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How a lack of transparency could dash EU hopes for a green pandemic recovery

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Introduction

In May 2020, the European Council announced it would provide an extraordinary EUR 750 billion in recovery funds to Member States to help facilitate the European Union's economic recovery after the coronavirus pandemic. It was announced that the largest share of this recovery package, known as NextGenerationEU, would be channeled through the Recovery and Resilience Facility (RRF), providing EUR 671 billion in financial support for reforms and investments in green and digital related areas to ensure a sustainable economic recovery.

In order to access the financial support made available through the RRF, Member States are first required to submit national recovery and resilience plans (RRPs). These must outline how each Member State intends to use these investments to contribute to the green and digital priorities envisaged by the Commission. Targets of 37% spending for green and 21% digital investments have also been set. Given both the amount of funding involved in the RRF and the fact that it will form the largest share of the recovery package, ensuring these plans are properly prepared and maintain focus on their intended green and digital priorities is critical to ensure a successful recovery.

At the same time, the European Commission is pushing forward with the European Green Deal, its flagship initiative to address the climate emergency. The European Green Deal introduces a variety of new policy initiatives, including an increase in the 2030 greenhouse gas emissions reduction target. However, in order for the European Green Deal objectives to be reached, it is crucial that EU funds are properly aligned with its far-reaching priorities.

The European Council recently proposed that 30% of the entire EU budget for the 2021-2027 period must be directed towards contributing to climate action. The Council also called for a 37% climate spending target in the RRF, without clear and concrete climate safeguards in the regulation. For example, there is no full exclusion for fossil fuels from EU public funding, which puts the RRF at real risk of supporting priorities that directly contradict those of the European Green Deal. This would severely hinder the ability to achieve the 2030 and 2050 European climate objectives.

Therefore, due to the rushed nature of these plans, Member States will likely concentrate on business as usual solutions, with very little attention given to the transformation to a net-zero carbon economy or fossil fuels phase-outs. In central and eastern European (CEE) countries, this focus on industry's needs is likely to result in a massive influx of fossil gas and other environmentally harmful projects, which will only be made worse by the absence of proper public and stakeholder consultation. Transparency and open participation are invaluable tools for effectively guiding how and where these investments are made. Citizens and stakeholders will be best placed to deliver on this by bringing specific, local level knowledge and expertise related to the green and digital investments needed.

This recovery package is a rare and unique opportunity to deliver a positive transformation in the face of a severe crisis. The COVID-19 pandemic is more than a public health crisis, it is a systemic one. Although its effects have been felt by everyone, the burden has been disproportionately felt by some more than others; a manifestation of the inequalities present in our societies. With the RRF, EU Member States can choose to make investments that will address the systemic causes of the pandemic's disparate impacts, and ownership of these reforms is crucial.

This report, based on direct, first-hand experience from Bankwatch member groups, analyses whether the RRPs being drafted in eight CEE countries are aligned with the European Green Deal objectives according to two indicators: Are citizens and stakeholders sufficiently involved in the drafting of these spending plans? Do the measures currently contained in the spending plans reflect and align with the 2030 targets?

Based on this analysis, the report's recommendations outline how these plans can be improved and what each institution should focus on to ensure that the RRF fosters a genuine green recovery.

Main findings and recommendations

Thanks to the unprecedented amount of money available in the RRF and its associated plans, Member States have a unique opportunity to build back stronger and fully realise the objectives envisioned by the European Green Deal. However, our analysis shows that the current development of the RRPs is likely to result in plans widely unfit for facilitating the European Green Deal.

Overall, this report reveals how the recovery funds are in danger of being used as a 'trojan horse' for financing unsustainable projects under the false pretense that this is necessary for a successful economic recovery. We foresee that Member States will exploit the lack of concrete exclusion lists and provisions in the RRF, and try to use these recovery funds to further drive their most polluting industries and support business as usual. Doing so would ultimately lead to lock-ins and stranded fossil fuel assets in the very near future, jeopardising the unique opportunity currently being presented for a green and sustainable recovery.

