



Partnership Principle Violation in REPowerEU

POSITION PAPER



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Partnership Principle Violation in REPowerEU in Central and Eastern Europe



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1. Introduction

Civil society organization (CSO) representatives from eight countries in Central and Eastern Europe (CEE) have expressed their concern regarding the participation process in the preparation of the REPowerEU chapters. The representatives understand that REPowerEU stands as a crisis intervention; however, they also believe that the current process could significantly impact the quality of the chapters and investments included therein. The CSOs are concerned that the lack of transparent and inclusive participation may lead to the exclusion of important stakeholders, ultimately resulting in suboptimal outcomes and undermining the policy's legitimacy. The CSOs urge for more transparency and active involvement of all stakeholders in the preparation of the REPowerEU chapters to ensure that they accurately reflect the interests and needs of the communities they will serve.

As it is known, the CEE region is probably the most affected in the European Union (EU) by the Russian-Ukrainian war due to its heavy dependence on Russian gas, as well as its reliance on EU funding. For certain Member States (MSs), the implementation of Recovery and Resilience Plans (RRPs) has only just commenced — two years after the Recovery and Resilience Fund (RRF) came into force. Now, MSs could modify their existing measures and incorporate new ones as the plans are reopened for further amendments. Due to the short timeframe — new plans must be approved by 31 August 2023 — CEE countries have encountered concerns considering that the drafting processes are time-consuming and that governments need to finalize their drafts by 30 April 2023 if they want their plans to be approved. Most governments have not even shared their first outlines, nor have had a public consultation. Some of them already have publicly shared drafts, but they are so advanced in the process that the government had no — or only some kind of — formal public consultation so that they fulfil the expectations; yet, in reality, they do not have time to reformulate



or rethink their plans because of the short timeframe. Therefore, the failure to involve civil society in government plans may result in violations of the partnership principle which requires the participation of public authorities at various levels in project funding to enhance its value, according to the EU's long-standing commitment.

Even worse, national governments continue to provide enormous environmentally harmful subsidies, while some governments have continued — even recently — to weaken environmental law and reduce other existing levels of environmental protection. All these processes might make the use of REPowerEU funding meaningless since the environment will substantially and quickly deteriorate even if all REPowerEU funds would be used efficiently for environmental purposes.



2. Principle violation through examples

In the following sections, organisations from eight CEE countries — namely, Bulgaria, Czech Republic, Hungary, Latvia, Poland, Romania, Slovakia, and Slovenia — gathered their governments' detailed progresses to prove through examples why the current drafting process will lead to the violation of participation and partnership principles.

2.1. Bulgaria

The Bulgarian government has already followed through with the application process. However, it has not been ratified yet because of the April 2023 parliamentary elections. They consider the REPowerEU in their RRP budget plan, which was EUR 580M and is has been cut by the EC by EUR 100M. The Bulgarian stakeholders realized that they must improve their energy transition and integrate the funding in their RRP and their new gas project, enforce the 2018 Renewable Energy Directive, and implement energy efficiency programmes to tackle energy poverty and poor air quality because it is among Europe's worst. The timeline and public involvement are unknown. The new elections considerably affect public access to information. Therefore, the public sphere has no knowledge of the good and bad projects planned.

2.2. Czech Republic

Authorities have already notified the EC about their aspirations to use REPowerEU grants and new loans to back their new investments. Although civil society has limited access to information, what is known is that the government aims to apply for a minimum of EUR 2.9Bn and a maximum of EUR 11Bn as the REPowerEU loan. There are some positive investments planned, such as support for energy efficiency in family and apartment buildings and the replacement of gas boilers for low-income households. However, the government is considering using the REPowerEU money to finance the



extension of the TAL+ pipeline and Stock 2 gas pipeline, begin the preparation of the hot water pipeline from Dukovany to Brno, purchase a gas storage tank, and increase the fuel supply for the Dukovany nuclear power plant. The government has been negotiating the extension and the REPowerEU loan since last autumn — with very little involvement from civil society. However, it should be noted that climate NGOs have been very active — negotiating with the relevant ministries — and have submitted their own proposal for a measure to be financed by an EU REPowerEU loan. Some of these proposals made it into the final proposal — but on a smaller scale. However, such proactivity should not be confused with the meaningful involvement of all partners in the preparation of the revision of the plan.

2.3. Hungary

The Hungarian government's plans still had not been finalized by the time this paper was published. In May 2022, a confidential public consultation process with independent CSOs on the outline of the plans was initiated. So far, the government plans to request an RRF loan. Based on the RRP document, a few promising investments can be expected, such as grid investments to accommodate renewable energy and energy communities. However, according to press reports, the government intends to use a substantial part of the REPowerEU sources for fossil fuel investments, too (e.g., oil infrastructure, gas and coal power plants, storage, LNG infrastructure). Furthermore, Hungary's long-term economic strategy is based on energy-intensive industries — for which the country's energy demand is likely to increase. Such news about fossil fuel subsidies and energy-intensive economic goals undermines the main goals of REPowerEU, such as reducing energy consumption, transitioning to green energy, and independence from Russian fossil fuels. However, there is no information for the public about the details and timelines; thus, it is impossible for civil society organizations to properly assess the REPowerEU plans.



