



EVENT REPORT

Ministry officials' virtual roundtable: Planning for 2030 – EU and Member States' experiences with the first NECP cycle

Summary of the event

This event gathered Ministry officials from the LIFE PlanUp project's target countries Italy, Hungary, Spain and Romania, an EU Commission representative from the unit in charge of the NECP process in DG ENER, as well as LIFE PlanUp project partners to informally discuss the EU and Member States' experiences with the first NECP cycle. The roundtable, initially foreseen as a face-to-face meeting, had to be organized virtually due to the ongoing COVID-19 pandemic which is still preventing the organization of face-to-face gatherings.

After introductory remarks by the moderator, Leonardo Zannier from the EU Commission presented the EU executive's assessment of Member States' final NECPs. In his presentation, he firstly outlined how the NECPs provide a foundation for the EU Green Deal, and how Member States took into account the Commission's recommendations on their draft NECPs in their final plans. Furthermore, he presented the Commission's guidance for the implementation of the final NECPs, and also highlighted the links of the final NECPs with the national recovery & resilience plans that have to be prepared by Member States by April 2021.

Following the Commission's framework presentation on the NECPs, three consecutive panels were held, involving key Ministry officials from Italy, Hungary, Spain and Romania, as well as the EU Commission representative, to discuss the following key themes in the stocktaking of the first NECP cycle: the main issues Member States' encountered in the NECP drafting process, the multi-level governance and stakeholder participation processes they organized, as well as how they are looking ahead in implementing their NECPs in view of the EU Green Deal and their national recovery & resilience policies.

After the panels concluded, the main findings of the discussion were summarized as follows, which are taken from the inputs listed in the section "stakeholders input collection":

- The NECP drafting process

- o It was highlighted how the process led to enhanced collaboration among Ministries in their countries and served to remove silos – oftentimes, an interministerial working group or a similar structure was formed to steer the NECP drafting process;

- o The process was also described as a virtuous, interesting and innovative one. It forced to think across different services, sectors and work more closely together – for Member States this meant having Ministries collaborate in a more structured manner, for the Commission it meant the creation of horizontal structures of cooperation involving other DGs than only DG ENER;
- o The drafting process further helped gain a more robust understanding of what priorities should be in looking forward, notably beyond energy and climate issues;
- o Moreover, the process also supported Member States in identifying gaps and improving coordination – Ministries involved in the NECP process found e.g. missing data and identified the need to build capacities in key areas (such as energy modelling);
- o A milestone perceived was further how the NECP process led to the merging of competences (such as energy and climate being put together in one single Ministry in Spain), as well as how it led to the engagement of Ministries that were not engaged before on energy and climate issues (as e.g. the Ministry of Cultural Heritage in Italy)

- The NECP stakeholder engagement and multi-level dialogue process:

- o It was noted how for the NECPs, in some instances more consultation was conducted than in previous processes at national level for strategic planning documents, but in other instances, the national specificities on conducting consultation processes were also applied for the NECPs (such as in Hungary);
- o It was further highlighted how the consultation process provided Member States with valuable insights into the importance of certain actors for implementation, such as e.g. local authorities in Romania;
- o It was also underlined that as this was the first NECP exercise, it was not an easy process and that there is still scope for more consultation and involvement of the public and stakeholders in future NECP exercises;
- o The results of the consultation processes were reflected in the NECPs, and in particular served to strengthen certain aspects of the plan in a constructive and targeted manner;
- o Going forward, it was also stressed how stakeholder and public engagement is important also in the implementation of the NECPs

- Looking ahead – NECPs in view of the EU Green Deal and national recovery policies:

- o It was highlighted how clear coordination and assignment of responsibilities among different Ministries was a key factor in view of ensuring a robust implementation of the NECPs (as e.g. in Romania);
- o Furthermore, the willingness to increase the ambition of the NECPs further upwards was expressed (e.g. by Hungary), in particular in view of the potential adoption of a higher 2030 GHG emission reduction target;
- o Changing the territorial relationship, in particular with regions and local authorities, was also underlined as a key factor in implementing the NECPs and potentially higher objectives (e.g. as in Italy for renewables)
- o The importance of the recovery funds was further stressed as a welcome opportunity to help accelerate and increase the share of public investments in the NECP (as e.g. in Spain)

- o Finally, the necessity for an upwards revision process of the NECPs was expressed, but at the same time, it was highlighted how this process should not be rushed and more importantly take into account the 2030 target and sectoral directives revision developments under the EU Green Deal. Thus, it was deemed important to keep the NECPs in the picture of the EU Green Deal discussions, in order to ensure coherence and consistency in going forward (as e.g. by the EU Commission)

Stakeholders input collection

EU Commission

On the key challenges in delivering the first NECP cycle

One of the main challenges for the Commission in delivering Governance Regulation was the collaboration between different Ministries for Member States, and for the Commission the cooperation between different DGs.

