



COMMISSION RECOMMENDATION (EU) 2024/615

of 18 December 2023

on the draft updated integrated national energy and climate plan of Hungary covering the period 2021-2030 and on the consistency of Hungary's measures with the Union's climate-neutrality objective and with ensuring progress on adaptation

(Only the Hungarian text is authentic)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Having regard to Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council ⁽¹⁾, and in particular Article 9(2) and Article 14(6) thereof,

Having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ⁽²⁾, and in particular Article 7(2) thereof,

Whereas:

Recommendations on Hungary's draft updated integrated National Energy and Climate Plan (NECP) covering the period 2021-2030

- (1) Hungary submitted its draft updated integrated national energy and climate plan on 28 June 2023.
- (2) Article 3 and Annex I to Regulation (EU) 2018/1999 ('the Governance Regulation') lay down the elements that are to be included in the updated integrated national energy and climate plans. In December 2022, the Commission adopted the Guidance to Member States on the process and scope of preparing the draft and final updated national energy and climate plans ⁽³⁾. The Guidance identified good practices and outlined the implications of recent policy, legal and geopolitical developments in energy and climate policies.
- (3) In connection with the REPowerEU plan ⁽⁴⁾, and as part of the 2022 and 2023 European Semester cycles, the Commission has put a strong focus on Member States' energy and climate related reforms and investment needs to strengthen energy security and affordability by accelerating the green and fair transition. This is reflected in the 2022 and 2023 Country Reports for Hungary ⁽⁵⁾ and the Council Recommendations to Hungary ⁽⁶⁾. Member States should take into account the latest country-specific recommendations in their final updated integrated national energy and climate plans.

⁽¹⁾ OJ L 328, 21.12.2018, p. 1.

⁽²⁾ OJ L 243, 9.7.2021, p. 1.

⁽³⁾ Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans (OJ C 495, 29.12.2022, p. 24).

⁽⁴⁾ COM(2022) 230 final.

⁽⁵⁾ SWD(2022) 614 final, SWD (2023) 617 final.

⁽⁶⁾ COM(2022) 614 Recommendation for a Council Recommendation; COM (2023) 617 final, Recommendation for a Council Recommendation.

- (4) The Commission's recommendations with regard to the delivery of national targets under the Effort Sharing Regulation ⁽⁷⁾ (ESR) are based on the likelihood that the Member States will respect the 2030 targets, taking into account the rules for the use of flexibilities under the ESR.
- (5) The Commission's recommendations regarding Carbon Capture, Utilisation and Storage (CCUS) aim at having an overview of the intended deployment of these technologies at national level, including information about annual volumes of CO₂ planned to be captured by 2030, split by source of CO₂ captured coming from installations covered by Directive 2003/87/EC of the European Parliament and of the Council ⁽⁸⁾ or from other sources, such as biogenic sources or direct air capture; about planned CO₂ transport infrastructure; and about potential domestic CO₂ storage capacity and injection volumes of CO₂ planned to be available in 2030.
- (6) The Commission's recommendations regarding the performance under Regulation (EU) 2018/841 of the European Parliament and of the Council ⁽⁹⁾ (Land Use, Land Use Change and Forestry Regulation – 'LULUCF Regulation') address the delivery by the Member State on the 'no debit' rule for the period 2021-2025 (Period 1) and its national target for the period 2026-2030 (Period 2), taking into account the rules governing the use of flexibilities as set out in that Regulation. The Commission's recommendations also take into account that in Period 1 any excess in emissions under the LULUCF Regulation will automatically be transferred to the ESR.
- (7) For climate adaptation to properly support the achievement of energy and climate mitigation objectives, it is essential to identify the potential climate change hazards and analyse climate vulnerabilities and risks that may affect relevant areas, populations and sectors. The Commission's recommendations on adaptation consider the extent to which Hungary integrated in its updated NECP adaptation goals that account for climate risks, that could prevent Hungary from meeting the objectives and targets of the Energy Union. Without specific adaptation policies and measures, planned and implemented, the achievement of objectives in Energy Union dimensions is at risk. Water management in changing climatic conditions requires particular attention due to risks of electricity disruption as floods, heat and drought impact the energy production.
- (8) The Commission's recommendations regarding renewable energy ambition are based on the formula set out in Annex II to Regulation (EU) 2018/1999, which is based on objective criteria; and on the main policies and measures missing in Hungary's draft updated NECP to enable a timely and cost-effective achievement of Hungary's national contribution to the Union's binding renewable energy target of at least 42,5 % in 2030, with the collective endeavour to increase it to 45 % pursuant to Directive (EU) 2018/2001 of the European Parliament and of the Council ⁽¹⁰⁾ as regards the promotion of energy from renewable sources. The Commission's recommendations are

⁽⁷⁾ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26), as amended by Regulation (EU) 2023/857 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement, and Regulation (EU) 2018/1999 (OJ L 111, 26.4.2023, p. 1).

