Fit to succeed?

An assessment of the Italian draft energy and climate plan

plan up.eu

Table of contents

Executive summary

As part of the European Union's 2030 climate and energy package, EU member states are required to develop energy and climate strategies to plan and to report on their 2030 climate and energy objectives.

The LIFE PlanUp project (for more information, see Annex II), analyses the draft national energy and climate plans (NECPs) from five countries - Romania, Poland, Hungary, Italy and Spain.

Divided into four sections, this briefing assesses the draft plan of Italy. An overall score is provided at the end of the assessment (for more information, see Annex 1 on assessment criteria).

The first section covers the scope of the plan and the ambition and plausibility of its overall objectives.

Italy published its draft NECP in January 2019, slightly after the legal deadline. The plan is rather unambitious and, while respecting the mandatory template, it only lists a series of measures to achieve the set objectives.

The second chapter provides an in-depth analysis of the transport, buildings and agricultural sectors with regard to the proposed objectives and policy measures.

Transport plays a major role in the Italian draft NECP and is expected to make the greatest contribution to achieving the mandatory 33% greenhouse gas (GHG) emission reduction target. However, the plan doesn't mention a specific decarbonisation target for transport, and some of the main policy measures planned are only listed without providing details on how they will be financed and implemented.

Agriculture is given only a marginal role in the draft plan. The sector's emissions, both from energy consumption and livestock, are not expected to be influenced by the outlined measures. The government's 2 Mtoe greenhouse gas emission reduction target by 2030 is clearly insufficient as it represents only a 6.25% decrease compared to 2005 emissions, reflecting more the normal average yearly variation than a commitment to reducing GHG emissions from the sector.

The third section focuses on transparency of and public participation in the NECP development process. While there was no real opportunity for stakeholders to get involved in the preparation of the draft plan, after it was published, an extended public consultation was open for almost two months through a dedicated website. However, to date, the government has no plan to organise multilevel dialogues with interested stakeholders or engage in any form of broader public participation that goes beyond the above mentioned consultation.

Finally, the last section looks at the impact assessment of planned policies with regard to co-benefits such as job creation, improvement of air quality and reduction of energy poverty.

While the Italian draft NECP does not cover air quality in its impact assessment, it includes specific strategies to tackle energy poverty. However, the tools outlined in the plan lack adequate safeguards to guarantee their effectiveness. With regard to job creation, the draft plan seems to underestimate the potential of job growth in the renewable energy sector.

Overall, the Italian draft plan scores rather low on all the most important criteria. It is therefore paramount that in the final plan, the Italian government addresses these shortcomings and includes more effective policies that can untap the country's full potential of reducing greenhouse gas emissions, especially in the transport and agricultural sectors.

An assessment of the Italian draft national energy and climate plan

Scope, ambition and credibility

The Italian draft NECP was published on the 8th of January 2019, shortly after the deadline of 31st of December. The plan strictly follows the mandatory template outlined in the regulation but is limited to listing a series of measures to achieve the set objectives.

Overall, the plan covers all sectors of the Climate Action Regulation (CAR - also known as the Effort Sharing Regulation) i.e. the transport, buildings, agricultural and waste sectors, or "non-ETS sectors", and gives an overview of decarbonisation targets for the sectors that fall under the EU Emissions Trading System (EU ETS) i.e. the power sector and heavy industry. However, the measures included in the plan are rather unambitious and are unlikely to fulfill Italy's climate and energy objectives

Greenhouse gas emission target

The Italian draft NECP sets out 2030 greenhouse gas emission reduction targets for both the EU ETS and non-ETS sectors, including a comparison with the 2020 scenario.

ETS and ESR emissions targets

	Target for 2020	Scenario for 2020	Target for 2030	Scenario for 2030
ETS emissions	-21%	-42%	-43%	-55.9%
ESR emissions	-13%	-21%	-33%	-34.6%

Source:Italian National Energy and Climate Plan

The table above shows the objectives that Italy is required to achieve under the EU ETS and CAR legislation and what the country is expected to achieve if all the policies included in this plan are properly implemented. It is clear that Italy has a great potential for decarbonising its economy but is also very conservative in managing expectations. This approach shows neither commitment to fulfilling the Paris Agreement objectives nor ambition to increase efforts to guarantee that it will.

The plan also quantifies the effort needed to reduce GHG emissions in the non-ETS sectors: a minimum cumulative reduction of emissions of approximately 142 MtCO2eq compared to the reduction achievable with existing policies will be needed. This reduction is expected to be achieved primarily in the transport and buildings sectors.

Renewable energy

The draft plan sets a 30% target for the share of renewable energy (RES). This is below the European target of 32%, although the country would have the potential to go even beyond that. The 30% target is distributed over three sectors as follows:

- 55.4% share of RES for final gross energy consumption of electricity
- 33% share of RES for final gross energy consumption in heating and cooling
- 21.6% share of RES for final gross energy consumption in the transport sectorIn-creasing efficiency of urban transport, including the extension of the metro transport network (for Bucharest).

While a provision to adapt the target at a later stage is envisaged, it is not enough for Italy to deliver its contribution to an ambitious EU energy and climate policy framework in line with the Paris Agreement.