Actually, one of the key challenges and benefits of the Governance Regulation is that it has forced Commission and Member States to try to think across different services and sectors, and has also removed silos between ministries. In the Commission, it forced DG ENER and DG CLIMA to work more closely together, where they had to create horizontal structures involving also other DGs (such as ENVI, EMPL, MOVE, etc.).

This first NECP process has also helped the Commission reach a much more robust understanding of what the priorities are in looking forward, which is also in line with Green Deal objectives which go beyond energy & climate. This is an aspect that the Commission and Member States should work further on, to go more beyond energy & climate: in the NECP, e.g. the transport element can be still further developed as well as other elements.

On the relationship with Member States and between Member States in terms of regional cooperation

The NECP process has created more synergies between Member States, and also helped build on existing synergies between Member States experts (e.g. Concerted Actions). The relationships were also tightened between experts and countries. At technical level, a lot of good exchanges have happened which are reflected at political level, such as e.g. good practices of regional cooperation as in Baltic, North Sea, etc. Thus, regional cooperation should not be a one-off exercise in the drafting of NECPs, as it should be also maintained and stepped up in the implementation of the NECPs.

The Commission continues to try to enhance relations with Member States. As an example of this aim, the Commission has set up a specific unit within DG ENER, in the frame of a recent revision, for relations with Member States, in view of better implementation of policies and measures, including of the NECPs.

On stakeholder engagement and multi-level dialogue processes in the NECPs

The multi-level dialogue provision was one of most debated in the Governance regulation, as it impacts how Member states organize their consultation processes with stakeholders, and thereby impacts their different traditions.

Through the Commission assessment, sometimes it was found that the time allowed for public consultations for the NECPs was too short or occurred during the summer, but it should also be noted that this is due to the fact of the Governance Regulation's stringent timing for the first NECP cycle.

Overall, some good practices in terms of stakeholder engagement in the NECPs have been seen, but there is still a margin for improvement, which is why one of the improvements in the Commission guidance to Member States' NECPs refers to strengthening public participation and multi-level dialogue. Thus, the Commission would like Member States to continue engaging stakeholders and citizens also in the implementation of their NECP.

On the possibility to revise NECPs earlier in view of a higher 2030 GHG emission reduction target

The Governance Regulation already foresees the possibility for Member States to revise their NECPs in 2023/24, but now there might be a need to accelerate this. Yet, the Commission doesn't want to accelerate too much, as it also wants to see what happens with the revisions of the Renewables directive, Energy Efficiency directive, and other upcoming legislation that may have impact on the NECPs revision process.

Member States have already expressed willingness to revise their NECPs, and the Commission has said to Member States that the revision of NECPs is to revise upwards in ambition and to abide with the rules of the Regulation: this means e.g. following a sound analytical base, abiding with public consultation requirements, and having policies and measures align with increased ambition.

Thus, the Commission wants NECPs to remain reliable instruments, and not just be a tool to revise ambition without the backing of substantial policies and measures. Ultimately, revising NECPs earlier than foreseen has to be done in a sound way and communicated to the broader public, and in consultation with the public and stakeholders.

The NECPs are a useful instrument to mobilize and gather Member States on the energy transition, to get public commitments, and also useful to have different ministries work together in the same direction. In the coming months, the Commission will aim to maintain coherence of the NECP exercise and keep the NECPs in the picture of the Green Deal. This is also a challenge for the Commission in going forward, as with many different issues at the table, coherence has to be maintained, and issues have to move forward at the same time and in an efficient manner.

Italy

On the Interministerial collaboration process for the drafting of the NECP

Many institutional bodies, such as ministries, public authorities at different governance levels, research bodies, GSE etc. were involved in drafting the Italian NECP. The drafting process was very virtuous, not only in terms of being able to draft the five dimensions of the EU Energy Union into one comprehensive plan, but also in terms of governance. Before the Governance Regulation, Italy had different bodies responsible for different plans, such as on air quality, GHG emissions, energy efficiency etc. Now, with the NECP,

Italy has produced an integrated plan which constitutes a milestone to have a greater collaboration and union among the different institutional bodies.

