

Implementing the National Energy and Climate Plan and developing the Long-Term strategy of Romania

Final Report

Technical Support Instrument

Supporting reforms in 27 Member States



Funded by
the European Union



MINISTERUL MEDIULUI
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Foreword

"Implementing the national energy and climate plan and developing the long-term strategy of Romania" is a project financed by the European Union through the Technical Support Instrument, managed at the level of the Directorate-General for Structural Reform Support (DG REFORM), carried out on the basis of contract no. REFORM/2021/OP/0006-07 LOT 1, concluded between the consulting company PricewaterhouseCoopers EU Services EESv and DG REFORM and signed in October 2021.

This is the document related to the Final report of the project.

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1 Main results

The project "Implementing the National Energy and Climate Plan (NECP) and developing the Long-Term Strategy of Romania (LTS)" was carried out within contract number REFORM/SC2021/043. The contract for the project entered into force on 7th October 2021. During the deployment of the project, **the following deliverables were submitted** to both the project beneficiaries (Ministry of Energy – ME; Ministry of Environment, Waters and Forests – MMAP) and to DG REFORM:

- Deliverable 1 – Inception report, submitted on 07.03.2022 (following the kick-off meeting which took place in February 2022)
- Deliverable 2 - As-Is analysis and EU best practices report on NECP implementation, submitted on 20.04.2022
- Deliverable 3 - Proposal for a new governance structure, monitoring mechanism, and work programme for the implementation of the NECP in Romania, submitted on 22.02.2023
- Deliverable 4 – Guidance for applying the proposed NECP governance approach, including training material, submitted on 03.07.2023
- Deliverable 5 - Report to support the process of updating the NECP, submitted on 04.09.2023
- Deliverable 6 - Report contributing to the elaboration of Romania LTS, submitted on 28.04.2023
- Deliverable 7 - Model for energy and climate projections, accompanied by training material, user manual and maintenance strategy, submitted on 26.05.2023

In connection with Deliverable 2, one workshop on the selection of analysed countries and the identified best practises on NECP governance was organised in February 2022. In connection with Deliverable 3, one workshop on several possible Romanian NECP governance options was organised in March 2022. In connection with Deliverable 4, 3 training sessions and one workshop on the NECP governance model were delivered in June 2023. In connection with Deliverable 6, the first full version of the Romanian Long-Term Strategy (LTS) was elaborated and one workshop to discuss its main hypotheses and targets was organised in February 2023. In connection with Deliverable 7, the LEAP_RO model for energy and climate projections was developed and 3 training sessions on LEAP_RO were delivered in February and March 2023.

The main results of the project, which was deployed by PricewaterhouseCoopers Management Consultants SRL ("PwC"), with the rich support of the experts at the Macedonian Academy of Sciences and Arts, are:

- **Elaborate the NECP governance model and the associated legislation (Government Emergency Ordinance (GEO) 62 / 2023)** – Following extensive analysis of EU best practices and consultations with relevant stakeholders (including Ministry of Energy – ME, Ministry of Environment, Waters and Forests - MEWF, General Secretariat of the Government - SGG, Chancellery of the Prime Minister and Presidential Administration), 4 possible governance models for the Romanian NECP were elaborated, out of which the Romanian authorities selected one. The selected model was presented in 3 training sessions delivered to 51 people representing 20 institutions (ministries, local authorities, institutions with responsibilities in the energy system, etc.). At the same time, the NECP governance model was included in GEO 62 / 2023, which also includes provisions assigning roles to various institutions for reporting and updating the NECP (elaborating Integrated national energy and climate progress report, the project and the final version of the updated NECP).
- **Draft 10 new policies and measures to be included in the updated NECP** – Based on a thorough analysis of the Romanian NECP currently in place and of the NECPs, other strategic documents, national programmes and legislation in other Member States, 10 new policies and measures for the updated NECP (currently under elaboration) were elaborated. Each policy and measure was presented in predefined template agreed upon with the project beneficiaries, including details regarding the NECP dimensions it addresses, the context and background, its objectives, targeted results, budget & funding source, risk analysis, etc.