Energy efficiency

The Italian draft NECP sets a 43% energy efficiency goal for 2030. This is presented as an important target in the plan. However, this target is calculated on the basis of the 2030 projections made in 2007, and does not take into account the measures in place, the updated PRIMES model and the effects of the economic recession post 2007.

In the case of Italy, the PRIMES 2007 projections estimated a primary energy consumption of 231 Mtoe in 2007, while the 2016 projections foresee 142 Mtoe. Given that the NECP envisages a target of 132 Mtoe for 2030, the reduction therefore goes from 43% to 7% for primary, and 10.4% for final energy consumption. These objectives leave energy savings potential untapped and remain insufficient to deliver the joint EU target.

The policies planned for reaching this target raise concerns with regard to their effectiveness as the government intends to build on instruments already partly existing that have so far proven to be inadequate.

Overall, the Italian plan settles for listing a series of measures to achieve the set objectives, but on the one hand these objectives have limited ambition, and on the other hand they are hard to achieve through the planned interventions.

Criterion	Indicator	Indicator description	Score
Scope	Consistency with Energy Union governance regulation	Does the plan follow the mandatory template as outlined in the Governance Regulation?[3]	4/4 = to a great extent

1 The PRIMES model is an EU energy system model which simulates energy consumption and the energy supply system. It is a partial equilibrium modelling system that simulates an energy market equilibrium in the European Union and each of its Member States. This includes consistent EU carbon price trajectories. Source: https://ec.europa.eu/clima/policies/strategies/analysis/models_en

2 Coalition for Energy Savings 2019: State of Energy Efficiency in National Energy and Climate Plans http://energycoalition.eu/sites/default/files/20190402_TheCoalitionForEnergySavings_State_Energy_Efficiency.pdf

3 http://data.consilium.europa.eu/doc/document/PE-55-2018-INIT/en/pdf

Criterion	Indicator	Indicator description	Score
Scope	Sectors/policies coverage	Does the plan include policies covering all required sectors?	3/4 = to a moderate extent
	Deadline	Has the plan been published on time/respecting deadline?	2/4 = no, reasonable delay

Criterion	Indicator	Indicator description	Score
Ambition/ plausibility	Greenhouse gas (GHG) emissions	Does the plan include an economy-wide GHG emissions reduction target for 2030?	1/4 = to a small extent
	Consistency among targets	Does the plan utilise consistent and harmonised GHG emission targets and related baselines?	4/4 = to a great extent
	Renewable energy	Does the plan include a national 2030 renewable energy target?[3]	1/4 = to a small extent
	Energy efficiency	Does the plan include a national 2030 energy efficiency target?	0/4 = not at all
	Alignment with 2050 decarbonisation objective	Is there a clear commitment to the Paris Agreement's objectives?	1/4 = to a small extent

Criterion	Indicator	Indicator description	Score
Consistency and credibility	Adaptation plan	Has an adaptation plan been devised? Is it reflected in the NECP?[4]	2/4 = yes, but not clearly reflected in the plan
	Use of loopholes	Does the plan include use of loopholes in achieving GHG emission targets?[5]	3/4 = yes, but limited
	Policy projections Impact assessment	Does the plan use a strong and effective model used for the impact assessment of planned policies and measures?	2/4 = to some extent

4 https://www.ecofys.com/en/publications/national-benchmarks-for-a-more-ambitious-eu-2030-res-target/
5 Art. 19 Governance Regulation: http://data.consilium.europa.eu/doc/document/PE-55-2018-INIT/en/pdf
6 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0842&from=EN

In-depth analysis of sectors

Transport

Transport plays a major role in the Italian draft energy and climate plan, and is expected to make the greatest contribution to achieving the mandatory 33% greenhouse gas emission reduction target. However, the plan doesn't mention a specific decarbonisation target for the sector which makes it impossible to assess whether the achieved emissions reductions from transport will be enough to reach the national climate goals.

Policies to decarbonise mobility and transport require integrated measures (industrial and infrastructural measures, as well as financial support and demand creating policies) that are not detailed in the draft plan. Some important measures, such as sustainable urban mobility (cyclo-pedestrian), are just mentioned in a few lines without giving adequate details or strategies for their future development. Furthermore, the issue of urban traffic is not properly addressed, and it remains the undisputed protagonist of unsustainable mobility systems across Italian cities.

With regard to renewable energy in transport, the plan envisages a target of 21.6% share of renewables in transport in order to achieve the overall 30% target for renewables by 2030.
This rather ambitious target should be met by using electricity from renewable sources in order to avoid the use of unsustainable biofuels.

The biggest contribution to the EU renewable energy directive (RED) will be advanced biofuels, but the second one will be first generation biofuels. This is not in line with RED II, as the EU wants to phase out biofuels made from crops.

In order to meet the targets under the EU Renewable Energy Directive (RED), Italy plans to use mostly advanced biofuels. However, the second biggest contribution will be made by using first generation i.e. food crop-based biofuels. This is not in line with the directive, which aims to phase out biofuels made from crops.

In order to increase energy efficiency in the transport sector, the plan mentions objectives and funds allocated to the renewal of the road transport fleet used for local public transport. It is estimated that from 2019 to 2033, 2,000 buses will be replaced each year. However, this means that by 2033, only 30% of the total national bus fleet will be renewed, making this measure not very ambitious.

