
Environment and Climate Regional Accession Network (ECRAN)

**Regional Dialogue of
the EU, the Candidate
Countries and the
Potential Candidates
On Intended
Nationally Determined
Contributions (INDCs)
to the 2015 Climate
Agreement**

28 April 2015, Istanbul

ENVIRONMENTAL AND CLIMA REGIONAL NETWORK FOR ACCESSION - ECRAN

MEETING REPORT

ACTIVITY 3.1

REGIONAL DIALOGUE OF THE EU, THE CANDIDATE COUNTRIES AND THE POTENTIAL CANDIDATE COUNTRIES ON INTENDED NATIONALLY DETERMINED CONTRIBUTIONS (INDCs) TO THE 2015 CLIMATE AGREEMENT

28 APRIL 2015, ISTANBUL, TURKEY



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Human Dynamics Consortium

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LIST OF ABBREVIATIONS	
2DS	2°C Scenario
BAT	Best Available techniques
BIH	Bosnia and Herzegovina
BUR	Biennial Update Reports
COP	Conference of Parties
DG	Directorate General
EC	European Commission
EE	Energy Efficiency
EnC	Energy Community
ETS	Emission Trading System
EU	European Union
G20	Group of 20
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IED	Industrial Emissions Directive
INDC	Intended Nationally Determined Contributions
IPCC	Intergovernmental Panel on Climate Change
LCPD	Large Combustion Plants Directive
LULUCF	Land use, Land use change and Forestry
MRR	Monitoring and Reporting Regulation
MRV	Monitoring, Regulation and Verification
MS	Member States
NAMA	Nationally Supported Mitigation Action
QUELRO	Quantified Emissions Limitation and Reduction Objective
RES	Renewable Energy Sources
SCCF	Special Climate Change Fund
TAIB	Transitional Assistance and Institution Building Components
UNEP	United Nations Environment Program
UNFCCC	United Nation Framework Convention on Climate Change



I. Background/Rationale

Countries across the globe committed to create a new international climate agreement by the conclusion of the U.N. Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP21) in Paris in December 2015. In preparation, countries have agreed to publicly outline what post-2020 climate actions they intend to take under a new international agreement, known as their Intended Nationally Determined Contributions (INDCs). The INDCs will largely determine whether the world achieves an ambitious 2015 agreement and is put on a path toward a low-carbon, climate-resilient future.

The acronym “INDC” was introduced at COP19 in Warsaw (in 2013). The term “contributions” emerged as a compromise between “QUELRO – quantified emissions limitation and reduction objective” and “NAMAs – nationally appropriate mitigation actions” that in the Kyoto Protocol language and its follow up identify Annex I and non-Annex I emission reduction actions. INDCs indeed refer both to develop and developing countries’ plans.

On 6 March, the EU became the first major economy to submit its INDC to the UNFCCC. Switzerland, Norway, Mexico, the US, Gabon, Russia and Liechtenstein have also made submissions. It is important that other countries come forward as early as possible so that Parties have a clear idea of the adequacy of the aggregate effort before Paris. This will enable them to design and agree a regime capable of keeping the world on track to keep the increase in global temperature below 2°C. Many other countries are expected to communicate their INDCs prior to the June 2015 UNFCCC session in Bonn, Germany. All INDCs submitted to the Secretariat by October 1st will be included in a synthesis report by the UNFCCC Secretariat that will be released by November 1st. The report will reflect the aggregate emissions impact of available INDCs ahead of COP21.



II. Objectives

General objectives

To strengthen regional cooperation between the EU candidate countries and potential candidates in the fields of climate action and to assist them on their way towards the transposition and implementation of the EU climate policies and instruments as a key precondition for the EU accession.

Specific objectives

To provide a platform for the exchange of views on the preparation and submission of INDC between the EU and the EU candidate countries and potential candidates' senior public officials.

Results/outputs

The expected results of the meeting are:

- Participants familiarize themselves with the recent developments regarding the intended nationally determined contributions to the UNFCCC and the expectations for the 2015 Global Climate Agreement;
- Dialogue on prospects for climate cooperation with the EU – implementation of the INDCs in the coming decades and de-carbonisation policy across sectors.



II. EU policy and legislation covered

2030 Framework for Climate and Energy Policies

EU leaders agreed on 23 October 2014 the domestic 2030 greenhouse gas reduction target of at least 40% compared to 1990 together with the other main building blocks of the 2030 policy framework for climate and energy, as proposed by the European Commission in January 2014. This 2030 policy framework aims to make the European Union's economy and energy system more competitive, secure and sustainable and also sets a target of at least 27% for renewable energy and energy savings by 2030.

EU 2020 Energy Package

The climate and energy package is a set of binding legislation which aims to ensure the European Union meets its ambitious climate and energy targets for 2020.

These targets, known as the "20-20-20" targets, set three key objectives for 2020:

- A 20% reduction in EU greenhouse gas emissions from 1990 levels;
- Raising the share of EU energy consumption produced from renewable resources to 20%;
- A 20% improvement in the EU's energy efficiency.



IV. Highlights from the meeting

The details of the agenda of the meeting and its importance were introduced by Jozsef Feiler.

The introductory remarks were delivered by Artur Runge-Metzger, Director, International and Climate Strategy Directorate, Directorate General for Climate Action of the European Commission and Mehmet Enim Birpinar, Deputy Under-Secretary, Ministry of Environment and Urbanization and the Turkey's Chief Negotiator to the UNFCCC.

Artur Runge-Metzger in his introduction mentioned that the financial crisis brought difficult time for the EU, but the EU is acting despite of this. Climate change is the most challenging problem – we all need to contribute to the solution, emphasizing the importance of the common but differentiate responsibilities and respective capabilities. The climate policy of the EU is framed in such a way that it looks into national circumstances regarding the share of action by different Member States.

Mehmet Enim Birpinar underlined that solidarity is very important to find solutions which will help our future generations. He introduced the achievements of Turkey regarding climate policy and referred to the implementation of comprehensive emission reduction projects for the most emissions intensive sectors, effective utilisation of renewable energy potential and investment in clean technologies such as high speed trains and improvement of fuel quality. Turkey implements a monitoring, reporting and verification system on the installation level since 2014. It has also established a public-private partnership for capacity building in establishing the carbon market. Finally, he underlined that we should not repeat the mistakes of Copenhagen.

