

Avosetta Meeting

May 29th/30th 2026 – Copenhagen

“Instruments of Climate Mitigation and Energy Transition”

Questionnaire

The following questionnaire is intended to give us some common ground for discussion and analysis. Please feel free to choose the topics that are particularly relevant while leaving out the questions that are irrelevant in your national context.

Please remember also the obligation to provide a brief **National Report on Recent Developments in Environmental Law**, including a section on Recent Developments in Climate Litigation.

1. Political Situation

Is EU climate (and energy transition) policy generally supported or viewed critically in the respective national political context? How has national climate (and energy transition) policy developed in recent years? What are the prospects for future political developments? What are the key climate (and energy transition) policy controversies in the national political debate? What has been the role of the Courts in your national context?

In theory, the EU climate policy is supported by the Government, but only on paper. See the ‘Recent development’ part, especially the judgment of the Hungarian Constitutional Court of 2025, speaking about a formal adoption of EU policy targets, but without any specific obligations. The fact that we could reach the EU targets proves that we do not have to make any efforts.

The recent summary (adopted in 2025 December) of the National Sustainable Development Councils summarizes on the fifth progress report of the Strategy says: “It is becoming increasingly clear that a trade-off exists between our economic and environmental performance: when the Hungarian economy grew more dynamically (between 2013-18), all three main natural resource indicators (land use change, material flow, greenhouse gas emissions) worsened, whereas during the economic slowdown caused by the COVID-19 pandemic and the Russian-Ukrainian war, these indicators improved. This suggests that improving natural environmental sustainability is often not the result of pre-determined, widely implemented strategies and measures.”

And later: “The domestic performance in curbing climate change is twofold: on the one hand, it is true that Hungary's greenhouse gas (GHG) emissions have decreased by 28% since 2000, but on the other hand, the economic growth between 2013 and 2018 was accompanied by an increase in GHG emissions. When economic growth slowed down – partly due to external circumstances such as the COVID-19 pandemic and the adverse consequences of the Russian-Ukrainian war – GHG emissions began to decline significantly. From the perspective of sustainability, a key question is whether it is possible to reduce GHG emissions even under conditions of sustained and significant economic growth.”

In Hungary, ordinary courts do not consider any climate case, it is only the Constitutional Court which finally – nearly after 5 years – had a decision, presented under the recent development part

2. Overall Climate Policy Targets

Are the EU's overall climate targets (2035/2040/2050) considered adequate / too ambitious / insufficient in national politics? Has the Member State set more ambitious national climate targets ("gold plating")? If so, what additional national targets are being pursued?

The major idea is that the EU requirements are perfect, as we could easily reach the 2030 target, even without taking any steps, but relying on the general changes in our economic situation. Nothing about gold-plating, the main issue is to run for the minimum.

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Otherwise, see above.

There is an overall sustainability strategy, adopted by the Parliament (NFFS), valid from 2012 to 2024. The draft for the second strategy has been presented by the experts and the National Council for Sustainable Development, but the Government did not accept it, it was taken as 'too critical'.

The main pillars of the Hungarian climate strategy:

- *National Climate Change Strategy (NÉS): This is the framework document that defines the directions for adaptation and mitigation. Adopted also by the Parliament (the current one is the second, from 2018 to 2030). The purpose of this document is to facilitate the transition to a climate-neutral economy, reduce greenhouse gas emissions, and promote adaptation to climate change.*
- *National Energy and Climate Plan (NEKT): This is the detailed action plan for the targets committed to by 2030, with particular focus on reducing carbon dioxide emissions. In line with the objectives of the National Energy Strategy (hereinafter: NES), NEKT's primary goal is to strengthen energy sovereignty and energy security,*
- *while also promoting decarbonization and maintaining support for the population. The*
- *security of energy supply and the enhancement of energy sovereignty have become matters of national security, making the reduction of energy import dependency a key issue in energy policy. In this context, we define the reduction of the share of natural gas in the energy mix as a priority strategic objective.*
- *National Clean Development Strategy (2020-2050): The path leading to long-term carbon neutrality goals.*

3. Emission Trading System I (Industry)

Is ETS I considered appropriate? If not, what reforms are viewed as priorities from the national perspective?

Opinions in Hungary regarding the European Union's Emissions Trading System (EU ETS I—for the heavy industry and energy production sectors) are mixed and often critical, particularly due to its impact on competitiveness. As a system based on the "polluter pays" principle, ETS I imposes a significant financial burden on Hungarian industry. Of course, the official opinion on behalf of the National Climate Protection Authority is more balanced.

Competitiveness concerns: Domestic industry players, particularly the energy-intensive chemical industry, are under pressure due to high energy prices and expensive carbon allowances (ETS I), while their international competitors (e.g., China) may not bear such burdens.

Pressure to transition to new technologies: The system's goal is decarbonization, which encourages Hungarian facilities to reduce emissions, but this requires significant investments.

Price effects: The cost of carbon allowances is incorporated into product prices, which increases consumer prices.

4. Emission Trading System II (Buildings and Road Transport)

What share of national total energy consumption is attributable to buildings and road transport? Is the postponement of ETS II to 2028 viewed positively? Are buildings and road transport already part of a national regulatory regime that anticipates elements of ETS II? How are the prospects for decarbonizing the national building and transport sectors assessed?