A key challenge in the drafting process was to integrate the different views of the institutional bodies involved. For this Italy also built a large Interministerial working group, which is still working to implement the measures and directives needed to reach Italy's NECP targets. This collaboration has been very virtuous. The discussion among the different institutional bodies also involved discussions about how to share the burdens and responsibilities effectively, identifying the areas for action and how to ensure effective implementation.

Now, the NECP has been collectively signed by the Ministry of Infrastructure, the Ministry of the Environment and the Ministry for Economic Development. But Italy is also working in a larger group with the involvement of e.g. the Ministry of Agriculture, the Ministry for Cultural Heritage and others. Especially the involvement of the Ministry for Cultural Heritage is critical in reaching higher renewables targets, as Italy has to use the landscape well to install renewable energy plants effectively. Their involvement ensures that in Italy all institutional actors have the same vision for how to implement the higher renewables targets in Italy.

Italy will now have different ministerial decrees to put the NECP implementation into practice. In Italy, these collaborations have also taken place in the past, but the NECP process enabled in particular to strengthen collaboration and coordination of different national plans.

Another innovation is also in the NECP monitoring process, as Italy is now building a monitoring platform to monitor different aspects of the plan, e.g. job creation, investments, just transition, data sharing at different levels of different authorities. In the coming months, Italy will be in a situation to present this monitoring platform to the EU Commission as well as to underline its approach to monitoring the NECP's implementation.

On the consultation and stakeholder engagement process for the NECP

Italy has had a quite complete consultation process, where there were intensive talks with the Parliament, with public authorities at different governance levels, with all ministries, and also with stakeholders. There has also been quite a strong participation in terms of the number of contributions to the public consultation on the plan. Italy's consultation was very structured, and clearly divided into all the different aspects of the plan.

Some responses from consultation have been included into the NECP, in particular to modify some aspects, to put the emphasis on some issues, but not to change them completely. This occurred mainly on the energy side of the plan, e.g. on the phase-out of coal plants, of how to manage it in specific areas where it is more difficult. Here, it was important to receive contributions from operators, local authorities and other stakeholders to find possible solutions.

Italy's NECP consultation process was a very long process, as it took the entire year of 2019 to acquire contributions and to put these into the final plan. It has been an important process and value-added for the plan, but also for the way of how Italy can build up strategic documents in general. Maybe it can be even said that this process has been a new experience for Italy in its depth and length.

On a potential revision of the NECP in view of a higher 2030 target and recovery policies

The Italian NECP is already quite ambitious. If Italy has to go for higher 2030 objectives, it will have to speed up the multi-level governance quite significantly. In Italy, the relationship with local and regional authorities, i.e. the territorial relationship, has to be changed. This also has to be done with the private side of stakeholders to speed up and reach Italy's targets and potentially higher targets. Improving this multi-level governance until 2030 is the main challenge for Italy.

By 2030 for example, Italy has to nearly double PV and onshore wind and also develop offshore wind. For this, Italy will change its energy paradigm and the relationship with territories. Italy has to change something in the system to achieve these ambitious renewable energy objectives. In collaboration with local authorities, areas for renewable energy plants have to be located and identified, on a common basis, with common criteria and common rules. Now, Italy has established a technical table with energy agencies, local and regional governments, the Ministry of Economic Development, the Ministry for Cultural Heritage and other actors to achieve the renewables targets that have been set. It is very important involving regions and local authorities, as they can share energy production across territories. This is maybe even the most important work on the renewables side to reach the renewables target. In the technical table, Italy is looking at where to put the renewables installations: first at rooftop-level, then in open spaces, then in other areas such as offshore. It is a very important process to reach the renewables target.

Italy also has to renovate a huge amount of buildings to achieve its energy efficiency target. Here again, Italy has to closely work with local authorities and also with stakeholders to reach the public and private side. A super eco bonus (tax credit) has already been approved to push on renovation, but a more efficient relationship with banks is also needed to discount this tax credit.

Finally, as concerns the recovery plan, the process is still ongoing. What can be only said is that the NECP is important in this perspective and that Italy will take the NECP fully into account for the national recovery plan.

Romania

On the Interministerial cooperation in the NECP drafting process

The NECP started to be elaborated by the Ministry of Energy in 2018, and later by the Ministry of Energy, Economy & Business Environment, as well as the Ministry of the Environment.

