

Final assessment of the Slovak National Recovery and Resilience Plan (NRRP) submitted to the European Commission

A short overview of the final NRRP: *a few lines on how you assess the final NRRP submitted by your country. (Fairly good/Good/Fairly bad/Bad) - Has the final version improved with regard to the original draft? Have your inputs been taken on board?*

Overall rating would be “Fairly bad”, but we are convinced that the Slovak NRRP (hereinafter the “Plan”) needs to be assessed in context and comparison with other NRRPs. Hence, in context, the rating might even come to “Good” on a given scale, as it does not contain any “absolute disasters”.

However as the Plan will direct almost EUR 3 billion for green, climate-friendly investments, it is mostly an untapped opportunity based on outdated climate change targets. It is based on Slovakia’s outdated climate and energy strategies (The national energy and climate plan and outdated decarbonisation models), which only plan to reduce greenhouse gas emissions by 47% by 2030 and proposed renovation and efficiency measures are littered with false / wrongly collected data.

Slovak Plan is mostly focused on trying to catch up with the EU's average GDP and less so it is concerned with financing decarbonisation and resilience measures that will help Slovakia reach the EU’s goal of reducing greenhouse gas emissions by 55 per cent by 2030 and achieving carbon neutrality by 2050.

Therefore implementation will be crucial as it can go either way, shifting the Slovak Plan towards “Bad” or anchoring it in “Good”. Efforts of civil society and some municipalities are now focused on legislation setting mechanisms of implementation to ascertain real engagement of stakeholders. Strong focus on “spending the money” rather than reforms in line with the European Green Deal prevails.

After consultations of the draft with the European Commission and implementing /partially implementing some of the NGOs inputs, the most pressing issues remain :

- legislative changes to accelerate reforms can bring regression of participation and control mechanisms, reflected in announced amendments (IPPC, EIA, construction code), which can violate the Aarhus convention
- lack of capacities - both quality (expertise) as well as quantity - sufficiently staffed institutions on national and particularly on regional level
- unclear complementarity with other EU funds

- climate battle-grounds, relevant for Slovakia, remain unaddressed and The Recovery and Resilience Facility (RRF) Technical guidance on the application of 'do no significant harm' is not strong enough:
 - gas infrastructure - support for fossil gas boilers is included in many components.
 - Renewable Energy Sources (RES) are conditioned only with DNSH and RED II: The renewable Energy Directive criteria, which does not reflect local potential and needs.
 - un-sustainable mobility - construction of charging and refuelling e-mobility and hydrogen infrastructure on highways

Briefly explain how the public consultation process took place

Are you happy with how the consultation process took place? Did you have a regular dialogue with the government departments? Did you have enough time to react? Have your inputs been taken on board until the end of the process?

Engagement of stakeholders in the preparation of the Plan did not meet requirements of the Aarhus Convention and there certainly was no SEA for the document as required by the national and EU legislation.

The Plan was/is in the spotlight thanks to NGOs, some politicians and media. Since May 2020 our initiative of climate oriented NGOs has been proposing content input relevant for the Plan, based on diverse expertise of our members. Since October we have been explicitly requesting a standard participation process, together with a wider platform of NGOs and Government Plenipotentiary for Civil Society. We had a number of high level meetings with ministers and/or state secretaries of practically all relevant ministries, including the Minister of Finance in charge of the Plan.

However there was no real consultation process - engagement of all stakeholders, including municipalities, academia and government institutions was chaotic and non-transparent. A draft of the NRRP was sent for first revision to EC on December 23 without anyone reading it beyond the Ministry of Finance team; our request for information has been denied only to have the draft leaked by the media a few days later. Plan's draft was published on March 8 2021. MF has organised a public online presentation with Q&A, which has been tagged as "consultations".

The only standardised procedure has been an official commenting process, followed by online hearings to discuss our comments, which is prescribed by the slovak legislation. Such a procedure was conducted in late March - April both for the Plan as well as the Act on "Resilience and Recovery Mechanism". Several of our comments have been incorporated/ partially incorporated, however none of the really fundamental ones, which was to be expected at such a late stage.