The draft plan also foresees an increase in the electric car fleet but does not include any sales targets, which it should, as part of the EU legislation on CO2 standards for cars. With regard to trucks, the plan lacks targets for electric trucks, although it mentions incentives for infrastructure development, as well as purchasing incentives.

With regard to infrastructure investments, some measures discuss the promotion and development of a network of charging stations for light and heavy duty transport, and intelligent transport systems (ITS), as well as development of rail network which could lead to modal shift. However, the lack of details on planned policies and specific investments raises doubts as to their adequacy.

In particular, without a serious policy to promote electric public transportation and to improve the necessary structural integration between different sustainable transport modes (public transport + bike + local trains), Italy will fail to drastically reduce emissions from transport.

Sustainable mobility as a whole grows in Italian cities, especially on individual citizens' initiative. However, there is no real structural planning, which the plan should offer above all in a medium to long-term perspective.

Overall, transport policies lack details on implementation and investment. Moreover, the plan does not include specific 2050 targets or measures, failing to address the long-term perspective required.

Criterion	Indicator	Indicator description	Score
Sectoral policy: Transport	Alignment/plausibility with 2030 goals	Are transport policies included in the plan plausible to reach 2030 national climate goals?[6]	0/4 = not at all
	Inclusion of long-term strategy	Do plans include transport policies beyond 2030?	0/4= not at all
	Consistency with EU legislation	Are transport policies consistent and in line with EU legislation?[7][8][9][10]	1/4 = to a small extent
	Infrastructure	Are proposed infrastructure investments aligned with the long-term climate goals?	1/4 = to a small extent
	Policies beyond or additional to EU requirements	Does the plan include policies that are additional or go beyond EU requirements?	1/4 = to a small extent

7 https://ec.europa.eu/clima/policies/effort/proposal_en
8 https://eur-lex.europa.eu/resource.html?uri=cellar:609fc0d1-04ee-11e8-b8f5-01aa75ed71a1.0001.02/DOC_1&format=PDF
9 https://eur-lex.europa.eu/resource.html?uri=cellar:3eb9ae57-faa6-11e6-8a35-01aa75ed71a1.0007.02/DOC_1&format=PDF
10 https://ec.europa.eu/transport/themes/urban/vehicles/directive_en
11 https://ec.europa.eu/transport/themes/urban/cpt_en

Recommendations

- Set a specific decarbonisation goal for transport for 2030.

- Set a realistic target for renewables in transport that doesn't put sustainability at risk i.e. avoid the use of first generation biofuels.

- Follow the EU REDII and reduce the use of first generation biofuels.

- Include details about the implementation of the EU CO2 standards for light and heavy duty vehicles.

- Include more details in order to assess the impact of the measures for transport in achieving the emission reduction goals.

- Develop a structured plan for the development of clean public mobility, in a holistic manner.

Buildings

In the Italian draft energy and climate plan, the buildings sector is the second major pillar after transport and is expected to deliver almost a third of the mandatory 33% reduction of greenhouse gas emissions. Whether this will be achieved, depends on continued energy efficiency improvements of the building stock.

By 2015 Italy had lowered its GHG emissions in the residential and commercial sector by 15% (compared to 2005). For the period 2015 to 2030, the scenario in the draft NECP foresees a 28.8% emission reduction in the residential sector, contributing a reduction of 21 Mtoe.

Energy efficiency of the buildings sector

The annual energy savings measures in compliance with Art. 7 of the Energy Efficiency Directive are put forward as the main tool to deliver on the energy efficiency objective.

Italy's national obligation amounts to a reduction in final energy consumption of approximately 9.3 Mtoe/year by 2030. 5.7 Mtoe of this reduction are expected to come from savings in the residential and tertiary sector, stemming from structural renovation measures, installation of heat pumps, as well as major improvements in the efficiency of end-use devices (which falls partially under the EU EcoDesign Directive).

Renewable energy in the buildings sector

The draft NECP sets out a 33.1% target for the use of renewables in heating and cooling in 2030, which represents a slight acceleration of 1.1% per year compared to the period 2011 to 2020, which is expected to deliver 0.7% increase a year.

This is primarily due to the increase in renewable energy provided by heat pumps, and the replacement of existing biomass fired systems with high-efficiency systems meeting high environmental quality standards. In addition to these measures, the plan also includes the possibility of introducing restrictions on new systems in areas characterised by critical air quality conditions. The amount of heat generated from bioenergy is foreseen to remain at current levels.

While currently only given a marginal role, thermal solar energy's share in integrated systems for efficient and renewable heat production for hybrid systems and the district heating systems is set to increase.

Most policy measures included in the plan have already been in force in Italy for several years. These include:

- the so called White Certificate scheme, established in 2001
- tax deductions for energy-efficient retrofitting and restoration of existing buildings, introduced in 2007
- the so called Thermal Account which aims to promote thermal renewables and energy efficiency measures in public administration and privately owned buildings, established in 2012
- the National Energy Efficiency Fund, established in 2014

The draft plan makes only a generic reference to upgrades of previously and currently used tools, and not enough details are provided to ensure that such improvements will be enough to deliver on the targets set for the buildings sector.

A thorough analysis is needed to overcome the shortcomings of the existing instruments like the Thermal Account, where currently less than a third of the available budget is being accessed.

Only a few measures seem to go in the right direction.

