

## **Overview of the work of the Natural Resources and Environment Committee of the Baltic Assembly in 2012**

Under the Lithuanian presidency in the Baltic Assembly the BA Natural Resources and Environment Committee focused on the following priority: green growth and sustainable transportation.

The cost of energy has been rising and it is expected to rise further in the years to come. Access to affordable energy is very important for facilitating growth and prosperity in the Baltic States and the Baltic Sea Region. The cheapest energy is the energy that is saved through measures that increase energy efficiency.

There are no easy solutions to tackle the threats to the environment. Among many possible actions, there is a need to pay special attention to climate change mitigation issues and to develop strategies and measures to reduce vulnerability to the possible consequences of climate change; explore possibilities of diversifying renewable energy resources and switching to the most energy-efficient technologies; encourage the use of low-carbon technologies by means of economic and political instruments; emphasize research, job and business potentials of environment friendly eco-industries; develop an energy-efficient approach in the housing sector by focusing on innovative technologies such as solar energy, heat-recycling systems, new insulation technologies and environmentally friendly building materials; and facilitate establishment and development of climate-friendly transport systems.

The Committee has been actively involved in tackling these issues within the Baltic Sea Parliamentary Conference Working Group on Green Growth and Energy Efficiency, which started its activities in 2011 with the aim to elaborate political recommendations on green growth and energy efficiency, and to bring an added political value from the parliamentary side to the process of creating sustainable growth in the Baltic Sea Region. Among the issues the following items have been discussed: measuring energy efficiency, green business opportunities and green public procurement.

### **The following conclusions and recommendations have been defined:**

#### **- Improve information about green growth and energy efficiency**

The existing opportunities and measures for increasing energy efficiency are not fully exploited, therefore it is necessary to promote and support research and development on green growth and energy efficiency, and to provide consumers and businesses with concrete knowledge about and advice on the mid- and long-term gains from energy efficiency measures both in saving energy costs and in providing business opportunities. Energy labeling of products, based on life cycle analysis, should be further developed and disseminated, and efforts to exchange information about best practices should be supported. Such information should be reflected in public procurement.

#### **- Promote and allocate financial resources for initiatives on green growth and energy efficiency**

Many opportunities for economic energy efficiency measures, in particular in the residential housing sector, are unexploited because of financial constraints. There is a

need for innovative financing schemes to make use of these opportunities. Governments, banks and financial institutions, as well as power companies, should develop and implement innovative financing for energy efficiency investments. Resources should be allocated to provide incentives to initiate pilot projects on energy efficiency. Financing schemes should be tailored especially to SMEs, which often lack the financial capabilities to acquire expertise on and implement energy efficiency measures.

- **Make concentrated and prioritized efforts on energy efficiency in the building sector**

Energy efficiency measures are most economical when they are an integrated part of housing production and housing renovation. They should be accompanied and underpinned by a certified energy classification of buildings. Governments should take further steps to make energy efficiency a mandatory requirement in renovation projects, and encourage the production of plus-energy housing. The further development and implementation of certification systems for energy classification of new as well as old buildings should be promoted. Smart metering should enable consumers to better monitor and adapt their actual consumption, and energy billing should be made simple, transparent and accurately reflect actual consumption.

- **Promote the development of nationally adapted binding targets**

There should be binding national targets for energy efficiency that take into account the specific conditions in the individual countries. Countries should be free to choose whatever measures they prefer to achieve the binding targets. The development and implementation of EU policies for promoting energy efficiency is of utmost importance for creating a level playing field and promoting cooperation.

- **Promote green public procurement**

Each year European public authorities spend the equivalent of 16% of the EU Gross Domestic Product on the purchase of goods and services. All too often contracts are awarded based on the lowest cost, rather than the most economically advantageous tender based on life-cycle costing, leading to an inefficient allocation of resources and losses for national economies. However, as a big purchaser, the public sector has a strong position to set standards that can change the behavior of producers in a greener direction. The EU should develop environmentally sound, energy efficient, and economically fair public procurement standards in order to facilitate Green Public Procurement and to support a level playing field for businesses. The development regarding the pertinent proposal for a directive of the European parliament and of the Council on public procurement (COM(2011)896 final) as part of the so-called procurement package should be closely followed in this regard, and efforts to facilitate access by SMEs to public procurement contracts and to promote life-cycle cost assessments and an efficient use of resources be supported.

As a practical and visible measure of the proposal about promoting energy saving and energy efficiency initiatives in all sectors of society, including standards for appliances and standards for industrial processes and households, the Latvian parliament has initiated the idea to use only recyclable paper in all parliaments of the Baltic Sea region.

**In 2013** the BA Natural Resources and Environment Committee will focus on the issues of sustainable agriculture development and rural development.