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Assessment of final Recovery and Resilience Plans – Is this going to be a ‘green recovery’?’

25 Member States submitted their [final Recovery and Resilience Plans](#) to the European Commission. 18 of them have been endorsed by the European Commission in July 2021.

Find the European Commission Staff Working Documents assessing each of these plans, as well as the accordant annex with milestones and targets on this [link](#):

Milestones (for reforms) and targets (for investments) 'summarise' the Member States' ambitions and intentions, as included in the plans. They show the 'real world' impact intended, be it in terms of policy developments (reforms) or concrete investments.

A 'scoreboard' by the Commission, coming later this year, will put these milestones and targets into an operational monitoring tool.

The EC looks at the RRP in the context of (old) NECPs, and emphasises deficiencies of NECPs, though without anticipating that more ambitious NECPs will be needed soon. And without clearly pointing out how RRP do or do not contribute to the achievement of more ambitious climate and energy targets.

When it comes to the Do-No-Significant-Harm principle, the EC assessment is less fruitful, as it solely repeats Member States declarations of compliance.

With the Recovery and Resilience Facility being governed by the European Semester, the EU Semester cycle, including the Country Specific Recommendations by the EC, provides increased leverage for the integration of climate and environment into macro-economic considerations. This is a new opportunity.

The EU economic and finance ministers [endorsed](#) on 13 July 12 national recovery and resilience plans: **Austria, Belgium, Denmark, France, Germany, Greece, Italy, Latvia, Luxembourg, Portugal, Slovakia and Spain**. On 26 July they [approved](#) 4 more plans: **Croatia, Cyprus, Lithuania and Slovenia**. This allows the disbursement of 13% of the allocated grant amount for these countries as pre-financing. The Commission will authorise further disbursements based on the satisfactory fulfilment of the milestones and targets outlined in the Council Implementing Decision, reflecting progress in the investments and reforms. The further implementation of RRP will be part of the EU Semester cycle.

The availability of a 'standardised' set of data, i.e. milestones and targets, a scoreboard of indicators, and in-depth context-knowledge from the groups on the ground open the opportunity to assess the 'true' contribution of the final RRP to achieving higher climate ambition and environmental protection.

Objectives: Prepare a joint NGO report (and recommendations) that is looking in particular at milestones and targets, in order to assess the ambition of the Plan, to create benchmarks for its implementation and to call for more ambitious reforms and investments in the framework of the European Semester process, in the light of the new 2030 climate ambition ('fit for 1.5') and biodiversity objectives. This joint report will be useful to :

- Put Member States' climate, energy and environmental protection policies and ambitions into the spotlight, and thus contributing to messaging and campaigns calling for higher climate ambition and more efforts on ecosystem and biodiversity protection and restoration.
- Share our analysis with the European Commission and the European Parliament, who will assess whether member states have been achieving the milestones and targets in order to obtain the subsequent instalments
- Ensure more effective and inclusive consultations and public participation take place at national level about the Plan's implementation
- Building on the RRPs, suggest additional investments and reforms to be included in the European Semester's Country Specific Recommendations, as well as in revised NECPs, to meet the objectives of the Paris Agreement.

Timeline:

<u>General questions</u>	
<p>Give a summarized overall assessment of your country's final RRP.</p> <p>Give a summary of your assessment of the overall ambition of the RRP in terms of:</p> <ul style="list-style-type: none">- reforms included- how the Do No Significant Harm principle is applied.- the climate spending target ("at least 37%")- investment choices. <p>Describe whether the overall content of the RRP is appropriate to contribute to achieving the goals of the Paris Agreement and on nature protection, pave the way for a transition of the energy system towards 100% renewable energy in your country or if it looks more like business as usual. Identify any major flaw in the Commission assessment that indicates any inaccurate information in the RRP.</p>	<p>Summarised overall assessment:</p> <p>Czech RRP was approved by the EC on the 6th of September. The climate spending target is said to be fulfilled, however based on the data derived from methodology of Green Recovery Tracker, Czechia's recovery plan achieves a green spending share of 25%, below the EU's 37% benchmark. Furthermore, it found that 15% (€1.1bn) may have a positive or negative impact on the green transition depending on the implementation of the relevant measures, illustrating the importance of further scrutiny during the further planning, review and implementation of the recovery measures.</p> <p>In terms of DNSH principle it is very hard to assess as we rely solely on the opinion of the national government and we lack any objective measures to assess it. We do not perceive the majority of the plan as having contravened the DNSH principle. However there are certain measures that we see as problematic and directly violating the principle. We are particularly</p>

troubled with a decision to continue the support for fossil gas boilers with a total allocation of up to EUR 67 million from RRF and further financing from other OP. Measures related to adaptation to climate change and biodiversity contained in the 2.6 and 2.9 are also problematic (for example huge investment into fast reforestation which can result in homogenous forests while the goal should be multigenerational forests).