Climate Change: Understanding the impacts and mitigating the change – Diana Urge-Vorsatz

A fact is that GHG (greenhouse gas) emissions growth has accelerated despite reduction efforts. Around one half of the cumulative anthropogenic CO₂ emissions between 1750 and 2010 have occurred from 1970 to 2010. In the first decade of the third millennium, global GHG emissions increased 2.2% per annum, the highest rate ever. Also, it must be taken into consideration that emissions rise with the growth of global population, as well as GDP (gross domestic product). However, it is still a challenge to limit global warming, in technological, economic and institutional manner.

When talking about climate impacts in Europe and the region, the largest temperature increases are projected over eastern and northern Europe in winter, and over southern Europe in summer. Annual average land temperatures over Europe are projected to continue increasing by more than the global average temperature. Annual precipitation is generally projected to increase in northern Europe and to decrease in southern Europe. The intensity and frequency of extreme weather events is also projected to increase in many regions, and sea-level rise is projected to accelerate significantly. With high climate impacts in Europe and no adaptation scenarios, heat-related deaths would reach about 200,000 per year, while the forest fires would affect an area of about 800,000 hectares. In Mediterranean region this would also include:

- Increasing risk of biodiversity loss;
- Increasing risk of desertification;
- Decrease in hydropower potential;
- Decrease in crop yield, etc.



Regarding the Western Balkans, water availability issues occur in summer. Shifts of the water flows lead to a higher risk of drought, while winter and spring floods are expected to increase, especially along the Danube, Sava and Tisza rivers. All these changes highly impact agriculture and food security in the region. The risk of increasing droughts for the region was also cited in the latest IPCC publication. Additionally, the availability of suitable land and water resources is expected to decline. Heavy rainfall events and storms may occur more often, increasing the risk of erosion. Some of the risks in agricultural productivity in the beneficiary countries include:

- Yield losses of up to 50% for maize, wheat, vegetables and grapes at 2°C warming in the Former Yugoslav Republic of Macedonia;
- Grapes and olives production will decrease by 20% at 2°C warming in Albania.

Regarding the energy systems, it has been projected that decreased production and power generation disruption induced by lower runoff and increased air and water temperatures will lead to an increase in electricity prices. As the majority of the countries in the region are strongly dependent on thermal electric production, climate change is projected to increase their vulnerability by affecting the supply of electricity to both households and industry.

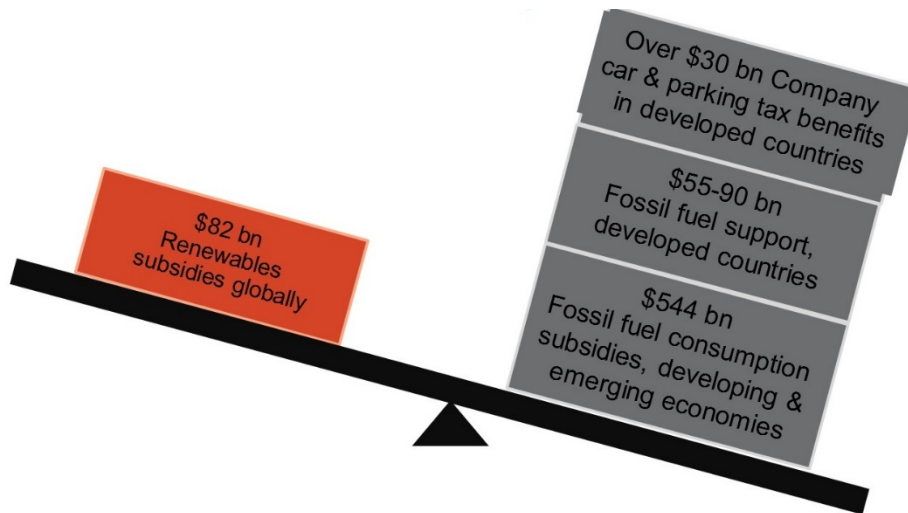
Climate change also has a huge impact on human health, not only through weather, agriculture and energy, having a higher mortality rate from heat waves for example. Higher temperatures also increase risk of salmonellosis. The new weather conditions are perfect for spreading of Tick-Borne Encephalitis, a viral infectious disease that attacks the nervous system.

Apart for all the negative consequence that comes from climate change, it is still not too late to act. The 2°C target, scientifically proven and endorsed is still possible to be achieved when including mitigation. Mitigation is affordable, it does not strongly affect GDP growth, but it can be more costly when delaying it. Economic growth and climate mitigation can be achieved together, which is demonstrated by a growing number of businesses, cities and countries. Even more opportunities are currently available taking into consideration technological and policy developments. It is predicted that by 2030, 90 trillion US dollars will be invested in infrastructure. Low-carbon construction would not be much more costly, but fuel savings could fully offset additional investment costs and energy efficiency can be the biggest and the cheapest energy source.

Infrastructure capital is estimated to be marginally higher in a low-carbon scenario. If investments are done well, the infrastructure capital spent in a low-carbon economy could be just 5% higher than in a business-as-usual case. This figure only considers upfront investment, ignoring for example lower operational expenditure for low-carbon energy. Therefore, the transition to low-carbon does not pose substantial additional costs to required expenditure.

However, there are still quite significant subsidies to the high-carbon economy, as shown on the following picture:





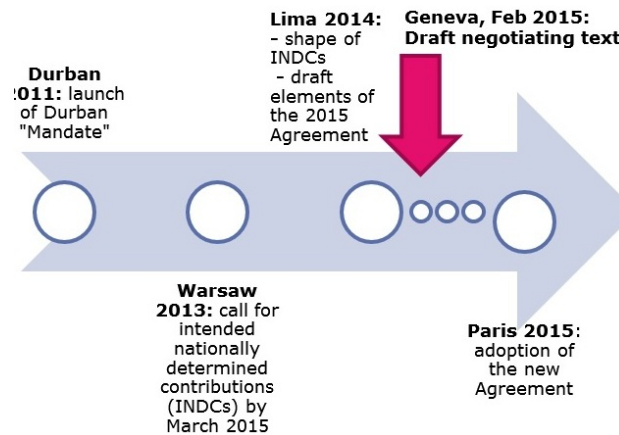
Climate change is a global problem. It requires international cooperation, with equitable effort-sharing and effective national and subnational policy implementation. Effective mitigation will not be achieved if individual agents advance their own interests independently.

