



Coming Closer to European Union Targets:

Green Deal and Environmental Policies in Kosovo and North Macedonia



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A paper developed from Conference proceedings held in Prishtina, Kosovo¹, 9 and 10 November 2022

Introduction

Contemporary challenges require contemporary responses. Climate change, energy crisis, protection of nature affect all peoples of the world. As such, tackling these challenges requires coordinated and sustainable solutions by all states. These challenges put in motion states, supranational institutions and leading international organizations in adopting joint measures to address them.¹

To this end, the European Union approved the European Green Deal in 2019. The document is a “new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use”.² The Green Deal further states it aims to “protect, conserve and enhance the EU’s natural capital, and protect the health and well-being of citizens from environment-related risks and impacts”. This initiative should be “just and inclusive”, thereby involving all segments of society in its implementation.

Similarly, the United Nations approved the Agenda 2030 and Sustainable Development Goals (SDGs). In September 2015, the UN General Assembly “adopted a historic deci-

sion on a comprehensive, far-reaching and people-centred set of universal and transformative goals and targets”.³ The SDGs aim at eradicating poverty and achieving sustainable development in economic, social and environmental dimensions.

These two initiatives are complementary and serve as roadmaps for states for a united response to these contemporary challenges. Kosovo and North Macedonia, like other countries are affected by these challenges and being two countries with EU membership aspirations, are committed to implementing the Green Deal as well as to SDGs’.

In light of these developments, the conference brought together KAS alumni with members of parliaments, civil society representatives and experts to discuss Kosovo’s and North Macedonia’s progress in implementing these documents. This paper extracted some of the highlighted issues and recommendations made during this conference.

1 The Wilfried Martens Centre of European Studies follows the EU and EPP position

2 See European Green Deal, released on 11 December 2019, as COM (2019).

3 See at Transforming our world: the 2030 Agenda for Sustainable Development | Department of Economic and Social Affairs (un.org)

Legal and Policy Alignment with European Green Deal and Sustainable Development Goals

Kosovo and North Macedonia use the European Green Deal and Sustainable Development Goals as their roadmaps in addressing the shared concerns over climate change, protection of environment, energy and more. Specifically, the legislation and policies of the two countries prioritize five chapters of the Sofia Declaration⁴ on the Green Agenda for WB: de-carbonization; application of circular economy; addressing air pollution; ensuring sound standards for agricultural production; and biodiversity.

Waste management and air pollution is well covered. In particular, the latter, with many local plans developed on air quality since according to requirements any community with more than