⁽⁸⁾ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

⁽⁹⁾ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1), as amended by Regulation (EU) 2023/839 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2018/841 as regards the scope, simplifying the reporting and compliance rules, and setting out the targets of the Member States for 2030, and Regulation (EU) 2018/1999 as regards improvement in monitoring, reporting, tracking of progress and review (OJ L 107, 21.4.2023, p. 1).

⁽¹⁰⁾ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82); as amended by Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 (OJ L, 2023/2413, 31.10.2023, ELI: <http://data.europa.eu/eli/dir/2023/2413/oj>).

also based on Hungary's contribution to the specific targets of Articles 15a, 22a, 23, 24 and 25 of that Directive and the related policies and measures to rapidly transpose it and implement it. The recommendations reflect the importance of developing comprehensive long-term planning for the deployment of renewable energy, and in particular wind, to increase visibility for the European manufacturing industry and grid operators in line with the European Wind Power Package ⁽¹¹⁾.

- (9) The Commission's recommendations regarding the national contribution to energy efficiency are based on Article 4 of Directive (EU) 2023/1791 of the European Parliament and of the Council ⁽¹²⁾ on energy efficiency; and the formula in Annex I to that Directive, and the related policies and measures to implement it.
- (10) The Commission's recommendations pay particular attention to the targets, objectives and contributions and related policies and measures to deliver on the REPowerEU plan in order to rapidly phase out dependence from Russian fossil fuels. They take into account lessons learnt from the implementation of the Save gas for a Safe winter Package ⁽¹³⁾. The recommendations reflect the imperative to make the energy system more resilient in light of the obligations stemming from Regulation (EU) 2019/941 of the European Parliament and of the Council ⁽¹⁴⁾ on risk preparedness in the electricity sector and Regulation (EU) 2017/1938 of the European Parliament and of the Council ⁽¹⁵⁾ on the security of gas supply, and in line with the Commission Recommendation on energy storage ⁽¹⁶⁾.
- (11) The Commission's recommendations take into account the need to accelerate the integration of the internal energy market to strengthen the role of flexibility and empower and protect consumers. The Commission's recommendations also consider the importance of assessing the number of households in energy poverty in line with the requirements of Article 3 of Regulation (EU) 2018/1999, and the Commission Recommendation (EU) 2023/2407 ⁽¹⁷⁾.
- (12) The Commission's recommendations reflect the importance of ensuring sufficient investments in clean energy research and innovation to boost their development and manufacturing capacities, including appropriate policies and measures for energy intensive industries and other businesses; and the need to upskill workforce for a net-zero industry in order to consolidate a strong, competitive and clean economy within the Union.
- (13) The Commission's recommendations build on the commitments taken under the Paris Agreement to phase down the use of fossil fuels as well as on the importance of phasing out fossil fuel subsidies.
- (14) The Commission's recommendations on investment needs follow its assessment of whether the draft updated plan provides a general overview of investment needs to achieve the objectives, targets and contributions for all dimensions of the Energy Union; indicates the sources of financing, distinguishing private and public sources; outlines investments consistent with Hungary's Recovery and Resilience Plan, Hungary's Territorial Just Transition Plans and the 2022-2023 country-specific recommendations issued under the European Semester; and includes a robust macroeconomic assessment of planned policies and measures. The NECP should ensure the transparency and predictability of national policies and measures, to support investment certainty.

⁽¹¹⁾ Communication on European Wind Power Action Plan COM(2023) 669 final, 24.10.2023 and Communication on delivering EU offshore renewable energy ambition, COM(2023) 668 final.

⁽¹²⁾ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (OJ L 231, 20.9.2023, p. 1).

⁽¹³⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, 'Save gas for a safe winter', COM/2022/360 final.