Ms. Urge-Vorsatz also presented additional slides relevant for the climate change impacts on the beneficiary countries, such as:

- For the rivers of Southern Serbia, Kosovo* and former Yugoslav Republic of Macedonia, the impacts will be “severe”;
- Albania’s water resources are projected to decline between 14-40% by the end of the century;
- The increasing occurrence of droughts has been identified as a major threat to agricultural production under climate change;
- Economic development and a growing population are expected to increase energy demand, thereby putting thermal electric power plants under increasing pressure;
- In Western Balkans, Albania and former Yugoslav Republic of Macedonia are considered particularly vulnerable to heat waves.

International Climate Negotiations on an agreement at COP21 in Paris – Artur Runge-Metzger

The Conference of the Parties (COP) invited all parties to initiate domestic preparations for their intended nationally determined contributions (INDCs) towards achieving the objective of the Convention. All parties should communicate to the secretariat their INDCs will in advance of COP21 in a manner that facilitates the clarity, transparency and understanding of the INDC. A new international climate agreement should be applicable to all in order to meet the 2°C targets. The process towards the COP 21 in Paris is shown in the following picture



Mr Runge-Metzger also talked about ways in which the INDC process could be made more successful:

- Group of 20 (G20) must inspire other countries and ensure critical mass of INDCs by mid- 2015;
- Securing a participatory and facilitative reflection prior to Paris is necessary;
- Establish progressive coalitions around key issues including wide participation, inclusiveness, fairness, dynamism and accountability.

What makes a good Intended Nationally Determined Contribution – Teresa Ribera

At the UNFCCC Warsaw Climate Conference in 2013, all parties were invited to initiate or intensify preparations for their national INDCs. The next year in Lima, in 2014, parties were invited to communicate their INDC to the UNFCCC Secretariat ahead of COP21. After a long debate, countries agreed that all parties are “invited to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their INDC”.

As it is globally known, climate change is an urgent challenge. However, it should be done on a long-term scale, which is unfortunately not linear. Transition to a low carbon economy involves three main changes, technological, behavioral and structural, and the changes must be implemented both individually and collectively. Thus, INDC can be considered as a new tool for international action, a dynamic, cooperative and universal framework with the aim to accelerate proper actions.

But what makes a “good INDC”? As presented by Ms. Ribera, A good INDC should be ambitious, leading to transformation of the carbon-intensive sectors. It also should be transparent, so that stakeholders can track progress and ensure countries meet their stated goals. The third thing is equity, so that each country does its fair share to address climate change. It is important that INDCs be clearly communicated so domestic and international stakeholders can anticipate how these actions will contribute to global emissions reductions and climate resilience in the future. An INDC should also articulate how the country is integrating climate change into other national priorities, such as sustainable development and poverty reduction, and send signals to the private sector to contribute to these efforts. The first country that submitted INDC was Switzerland, followed by the EU, Norway, Mexico, United States, Russia and Gabon.



Round Table I on domestic climate and energy policies, INDCs and expectations for the 2015 Agreement

Albania

Climate section of the Environmental Cross-cutting Strategy and Strategy for Development and Integration are prepared based on the GHG scenarios from Second National Communication in 2009. It highlights the reduction of GHG by 8% by 2020. However, their 3rd National Communication will be finalised by March 2016. Albania is in the process of preparing a National Adaptation Plan under the regional project “Climate Change Adaptation in the Western Balkan countries” and it should be done by the end of 2015. The Adaptation plan is supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), but the long-term prospects will rely on IPA funds.

The new Energy Strategy aims to define main challenges, goals and actions for the period of 2015-2030. The draft law on Energy Efficiency was prepared in 2014, and the adaptation on the 2nd National Plan for energy efficiency depends on this law.

INDC development and approval is a political process and it requires some actions to be taken. Roadmap has been developed, as well as GHG categories identification. Baseline scenarios and reduction scenarios until 2025 will be ready by the end of May 2015, in cooperation with UNDP. ECRAN and TAIEX are also providing assistance on the cost-benefit analysis and related issues. Submission date is planned for 1 October 2015.

Bosnia and Herzegovina

The Council of Ministers of Bosnia and Herzegovina (BIH) adopted a Strategy on Adaptation to Climate Change and Low Carbon Development, as well as the 2nd National Communication to the UNFCCC (submitted in November 2013). Their first biennial report was submitted in January 2015. Preparations for the 3rd National Communication have and will include the GHG inventory for 2002 -2009.

However, at the state level, there is still no strategy for energy sector, but the entities have developed their own strategies; Federation in 2009 and Republika Srpska in 2012. Implementation is still very slow. In 2012 National Action Plan for Energy Efficiency was completed, but yet still not adopted due to lack of political consensus of the two entities. They started with preparations of INDC, to be carried out as part of Third National Communication, supported by UNDP. One of the expected features of INDC is that hopefully, by 2025, BIH will have sustainable and prosperous green economy.

*The draft INDC was presented to local stakeholders on 15 May 2015. After receiving comments, the final document was prepared by UNDP on 31 May 2015. The current INDC proposal provides for two scenarios, the first in which BIH will not reduce emissions by 2030 in comparison to 1990, and the second scenario in which emissions will be reduced if additional funding is secured for mitigation actions..