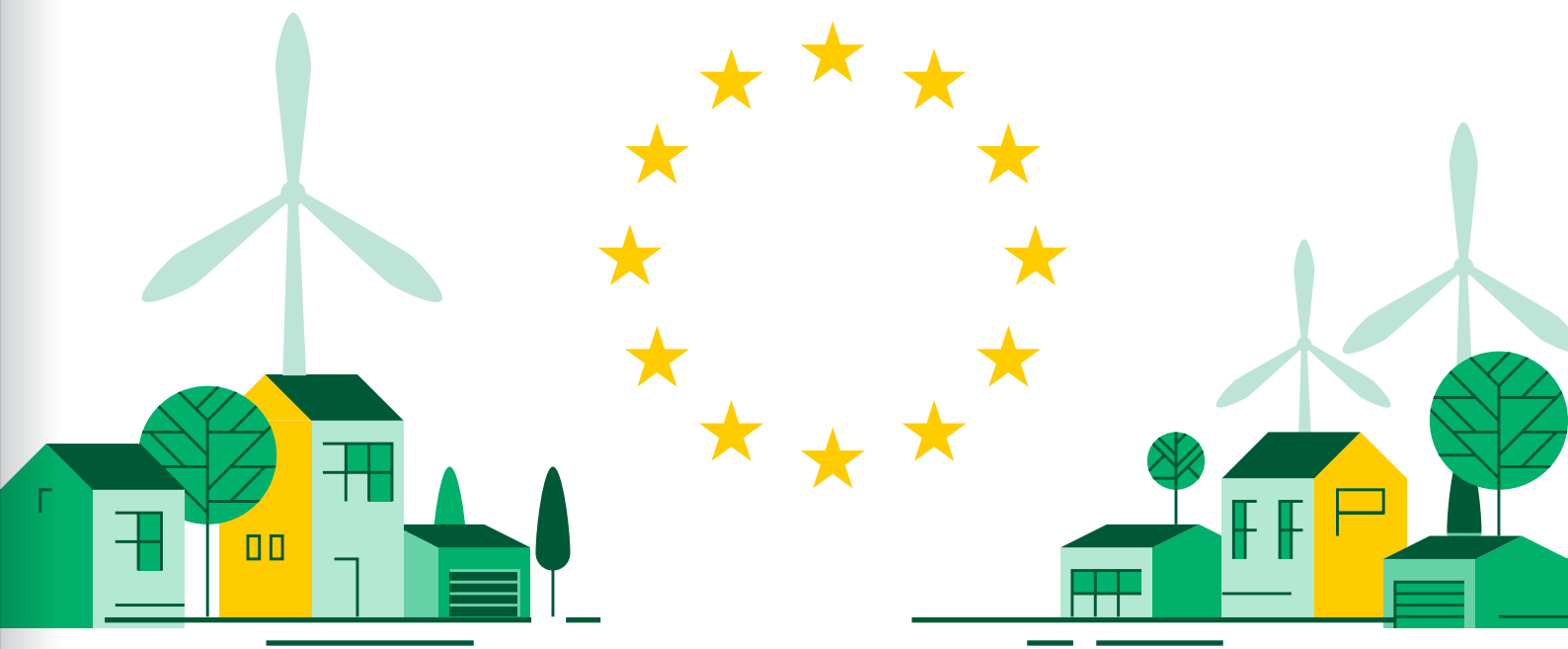
35,000 residents should have a plan for air quality management⁵. With regard to protected natural areas, a total of 13.9% of North Macedonia territory is now protected, whereas the EU target is to have around 30% of protected areas. As far as circular economy is concerned, there is legislation in place but it's rather utopic and not implemented.

Kosovo has reflected most of the European Green Deal requirements into its legislation and policies. Also, Kosovo government prioritized 9 out of 54 actions provided for in the Sofia Declaration⁶. A series of secondary legislation acts have been approved to implement these actions.

4 See at: <file:///C:/Users/Buton/Downloads/Leaders%20Declaration%20on%20the%20Green%20Agenda%20for%20the%20WB.pdf>

5 Presentation by Bojana Stanojevska Pecurovska, President, Centre for Climate Change, North Macedonia

6 Presentation by Ismail Hetemaj, Deputy Director, Department for Environmental and Water Protection, Ministry of Environment and Spatial Planning, Government of Kosovo



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Special attention was paid to introducing tougher legislation for inspectorates to ensure better oversight of environmental-friendly measures.

The Government of the Republic of Kosovo is at the final stages of approving the National Development Strategy 2030. The Strategy is largely aligned with the European Green Deal and SDGs'. Following the approval of this Strategy, all existing strategies and policies will be updated for alignment with this overarching strategy. The same applies for all new strategies and policies, which will have to be in line with this overarching strategy. An Energy Strategy 2022 – 2031 is also being developed largely focused on decarbonization.

Further, an Action Plan to implement the requirements of EU Chapter 27 is prioritized with the support of an in-country EU support project. A roadmap for circular economy will be concluded by the end of this year too.

With regard to Sustainable Development Goals, Kosovo has established a parliamentary Council on Sustainable Development in 2018, but due to frequent snap elections it was not much active. Since mid-2021, the Council is fully operational and overseeing the work of institutions on the implementation of SDGs' and raises awareness of the public in partnership with various institutional, civil society and business stakeholders⁷. Further, the Government finalized the National Development Strategy 2030 which largely inte-

grates SDG throughout. This will make it easier for the Council on Sustainable Development to oversee the implementation of the Strategy, and consequently the Green Deal and SDGs'.

