

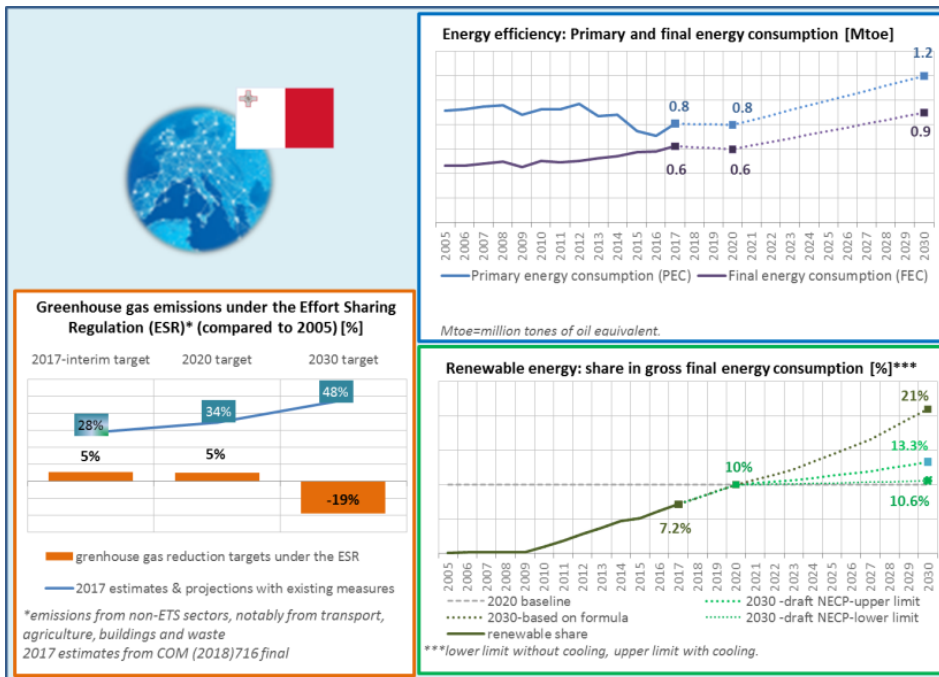


MALTA

Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030

The EU has committed itself to a clean energy transition, which will contribute to fulfilling the goals of the Paris Agreement on climate change and provide clean energy to all. To deliver on this commitment, the EU has set binding climate and energy targets for 2030: reducing greenhouse gas emissions by at least 40%, increasing energy efficiency by at least 32.5%, increasing the share of renewable energy to at least 32% of EU energy use and guaranteeing at least 15% electricity inter-connection levels between neighbouring Member States. To ensure that the EU targets are met, EU legislation requires that each Member State drafts a 10-year National Energy and Climate Plan (NECP), setting out how to reach its national targets, including the binding national target for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS). The European Commission has analysed each draft NECP. The summary of this assessment for Malta is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

MALTA - National targets and contributions foreseen in the draft National Energy and Climate Plan



Sources: Malta's draft National Energy & Climate Plan, Eurostat (PEC2020-2030, FEC2020-2030 indicators and renewable SHARES), COM (2018) 716 final (2017 GHG estimates)

- The draft National Energy and Climate Plan (NECP) of Malta is putting a significant focus on the **decarbonisation (GHG and renewable energy) and energy efficiency dimensions**, both in terms of objective setting and associated policies and measures presented. The remaining dimensions of the draft NECP would need more concrete, measureable and time-related policy objectives.
- Concerning the **decarbonisation dimension**, Malta's 2030 target for **greenhouse gas (GHG) emissions** not covered by the EU Emissions Trading System (non-ETS), is -19% compared to 2005, as set in the Effort Sharing Regulation (ESR)¹. However, Malta indicates that it does not intend to meet its non-ETS GHG reduction target domestically because of limited mitigation potential and high mitigation costs. Nevertheless, unexploited emission reduction potentials remain in transport, which forms the largest source of non-ETS GHG emissions, and in buildings including the use of fluorinated gases. More generally this approach seems to contrast with Malta's Vision Document for the Low Carbon Development Strategy from 2017 and is at odds with the long term strategy to fulfil the European Union and Member States' commitments under the UNFCCC and the Paris Agreement. It would require underpinning analysis.
- On **renewable energy**, the draft NECP does not include a formal proposal for a contribution to the 2030 EU target, but it explores two different scenarios. The ambition of both scenarios (10.6% and 13.3%) is significantly below the share of 21% that results from the formula in Annex II of the Governance Regulation, a situation which would also require an indicative trajectory in the final plan that reaches all reference points² in accordance with the national contribution in the final plan. The final plan would benefit from elaborating further on the policies and measures allowing the achievement of the contribution and on other relevant sectorial measures.
- The proposed contributions in energy efficiency for 2030 mean that **primary energy consumption** is projected to increase by 40.5% and **final energy consumption** by 37.7% compared to 2017. These contributions would be of very low ambition compared to what is expected at the EU level to collectively reach the Union's 2030 energy efficient targets. The final plan would benefit from more on details on adequate policies and measures.
- On **energy security, internal market dimension and research, innovation and competitiveness dimensions**, the draft NECP lacks clear, measureable and forward-looking objectives. The Maltese draft NECP sets only qualitative and generic objectives, principally targeting diversification of energy sources. Foreseen plans of petroleum exploration need to be aligned with longer-term decarbonisation goals. Given that that existing levels largely exceed the EU requirements, no target for electricity interconnectivity in a 2030 perspective has been concretely spelled out. As regards energy poverty, the draft plan provides a satisfactory assessment of the current situation and makes a reference to existing policies.
- While being supported by extensive modelling, the robustness of the scenarios has been poorly evidenced in the draft NECP. The draft plan does not include any assessment of the impact of planned policies and measures.

¹ 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.

² Pursuant to Article 4(a)(2) of Regulation 2018/1999.

- Malta's draft plan does include references to some of the projected **investment needs**, expenditures and funding sources, but this is mainly of qualitative nature. Thus the draft plan does not yet fully take advantage of the role that NECPs can play in providing clarity to investors and attract additional investments in the clean energy transition. Further quantification of the investment needs and expenditures, national and Union funding sources, market risks and barriers or other relevant information would be needed. The draft NECP does also not yet contain an **impact assessment** of planned policies and measures, which should be included in the final plan.
- The final plan would benefit from complementing the analysis of the interactions with **air quality and air emissions** policy, and presenting the impacts of policies and measures on air pollution, having in mind that the projected increase in bioenergy would make air impacts especially important to consider.
- The issue of a **just and fair transition** to a climate neutral economy could be better integrated throughout, by considering social and employment impacts related to a green/circular economy, such as shifts in sectors/industries (and the related skills/training impacts), distributional effects and revenue recycling.
- A list of all **energy subsidies** and actions undertaken and planned to phase them out, in particular for fossil fuels, need to be included in the final plan.
- **Good practice** worth mentioning is that, alongside the draft NECP, a well-completed voluntary template on policies and measures has been provided.

Related links:

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for Malta and all other Member States, to the Commission Communication assessing all draft NECPs, and to the draft NECPs themselves.
- More information about the [Clean energy for all Europeans package](#)
- More information about the [2030 climate & energy framework](#)