Table of key findings[1]

Country	Amount received under RRF, 2018 prices	Level of transparency and public participation	Alignment with 2030 energy and climate targets
Bulgaria	EUR 6.0 bn	Although there have been consultations on the RRP, they are perceived by the public as formal and not relevant, since there has been no response to public input so far.	Information about the plan is vague and lacking any detail on key reforms needed in energy, transport and waste management sectors, as well as on alignment with other sources of EU funds. It is likely to be used for increasing funding for fossil fuels and business-as-usual, low ambition measures, and the country may consequently miss 2030 climate targets.
Czechia	EUR 6.7 bn	The RRF document is still not officially available. The draft plan has already been submitted to the European Commission without any meaningful prior consultation.	There is no planned fossil fuel phase-out and no strategic planning which would help the country to reach the 2030 targets.
Estonia	EUR 1.0 bn	There is a complete absence of public participation. 70% of the RRF has already been allocated without prior consultation.	Comparatively, there are some good measures outlined in the plan. The overall level of ambition could be substantially improved if public participation was increased.
Hungary	EUR 6.3 bn	No public consultations have been conducted and there is still no information on the process or timing yet. The unclear response seems to imply that public participation will only be properly conducted if it is forced by the European Commission.	A strong business-as-usual narrative is present, despite the vast amounts of funds made available. It is likely that 2030 goals will not be achieved if this continues.
Latvia	EUR 1.9 bn	No public consultations have been conducted yet. A draft plan is expected to be presented to the national Monitoring Committee in December.	Strong elements of 'greening' are present in the plan. A list of priority projects has still not been decided on by the government.
Poland	EUR 23.1 bn	Almost all ministries responsible for proposing the list of projects supported by the RRF have not made any information available to the public, nor has there been any communication about proposals for the reform agenda.	The RRF is being exploited as a way to finance projects that would otherwise not be supported by EU funds. This risks failing to achieve the 2030 targets.
Romania	EUR 13.8 bn	Discussions have been conducted behind closed doors and kept secret from public view.	There is no clear phase-out of fossil fuels, and measures supporting energy efficiency are severely neglected despite the country's good potential in this field.
Slovakia	EUR 5.8 bn	Stakeholders have been invited to provide input at early stages and this has been taken into account.	It remains to be seen if the real plan will be consulted properly and if its content will enable a higher level of ambition in Slovakia.

1 *NOTE: amounts listed in the table are for the EUR 310 bn of available grants only, and do not include the additional EUR 360 bn of loans. At the time of writing, amounts for loans made available to Member States have not yet been published.*

Public participation

The RRF is key to reaching the European Green Deal's objectives, but only insofar as both the public and civil society are given a strong voice to help guide and influence this. After all, these are the intended recipients of this fund, and their input should therefore form the basis for these reforms and investments. In chapter 4 of the December 2019 Communication entitled 'The European Green Deal', the European Commission clearly states that 'the involvement and commitment of the public and of all stakeholders is crucial to the success of the European Green Deal'. This chapter also emphasises that 'citizens are and should remain a driving force of the transition'. Public participation and citizens' involvement in the European Green Deal is therefore seen as a crucial factor for the initiative to succeed, especially when it comes to planning the investment of such a large amount of public funds.

The EU has also put in place various instruments to ensure the participation of the public in EU funds, such as the partnership principle, introduced in 1988 as one of four guiding principles of Cohesion Policy. In 2014, the European Code of Conduct on Partnership[2] became a legal act that sets standards for the involvement of all partners in the programming, implementation, monitoring and evaluation of EU funds. The obligation to consult partners is also guaranteed in Article 6 of the Common Provisions Regulation[3]. When the partnership principle is properly followed, the projects that receive financing better reflect regional needs, barriers to spending and future challenges. Public participation is also a major tool to prevent fraud and the misuse of money.

Furthermore, in September and October 2020, the European Parliament (EP) also recalled the importance of the partnership principle in its Economic and Monetary Affairs and Budget committees' (ECON/BUDG) report on the RRF, as well as in the opinions prepared by the Environment, Public Health and Food Safety Committee, and in the Budgetary Control Committee's opinion.

However, our preliminary assessment of the RRPs of eight central and eastern European countries (Bulgaria, Czechia, Estonia, Hungary, Latvia, Poland, Romania and Slovakia) reveals that in practice, citizens and local stakeholders have not been included in the drafting of these plans. Our members find an alarming lack of public and civil society consultation during this ongoing planning process: governments are refusing to open these plans for public consultation and only including the interests of selected stakeholders, neglecting those best placed to secure a

[2] *'Commission delegated regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds' (2014), Official Journal L 347, p. 320.*

[3] *'Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument' (2018) EUR-Lex.*

[4] *'Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment' (2001) Official Journal L 197, pp. 30-37.*

strong and green recovery. This is extremely problematic, as investment plans need to be open to consultation well in advance, when all options are on the table.