In terms of investment choices the RRP emphasizes the need for a modernized and electrified railroad system. There is a huge investment which we welcome. There is also investment into clean mobility (recharging points and aid for purchase of vehicles running on H2 and electricity). Welcomed is also a modernisation of district heating infrastructure which is desperately needed for the energy savings in the heating sector.

Reforms which we welcome the most are the amendment to the decree about the energy efficiency of buildings and support for enactment of the energy communities into national law. RRP also includes a preparation of an assessment of decarbonisation of district heating in Czechia and preparation of an assessment of the trajectories of sustainable use of bioenergy and

	<p>supply of biomass in Czechia. However, we fear that the decarbonization assessment will be based on continued reliance on fossil gas in large, privately owned, profit oriented heat power plants instead of focusing on the 4th generation district heating and heat pumps + energy efficiency measures for the individual provision of heat/cold.</p> <p>There are also reforms in terms of the circular economy (i.e. implementation of new legislation for waste management and implementation of the Circular Czechia strategy 2040). Sadly, we neither have capacities nor enough data for assessing the possible impacts of these.</p>
<p>Assess and highlight up to 3 key investments that are included in your final RRP that represent an important opportunity for the country to increase its climate action.</p> <p>You may also include here your views on relevant related targets.</p> <p>Highlight investments which you rather consider as not 'helpful', or even harmful.</p>	<ol style="list-style-type: none"> 1. Modernisation of distribution of heat in district heating systems <ol style="list-style-type: none"> a. The district heating covers 40% of all Czech households and 70% of all dwellings in multi apartment buildings (a total of approximately 1.6 million households). The rest is the so-called decentralized (individual) provision of heat / cold. The distribution system is obsolete and entails

high energy losses. The modernisation of the district heating distribution system is therefore a pivotal step. However, the further investment has to be directed towards the 4th generation district heating and not into mainly changing the energy base (i.e. fossil gas) as is the plan of the Czech authorities and the industry. Also in terms of individual provision of heat/cold the investment has to be directed towards buildings renovation + heat pumps and not towards fossil gas boilers.

2. Electrification of railways

- a. Electrification of railways is a major investment in the Czech RRP which will contribute towards the decarbonisation of the railway infrastructure and development of the TEN-T network.

3. Renovation and revitalisation of buildings for energy savings

- a. This investment represents a huge

	<p>opportunity for decarbonization. It is included but the allocation is insufficient (cca EUR 333 million while more than EUR 700 million would be needed to reach the targets of the Building's Renovation Strategy)</p>
<p>Identify up to 3 investments that you have been advocating for but that are NOT INCLUDED in your country's final RRP with a brief elaboration of why this represents a missed opportunity. Or investments that are included in the Plan but the amounts of investments are blatantly insufficient. This could be in terms of increasing ambition of NECPs, modal shift in transport, development of community energy etc. Be as specific as possible/ justify your assessment.</p>	<ul style="list-style-type: none"> - The only fully missing investment is development of cycling infrastructure in Prague and Brno. This however should be financed from a different OP. - Following investment IS included in the final plan but the allocation is insufficient. We have been advocating for an increase in renovation of buildings to fulfil the Building's Renovation Strategy. The New Green Savings program (NZÚ) has long planned the allocation of EUR 157 million per year from the revenues of allowances, However, according to the medium-term outlook in the approved SFŽP (state fund for environment) budget for 2021 to the New Green program will save only CZK 80 million in 2022 and CZK 200 million in

	<p>2023. The allocation of EUR 333 million from component 2.5 of the RRP will thus serve to cover the shortfall in the financing of the New Green Savings programme from the state budget.</p>
<p>Highlight and assess up to 3 key reforms that are INCLUDED in your final RRP that represent an important opportunity for the country to increase its climate action.</p> <p>Scan through your country's RRP (final version) to identify reforms and related milestones. Identify up to 3 main reforms and list them to the column in right with top line messages. You may also include here your views on relevant related milestones.</p> <p>You are not asked to include all positive reforms, please choose the key ones that are most relevant for your national advocacy work and consistent with the rest of the report.</p>	<p>Summarised overall assessment:</p> <ol style="list-style-type: none"> 1. Support for energy communities 2. Reforms in the fields of renovation wave and development of RES 3. Preparation of an assessment of decarbonisation of district heating in Czechia.
	<p>Elaboration on opportunity 1:</p> <ul style="list-style-type: none"> - The category of energy community is not enacted yet in our law. This presents a large opportunity for future development of community