---

12 White certificates are documents certifying that a certain reduction of energy consumption has been attained. In most applications, the white certificates are tradable and combined with an obligation to achieve a certain target of energy savings. Under such a system, producers, suppliers or distributors of electricity, gas and oil are required to undertake energy efficiency measures for the final user that are consistent with a predefined percentage of their annual energy deliverance

13 European Construction Sector Observatory 2018: Italy Thermal Account (Conto Termico), Policy measure fact sheet

For example, the combination of tax deductions related to energy efficiency and building renovation in a single mechanism on the basis of the energy savings obtained and the anti-seismic level achieved, has the potential of yielding good results.

As of the first of January 2017, a new provision was introduced that allows the beneficiary of tax deductions for anti-seismic and energy efficiency measures to sell the credit corresponding to the tax deduction, either to a construction company or to a bank.
The transfer of credit is an important tool because it offers all citizens the opportunity to plan significant investments that would be otherwise unaffordable.

However, there are two main problems linked to the credit transfer policy: the first one concerns the way access to the credit is guaranteed, and the second regards the affordability of the required down payment. No solutions are mentioned in the draft plan.

The draft plan lacks a strategy to strengthen the system of controls and verification of the regulatory standards in force. To date, in most italian regions, the checks are carried out on a sample basis and cover a maximum of 2% of the new buildings and renovations.

Sanctions and penalties are currently mostly financial, while a more effective measure would be to shut down building sites that are not compliant with energy efficiency regulations.

A potentially good initiative mentioned in the plan is the "National Fund for Energy Efficiency". The fund was set up in 2014 but has undergone some major delays that have weighed on the buildings sector. However, according to the plan, the 150 million euros that will be made available through the fund and that could generate investments in energy efficiency equal to 880 million euros, will not be sufficient. More economic resources will be required to direct more interventions to the civil sector. Despite this assumption, the plan fails to specify what instruments and economic guarantees will be used to achieve this.

One of the main shortcomings of the plan is the annual energy savings objective. Italy aims to reduce energy consumption by 5.7 Mtoe per year up to 2030, while for the following 20 years (2030-2050) the yearly reduction rate is projected to double (11.4 Mtoe). There is a clear need to develop more efficient measures that will drive deep energy savings in the 2021-2030 period instead of putting off the effort until the following 20 years. Moreover, the annual energy savings rates estimated for 2040 and 2050 are the same, highlighting a lack of ambition and ability to foresee new policies.

Overall, the Italian draft plan is limited when it comes to the buildings sector. It settles to meeting the minimum requirements set by the European governance system, in accordance with the country's current climate objective of 40% by 2030, without any further ambition.

Criterion	Indicator	Indicator description	Score
Sectoral policy: Buildings	Alignment/plausibility with 2030 goals	Are buildings policies included in the plan plausible to reach 2030 national climate goals?	1/4 = to a small extent
	Inclusion of long-term strategy	Do plans include buildings policies beyond 2030?	1/4 = to a small extent
	Consistency with EU legislation	Are buildings policies consistent and in line with EU legislation?[14][15][16]	2/4 = to some extent
	Infrastructure	Are proposed infrastructure investments aligned with the long-term climate goals?[7][18]	2/4 = to some extent
	Policies beyond or additional to EU requirements	Does the plan include policies that are additional or go beyond EU requirements?	1/4 = to a small extent

Recommendations

- Build on the investment needs identified for the planned policies, measures and programmes (3.2) and macro-economic assessment (5.2 and 5.3) to develop a roadmap on how to mobilise the identified additional financial resources.

- Simplify and merge buildings related measures against seismic risk with energy efficiency and renewable energy measures also for privately owned buildings.

- Provide proper skills for construction professionals, and awareness programmes and training for tenants of newly renovated buildings.

14 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0844&from=EN
15 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016PC0761&from=EN
16 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016PC0767R(01)&from=EN
17 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012L0027&from=EN
18 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0844&from=EN

- Provide a back-casting for a necessary shift to a 100% renewable heating and cooling in the period 2040 to 2050 and increase the efforts to accelerate the RES share in heating and cooling (currently foreseen only at 33% for 2030) accordingly.

- Develop measures to tap into the potential of solar thermal energy for integrated systems e.g. hybrid systems, and for the integration of district heating systems to mitigate air pollution and the lack of sustainable biomass.

Agriculture

According to the Italian draft energy and climate plan, the agricultural sector is expected to record an overall reduction of approximately 2 Mtoe of greenhouse gas emissions by 2030. The defined target is clearly insufficient as it represents only a 6.25% decrease compared with the 2005 emissions and reflects more the normal average yearly variation than a commitment to reducing pollution from the sector. This is confirmed by the fact that the draft plan leaves the door open to possible increase of emissions over the coming years ("although increases might be observed in several years' time").

Agriculture plays only a marginal role in the Italian draft NECP. Emissions from the agricultural sector, both from energy consumption and livestock, are not expected to be influenced by the measures outlined in the draft plan, as is shown in the table below.