Furthermore, in recent years the government has not taken into consideration the detailed recommendations of civil society. It is also extremely worrying that the Hungarian government has continued to provide enormous amounts of public money for investments and other activities seriously damaging the environment and increasing fossil fuel use. Moreover, the government has continuously weakened environment-related rules. For example, between March and May 2023, it eliminated the obligatory in-person public hearings concerning environment-related investments; it made it much easier to carry out constructions in agricultural areas; and it classified big investments which pose a grave environmental danger as "priority investments of national interest" — practically excluding them from meaningful environmental assessment and public participation. All these regulatory changes took place without any public consultation whatsoever. All this forebodes that REPowerEU funds will be used very inefficiently and often even misused.

2.4. Latvia

Little is known about Latvia's REPowerEU chapter as well, but the government is preparing its national position, investments, and measures. Their progress is unknown, but hitherto the government communicates with the EC. There is no agreement on whether the country is going to take the REPowerEU loan. Besides, there is no information about the considered investments. What is known is that investments are aiming to modernize and raise the capacity of the grid to promote electrification. Furthermore, investments in fossil fuel infrastructure are unlikely. There is no information about the timeline of these investments and civil society is not involved in the discussions, while the draft plans are also unknown.

2.5. Poland

Poland is preparing REPowerEU and is well-advanced with ideas. Also, it is worth knowing that due to the higher-than-expected GDP last few years, Poland



is going to receive less money for the RRF — around EUR 1,3Bn in total. Polish REPowerEU chapter is planned for about EUR 2,7Bn in donations and Poland was to get as much of loans as possible to be able to get as high pre-financing as possible. REPowerEU in Poland is going to be connected mostly with goals B, E, and F. There is gas infrastructure planned to be in the REPowerEU. About half of the REPowerEU is going to be moved from the original RRF plan — due to lower funds available. Energy storage is one of such investments moved to REPowerEU and, at the same time, moved from the loan part to the grant part. The other one is energy communities (with doubled costs), energy power lines (with doubled costs), and the purchase of electric buses for public transport. One new investment planned is energy power lines in the countryside with very high costs: EUR 900M, the highest in the REPowerEU chapter. There is also another enhancement of the administrative capacity to speed up the preparation of the investments (i.e., something like technical assistance). In the loan part, they want to expand the costs of the currently working external funds dedicated to different things, like electro-mobility and house insulations. Poland has stated they are also going to make new external funds. This stands as their weak point, representing the ownership of few ideas in this respect, and the reason as to why they agreed to ask NGOs for help.

2.6. Romania

The allocation of REPowerEU funds will be carried out based on the NRRP mechanism. The plan to be elaborated will be sent to Brussels by the end of April. Romania will have EUR 1.39Bn from REPowerEU funds. The distribution of sources will be clarified later and probably will also be relocated to the unspent funds from the period 2014-2020. There is no knowledge of the timeline and there has been no significant public involvement in the elaboration process. A public consultation was organised and announced on the site of the Ministry of



Investments and EU projects between 17-26 March. There is no information about the result of the consultation.

In the document proposed for public consultation, the following reforms and investments were proposed:

- Creation of a legal framework for the use of non-productive/degraded land owned by the State for green energy production, including the creation of a single national register of non-productive land (allocation: € 15 000 000).
- Vocational training of human resources in the fields of production, storage, transport and distribution of green energy (allocation: € 4 000 000).
- Use of residential buildings to accelerate the implementation of renewable energy to stimulate the installation of photovoltaic panels and related energy storage systems for residential buildings owned by individuals (allocation: € 233 691 220).
- Energy Autonomous Villages (allocation: € 200 000 000).
- New electricity generation capacity from renewable sources (allocation: € 300 000 000).
- Digitisation, efficiency and modernisation of the national electricity transmission network (allocation: € 148 000 000).
- Digitisation, efficiency and modernisation of the national gas transmission network (allocation: € 103 700 000).

2.7. Slovakia

A coalition of climate organisations has been actively advocating for several reforms and issues to be included in the draft of the REPowerEU chapter. The first set of proposals and advocacy meetings happened in September 2022, followed by a more elaborate proposal in early 2023, which included:



- Sensitive acceleration of RES: simplify decision-making in a participatory format which sets joint criteria — including for go-to zones — reforms regarding grid capacity and flexibility.
- The social dimension of support: loans for companies, grants for municipalities and social NGOs.
- Measures for sustainable and low emission transportation.
- Coherence with climate law and other climate policies.
- A heating sector reform is to be included.

In April 2023, official commenting on the REPower Slovak chapter draft was opened for members of the public. Climate Coalition Slovakia entered this proceeding with a set of finalised proposals — supported by over 500 citizens — which, according to the Slovak legislation, entitled it to a hearing. This hearing was rather brief and formalistic — they were promised that most of the comments will be incorporated. The final text of the chapter sent to the European Commission does not sufficiently reflect NGO comments and contains parts of the text which have not been publicly available at all.

