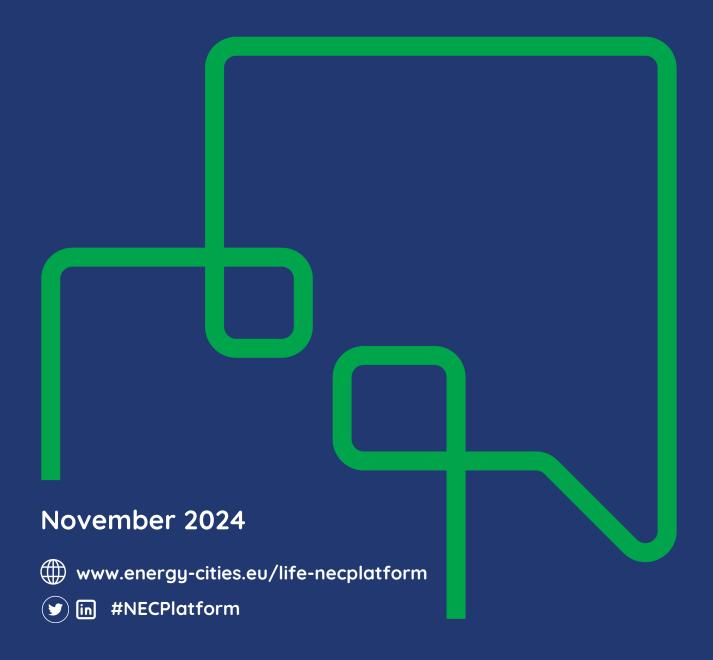


Multilevel governance in the EU energy and climate policy: why national governments should continue to invest in it after the submission of the final updated NECPs





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NECPlatform is a LIFE-funded project supporting six Member States (Bulgaria, Croatia, France, Italy, Portugal and Romania) in implementing Climate and Energy Dialogue platforms, one each, meeting up to six times, where all relevant parties gather and contribute to the co-creation of the national energy and climate policies so to shape together their NECP. These platforms aim to make the process of discussing different scenarios for energy and climate policies a participatory exercise, where national Ministries and national energy agencies participate in concerted action and actively exchange with other important stakeholders and sub-national authorities.

By doing so, the project is supporting countries in complying with Article 11 of the Regulation on the Governance of the Energy Union and Climate Action (1999/2018). In fact, the regulation requires Member States to "establish a multilevel energy and climate dialogue, bringing together local authorities, civil society organisations, the business community, investors and other relevant stakeholders to discuss the different options envisaged for energy and climate policies [...] Integrated national energy and climate plans may be discussed within the framework of such a dialogue". By the end of this 30-month project in March 2025, six Climate and Energy Dialogues will have taken place in each of the six countries, with the objective of making the platforms permanent, e.g. by transferring their ownership to National Authorities or another relevant partner for their continuation after the end of the project. A replication programme with other Member States (MS) will also take place, while material documenting the process will shortly be available.

This policy brief is directed to governments of (and other organisations with national relevance based in) the European Member States, with a two-fold purpose:

On one hand, to highlight the benefits of multilevel governance processes, such as the Climate and Energy Dialogues (CED) [1], as mandated by Article 11 of the <u>European Regulation on the Governance</u> of the Energy Union and Climate Action (1999/2018).

CEDs are a crucial governance tool facilitating the implementation of the energy transition at EU and Member States' levels. This - and other similar cocreation structures – is gaining a more and more prominent role in EU legislation, including most of the recast Directives in the Fit-for-55 package and the Social Climate Plans. On the other hand, it promotes an opportunity offered by the European LIFE-funded NECPlatform project to participate in a peer-learning programme: especially developed to transfer the knowledge acquired during the first two years of the project on how to best set up multi-level and multistakeholders dialogues, the programme will run end of 2024. This opportunity is specifically intended for governments of (and other organisations with national relevance based in) the European Member States not part of the NECPlatform project (the participating countries are Bulgaria,

France, Croatia, Italy, Portugal and

[1] According to Art. 11 of the Governance Regulation, Climate and Energy Dialogues are fora where "local authorities, civil society organisations, business community, investors and other relevant stakeholders and the general public are able actively to engage and discuss" national climate and energy policy.