	<p>owned energy systems and for our advocacy work.</p>
	<p>Elaboration on opportunity 2:</p> <p>-</p>
	<p>Elaboration on opportunity 3:</p> <p>We await this assessment as it will provide us with further data and material for advocacy work. We also urge the EU institutions to exclude fossil gas from the modernisation fund as this will hamper transition towards sustainable district heating.</p>
<p>Identify up to 3 reforms that you have been advocating for but are NOT INCLUDED in your country's final RRP with a brief elaboration of why this represents a missed opportunity. This could be in terms of increasing ambition of NECPs, modal shift in transport, development of community energy etc. Be as specific as possible/justify your statements and your recommendation.</p>	<p>Elaboration on gap 1:</p> <ul style="list-style-type: none"> - Creation of a landscape plan for adaptation to climate change in the Czech Republic. This plan should be a basic and binding document for landscaping, enumerating and quantifying the extent of basic natural infrastructure for adaptation to climate change. The plan should contain a description of the target structure of the landscape and the individual measures necessary to achieve it.

	<p>Elaboration on gap 2:</p> <ul style="list-style-type: none"> - The reform that we haven't been advocating for (sadly) is revision of tax alleviation for vehicles running on fossil gas. <p>Elaboration on gap 3:</p> <ul style="list-style-type: none"> - Setting up support for above-standard provision of ecosystem functions of the landscape. Measures and areas that fulfill above-standard selected ecosystem functions of the landscape (e.g. absorption and retention of carbon in the soil, water retention in the landscape, etc.) should be significantly more taken into account in national subsidy programs, so that there is a real incentive for farmers to convert to ecological practices.
<p>In its assessment of final RRP, the European Commission highlights a number of measures that require attention to make sure they will be implemented without causing significant harm to climate and the environment. Please identify key problematic areas or best practices on how the European Commission has</p>	<p>Elaboration on gap 1 (or best practice):</p> <ul style="list-style-type: none"> - In its final assessment EC summarized it as follows: Taking into consideration the assessment of all the measures envisaged, no measure for the implementation of reforms and investments projects

been looking at the DNSH principle and share your assessment.

included in Czechia's recovery and resilience plan is expected to do a significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 (the principle of 'do no significant harm'). This would warrant a rating of A under the assessment criterion 2.4 of Annex V to the RRF Regulation.

- We see as problematic the non-measurable nature of the DNSH principle. The coming guidelines should secure the possibility of objective monitoring of the DNSH principle.

Elaboration on gap 2:

- In its final assessment EC writes: With estimated costs of EUR 335 million, reforestation represents a big contribution of one single measure to the climate target. This is justified by a commitment of Czechia to implement a system change that would provide for a creation of multigenerational forests with special composition, which is required for climate change adaptation.
- The aforementioned analysis can be proved wrong as there

	<p>are no clear indications on creation of multigenerational forests. There is a need for further scrutiny during the implementation phase.</p>
	<p>Elaboration on gap 3:</p> <p>-</p>
<p>Please assess how the RRP can contribute to increasing ambition of final NECPs</p>	<ul style="list-style-type: none"> - Additional measures incentivising investments in renewable energy resources may be needed to fulfil the objective set in the NECP. - NECP itself has to be revised (the current target is 22% RES in final energy consumption by 2030). - Furthermore, the majority of this percentage is supposed to be achieved through use of biomass which is obviously not a solution as burning of biomass still significantly contributes to climate change and to biodiversity losses, land requirements etc.
<p>Please assess the climate measures in your RRP from the gender perspective</p>	<p>-</p>
<p>Are you satisfied with how stakeholders were involved in the preparation of the plans, and in their implementation so far</p>	<ul style="list-style-type: none"> - The whole process of drafting the plan was obscure and non-governmental organizations were not invited to participate. This slightly

	<p>changed after pressure from our side (i.e. establishment of round tables but without clear indication on who can participate and how). Our proposals submitted during interdepartmental proceedings were partially reflected in the plan but without any further discussion (i.e. the government was forced to implement them as the plan did not reach 37% climate target at first). The rules guiding the partnership principle have to be further developed.</p>
<p>Recommendations for implementation and/or revision</p>	<ul style="list-style-type: none"> - Ensure effective and inclusive consultations in the implementation of the Plan and include this obligation as a milestone - Raise the general level of ambitions anticipating the upwards revision of NECP - Work on progressive exclusion of fossil gas from all EU funds