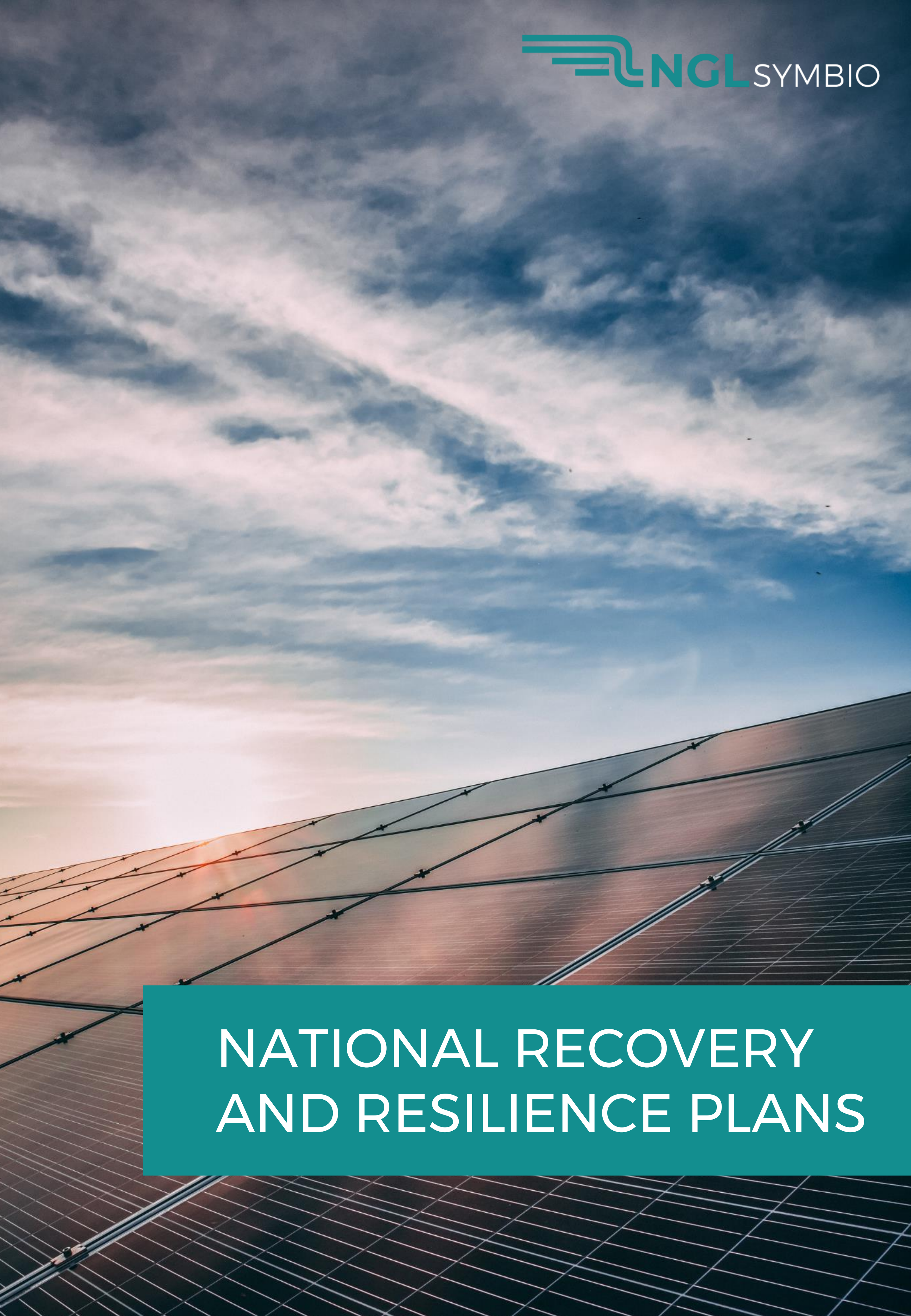

NATIONAL RECOVERY AND RESILIENCE PLANS

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JUNE 2021

BOOSTING INVESTMENTS IN THE ENERGY SECTORS IN THE CEE

A3EU Member States were invited to submit their draft national plans to implement the EU's Recovery and Resilience Facility (RRF) by 30 April 2021 to be assessed by the Commission and, after finalising, approved by the Council.

All have done so, and the first national RRF plans are expected to be adopted by the end of July 2021. The RRF is the key instrument at the heart of NextGenerationEU, the EU's plan for emerging stronger from the COVID-19 pandemic.

It will provide up to EUR 672.5 billion to support investments and reforms. One of the key investment areas supported under the RRF is promoting green transition and a circular economy. Based on the available draft plans, the RRF is expected to become the single most important source of investment until 2026 when it comes to renewable energy, energy efficiency, clean technologies, smart transport and the overall achievement of the Member States' climate goals.

Below are highlights from NGL Symbio jurisdictions the Czech Republic, Hungary, Poland and Romania current draft national RRF plans (which still may be amended until approved).

CZECH

The Czech national recovery plan would allocate EUR 3.28 billion within the 'Physical Infrastructure and Green Transition Pillar'. The largest shares of subsidy are intended to be spent on digital transportation technologies and the electrification of existing railway lines (EUR 923 million) as well as on increasing the energy efficiency of residential buildings (EUR 618 million). The support of alternative fuel vehicles and filling stations is another major element in the plan (EUR 189 million).

HUNGARY

Initially, the 'Energy – Green Transition' component of Hungary's draft recovery and resilience plan was rather ambitious and comprised of 4 investment areas with a total budget of EUR 1.39 billion. However, the final version submitted to the European Commission foresees only a more limited financial plan founded from non-repayable grants only and forecasting EUR 729 million for energy-related investments. The plan foresees the support of 35,000 low-income households for the installation of solar panels, solar thermal collectors, heat pumps and efficient insulating systems (EUR 440 million). In order to integrate at least 2000 MW new solar power plant capacity, EUR 289 million would be allocated to electricity grid development.

POLAND

Green energy and intense energy consumption reduction' is one of the key pillars of Poland's national plan already submitted to the European Commission. The pillar aims to transform economy to a low emission model. The main investment areas covered are: offshore wind farms (EUR 3,250 million in loans) and offshore terminal infrastructure (EUR 437 million in grants), energy storage (EUR 200 million in loans), hydrogen technologies (EUR 800 million in grants), transmission grid development and smart grids (EUR 300 million in grants). Reforms and incentives to ease development of the renewables, funds for the transmission infrastructure extension and smart grid solutions will provide a major boost to the transformation of Polish energy sector.

ROMANIA

The proposal by Romania appears to consider revitalizing and restructuring the Romanian economy and energy sector taking a more holistic and eco-conscious approach. It envisages a 'Green Transition Pillar' of EUR 15.3 billion focusing on improving the national water management system (EUR 4 billion), the protection of biodiversity and reversing deforestation (EUR 1.5 billion); green and seismic rehabilitation (EUR 2.2 billion) and improving rail transport and urban mobility (EUR 5 billion). A more moderate budget of EUR 1.3 billion is attributed to the direct promotion of green energy and energy efficiency.