

Activity Report

2022





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2022 TEAM

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At the beginning of 2022 signs were not very optimistic for the environment, with the adoption in Parliament of the amendments to the legislation regarding the status of natural protected areas proposed by PL (law project) no. 132/2022, what Bankwatch Romania and other environmental organizations have called "anti-nature law", but also with Russia's unprovoked invasion of Ukraine and all the consequences of this aggression.

The amendments in PL No 132/2022 legalised the destruction of protected areas, Natura 2000 sites, by approving "projects of major public interest and national security and safety" for the construction and/or further construction of hydropower plants on rivers located in protected areas with exceptional biodiversity and extremely valuable biological and landscape value - Defileul Jiului, Răstolița, Valea Bradului, Ilva Mare, Bistra, Bratcu. Some of the projects on this list date back to the Communist period, and the advisability of implementing them, not only from the point of view of protecting natural areas, but also from an economic point of view, in terms of the value of the electricity produced, was not at all justified by the initiators of the legislative amendments. Bankwatch Romania has referred the matter to the People's Advocate and asked the President of Romania not to promulgate the "anti-nature law", because the legislative amendments were not sufficiently substantiated and the environmental impact studies, which are mandatory by law, were not carried out.

Bankwatch Romania, together with other environmental organizations, has continued to defend protected areas by approaching the Romanian authorities, the European Commission and the courts to ensure compliance with current Romanian legislation and European directives in this field, supporting its point of view both through comments sent to the relevant ministries and through open letters to the Commission.

Past accusations from some members of Parliament, that a few civil society organizations, among which Bankwatch Romania, are undermining the country's economy and causing energy prices to rise through their actions, continued this year with new attempts to limit access to justice and the right to association. 160 organizations, including Bankwatch Romania, have reacted strongly against the draft law B 758/2022 for the modification of OG 26/2000 regarding associations and foundations.

All this time, Bankwatch Romania continued its mission to promote renewable energy for the benefit of nature and people by contracting, with its own funds, a study for central heating from renewable sources for the city of Motru, launched in November 2022 with the support of the municipality from Gorj.

COAL MINES AND POWER PLANTS

Our membership application to the Coal Advisory Committee was approved. According to the Government Decision establishing it, the Committee has as purpose the provision of specialist advice and the development of proposals and/or recommendations for the decisions of the Inter-ministerial Coal Committee (ICC). ICC coordinates the implementation of the decarbonization process. Also, the Coal Advisory Committee has to coordinate and assure the monitorization of the completion of the activities within the decarbonization process.



With the legislation regarding the shutdown of thermal power plants and quarries being approved, we set out to present to the public the decarbonisation efforts being made in Gorj County. In July we organised a study visit with journalists to Târgu Jiu, which unfortunately took an unexpected turn. Influenced by the latest news, but also by the suspension of the environmental agreement at the Roşia quarry, some miners and energy workers organised a spontaneous protest at the meeting place. From there things escalated, with a series of unfounded accusations made against our organization, which were later amplified by some representatives of the Oltenia Energy Complex.

The suspension of the environmental permit at the Roşia mine came in June 2022 following a trial over the past two years, in which the association's lawyers proved to the court that the environmental documentation drawn up did not reflect the real negative impact of coal mining: dust pollution, noise and water shortages faced by residents in the quarry areas, as well as the impact on the flora and fauna in the area. However, amid the energy crisis, the court decided in August to lift the suspension of activity it had ordered in June. The case is currently open for the cancellation of the environmental permit.

COAL MINES AND POWER PLANTS

The pressure of decarbonization on Gorj County is huge, and people's fear of losing their jobs is a justified one, sometimes leading them to resort to extreme action. That is why, in parallel with monitoring the activities of the big polluters, we are running a Just Transition campaign through which we have contributed to the elaboration of Territorial Just Transition Plans, and we are carrying out consultative activities with local stakeholders, especially civil society (detailed in the next chapter). At the same time, we believe that decision-makers in the affected areas should contribute to a clearer communication of information and actions planned for the just transition, so that the public is properly informed, and should call for calm.



