

Despite MTVSZ / Friends of the Earth Hungary's proposals, the final version leaves households alone in their efforts to improve energy efficiency and fails to propose easily-achievable biodiversity measures. If small modifications are made during the EU-level approval process, the plan could be improved considerably. The final draft of the Hungarian recovery and resilience plan submitted to the European Commission is the result of a last-minute decision to shrink the plan to about 40 per cent of its originally planned budget. In order to do this, the government limited the amount requested from the EU's Recovery and Resilience Facility (RRF) to grants, excluding all loan financing.

Thus, the content of the plan also had to be reduced substantially and in a rush. Even though some concerning measures like non-refundable support to large solar power plants run by state-owned suppliers have been removed, the remaining investments fail to trigger a transition to a climate-friendly, resource-efficient, sustainable and crisis-resilient economy. Regarding housing, the plan includes a welcome measure on community solar energy projects for social housing, which would be organised through community-level decisions about revenue distribution. However, Hungary's housing programmes in general lack comprehensive support for renovation to improve energy efficiency, and the recovery plan will not improve the situation.

One such programme in the plan, the residential programme (a 100 per cent grant) combined with solar panels and/or electric heating is a waste of money and energy for the targeted low-income families because it is not combined with deep energy efficiency renovation. Instead, it only provides funds for the replacement of existing windows with plastic ones, a particularly poor solution. The renovation of public education buildings has been deleted from the plan, and higher education buildings are planned to have only medium-level instead of deep renovation, which will cause the lock-in of lower-quality energy efficiency measures, ignoring the potential for cost-efficiency and awareness raising that deep renovation could bring.

The plan also does not address biodiversity loss in a meaningful way and fails to identify biodiversity targets and milestones. The few habitat restoration projects in the Water Management component of the plan are too small to substantially contribute to halting the loss of biodiversity. On the other hand, the large-scale real-estate investments (new buildings, renovation of old buildings, development of roads and infrastructure) which dominate the plan fail to incorporate biodiversity friendly solutions.

An opaque planning process with several public drafts but without clear timelines and timely feedback forced consulting partners like Friends of the Earth Hungary (but also the planners themselves) to work in a rush. More substantial input from social stakeholders

could also have improved the plan's resilience to crises, its environmental performance and its social acceptance, but the process would have had to be more transparent.

According to the plans, partnership in implementation is limited to one-way communication with the public. While the monitoring committees of Cohesion and Structural Funds are planned to also track the implementation of the Recovery and Resilience Plan, the competence of each monitoring committee needs to be clarified towards the partners and the public. Proper and timely public consultation on the implementation documents, calls for proposals, etc., would also be crucial.

Source: bankwatch.org