In North Macedonia, similarly, there is significant alignment with SDGs. Special attention is being paid to the implementation and monitoring of SDG 5C1 which provides for allocation of budgetary resources for women in all state policies and projects.

⁷ Presentation by Fitim Mulolli, UNKT/UNDP Advisor to Council on Sustainable Development, Assembly of Kosovo

Key Challenges

There are a number of challenges and difficulties faced by governments of Kosovo and North Macedonia in the implementation of the European Green Deal and Sustainable Development Goals, in particular energy and environmental policies. Many of these challenges have wider repercussions going beyond these two sectors but affecting most segments of society, thereby making it necessary to have well-coordinated and structured policies in place. Some of these challenges are elaborated below.

Environmentally non-compliant energy solutions. Often policies are designed to provide solutions for one sector only, thereby overlooking repercussions in other sectors and segments of society. In particular, the impact of energy solutions is evidenced to negatively impact the environment and health. Both countries continue to produce coal-based energy, which has serious consequences in environment and the health of citizens. Also, efforts to provide immediate solutions to crisis, such as to the current energy crisis, will result in heavy environmental pollution and risk to citizen health. Such example, is the effort of Kosovo government to give as donation 35 tons of coal to all the employees of the Kosovo Electricity Company. With some 1,000 employees, there will be 35,000 tons burned this winter in Kosovo as a consequence of this decision⁸.

Insufficient investment in renewable energy resources. The entire Western Balkans and specifically Kosovo and North Macedonia, are not prioritizing investments in renewable energy resources. Even though renewables continue to feature in all government and political party programs, little is put into action. On the other hand, businesses are a step ahead of

governments, as they are largely investing into renewables, in particular solar panels.

Risk of unplanned transitions. There is a risk of moving rapidly into the implementation requirements of the Green Deal and SDGs' when it comes to energy and environment. Institutions need to make sure that this transition is not rushed and that functionality and consistency in supply is not put at risk. The two countries could end up with a deficit of energy by shutting down quickly existing energy facilities, without sufficient preparations to cover that energy with renewables. This specifically applies to North Macedonia, which has planned to shut down the Mining and Energy Combine Bitola in 2027.⁹ This facility produces coal-based energy and this production comprises some 70% of the total supply of North Macedonia. Therefore, if this timeline is respected North Macedonia could end up with a large deficit in energy production and supply, because by 2027 investments in renewable energy will not provide the 70% of the energy supply that this facility currently provides.

High implementation cost of the Green Deal and SDGs'. Funding the implementation of requirements deriving from the European Green Deal and SDGs' has a very high cost. For the state budgets of Kosovo and North Macedonia, the implementation of these measures in the mid-term is not affordable¹⁰. Therefore, the absence of funding represents a major obstacle to this end.

Corruption. Like in many other sectors, the prevalence of corruption in both countries is maybe the biggest impediment to development. The

8 Presentation by Burim Ejupi, Executive Director, INDEP

9 Presentation by the Bojan Stojanoski, Member of Parliament, North Macedonia

10 Presentation by Konstantin Dimitrov, President, Macedonian Centre for Energy Efficiency, North Macedonia

North Macedonia could end up with a large deficit in energy production and supply, because by **2027 investments in renewable energy** will not provide the **70%** of the energy supply that this facility currently provides.

perception of corruption is high for institutions as well as judiciary. In particular, the latter is seen as a major obstacle for foreign investment namely due to delays in the resolution of court cases and contract enforcement¹¹. This delay in court cases' resolution and contract enforcement is a discouraging indicator for all potential foreign investors in renewable energy.

Low rate of implementation of approved measures and commitments against air pollution.

Measures against air pollution are largely not implemented. In the case of North Macedonia, the Skopje municipality approved some 50 measures to decrease pollution, but very few are being implemented. There are some 60,000 households in Skopje with central heating, whereas the rest are heated with wood, which is causing the cutting of forests. Similarly in Kosovo, the abovementioned case of coal-based heating will significantly damage the quality of air¹². All these have serious negative impact in the health of citizens. A positive case is the expansion of the central heating network in Prishtina, which is gradually increasing the number of households into its system, thereby decreasing the number of households heating with energy, wood or coal.