Moreover, the European Commission has provided little detail on whether Member States will have to abide by the usual public consultation requirements. The Commission did not specify whether it expected Member States to conduct Strategic Environmental Assessments (SEAs)[4] – usually required for plans and programmes which are likely to have significant effects on the environment and which are a prerequisite for projects' approval by the Commission.

Recommendations:

- *The lack of transparency and process of public dialogue on RRPs cannot be excused by the COVID-19 emergency any longer. Examples of good practices show that the quality of the process is a matter of political will and depends on an understanding of the need for citizen ownership.*
- *Member States need to organise a transparent and clear process for the consultation of their RRPs, providing multiple opportunities for dialogue with the public and timely response on public concerns.*
- *The Commission must do everything to remind Member States of their obligation to ensure transparency of the plans and create the conditions for the meaningful involvement of the public and the respect of the partnership principle.*
- *The Commission should review the quality of the public participation and transparency provisions.*

Consistency with 2030 climate and energy objectives

Another important factor for understanding whether the RRPs will be able to deliver on the European Green Deal is their alignment with the 2030 climate and energy framework. The European Commission recently released an assessment on each of the Member States' national energy and climate plans (NECP), providing an estimate of the stated ambition and guidance for the most pressing measures to be supported by the RRF.

As the European Commission proposed an increase of the 2030 greenhouse gas emission reduction target from -40% to -55%, most Member States in central and eastern Europe will have to increase their ambition on emission reductions, renewable energy deployment and energy efficiency measures.

In the framework of the European Green Deal, this would also mean ceasing to use public funds to invest in fossil fuels, in virtue of the 'do no harm' principle, and phasing out fossil fuels already in use.

However, our study finds that the RRPs still widely accommodate the use of fossil fuels, and that the majority fail to address the ambition gap that will prove decisive for reaching the 2030 climate and energy objectives. The level of ambition on the various climate and energy indicators reflected in most of the NECPs is still far too low.

Moreover, the counting methodology for assessing the climate quality of investments in the plans relies on the outdated Rio markers methodology. This is despite the recent introduction of the more sophisticated and up to date Taxonomy Regulation, a more robust framework to define what constitutes a 'green' investment in a practical manner.

The absence of public scrutiny in the drafting of the plans, combined with the omission of clear guidelines on what type of investment should be prioritised within them, is a dangerous combination. As a whole, the plans are currently at great risk of supporting the most harmful and short-sighted investments, resulting in completely derailing the key objectives of the European Green Deal unveiled less than a year ago.

Recommendations:

- *Co-legislators need to exclude fossil fuels from the scope of the facility.*
- *The Commission and the European Parliament need to place strong scrutiny on the RRPs' attempts to reach climate objectives.*
- *The Commission needs to apply the taxonomy on sustainable finance methodology when counting the climate positive investments.*
- *The Commission should assess the integrated approach of the transformative investments' needs and the framework strategy for covering those needs from different EU financial instruments.*

Bulgaria

Verdict: The plan is suspiciously vague, leading to the assumption that fossil fuels will be given a substantial priority of the funding. This is made worse by the lack of opportunity for involvement by civil society. The plan offers no strategic alignment with other similar plans and funds.

Participation

On 30 October, Deputy Prime Minister Tomislav Donchev officially presented a Draft Plan for the Recovery and Sustainability of the Republic of Bulgaria. The deadline for comments and recommendations to the Plan is 29 November 2020.

Given that this deadline has not yet passed at the time of publication, it is still to be determined whether the public's comments will be taken into account. A real test of the quality of public participation will be the Bulgarian government's response to these public comments. The online public consultation is being complemented by a series of meetings with relevant ministries, to which experts and non-governmental organisations (NGOs) are invited. However, the concern is that the public's input will be disregarded, and that the government's invitation was merely a publicity stunt with no real intention of engaging with the public. Bankwatch sent an open letter to Deputy Prime Minister Donchev, calling on the government to increase stakeholder participation during the discussion of these plans and requesting a deadline extension of two months. However, as of the time of publication, no response has been received.