The report on the good practices of the mines' closure was completed and printed in July. The closure and rehabilitation of mines, especially lignite mines, is a new topic and currently there is not enough information or examples of good practice to follow. Given that the lignite mines must be closed and rehabilitated by the end of 2032, and a closing and rehabilitation plan must be in place for each mine, the planning must be done as soon as possible. Rehabilitation is particularly necessary for the safety of people and the protection of the environment. Without rehabilitation there is a danger of landslides due to soil instability; precipitation or groundwater can lead to the flooding of quarries and thus to instability of banks etc. Thus, the information from the good practices for mines rehabilitation report will be very useful, given the fact that the law specifies that coal mines should be closed and rehabilitated simultaneously with the retirement of coal units.

On 17 November, we launched the study on Motru alternative and sustainable district heating solutions, with the support of the mayor and the representatives of the local council of Motru municipality (Gorj county). The study, which presents five alternative scenarios to the current coal-based district heating system, was carried out by the Institute for Studies and Power Engineering (ISPE). The study includes the analysis of five scenarios with different technologies for the production of thermal and/or electrical energy. These technologies range from conventional ones, which are expensive to operate and have considerable environmental impact (such as fossil gas boilers, a municipal waste incinerator), to a biomass cogeneration plant, to photovoltaic (PV) panels on the ash deposit and heat pumps. Out of all five scenarios, the 100 per cent renewable one stands out as the best choice for modernizing the thermal power plant. It involves the use of heat pumps powered by solar PVs mounted on the heating substations and on the ash disposal sites. The electricity required to power the heat pumps when the solar PVs cannot provide it will be taken from the national grid. Along with a deep renovation of the apartment buildings stock, of the other buildings connected to the district heating system, and the rehabilitation of the distribution system, the scenario is possible, viable from a technical-economic point of view, easier to manage and safer from the point of view of continuity and safety of supply.



Bankwatch România received the Green Medal as part of the „Misiunea verde” program on Europa FM, for the initiative and the launch of the study „Încălzire din surse regenerabile și alternative pentru orașul Motru. Soluții și recomandări” (“Heating from renewable and alternative energy sources for the city of Motru. Solutions and recommendations”) and, of course, for promoting the green energy solutions for district heating.

JUST TRANSITION

In December 2022, the European Commission approved the Operational Programme Just Transition (€ 2.14 billion) for Romania, alongside the six Territorial Just Transition Plans – Gorj, Dolj, Hunedoara, Mureș, Galați and Prahova counties. We were an active part of the working groups for Operational Programme Just Transition (OPJT) and the Territorial Just Transition Plans (TJTPs) for Hunedoara and Gorj (the two coal counties). We participated in a number of meetings and feedback sessions for all three documents with our focus being on: ensuring proper consultations, environmental issues, stakeholder engagement, role of SMEs and gender issues. Particularly we were seen as experts in the group with regard to both environmental and gender issues and most of our comments were integrated in the final versions of the three documents.



At the end of May, we organized a roundtable for the NGOs from Gorj county. The event was attended by guests from the CEE Bankwatch Network, with experience in the Just Transition in other countries from Central and Eastern Europe. They emphasized good practices in their countries and, in particular, the idea that civil society must be involved in the Just Transition process. The conclusions of the event were that non-governmental organizations in Gorj want to be involved in the Just Transition process, but they need to increase their organizational capacities and the public authorities must be more open. They also highlighted the need for transparency on the part of local authorities, public consultation and better communication, but also the need for collaboration between all actors in society. More so, there are plans for future cooperation of the NGOs in the region - creating a coalition of NGOs, on the good practice example in Jiu Valley.