Romania).

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## Overview

In the section 1.3 of their draft updated NECPs submitted in 2023 ("Consultations and involvement of national and Union entities and their outcome"), almost all Member States (MS) mention a robust consultation or dialogue with relevant stakeholders. However, in its overall assessment of the draft updated NECPs [2] submitted by Member States in 2023, the European Commission points out the lack of precision of most MS regarding the involvement of such actors and regrets that these consultations are not part of a longer-term process:

"Local and regional authorities are important for the implementation of energy and climate policies. However, very few Member States demonstrate concrete evidence of how they involve them in the process of preparing the draft updated NECP and even fewer are building on an established multilevel dialogue for this process" – EC's draft updated NECPs assessment.

It is important to note that activities stemming from Article 11, on national multilevel climate and energy dialogues, are to be reported in the National Energy and Climate Plan Reports [3] and not necessarily in the NECPs, differently from the activities conducted under Article 10 on public consultations. This distinction is somewhat confusing for Member States who generally do a better job implementing Article 10 than implementing Article 11. Moreover, this does not encourage Member States to set up these dialogues for NECPs, which in some countries are the cornerstone of the national climate strategy.

In the individual recommendations provided to each Member State, the European Commission encourages most of them to provide more details on the participants in the dialogues, the timing and how the discussions were considered while re-drafting the national plan.

The following is an example taken from the EC's recommendation to the Bulgarian draft updated NECP [4]:

Bulgaria should take action to "ensure inclusive public participation within a reasonable timeframe and broad participation of local authorities and civil society in the preparation of the plan. Provide a clear and more detailed overview on how the consultation process has enabled participation from all relevant authorities, citizens and stakeholders, including social partners, in the preparation of both the draft and the final updated plan, including information on the timing and duration of the different consultations. Provide a detailed summary of the views expressed by different actors during the consultations and a summary of how they have been taken into account".

At the time of publishing this briefing, in November 2024, only 14 Member States (Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, The Netherlands, Romania, Spain and Sweden) had submitted their final updated NECPs, due on 30 June 2024. It is therefore too early to conclude whether Member States have generally considered the recommendations of the European Commission on the multilevel aspects.

[2] <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A796%3AFIN</u>
 [3] According to Art. 17 of the Governance Regulation: by 15 March 2023, and every two years thereafter, each Member State shall report to the Commission on the status of implementation of its integrated NECP by means of an integrated national energy and climate progress report covering all five dimensions of the Energy Union.
 [4] https://commission.europa.eu/document/download/f224ece3-0a75-4939-a482-b44871a73302\_en?
 filename=Recommendation\_draft\_updated\_NECP\_%20Bulgaria\_2024.pdf.



## Why is it important to keep investing in multilevel governance?



#### a) The importance of multilevel dialogues in the coming years

EU legislation, and in particular the European Green Deal, is increasingly recognising the essential role of regional and local authorities to meet the objective set by the European Climate Law [5]. The revised Directives and Regulations of the "Fit for 55" package reinforced or created new obligations for local governments, especially regarding planning aspects. They also recognise their privileged position of proximity to citizens and knowledge of their territories.



The revised Energy Efficiency Directive [6] introduces an obligation for the public sector to achieve an annual energy consumption reduction of 1.9% (Article 5) and extend to local governments the obligation to annually renovate at least 3% of the total floor area of the buildings they own with a useful floor area of over 250 m2 (Article 6). Moreover, municipalities with over 45 thousand inhabitants need to prepare local heating and cooling plans (Article 25).

The recast Energy Performance of Building Directive [7] requires national aovernments to involve local and regional authorities in the drafting of national building renovation plans (Article 3).