Public participation is particularly important in Bulgaria, where the government claims it has the right to maintain a low level of ambition for climate goals because it has the lowest GDP in Europe. In addition, civil protests against government corruption and lack of vision have been going on for more than 100 days at the time of publication, only exacerbating the problems of public participation in the context of the RRP.

Alignment with 2030 climate and energy objectives

If properly planned for, the RRF will prove decisive for fostering greater ambition for the modernisation and technological renewal of the Bulgarian economy.

In particular, climate policies can finally be framed as an important step for Bulgaria and for the quality of life of its people. However, the current content of the plan is very vague, with almost no information on reforms planned for a green transformation. The proposed investments focus on infrastructure and fixed assets such as railways improvements, and human capital and nature-based solutions are neglected. Moreover, It fails to offer any specific transformative measures for key sectors in need of reform, like transport, energy and waste management. It instead only exemplifies the government's lack of vision and determination to make the most efficient use of European funds.

Moreover, the presented plan does not clearly align with other strategic documents, such as the NECP, the forthcoming territorial just transition plans or the operational programmes. The plan omits information regarding the future of coal or nuclear energy, even though these issues are presented as a central theme in other strategic documents. This confirms that the RRF will be used as an easy way to finance dubious investments and projects that would otherwise not be approved for funding using conventional EU instruments.

The lack of clear details on coal and lignite phase-outs was already identified in the Commission's NECP assessment, which found that Bulgaria should support measures to increase the share of renewable energy as a means of transitioning away from its dependency on fossil fuels.

The Bulgarian government, however, clearly intends to preserve the coal industry, as well as to build a new nuclear power plant, and shows a lack of ambition and determination to undertake reforms and energy transformation.

Czechia

Verdict: There is a total absence of transparency in the RRP planning and design, as the draft plan was already submitted to the European Commission without any meaningful consultation. The absence of a planned fossil fuel phase-out shows a high risk of support for projects with harmful effects on the climate, without any kind of strategic planning and ambitious preparation to reach the 2030 targets.

Participation

Despite criticism on various grounds, the Czech Prime Minister officially submitted its plan to the European Commission on 15 October. The document is not yet officially available.

On 12 October, the government acknowledged (but did not officially approve) the 'Bases of the National Recovery Plan in the Context of the Economic Strategy', which will determine the allocation of approximately CZK 180 billion (EUR 6.7 billion) from the RRF to help economies affected by the current crisis.

Yet the preparation of the document was coordinated by the Ministry of Industry and Trade (MIT) in a rushed and non-transparent manner. The proposals made by experts in related fields, which the MIT itself initially encouraged, were not taken into account in any way. The government still has not yet officially published the material. Furthermore, they decided to reduce the period for commenting to five days, which ended just five days before the plan was presented to the government. This made it impossible to have any meaningful discussions or reach consensus on the experts' comments.

The deputy of the MIT spoke about the National Recovery Plan in detail at the Council for Sustainable development on 13 October, insisting that the plan is not finalised and that only the starting points have been approved by the government. The plan will instead be finalised by April 2021, by when it must be approved by the European Commission.

The deputy of the MIT has already started to organise a series of roundtables with various stakeholders, discussing the six thematic pillars of the Plan (Physical Infrastructure and decarbonisation; Digital transformation; Education and job market; Institutions and support of businesses as a reaction to COVID-19; Research, development and innovation; and Health and resilience of the population).

Other stakeholders such as the Czech Chamber of Commerce also criticise the way the plan was submitted to the European Commission, stating it 'strongly opposes the way in which the material is discussed in the inter-ministerial comment procedure, where the deadline for comments was reduced to eight working days'.

Alignment with 2030 climate and energy objectives

There is serious doubt as to whether Czechia will be able to achieve the required 2030 climate and energy objectives. The European Commission estimates the country's alignment with the 2030 framework is overall poor, and only 'partially addresses' the Commission's recommendations for improving on the draft plan. The level of renewable energy is still not up to the level required by the Commission, and there is no clear fossil fuels phase-out date foreseen for 2030.

The Czech RRP does not make any effort to step up investment in renewable energy or energy efficiency to help reach alignment.

