

RRP/Semester mission to Slovakia, 17 March 2022

Inputs of environmental NGOs

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Please elaborate on SK ambition, challenges in achieving the climate objectives? Please provide your views on the expected impact of the situation in Ukraine

Overview:

Slovakia is the country with a very high dependence on Russian energy resources – imports represent 85% of gas, 100% of nuclear fuel and oil¹. Therefore REPowerEU and all policies, aiming to also accelerate EGD, are particularly important².

Slovak NGOs perceive the following key challenges:

- Clear Plan, following the decarbonisation trajectory, and regulatory framework, including a transparent control mechanism, are needed, otherwise political leaders will continue ignoring / insufficiently reflecting EU climate targets. Unfortunately at this point:
 - Trajectory and Plan to meet climate targets are missing³
 - NECP and Low emission strategy are out-dated, not reflecting EU targets⁴⁵

¹ Eurostat. Data browser. Environment and Energy

https://ec.europa.eu/euen&subtheme=nrg.nrg_quant.nrg_quanta.nrg_t.nrg_ti&display=list&sort=category&extractio_nId=NRG_IND_ID_custom_2rostat/databrowser/explore/all/envir?lang=167698

² Relevant for all EU, including SLovakia, CAN Europe "Financing the acceleration of the energy transition in light of the war in Ukraine":

https://caneurope.org/content/uploads/2022/03/RePower-EU-brief-March-2022.docx.pdf ³ Slovakia does not have a clear plan to achieve carbon neutrality

https://domov.sme.sk/c/22719937/slovensko-nema-jasny-plan-na-dosiahnutie-uhlikovej-neutrality.html ⁴ https://energy.ec.europa.eu/system/files/2021-01/staff_working_document_assessment_necp_slovakia_en_0.pdf

⁵ Collective comment on the Draft Partnership Agreement of the Slovak Republic for the years 2021 - 2027 <u>https://www.mojapeticia.sk/campaign/hromadna-pripomienka-k-navrhu-partnerskej-dohody-slovenskej-republiky-na-roky-2021--2027/</u>



- National Climate law its first draft seems of a low ambition, not solving the issue of enforceability of climate commitments⁶
- Alternatives, particularly energy efficiency, RES, heating systems of 4th generation and alternative modes of transportation, are insufficiently supported, thus developed far below their potential. The main obstacles are following:
 - Legal, administrative and technical barriers, including lengthy, non-transparent and non-digitised licencing process, low and unpredictable connectivity and flexibility of grids⁷
 - Data, mapping and relevant information is missing⁸
 - Financial support schemes and mechanisms are not set up well (unspent ETS and EU funds are available)⁹
 - Capacities, particularly in regions and municipalities, are lacking¹⁰
- Just transition, with a particular focus and attention to vulnerable groups, communities, families and individuals is crucial for success of EGD¹¹:
 - Energy poverty is growing even traditionally middle income citizens are falling in¹²
 - Definition of "energy poverty" is missing and the topic is lacking a clear ownership, just like climate, its measures and funding is spread through different ministries with a lack of coordinated action¹³
 - Growing polarisation of society, opposition to green and climate measures, to EGD and EU as such, even voices opposing support to Ukraine and refugees are increasing (also as a result of Russian disinformation scene)

⁶ Lawyers: It is not possible to enforce strong climate policies in Slovakia without sanctions <u>https://euractiv.sk/section/klima/interview/pravnicky-na-slovensku-nie-je-mozne-presadit-silne-klimaticke-politik</u> <u>y-bez-sankcii/</u>

⁷ The development of renewables is hampered by technical barriers

https://euractiv.sk/section/energetika/opinion/rozvoj-obnovitelnych-zdrojov-brzdia-technicke-prekazky/

⁸ Collective comment on the Draft Partnership Agreement of the Slovak Republic for the years 2021 - 2027 <u>https://www.mojapeticia.sk/campaign/hromadna-pripomienka-k-navrhu-partnerskej-dohody-slovenskej-republiky-na-roky-2021--2027/</u>

⁹ Slovakia can lose billions, the government lags far behind in drawing on Eurofunds

https://www.trend.sk/spravy/vlada-cerpani-eurofondov-vyrazne-zaostava-slovensko-moze-prist-miliardy

¹⁰ Insufficient regional capacity can complicate drawing money from recovery plans or Eurofunds

https://www.partnerskadohoda.gov.sk/cerpanie-penazi-z-planu-obnovy-ci-eurofondov-mozu-komplikovat-nedostat ocne-regionalne-kapacity/ ¹¹ Input presented by Petra Čakovská, Slovak Consumer Protection Society, which has sent her detailed input,

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¹² A sharp rise in energy prices may plunge households even more into energy poverty

https://ekonomika.pravda.sk/krajina/clanok/602001-prudky-rast-cien-energii-moze-uvrhnut-domacnosti-este-viacdo-energetickej-chudoby-politici-hladaju-riesenia/

¹³ Municipalities are key to tackling energy poverty

https://www.sospotrebitelov.sk/aktuality/slovensko-problem-energetickej-chudoby-stale-ignoruje/



Attitude of our political representatives, related to and demonstrating the above points, is reflected in the position of Slovakia to taxonomy as well as (preliminary, still being formulated) Fit for 55.