BIH has started implementing some adaptation actions through the GEF-financed project that include:

- Establishing an effective network of meteorological stations, as well as joint hydrological and meteorological stations;



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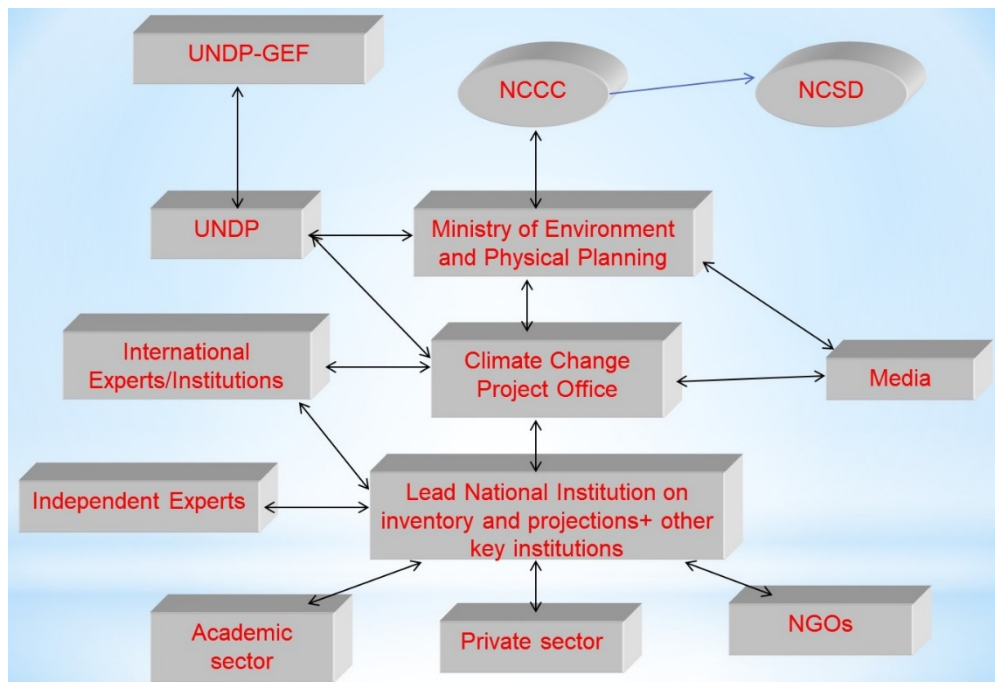


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- Setting up a database for climate scenarios;
- Vulnerability assessment for different sectors;
- Creating interactive Climatic Atlas;
- Education of farmers about the effects of climate change;
- Agro-climatic zoning with consideration of climate change scenarios in progress;
- Development of hydrological models.

The former Yugoslav Republic of Macedonia

The First, Second and Third National Communications on Climate Change were done in 2003, 2008, and 2013 respectively. First biennial update report was submitted to the UNFCCC in January 2015 and drafting of the National Strategy on Adaptation for the Health Sector is currently in process. The former Yugoslav Republic of Macedonia also prepared the Strategy for Energy Development until 2030, Renewable Strategy until 2020, and Strategy for Energy Efficiency until 2020. Scheme for the inter-institutional coordination is presented in the following picture:



INDC preparatory work includes three parallel processes: technical-analytical, political, and consultative processes. Analytical-technical work has two approaches, top-down and bottom-up. Results from both approaches were presented. In top-down approach, cumulative emissions were presented with accordance to low, medium and high level of ambition, and with good, acceptable and poor outcomes. The bottom-up approach showed that by 2020, cumulative CO2 emissions could be reduced by 25% with additional measures, and 37% by 2030.

Currently they are working on a review of the previously applied modelling. This is done in a consultative process to confirm and update the relevant assumptions, including the ambition level of actions for climate change mitigation in regards to the EU 2030 Climate and Energy Framework Policy.



Montenegro

Emissions of CO₂ have slightly increased from 1990 to 2010 in Montenegro. Although there has been a decrease in emissions from industry, on the other side, emissions from thermal power plants and transport are on an increase. Projections show that by 2030, around 30% of GHG emissions could be reduced if additional measures are applied.

Montenegro is using EU's INDC as a model. Montenegro has requested urgent assistance from ECRAN for the emission projections and preparation of the technical document, but has confirmed the political process has not started yet. Thus, a submission date is still uncertain. Perhaps the biggest issue is that the INDC implications for the country are still uncertain.

Regarding the expectations for the 2015 International Climate Agreement, Montenegro is still a small GHG emitter, regarding its population and installations. If INDC is too ambitious, additional efforts in reducing GHG emission could present a burden for the country.

Serbia

The Republic of Serbia is in process of preparing its First Biennial Update Report (FBUR) and its 2nd National Communication. IPA project will assist them in preparing a Climate Strategy with action plans. Another IPA project has assisted them in preparing the legislative framework for the EU ETS Directive and its implementing regulations on monitoring, reporting and verification.

Projections for 2020 are that GHG emissions can be reduced by 15% with additional measures. If no measures are included, emissions will be almost the same as in the base year, 1990. National Climate Strategy should be finalised in 2019 and it will include concrete actions and measures for the projections up to 2030 in accordance with the EU 2030 Climate and Energy Framework Policy.

By-law on MRV is currently in preparation and it is planned to be put into force no later than 2017. New Energy Law was adopted in 2014 and it transposes the provisions of Energy Community Third EU Energy Package. Law on Energy Efficiency was adopted in 2013 but implementation is still pending. After adoption of the new Energy Strategy until 2025 with the projections to 2030, the Ministry will start preparing the programme for its implementation. In 2013, National Renewable Action Plan 2020 was adopted, in accordance with the obligations from the Energy Community (EnC) Treaty. Second Energy Efficiency Action Plan was adopted the same year.

Regarding the draft of new Energy Development Plan, two possible GHG scenarios were considered:

- Reference scenario (includes all international obligations, i.e. RES and EE target under EnC);
- Scenario with energy efficiency measures (scenario with additional EE measures).

INDC was prepared based on various sectoral strategies, including the energy strategy, other official documents and data, in cooperation with the Ministry of Mining and Energy, and supported by IPA 2012 and UNDP projects. Government approval and submission to the UNFCCC is forecasted in the next months. However, implementation of INDC requires efforts, technical and financial support.



Expectations for the 2015 International Climate Agreement include an agreed outcome with legal force, clear and ambitious targets applicable to all parties.

Turkey

Integrated policies and measures for mitigating and adapting to climate change are included into the National Development Plans. National preparedness and capacity were increased in order to avoid the adverse impacts of global climate change.