JUST TRANSITION

We commissioned a study regarding the economic and social situation of women in the Jiu Valley. We launched the study in the region in the presence of more than 60 women. As the event was also a good opportunity for networking with the local women involved interested in social and gender issues, we could form clear ideas about how to advance their agendas in the TJTP for Hunedoara county. More so, we organized meetings with local governmental representatives for gender equality and social inclusion, where we could get a better understanding of the grass roots problems that they face every day with regard to social inclusion. In the end, we submitted comments to the final version of the TJTP for Gorj and to the OPJT, regarding the needs of the local community: childcare facilities, lack of jobs for young women, elderly care facilities or lack of facilities for victims of domestic violence. All this work was done alongside Feminist Front, an organization specialized in gender issues.



FOSIL GAS

Amid the war in Ukraine, gas prices have risen exponentially, reaching record high in August 2022. The strategy adopted by the European Union has been to drastically reduce imports from Russia, cut fossil gas consumption and focus on energy transition.

However, Romania (and other European countries) is still planning massive expansion of fossil gas infrastructure and exploitation of new fossil gas deposits.



In March 2022, we asked the Minister of Energy in an [open letter](#) to make the €14 billion Modernization Fund more transparent and to reduce the number of fossil fuel projects. So far, only state-owned companies have had access to funding, without competitive criteria. Shortly afterwards, [we called on the Government](#), together with several environmental organizations in Romania, to stop importing fossil fuels from Russia and to step up efforts to transition to renewable sources. Following the letter, we attended a meeting with the Ministry of Energy. Unfortunately, the Ministry official did not assume this responsibility, saying that Romania does not import gas directly from Russia, but through third parties. However, it did set a strategy to diversify domestic gas resources by exploiting the Neptun Deep field, for which the Parliament adopted the offshore law in May. Together with the same NGO coalition, we sent an [open letter to parliamentarians](#), pointing out that offshore oil operations safety needs to be better regulated and that there needs to be a broad debate in society about this exploitation. The law for the safety of offshore oil operations was only updated by Parliament in December 2022, following an infringement by the European Commission for not correctly transposing the directive.

FOSIL GAS

UN environmental and climate experts have repeatedly highlighted that any new investment in fossil fuel extraction will make it impossible to limit the impact of climate change to no more than 1.5 degrees Celsius, as required by the Paris Agreement.

A new attack on the climate was made in June, this time by the European institutions: the Taxonomy Act, designed to determine which activities are considered environmentally sustainable. Unfortunately, this act included fossil gas and nuclear energy on the list, contrary to the evidence. At the time, Europe's environmental organizations massively opposed this greenwashing. We also spoke out about this on our end and sent letters to the Romanian members of the European Parliament not to vote for the delegated act. Unfortunately, people in key positions in Romania still see fossil gas as a transitional fuel and voted for greenwashing.



FOSIL GAS

In fact, gas is still a fossil fuel and we have continued our efforts to shed light on the truth that industry and decision-makers are trying to hide. We've created a [dedicated page](#) dispelling myth about fossil gas and spreading the word on [social media](#). We also published an informative video about how methane emissions affect us. Basically, there are three main issues:

- Pollution - fossil gas has methane emissions throughout the supply chain, and these can make the gas as harmful to the climate as coal. In addition, fossil gas also has health impacts that no one talks about;
- Price - the idea that gas is cheap is a thing of the past, and the energy crisis has shown us exactly that thing. Fossil fuels survive because they receive [massive subsidies](#) from governments, far more than the renewable energy;
- Transition - fossil gas cannot be a transition fuel. When we invest in a new gas infrastructure, we basically take money out of the budget for renewable energy and energy efficiency. Using fossil gas as fuel is an important source of emissions and does nothing to reduce our climate impact.



FOSIL GAS

During 2022, we participated in several consultations organized by the Presidential Administration to prepare the report "Limiting climate change and its impacts: an integrated approach for Romania". The Administration's Climate Change Department recognized the importance of methane emissions in the equation of reducing environmental impact and it set targets in the report to combat them. However, Romania's President did not sign the Methane Reduction Commitment at COP27 either and we have publicly drawn attention to this. The Administration has confirmed that the Government is working on an analysis of the current methane emissions situation and will take a decision based on it.