Historical emissions trend in non-ETS sectors and future scenarios on the basis of current policies

Year	2005	2015	2020		2025		2030	
Sector	*Baseline scenario		*Base	NECP	*Base	NECP	*Base	NECP
Industry (including process and fluorinated gases)	55	42	42	41	39	37	36	34
Civil	87	73	72	72	67	61	65	52
Agriculture (energy consumption)	9	8	8	8	7	7	7	7
Transport	125	103	100	95	101	92	93	79
Agricultural (livestok/crop)	32	29	31	31	31	31	31	31
Waste	22	19	16	16	14	14	13	13
Total	330	274	268	263	158	242	245	216
Target -33 % by 2030			291	291	243	243	221	221

Source: Italian energy and climate plan, 2019

A major issue in the draft NECP is the lack of specific policy measures for the agricultural sector. The plan relies on other policies, primarily the Common Agricultural Policy (CAP) and more specifically its Rural Development Programme (RDP).

However, while the future CAP is the main driver of change in the agricultural sector, it is currently undergoing a reform. Therefore, the draft NECP should include specific policy measures along with a detailed implementing program with GHG reduction targets, and strategic guidelines for climate objectives beyond 2030.

This is particularly relevant as reducing GHG emissions in the agricultural sector requires structural changes that cannot be achieved solely through the adoption of new technologies.

The draft plan remains very shallow and does not tackle the issue of transitioning the farming sector as needed. Specific measures and GHG emission reduction targets per measure should be integrated with CAP policies and outlined in the plan, starting with environmental agroclimatic measures.

With regard to the relationship with the forestry sector, the proposed measures are inadequate and have no credible data based on appropriate scientific investigations to back them up.
However, due reference is made to the Environmental Code, and the acknowledgement of potential synergies with other EU legislation is promising.

The potential of agriculture in reducing GHG emissions should be further exploited. While the plan clearly states that current projections are overly conservative due to the fact that planned measures are still under evaluation, the agricultural sector should be given a bigger role and more ambitious climate targets.

Criterion	Indicator	Indicator description	Score
Sectoral policy: Agriculture	Alignment with 2030 goals	Are agricultural policies included in the plan plausible to achieve 2030 climate goals?	1/4 = to a small extent
	Inclusion of long-term strategy	Do plans include agri-cultural policies beyond 2030?	1/4 = to a small extent
	Consistency with EU legislation	Are agricultural policies consistent and in line with EU legislation?	2/4 = to some extent

Criterion	Indicator	Indicator description	Score
Sectoral policy: Agriculture	Infrastructure	Are proposed infrastructure investments aligned with the long-term climate goals?	1/4 = to a small extent
	Policies beyond or additional to EU requirements	Does the plan include policies that are additional or go beyond EU requirements?	1/4 = to a small extent

Recommendations

- Acknowledge the sector's significant potential to contribute towards reaching the CAR targets, and outline policies, measures and available funding sources in the energy and climate plan in order to reduce agricultural emissions.

- Ensure that:
    - agricultural mitigation measures cover all sources of emissions from the sector all measures are environmentally proofed (air - water - biodiversity)

    - specific budget is allocated for each measure and the number of farmers expected to enroll is put forward.

Transparency and public participation

The Italian draft NECP was submitted to the European Commission in January 2019 and was simultaneously published on the website of the Ministry for Economic Development.

The draft plan is only available in Italian but a courtesy translation was provided by the European Commission translation service and can be found on European Commission's website.

The Italian government provided no real opportunity for stakeholders to engage in the development of the plan. Only technicians from Italian local and regional authorities received general information on the guidelines of the draft plan before its publication, but even they were not provided with a real opportunity to react on it.

After publication, the draft plan was open to public consultation from the 21st of March 2019 until the

5th of May 2019. A dedicated website was made available to collect comments and feedback. The extensive consultation period coupled with a dedicated platform that allows the general public to be informed and contribute to the development of the final NECP is a positive step towards a more transparent and inclusive process.

A more technical consultation is also envisaged throughout 2019. A strategic environmental assessment will be conducted in two phases: firstly, a preliminary consultation of 30 days will be conducted by the competent authority that will develop reports on the possible environmental impacts of the implementation of the plan; a second longer consultation will be extended to the public administrations and all interested stakeholders to receive additional input on the NECP and the environmental reports. At the end of this process, the competent authority will collect all the feedback received and compile a report within the following 90 days.

This technical procedure is compliant with the consultation provision included in the EU Governance Regulation.

A major shortcoming in the draft energy and climate plan, however, is the absence of any indication of a multilevel dialogue or any form of broader public participation beyond the foreseen public consultation and the involvement of certain stakeholders (public administration) through the consultation procedure of the Strategic Environmental Assessment for the plan.

An open dialogue with multiple stakeholders would ensure more transparency and increase support for the final plan.

Criterion	Indicator	Indicator description	Score
Transparency	Public participation	Does the plan include early and effective opportunities for public participation?[21]	2/4 = no, public consultation but too short a time to respond
	Publication	Is the draft plan publicly available?[22]	3/4 = yes
	Multilevel dialogue	Does the plan cater for a multilevel dialogue where local authorities, NGOs, business, investors and the general public can actively engage and discuss the climate and energy policy scenarios, and review progress?[23]	0/4 = no provision for dialogue

21 Art. 10 Governance Regulation: http://data.consilium.europa.eu/doc/document/PE-55-2018-INIT/en/pdf
22 Art. 3.4, 9.4 Governance Regulation: http://data.consilium.europa.eu/doc/document/PE-55-2018-INIT/en/pdf
22 Art. 11 Governance Regulation: http://data.consilium.europa.eu/doc/document/PE-55-2018-INIT/en/pdf

Recommendations

- Publish a summary of stakeholder contributions to the first public consultation.