Moreover, it requires all new public buildings to be Zero-Energy Buildings as of 2028 (Article 7), to equip all roofs of public buildings with solar panels (Article 9), as well as to equip all public buildings with cabling for e-charging station and bike parking space (Article 14). Finally, it requires all regions to have at least one one-stop-shop for building renovation or one every 80 thousand inhabitants (Article 15).

The recast Renewable Energy Directive[8] mandates local and regional authorities to include renewables in their planning - e.g. develop heating and cooling infrastructures powered by renewables, and to participate in energy communities and self-consumption initiatives (Article 15). Moreover, public authorities should provide access to third parties to use the roofs of public buildings for RES production (Article 15a) and, together with national governments, determine 'renewables acceleration areas' (Article 15b).

Most of the above-mentioned Directives. on top of listing a series of requirements, mandate national governments to support local and regional authorities, both administratively and financially. When the Directives mandate MS to prepare plans at national or local level (as in the case of Heating and Cooling plans in Art. 25 of the EED, or National Building Renovation Plans in Art. 3 of the EPBD), in-depth consultation and/or cocreation processes are also requested.

[5] Energy Cities and Eurocities, 2023, Cities in the European Green Deal: opportunities and responsibilities <u>https://energy-</u> cities.eu/publication/cities-in-the-eu-green-deal/ [6] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32023L1791 [7] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L 202401275#d1e2300-1-1 [8] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L 202302413



All above-mentioned Directives will all need to be transposed in the coming years, starting with the Energy Efficiency Directive which has October 2025 as binding target for transposition.

Moreover, the European Commission is requiring more and more that national governments consult with and involve sub-national authorities and other (relevant) stakeholders in policy planning and implementation. This happens, for example, for the Social Climate Plans plans that Member States need to submit to the European Commission by June 2025, indicating how they intend to spend their allocated share of the Social Climate Fund [9], which should be mostly used to support the vulnerable groups most affected by the entry into force of the ETS2 [10]: Art. 5 of the European Regulation 2023/955 establishing the Social Climate Fund [11] states that "Each Member State shall submit a Plan to the Commission following a public consultation with local and regional authorities, representatives of economic and social partners, relevant civil society organisations, youth organisations and other stakeholders. Each Member State shall conduct that consultation in accordance with the requirements of Article 10 of Regulation (EU) 2018/1999 and in compliance with that Member State's national legal framework". Moreover, the section 1.3 of the template MS should use to submit the Social Climate Plan (annex V to the abovementioned Regulation) asks MS not only to describe the consultation processes. but also the outcomes and how those have been embedded in the plan itself.

[9] https://climate.ec.europa.eu/eu-action/eu-emissionstrading-system-eu-ets/social-climate-fund\_en [10] https://climate.ec.europa.eu/eu-action/eu-emissionstrading-system-eu-ets/ets2-buildings-road-transport-andadditional-sectors en

additional-sectors\_en [11] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/? uri=CELEX:32023R0955 These examples of new requirements in the EU legislation make it quite self-evident that increased coordination between different administrative levels, particularly between national governments and regional/local authorities, is crucial.

This is exactly where Climate and Energy Dialogues become key, allowing different actors not only to coordinate but also to avoid overlaps, while making sure that the overall national legislative framework does not create gaps or obstacles preventing different administrative levels from reaching their goals.

#### It is even more critical to have multilevel Climate and Energy Dialogues to:



Ensure that targets set at national level in the NECP are effectively implementable, matching the capacity of all actors involved, including local and regional authorities.



Discuss the implementation of the NECP and of new objectives and plans imposed by EU legislation on local and regional authorities, with specific attention to the obstacles that may arise and sharing good practices and financing tools.



Define the best and most efficient way to set up new financial and technical support mechanisms or improve existing ones, matching local and regional authorities and other actors' needs.



Prepare the ground for the National Social Climate Plans due in June 2025, and the next updated version of the NECPs – due in 2029 – and other plans at national level.