In short-term, Turkey plans to install RES systems in new buildings, including the use of solar power collectors for central heating and sanitary hot water. Also, energy efficiency certificates will be introduced. As for the long term plans, it has been planned to reduce energy intensity by 2020 with reference to 2004 levels. The share of renewable energy will be increased up to 30% by 2023, and GHG emission will be reduced by 7%.

INDC document is currently being developed with the participation of all stakeholders. Each policy is implemented and planned within each sector. Coordination Board on Climate Change is in charge of inter-institutional coordination, and members of the board will be in charge of approving the document. Turkish INDC is expected to be flexible and country defined, clear, transparent and understandable. Expected submission date is end of summer 2015.

Expectation for the 2015 Climate Agreement include:

- Decide on the rules about mitigation actions;
- Provide transparency for both commitments and support;
- Have historical responsibilities in new regime;
- Development of reference methodology by IPCC.

Towards ambitious INDCs: An EU perspective – Artur Runge-Metzger

In the EU, GHG emissions continue to follow the general decreasing trend seen from 2004 onwards. Emissions in 2011 and 2012 reached their lowest levels since 1990. Total emissions (without Land use, Land use change and Forestry- LULUCF) in 2012 are 21.7% below base year levels and are projected to be around 24.5% below base year levels in 2020.

The 2050 Low-Emission Roadmap states that 80% of emission reduction in regards to base year 1990 is feasible, however, only in a case with the change of behaviour through the induced prices and contribution of all economic sectors. This target will eventually be achieved only if 25% is achieved by 2020, 40% by 2030 and 60% target by 2040.

All scenarios show reduced energy consumption compared to the Reference scenario, with more pronounced energy savings and improved energy intensity in scenarios with strong energy efficiency policies. The implementation of the EU 2030 Climate and Energy Framework Policy will enable the following:

- Additional fuel savings of 18 billion euros per annum are expected in the next 2 decades.

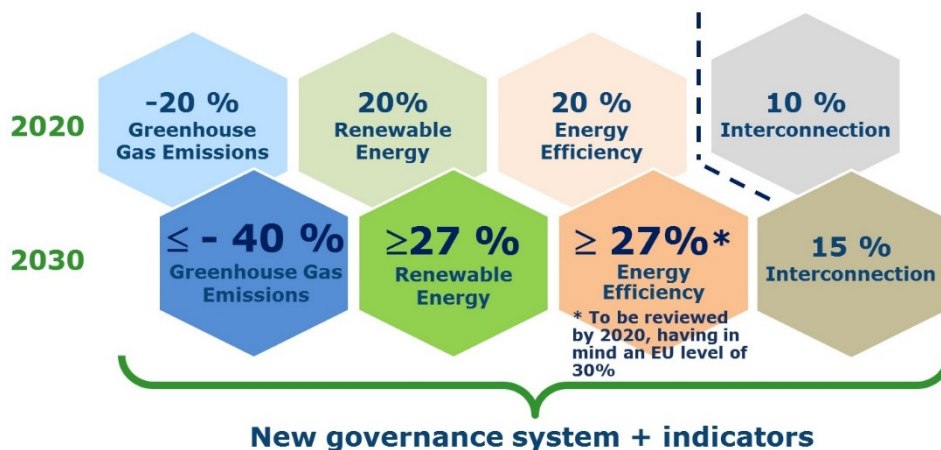


- Additional 11% of less energy imports is expected by 2030, providing thus energy security;
- Through innovation, now job opportunities will be opened;
- Health and Air pollution benefits of €7 to € 13.5 billion in 2030.

The overall GHG emissions intensity for the EU-28 has been steadily decreasing since 1990, reaching nearly half the 1990 levels by 2011. Also, GDP grew by 45% in EU, while emission decreased by 18.3% from 1990.

The 2030 Framework for Climate and Energy as compared to the 2020 framework:

2030 Framework for Climate and Energy



The EU emission target for 2030 is reduction of 43% compared to 2005 for the ETS sector. However, for non-ETS sector, the target is 30% reduction. For Member States targets range between 0% and 40%, however, LULUCF would still need to be properly integrated. Additional assistance will be provided to MS with lower income, though the Modernisation Fund. As regards the RES target of at least 27% of energy savings by 2030, nine out of 28 MSs have already reached this target, including Sweden, Austria and Denmark.

Most of all, factors of success for INDCs include:

- Looking beyond climate – delivering a range of benefits by the EU climate and energy policies;
- Securing cost-efficient implementation – promoting market-based policy instruments and determining long-term mitigation potential;
- Involving main stakeholders – allow for early and broad consultation.

Climate and Energy Policies in Croatia – Igor Raguzin

Total projections of GHG emissions until 2035 also have three scenarios as all other countries, scenario without measures, scenario with measures and scenario with additional measures. In the scenario without measures, GHG emissions will naturally rise. In the case with basic measures, emissions are projected for a small decrease with reference to 1990, a base year. However, if additional measures were included, GHG emissions are expected to decline up to 30%. Although total emissions were



reduced in relation to 1990, GHG emissions by sector have not changed. Energy and transport sectors have the greatest percentage of total emissions in Croatia.

Croatia has been working on implementation of policies and measures regarding RES and EE:

- promotion of use of RES for electricity and heat generation;
- use of refuse derived fuel for electricity and heat generation;
- promotion of RES and EE through the Croatian Bank for Reconstruction and Development;
- EE application of measures using the best-available-techniques (BAT) for new power generation;
- increase of EE in buildings, including the high efficiency cogeneration;
- encouraging EE in households and services;
- labelling EE by energy-related products;
- use of eco-design of energy products.

Croatia has fulfilled the objective of the Kyoto Protocol for the period 2008 -2012. Total emissions in the period of 2008-2012 were lower than the assigned amount units by 10.9%. Savings achieved in the considered period will be determined according to the methodology for energy savings in primary energy and revision of projections of energy consumption.

Implications of the INDC for Croatia as a MS are associated with the EU 2030 Climate and Energy Framework Policy and the associated GHG reduction targets of 40%, increase in the share of renewable energy to 27% and increase of energy efficiency to at least 27% by 2030. Croatia will strive to use the mechanisms of solidarity and compensatory allocation as well as the available financial instruments. This should facilitate faster adaptation to or replacement of the energy and industrial sectors with new low carbon technologies.