- **Develop the LEAP_RO energy and climate model** – Elaborated during the project, LEAP_RO is the most comprehensive model for energy and climate predictions currently available for the Romanian authorities. The model considers the contributions of all economic sectors with impact in the field of energy and climate change, including the targets set-up in adopted sectoral and national strategies. LEAP_RO was presented in 3 training sessions delivered to 60 people representing 18 institutions (ministries, local authorities, institutions with responsibilities in the energy system, etc.). The model was the main scientific tool employed for drafting the first LTS of Romania.
- **Elaborate the LTS of Romania, the first official document stating that the country seeks to achieve climate neutrality in 2050** – Building on the LEAP_RO model and a highly comprehensive analysis of the Romanian economy current and historical (2010 – 2021) activity, 8 initial scenarios for the LTS were drafted. Following consultations with the project beneficiaries, 3 scenarios were selected to be fully developed in the strategy. The main hypotheses and targets of the 3 scenarios were thoroughly discussed with relevant authorities in an extensive consultation process which lasted several months and led to the Romania Neutral scenario to be selected by the Romanian Government as the scenario to be followed for the implementation of the LTS. The project team attended and gave presentations in 4 meetings of the Interministerial Committee on Climate Change (CISC) and incorporated feedback to several preliminary issued versions of the document from tens of institutions, including the Ministry of Transport and Infrastructure (MTI), the Ministry of Economy (MEc), the Ministry of Agriculture and Rural Development (MADR), the Ministry of Development, Public Works and Administration (MDLPA), the Ministry of Labour and Social Solidarity (MMSS), the Ministry of Research, Innovation and Digitalization (MCID), the National Institute of Statistics (INS), the National Commission for Strategy and Prognosis (CNSP), the Chancellery of the Prime Minister, the Presidential Administration. A round of public debate, attended by media, non-governmental organisations (NGOs), business associations and other relevant parties was organised in April 2023 and relevant feedback was included in the strategy. By the end of April 2023, the first full version of the LTS was notified to the European Commission. Between May and July 2023, as part of the public debate included in the environmental assessment of the strategy, written comments were received from NGOs, business associations, private companies and public authorities which led to drafting the second version of the LTS. By the beginning of September 2023, the environmental assessment was finalised and the Government Decision (GD) for the adoption of the LTS was issued for public consultation.

In terms of **project monitoring indicators**, we received **no negative comments for submitted deliverables** from either the beneficiaries or DG REFORM. In fact, we would like to emphasize and thank for the excellent collaboration we had, throughout the project, with both the representatives of the Ministry of Energy and Ministry of Environment, Waters and Forests and the DG REFORM project officer. As a team, we did provide **the adequate supply of personnel** for the rather complex tasks of the project. From this point of view, alongside the PwC team, the contribution of the Macedonian Academy of Sciences and Arts team was instrumental, particularly for developing the LEAP_RO model and the LTS. Unfortunately, regarding the **Timing of the submitted deliverables**, delays did occur. They were due to the complexity of the project which relied extensively on decisions out of the hand of the project authors, decisions to be taken by public authorities others than the project beneficiaries. Both the selection of the NECP governance model and that of the preferred LTS scenario, hypotheses and targets proved to be very time consuming. More details on the matter are presented in Chapter 2.

2 Lessons learned

Take time and patience to engage all relevant stakeholders

While designing the governance structure of the NECP and drafting the LTS, we struggled to get the attention of any other public authorities apart from the Ministry of Energy and the Ministry of Environment, Waters and Forests. Since the project concerned the National Energy and Climate Plan and the Long-Term Strategy for lowering greenhouse gas emissions, it seemed all other public institutions were under the impression that is the responsibility of these two ministries only to elaborate these documents and implement their provisions.

It took months to convince other relevant ministries and public institutions that reaching the national and EU energy and climate targets is a highly complex effort, requiring the consistent, thorough and constant contribution of a large number of stakeholders. The 6 training sessions deployed (3 on the LEAP_RO energy and climate model and 3 on the NECP governance structure) proved to be highly useful in raising awareness of the responsibility that nearly all central and local authorities, together with numerous other institutions, have in the elaboration and implementation of the NECP and LTS.