⁽¹⁴⁾ Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk preparedness in the electricity sector and repealing Directive 2005/89/EC (OJ L 158, 14.6.2019, p. 1).

⁽¹⁵⁾ Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) n°994/2010 (OJ L 280, 28.10.2017, p. 1).

⁽¹⁶⁾ Commission Recommendation of 14 March 2023 on Energy Storage – Underpinning a decarbonised and secure EU Energy system (OJ C 103, 20.3.2023, p. 1).

⁽¹⁷⁾ Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty, C:2023/4080 (OJ L, 2023/2407, 23.10.2023, ELI: <http://data.europa.eu/eli/reco/2023/2407/oj>).

- (15) The Commission's recommendations reflect the crucial importance of a wide regional consultation, and of ensuring early and inclusive consultation on the plan, including effective public participation with sufficient information and timeframe, in line with the Aarhus Convention ⁽¹⁸⁾.
- (16) The Commission's recommendations on just transition reflect the assessment of whether Hungary's plan identifies in sufficient depth the relevant social, employment and skills impacts of the climate and energy transition and outlines adequate accompanying policies and measures to promote a just transition, while contributing to the promotion of both human rights and gender equality.
- (17) The Commission's recommendations to Hungary are underpinned by the assessment of its draft updated NECP ⁽¹⁹⁾, which is published alongside this Recommendation.
- (18) Hungary should take due account of the present recommendations when developing its final updated integrated NECP to be submitted by 30 June 2024.

Recommendations on the consistency with the Union's climate-neutrality objective and with ensuring progress on adaptation

- (19) Pursuant to Regulation (EU) 2021/1119 (the European Climate Law), the Commission is required to assess the consistency of national measures with the climate-neutrality objective and with ensuring progress on adaptation. The Commission assessed the consistency of Hungary's measures with these objectives ⁽²⁰⁾. The below recommendations are based on that assessment. Hungary should take due account of the present recommendations and follow up on them in accordance with the European Climate Law.
- (20) Effective adaptation at the necessary scale and across all exposed sectors requires a clearly mandated governance and coordination structure with high-level political support. This structure may include an interdepartmental taskforce or committee. Monitoring and evaluation of adaptation efforts is necessary for maintaining accountability and improving adaptation policy. Various EU funding instruments can be mobilised to fund adaptation. Climate resilience considerations should be put in the forefront when Member States design their national plans under the relevant EU funds. None of the spending should do harm to adaptation: that is, increase vulnerabilities either for the beneficiaries or for others.
- (21) The most vulnerable communities are those with elevated likelihood of being impacted by climate change. Unequal exposure and vulnerability to climate impacts of different regions and socioeconomic groups worsens pre-existing inequalities and vulnerabilities. Just resilience should reduce the unequal burden of climate risk and ensure equity in the distribution of the benefits of adaptation. The systemic ability to adjust to climate change is a key feature to avoid or moderate potential damage, to take advantage of opportunities, and to cope with the consequences. Physical impacts of climate change are evolving at a faster pace than expected. Progress in adaptive capacity is needed at all levels of the government, and in the public and private sectors, and requires increased awareness on vulnerabilities and risks. The local level has competences which can impact climate resilience more broadly. The preparation and implementation of sub-national adaptation policies is of significant importance.
- (22) Nature-based solutions offer efficient and cost-effective adaptation and mitigation options, if their deployment is incentivised through strategic frameworks, policies and funding. They can be implemented independently or integrated in other adaptation and mitigation measures, combined with more technological or infrastructure-based solutions. Implementation needs to consider the complexity of ecosystems and the projected effects of climate change, the local context, linked interests and values, and socioeconomic conditions,

⁽¹⁸⁾ Convention on access to information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the 'Aarhus convention').

⁽¹⁹⁾ SWD(2023) 916.

⁽²⁰⁾ EU Climate Action Progress Report 2023, COM(2023) 653 final, and Commission Staff Working Document Assessment of progress on climate adaptation in the individual Member States according to the European Climate Law, SWD(2023) 932.