Ministry of Environment and Nature Protection is coordinating drafting of a long-term low-carbon development strategy that should be completed by the end of 2015, as well as the Climate Change Adaptation Strategy expected in 2016. Asks in the strategy include scenarios for 2030 and 2050, modelling by sectors, impact assessment scenarios on the environment, society and economy, measures and instruments.

Climate and Energy Policies in Austria – Helmut Hojesky

Austria has had a National Climate Strategy since 2002, and it was updated in 2007 for a compliance with the Kyoto Protocol. General Departments and Regional Authorities are currently finalising discussions on a Climate Action Plan for 2020 under the Climate Change Act, which provides for a GHG reduction by 16% in non-ETS sector in reference to 2005. However, the 2050 Strategy requires a totally new mitigation strategies and policies which involve changes in production and consumption.

The Ambitious 2050 scenarios show that the GHG emissions could be reduced by 50% from the base year, 1990. This can certainly be achieved with the inclusion of additional measures, as with the use of the existing measures, emissions would be only slightly reduced.

The Minister for Environment and the Minister for Economics jointly gave a mandate for elaborating an Austrian Energy Strategy in spring 2009, and the strategy was presented in 2010. This strategy will ensure Austria's achievement of the targets under the EU 2020 Climate and Energy Package. However,



Austria has a high target of achieving 34% of RES by 2020, and it is feasible, since by now they have overpassed the EU target.

Implementing regulation includes requirements to stabilise the final energy consumption by 2020. The new EU 2030 targets require further strengthening of renewables and energy efficiency, although no MS targets have been set yet. Anyway, Austria fully supports the EU position and general expectations for the 2015 Agreement. It should be a legally binding agreement with commitments by all parties, fair and ambitious, enabling to meet the 2°C target. However, not everything has to be in core agreement and not every detail needs to be agreed upon in Paris.

Round II on next steps and cooperation – next steps and cooperation

Albania

Many things need to be done in Albania in order to ensure implementation of INDCs:

- Adoption of drafted strategy on energy and draft on the EC Strategy;
- Development and implementation of policy instruments;
- Alignment with EU legislation;
- Increase of political and public awareness;
- Building capacity among national and local stakeholders;
- Access to international financial support.

The new strategy aims to define the main challenges, goals and actions for the period 2015-2030 that will determine numerous energy issues, such as the increase of EE and RES in all sectors, introduction of natural gas after 2020, strengthening of regional cooperation and creation of a regional power market. Government of Albania has explicitly acknowledged that renewable energy development has the potential to bring benefits to consumers, reduce emissions and immediately contribute to security of supply, and has thus set the RES target of 38% for 2020 target. The National Energy Efficiency Action Plan was adopted in 2009, aiming to set up a financial mechanism that will provide incentives to invest in EE technologies in residential, public and commercial buildings. Total investment in this project will amount around to EURO 46 million but it will save up to 920 GWh, which is represents almost 80 ktonne of CO₂eq by 2020.

Bosnia and Herzegovina

The INDC preparation was launched and it will be done in the framework of the 3rd National Communication, supported by UNDP project. Ministries in charge of the climate change work together on establishing a framework for the implementation of NAMA projects in BIH, as well as a framework for measuring, reporting and verification of the GHG emissions reduction activities. The project of adaptation to climate change on the river Vrbas has started. The value of the grant project is USD 5 million and it will be available through the GEF - SCCF (Special Climate Change Fund). The Fund has approved a regional project for three countries (Bosnia and Herzegovina, Serbia and Montenegro), and will deal with the adaptation to climate change and sustainable management of the Drina river.

In the field of environmental protection, flood protection project: Capacity development for integration of global commitments in the field of environmental protection in the policy and decision-



making, implemented by the United Nations Environment Program (UNEP) started in November 2014 and will last for 36 months..

However, it is necessary to adopt a strategy of environmental protection and climate change in accordance with the EU Action Plan 7. Implementation and harmonisation of related legislation to climate change is at a very low level. Raising awareness is very important as well as strengthening of the inter-institutional cooperation.

Based on the analysis of the existing situation there are two main axes along which the possible development scenarios could be defined. The first is related to the level of energy efficiency and sustainability, and the second to the distribution of investment in new electricity generation between coal and renewables. In the absence of available domestic capital for investment in electricity production, Bosnia and Herzegovina should pursue both investment tracks up to 2025, thereby improving energy security with more efficient coal-fired power plants, and increasing the capacity of renewables.

The former Yugoslav Republic of Macedonia

Further activities on INDCs include:

1. Development of a policy paper through the broad stakeholder involvement (NCCC+WGNCSO and civil sector);
2. Draft paper finalised, June 2015;
3. Adoption of a policy document at the governmental level, July 2015;
4. Submission of a policy document to UNFCCC and DG Climate Action, September 2015 at latest;
5. Participation at the Paris COP 21, December 2015;

The country is using IPA funds for preparing the Environmental and Climate Strategy 2014-2020 and for preparing the terms of references for the IPA Climate Strategy and Law, which should include long-term climate targets and action plans.

Montenegro

In the process of preparing the INDC Montenegro is facing different challenges:

- Technical preparation of INDC;
- Awareness of the Government about INDC;
- Decision on the INDC, adopted by the Government, in order to submit it to UNFCCC;
- Involvement of the public and stakeholders in decision making;
- Raising awareness on climate change and INDC specifically;
- Financial aid from climate change funds will be needed to achieve INDC targets

According to current scenarios, with the existing measures and with the additional measures, CO₂ emissions will increase, and the highest increase is expected in the power generation sector. This is a result of the new coal-fired thermal power plant that will be put in operation, while for transport sector emissions will rise due to increase in number of vehicles and mobility. According to the scenario with existing measures, there will be an increase in greenhouse gas emissions and they are projected to rise by 69% in 2030 in comparison with 1990. According to the scenario with additional measures, the emissions will increase by 14% in 2030 compared to 1990.



