



EEAC Network Working Group on Energy and Climate Change  
Bezuidenhoutseweg 30  
The Hague, The Netherlands

**Subject:** EEAC Stocktaking exercise and workshop on draft National Energy and Climate Plans

27<sup>th</sup> of August, 2019

Dear colleagues,

The EEAC Working Group on Energy and Climate Change concluded that the EU Energy Union Governance Regulation will largely define the overarching governance framework within which the climate and energy transition takes place. It is therefore imperative that we put one of the main pillars of the Energy Union Governance Regulation, the National Energy and Climate Plans (NECP), at center stage in the working group's work this year.

To produce an EEAC stocktaking document, advisory bodies on the environment and for sustainable development and climate change (hereafter: advisory bodies) have submitted their preliminary views on the draft NECPs of their respective nations. It gives me great pleasure to share the enclosed updated EEAC living stocktaking document, *Draft Integrated National Energy and Climate Plans: A stocktaking exercise*.

Besides the stocktaking document, the EEAC Working Group on Energy and Climate Change met with European experts to discuss the draft NECPs. I would like to once again thank our European partners for their valuable input. Based on the outcomes of the stocktaking document and following the remarks made during the workshop, I am pleased to now be able to share some mainline observations with regard to the draft NECPs through this letter.

### **Mainline observations**

All countries (as listed in the EEAC stocktaking document) submitted their draft National Energy and Climate Plans (NECPs). Consequently, those countries - so far - are compliant with the EU Energy Union Governance Regulation in that respect. However, most of these draft NECPs still have flaws with respect to inadequate targets, insufficient details on required policies, and investments and financing needed to reach the targets set.

### **Targets**

Most of the draft NECPs include targets (both for 2020 and 2030) . The EEAC stocktaking document also shows that the majority of the countries have submitted goals for reduction in greenhouse gas



emissions (non-ETS), energy savings and the share of renewable energy. The level of ambition of these targets, however, varies. Some countries have submitted quite ambitious plans, while others seem to have chosen to aim for the minimum requirements under EU energy and climate policies, and still others evidently face (serious) ambition gaps in their draft NECPs.

Additionally, it is abundantly clear that more long-term targets (2050) are less well-accounted for in the draft NECPs. Although from the EEAC stocktaking document it is apparent that five of the seven countries' NECPs include a focus on the long-term aims (Net Zero by 2050), this high percentage does not reflect the general assessment. I therefore second the conclusion by *Ecologic* that 'the long-term dimension is clearly under-developed in the majority of the draft NECPs'<sup>1</sup>.

Since the NECPs should be linked to the applicable international agreements (e.g. Paris Agreement), workshop participants concluded that ambitions and targets should at least ensure that the goals of the Paris Agreement are met, meaning that EU Member States should take necessary steps to reach the ambitions set and to avoid ambition/implementation gaps.

The lack of long-term focus in a majority of the draft NECPs requires the attention of advisory bodies, especially since such advisory bodies are the guardians of the long-term vision and are tasked with representing the interests of future generations. Energy and climate change mitigation policies are a long-haul job, while politics as usual often seems to privilege short-term subjects and targets over long-term challenges. Therefore, safeguarding the long term and showing the rationale behind it is becoming increasingly important to establishing effective energy and climate change policies.

### **Policies**

In many cases, Member States indicated that policy changes are necessary to reach the targets set in their NECPs. However, the draft NECPs frequently lack clear measures, amplification of policies or policy proposals and/or trajectories towards those targets. The lack of well-documented policy proposals is one of the more pertinent issues with regard to the draft NECPs.

Also several Member States - described in the EEAC stocktaking document - have not managed to deliver detailed policy proposals, especially in the field of energy efficiency measures and for sectors such as mobility and agriculture. The reason for the absence of policy proposals could lay in the time frame in which the NECPs needed to be drafted. In some cases, governmental bodies had only limited time to produce the draft NECPs. However, when Member States submit their final NECPs in December 2019, comprehensive, credible and well documented policies, measures and trajectories should be in place to ensure the delivery of the targets set.