2022 was marked by Russia's unprovoked military invasion of Ukraine causing massive disruption to the European and national energy sector. Rising energy prices, energy security concerns and the negative effects of fossil fuel dependency represented key points for reassessing the policy framework for the energy sector and developing new strategies to boost investment in renewable energy and energy efficiency.



NATIONAL RECOVERY AND RESILIENCE PLAN - LAUNCH OF THE FIRST STATE AID SCHEMES

The main developments at national level consisted of the launch of the first state aid schemes included in the National Recovery and Resilience Plan (NRRP) to support investments in renewable energy, green hydrogen production, and new fossil gas generation capacity. We participated in the [public consultations on these funding schemes](#) and called, among other things, for increased financial allocations for storage technologies, the introduction of mandatory monitoring, reporting and verification (MRV) of newly built fossil gas infrastructure and the obligation to implement a system to detect and eliminate gas leakage (LDAR), and the exclusion of hydropower as a source for hydrogen production in order to discourage investments in micro-hydropower plants that have a negative environmental impact and too little energy benefit.

DECENTRALISED ENERGY PRODUCTION AS A SOLUTION TO ENERGY POVERTY

Rising energy prices have amplified energy poverty, both at European and national level, which has accentuated the need for a publication analysing the legislative initiatives and public policies dedicated to reducing this phenomenon in Romania and their results. The report "Decentralised energy production, a solution for energy poverty" analyses the impact of existing support measures, explores the potential of renewable energy sources as a solution and concludes with a series of recommendations addressed to national authorities to accelerate the decentralisation of energy production from green sources as a way to solve energy poverty.



AFM RENEWABLE ENERGY AND ENERGY EFFICIENCY PROGRAMMES: FROM IMPLEMENTATION TO FAILURE

Supporting the energy transition at national level must be done through all available instruments. The Environment Fund is a financial instrument designed to support and implement projects and programmes for environment protection and to achieve the EU's environmental and climate change objectives, administered by the Environment Fund Administration (AFM). The programmes implemented by AFM should contribute to the transition to renewable energy sources and increased energy efficiency, but since their implementation there is no evaluation of how these financial resources contributed to achieving these objectives. The analysis "AFM's renewable energy and energy efficiency programmes: from implementation to failure" shows that AFM managed to distribute only 25% of the funds it had available for the promotion of renewable energy and energy efficiency between 2009 and 2021. The report also proposes a number of measures to streamline the implementation of these programmes and to better measure their results.



BALKANS BEYOND COAL

As part of our campaigning efforts to reduce air pollution in the region, particularly from the industrial sector, Bankwatch Romania's president was part of the team that organized the third edition of the Lung Run race, a unique trail running race with an environmental theme.

While Romania was brought before the Court of Justice of the European Union in the summer of 2022 for failing to comply with Industrial Emissions legislation at two of its coal power plants, in the Western Balkans pollution from such facilities far exceeds the legal limits and endangers the health of local communities and neighbouring countries.

Therefore, the Lung Run 2022 was intended to raise awareness in Ugljevik, Bosnia and Herzegovina about the need to move away from polluting practices and industries. The race took place on 29 October 2022 and it was a mixed event consisting of a 10-kilometre trail running race and an exhibition. There were two main messages – that Ugljevik, a town that is home to one of the most polluting coal-fired power plants in Europe, needs to make additional efforts to provide clean environment for the citizens, and that the just transition process in the town has to start and has to be led by the citizens and local groups.