Serbia

Many things need to be done to ensure implementation of INDCs in Serbia. The following support is needed to achieve this objective:

- Political willingness;
- Combating climate change as a main policy goal;
- Additional policies efforts – harmonisation with the EU acquis during the process of EU accession and mainstreaming climate change into other policy areas;
- Reducing vulnerability – Serbia: droughts since 2000 have incurred over EURO 5 billion losses, while floods in 2014 would require EURO 1.3464 billion for reconstruction
- Technology transfer – infrastructural projects;
- Support for establishment and functioning of Green fund;
- Support for functioning of Energy Efficiency Fund;
- Exchange of knowledge and lessons learnt.

Turkey

Turkey is currently carrying out stakeholder consultation on their INDC. Turkey's National Climate Change Strategy 2010-2020 sets a goal of contributing to the global efforts against climate change within its own capabilities, and also presents its national mitigation, adaptation, technology, finance, and capacity building policies. Country's INDC will be based on this strategy. TIMES Markal (the Integrated Market Allocation) model is being used for mitigation analysis, which is done on sectoral basis. It is a bottom up model, with main focus on emissions, technology and research and development. ETS MRV is also being used with the INDC insights.

Preliminary results of the consultations will be available in the summer 2015, before the submission to the UNFCCC.

European Commission, DG CLIMA – Ivana Mijatovic Cernos

DG CLIMA stressed the good cooperation with the beneficiary countries, pointing out that assistance is provided on the policy and the technical level both regionally through the ECRAN but also bilaterally. So far, various workshops were organised on the INDC to raise awareness but also to initiate/help finalise technical process of preparing the INDCs. One of the purposes of this INDC Dialogue was to be informed about progress that countries are making but also to establish where additional assistance might be needed. The enlargement process and the alignment with climate acquis will additionally help in this respect, as well as putting into place climate strategies and mainstreaming those into other policy areas. The IPA II (2014-2020) financial instrument should be used in this process, and countries should already start reflecting about implementation of their INDCs.

Energy Community Secretariat – Peter Vajda

Energy Community comprises EU MS, contracting parties, candidates and observers. Six ECRAN beneficiary countries are contracting parties (Albania, Bosnia and Herzegovina, FYR of Macedonia, Montenegro, Kosovo* and Serbia), while Turkey is an observer.

There are three main pillars of Energy Community:



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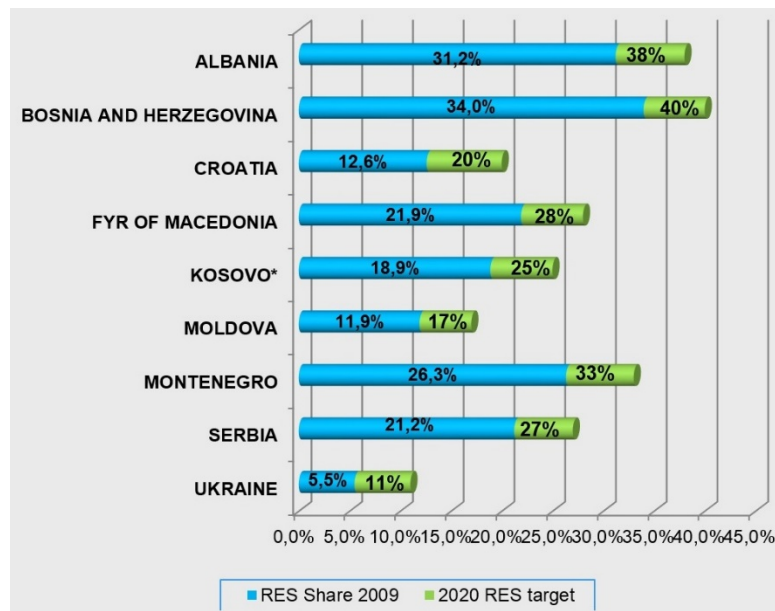
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- Creation of a regional energy market / enhance regional competition;
- Security of supply;
- Sustainability of energy systems.

Also, activities of the Energy Community were listed:

- Emissions abatement, setting a possible contribution to climate goals;
- Transition from the Large Combustion Plants Directive (LCPD) towards the Industrial Emissions Directive (IED)
- LCPD to be implemented as of 1 Jan 2018, IED same date for new plants, for existing plants deadline yet to be established;
- Addresses pollutants into the air with the indirect effect: reduction of GHGs;
- Preparation of National Emission Reduction Plans, submission by end 2015;
- Opt-out 20,000 operational hours 2018-2023, and then shut-down (written declaration by operator until end 2015).

It is still possible to achieve RES targets by 2020 in the ECRAN beneficiary countries. Most of the countries have a significant RES share in 2009, as it can be seen on the following graph.



As a conclusion, plans and programmes should be more turned into action regarding INDC implementation. High level politician support is vital and clear responsibilities and coordination between different governmental actors is crucial as well.

Next steps and cooperation – Rastislav Vrbensky, UNDP

Next steps towards timely submission of INDCs in 2015 are:

- close cooperation and coordination with the ECRAN and other donors on INDCs;
- support in developing a range of documents that serve as a basis for the INDC development;
- supporting national dialogue between governmental institutions;
- together with WRI and UNFCCC produced Guidance on INDC Preparation;



After 2015, it is essential to support development and implementation of Nationally Supported Mitigation Actions (NAMA) in beneficiary countries. Also, Western Balkan countries and Turkey have a big potential for emission reduction in the building sector, and it is important that these measures are part of INDC. UNDP has extensive experience with the EE projects across the region where the largest potential exists for the cost-effective GHG emission reduction and energy savings.

The region also has a great potential for developing small hydro power plants, especially considering the fact that energy demand is expected to rise by 70% in the next 20 years. Interesting fact is that over 50% of rural population in the region still use solid fuel for energy purposes, while electricity production is predominantly based on the coal-fired thermal power plants. Thus, UNDP's support focuses on creating a favourable environment to reduce risks and foster private and public investment in sustainable energy.