In the summer of 2020, representatives of entrepreneurs and nonprofit organisations created the platform 'Zmena k lepsimu / Change for the better'. After having analysed the draft RRP, they concluded it would require a thorough revision to ensure the recovery funds made available to Czechia meet their green recovery objective. Change for the better also expressed their agreement with the distribution of the document in six pillars, which 'cover areas in which we need to invest in the long-term'. It criticised the methodology for the selection of measures, and stated that 'it is impossible to get rid of the impression that this is a simple set of intentions that have long been in the drawer of individual ministries without any prioritisation'.

Furthermore, a network of environmental NGOs called Green Circle also prepared critical comments on the National Recovery Plan, saying that it completely neglects any nature protection component. It also assessed that the declared share (34%) of the plan which will support the green agenda is overestimated, and in reality its contribution only reaches 20%.

Estonia

Verdict: There has been no opportunity for the public to provide input, despite the fact that 70% of the available RRF funds are already allocated by the government. The plan aims to support some positive projects, but there is an urgent need to include relevant partners in order to raise the ambition and relevance of the planned investments.

Participation

Estonia's overall national budget for 2021 was originally scheduled to be finalised in the spring, but was postponed to September 2020 due to the COVID-19 pandemic. The RRP has, however, still not been agreed on. Those responsible for drafting this plan have been waiting for political guidelines from the government, but these have only just arrived alongside the national budget.

The government has already allocated around 70% of the available RRF funds in these plans.

Some ministry officials have taken part in the process, but there has been no opportunity for the public to provide input. The remaining 30% has yet to be allocated, as the exact sum of money will change slightly in 2022 due to recalculations.

In the official national budget, the list of projects set to receive funding from the RRF is not outlined in detail. However, the government has already approved COVID-19-related loans to the oil shale company Alexela (EUR 37 million), the LGN-based shipping company Tallink (EUR 100 million), a new shopping centre Porto Franco (EUR 39 million) and aviation sector firm Magnetic MRO (EUR 10 million).

This casts serious doubt on whether it will be possible for the Estonian plan to reach the 37% green investment and the 20% digital investment targets.

In terms of public involvement, a public consultation is expected at some point before the end of the year, but nothing has been proposed yet. An SEA also seems unlikely, as officials are under severe time constraints to finalise the plan.

Alignment with 2030 climate and energy objectives

Even though Estonia might be on track to reach the EU's 2030 targets in the field of greenhouse gas emissions, the Commission still assesses Estonia's contribution in this field as 'lacking ambition'. It also suggests increasing measures to boost energy efficiency in buildings.

Given the secrecy surrounding the recovery plan so far, it is difficult to know to what extent it will address these shortcomings. There are hints at positive developments, such as the allocation of EUR 70 million to renovate buildings, as well as a plan to extend the electric railway.

Yet it is rumoured that the Estonian government has not planned anything in the energy sector, despite the urgent need to phase out fossil fuels, and especially shale oil power production, which is outlined in the Commission's guidance on priority recovery investments.

As 30% of the available RRF funds for Estonia have yet to be allocated, it will be crucial for NGOs and interested partners to be able to raise their concerns about these shortcomings in order for them to be addressed in the final version of the plan.

Hungary

Verdict: Hungary has a very poor level of transparency in its RRP planning and there are no known plans for public participation or consultation procedures. There is a high risk that the plan will seek to finance business-as-usual projects that continue to support fossil fuels. Projects that do not align with the goal of climate neutrality originally left out of the long term EU budget are also at risk of being included. To mitigate these issues, proper public participation and transparency over the proposed measures to be financed in these plans is needed. Without this, a green recovery will not be possible.

Participation

The Ministry of Innovation and Technology (MIT) is responsible for the coordination of the Hungarian RRP. As of early November, there is still no publicly available information regarding the process (including the public consultation) or the draft content of the Hungarian RRP.

On 10 November, NSC-FoE Hungary received a written response to a letter sent to the MIT requesting more information on the national RRP process and public participation. In their response, the MIT stated that, according to their interpretation, no SEA would need to be conducted for the national RRP. However, this matter is still pending and needs to be formally negotiated between the Ministry and the European Commission. Nevertheless, the MIT confirmed that they will respect the 37% climate action allocation and the 'do no harm' principle in the RRP.

