

CENTRAL EASTERN EUROPEAN GENERAL PRINCIPLES FOR NATIONAL ENERGY AND CLIMATE PLANS REVISION PROCESS

MARCH 2023



ACCELERATE CLIMATE
ACTION IN EUROPE

PREPARED BY
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NON FIC D O R T N

The current decade is a crucial phase of the Paris Agreement pathway that would allow us to stay within the 1.5°C limit established under the Paris Agreement and thus avoid the worst consequences of the climate crisis.

Member state governments are most concerned about supplying citizens with affordable energy. It is important to see that measures tackling climate change (incl. energy efficiency, sufficiency, accelerating the deployment of RES etc.) address both problems at the same time, while also providing new employment opportunities, boost the economy and contribute to the well-being of citizens. Short-term measures relying on 'old proven' fossil fuels, whether via old or new technology, or short-lived behavioural campaigns for reduced energy consumption should not jeopardise the achievement of climate goals and people's health.

In this context, the **National Energy and Climate Plans (NECPs)**, established under the **Governance Regulation**, are a powerful instrument and an unmissable opportunity to accelerate **national climate action** across the EU towards this target. In their NECPs, EU Member States are required to describe, in an integrated manner, national climate and energy objectives and targets – as well as the policies and measures to achieve them – for the period from 2021 to 2030.

NECPs were submitted for the first time in 2019. However, according to the Governance Regulation, **EU Member States are now supposed to carry out a revision process**: the draft revised plans are to be submitted by June 2023; the final revised plans, which should factor in the Commission's feedback, will then be submitted in June 2024.

This revision process arrives at a crucial time. Today we are facing very different circumstances compared to when the first NECPs were finalised in 2019. With the adoption of its Climate Law in 2021, the EU has increased its 2030 climate target from 40% emission reductions to at least 55% net emission cuts (compared to 1990 levels), and in 2021 the European Commission proposed the 'Fit for 55' package to adjust the entire climate and energy framework of the EU to this renewed level of ambition. Additionally in 2022, in response to the Russian invasion of Ukraine, the 'REPowerEU' package proposal was published with the aim of weaning the EU off its reliance on energy imports from Russia, which further signalled the need for concrete plans to halt Russian gas imports, to stop using fossil fuels overall, as well as to ambitiously curb energy demand, ramp up sustainable renewables and roll out flexibility options.

The revised NECPs must at the very least be up to speed with these new circumstances, and have the potential to be the main strategic planning tools to accelerate climate action and deliver the switch to a sustainable energy system, based on already available advanced technologies, to the benefit of the whole society. A recent [report by Climate Analytics](#) shows that the EU could reach net zero emissions by 2040, a decade earlier than planned, if its policies followed one of the many feasible 1.5°C compatible pathways seeking substantial emissions reductions.

While the scope of the NECPs is enshrined in the Governance Regulation (the template that EU Member States must fill in is under Annex I), in November 2022 the European Commission published a [guidance document](#) to ensure that this new legislation and increased level of climate and energy ambition are correctly taken into account by Member States during the revision of their NECPs. In the document, NECPs are clearly framed as strategic planning tools – instrumental to accelerate the implementation of the EU Green Deal and speeding up the clean energy transition and ending any dependence on Russian fossil fuels as well as delivering on the REPowerEU plan. We strongly recommend to everyone engaged with the NECP revision process to get familiar with those guidelines and use them as a check-list for the areas of expertise.

This revision process is especially crucial for the Central Eastern European region, considering how intensely the Russian aggression over Ukraine has impacted our region and how strongly we as citizens reacted to it. In this context, **this process becomes a decisive moment for CEE countries** to finally take ownership of ambitious climate action, and design clear roadmaps to fully realise the climate, economic and social potential of a just energy transition in our countries.

In this context, it is especially crucial for the Member States to approach the NECPs drafting process as a strategic moment and measure to guide a complex vision on energy transition towards EU climate neutrality. Instead of being focused mainly on the short term solutions and "crisis management", long term perspective and planning is needed, to ensure stability for various actors and their actions, ranging from business actors and cities to workers, farmers and citizens. This requires a coherent, science-based, vision of energy transition to be developed that would address challenges and opportunities faced by all economic sectors as well as the social dimension of these processes.

Following the recommendation to consider the regional perspective when drafting the NECPs we, as civil society actors from the CEE region, developed specific regional basic principles for this process, which are guided by the scientific principles of limiting climate change to 1.5°C as agreed in the Paris Agreement, and based on the [PAC Scenario](#).

Central and Eastern Europe Specific Principles

1

PARTICIPATION & MONITORING

The most important public energy and climate strategies are often prepared in the CEE countries in non-transparent processes that don't offer enough space for participation and involvement of various stakeholders and actors, esp. civil society, to share their perspectives. In case they are being drafted in parallel to the NECPs revision process, and thus create a basis for the NECPs, the influence on the NECPs content is then substantially limited.