The absence of sectoral strategic documents may prove a difficult hurdle to overcome

In the process of elaborating the LTS, we relied heavily on already adopted strategies and actions plans. Sectoral strategies, such as the National Long-Term Renovation Strategy to support the renovation of the national stock of residential and non-residential buildings, both public and private, and its gradual transformation into a real estate stock with a high level of energy efficiency and decarbonization by 2050 (SNRTL), proved to be instrumental in setting-up the sectoral hypotheses and targets.

However, in other sectors, the lack of such planning documents made difficult for formulating the hypotheses and targets and, more importantly, for convincing the relevant ministries that those hypotheses and targets are realistic. Lots of communication and effort need to be put in order to be on the same page with this public entities and gain their support.

Public institutions need advice regarding their role in reaching the energy and climate targets

Many public authorities with key role in drafting policies and measures in energy and climate and monitoring their progress lack know-how and personnel in performing their tasks. Showing goodwill, such authorities addressed repeated questions and constantly asked for advice. Putting them in contact with other public authorities with far more knowledge in the field (such as the project beneficiaries), was an important breakthrough of the project.

Be bold in engaging with the highest state authorities

Seeking for a final choice from the Romanian Government regarding the preferred NECP governance structure and the selected LTS scenario was a difficult and time consuming task, which led to delays in submitting the project deliverables according to the initial schedule. At the end of the day, it was clear to us that without engaging the highest state authorities with relevant responsibilities no decision could have been taken.

3 Key takeaways

- Reaching national and EU climate and energy targets requires a complex, collective contribution. However, most of the relevant public institutions are not aware of their role and responsibilities.
- The vast majority of public institutions need professional advice and qualified personnel to fulfil their tasks regarding the transition to green economy.
- Putting together at the same table many public institutions might prove difficult, may lead to tense situations, but it is the only way to reconcile different views and to help authorities work together.

Annex – Communication material

Project Description

- **Title:** Establishing the governance structure of the National Energy and Climate Plan (NECP) and developing the Long-Term Strategy (LTS) of Romania
- **Summary:** The Ministry of Energy and Ministry of Environment, Waters and Forests in Romania sought the assistance of the European Commission to develop a plan for the implementation of the National Energy and Climate Plan (adopted in October 2021) and to draft the Long-Term Strategy (due from December 2019)
- **Context:** Reaching its 2030 and 2050 climate and energy targets is of paramount importance for the European Union. The project brought a strong contribution in monitoring the deployment of the Romanian NECP and the elaboration of the Romanian LTS, two key planning documents that Member States need to draft and implement under Governance Regulation (EU) 2018/1999.
- **Support delivered:** By putting at the same table and engaging in a complex consultation process more than 20 authorities, the project raised the awareness of all relevant public actors on their role in achieving the national and EU climate and energy targets, developed the most comprehensive energy and climate model of Romania, elaborated the 1st LTS of the country and designed the model for governing, monitoring the implementation and reporting the progress of the NECP.
- **Results achieved:** The main results of the project were the elaboration of the National Energy and Climate Plan governance model, the LEAP_RO energy and climate model, and the first Long-Term Strategy of Romania. These tools and documents allow Romanian authorities to elaborate, evaluate the impact and implement measures and policies leading to the country achieving climate neutrality in 2050.
- **Mention of EU assistance:** The project was funded by the European Union via the Technical Support Instrument and implemented by the Ministry of Energy and Ministry of Environment, Waters and Forests in Romania, in cooperation with the European Commission.

Social media text:

- **Twitter 1:** As stipulated in its Long-Term Strategy developed within a DG-REFORM funded project carried out between 2021 and 2023, Romania seeks to achieving climate neutrality in 2050
- **Twitter 2:** Following an analysis carried out in a DG-REFORM funded project, the Romanian Government adopted an Emergency Ordinance setting-up the structure for governing, monitoring the implementation, and reporting the progress of the National Energy and Climate Plan



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