

Central Eastern Europe and the Push for Energy Security

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As the current and next holder of the rotating presidency of the Council of the European Union, Hungary and Poland have the opportunity to set the agenda for the bloc's legislative focus. The two countries should use their respective terms to promote the green transition and strengthen European energy security.

Hungary's rotating presidency of the Council of the EU started off on the wrong foot in July. Prime Minister Viktor Orbán travelled to both Kyiv and Moscow as a self-proclaimed peacemaker, sparking indignant reactions in Brussels. As early as June 2023, the [European Parliament](#) had expressed concerns about Budapest's ability to "credibly fulfil" the tasks related to the position.

Hungary's presidency also comes at a turbulent time for the EU political landscape. The results of the European elections in June confirmed a continent-wide shift to the right that was already observed in several EU member states. This raises serious concerns about the continued implementation of the Green Deal and the EU's ability to keep in line with its 2030 climate and energy targets.

The role of the EU presidency holder is in general limited to chairing Council meetings, setting a work programme, and creating a space for political discussions to ensure that legislative processes are moving ahead. But at a moment when the priorities of the new European Commission are being discussed, Hungary could play a significant agenda-setting role – that is, if Orbán decides to act as an "[honest broker](#)". With Poland set to take over the presidency in January 2025, Central and Eastern European (CEE) member states should seize this opportunity to advance debates that are relevant and important to them and to Europe as a whole – such as driving EU climate action forward by pursuing energy security.

Setting the agenda

As set out in its [priorities](#), Hungary's main focus is on improving the [competitiveness](#) of the EU and its member states through stimulating growth. This includes enhancing the EU's security and ensuring an affordable and sustainable supply of energy for both EU industries and citizens. In addition, the Hungarian presidency aims to hold policy debates and exchange views on electricity grid development, technology neutrality, and geothermal energy.

There are some positives to take from this: Budapest recognises that robust electricity grids and flexible power systems are key factors in Europe's energy transition, as they help to facilitate interconnections with other regions. Moreover, they enable the development of geothermal energy, which has the potential to be a cheap, carbon-neutral and sustainable source of power for many European countries.

However, there are also aspects within the Hungarian presidency's priorities that can potentially slow down Europe's energy transition. For example, in the technology-neutral approach, there is an emphasis on promoting nuclear energy, which Hungary regards as "one of the pillars of the success of the green transition". However, in reality, new nuclear plants take too long to construct, are extremely expensive,

and can undermine the development of renewable energy sources by directing vital funds and resources towards nuclear expansion.

Moreover, the Hungarian presidency plans to make EU funding more accessible for fossil gas infrastructure projects and diversify energy routes under the false pretence of boosting energy security. Given that Budapest is not shying away from using Russian gas (with discounted prices), this is highly controversial. It is also important to note that Hungary makes no mention of phasing out fossil fuels or fossil fuel subsidies within the EU. Having such a dialogue at the Council is crucial for the EU to keep its promise to discontinue fossil fuel subsidies by 2025.

Overall, it seems clear that the Hungarian government is prioritising improving EU competitiveness over properly addressing the looming climate crisis, instead of recognising that the two should go hand in hand to serve the interests of both industry and people.

In the first two months of its mandate, the Hungarian presidency has hosted an informal meeting of energy ministers and an informal meeting of environmental ministers. There has been some progress in discussions on geothermal energy, grid development and water management, with a re-commitment to the Paris Agreement and its climate ambitions. However, the Hungarian presidency's wording regarding such discussions has also been very vague. For instance, Budapest doesn't clarify what it means by "sustainable investments" for which "stronger support must be incorporated in the economic strategies of the EU and its member states."

In Poland's EU presidency term, the climate will also not be at the top of the agenda but for different reasons. Warsaw's main concern at present is around defence and security as Russia's war in Ukraine continues. Still, given the significance of energy security in the overall picture, the Polish government has made enhancing the EU's energy independence a key priority of its agenda for the Council presidency. Poland will also focus strongly on just transition, as many regions within Poland will need to be supported during the complete phase-out of coal.

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Divergent views

In the face of an increasingly dire climate crisis, achieving a socially just transition and turning it into concrete tools and measures should be a top priority for the CEE region. Likewise, Hungary and Poland must redouble their efforts to enhance the EU's energy security as both issues resonate strongly with the citizens of CEE member states.

However, it remains to be seen whether deeper cooperation between Poland and Hungary is politically feasible, and whether the two countries can adopt a successful regional approach – possibly acting in unison with other countries from the CEE region. While Poland Prime Minister Donald Tusk and Orbán were part of the same political family – the European People's Party – until 2021, they have grown more hostile to each other in recent years, not least due to the Hungarian prime minister's ambiguous stance on the war in Ukraine and his cosy relationship with Russian President Vladimir Putin.

