

CAN Europe response to the Public consultation on the revision of the European Neighbourhood Policy

June 2015

This response paper is based on the Joint Consultation Paper by the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy titled *Towards a new European Neighbourhood Policy*.

Our comments hereby emphasise the need for the EU to further deepen cooperation in the energy sector and facilitate climate change mainstreaming across the revised European Neighbourhood Policy (hereafter ENP). The scope of our comments is largely looking into the countries of the Eastern Partnership, particularly Ukraine.

A. Introduction. A Special Relationship Supported by the Energy Union

The most recent crisis in the European neighbourhood emerged between Russia and Ukraine in early 2014, when disputes between the two significantly affected the EU energy security. The seriousness of the situation (and a fresh memory of the similar circumstances of 2009) made EU engage with both countries and try to mediate. Moreover, the crisis brought into being an attempt to reform the EU energy policy through the Energy Union initiative.

In February 2015, the European Commission came out with a Communication on the Energy Union Strategic Framework. The Framework promotes the five dimensions: Energy security, solidarity and trust; the internal energy market; energy efficiency as a contribution to the moderation of energy demand; decarbonisation of the economy; and research, innovation and competitiveness.

As Commission Vice-President Šefčovič said during the high-level conference in Riga earlier this year, **the Energy Union does not stop at the borders of the EU**. We support this statement and believe that cooperation in the areas of climate and energy should be fully reflected in the ENP revision. The tools and measures that the revised ENP may propose should be in line with all the dimensions of the Energy Union. In practice, this means that the ENP should facilitate a forward looking climate policy in ENP countries, based on the optimal use of energy efficiency and renewable energy sources. With the engagement and financial support that it provides, the EU should ensure that financed projects in energy are aligned with the environmental standards applicable in the EU.

B. Future Direction of ENP, its focus and flexibility

As mentioned above – and well recognized in the Joint Consultation Paper – **energy** is one of the areas where both the EU and ENP countries have the strongest interest. The EU should therefore further foster these relations and keep them in focus, but **only if they are coupled with the environmental and climate agenda that the EU promotes domestically.**

Environment and climate change should be addressed in more detail in the ENP revision process. The outcome should be a concrete set of tools that will ensure these areas end up higher on the political agenda of ENP countries.

The ENP itself, as well as the European funds associated with its implementation, should be used to deliver climate resilient infrastructure, improvements in energy efficiency and increase the use of renewable energy in the beneficiary countries. This is the only way to improve peoples' livelihoods in a sustainable manner and make them fit for both the changing climate as well as political realities.

We also share concerns raised in the paper regarding the governance challenges. Financial support to ENP countries should be conditional on improving the rule of law and moving closer to realization of a truly democratic societies in ENP countries. Transparency and meaningful public participation must be in the essence of EU engagement with the neighbourhood countries, as our information from the field indicates that NGOs and independent experts are still largely excluded or have limited access to policymaking.

The ENP also needs to come up with similar mechanisms to tackle both ground-level economic corruption and high-level political corruption and international financial fraud.

Finally, safeguards and sanctions against the misuse of EU targeted funds, such as sectoral budget support programs granted to neighboring countries, should be introduced.

C. Towards a partnership with a Clearer Focus and More Tailored Cooperation

DIFFERENTIATION

Given that the ENP currently includes 16 very different countries in the Eastern and Southern neighbourhood, a variable geometry and further differentiation could be a beneficial approach. However, the respect of key European values and standards, particularly when it comes to human rights, must be a prerequisite for any kind of cooperation. In addition, EU environmental and climate rules and objectives should be fully reflected when it comes to energy and other



infrastructure projects supported by the EU. Otherwise, there is a risk of carbon leakage, particularly if the projects link up to the EU internal market. Supporting projects that do not meet these criteria poses additional reputational risks to the EU, especially in the year of COP21.

OWNERSHIP & VISIBILITY

EU Delegations in the neighbourhood countries should help increase ownership over the ENP in beneficiary countries. This should be achieved in close cooperation with civil society. The ENP should bring tangible results in the areas of sustainable energy and climate resilience, these should be particularly promoted through local testimonies by citizens of each of the countries and by pursuing communication campaigns that will bring both benefits of the ENP and EU values closer to the general public.

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Climate Action Network Europe is Europe's largest coalition working on climate and energy issues. With over 120 member organisations in more than 25 European countries, CAN Europe works to prevent