Environmentally-insensitive construction projects. Many infrastructure projects disregard the environment, and the environmental protection laws and regulations. Such exam-

ples are seen in the case of central and local governments' projects as well as with private investors. Institutions when investing in infrastructure projects often don't opt out for the most environmentally-friendly path or location, and private investors, in particular when constructing residence and business premises, fail to meet municipal requirements for the proportion of green areas.

Water and wastewater challenges: Kosovo is relatively poor with water resources, with only two artificial water accumulations, and no large-scale reservoir¹³. Some water is also lost in the supply network. In North Macedonia, the situation with water reserves is better, but the water supply network losses close to 60% of the processed water¹⁴. Also, in North Macedonia the collection of water bills rate is very low. As far as wastewater is concerned, both countries have problems with insufficient investment in the treatment of wastewater and covering the costs for it.

Insufficient community engagement and pressure on institutions. Civil society organizations and community in general are not active enough to exercise pressure on the parliaments and governments to prioritize investments in renewable energy and protection of environment.

11 Presentation by Besian Mustafa, Member of Assembly of the Republic of Kosovo

12 Presentation by Konstantin Dimitrov, President, Macedonian Centre for Energy Efficiency, North Macedonia

13 Presentation by Ismail Hetemaj, Deputy Director, Department for Environmental and Water Protection, Ministry of Environment and Spatial Planning, Government of Kosovo

14 Presentation by Bojana Stanojevska Pecurovska, President, Centre for Climate Change, North Macedonia

Recommendations

The conference ascertained the state of affairs with regard to the implementation of the European Green Deal, Sustainable Development Goals' and environmental policies in general. It is noted that there is commitment by the institutions of both Kosovo and North Macedonia to implement requirements deriving from the Green Deal and SDGs'. Although as evidenced, that commitment is not reflected in the budget and activities of respective institutions.

The challenges identified in the previous section, require immediate action by all stakeholders in Kosovo and North Macedonia in order to put those commitment to life. Consequently, in light of these challenges, the following recommendations are issued to improve the state of affairs:

