



CORLEAP/009/2022

11th CORLEAP annual meeting
3 November 2022, Liberec (Czech Republic)

CORLEAP REPORT

Localising the green agenda of the Eastern Partnership

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Introduction

The Eastern Partnership (EaP) was created in 2009 with the aim of strengthening institutional, economic and political relations between the European Union (EU) and the six EaP countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

Although at the beginning of the creation of the EaP the objective of working together towards environmental and climate resilience was not among one of the cooperation priorities, since then the field of environmental protection and climate action has become a key part of the negotiation process. The Partnership Agreements signed with the six EaP countries already contained the aim of cooperation to combat the deterioration of the environment, generally including such topics as working together to combat local, regional and transboundary air and water pollution, cooperating in sustainable, efficient and environmentally effective production and use of energy, working together for waste reduction, the conservation of biodiversity, as well as environmental education and awareness.

The main question is: how to localise the green agenda in the Eastern Partnership countries, doing it in the framework of the innovation ecosystem, so that it is beneficial for and accepted by local communities, local and regional authorities and implemented through the bottom-up approach for the one and main benefit – to improve people’s lives and thus foster resource-efficient local and regional development.

Analysis

In 2017, the Eastern Partnership Summit endorsed 20 deliverables for 2020 to strengthen cooperation in the revised multilateral structure of the Eastern Partnership. These deliverables were clearly mostly oriented towards economic development, governance and social targets, however they also included commitment, for example, to cooperate in improving energy efficiency and the use of renewable energy, as well as enhance adaptation to climate change through transboundary cooperation.¹

At the end of 2019, the EU came out with the new growth strategy aiming to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy – the European Green Deal. A few months later the European Commission published the joint communication *Eastern Partnership policy beyond 2020. Reinforcing Resilience – an Eastern Partnership that delivers for all*² setting out the commitment of the EU, its Member States and its partner countries to work together on the five long-term EaP policy objectives beyond 2020. Working together towards environmental and climate resilience was chosen as one of them. The joint communication serves as one of the main policy documents according to which the EU’s support priorities for the EaP region and countries are determined. For example, in the EU’s regional and national support envelopes for all countries of the EaP region (except Belarus, for which support is not planned in the long term) approximately EUR 390 million or 20% of all the allocated funding is planned for this priority for 2021-2024.

Through its ambitious “20 deliverables for 2020” reform agenda the EaP has delivered tangible results on the ground to improve people’s lives. The final overview report on the implementation of the agenda

¹ Joint Declaration of the Eastern Partnership Summit (Brussels, 24 November 2017).

² Joint communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions *Eastern Partnership policy beyond 2020. Reinforcing Resilience - an Eastern Partnership that delivers for all* (Brussels, 18 March 2020; JOIN(2020) 7 final).

shows good progress, in particular in areas relating to the economy, digital and stronger societies, with continuing challenges as regards justice, anti-corruption as well as environmental protection and climate action.³

A field where several achievements have been recorded is climate change mitigation: energy efficiency, renewables and greenhouse gas reduction. Here, the support provided by the EU4Climate initiative (funded by the EU and implemented by UNDP) helped countries to develop clear strategies and commit to ambitious reduction targets within their Nationally Determined Contributions (NDCs). Moldova and Georgia, especially, submitted more ambitious updated NDCs.

Regarding the greening of energy sector, which is primarily responsible for greenhouse gas emissions, it is worth mentioning the key initiative in support of this sector – Eastern Europe Energy Efficiency and Environment Partnership (E5P). It has provided over EUR 164 million throughout 40 projects from various donors, and leveraging almost EUR 1.2 billion in investments. Project distribution varies widely. Themes are also varied, including energy efficiency in public buildings, overhaul of heating systems, solid waste management and city transport.