Slovakia in its positions on EU climate legislation presents a very low ambition, advocating for a "right to our own energy mix" (explicitly including nuclear and fossil gas)¹⁴ and advocating against increasing climate targets and against any binding national targets.

In response to the war in Ukraine, our government made several declarations and proposed a speedy legislative amendment¹⁵ to boost local RES also for prosumers and municipalities.

It is too early to assess Slovakiaś response to the war and urgent need for energy sovereignty, but the influential Ministry of Economy is verbalising the following alternatives: different countries of supply, LNG, hydrogen, biomethane.¹⁶ Focus on immediate solutions without a plan to use this crisis to boost truly sustainable alternatives – EE and RES.

Yet, fossil gas boilers subsidy (30 mil EUR) was excluded from ESIF in March 2022¹⁷

Decarbonisation, reflecting the following questions: What is the role of the Recovery and Resilience Plan in addressing those challenges and how do you view its implementation?

RRF, of all EU funds, represents readily available funds, easier to release / spend, and already approved. RRF has a role to play in taking immediate action to reduce gas dependence.

The European Commission should not rely on national governments, should encourage Member States, including Slovakia, to replace fossil gas related investments with The European COmmission should establish a process to fast track and provide technical guidance for such replacements in NRRPs.

¹⁴ Slovakia is blocking renewable energy to push gas and nuclear into sustainable investments <u>https://euractiv.sk/section/zivotne-prostredie/news/slovensko-blokuje-obnovitelnu-energiu-aby-presadilo-do-udrz</u> <u>atelnych-investicii-plyn-a-jadro/</u>

¹⁵ https://rokovania.gov.sk/RVL/Material/27046/1

¹⁶ Galek: If the EU decides to impose an embargo on Russian energy raw materials, we will not veto it

https://www.aktuality.sk/clanok/HZ26uUW/galek-pokial-sa-eu-rozhodne-zaviest-embargo-na-ruske-energeticke-su roviny-nebudeme-to-vetovat/

¹⁷FoE - CEPA, Climate Coalition and Cycling Coalition: A collective comment on the Draft Partnership Agreement of the Slovak, Republic for the years 2021 - 2027.



Slovak NRRP still contains the possibility to allocate money for gas, for example in gas boilers. Investments should rather focus on key reforms guiding green transition, such as deep building renovation, investments in renewables, energy savings, energy efficiency, storage, electric power transmission and distribution networks' reinforcement or expansion, clean mobility, systematic development of capacities and skills. Also the European Commission should encourage, support and incentivise steps to frontload NRRPś investments and reforms benefiting the energy transition.

Slovak NGOs perceive the following key challenges related to RRF implementation to facilitate decarbonisation:

- Formalistic participation non-adherence with the Aarhus convention during preparations phase continues with a formalistic engagement of key stakeholders via "RRF Government Council"¹⁸
- Language of NRRP is vague in several parts, including decarbonisation
- Key reforms are planned for 4Q 2022¹⁹
- Reforms to "decrease administrative burden: 1 in 2 out, no gold-plating", driven by the Ministry of Economy, can present a real threat and regression of environmental (DNSH implementation) and democracy (e.g.participation) standards

These challenges, alongside with a lack of clear trajectory and decarbonisation plan (including outdated NECP and Low emission strategy), make it difficult, at this point at least, to see if RRF will meet its ultimate purpose

Separate specific issues of the Slovak NRRP²⁰

- crucial need for planning and coordination of decarbonisation
- Fossil gas boiler subsidy is still in the Slovak RRP (low hanging fruit), with the current energy prices nobody will like gas and a clear alternative can be, inspired by the Czech boiler subsidy (even before the UA war): 36% heat pumps; 25% gas
- Energy communities are not supported from the RRF RES part RRP, only entrepreneurs; but this is addressed by the recent legislative amendment (see above)
- Revenues from the EU ETS (50%+ and adding support for EE and RES); roughly EUR 11 billion preparation on the Social climate Fund;

¹⁸ The recovery and resilience plan goes to the finals without proper public involvement <u>http://klimatickakoalicia.sk/plan-obnovy-a-odolnosti-ide-do-finale-bez-riadneho-zapojenia-verejnosti/</u> ¹⁹ <u>https://www.planobnovy.sk/realizacia/semafor/3-ziadost-o-platbu/</u>

²⁰ "Reaching for a Green Recovery: what holds back progress in ten EU NRRPs": https://caneurope.org/content/uploads/2022/03/RePower-EU-brief-March-2022.docx.pdf



How do you evaluate Slovakia's National Energy and Climate, and in particular its renewable energy objectives?

- "Outdated" which influences overall setup of financing, 55% GHG by 2030 model in place - discrepancy: EUR 8 bil (2030 WAM) vs. 196 bil (2050 WAM)
- Climate model for carbon neutrality missing;
- based on 2017 EE and RES targets (19,2% vs. 24% and more;);
- lower RES targets to get more money during revision of NECP;
- very high biomass at the local level risks now, if proper support for municipalities is not increased;

What are the main challenges for a faster uptake of renewable energy, especially solar, wind, heat pumps and geothermal?