Engagement of the Government's office for NGOs and EC Representation in Slovakia helped communicate the coalition's proposals and concerns to officials responsible for the drafting of the REPower chapter during the process.

However, the drafting process (i.e., timeline and phases when the public can provide and consult inputs) has never been disclosed. On the contrary, it required persistent advocacy to find out when was the proper time for rendering inputs and ascertain that they were at least heard. The inputs have not been incorporated sufficiently and no justification has been provided.

2.8. Slovenia

Slovenia is taking REPowerEU into account and adding it to their national RRP; however, it seems that they do not plan to take the loan either. Based on their



REPowerEU chapter, Slovenia aims to access EUR 122M of EU grants. They considered four investment packages. The first one is the promotion of the restructuring of existing district heating systems on RES — EUR 20M. The second one relates to energy efficiency, RES, and decarbonization in the economy — around EUR 42M. The third one aims to strengthen the electricity distribution network — EUR 20M. The fourth and final one is a EUR 40M investment package connected to infrastructure for alternative fuels in transport and emission-free mobility. Therefore, there are no fossil fuel investments foreseen.

Regarding the process, the draft of the REPowerEU chapter was published online in an already advanced form in late March and a solely one-week-long public consultation via e-mail started — however, stakeholders were not actively invited to participate in it. At the beginning of April, there was also one in-person public consultation event for interested stakeholders. In mid-May, the coordinating ministry sent their responses to the input they received in the consultation process, outlining what was taken into consideration and what was not. It was also stated that in April and May coordination with the EC regarding the final version of the chapter was to take place.



3. Conclusions

The partnership principle is a key principle of the EU governance system, which emphasizes collaboration and cooperation between the EU and its member states, as well as between the EU and other stakeholders, such as civil society organizations, businesses, and individuals. The principle, therefore, recognizes that effective policy-making implementations require the active involvement of relevant experts who can provide valuable insights, expertise, and resources to help achieve common goals.

According to the EU's Better Regulation Guidelines,¹ public consultations should typically last between 4 and 12 weeks, with 8 weeks being the recommended standard. This time frame allows stakeholders and the public sufficient time to provide input and feedback on the proposed policy or legislation. Even though some consultations may be shorter or longer depending on the complexity of the issue, the number of stakeholders involved, and the level of public interest, it is generally expected that consultations will be conducted in a timely and transparent manner, allowing for meaningful input from the public to the stakeholders. The Guideline suggests that the stakeholders should carefully consider the objectives, scopes, and impact of any proposed funding programs. In addition, it stresses the importance of ensuring that the funding programs are designed in a way that is transparent, efficient, and effective, with clear eligibility criteria, application procedures, and reporting requirements. This can help ensure that the funds are used in a way that maximizes their impact and delivers value for money.

¹ European Commission. 2021. Better Regulation Guidelines – Commission Staff Working Document. URL: https://commission.europa.eu/system/files/2021-11/swd2021_305_en.pdf [consulted 4 May 2023].



These criteria have not been met. Even the few countries that had some kind of public consultation have so far failed to conduct it in a timely and transparent manner. Furthermore, while free media is indispensable for meaningful public participation, media freedom in several CEE Member States is severely limited.

The current process does not ensure that the drafts are well-designed, evidence-based, and effective in achieving their intended objectives, as many of them are unknown and the conditions for meaningful public participation do not exist. In several countries, civil society organisations have requested public consultation or have already sent their recommendations to their governments, but most have not received any response — or, for what is worth, any of essence — even after constant advocacy work, including meetings. In many cases, it is unknown whether the decision-makers will reflect on their recommendations or take them into account. As the consultation is obligatory for the governments according to national and European law, Member States violate these laws. This position paper proposes that the European Commission should consider extending the deadline for project funding and obliging Member States to involve civil society, reflect on their ideas, and implement good suggestions. In sum:

- **Extend deadlines:** Propose to member states to extend deadlines for consultations and feedback on policy proposals, allowing for more time for input from civil society organizations and individuals. This would ensure that the public has adequate time to review proposals and provide feedback, resulting in more informed and effective policy decisions.
- **Encourage Member States to actively involve civil society in policy-making processes.** This could include establishing formal mechanisms for input and feedback, as well as engaging with a diverse range of civil society organizations to ensure that different perspectives are represented in the policy-making process.



- **Reflect on their ideas:** Encourage Member States to reflect on the feedback and ideas that are received during public consultations and engagement with civil society organizations. This would require taking the time to carefully review and consider input from stakeholders and integrating this feedback into policy proposals where appropriate.
- **Implement good suggestions in their plans:** Encourage Member States to actively implement good suggestions that are received during public consultations and engagement with civil society organizations. This would require a commitment to making changes to policy proposals where necessary, to reflect on the input and feedback that has been received. By doing so, Member States can demonstrate a commitment to democratic and inclusive policymaking processes and ensure that the public has a meaningful voice in the decisions that affect their lives.
- **Ensure access to media:** Encourage Member States to ensure wide access to media for civil society organizations so that their concerns and recommendations reach the widest possible audience.