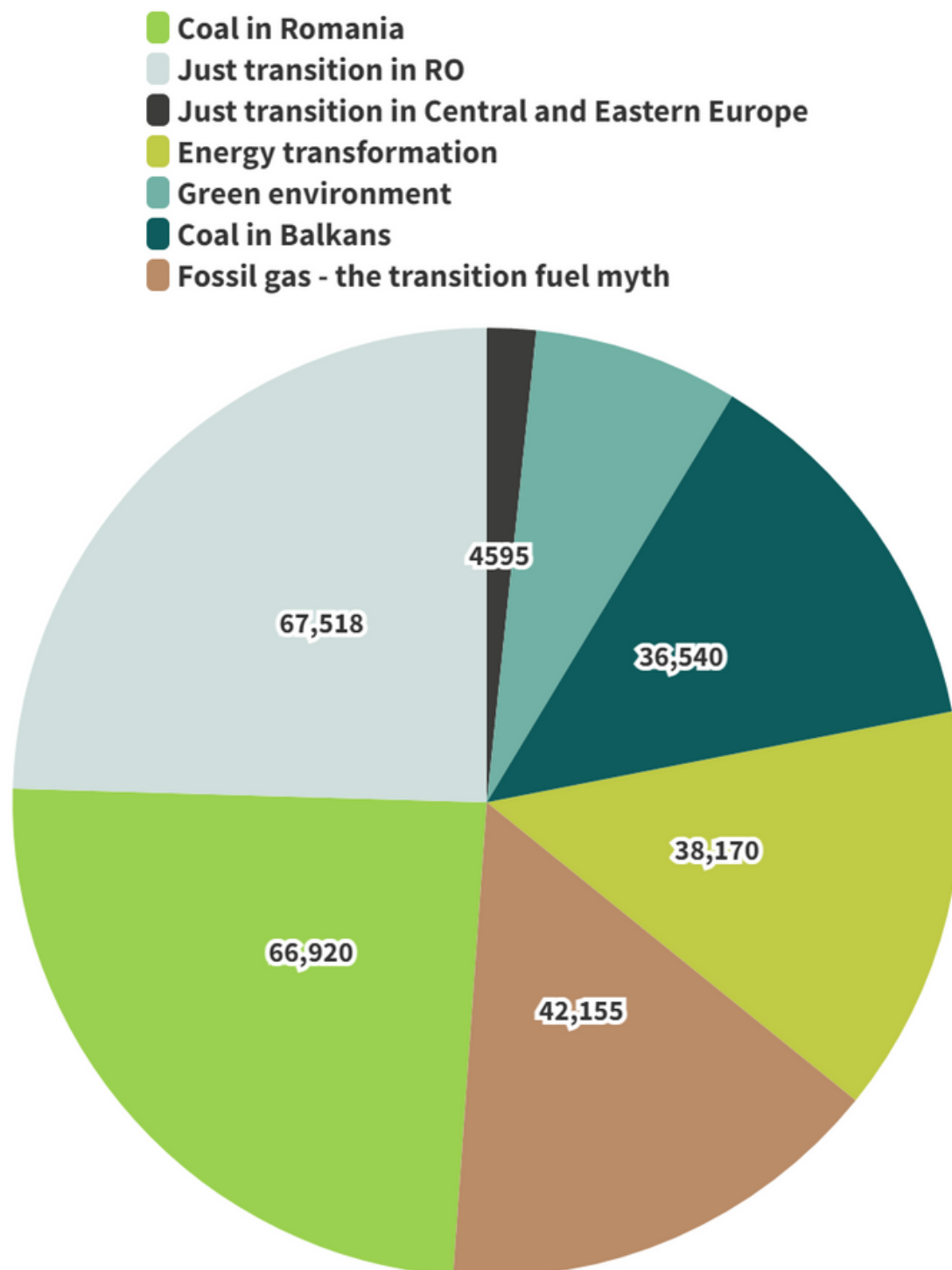
BALKANS BEYOND COAL

For this reason, everything in the event was prepared and organised by groups and companies from Bosnia and Herzegovina, with special focus on local groups from Ugljevik. A local agricultural cooperative, Korijeni, provided water, homemade juice and fruit as refreshments for the runners, a women's organisation, Rudar, (wives of coal miners) prepared homemade pies and cheese for all participants, and a youth organisation, Kolona BB, organised the exhibition of photos from the history of Ugljevik.

Under the motto 'Run for clean air – step by step for a just transition', 50 people from eight countries joined the event altogether. 19 runners finished the race, around 15 people took part in the preparation of the food and other elements of the race, and another 15 young people volunteered along the course and prepared the exhibition.