On the other hand, the political situation in Czechia and Slovakia (as well as the political instability of Bulgaria) makes productive regional collaboration unlikely. Still, it would be worthwhile to look at the Czech experience with their presidency in the second part of 2022, which was viewed positively for facilitating European debates. A key focus on Prague's agenda during its six-month term was Europe's energy security in the wake of the Russian full-scale invasion of Ukraine.

In 2011, when Hungary held the EU presidency for the first time, expectations were low. At the height of the economic crisis, the country had almost gone bankrupt, and Orbán's government was already well on the way to illiberalism by curtailing media freedom. Yet, Hungarians successfully took care of ongoing legislation and oversaw Croatia's EU accession negotiations. Poland's first Council presidency in the same year was also viewed as a success, with the country acting as a pro-European and independent debate facilitator in spite of a challenging economic and international context. More than a decade later, the two countries should once again use their presidencies to work for the common European interest – which coincides with that of their citizens.

Making the transition for CEE

High energy costs, rising energy poverty levels, and the threat of the climate crisis are challenges impacting people across Europe. Accelerating the energy transition is crucial to address these challenges. Ramping up investments in developing renewable energy and grid infrastructure, making our homes and buildings more energy efficient, and improving energy savings measures throughout various sectors can help EU member states become more resilient to energy price spikes, fuel import uncertainties, and blackouts, while at the same time allowing them to reduce emissions.

The energy mixes of Hungary and Poland don't have many similarities. Coal (and lignite) still has a predominant role in Poland, although its share is falling. At the same time, the number of renewable energy prosumers – particularly in solar energy – surpassed 1.4 million in the spring of 2024, with a total installed capacity of 11.4 GW. Moreover, regulations for wind energy are expected to be changed soon with the introduction of the 500-metre distance rule. The new legislation, which significantly reduces the distance allowed between wind turbines and residential buildings, will enable a much higher level of onshore wind energy deployment in the country. Meanwhile, there are also advanced plans for offshore wind farm development.

In Hungary, on the other hand, nuclear energy and fossil gas dominate the electricity mix, while the share of coal and lignite is only 5-6 per cent in the energy supply. However, the old, state-owned, coal-powered Matra Power Plant is the biggest national CO₂ emitter, accounting for 14 per cent of the country's greenhouse gas emissions. The phase-out of coal and lignite has been delayed from 2025 to 2027 at the earliest, and the Matra Power Plant recently received a lifespan extension until 2029. The plant will only retire when a new 650 MW fossil gas-fired CCGT replacement is built, which is expected to become operational in early 2027. On a more positive note, Hungary has significantly boosted the deployment of solar energy installations in recent years.

Despite the slow progress, various polls show that citizens across Europe support climate action and recognise the benefits of accelerating the energy transition. However, the surveys also clearly indicate that people in Central Eastern Europe have concerns about meeting their basic needs, which should be addressed by governments and public policies.

EU membership has undoubtedly brought positive developments to the region in terms of energy security. For example, ComAct (Community Tailored Actions for Energy Poverty Mitigation) is an EU-

funded project that provides 3000 residents across the Central and Eastern European region with access to low-cost and energy-efficient multi-family apartment buildings. Yet despite these positive developments, not all CEE member states citizens feel they have benefited equally. This sentiment was reflected in June at the ballot boxes, as many of the candidates that were elected to the European Parliament from CEE countries can be categorised as climate change sceptics. CAN Europe has analysed the voting behaviour of Members of the European Parliament from 2019-24 and come to the conclusion that the majority of the parties from CEE countries at the European Parliament can be labelled as “prehistoric thinkers”. This means that they have not been fully engaged in the climate and energy agenda at the EU level and could be doing more when it comes to the implementation of the European Green Deal. However, there are several other MEP groups from the CEE region that have raised awareness about climate and energy issues and how they interlink with economic and social problems.

This holistic approach to linking the climate and energy agenda with other important policies could resonate more with people if it has a direct impact on their lives. A revised approach to the EU’s Cohesion Policy, an important source of funding for CEE member states, will be a cornerstone of this change. Of course, this approach should not be limited to Central Eastern Europe, as many Europeans from other corners of the continent have felt left behind.

The Hungarian and Polish Council presidencies have a responsibility to push forward the EU’s climate ambition and its agenda over the next months. Instead of focusing narrowly on economic competitiveness and defence, the two countries should prioritise the transition towards renewables as a key component of the bloc’s security. Moreover, they should place people’s concerns about the climate at the heart of their policies and discussions, ensuring no one is left behind in the fight for a just green transition.



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