



Commissioner Connie Hedegaard  
Member of the European Commission  
Berlaymont Building  
B-1049 Brussels

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### **Concerns regarding Slovenian and EU climate policy**

Focus Association for Sustainable Development is an independent, non-governmental, apolitical and non-profit environmental organisation. The mission of Focus is to stimulate solutions for environmentally and socially responsible life through education, awareness raising and co-shaping policies in the field of climate change. We focus our work on the issues of climate, energy, mobility, global responsibility and consumption

At the occasion of your visit to Slovenia, we would like to bring the following issues and concerns to your attention:

#### **1. Recent climate policy developments in Slovenia**

Focus is concerned by the lack of real action to fight climate change in Slovenia. Although the government adopted the Operational Program for GHG reduction by 2012 (to achieve 8% Kyoto target), many of the adopted measures are not being implemented or are not being implemented fully. The major problem in Slovenia are fast growing transport emissions, which is the sector where implementation of measures is also the weakest. Without the current economic crisis Slovenia would not achieve its Kyoto target with domestic measures as originally planned.

Reasons for poor implementation of already adopted program and measures are lack of coordination among responsible ministries and lack of financing for measures in state budgets, but also lack of capacity.

We are however pleased that in 2009 the government established the Climate Change Office, which is taking over the coordination of climate action and climate policy issues. Dedicating special office to climate change issues shows political will and support for transition to low carbon economy. It also addresses the lack of coordination of policy initiatives at the government level and creates opportunities for harvesting benefits of transition to low carbon economy. In its first year of operation Climate Change Office has taken up several important tasks, most notable one being the adoption of Climate Change Act for Slovenia.

Focus supports the adoption of Climate Change Act for Slovenia, which is currently in the process of adoption and is to set long-term climate goal and mechanisms for achieving it. We believe that Climate Change Act is necessary to guide policy and investment decisions into low carbon society. However, we fear that the reservations towards a timely adoption of the Climate Change Act, expressed by the industry, will endanger the process of further development of the Act.

#### **2. EU climate targets**

Focus is strongly committed to keeping global temperature increase to well below 2 °C and a pathway to resource efficient European economy.

The Intergovernmental Panel on Climate Change (IPCC) has indicated that 80-95% emission reductions for developed countries are required to keep global mean temperature increase below 2 °C. More recent scientific publications indicate that reductions in the higher end of this range will be needed. It should be taken into account that increase in global temperature of just 1.5° C could already lead to irreversible impacts.

To prevent the catastrophic climate change immediate and ambitious emission cuts are necessary.

We believe the EU must unconditionally commit to at least 30% emission reduction by 2020. Currently valid 20% target is not in line with EU's own temperature goal and scientific recommendation on necessary emission cuts in developed countries. EU's historic responsibility and capability to act would in fact require even higher target for EU.

The recent Climate Change Office analysis of move from 20 to 30% reduction target for Slovenia shows that such a move would bring low additional cost for our economy. Furthermore, if measures to reduce emissions would be combined with green budget reform additional benefits would be created (e.g. new jobs).

Focus is also concerned with the ongoing preparations for Communication "Roadmap for a low-carbon economy by 2050". The Environment Council adopted in October 2009 "an EU objective (...) to reduce emissions by 80-95% by 2050 compared to 1990". We are concerned that the higher end of this range does not appear to be included in the reduction pathways under consideration. We ask you to ensure that the reduction scenarios in the Communication and Impact Assessment strive to also deliver the higher end of the agreed emission reduction range, in line with respecting the EU's 2 °C objective.

We would also like to underline that we see a political debate on a separate EU 2030 target, in absence of adequate 2020 and 2050 targets, distractive and ineffectual.

### **3. The role of DG Climate Action in supporting public financing of fossil energy**

Šoštanj in Northern Slovenia, 30km from the Austrian border, is the location of an existing lignite- fired power plant - Termoelektrarna Šoštanj or TES6 owned by HSE (Holding Slovenske Elektrarne d.o.o.) a 100% state-owned electric utility. The plant is currently comprised of five blocks. Blocks 1-2 built in the 1950s have closed, 3 is about to close and 4-5 are set to close in 2016. A new sixth block of 600MW is now planned, a project known as TES6.

Operating TES6 without carbon abatement will result in emissions of 3.1 mt CO<sub>2</sub> a year which is equivalent to all of Slovenia's emissions in 2050 (if it cuts emissions by 80-95% in line with European long-term climate goals). The project is to be mostly financed with public money – from the EU via the European investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), the majority of whose shares are held by EU member states. The remaining financing comes from the Slovenian state-owned HSE itself. The EIB and EBRD supporting this project with light conditions around CCS (or alternatives to coal) may leave an open door to many more coal projects in Central and Eastern Europe seeking EIB finance – 12GW in Poland alone.

We believe that European Commission and especially DG Climate Action should put an end on public financing of projects, harmful for climate, across Europe. If other fossil fuel projects currently planned around Europe are to receive EIB financial support and be build, these will make a laughing stock of the EU's climate goals.

### **4. The role of EU in international climate negotiations**

At the last Climate Change Conference in Cancun the EU contributed positively on important issues like continuation of the Kyoto Protocol and the push for overall ambition level. However, the EU was not willing to close important loopholes under the Kyoto Protocol, such as leftover emissions rights or 'hot air' and logging emissions. EU showed low interest in identifying additional sources of finance for climate projects. These, plus higher ambition level, are issues that EU should concentrate on in the preparations for the COP17.

Predictable, sufficient, new and additional climate finance is necessary for any global climate deal. Also important is to deliver on the fast start finance pledge made in Copenhagen in 2009. Slovenia pledged 8 million Euro for fast start financing in the period of 2010 – 2012. Following the execution of its promise in 2010 and beginning of 2011, we are concerned that Slovenia will not deliver. The money allocated for fast start finance is far from sufficient, but we are also worried that it is not additional. Recycling the existing Official Development Assistance into climate financing is not acceptable.

#### **Additional information:**

Barbara Kvac, Head of Climate Change Program  
[barbara@focus.si](mailto:barbara@focus.si), +386 40 722 149