Your comments on green measures/investments/projects : *Please provide a few examples of good and bad measures/investment/projects with regard to climate, biodiversity and the Do no significant harm principle.*

GOOD:

- Significant investments are envisaged in the renovation and construction of buildings across various components (hospitals, schools and universities, social health care buildings, renovation of historic public buildings, detention facilities / community centers). A major challenge will be to renovate 30,000 family houses, in which the setting and functionality of the grant instrument will be a key factor.
- Part of the Adaptation to Climate Change component, which deals with reforms of landscape management and biodiversity, investments in natural water retention measures and the development of green infrastructure elements in landscape. However, it should be noted that it will be necessary to monitor how these proposals will be implemented in practice. It will also be a challenge to properly set up synergies with measures supported by the European Investment and Structural Funds.
- Positive transport measures should receive EUR 700million to cover e.g. development of low-carbon transport infrastructure, environmental freight transport and the promotion of ecological passenger transport.

BAD:

- Not excluding fossil gas from the energy mix and support for fossil gas infrastructure using air quality protection exemption in the DNSH principle. RRF should be used for progressive fossil-free technologies instead of fossil gas boilers. It is a missed opportunity locking Slovakia in a climate unfriendly system and not addressing energy poverty by systematic support to renewable energy source (RES) systems, combined with deep renovation of houses and other energy poverty measures.
- Another missed opportunity is leaving out the circular economy and stricter application of the principles of green public procurement at all levels of government and state administration from the RRF. These are notoriously under-developed and including them would have a far-reaching positive impact. Very typical for the Plan is that it mentions in small scale these topics and thus representatives declare they did not leave it out, but it is not properly included.
- Support for construction of alternative fuels (e-mobility and hydrogen) infrastructure for on highways. The plan's EUR 50 million allocation for 1,000 new electric and hydrogen recharge stations on highways should be switched from grants to loans.
- Measures related to cyclo-transportation are short of real reforms, merely focusing on extending cyclo-paths, which will result in low value for money. This will not reverse the trend pursued for decades, which neglected pedestrian, cycling and public transport infrastructure and related measures and prioritised overpriced highways.

- US Steel project to be included in the Plan - our unpredictable Minister of Finance proposes to allocate funds to the private company, which is one of the biggest carbon emitting operations in Slovakia. For now it is unclear if this is something new to be added (even the plan was already sent to EC) or this should be supported from the relevant component (which is not high enough for this).
- Decarbonisation of industry component is strongly focused on financial rentability, rather than general effectiveness regarding the carbon reduction in industry. It is obvious that analyses of carbon cut needs in industry are insufficient /missing and that our government prioritises “spending the money” approach.

Fiscal reforms: *Are fiscal instruments such as green taxation, especially carbon taxes, is part of the toolbox of measures in the Recovery Plan? Are there any plans to assess and remove environmentally harmful subsidies?*

- Of the financial instruments, the Plan contains only green procurement and declarations on the transition to a circular economy. However, this area is not specifically developed. We assume that the reason is that a roadmap for the support of the circular economy is being prepared, which will define specific steps for the support of the circular economy and will be published in 2022.
- The Plan contains an obligation to apply environmental criteria through mandatory green public procurement that is cross-sectional in all components according to the criteria of the National Action Plan for Green Public Procurement.

Your final comments on what you expect next: *anything you want to point out regarding the NRRPs implementation and how you would like to see your role in it.*

As mentioned, it is vital to set up an implementation mechanism with key stakeholders (including NGOs and municipalities) reflecting partnership principles, which would complement the EU level scoreboard system, monitoring progress and compliance with the key climate and environmental objectives.

NGOs engagement on national level should be both on the level of central authority as well as ministerial level, where the reforms are outlined and calls formulated.

It will also be important to monitor legislative changes designed as “enabling environment for reforms”, which are expected to negatively impact participation, possibly also environmental standards. Such changes have already been introduced for construction code and amendments to EIA and IPPC laws have been announced.