Q&A NECP(R) Assesment Report

Questions & Answers on the Energy Community NECP Assessment Report

The Energy Community Secretariat thoroughly assessed the first cycle of National Energy and Climate Plans (NECPs) and Integrated National Energy and Climate Progress Reports (NECPRs) to see where the Energy Community Contracting Parties stand in terms of their 2030 energy and climate binding commitments and where further action is needed.

This work is carried out under Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action, as adapted and adopted by Ministerial Council Decision 2021/14/MC-EnC. The regulation requires the Secretariat to assess whether the objectives, targets and contributions set out in the notified NECPs are sufficient to achieve the Energy Community's 2030 targets and whether the plans comply with the applicable governance requirements. It further requires the Secretariat to assess, every two years, the progress made by each Contracting Party towards its objectives and in implementing the policies and measures set out in its NECP.

Overall, NECPs are sufficiently detailed to provide a clear picture of the planned national pathways towards 2030. The analytical findings confirm that the energy sector will be key to achieving 2030 energy and climate targets. While the plans propose important measures to accelerate the energy transition, they could have better tapped the potential of regional cooperation, the energy efficiency first principle and just transition considerations. According to the NECPRs, some Contracting Parties already seem to be on track towards meeting their obligations, while others need to urgently start NECP implementation to align with their 2030 energy and climate target trajectories.

What are NECPs and NECPRs and why are they important?

NECPs are the main strategic policy planning tool for outlining energy and climate targets and defining the implementation of policies and measures to achieve them. NECPs are intended to align a range of energy and climate planning efforts, thereby providing consistency and certainty across sectors for all stakeholders on future energy system and economy pathways and acting as a blueprint for investment. Both – EU Member States and Energy Community Contracting Parties – are obliged to submit NECPs every ten years – following strict guidelines on the plans' structure, content and development process. In the Energy Community, however, the first planning cycle covers a shorter period, as the first generation of NECPs was prepared to cover the period 2025–2030.

The biennial progress reports, NECPRs, provide information about the status of implementing the NECPs. Every two years, EU Member States and Energy Community Contracting Parties need to collect and report the data necessary to understand whether they are on track towards their energy and climate targets. Progress reports also provide insights about which policies have been effective in aligning with the target trajectories and which haven't. Thus, careful monitoring and reporting can help governments both identify additional potential, and also gaps on the way forward – providing the base for future policy alignment and reforms.

How do we know if the plans are fit for purpose?

It is the Energy Community Secretariat's task to assess NECPs and monitor their implementation, applying an approach following the one used by the European Commission to assess EU Member States' plans and reports.

The Secretariat published the first Assessment Report of this kind in August 2026 examining both – the NECPs 2025-2030 setting out pathways towards the 2030 energy and climate targets, and the NECPRs submitted for the first time in 2025. The assessment covers the seven NECPs adopted by Albania, Georgia, Moldova, Montenegro, North Macedonia, Serbia and Ukraine and the NECPRs submitted by Albania, Georgia, Kosovo*, Moldova, North Macedonia, Serbia and Ukraine.

The Secretariat's Assessment Report provides detailed insights into both the content of the plans and the progress to date. Despite limited administrative capacities, Governments in the Energy Community region took steps in adopting the necessary legal basis, initiated technical work underlying plans and reports and introduced the dialogue formats and consultation processes needed to ensure broad buy-in. Considering the complexity of energy and climate planning and reporting processes this result is very encouraging.

NECPs are sufficiently ambitious and detailed enough to provide an understanding about the planned national pathways towards 2030. While the policy framework for the transition is largely in place, the focus must now shift from planning to implementation, backed by significant public and private investment.

The road to 2030: Where do current plans lead?

The 2030 energy and climate targets set out in the seven adopted NECPs are consistent with the Energy Community framework. Some Contracting Parties also refer to the long-term objective of achieving climate neutrality by 2050 in their NECPs.

Currently, the energy sector remains the region's largest source of greenhouse gas emissions, reflecting a legacy of coal-based electricity generation, fossil-fuel-dependent heating and transport systems, and significant untapped energy efficiency potential.