Romania has also set up an interministerial working group in the NECP drafting process, which involved all relevant ministries. This was the first time that all ministries were at the same table at the technical level. It was a very interesting process, to be all together to try to design the NECP for Romania. It was also a difficult exercise, because at the time it was found out that a lot of sectoral data was missing. Going into the process, Ministries became aware of the necessity to elaborate more studies in their own sectors, in order to get more accurate data at least for the revision of the NECP. In

the NECP, Romania has tried to be ambitious but also prudent, as the Governance Regulation only allows to increase ambition, not to decrease it.

Overall, the NECP drafting process has been a new concept for Romania, to collaborate with each other and to align all sectoral strategies, all investment strategies, etc. towards the NECP objectives. Until the NECP, it seemed that every ministry did its job but without connecting the dots. The NECP process enabled Romania to better connect the dots.

As it was the first exercise for the NECP, it was not an easy process, and it was complex to work together with all Ministries. Some time was needed for everyone to understand the importance of this programming exercise.

On the monitoring and implementation process of the NECP

It would be interesting to know, also from the other countries present, on how to ensure the most effective monitoring of the implementation of the NECP? How can the responsibilities for other Ministries be fixed in a way that they effectively implement their part of the plan? There is still sometimes the issue of following the mentality that if a sector is specified in the plan, then it is the only responsibility of this sectoral ministry. This however does not account for transversal policies and measures. How can this be changed? There is a slight difficulty on how to make the other Ministries assume their responsibilities from the NECP to ensure the most effective implementation of the policies and measures of the plan. Ensuring that the implementation, and that the monitoring of the implementation of the NECP is effective and innovative, will be key in the coming years. Further exchanges with Member States on this issue will be also important in the coming years as Member States go into the implementation phase of the NECP.

On the consultation and stakeholder engagement process for the NECP

The consultation process that Romania has done for the NECP was more than what was done before for other documents that were under consultation. Romania organized at least three public consultations, where the work and the process were explained in detail. Furthermore, representatives of the Ministry participated in all debates that were organized in these years. Romania has taken onboard the inputs from stakeholders, such as from local authorities, in the consultation process. Unfortunately, there was not more time for local debates on the NECP. It is important to start the work from the local level, to understand the challenges that they have. Overall, the NECP process brought a new awareness of local authorities' role in the NECP. This has brought an added value in the work on energy and climate policies. Working with local authorities has shown that there is a need to support them, and that they have to work at their level to support the delivery of the national objectives of the NECP.

With this NECP, Romania has tried to maintain its balance and design a realistic plan. It is of course not easy to make everybody happy, as there were a lot of stakeholders that criticized the plan. But nevertheless, an ambitious and prudent NECP for Romania was produced in this first exercise.

Hungary

On the NECP drafting process

The drafting of the Hungarian NECP was more a centralized process with the Ministry of Innovation & Technology in the lead. There was to some extent Interministerial cooperation, as a “Interministerial group on Climate Change” was formed which included middle-level officials from the Ministries. However, during the process, it was quite hard to engage with other parts of the government (e.g. the Ministry of Agriculture), mainly due to the fact that climate was not a top priority. The NECP was adopted by the Government, not by the Parliament, but it was debated in the Parliament Committee.

A key learning from the NECP drafting process has been to have better understood and realised Ministerial that capacities can be improved. For example, it was found out that a more robust modelling framework is needed, and that the capacities for modelling and analysis within the Ministry have to be enhanced. This undertaking already started during the NECP process, but hasn't been concluded yet. Furthermore, Hungary has also started to work on a comprehensive monitoring framework for its policies, and to strengthen the cooperation between the Ministry of Innovation & Technology and other Ministries.

On the consultation and stakeholder engagement process for the NECP

Overall, a selective consultation process for the NECP was conducted, which reflected the general picture for how consultations are conducted in Hungary. The consultations were mainly workshops and different meetings on different topics, often focused on a sector like transport or electricity. They served more for the purpose of designing Hungary's long-term strategy, but also informed the NECP. Questionnaires were also sent out to stakeholders for the NECP and the long-term strategy. The online questionnaires were more about the long-term strategy overall, but also included questions that were key for the NECP. There was overall more engagement with local authorities in the consultation process than with other stakeholders.