The MIT's response and its implications are not yet clear. On the one hand, the Ministry considered NSC-FoE Hungary's recommendations and promised to inform them about public participation – which implies that there will be an opportunity for it. On the other hand, the response implies that the Ministry would likely only share the draft recovery plan with the public, increase the level of public participation and accept NGOs into a working group if they are required to do so by the European Commission. This casts serious doubt on whether Hungary is adequately adhering to the partnership principle during the planning process of the national recovery plan.

This lack of clear communication combined with 'tick-the-box', minimalist dialogue with the public – and to some extent stakeholders/partners – over the drafting of national strategic and spending plans is often the case in Hungary.

The situation is somewhat better in the programming of the EU structural funds for the next seven years. The draft Partnership Agreement and Operational Programmes have only just been published (30 October 2020) on the governments' EU website for public consultation – although there is no stated deadline for this and this consultation has not yet been widely promoted in public.

Alignment with 2030 climate and energy objectives

According to the European Semester country specific recommendations for Hungary's national reform programme, and the country specific report (also mentioned in the Commission's communication), energy efficiency investments in residential buildings are low and need to be addressed in national financial plans. Hungary's renewable energy contribution target is just 21% by 2030 and characterised as 'unambitious' by the Commission.

There is no concrete information on how Hungary's RRP might improve the country's progress in these areas. An Energy Efficiency Obligation Scheme (EEOS) is under preparation by the Ministry and is being negotiated by a working group set up in May 2020. This working group includes the Ministry, the energy authority and energy companies. However, there is no public information on whether Hungary plans to include the EEOS or similar energy efficiency programmes focusing on residential buildings, schemes or reforms into its RRP. The same lack of information applies to other potential projects serving climate neutrality, such as renewable energy and renewable community energy programmes. This is despite the European Commission clearly emphasising the need for Hungary to significantly boost its investments and contributions in the field of energy efficiency, as well as measures to promote renewables in the electricity and heating sectors.

Latvia

Verdict: There have been no public consultations as of yet, and no information provided to the Environmental Consulting Board. Strong elements of 'greening' are present in the plan, but a list of priority projects has still not been decided on by the government. Latvia's overall level of ambition is currently deemed too low to achieve the updated 2030 energy and climate targets.

Participation

The Ministry of Finance is the responsible authority for drafting the plan. Sectoral ministries submitted their project funding proposals in September 2020. The sectoral funding requests (more than EUR 7 billion) significantly exceed the RRF allocation for Latvia (EUR 1.9 billion); thus, priorities will be decided by the government. A working group composed of state actors was created, but consultations with selected social partners, such as the Latvian Confederation of Employers, have also been carried out in sectoral working groups.

The Environmental Consulting Board, a formal entity under the Ministry of Environment that is made up of environmental NGOs and can submit suggestions to the ministries, has not received any documents related to the plan. In a presentation delivered in September, the Ministry of Finance showed the main steps of the planning process. The funding decisions belong to the ministries, but their priorities must comply with the recommendations received from the Commission. The ministries are free to involve other parties, if necessary.

There have been no public consultations, only a few publications in the media that served primarily to inform readers about the plans. It is expected, however, that the draft plan will be presented to the Monitoring Committee in early December 2020.

The parliament conceptually agreed on the state budget for 2021 on 28 October, but the RRP has not been included on the government's agenda yet.

Alignment with 2030 climate and energy objectives

Latvia's ambition towards the 2030 climate and energy objectives can overall be described as the bare minimum. The Commission emphasises the need to support energy efficiency measures specifically within industry, the heating and cooling sectors and transport.

This could be addressed by the RRP, which is expected to have a rather strong 'greening' component in the pool of project ideas: the Ministry of Economy has stated that they want to use EUR 656 million for energy efficiency, energy recovery and the use of renewable energy; EUR 500 million for economic transformation and productivity; and EUR 230 million for housing accessibility. Moreover, in a recent conference on the energy sector, the Ministry of Environment stressed that the RRF will be crucial for implementing the 2030 targets, such as through investments in energy efficiency.

The major problem is that the list of priority projects still has to be decided on by the government. As the total amount of allocated funding is only approximately EUR 1.9 billion, it is unknown which of the proposals totalling EUR 7 billion will be selected for funding.