There have also been success stories regarding the development of green cities (e.g., introducing smart street lighting) and direct support to the environment and adaptation to climate change. Regarding the latter, support to small and medium-sized enterprises (SMEs) has been an important part of the assistance provided, as investing into SMEs is a key approach to support social and economic issues at a national and even at local level. An assessment of the status of resource efficiency and clean production has been carried out on the basis of approximately 80 pilot enterprises, with the double objective of achieving savings and grasping green opportunities. Armenia, Georgia, Moldova and Ukraine integrated its outcomes into their SME development strategies; the latter two went further and introduced the assessment findings into their respective public procurement policies and action plans.

The areas of transport and smart cities have become more relevant for the EaP countries. A few important umbrella networks emerged globally, encompassing the EaP countries' cities as well, with an objective of channelling support and funding towards green transition. These are, for instance, facilitated by the Covenant of Mayors, ICLEI, the World Resources Institute, and Sustainable Development Network Solution, among others.

The Covenant of Mayors East (CoM East) has been dedicated to introducing the EU climate and energy initiative to the EaP countries. It supports local authorities in the green transition of energy policies, improving supply security and contributions to climate mitigation and adaptation. The signatory municipalities committed to reduce CO₂ emissions by at least 30% by 2030. A country helpdesk is available to provide technical and administrative assistance. Apart from this, communication, know-how exchange, monitoring and networking are the key areas where the EaP countries benefit from CoM East. By these means, local authorities are supported in developing Sustainable Energy and Climate Action Plans (SECAPs).

³ Joint staff working document “Recovery, resilience and reform: post 2020 Eastern Partnership priorities” (Brussels, 2 July 2021; SWD(2021) 186 final).

More balanced approach should be developed between greening sectors and protecting the environment, as both elements are interconnected and the latter one may become an even more urgent priority. The National Reports to the Convention on Biological Diversity show that the EaP countries have identified several priorities related to loss of habitats and biodiversity, including in relation to unsustainable agriculture, forestry and fisheries practices. In some cases, the countries have put in place some policy instruments to address them, including with EU support, but these areas seem to be less developed compared to others.

As to the setting of policy agenda, the Joint Declaration of the Eastern Partnership Summit of 2021 confirms the commitment for the joint work towards climate neutrality by 2050, advancing green transition through investments and cooperation on circular economy, green growth, climate adaptation and strengthening biodiversity.⁴ The Joint Declaration also mentions the commitment to strengthen energy security under changing circumstances and prevent the use of gas as weapon or geopolitical lever.

Since the last Eastern Partnership Summit several crucial events have taken place challenging the future priorities and direction of the whole EaP. Firstly, the commitment to strengthen energy security has become extremely important and topical after the Russian invasion of Ukraine on 24 February 2022. Secondly, on 23 June 2022 the European Council has decided to grant the status of candidate country to Ukraine and the Republic of Moldova, also confirming the readiness to grant the status of candidate country to Georgia once the priorities specified in the Commission's opinion on Georgia's membership application have been addressed.⁵

With the granting of EU candidate status to Ukraine and Moldova, the EU's visibility in the region increases, as well as its role in promoting the resilience of the countries of the region against internal and external shocks, ensuring the irreversibility of reforms, and strengthening the ties of the countries of the region with the EU.

Conclusions

Over the years the priorities of the EaP have evolved, with an attempt to accommodate the changing international debates and local circumstances. Currently, there is a visible focus on accelerating green transition, while adopting the directions promoted by the EU Green Deal, the Paris Agreement, and the 2030 Agenda for Sustainable Development. The EaP countries have shown a true interest in the Green Deal, which is often considered as part of the wider national efforts towards adopting the national green agendas aligned with the international commitments, especially through the NDCs and Sustainable Development Goals (SDGs).

The localisation and territorialisation of the SDGs are crucial for creating positive impacts on the ground, but still need to materialise. Estimates by the Organisation for Economic Co-operation and Development (OECD) show that 65% of the 169 targets underpinning the 17 SDGs cannot be reached without the engagement of – and coordination with – local and regional governments.

To ensure the localisation of the SDGs Global Agenda in the EaP region, it is important for national governments to work hand-in-hand with local governments, make SDGs' national strategy more

⁴ Joint Declaration of the Eastern Partnership Summit (Brussels, 15 December 2021).

