	BAU	10.15	11.17	17.66	12.362	+22	+11
Montenegro	-30	2030	1990	5.23	3.35		3.661	-30	+9
Serbia	-9.8	2030	1990	69.17	56.2		62.39134	-10	+11

⁵ LULUCF is an acronym referring to land use, land-use change and forestry. It is defined by the UNFCCC Secretariat as "a greenhouse gas inventory sector that covers emissions and removals of greenhouse gases resulting from direct human-induced land use, land-use change and forestry activities."