On revising the NECPs in view of a higher 2030 GHG emission reduction target and recovery policies

Hungary is working on five flagship projects through which they would like to implement the NECP: climate-friendly and flexible power generation, increasing energy efficiency, greening transport, fostering energy innovation and also greening the district heating, which is particularly key for eastern bloc countries. A couple of modelling exercises for the NECP and the long-term strategy have been concluded, from which it is clear that the five flagship projects will be key in achieving and even increasing Hungary's ambition. For Hungary, it is not an issue to increase the GHG emission reduction target from 40 to 50 or 55%, as it is already on track towards 42-44% reduction of GHG emissions. Hungary is open to have higher ambition in Hungary and in the EU.

The Hungarian recovery plan is currently being drafted, and will include one part that is dedicated to energy policy investments, with three pillars: the first one is on energy efficiency, mainly on the private building stock, the second pillar is focusing on how the use of renewables can be fostered in Hungary with mainly PV in focus; and the third pillar is on smart energy systems and how the storage of electricity coming from renewable energy sources can be used most effectively. All the three pillars still focus on the current NECP ambition, but they are all key to support Hungary's increase in ambition towards -55% GHG emissions, when a higher EU 2030 GHG emission reduction target is adopted. Hungary sees especially storage as key to enhance the potential of

renewables - without investments in storage, it is not possible to include more renewable energy sources into the Hungarian energy system.

While Hungary is focusing its efforts on the current NECP targets, the basis for higher targets is also provided through the recovery plan. Other financial means will also be key as e.g. in the Cohesion policy, where 50% of Hungary's operational programmes will focus on energy and climate policy measures. Thus, the financial basis for reaching a higher ambition in Hungary is being created.

Finally, as concerns Hungary's recovery plan, there will be soon a bigger stakeholder meeting and possibility for online consultation for stakeholders to comment on the recovery plan, as part of a broader partnership process for the plan.

Spain

On the interministerial cooperation for the NECP drafting process

The NECP constitutes a milestone for Spain towards reaching climate neutrality in 2050. The NECP was developed by MITECO, which until 2018 had been two separate Ministries on energy and climate change. Bringing these two competences into union in one single Ministry has had a big impact on the structure and work on strategic planning instruments such as the NECP.

In the NECP drafting process, a continuous cooperation with different national institutional bodies and Ministries was pursued, such as the Spanish office of Climate Change, the National Institute of Statistics (i.e. key in gathering all the data for the energy model), as well as several Ministries such as the Ministries on transport, finance, economic affairs and others. They all took part in the drafting and ensured that the NECP also contains transversal measures that are key to different Ministries. Furthermore, a high-level working group for the elaboration of the NECP was organized, which was integrated by the cabinet of MITECO and other key actors such as the Spanish Energy Agency. Overall, the collaboration with the Ministries and all the national institutional actors has been very fruitful and has enabled defining clear and consistent objectives for the Spanish NECP. Another important innovation stemming from the NECP drafting process has been the definition of medium, long and very long-term integrated objectives. It is also expected that the monitoring process of the implementation of the NECP, which will be accompanied by profound policy evaluations, will be innovative and enable ensuring an effective implementation of the plan.

On regional cooperation and public engagement in the NECP process

The regional cooperation process with Spain's neighboring countries for the NECP process has been very rewarding. Last July for example, a working session was organized that was attended by Portugal, France and representatives from the EU Commission, where results were shared on the NECPs and key aspects of the internal energy market and future prospects of cooperation were discussed. This session was an important starting point for further cooperation and has been very helpful in better coordinating energy and climate policies in the region.

In terms of public engagement, the NECP has been the result of a deep and comprehensive process of public consultation in Spain, which has involved different stakeholders and citizens. Furthermore, an extensive public consultation for the strategic environmental assessment procedure on the NECP has been organized, which

even though it was affected by the COVID-19 pandemic, could be concluded with providing the public and stakeholders with sufficient time to submit their contributions. As concerns the implementation of the NECP, the aim is to continue to engage and involve the whole of society, the public and all stakeholder groups. MITECO has a continuous and open dialogue with stakeholders, and continuously replies to every meeting request coming from stakeholders.

On the links between the NECP and the national recovery plan

The NECP is actually the main channel through which investments will be conducted with the funds available for Spain from the recovery and resilience facility. The COVID-19 pandemic has brought forward investments contemplated in the NECP. Now, it is foreseen that the share of public investment will be increased compared with the earlier figures, and also that the public investment can occur faster thanks to the recovery and resilience facility. With the NECP, the expectation is that a total estimated 241 billion EUR can be invested, and that Spain's energy and climate objectives can be achieved faster than initially foreseen.