To make NECP a strategic and guiding tool for decarbonising our economies and societies, a **transparent planning approach is required that would enable all stakeholders to meaningfully participate in the drafting process from the early stages.**

This should not be seen as a “nice to have”: under the Governance Regulation, it is mandatory for Member States to set up meaningful, participatory and inclusive **public consultations and multilevel stakeholder dialogues**, which must take place both for draft and final NECPs. Article 10 of the Governance Regulation provides that the public must be given "early and effective opportunities to participate in the preparation of the draft" revised NECP, which means that a public consultation process must be put in place before the submission of the draft revised NECP in June 2023. The NECPs guidelines also stipulates that the public must be consulted "when all options are still open" (p.21), which is clearly not the case if a first draft has already been submitted to the Commission.

This is also a requirement of the Aarhus Convention (Article 7), an international treaty which sets rules on access to information, public participation and access to justice in Environmental Matters that both the Governance Regulation and the Commission Guidance on the NECP revision refer to. This Convention is applicable to all CEE countries, as well as the EU.

1

As emphasised in the NECP guidelines, the NECPs revision process should also foresee public access to all relevant documents in due time and the creation of a dedicated website with all relevant information to enable public participation before both the draft and the final NECPs are produced.

Specific formats and timelines should also be developed to enable them to monitor progress of the NECP implementation and influence it according to the modifications required over time. A thorough public participation process is the basis for successful implementation and builds public support for more ambition and NECP measures, as the example of citizen assemblies in France and Spain has shown (1). To engage successfully a wide number and variety of stakeholders into the NECP revision, measures should also be taken to raise public awareness about this process.

The Governance Regulation does not clearly expose how Member States should consider the information received during the public consultation process. However, the Aarhus Convention (Article 6(8)) requires Member States to “take due account” of the outcome of the public participation. Authorities should base their decisions on NECPs taking into account all the relevant information available to them, including all comments received, and should be able to show why comments were rejected on substantive grounds in a reasoned decision.

The exact format of such a reasoned decision differs for each country, depending on internal administrative rules. The Commission’s Guidelines also expose that “in the updated NECPs, Member States are required to include a summary of the consultations and of the public’s view or provisional views. Member States should explain how the views of the public were considered ahead of submitting the draft and final national plans. Member States are also expected to describe how the process allowed the public to participate transparently and fairly”.

1) <https://unify.caneurope.org/wp-content/uploads/sites/2/2022/07/necp-report-taking-stock-planning-ahead.pdf>

2

BUILDING TOWARDS A CLIMATE NEUTRALITY TARGET

Under the Governance Regulation, NECPs must include national climate as well as energy targets (renewables and energy efficiency) until 2030. It is crucial that such targets are not set extemporarily, with a “crisis management” approach, but rather that they are aligned with and part of a longer-term plan towards the national climate neutrality target and long-term strategies. Where a national climate neutrality target is not yet set, the NECPs revision process provides a great opportunity for Member States to do so.

As the current decade is crucial to avoid the worst consequences of the climate crisis the national climate targets have to be "Paris Compatible". That would allow us to stay within the 1.5°C limit established under the Paris Agreement (2).

Climate neutrality targets and specific pathways would also mean that the NECP is a coherent strategy for all economic sectors concerned, puts people in the centre of transition, and enables investment planning and funding.

2) <https://caneurope.org/position-2030-climate-policy-architecture/>, <https://www.pac-scenarios.eu/>

3

IMPLEMENTATION OF THE TARGETS

To ensure that 2030 targets mentioned in the NECPs are aligned with the national climate neutrality target, it is crucial that **specific and concrete national pathways** – with a clear timeline and **annual milestones** – are included in the plans.

The national climate and energy transition should include early and effective actions in order not to shift the responsibility to deliver most of climate action to future generations; this would guarantee stability as well as enable proper monitoring. Thereby, the NECP could and should guide the creation of a predictable legal and financial framework that is crucial to mobilise investments for energy transition.

There are clear requirements and recommendations to set the perspective towards longer-term goals. In the **NECPs template**, **Member States are required to report** “projections of sectoral developments [...] at least until 2040” (3) for greenhouse gas emission reductions; “projections [...] for the year 2030 (with an outlook to the year 2040) (4)” for renewable energy; and “indicative milestones for 2030, 2040 and 2050” as well as “projections [...] at least until 2040 (including for the year 2030)” for energy efficiency.

And additionally, the Commission’s NECP guidance document includes the recommendation to “provide national objectives and targets, including on funding, that show concrete pathways to 2030 and 2050”.

3) Governance Regulation, Annex I, 4.2.1.ii

4) Governance Regulation, Annex I, 4.2.2.ii

4

ANALYTICAL BASIS

In their NECPs, Member States are required not only to describe the current situation for each of the five dimensions of the Energy Union (energy security, solidarity and trust; a fully integrated internal energy market; energy efficiency; decarbonisation of the economy; and research, innovation and competitiveness), but also projections for each of them (different scenarios), expected to result from policies and measures.

In this context, “they shall make available to the public comprehensive information concerning the assumptions, parameters and methodologies used for the final scenarios and projections” which should also allow civil society to communicate their visions, national scenarios and pathways towards net-zero emissions, accompanied by co-benefit reports to decision makers.