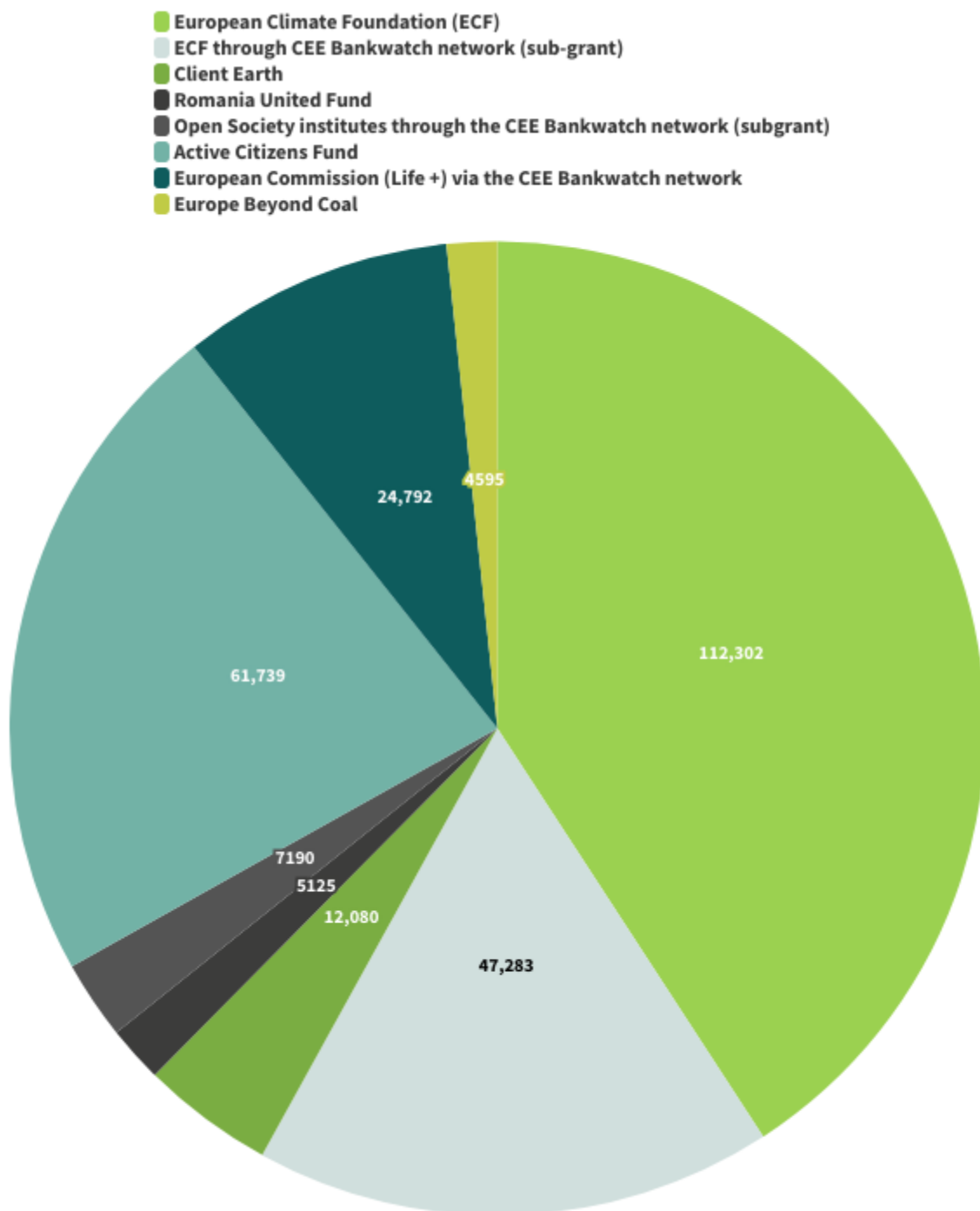


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