- Make the timeline for the remaining NECP process publicly available through the online portal, so that citizens and stakeholders can receive early and effective information on how they can contribute.

- Organise another broad public consultation for the finalisation of the plan, following the European Commission recommendations in June.

- Organise regional gatherings to discuss the draft plan with local and regional authorities (LRAs), civil society organisations (CSOs) and other stakeholders in the second half of 2019.

- Make use of existing local energy and climate initiatives, such as the Covenant of Mayors, to gather potential contribution of LRAs to the plan. National associations of LRAs, such as Associazione Nazionale Comuni Italiani (ANCI), as well as the Covenant of Mayors, which is broadly used in Italy and gathers thousands of Italian LRAs, can be used to reach out to all LRAs.

- Establish a multi-level energy and climate dialogue for the finalisation of the NECP, making use of existing formats like working groups, taskforce or other consultative bodies that involve all stakeholders; provide the dialogue with an administrative structure to ensure its duration and involvement in regularly following up on the NECP implementation from 2020 onwards.

Co-benefits

Air quality

The draft plan's impact assessment of planned policies and measures does not cover air quality, making only a vague reference to it when mentioning the importance of consistency between policies, climate objectives and environmental impact.

Energy poverty

The Italian draft plan includes three tools to tackle energy poverty: increasing energy efficiency of social housing, carrying out a revision of electricity and gas social bonus and creating a national observatory on energy poverty. While positive, these tools to date lack adequate safeguards to guarantee their effectiveness.

The automation of the energy bonus, for example, will be guaranteed to all those entitled to social assistance. However, the plan does not take into consideration issues related to private construction and access to credit instruments, or the elimination of costs for the vulnerable population groups. Moreover, the foreseen tax deductions on energy efficiency risk being ineffective without adequate measures to eliminate the costs for the most vulnerable population groups.

Job creation

Section 5.2 of the draft plan includes projections on the added value that implementing the different policies would bring to the economy and jobs creation per sector. However, as the plan lacks concrete tools to achieve goals, it is unlikely that these projections will come true. For example, one of the models presented in the plan foresees 50,611 new jobs in the renewable energy sector. While this is encouraging, stronger measures for the deployment of renewable energy should be implemented in order to achieve this and increase the number further.

Criterion	Indicator	Indicator description	Score
Co-benefits	Air quality	Do proposed policies improve air quality?	0/4 = no effect predicted
	Energy poverty	Do proposed policies reduce energy poverty?	1/4 = minimal effect
	Job creation	Does the plan include investments in low-carbon industries, thus promoting job creation in these industries?	2/4 = moderate increase but unclear whether due to low-carbon industries

Recommendations

- Include a specific impact assessment for air quality.

- Include an additional assessment of further eligible resources from EU funding that can be used to tackle energy poverty. This concerns the use of EU funds, such as the European Investment Fund (EFSI) and dedicated programmes like ELENA, managed by the European Investment Bank.

- Reevaluate the impact that the expansion of renewable energy sources can have on jobs and include a full analysis to show the economic benefits of investing in renewable energy resources.

Overall score and conclusions

Criteria	Weight	IT points
Scope	5	9/12
Ambition	20	7/20
Consistency and credibility	20	7/12
Transport policies	10	3/20
Buildings policies	10	7/20
Agriculture policies	10	6/20
Transparency	20	5/12
Co-benefits	5	3/12

Total score: 40%

The Italian draft energy and climate plan scores rather low on all the most important criteria. The ambition of the government's climate and energy objectives is strikingly low, as it strictly adheres to the targets mandated in the 2030 European Energy and Climate Framework, although the country would have great potential to go beyond. The objectives in renewable energy and energy efficiency are particularly conservative and should be significantly improved. Higher ambition would set Italy on the right path to substantially reducing its emissions and contributing to the achievement of the Paris Agreement objectives.

With regard to sectoral objectives and policy measures, the draft plan needs review and improvement, especially in the transport and agricultural policies. Transport is considered to be the biggest contributor to meeting Italy's overall greenhouse gas emission reduction target. A specific decarbonisation goal for the sector and stronger policy measures would make the objective more achievable. Agriculture is given too small a role compared to its emissions reduction potential. The plan should seriously consider the contribution that the agricultural sector can make for Italy to reach its climate targets, and outline specific policies, measures and available funding sources to fulfill this aim.

The draft plan lacks a comprehensive impact assessment on co-benefits resulting from planned policies. Such assessment should be developed for the final plan, as it would ensure a full understanding of the effects and consequences of the planned policies and measures. With regard to measures to tackle energy poverty, more effort should be put in upgrading and improving the existing ones to ensure that all vulnerable households can benefit from them. While a public consultation was conducted on the draft plan after it was published, it does not include any mention of a future multilevel dialogue. A more transparent process where all relevant stakeholders and the general public are consulted on the country's climate objectives and planned policies should be set up as it would ensure greater support and commitment from all parties involved.

The Italian draft NECP can and should be improved. There is a great untapped capacity in the country, and more ambition is needed to exploit its full potential. It is of paramount importance that in the development of the final plan, Italy increases its commitment to 2030 climate objectives, includes more ambitious long-term goals and involves all stakeholders in an open dialogue.