HEREBY RECOMMENDS THAT HUNGARY TAKES ACTION TO:

CONCERNING THE DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN UNDER REGULATION (EU) 2018/1999

1. Complement the information on the existing and planned policies and measures, notably in the transport sector and for non-CO₂ emissions including methane, N₂O and F-gases, from energy, industrial processes and product use, agriculture, and waste management, which are expected to contribute to meeting the national greenhouse gas target under the ESR. Clearly spell out their scope, timeline and, where possible, expected greenhouse gas reduction impact, including for measures in Union funding programmes such as the common agricultural policy.
2. Identify the amount of CO₂ emissions that could be captured annually by 2030, including the source. Identify the volumes of CO₂ emissions that can be captured from biogenic sources by 2030. Provide details on how the captured CO₂ will be transported. Identify the overall CO₂ storage capacity and injection volumes available by 2030.
3. Set out a concrete pathway towards reaching the national LULUCF target as defined in Regulation (EU) 2018/841. Include additional measures in the LULUCF sector, detailing their timing and scope, quantifying their expected impacts to ensure that greenhouse gas removals in this sector are effectively aligned with the 2030 EU net removal target of -310 MtCO₂eq and with the country specific removal target of -934 kt CO₂eq as defined in Regulation (EU) 2018/841. Provide clear information on how public funds (both Union funds, including the common agricultural policy, and State aid) and private financing through carbon farming schemes are consistently and effectively used to achieve the net removal national target. Provide information on the status and progress to be made in ensuring the enhancements to higher tier levels/geographically explicit datasets for monitoring, reporting and verification, in line with Part 3 of Annex V to Regulation (EU) 2018/1999.
4. Provide additional analysis on the relevant climate vulnerabilities and risks regarding the achievement of the national objectives, targets, and contributions and the policies and measures in the different dimensions of the Energy Union. Better outline and quantify the link to the specific Energy Union objectives and policies, that adaptation policies and measures should support. Set out additional adaptation policies and measures in sufficient detail to support Hungary's achievement of national objectives, targets and contributions under the Energy Union.
5. Significantly raise the ambition to a share of renewable energy sources of at least 34 % as a contribution to the Union's binding renewable energy target for 2030 laid down in Article 3(1) of Directive (EU) 2018/2001, as amended by Directive (EU) 2023/2413, as indicated by the formula in Annex II to Regulation (EU) 2018/1999. Include an indicative trajectory that reaches the reference points for 2025 and 2027 pursuant to Article 4 (a)(2) of Regulation (EU) 2018/1999.
6. Provide estimated trajectories and a long-term plan for the deployment of renewable energy technologies over the next 10 years, with an outlook to 2040. Include an indicative target for innovative renewable energy technologies by 2030. Include an indicative target in buildings and industry by 2030, and a binding sub-target for renewable fuels of non-biological origins (RFNBOs) in industry by 2030. Include an indicative target in to achieve the top-ups of Annex IA to Directive (EU) 2018/2001 as amended.
7. Further develop detailed and quantified policies and measures in a way that enables a timely and cost-effective achievement of Hungary's national contribution to the Union's binding renewable energy target of 42,5 % in 2030, with the collective endeavour to increase it to 45 %. Describe in particular, how it plans to accelerate permitting and detail the renewable energy technologies for which it plans to designate 'renewables acceleration areas' with faster and simpler procedures. Describe how it aims to accelerate the deployment of renewables via the uptake of renewable power purchase agreements. Describe how it aims to accelerate the deployment of renewables and the phasing out of fossil fuels in the heating and cooling sector. Include comparable measures for promoting hydrogen in industry and prepare the EU for renewable hydrogen trade.

