



The European Union needs to put more pressure on the Western Balkans to decarbonise their coal-fuelled energy system as pollution levels remain well above compliance thresholds, according to a report published on Tuesday (7 September).

More than three and a half years after the deadline for Western Balkan countries to bring their emissions in line with EU pollution limits under the Energy Community Treaty, the region is still polluting over six times more than allowed.

The Western Balkans have just 18 coal plants compared to 221 in Europe, but those emit two and a half times as much polluting sulphur dioxide (SO2) as the entire EU fleet. Serbia alone overtook the sulphur dioxide emissions from the entire EU last year, according to the report by CEE Bankwatch Network, an environmental and human rights groups in central and eastern Europe.

The excess pollution comes with a heavy cost. SO2, produced when fossil fuels are burnt, causes air pollution and has serious health impacts, particularly on respiratory systems. Between 2018 and 2020, it was responsible for 12,000 deaths – 7,000 in the EU and 3,700 in the Western Balkans, according to the report.

Emissions limits were included in the treaty that established the Energy Community in 2005, which brought together the European Union and its neighbours to create a pan-European energy market.

But the last two years have seen a widening gap between the EU and Western Balkan countries, both due to the Western Balkans not fulfilling their obligations and the EU decarbonising very quickly, according to Janez Kopač, director of the Energy Community Secretariat.

## **Cutting the financial incentive**

Almost 10% of the total coal fired power generation is exported into the EU as cheap power, free of the carbon price imposed within the European Union.

"Dirty electricity from Western Balkans, so all exporters, primarily Bosnia and Herzegovina and Serbia, are performing environmental dumping and also health dumping. This is simply violation of the trade rules," said Kopač, who spoke on Friday (3 September) at a press briefing to mark the launch of the report.

Europe needs to act more strongly than it has in recent years, said Pippa Gallop, southeast Europe energy advisor at CEE Bankwatch. One way to do that is to use the recently proposed carbon border adjustment mechanism to deter imports of coal-based electricity. Just seeing a proposal for putting a price on carbon-intensive electricity entering the EU is powerful, said Gallop.

The report also calls on the EU to strengthen the Energy Community Treaty so breaches



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result in heavy fines. Alongside this, the EU could put more conditions on pre-accession funds and tackle the issue in every pre-accession report, Kopač said. All of this could help remove the financial incentive for political leaders in the Western Balkans to subsidise power generation from coal without proper air pollution controls. "It is more profitable basically to continue to kill the people from their countries and neighbouring countries in order to keep this machine running and getting the profits out of them," said Denis Zisko, from the Center for Ecology and Energy Tuzla, a Bosnian NGO. Source: Euractiv