Specific targets and milestones should be based on and backed by scientific modelings and projections, and not on general estimations of some consultants.

5

PLANNING FUNDING TOWARDS THE RIGHT POLICIES AND MEASURES

According to the Governance Regulation, Member States are required to provide an overview of public (both national and EU) and private investment needs and sources of financing. The NECP guidelines further encourage Member States to report the sources of financing for each of the policies and measures outlined in the NECP. This is especially relevant as the sources of funding have multiplied in recent years – due to the political and socio-economic developments mentioned above.

Notably, the NECP guidelines emphasise the need to link the Plans with already existing EU funding spending plans: the National Recovery and Resilience Plans (NRRPs) which focus on the role of policies, measures and funding of RRP in implementing updated NECPs, but also cohesion funds, the Territorial Just Transition Plans (TJTPs), the upcoming [Social Climate Plans](#) and revenues generated via the EU Emissions Trading System (ETS), including the Modernisation Fund.

In this context, the NECPs revision process is an opportunity for Member States to **map existing sources of funding and to plan how to fill the gaps**, ultimately ensuring that the available resources are **aligned with the specific policies and measures necessary to achieve the 2030 and longer-term climate and energy targets**.

It goes without saying that no part of scarce funding should be dedicated to “bridge” policies and solutions, leading to inefficient investments and the concrete risk of stranded assets: all funding should be directed towards renewables, clean and sustainable solutions, instead of pushing the CEE countries into the fossil-fuel lock-in (as the current decade is crucial in the investment planning process for a longer term); environmentally harmful subsidies should be removed.

6

ENERGY SAVINGS AND RENEWABLES AT THE CORE

Energy savings and the energy efficiency first principle should be considered as a priority approach across various sectors. **Reduction of the energy demand via energy efficiency measures has a huge untapped potential within the CEE region**, notably in the housing sector. Therefore, it is crucial that Member States include or expand **ambitious energy efficiency policies and measures**, backed up by appropriate financing.

Under the Energy Efficiency (5) section of the NECPs template, Member States are required to illustrate “planned policies, measures and programmes to achieve the indicative national energy efficiency contributions for 2030 as well as other objectives”, including “to promote the energy performance of buildings”. The NECP guidelines further stress that the energy efficiency first principle should be used as an overarching principle and its application should be explained. It is crucial that NECPs set the direction for increased energy savings, with a combination of energy efficiency measures and concrete steps to reduce overall energy demand.

An energy mix based on reduced energy demand (which makes it easier to meet) is more likely to be fully based on an environmentally sound energy production which fully uses the potential of **renewable energy sources – solar and wind – within a decentralised approach** that guarantees energy security, affordability and sustainability.

The revised NECPs should therefore include or expand ambitious **renewables policies and measures**. Among others, Member States are required to include a summary of the policies and measures “to promote and facilitate the development of **self-consumption and renewable energy communities**” (6).

5) Governance Regulation, Annex I, 3.2

6) Governance Regulation, Annex I, 3.1.2

7

DECARBONISATION OF THE HEATING SECTOR

The crucial CEE challenge of the decarbonisation of the heating sector should be clearly addressed in the NECPs with a solution- and people- oriented approach.

There are already pilot projects that can be shared across the region as best practices, citizens are also looking for ways to heat their homes in a sustainable and affordable way, and specific programs to enable them to renovate their houses and use non-biomass renewable energy sources for heating.

Such policies, programmes and measures should be established or amplified in the NECPs developed in CEE countries, both in the renewable energy and energy efficiency dimensions of the template, not in the least for the sake of safeguarding people's health, given the heavy health implications of bad air quality due to fossil-based heating which is especially typical in the just transition regions and among the least-well-off communities of CEE.

8

PUTTING PEOPLE AT THE CORE OF THE TRANSITION

The energy transition is about and for the people. In the revised NECPs, therefore, social aspects of the particular policies and measures should always be considered and addressed in a targeted way. In the NECP template, Member States are required to include socio-economic impacts of planned policies and measures, including *“macroeconomic and, to the extent feasible, the health, environmental, employment and education, skills and social impacts, including just transition aspects”*. Furthermore, the Commission’s NECP guidelines highlight that the assessment of social impacts was poorly done in the previous NECPs, and further suggest to focus on distributional impacts and energy poverty.

In line with the principles of prosumerism and subsidiarity, **community energy** should also be given a substantial role in the energy transition of the CEE region, with the concept of energy communities including especially citizen-based bottom-up initiatives and with the NECP outlining the creation of a supportive framework for community energy. A specific point of the renewable energy dimension of the NECP template is dedicated to measures and policies promoting and facilitating the development of self-consumption and renewable energy communities.

9

REGIONAL OPPORTUNITIES

No EU Member State is a lonely island, and if the wind isn't currently blowing in Warsaw, the sun may still be shining in Budapest.

There are various synergies arising from cooperation among the countries that should be taken into account when drafting the NECPs, as a regional approach can solve many challenges and also create additional opportunities and strengthen national and European energy security.

Member States have an obligation to cooperate with neighbouring countries when preparing their revised NECPs. This obligation should be implemented in a sound and effective way.