Poland

Verdict: The Polish government is doing everything it can to avoid opening the RRP for public consultation and scrutiny. The limited information available has only been obtained thanks to FOI requests. The RRF is being used as a loophole to finance projects that would normally be excluded, namely natural gas infrastructure. As such, the 2030 targets are in serious jeopardy.

Participation

Before the summer, the Ministry of Development Funds and Regional Policy (which has since been merged with the Ministry of Finance) asked other ministries and regional authorities to submit projects they would like to be financed under the RRF.

The Ministry of Development was the only one to publish its list of proposed projects on a website. The Climate Ministry's list was obtained through a Freedom of Information (FOI) request, but there is no publicly available information on the projects submitted by other ministries. Nine of Poland's sixteen regions have also made their proposals public, and in most of those cases regional public consultations preceded the submission.

The Ministry of Development Funds and Regional Policy has held no public consultations or any other kind of dialogue on the priorities of the recovery plan or the underlying reform agenda. The Ministry of Development has invited stakeholders to propose projects and, based on a reply received by Polish NGOs, considers this to count as some kind of consultation. However, no report of the consultation has been published and the Ministry refused to disclose the list of those who participated or the projects submitted. A general public consultation for the available draft is set to take place by the end of the year. A FOI request has been sent to the Ministry about launching an SEA, but there has been no answer yet. If the bulk of the RRP consists of projects that are part of other strategies, which is likely to be the case, then the government may argue that no SEA is needed because the projects have already been assessed under other procedures.

Alignment with 2030 climate and energy objectives

There are many indications that rather than starting from a strategic orientation towards a green recovery, the government has decided to treat the RRF as merely a new source of EU funding that could finance projects which might not be possible to finance from other funds, including natural gas infrastructure, some inland navigation infrastructure now rebranded as 'climate adaptation measures', motorways and waste incinerators.

On the other hand, Poland is in a position to propose enough projects that comply with the Green Deal objectives and the RRF's environmental protection requirements to achieve its economic objectives without compromising climate and environmental ones.

The sustainable projects that have been proposed include the Clean Air renovation support scheme, the Fund for Thermal Retrofits and Renovation, the Sustainable Transport support scheme for pedestrian and cycling infrastructure, the Offshore Energy Fund and the RES Finance scheme for community energy. In addition, the Facility could potentially support initiatives such as the Low Emissions Transport Fund or the National Programme for Rewilding Surface Waters.

However, Poland has no valid energy strategy and an already outdated NECP, and there is no clarity over the coal phase-out schedule or even its future energy mix. The projects that are proposed for the RRF are a random collection of undertakings that do not add up to a coherent plan that follows a strategy. And finally, there are numerous statements from the government that suggest a coal to gas transition would be a major priority for the RRF.

The Commission's guidance on recovery investments focuses strongly on improving the measures for investments in renewable energy to reduce dependency on coal, and in energy efficiency in buildings and industry. Yet, as shown, the Polish government does not appear to take this into account and merely sees the RRF as an easy way to obtain EU funding for its dubious projects and investments.

Romania

Verdict: There is an alarming lack of information made available about the RRP, and discussions have been conducted almost entirely in secret. Even though dedicated units have been set up specifically for the RRF, they have shown no intention of involving broader stakeholders. There is also no clear phase-out for fossil fuels, and measures supporting energy efficiency are severely neglected despite the country's good potential in this field.

Participation

The Ministry of European Funds (MEF) is the entity responsible for the elaboration and negotiation of the RRP. Within the Ministry, a specialised structure will be set up which will be directly involved in the plan's elaboration, approval and monitoring of projects and other actions regarding expenses and management of the funds.

Special units composed of ministry officials will be organised to participate in the elaboration of the plan's sectoral components and the negotiation procedures, under the MEF's coordination.

These units will also implement, monitor and approve the implementation reports of the investment projects or reforms.

No information is available yet about the creation of a working group or whether CSOs would be included in such a group. According to the Ministry of European Funding's response to a request for information, a draft of the plan was to be published at the end of October 2020 but is still pending as of 15 November. The responsible Ministry claims that consultations will follow the publishing the draft plan, but offers no information on a specific timeline for this, nor on whether they plan to conduct an SEA.