Annexes

Assessment criteria

Methodology

To develop the used set of criteria, we conducted desk research and looked mainly at two examples: the criteria used in the LIFE Maximiser Project and the criteria developed by Climate Action Network (CAN) Europe.

The LIFE Maximiser project analysed EU Member States' 2050 low-carbon development strategies (LCDS). For this purpose, LIFE Maximiser developed a complex technical tool[23] to assess and score the quality (in terms of substance, credibility and process) and status of the EU Members' LCDS. The tool was broken down into 10 criteria, and based on these criteria, further into 48 indicators and sub-indicators. The overall approach used by LIFE Maximiser was normative, meaning that their tool was designed with the primary purpose to measure what elements should be included in the LCDS they analysed. Of the 10 criteria, the most relevant for our work were: ambition, scope, integration, public transparency and process transparency.

The guidelines developed by CAN Europe (part 1[24] and part 2[25]) are intended to serve as a tool to empower civil society organisations across Europe to engage actively and effectively in the process of the development of the NECPs; to demand ambitious targets and policies from their governments; to check on the accuracy and coherence of governmental proposals; and to hold them accountable for what they have committed to do. They are meant to provide an understanding of the plans and how they work. The guidelines are composed of five pillars, one per topic analysed. Each pillar is underpinned by a set of criteria and indicators. For our work, we looked at all the pillars and selected the relevant criteria and indicators.

Additionally, we developed sector-specific indicators to analyse sectoral policies that are the focus of our project. Each sector - agriculture, buildings and transport - was given a set of indicators that explore the ambition level of sectoral policies, their alignment with EU legislation and the level of their infrastructure investment.

User manual

The result of this methodology was a set of eight criteria, underpinned by a total of 38 indicators. In addition, a scaling system was introduced to measure and evaluate the indicators.

The participatory assessments shall be conducted on the basis of the eight criteria listed below.

---

23 https://static1.squarespace.com/static/57050297356fb0e173a11732/t/5b3107a96d2a73fc7bbaaa28/1529939892483/final+tool+concept+Maximiser+formatted.pdf

24 https://docs.google.com/document/d/1A4qGHLX2ThnlwlrukHjJHRZTdh0jghlV6PxUjqxDzI0/edit

25 https://docs.google.com/document/d/1tlOHUF1T0gYWPMU7SeBpybw1AvPwH3L-TLGPmbozDnA/edit#heading=h.2nusc19

These criteria should be used to provide a general indication of the strengths and weaknesses of the specific NECP section on a scale from 0 to 4. The score should be properly justified in a dedicated paragraph.

These criteria, and related indicators, rely exclusively on existing data provided within the NECPs. Lack of data or sections in the NECPs should be highlighted but not compensated for. The lack of details and data shall instead be translated into concrete policy asks to be submitted to Member States in public consultations.

When impact assessment of policies and measures is missing in the NECP, the following national projections may be used to explain the point assigned to each indicator: Climate and Energy country profiles.

Assessment criteria template

Criterion	Indicator	Indicator description	Score
Scope	Consistency with Energy Union governance regulation	Does the plan follow the mandatory template as outlined in the Governance Regulation?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Sectors/policies coverage	Does the plan include policies covering all required sectors?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Deadline	Has the plan been published on time/respecting deadline?	0 = no publication 1 = considerable delay 2 = no, reasonable delay 3 = yes, some delay 4 = yes, no delay

p

Criterion	Indicator	Indicator description	Score
Ambition/ plausibility	Greenhouse Gas (GHG) emissions	Does the plan include an economy-wide GHG emissions reduction target for 2030?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Consistency among targets	Does the plan utilise consistent and harmonised GHG emission targets and related baselines?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Ambition/ plausibility	Renewable energy	Does the plan include a national 2030 renewable energy target?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Energy efficiency	Does the plan include a national 2030 energy efficiency target?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Alignment with 2050 decarbonisation objective	Is there a clear commitment to the Paris Agreement's objectives?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Sectoral policy: Transport	Alignment/plausibility with 2030 goals	Are transport policies included in the plan plausible to reach 2030 national climate goals?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Inclusion of long-term strategy	Do plans include transport policies beyond 2030?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Consistency with EU legislation	Are transport policies consistent and in line with EU legislation?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Infrastructure	Are proposed infrastructure investments aligned with the long-term climate goals?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Sectoral policy: Transport	Policies beyond or additional to EU requirements	Does the plan include policies that are additional or go beyond EU requirements?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Sectoral policy: Buildings	Alignment/plausibility with 2030 goals	Are buildings policies included in the plan plausible to reach 2030 national climate goals?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Inclusion of long-term strategy	Do plans include buildings policies beyond 2030?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Consistency with EU legislation	Are buildings policies consistent and in line with EU legislation?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Infrastructure	Are proposed infrastructure investments aligned with the long-term climate goals?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Policies beyond or additional to EU requirements	Does the plan include policies that are additional or go beyond EU requirements?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Sectoral policy: Agriculture	Alignment/plausibility with 2030 goals	Are agricultural policies included in the plan plausible to reach 2030 national climate goals?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Sectoral policy: Agriculture	Inclusion of long-term strategy	Do plans include agricultural policies beyond 2030?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Consistency with EU legislation	Are agricultural policies consistent and in line with EU legislation?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Infrastructure	Are proposed infrastructure investments aligned with the long-term climate goals?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent
	Policies beyond or additional to EU requirements	Does the plan include policies that are additional or go beyond EU requirements?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = to a great extent