All plans contain large packages of measures aimed at transforming the sector by spurring renewable energy deployment and energy efficiency. NECPs indicate that final energy consumption will steadily decrease in the residential sector towards 2030 and beyond, reflecting the long-term impact of the large number of energy efficiency policies and measures targeting appliances and buildings. By contrast, final energy consumption in industry and transport will moderately to steeply increase after 2030, making these sectors the top two future energy consumers in many Contracting Parties.

With solar and wind capacity having expanded in previous years, governments have set ambitious targets for further growth of renewable energy shares in the electricity sector in their NECPs. However, renewable energy has yet to gain significant ground in transport, while the heating sector will require much faster deployment of modern, low-carbon solutions as traditional biomass use gradually declines.

For some Contracting Parties, net removals from the land use, land use change and forestry sector will be key to achieving the 2030 greenhouse gas emission targets.

Are Contracting Parties on track towards their 2030 energy and climate targets according to their progress reports?

The first NECPRs cover the years 2022 and 2023, when most NECPs were still being developed and many structural reforms, policies and investment measures remained at the planning stage. The data reported in 2025 therefore show where the Contracting Parties stood before full implementation began and provide a benchmark against which future progress can be measured.

Even at this early stage, the reports indicate that some Contracting Parties appear to be on track towards meeting their obligations by 2030, while others need to urgently start NECP implementation to align with their 2030 energy and climate target trajectories.

Why is reporting so important?

Reporting is an essential part of implementation. It allows governments and institutions to assess whether adopted policies are delivering the expected results, identify gaps early and adjust measures where progress is insufficient. Comparable and reliable data are also crucial for bringing the Energy Community Contracting Parties progressively closer to the EU governance and reporting framework and for supporting their wider integration into the EU energy and climate governance system.

The first cycle NECPRs provided an important learning experience, highlighting both capabilities and gaps in readiness to monitor progress. The Energy Community Secretariat will continue the work with Contracting Parties to strengthen their capacity for the NECPRs due in 2027. These reports will provide the data necessary to assess the progress towards 2030 energy and climate targets and to evaluate the effectiveness of the policy framework put into place. It will provide important learnings that inform the development of the next generation of NECPs 2030-2040.

The Secretariat is working with the European Environment Agency and national institutions to bring the Contracting Parties closer to the EU model of energy and climate reporting. Establishing consistent data-reporting standards and strengthening national institutional and technical capacities will therefore remain key priorities for the next reporting cycle.

What are the next steps? (and what needs to change?)

On the one hand, NECPs are sufficiently ambitious and detailed to set out national pathways towards 2030. Yet, while NECPs propose measures to accelerate the energy transition, they do not fully harness the potential of regional cooperation, nor do they sufficiently apply the Energy Efficiency First principle, which can lower the cost of the transition; or integrate just transition considerations, which are essential to ensuring that the energy transition is socially fair and inclusive, particularly for affected workers, communities and regions. Addressing these gaps will help Contracting Parties to maintain and progressively increase their level of ambition beyond 2030.

It will be important for all Contracting Parties to maintain and progressively increase their level of ambition beyond 2030, in line with the future Energy Community 2040 framework and the EU's 2040 climate and energy objectives and 2050 climate neutrality objectives.

Based on the Governance Regulation, and as recalled in the 2025 Ministerial Council Conclusions, Contracting Parties are required to submit draft NECPs with a 2030–2040 perspective by 1 January 2028 and final plans by 1 January 2029. The Ministerial Council recognized that this process must be coherent with the forthcoming EU 2040 framework and invited the European Commission, with the support of the Secretariat, to provide guidance for the preparation of the next generation of NECPs.

What does the report say about progress towards the Energy Community's 2030 greenhouse gas reduction targets?

The adopted NECPs generally reflect the binding national 2030 greenhouse gas targets established under the Energy Community framework, with several Contracting Parties setting targets that are even more ambitious.

However, recent emissions data show that many Contracting Parties now need to begin implementing the additional policies, measures and structural changes outlined in their plans. The energy sector will remain central to achieving the targets, while projected emission increases after 2030 in some countries point to potential ambition gaps that must be addressed in the next planning cycle.