Alignment with 2030 climate and energy objectives

Romania's overall level of climate ambition for 2030 is very low. The country foresees only a 2% reduction in GHG by 2030, compared to its 2020 target of 19%, and the share of renewable energy is given as 30.7% by 2030, only a 6% increase from its 2020 target. Romania has taken this conservative approach despite its considerable potential in the renewable energy sector, such as offshore wind. The national contribution for energy efficiency has also been considered very low.

For that reason, the Commission's guidance on priority recovery investments focuses on 'measures boosting renewable energy generation; measures aimed at fostering the renovation of buildings and the energy efficiency of district heating networks'.

Our assessment of early official documents related to the RRP reveals that authorities plan to allocate the funds for the preparation of a variety of projects, but there appears to be a lack of measures that specifically focus on increasing renewable energy supply and energy efficiency, both key for achieving the NECP's objectives.

Existing information about the Romanian RRP seems to suggest that it will favour investments in centralised, fossil-based heat production and distribution systems and support for 'transition fuel' (gas) distribution systems, investments that would inevitably create stranded assets and make the prospect of a fossil fuels phase-out in Romania all the more unlikely.

Slovakia

Verdict: Slovakia made a good step by allowing stakeholders to be involved in the plans. Although the commenting periods have been too short, their formally open approach to encouraging public involvement has been relatively good, and gives lessons learnt for other countries in this report. However, it remains to be seen if the real plan – not only an analytical background document – will be consulted properly and if the content of the plan will enable a higher level of ambition in Slovakia.

Participation

In Slovakia, public participation in the RRP has been far from perfect, with very short deadlines and unclear processes. However, there has been a genuine effort to collect input from various stakeholders, including NGOs.

The Ministry of Finance invited dozens of experts to provide comments on a draft of the RRP in August 2020, although this later turned out to only be an analytical input for the plan. The Ministry also organised a series of webinars for experts from ministries, industries and civil society organisations during the week of 17 August. The analytical units at various Slovak ministries, which are typically responsible for high-quality outputs, drafted eight chapters of the plan, which they consulted with various experts nominated by the Ministry of Finance. Two experts from Friends of the Earth-CEPA and several experts from environmental NGOs and clean energy industries were officially nominated to cooperate on the Green Economy chapter of the plan.

The Ministry of Finance sent a 10-page draft of the chapter on Friday, 21 August in the afternoon, and organised a meeting with the working group on Tuesday, 25 August. The Minister of Finance and State secretary of the Ministry of Economy attended the event in person and other experts could request in advance to join online. The deadline for commenting was Wednesday, 26 August. Involved experts could also collect and synthesise input from other organisations. The period of three working days (and two days during the weekend) was not ideal for submitting comments and synthesising inputs from four other organisations, but the coordinator of the working group also gave the experts space to communicate comments informally after the deadline.

The Ministry of Finance shared two different versions of the Green Economy chapter on 12 and 17 September, and published a vision for the RRP in Slovak on 5 October. The ministry announced that publishing this document, which describes measures totalling approximately EUR 25 billion, was the start of the public debate. However, the cost of the potential investments exceeds the EUR 5.8 billion in available funding from the RRF for Slovakia by approximately five times, which makes it impossible to understand which measures will be included in the final plan. Moreover, people can send comments to an official email address, but it's not clear by when, in which format and how comments would be incorporated.

Alignment with 2030 climate and energy objectives

Slovakia's 2030 target for reducing GHG emissions is -53%, far from the 65% decrease supported by 3 out of 4 political parties in the Slovak parliament. Slovakia already decreased its emission by 40.8% in 2018, and the 53% goal might be unambitious. At this tempo of a 12% reduction per decade, Slovakia would become carbon neutral by approximately 2060.

The Commission has deemed Slovakia's target share of energy from renewable sources for 2030, which is set at 19.2%, unambitious, as the Commission recommends a 24% target for 2030.

Projects currently proposed in the Slovak RRP send mixed signals on the country's commitment to reaching its emissions and energy efficiency goals. Regarding energy efficiency, the stated goal to renovate 26,000 buildings/homes through the RRP by 2026 with a focus on public buildings seems positive. On the other hand, including support for 80,000 fossil gas boilers in the energy efficiency section is problematic. The RRP might positively contribute to these efforts if the reforms included are improved to massively support deep renovation of buildings, which would unlock the potential of renewable energy sources, and if fossil gas, biomass and waste incineration are not supported.

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