Criterion	Indicator	Indicator description	Score
Transparency	Public participation	Does the plan include early and effective opportunities for public participation?	0 = no opportunities/form of consultation 1 = no only limited and not public 2 = no, public consultation but too short time 3 = yes, several opportunities 4 = yes, several opportunities and ample time to participate
	Publication	Is the draft plan publicly available?	0 = no 1 = yes, 6 or more months delay 2 = yes, 2-3 months delay 3 = yes 4 = yes, plus summary in English

Criterion	Indicator	Indicator description	Score
Transparency	Multilevel dialogue	Does the plan cater for a multilevel dialogue where local authorities, NGOs, business, investors and the general public can actively engage and discuss the climate and energy policy scenarios, and review progress?	0 = no provision for dialogue 1 = very limited effort 2 = only limited to very few stakeholders 3 = yes, some effort in including multiple stakeholders and gather input 4 = yes, effective dialogue and high engagement

Criterion	Indicator	Indicator description	Score
Consistency and credibility	Adaptation plan	Has an adaptation plan been devised? Is it reflected in the NECP?	0 = no 1 = no, unclear adaptation strategy 2 = yes, but not clearly reflected in the plan 3 = yes, but limited 4 = yes, fully developed and integrated
	Use of loopholes	Does the plan include use of loopholes in achieving GHG emission targets?	0 = yes, full use/no alternative sought 1 = yes, large use 2 = yes, most opportunities used 3 = yes, but limited 4 = no loopholes used
	Policy projections Impact assessment	Does the plan use a strong and effective model used for the impact assessment of planned policies and measures?	0 = not at all 1 = to a small extent 2 = to some extent 3 = to a moderate extent 4 = yes, very strong and detailed model used

Criterion	Indicator	Indicator description	Score
Co-benefits	Air quality	Do proposed policies improve air quality?	0 = no effect 1 = minimal effect 2 = small improvement 3 = moderate improvement 4 = great improvement

Criterion	Indicator	Indicator description	Score
Co-benefits	Energy poverty	Do proposed policies reduce energy poverty?	0 = no effect 1 = minimal effect 2 = small improvement 3 = moderate improvement 4 = great improvement
	Job creation	Does the plan include investments in low-carbon industries, thus promoting job creation in these industries?	0 = no investment 1 = almost insignificant increase 2 = small increase 3 = moderate increase 4 = great investment and substantial job growth

The table below summarises the weight that each criterion has on the overall score of the NECP.

Given the difference in importance of the criteria in our analysis, a weight system helps us quantify this difference and ensure that it is reflected in the overall score of the NECP. For example, while the consistency between the NECP document and template provided in the Governance regulation is important, the plausibility of the policies listed, the ambition level in targets set for each sector and the dialogue with multiple stakeholders in the development of the NECP are much more relevant and important to the objective of this exercise, and therefore should be given more prominence in the overall assessment.

Hence, a good performance in particular in these criteria should be graded higher in the overall assessment of climate and energy policies.

Criteria	Weight	Points
Scope	5	12
Ambition	20	20
Consistency and credibility	20	12
Transport policies	10	20
Buildings policies	10	20
Agriculture policies	10	20
Transparency	20	20
Co-benefits	5	12

A NECP should obtain at least 65 points to be considered a good plan.

LIFE PlanUp project description

LIFE PlanUp supports the shift to a low-carbon and resilient economy through the development and implementation of effective and ambitious national 2030 energy and climate plans (NECPs) in Hungary, Poland, Romania, Spain and Italy. A key objective of the PlanUp project is to strengthen the climate and energy governance processes in these countries by increasing the involvement of local and regional authorities (LRAs) and civil society organisations (CSOs) in the development and implementation of the NECPs.

Aiming to support the five target countries in strengthening their national NECPs and to engage in their development, a core action of the PlanUp project is the participatory assessment of draft and final NECPs. In order to conduct meaningful and consistent analyses for all five Member States, we developed a set of assessment criteria that will guide the assessments and ensure their comparability.

LIFE PlanUp

Published: May 2019

Analysis by Carbon Market Watch and Legambiente, with input from Transport and Environment, European Environmental Bureau and Energy Cities.

Expert group: Agnese Ruggiero, Katiuscia Eroe, Cristina Mestre, Roland Joebstl, Stephan Piskol, Berenice Dupeux and David Donnerer.

To cite this study: LIFE PlanUp (2019) Fit to succeed? An assessment of the Italian draft energy and climate plan

Acknowledgement

The Life PlanUp project has received funding from the LIFE programme of the European Union. The project acknowledges also the generous support of the European Climate Foundation.

Legal notice

This publication, C4.1 Participatory assessment of draft NECPs, is financed by the European Commission through the LIFE+ programme, the European Climate Foundation and the European Climate Initiative (EUKI).

Further Information

Agnese Ruggiero
Policy Officer
Carbon Market Watch
agnese.ruggiero@carbonmarketwatch.org
Rue d'Albanie 117, B-1060 Brussels, Belgium, Belgium | Tel: +32 2 335 36 66
www.carbonmarketwatch.org | @carbonmrktwatch I fb: Carbon Market Watch

Join the conversation › www.planup.eu