8. Include projections on bioenergy demand and supply per sector and provide data for imports and the source of forest biomass used for energy. Include an assessment of the domestic supply of forest biomass for energy purposes in 2021-2030 in accordance with the strengthened sustainability criteria of Article 29 of Directive (EU) 2018/2001 as amended, and an assessment of the compatibility of the projected use of forest biomass for energy production with Hungary's obligations under the revised LULUCF Regulation, particularly for 2026-2030, together with national measures and policies to ensure such compatibility. Include further measures to promote the sustainable production of biomethane, given Hungary's sustainable biogas/biomethane potential and production, profile of natural gas consumption and existing infrastructure, digestate use and biogenic CO₂ applications.
9. Provide to the extent possible an expected timeline of the steps leading to the adoption of legislative and non-legislative policies and measures aimed at transposing and implementing the provisions of Directive (EU) 2018/2001 as amended, in particular for the measures mentioned in the previous points.
10. Include a national energy efficiency contribution on final energy consumption to the Union's binding final energy consumption target for 2030 in line with Article 4 and Annex I of Directive (EU) 2023/1791, or equal to the corrected indicative national contribution that the Commission will submit to each Member State by 1 March 2024 under Article 4(5) of that Directive. Include a national energy efficiency contribution on primary energy consumption to the Union's indicative primary energy consumption target in line with Article 4 and Annex I of Directive (EU) 2023/1791. Specify the amount of energy consumption reduction to be achieved by all public bodies disaggregated by sector. Include the total floor area of heated and/or cooled buildings owned by public bodies to be renovated yearly or corresponding yearly energy savings to be achieved. Put forward the amount of cumulative energy savings to be achieved over the period from 1 January 2021 to 31 December 2030 and, where relevant, an explanation on how the annual savings rate and the calculation baseline were established.
11. Set out complete policies and measures to achieve the national contributions on energy efficiency and how the Energy Efficiency First principle will be implemented. Set out energy savings measures to ensure the achievement of the required amount of cumulative end-use energy savings by 2030, and measures to promote energy audits and energy management systems.
12. Include updated ambition level to ensure a highly energy efficient and decarbonised national building stock and to transform existing buildings into zero-emission buildings by 2050. Include intermediate milestones for 2030 and 2040, and a comparison of these milestones with the most recent long-term renovation strategy. Include more information on policies and measures, for the implementation of a coherent long-term renovation strategy specifically addressing clearer description and quantitative estimation of policies and measures in terms of funding, costs and impacts in terms of energy and emission savings. Target deep renovation and specific focus on worst-performing buildings and energy poor and vulnerable consumers.
13. Further explain how Hungary will significantly strengthen the energy security dimension, in particular by diversifying its energy supply, including by reducing energy imports of Russian fossil fuels and by encouraging gas demand reduction. Include detailed policies and measures to reach these objectives towards 2030. Strengthen the resilience of the energy system, in particular by setting clear objectives and measures to address constrained or interrupted supply as well as an objective for energy storage deployment and putting forward policies and measures to integrate the imperative of climate adaptation in the energy system. Specify appropriate measures for the diversification and long-term supply of nuclear materials, fuel, spare parts, and services for its existing VVER-440 units and new VVER-1200 units under construction, and the long-term management of nuclear waste. Further assess the compatibility of its future gas infrastructure with the decarbonisation objectives. Assess the adequacy of the oil infrastructure (refinery, oil stocks) with the expected need to diversify from Russian oil as well as expected decline in oil demand and the move toward lower-carbon alternatives.
14. Put forward clear objectives and targets for demand response to improve the flexibility of the energy system in light of an assessment of the flexibility needs and describe specific measures to facilitate energy system integration in the framework of Article 20a of Directive (EU) 2018/2001 as amended. Develop more competitive retail markets and increase the level of consumer empowerment in the retail market.