Concluding remarks

- **The EU wishes to see a legally binding climate agreement in Paris;**
- **Synergies between the climate and energy strategies and policies is crucial for INDC implementation;**
- **INDC submissions are needed before 1st October 2015, before Paris. However, no ECRAN beneficiary country has submitted their INDC yet;**
- **In case of all ECRAN beneficiaries there is a process to prepare INDCs, but the progress varies among countries;**
- **For some ECRAN beneficiaries transposition of some parts of EU acquis helps to initiate climate action which can be considered in preparation of INDCs;**
- **Some ECRAN beneficiaries might need additional support in the following months in order to complete INDC report;**
- **According to Serbian Authorities, the country aims to have the INDC ready during early summer, submitting it sometime in June;**
- **INDCs are the first step on the way to large scale decarbonisation by 2050 - for ECRAN beneficiaries the challenge is decarbonisation of the economy, not the emission reduction itself.**

ANNEX I – Agenda

Place: Nippon Hotel, Topçu Caddesi No: 6 34437 Taksim / İstanbul

Date/Time: 28 April 2015

09.00 – 9.30 Registration



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9.30 – 10.00

Key note introductions

Facilitated by *Mehrali Ecer, Ministry of Environment and Urbanisation*

- Introduction to the agenda, objectives of the meeting and short introduction of participants, *Jozsef Feiler, ECRAN*
- Turkey's action within global efforts to prevent dangerous climate change, *Mehmet Emin Birpinar, Deputy Under-Secretary, Ministry of Environment and Urbanisation*
- Introductory remarks, *Artur Runge-Metzger, Director, Directorate-General for Climate Action, European Commission*

10.00 – 10.30

Climate change – understanding the impacts and mitigating the change
Prof. Diana Ürge-Vorsatz, Central European University

10.30 – 11.00

International climate negotiations on an agreement at COP 21 in Paris – state of play and expectations, *Artur Runge-Metzger, Director, Directorate-General for Climate Action, European Commission*

11.00 – 11.25

What makes a good Intended Nationally Determined Contribution? *Teresa Ribera, Institute for Sustainable Development and International Relations*

Discussion

11.45 – 12.00

Coffee break

12.15 – 13.00

Round Table I on domestic climate and energy policies, INDCs and expectations for the 2015 Agreement – the EU, Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia

The aim of this roundtable is to take stock of domestic climate and energy policy developments and implementation, including the preparation and political adoption process of INDCs for the 2015 Agreement. Countries are also invited to put forward expectations for the 2015 Agreement.

Country presentations (with the help of a Power Point template to be provided):

- Domestic climate and energy policies – short and long-term prospects
- INDC development and approval
- Expectations for the 2015 International Agreement

Facilitated by *Ivana Mijatovic Cernos, Directorate-General for Climate Action, European Commission*

Contributions:

The European Commission: *Artur Runge-Metzger, Director, Directorate-General for Climate Action, European Commission*

Albania: *Laureta Dibra, Head of Sector, Ministry of Environment (supported by colleagues/experts)*



Bosnia and Herzegovina: *Enis Krecinic, FHMZ (supported by colleagues/experts)*

The Former Yugoslav Republic of Macedonia: *Jasmina Petkovska, Head of Department (supported by colleagues/experts)*

13.00 – 14.00

Lunch

14.00 – 15.20

Round Table I on domestic climate and energy policies, INDCs and expectations for the 2015 Agreement continued: **Montenegro, Serbia, Turkey, Croatia, Austria**

Facilitated by *Ivana Mijatovic Cernos, Directorate-General for Climate Action, European Commission*

Contributions:

Montenegro: *Olivera Kujundzic, Ministry of Sustainable Development and Tourism (supported by colleagues/experts)*

Serbia: *Stana Bozovic, State Secretary, Ministry of Agriculture and Environment, Mirjana Filipovic, State Secretary, Ministry of Energy and Mining (supported by colleagues/experts)*

Turkey: *Mehrali Ecer, Head of Unit, Ministry of Environment and Urbanisation (supported by colleagues/experts)*

Croatia: *Jasenska Nećak, Head of Sector, Ministry of Environmental and Nature Protection, Igor Raguzin, Ministry of Economy (supported by colleagues/experts)*

Austria: *Helmut Hojesky, Director, Federal Ministry of Agriculture, Forestry, Environment and Water Management*

15.20 - 15.45

Break

15.45 – 17.15

Round Table II on next steps and co-operation

The aim of this Round Table is to elaborate on next steps to prepare for the adoption and implementation of the 2015 Agreement. How can it best be ensured that individual INDCs will be put forward on time; that they promote synergies between climate, energy and other policies; and that they will bring benefits both to the countries and to the international process? How can cooperation between the Candidate Countries, Potential Candidates and the EU best be enhanced?

Each Country, DG CLIMA, Energy Community Secretariat, UNDP Istanbul Office, as well as ECRAN representatives are invited to shortly elaborate on next steps with the help of a PowerPoint template to be provided. Participants are also invited to put forward concrete proposals for consideration and follow-up.

Facilitated by *József Feiler, ECRAN*

Contributions:

Albania: *Laureta Dibra, Head of Sector, Ministry of Environment (supported by colleagues/experts)*



Bosnia and Herzegovina: *Enis Krecinic, FHMZ (supported by colleagues/ experts)*

The Former Yugoslav Republic of Macedonia: *Jasmina Petkovska, Head of Department (supported by colleagues/ experts)*

Montenegro: *Olivera Kujundzic, Ministry of Sustainable Development and Tourism (supported by colleagues/ experts)*

Serbia: *Stana Bozovic, State Secretary, Ministry of Agriculture and Environment, Mirjana Filipovic, State Secretary, Ministry of Energy and Mining (supported by colleagues/ experts)*

Turkey: *Mehrali Ecer, Head of Unit, Ministry of Environment and Urbanisation (supported by colleagues/ experts)*

The European Commission, Ivana Mijatovic Cernos, Directorate-General for Climate Action, European Commission

UNDP Istanbul Office: *Rastislav Vrbensky, Manager, UNDP Regional Hub for Europe and the CIS*

Energy Community Secretariat: *Péter Vajda, Environmental Expert*

17.15 – 17.30

Conclusions and wrap up , Ivana Mijatovic Cernos, Directorate-General for Climate Action, European Commission



ANNEX II – Participants

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ANNEX III – Presentations (under separate cover)

Presentations can be downloaded from:

http://www.ecranetwork.org/Files/INDC_Meeting_Presentations_28_April_2015_Istanbul.zip



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