Coal Curtain of Europe Replaces Iron Curtain as East-West divide

The Visegrad Group started gloriously and served for quite some time as a good platform of political change. It contributed to the democratic development of Central Europe. But by now, the Group has become a disturbing entity in the middle of Europe. EU membership with all the benefits and obligations made a great impact on the climate policies of this countries which would not have happened outside of the Union. However, today's Visegrad cooperation is based on ignoring climate threats, attempting to extend fossil fuel burning, violating air pollution limits and undermining the development of renewable energies. These countries hurt the interests and health of their own citizens.

The Visegrad Group plays a significant role in setting the agenda for the rest of Central Eastern European (CEE) Member States, therefore it is interesting to see the dynamics of this group of countries and the way they are dealing with energy and climate policy.

Three countries of this region – Poland, Czech Republic and Hungary - responsible for blocking the EU's ambition of 2050 net-zero target at the European Council this summer, hindering a clear and united voice of the European Union at COP25. And it's not only EU's credibility what is at stake. The negotiation is at a critical stage and the momentum should be kept rolling and ratchetting up NDC (nationally determined contributions). The international community is far from fulfilling the Paris promise and EU would be the only player brokering further deals, but it won't be credible with a disputable ambition.

The CEE Member States (11 countries out of the 28) are responsible for one fifth of the EU's GHG emission. Significant delay of the green transition in CEE – as it stands now – would slow down the EU's pace and lower the chance of meeting our Paris commitment. Will the EU use the tool provided in the form of NECP (national energy and climate plans) to give a new momentum to wind and sunlight in the Visegrad Group and beyond? Is there a role for the next budget to dial up ambition and actual paving the road to a low carbon economy?

E3G has been studying the political economy of climate and energy in these countries recently, which gives a good overview and the opportunity of comparing the dynamics, finding similarities of the policy approaches. One of the main fields what has been assessed over this exercise is the low carbon economy, which is generally weak and/or very much divided in all the countries concerned. At the same time the high carbon interest is very well expressed, the companies in question have good and historic connection to the state, as most of them are still or - surprisingly enough - again state owned. They represent traditionally the establishment of the conventional energy industry and as such still manage to lay the institutional, economic as well as legislative framework in a soviet style of policy making, which lacks the culture of evidence-based public policy design. This happens despite of EU values, rules and long-term targets as well as the corresponding cohesion and structural funds even though major bulk of this earmarked money is flowing into this part of the EU.

When it comes to the share of renewables in the EU, Czech Republic, Hungary, Slovakia and Poland are sitting in the last row. They are well below 20 percent. The situation gets even worse if one digs deeper and wants to know the renewables share in electricity consumption. Hungary is second to the last, while Poland and Czechia rank fifth and sixth from the back. Slovakia sticks out of this region thanks to the extensive use of hydropower built back in the Communist times.

One could say that the region lags behind because of its geography. But Austria, which borders with three of the four Visegrad countries, is a leader in in the use of renewable and the first in terms of electricity generation on the continent. Does wind really stop blowing on the Austrian border? Ridiculous! What could be then the reason of such a tremendous difference?

The answer is political will. Austria's successful development of renewables is rooted in the political and societal consensus that a clean and sustainable energy policy is beneficial for the country regardless any current ideological/political direction. It brings prosperity, clean air to all people and lots of benefits to the economy. This notion and understanding supports a high climate ambition.

It wasn't the case 25 years ago. At the time, the common attitude was the one that is widespread today in the Central and Eastern European member states: renewables are expensive, unreliable and not able to deliver. It was back in the last century when climate change was not widely acknowledged, renewable technologies were much less developed, investment costs were much higher and project management as well as financing were still in a very early stage. Thanks to the forerunners like Austria, Germany and Scandinavian countries, we now live the opposite. Wind and solar investments are routine projects and integrate well into the grids. The overall cost of these investments dropped below most of the conventional power plants.

At the same time, the V4 governments and the political establishment of these countries still believe that only huge and base-load powerplants can reliably supply electricity. The incumbent power sector feels threatened by solar and wind and it is right to think so. Therefore, these governments rather hold back the development on this field and maintains the hegemony of the conventional technologies in power production.

Some of these countries introduce totally nonsense and extreme regulations. In Hungary, permits will not be given to any wind park in the vicinity of 12.5 km of any settlement, which makes the whole country a no-go zone for wind. In fact, it is easier to gain a license for a 2 GW nuclear power plant then a 30 MW wind park. Or take the example of Slovakia where people can install their own household-size renewable-power plant but need to consume at least 90% of the generated power on the spot.

The National Energy and Climate Plans (NECP) submitted to the European Commission at the end of last year mirror this malformed idea of energy policy and very low climate ambition. The highest renewable target for 2030 in these countries is 21% and the supporting documents are generally poor. According to a new study applying the Commission's own methodology based on the revised Renewable Energy Directive, all member states should have come up with a share that is at least four percentage points higher, covering quarter of the consumption by green energy supply. Moreover, it is certain that the economically viable potential is much above this figure.

30 years ago it was the iron curtain cutting Europe into west and east, now due to the attitude of the CEE governments we can rename it to coal curtain. In 2030 the same line on the map will mark the divide of the European Union. On the west the share of renewable energy is going to be as high as 50%, while on the eastern side it is going to stay as low as 20-25% leaving still room for high share of fossil fuel in heating as well as aging and polluting conventional power plants.

The really difficult problems with achieving the Paris goal are political rather than economic or technological and we haven't really begun to think well about how we solve them. The politics will follow the real economy not drive it. Though this is not understood in CEE yet.

After all, what would be the possible engines of the needed change? Practically the European Union is the only active and forceful agent at the moment pushing the development of new renewable energy/electricity generation. The question is what room remained for the EU institutions for insisting and advocating. National sovereignty is always there for these governments to parry and call for protecting the choice of energy sources on the member state level. Infringement would be the next logical response. But are these countries afraid of the sanctions, penalties they need to pay in case of non-compliance when they fail to reach the targets? It’s quite doubtful.

Thus, the question is whether the European Commission would use the opportunity provided by the national energy and climate plans (NECP) due at the end of this year to execute a thorough assessment and keep these governments accountable to their earlier commitment as well as force them to show hospitality to green technologies at least to the extent of their historical favourites: coal and nuclear.

The next EU budget (2021-27) provides another great opportunity to improve this performance providing the core of the financial support for the green transition. According to the recent plans at least 25% of the money needs to be spent on climate related projects and investment. With a shrinking budget a stricter oversight needs to be applied as the tendency of not using purposefully EU taxpayer’s money is well recorded in CEE. Monitoring and control are inevitable for generating real and well targeted transition. The Just Transition Fund, which is also under discussion would also serve as an enabling platform, an initiative of change where the effected communities can start discussing their plan beyond coal. Finally, the role of direct funding to cities and regions are outstanding. Cities are unquestionably the forerunners of climate policies. Capitals are the place where the concentration of experts, civil society, intellectuals is much higher thus would provide a fertile place for the green initiatives. Indeed, V4 capitals are governed by much greener political actors. Let them show that eastern European citizens have the right to clean air, to climate adaptation plans, to green and efficient energy as much as on the other side of the above-mentioned borders. We shouldn’t let the coal curtain dividing Europe again.

Ada Ámon
senior associate
E3G – Third Generation Environmentalism