15. Further develop the approach to addressing energy poverty through its general by including an assessment of the situation of current households affected and indicating a specific measurable reduction target as required by Regulation (EU) 2018/1999 taking account of Recommendation (EU) 2023/2407. Detail a concrete timeline for specific policies and measures to address energy poverty. Explain how the use of energy efficiency measures under the Energy Efficiency Obligations Scheme to alleviate energy poverty is foreseen to be deployed as required by Regulation (EU) 2018/1999.
16. Further clarify national objectives in research, innovation and competitiveness to deploy clean technologies, establishing a pathway for 2030 and 2050 with a view to support the decarbonisation of industry and promote the transition of businesses towards a net zero and circular economy. Put forward policies and measures to promote the development of net-zero projects including those relevant for the energy intensive industries. Describe a predictable and simplified regulatory framework for permitting procedures and how access to national funding will be simplified where needed. Provide detailed policies and measures for: the digitalisation of the energy system, the development of clean energy-related skills, and to facilitate open trade for resilient and sustainable supply chains of key net-zero components and equipment.
17. Specify the reforms and measures to mobilise the private investments needed to achieve the energy and climate targets. Provide a comprehensive and consistent overview of the public and private investment needs in aggregate and by sector. Complement a top-down economy-wide approach with a bottom-up project specific assessment. Include a breakdown of total investment needs with additional information on the national, regional and Union funding sources, as well as private financial sources to be mobilised for the implementation of existing and planned policies and measures. Add a short description of the type of financial support scheme chosen to implement the policies and measures, which are financed through the public budget, and the use of blended financial instruments making use of (grants, loans, technical assistance and, public guarantees, including role of the national promotional banks in the respective schemes and/or how private financing is mobilised. Consider the cost-effective generation of transfers to other Member States under the ESR as a funding source. Provide a robust assessment of the macroeconomic impact of the planned policies and measures.
18. Outline how the policies and measures included in the updated plan are consistent with Hungary's recovery and resilience plan, including the REPowerEU chapter.
19. Explain how and by when Hungary intends to phase out the remaining fossil fuel subsidies. Explain in detail how Hungary plans to phase out solid fossil fuels by clarifying related commitments and measures.
20. Provide detailed information on the social, employment and skills consequences, or any other distributional impacts, of the climate and energy transition and on the planned objectives, policies and measures to support a just transition. Specify the form of support, the impact of the initiatives, the target groups and the resources dedicated, taking into account the Council Recommendation on ensuring a fair transition towards climate neutrality ⁽²¹⁾. Ensure alignment between the coal phase out timeline outlined in the Territorial Just Transition Plans (TJTps) and the final updated NECP, with particular attention to Mátra Power Plant and lignite extraction in the two associated open-cast mines (Visonta and Bükkábrány). Include, to the extent possible, more elements to provide an adequate analytical basis for the preparation of a future Social Climate Plan, in accordance with Regulation (EU) 2023/955 of the European Parliament and of the Council ⁽²²⁾, including indications on how to assess the challenges and social impacts on the most vulnerable of the emissions trading system for fuel combustion in buildings, road transport and additional sectors, and to identify potential beneficiaries and a relevant policy framework. Explain how the policy framework identified in the NECP will contribute to the preparation of Hungary's Social Climate Plan and how the consistency between the two plans will be ensured.

⁽²¹⁾ Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality (OJ C 243, 27.6.2022, p. 35).

⁽²²⁾ Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 (OJ L 130, 16.5.2023, p. 1).

21. 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 overview on how the consultation process will enable broad public participation from all relevant authorities, citizens, and stakeholders, including social partners, in the preparation of both the draft and final updated plan. Provide a summary of the views expressed by different actors, and a summary of how the plan integrates the views expressed during the consultations.
22. Intensify regional cooperation with neighbouring Member States and within the Central and South Eastern Europe energy connectivity High-Level Group, including in the interconnectivity, renewables, energy efficiency, internal market fields taking into account common challenges and shared objectives. Describe how Hungary plans to establish a framework for cooperation with other Member States by 2025, in line with Article 9 of Directive (EU) 2023/2413. Pursue efforts to sign the five required bilateral solidarity arrangements for the security of gas supply with its neighbours (Austria, Slovenia, Croatia, Slovakia, and Romania).

CONCERNING THE CONSISTENCY OF NATIONAL MEASURES WITH THE CLIMATE-NEUTRALITY OBJECTIVE AND WITH ENSURING PROGRESS ON ADAPTATION UNDER REGULATION (EU) 2021/1119

1. Reinforce and clearly mandate a governance and coordination structure able to support strong planning, deployment of solutions and investment for adaptation across all sectors, population groups and administrative levels. Ensure that adaptation policies are monitored and evaluated systemically and regularly, and results reflected in the ensuing revised policy design and implementation. Put climate resilience considerations more to the forefront in the use of support from EU funding programmes, such as the common agricultural policy, cohesion policy funding and other relevant Union funds. Union funds should be spent in such a way that they increase climate resilience and do not increase vulnerabilities (i.e., do no significant harm to adaptation).
2. Engage stakeholder groups that are particularly vulnerable to the impacts of climate change in Hungary's adaptation policy design and implementation. Improve coordination between different levels of governance (national/regional/local) to align planning tools and to help coordinated interventions aimed at systemic transformation. Establish mechanisms to ensure that sub-national policies are prepared, and that they are regularly reviewed and updated.
3. Promote nature-based solutions and ecosystem-based adaptation in national strategies, policies and plans and provide investments for their deployment.

Done at Brussels, 18 December 2023.

For the Commission
Kadri SIMSON
Member of the Commission