⁵ European Council meeting (23 and 24 June 2022) - Conclusions (Brussels, 24 June 2022).

inclusive and introduce mechanisms for local and regional authorities' engagement in the implementation process. Likewise, the European Union and international donors need to provide the support to local and regional authorities to incorporate SDGs in local budgeting and multiannual work programmes and to monitor the implementation of the Sustainable Development Goals' agenda by local and regional authorities.

As the EaP depends (to varying degrees) on Russian energy resources and systems, it is now a very favourable moment for partner countries with the support of the EU to introduce both local energy efficiency measures and install alternative, environmentally friendly energy sources. High energy prices and the high risk to energy security are contributing factors for changing the perception of local community and local and regional authorities to reorient towards the implementation of targets related to the Green Deal.

At the same time, detailed plans with each of the EaP countries on the implementation of the Green Deal are a joint result of negotiations between the EU and the partner country, depending on the needs of each partner country and the EU's capabilities.

Decentralised cooperation (e.g., peer exchanges, municipal partnerships, mentorship, study visits, twinning, seminars, courses) plays an important role to overcome socio-economic difficulties in the emergency and recovery phases of the post-COVID-19 coronavirus pandemic and post-war in Ukraine. Bilateral co-operation can be successfully used, involving to a larger extent direct municipality-to-municipality contacts, as well as cooperation between national associations of local and regional authorities, which also serve as bridge between central government and local and regional authorities. Such networks function in the best way, if implemented in the framework of the innovation ecosystem and foresee the participation of local stakeholders.

The Green Deal and the New European Bauhaus is a good framework to contribute to the building of resilient and sustainable economies and a key element in renovating infrastructure, transport and energy systems. It is important to systematically include the European Committee of the Regions and local and regional authorities in the implementation of the Green Deal to make it successful. We should assume that the transition towards climate-resilient activities will need significant financial resources. In order to truly achieve the green transition, a large part of the funding available for this aim should be channelled through local and regional authorities, as balanced regional development is an important prerequisite for achieving the objectives of the Green Deal.

Recommendations

The following recommendations are to be considered for the localisation of the Green Agenda in the Eastern Partnership to succeed:

- the priorities and interests of each EaP country should continue to be taken into account in the implementation of the EaP policy, at the same time deepening the differentiation with an emphasis on the dimension of bilateral cooperation. Constructive and active direct dialogue among partner countries is essential;
- greening the economy of the EaP countries has a strong relevance to the livelihood, resilience and sustainability of local communities and their citizens. This issue has become even more essential in the context of Russia's aggression in Ukraine. The European Committee of the Regions draws special attention to the need for already directly involving local and regional authorities in the

preparation of the EU support programs in the areas related to the Green Deal. Likewise, the direct involvement of local and regional authorities in the design and implementation of projects devoted to the topics of the Green Deal and targeting the EaP countries is essential, so that the experience and know-how of local and regional authorities can serve as a prerequisite for the efficient implementation of sustainable activities;