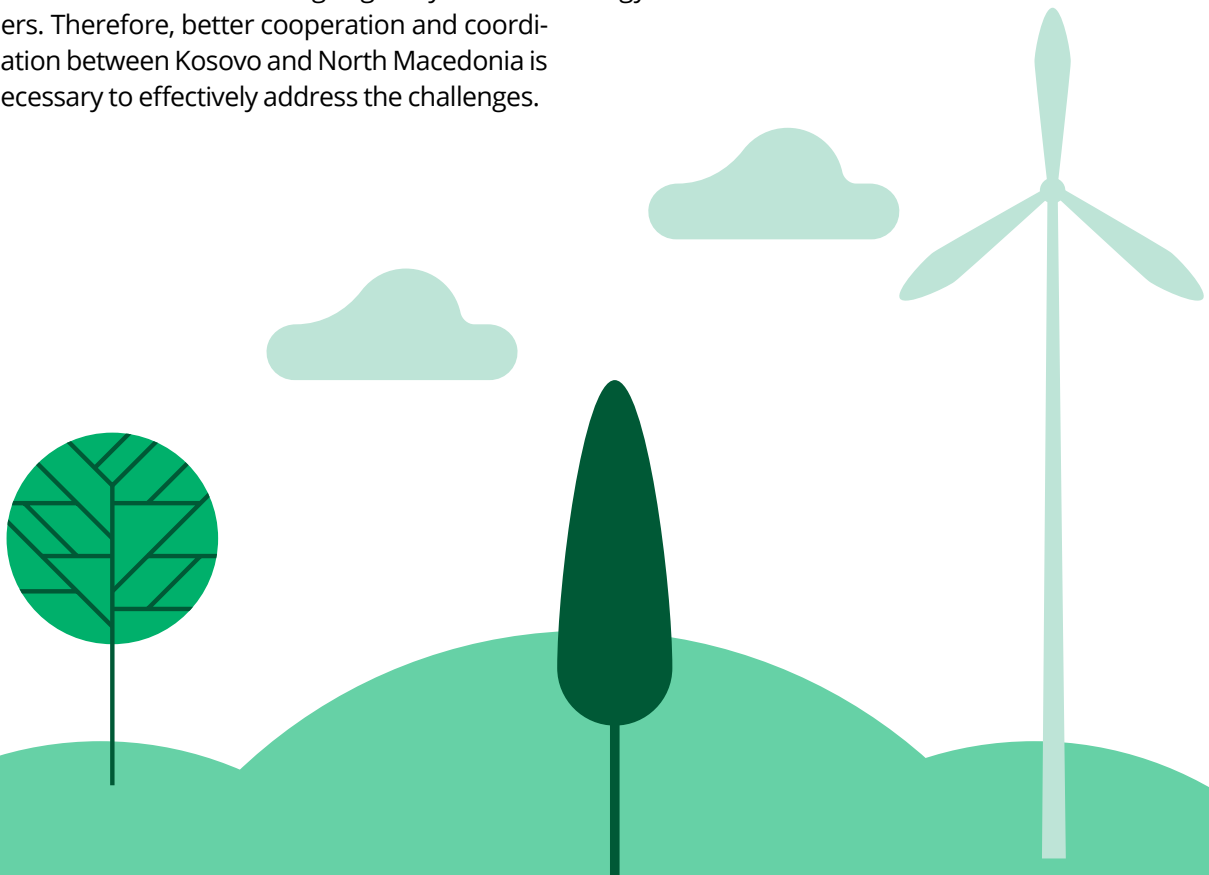
Enhance cross-country cooperation. Energy and environmental challenges go beyond borders. Therefore, better cooperation and coordination between Kosovo and North Macedonia is necessary to effectively address the challenges.

Prioritize investments in renewable energy.

The political commitments by the institutions in both countries need to be reflected in state budgets of both Kosovo and North Macedonia. Investments in renewable energy need to increase to cover up for the deficit in energy with the planned closure of coal-based facilities, thereby ensuring a smooth transition. Furthermore, investments in renewables will have an enormous impact in decreasing air pollution and contribute to better health.

Strengthen judiciary as a mechanism to fight corruption.

Reforms in judiciary are needed to effectively fight corruption and ensure swift resolution of cases and efficient contract enforcement. In parallel, both states should allocate more financial and human resources for judiciary. This, altogether, would build trust in potential foreign investors in the sector of energy and environment.



Improve oversight over the implementation of environmentally-sensitive legislation and policies. Oversight bodies should be more vigilant and strictly implement legal and policy requirements during the implementation of infrastructural and construction projects by both state institutions and private investors. Existing Codes/Regulations on Construction should be more environmentally-sensitive and fully enforced.

Enhanced formal and informal education on renewable energy and protection of environment. Kosovo and North Macedonia institutions, at both central and local level, should improve the level of knowledge of citizens about the benefits of renewable energy and protection of environment. Courses should be inserted into school curricula, and public awareness campaigns organized for public in general.

Introduce innovative approaches for energy supply. Kosovo and North Macedonia should learn from successful examples of environment-friendly energy supplies. Energy Cooperatives should be introduced which using solar energy can connect in the network and share the generated energy between entities and/or households. Similarly, the application of Balanced Groups would be a good mitigation measures through the exchange of electricity. Another successful example is the Auction System, which is very attractive approach for private investors as they would have guaranteed to sell energy to the state. Finally, establishing an efficiency fund is yet another good approach as proven by the case of Slovenia.

Continuous and dynamic activism by CSOs and public in general. CSOs' and citizens in general need to be more active and keep politicians accountable for their commitments, especially for those related to renewable energy and protection of environment. As highlighted above, these have a direct impact on the health of citizens therefore, citizens should be motivated to engage because failure by governments to act on these policies is damaging their health and environment they live in.