### **3 Impact assessments**

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<sup>1</sup> Ecologic, & European Climate Foundation . (2019). Planning for Net Zero: Assessing the Draft National Energy and Climate Plans. Retrieved from <https://europeanclimate.org/wp-content/uploads/2019/05/Planning-for-Net-Zero.-Assessing-the-draft-NECPs.pdf>



A rather extensive exchange took place during the EEAC Energy and Climate Change workshop on the role of impact assessments in NECPs' preparation and implementation. Based on these exchanges, I would like to underline that:

***In general***

The difference in methodological models used across the EU is considered unbeneficial to a balanced assessment of impacts of policies and proposed policies. Enhanced cooperation between relevant institutions to improve a coherent methodological approach should be encouraged. Enhanced coherency could be achieved through:

***Reaching consensus on key assumptions:*** From the dialogue at the workshop we concluded that required exchange among (neighbouring) Member States within the framework of the NECPs would benefit from an achieved consensus on key assumptions in impact assessments. Using similar assumptions in impact assessments would clearly help to enhance coherence and would avoid outcomes that would not be comparable across the EU.

***Ensuring an integrated approach:*** In order to enhance the quality of impact assessments, the workshop participants underlined the need for an integrated approach, which also should include adjacent policy domains such as macroeconomics, health, environment, skills, social impacts, etc. Having a European standard for the parameters for these adjacent policy domains could strengthen impact assessments.

***Enhancing cooperation:*** The need for cooperation (not only among Member States, but also between Member States and their national/regional governments and stakeholders) to enhance impact assessments was often mentioned. Although there are several good examples of cooperation among Member States/regions, whether voluntary incentives will be sufficient to ensure coherent impact assessment cooperation and/or alignment is debatable. The European Commission might consider the option of defining an overarching European methodological approach for impact assessments.

**4. Financial instruments**

Investor security and the role of fossil fuels was discussed against the background of the draft NECPs. Since major funds are required to finance the energy transition, the role of private capital is essential. To tap into private capital, Member States will need to come up with clear targets, policy proposals and trajectories. Failure to do so might mean that Member States will miss out on investments by private parties. Member States should ensure that their NECPs will generate investor confidence, for example with predictability and transparency of targets and policies. There are a number of good practices at work that can already be identified, for example in Finland and Ireland.

While aiming for a transition towards Net Zero by 2050, public resources are not always spent in line with that ambition. Moreover, it is often hard to identify what amount of public money is used to support which elements of national energy policies. Consequently, the final NECPs should better describe and quantify all types of subsidies (including grants, support schemes, tax benefits and subsidies) used for both supporting the energy transition and fossil fuel usage.



## 5. Stakeholder Inclusion

We need systemic transformation in order to achieve both the goals of the Paris Agreement and the EU targets. The support of citizens, scientists, entrepreneurs, organized civil society and (local) governments will be essential for embarking on an unprecedented journey of systemic transformation. It is therefore imperative that stakeholder inclusion be a major priority. In addition, in the drafting of the NECPs, stakeholder and citizen consultation will be required.

Although several Member States have deployed processes to include *society* in the preparation of the NECPs (and thus in their energy and climate policies) a large number of Member States have not yet met expectations with regard to stakeholder inclusion. Workshop participants underscored the importance of proper inclusion and identified a role for advisory bodies in filling the gap.

By virtue of their composition, advisory bodies are able to gather different opinions, ideas and interests. More precisely, their composition enables advisory bodies to include cross-border thinking, strengthen innovative thoughts, ideas, approaches and proposals, and counteract the more sectoral or single-interest approaches of many individual stakeholders and their lobby groups. Advisory bodies, can therefore fuel the process of integration, strategic thinking and strategy development needed to enhance systemic change. Moreover, the role of advisory bodies is also important, since their structure and modus operandi can often provide a forum for open and respectful debate. By bringing a wide variety of stakeholders to the table and enabling open debate on a pathway towards consensus, advisory bodies may act as facilitator of inclusion, change and societal support.

### What's next

Advisory bodies will continue to follow the process towards the final NECPs with interest. As advisory bodies, we will then join the NECP policy cycle and will advise our governments and parliaments where required and/or requested. Within the framework of the EEAC Network, we will pay special attention to the issue of inclusion through partnerships. For starters, partnerships to enhance the energy transition is one of the main issues of the next EEAC Annual Conference (September 2019).

Furthermore, we will seek continued exchange among advisory bodies and relevant other stakeholders, and will provide our views where we see added value. Additional work on the NECPs within the framework of the EEAC Working Group on Energy and Climate Change will be discussed during the Working Group's next meeting in September 2019.

Esteemed colleagues, I would like to take this opportunity to thank you once again for your input. I look forward to continuing our dialogue and working further on the National Energy and Climate Plans. Let's keep engaging in a joined learning curve.

Sincerely yours,

Folmer de Haan

Chairman of the EEAC Network's Working Group on Energy and Climate Change