- the identification of flagship initiatives has been rather perceived as a top-down than a consultative approach. Local and regional authorities and their national associations should be consulted in the design and implementation process of the post-2020 EaP Flagship Initiatives-related programmes when it is relevant to local government competencies, as they have a potential to contribute to a more cohesive implementation of the Green Deal;
- the importance of identifying national priorities following global processes, such as through the NDCs, should be emphasized. These processes are normally based on scientific information and broad consultations at different levels, have relevant awareness implications and build common understanding of issues. Programmes supporting these processes, such as the EU4Climate and similar, should be strengthened. Moreover, the engagement of the EU targeted expertise and infrastructure (e.g., the Joint Research Centres, EU's Earth observation programme Copernicus) could be beneficial to advance the data-based green transitions;
- enhancing urban-rural connections and functional urban areas could be beneficial and contribute to several priorities. Measures to support rural communities should be fine-tuned to reflect local realities. Outcomes of awareness surveys implemented on a regular basis could be instrumental to identify functional approaches to support local green transition;
- the overlaps and synergies between the different funding mechanisms targeting the green transition in the EaP countries should be explored more in depth involving in the consultation process local and regional authorities to gain the best possible efficiency from the different funding mechanisms;
- the thematic or "framework" programmes involving different actors (e.g., Green Cities, EU4Climate, E5P, EU4Business, etc.) should be strengthened to ensure local, regional and national coordination of activities, monitoring of progress and effectiveness, as well as supporting the identification and sharing of best practices. Procedures and decision-making processes should be made accessible. Bottlenecks for implementation at local levels, e.g., lack of support or capacity from central levels, should be identified and addressed to ensure that the programmes are as inclusive as possible and that the funding, including smaller scale projects, is available to municipalities of different sizes in different regions by reducing the bureaucratic burden for effective acquisition of funding;
- it is crucial that monitoring and evaluation mechanisms are put in place to allow for the review of supporting activities and progress for the implementation of the Green Deal in the EaP countries. As the Green Deal priority areas of intervention tend to create synergies and overlap with various interventions (including non-EU donors and agencies), it would be helpful to establish suitable mechanisms to report on the progress with relevant bodies. This way it will be also possible to better evaluate the EU's and Green Deal's contributions to achieving the national and global climate targets;
- taking into consideration the importance of balanced regional development, it should be ensured that among the different initiatives and donors a balance between greening the productive sectors and biodiversity activities (e.g., restoring ecosystems, supporting sustainable agriculture, forestry and fisheries, etc.) is maintained and a balance between climate mitigation measures and actions to support adaptation and resilience is fostered. Because of their relevance to rural communities and decentralised areas, it is important that local governments and stakeholders take clear and strong stands to guarantee that such a balance is prioritised;

- despite many efforts, public awareness on climate issues in the EaP countries remains limited, therefore, the green transition may require intensified efforts in this area. To raise awareness on the different elements of the “green transition” in the EaP countries, the communication and visibility activities at the local level should be increased by involving local authorities and local communities. Most of the objectives set by the Green Deal can better be achieved with the full participation and buy-in of the population. Likewise, the role of national associations of local and regional authorities shouldn’t be neglected, as they encompass large numbers of local and regional authorities and have the advantage in organising the best practice exchanges with the local and regional authorities of the EU countries;
- in parallel, the provision for the support for SMEs in their efforts to adopt green strategies and processes is essential. More effort is needed to create an enabling environment for the private sector and facilitate investments in the areas of the Green Deal, at the same time accelerating the speed of digital transformation and identifying supportive measures to recover from the effects of the COVID-19 pandemic, as well as from the challenges posed by the Russian invasion of Ukraine including in relation to energy, trade and supply chains;
- to implement high-quality projects and activities, networking and peer-to-peer exchange is essential. Specific activities can be identified to involve new local communities and support them in capacity building and preparation of project proposals. The European Committee of the Regions could be directly involved in the process of facilitation of the know-how exchange between the interested local and regional authorities through its existing structures and networks and via its experience in peer-to-peer projects;
- the Russia’s aggression in Ukraine has shown clearly that the progress towards the Green Deal should be accelerated not only in Ukraine, but in the whole EaP region. Special programs are needed urgently both for Ukraine and the other EaP countries to ensure the independence of these countries both from Russian energy resources and energy systems;
- taking into consideration the dependence of the EaP countries on Russian energy resources, the EU funding targeted for the EaP countries should prioritize the usage of renewable energy resources there;
- the programmes for the reconstruction of Ukraine should already be planned, involving local and regional authorities and their associations in the EaP and EU countries. Adopting green strategies and supporting a green transition is of vital importance in view of the forthcoming process of reconstruction. Likewise, the elements of the New European Bauhaus should be taken into account, by involving local communities through locally led activities. The reconstruction activities should be implemented taking into consideration the aim to constantly progress with the achievement towards the Green Deal’s objectives.