# NECPlatform



#### b) Concrete examples of what multilevel climate and energy dialogues can achieve

Some of the NECPlatform project experiences clearly show that these multilevel dialogues are practical solutions for speeding up the implementation of the Green Deal and removing existing obstacles.



In Romania, the targets for renewable energy generation and emission reduction in heating and cooling for buildings and transport were recalculated, and some assumptions were re-defined, thanks to the interaction of stakeholders in the CED meeting. Moreover, the missing enabling framework for local and regional authorities to set up energy communities in the country was brought to the attention of the Ministry of Energy during one of the dialogues, and the Ministry ensured that they would work towards defining a realistic model adapted to the national specifics.



### CROATIA

In Croatia, the dialogues served not only as platforms for discussion but also as educational sessions, addressing the fact that local authorities are still not fully familiar with the National Energy and Climate Plan (NECP) and their role in its implementation. A key achievement of the CEDs was the participation of nine Croatian ministries in each of the five dialogues organised. The CEDs also facilitated the significant inclusion of the Ministry of Finance in climate and energy discussions for the first time, fostering synergies between ambitious measures and financing sources. FI

# FRANCE

In France, thanks to the CED, a budget larger than planned was transferred from the government to the regions for the implementation of renewable energy projects in the framework of the regional Conferences of the Parties (COP), set up by the French General Secretariat for Ecological Planning (SGPE), who reports directly to the Prime Minister. In these configurations, the regional authority together with a representative from the central government gathers regional stakeholders such as representatives of local authorities, business, unions and civil society organisations to define regional targets and key measures.



### ITALY

In Italy, the CED organised in the context of NECPlatform produced extremely important discussions among the heterogeneous participants (over 40 subjects - in particular environmental organisations, research bodies, numerous local authorities and regions). The emerged points of attention were gathered in a position paper titled Proposals for the Integrated Energy and Climate Plan, within the Italian multilevel dialogue platform, presented to the Ministry of the Environment and Energy Security during the final drafting of the NECP. Representatives of that Ministry took part to three out of five CEDs.



#### **BULGARIA**

In Bulgaria, the organisation of the dialogues marked a shift on the perception of stakeholder engagement in the policy cycle by the relevant ministries in charge of the NECP. This shift has already led to improvements in the quality of the NECP and an increase in its targets.

# NECPlatform peer learning programme (PLP)

The PLP will help participants gain a deeper understanding of these complexities through real examples. Instead of providing a standardised "recipe," it offers a collaborative space where participants can discuss doubts and challenges. Experienced peers share insights based on their own experiences, facilitating mutual learning. By the end of the PLP, participants will have a better understanding of the intricate dynamics and strategies that can be employed to organise effective Dialogues. Equipped with practical knowledge and peer insights, they will be more prepared to approach CEDs with greater confidence and adaptability.

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Target participants include technical personnel from:

- Ministries
- National Energy and Climate Agencies
- Organisations supporting or influencing national energy and climate plan activities (e.g., drafting, updating, monitoring NECP)
- Networks of local authorities
- Energy agencies
- NGOs
- Think tanks

Activity	Location	Date
<ul> <li>Introductory training session</li> <li>Welcome and get to know each-other</li> <li>The NECPlatform project</li> <li>Introduction to the programme</li> </ul>	Online	January 2025
<ul> <li>Twinning with project partners for dedicated mentoring</li> <li>In-depth twinning and mentoring with one (or more) of the NECPlatform project partner(s) covering best practices, but also enabling and hindering factors</li> </ul>	Online	January- March 2025
<ul> <li>Intensive training in Brussels</li> <li>1.5 day meeting with interactive workshops and meeting with the European Commission (organised in the framework of a bigger event)</li> </ul>	Brussels, BE	March 2025
Feedback and next steps meeting	Online	March 2025





From January to March 2025

Travel expenses to Brussels will be entirely covered by the project.

## $\bigcirc$ Selection process:

Submit your expression of interest <u>here</u> by November 29.

# For more information, contact:

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## **Partners**





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# **Discover the project :**



www.energy-cities.eu/life-necplatform





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