- Problems and political, administrative, financial and technical barriers hindering the deployment of renewable energy installations can by found in a recent study prepared by Eclareon.²¹
- Larger context needs to be discussed, related to other reforms, namely construction legislation, nature protection, EIA etc. (other values protected by law, for example public participation, DNSH ... need to be preserved)

How do you perceive the current situation for biomass, also in the context of updated draft RES law in the governments' pipeline?

- proposal of SK position on F 55 and taxonomy goes against strict conditions for biomass, yet it is a crucial issues, since it impacts public perception of RES (traditional misunderstanding between "nature protection and conservation" and "climate protection, including development of RES")
- wood biomass subsidies fortunately stopped in Slovakia but on EU level / other EU member state they pose a big problem and distort the EU market, including the Slovak market due to exports
- wood biomass emissions are exempt from the ETS system this favorizes the construction of wood-biomass heat & electricity plants on EU level
- no guarantee that wood from whole trees is not ending in commercial wood biomass in Slovakia or for EU exports, we do not have a tight enough supply chain monitoring to ensure that in place
- fearing pressure on the woods after oil & gas imports to be reduced/stopped from Russia, we must seek other ways than burning wood for energy.

²¹ RES monitor. Barriers in Slovakia. <u>https://resmonitor.eu/en/sk/barriers/</u>



Can you please provide your view on phasing out the coal subsidies and in particular the solution/process for the new heating source in Upper Nitra?

- Miners anonymously communicate on social media about prolonging coal mining²². It seems that they do not intend to invest in this media channel as the website does not work and the domain is for sale²³;
- Mining company offers jobs to Ukrainians even in new industries;²⁴
- No data about risk of later coal phase-out in Novaky yet;

What is your view on SK effort to renovate buildings (e.g. the vast renovation of buildings programme planned under RRP)?

- overall positive RRF contains generous allocation (more than 2-billion-euro investment) and ambitious plans
- example: building a new hospital building in Martin certified under BREEAM certificate. If successful, it will be the first public building certified by the certification of sustainability.
- single family houses Investments progress both in terms of making RES more available and supporting RES solutions and supporting energy poverty solutions.
- Challenges:
 - Acceleration of the financial mechanisms. not to lower the ambitions and make the funding available as soon as possible
 - preventing switch from gas heating systems to solid fuel heating systems (negative impacts on air quality and slow down the spirit for renovations)
 - EPBD (Fit for 55) preliminary position of our government is conservative²⁵ declaring a need to "analyse" both negative socio-economic impacts as well as positive impacts on emission decrease (if it is worth it)

The prices of electricity, gas and fuel are seeing significant inflationary pressures. Does it have an impact on the SK's long term transport strategy?

- presented and further information available @ Cyklokoalícia

²² <u>https://www.facebook.com/nebertepracubanikom</u>

²³ https://www.websupport.sk/cart/domain-checker?qd=nebertepracubanikom.sk&freeOnly=false

https://ekonomika.pravda.sk/energetika/clanok/619577-portal-prace-ma-vyse-80-tisic-ponuk-ukrajincov-chcu-ban <u>e-aj-sluzby/</u>

²⁵ https://video.consilium.europa.eu/event/en/25575



Where do you see main bottlenecks for slow progress in recycling and promoting circular economy, what are existing and new measures to be promoted?

- Legislative changes are prepared in accordance with the NRRP
- Slovakia introduced obligatory collection of kitchen waste, so the results of recycling rate should raise in following years (Bratislava and Košice are introducing the system in 2022), municipal waste sorting and recycling is raising
 - Recycling rate in 2020 for municipal waste is 42,2% (we did not fulfill the target 50% in 2020)
 - Recycling rate for industrial waste is 38%
- Still there is 48,8% of waste placed onto landfills (data from 2020)
- Challenges:
 - Construction waste is the greatest challenge great amount of this waste is still placed onto landfill
 - Buildings are not deconstructed and the materials are not reused for other buildings
 - Reuse is not a topic municipalities do not build the Reuse centers (there are only 2)
 - Circular construction is still not a topic
 - There is a lack of capacities for waste recovery complicated process, investors decide to move their facility building plans to other countries
 - textile waste collection is next challenge, especially it's recycling and recovery and market inquiry for products made from recycled textiles
 - Lack of control of legislation implementation
 - Greenwashing incineration and MBT are declared as tools for circular economy

Separate issues concerning biodiversity

- Insufficient protection of species & biotopes (capercaillie infringement is running but too slow, we have lost lots of old-growth and primary forests due to logging)
- Only 2% of Slovakia under strict protection (EU goal 10% by 2030, we do not see reaching it at current pace)
- Nature protection institutions starkly underfunded & low on personnel capacity building in this area is not included in RRP (component 5)
- Reform of the national parks is starting this year, includes some good restructuring/institutional competence change, but also looks strongly underfunded und low on capable personnel
- Overall feeling: we will not meet the biodiversity criteria by 2030
- Lack of participation (possibilities) for NGOs