Is renewable energy deployment progressing quickly enough to meet the 2030 targets?

Progress is mixed. Renewable electricity generation is expanding, but only three Contracting Parties maintained or exceeded their 2020 renewable energy shares, which represent the minimum baseline for progress towards the more ambitious 2030 targets. There has been hardly any progress in transport, while declining traditional biomass use in heating and cooling must be accompanied by faster deployment of modern renewable heat technologies and sustainable resource management.

Are the Contracting Parties on track to meet their 2030 energy efficiency targets?

The energy efficiency targets reported by Contracting Parties are generally in line with, or more ambitious than, their legal obligations. However, recent energy-consumption trends have also been affected by the pandemic, Russia's full-scale invasion of Ukraine and the energy-price crisis. Careful monitoring is therefore needed to determine whether reductions result from effective policies or temporary external factors, while the energy efficiency first principle must be applied more systematically in planning and investment decisions.

How prominently does carbon pricing feature in the NECPs?

Carbon pricing is not adequately covered in most NECPs. While several plans refer to emissions trading, carbon taxes or a combination of both, they generally provide insufficient detail on the design, timing and expected carbon-price levels, as well as their impact on emissions, investment and technology choices. Carbon pricing therefore needs to be integrated much more clearly into future modelling, policy measures and investment assumptions.

Do the plans provide a clear pathway towards deeper regional and EU energy-market integration?

The NECPs identify important infrastructure needs and include measures supporting interconnectivity, regional market integration and coupling with the EU. However, objectives are often broadly defined, and the distinction between infrastructure projects, market-development objectives and security-of-supply measures is not always clear. Future plans need more measurable objectives showing how market functioning, competition, liquidity and consumer participation will improve in practice.

How adequately do the NECPs address energy security?

All adopted NECPs include at least one energy-security objective, most commonly related to diversifying energy sources and reducing import dependency. However, these objectives are generally qualitative and often lack measurable milestones, clear priorities and links to concrete policies. Few plans adequately address the ability to cope with constrained or interrupted supply, and stronger links are needed between NECPs and national risk-preparedness and emergency planning.

Do the NECPs sufficiently address the social consequences of the energy transition?

Just transition considerations are not sufficiently integrated into the NECPs and are often limited to a single policy or separate action plan. The impacts on workers, regions, households, energy poverty and gender equality are frequently insufficiently assessed, while clear and time-bound coal phase-out commitments are often missing. Future NECPs should treat just transition as a cross-cutting issue and connect transition measures with regional development, reskilling and targeted social support.

How effectively do the plans address energy poverty and affordability?

All Contracting Parties address energy poverty, but approaches and levels of detail vary considerably. None provides a detailed assessment of the number of affected households, and only some define concrete reduction targets. Existing support remains focused mainly on energy-bill subsidies; future plans need more robust data, realistic targets and stronger links to energy efficiency and renewable energy measures that address the structural causes of energy poverty.

Do the NECPs explain how the energy transition will be financed?

At the aggregated level, the overall investment amounts to approximately EUR 151 billion for the period up to 2030. However, this figure is based on the partial information available in the NECPs and should be used as a general indicator of the approximate scale of capital needs for maintaining and modernising the energy sector while also progressing with decarbonisation in other areas.

It is also important to note that current NECPs are not consistent in how comprehensively the financing of policies and measures is described and which costs are taken into account. The NECPs generally identify the private sector as the main source of funding, while 10–30% of funding is typically planned to come from public budgets. In many cases, the funding source still needs to be determined, especially with regard to expected support from donors or international financial institutions.

Are research and innovation sufficiently integrated into the region's energy transition plans?

All NECPs recognise the importance of research, innovation and competitiveness, but most remain focused on broad institutional frameworks rather than measurable delivery. Quantified objectives, dedicated funding trajectories and clear links to clean-energy technology deployment remain limited, although some Contracting Parties provide more structured approaches. Future plans should strengthen financing, knowledge transfer, cooperation between research and industry, clean-technology development and the skills required for the transition.