The Hungarian government does not support the introduction of the EU's new emissions trading system (ETS2) for buildings and road transport, as it considers it a burden on the economy and society. According to the critics, the competitiveness issues facing Hungarian and European industry must be taken into account, and that we must confront the extent to which the ETS1 is responsible for them. More amendments are needed; in particular, more intensive and appropriate tools must be found with regard to technology neutrality and flexibility. The EU could provide certainty to those wishing to invest in Europe by establishing a regulatory framework that is viable in the long term, does not need to be amended every four to five years, and is aligned with reality, the politician noted.

5. Double regulation?

Is there a discussion about the topic of 'double' regulation: e.g. energy efficiency in ETS installations / build environment, National taxes on/pricing of CO2 emissions, Emission Limit Values in environmental permits?

Not

6. Effort Sharing

Is the Member State “on track” to meet its national reduction targets under the Effort Sharing Regulation 2018/842? Is failure / compliance / over-achievement of the EU requirements expected? What are the main challenges or success factors influencing compliance or non-compliance with the EU requirements? Does the state intend to sell its own emission credits or to purchase such credits from other Member States?

Under the revised EU Effort Sharing Regulation (ESR) 2018/842, as amended in 2023, Hungary is committed to a 18.7% reduction in greenhouse gas emissions by 2030 compared to 2005 levels in the sectors covered by the regulation. This new target represents a significant increase in ambition from the original 2018 target of a 7% reduction.

Key Details for Hungary

- *Target Sector: The 18.7% target applies to non-ETS sectors, including transportation, buildings, agriculture, small industrial installations, and waste management.*
- *Applicable Period: The binding targets cover the 2021-2030 period, with annual emission allocations (AEAs) designed to reduce emissions gradually.*
- *Context: The revision was made as part of the "Fit for 55" package to achieve a 40% reduction at the EU level in effort-sharing sectors by 2030.*
- *Projections and Compliance: As of 2025/2026, existing policies are projected to fall short of the intensified 2030 targets. To meet the stricter obligations,*

Hungary is expected to:

- *Promote Renewables: Target a 25% share of renewable energy sources in the transport sector by 2030.*
- *Green Bus Program: Utilize the Green Bus program to support the procurement of electric buses.*
- *Energy Efficiency: Increase the share of geothermal energy and provide incentives for heat pumps in the heating sector.*
- *Use Flexibilities: The ESR allows member states to use, to a limited extent, banking, borrowing, or trading of annual emission allocations (AEAs) to ensure compliance*

7. Renewable Energy

What progress has been made in the transition towards a national energy supply based on renewable energy? What is the current energy mix, and what are the projections up to 2050? What differences exist in the transformation of the electricity market versus the broader energy market (including non electric heating, transport and other energy use)? What are the major national regulatory instruments to support the transition to renewables? What major obstacles hinder a faster transition to renewable energy at the national level? Are adjustments to the EU's regulatory framework considered necessary? If so, which ones?

Significant progress has been made in recent years in electricity generation from renewable sources, but the widespread adoption of weather-dependent technologies presents new challenges. The main tasks for the coming period include finding cost-effective and environmentally conscious solutions for energy storage, enhancing flexibility on both the supply and demand sides of energy networks, improving grid interconnections, and integrating various grid-based energy supply systems. Solutions must be found to ensure a sustainable future for parallel energy systems (gas network, district heating system, electricity grid) from economic, environmental, and social perspectives.

Hungary's electricity generation reached a historic turning point in 2025: alongside nuclear energy (approx. 40–45%), solar energy became the second most important source (25–30%), surpassing natural gas (15–20%). Coal- and lignite-based generation has fallen to a low point, while total electricity consumption has stabilized at around 48 TWh, and the share of solar energy is outstanding even by European standards. Altogether renewable energy and energy produced from waste could reach 24,1 % in 2024

Key characteristics of the 2025 Hungarian energy mix:

- *Nuclear energy: The Paks Nuclear Power Plant remains the backbone of domestic production, providing a stable, low-emission base that accounts for nearly half of total generation.*

- *Solar energy: By 2025, the share of solar energy generation reached 25–30%, making it the second-largest source in the mix. Hungary ranks among the European leaders in solar energy production.*
- *Natural Gas: The share of natural gas-based electricity generation decreased significantly compared to previous years, falling to between 15–20%.*
- *Coal/Lignite: Coal- and lignite-based energy production sank to a historic low, taking a backseat to more sustainable sources.*
- *Consumption: Total annual electricity consumption in 2025 was 48,337 GWh, representing a minimal increase of 0.4%, indicating a close correlation with economic growth.*

According to data, residential-scale solar power plants (HMKE) and solar power plants generating for self-consumption contributed a significant amount of additional generation to the grid, exceeding 2 TWh.

In parallel with the rapid expansion of renewables, the development of energy storage has also gained remarkable momentum. Domestic battery energy storage capacity grew from 35.3 megawatts at the end of 2024 to 146 megawatts by the end of 2025, and to 217.4 megawatts by early 2026. This multiple-fold expansion is not merely a technological statistic. It plays a key role in ensuring that the high share of solar energy does not come with supply security risks and that the system is capable of managing fluctuations in weather-dependent generation.

There is a special situation in Hungary, namely the National Geothermal Strategy (NFS 2024), developed in 2024, aims to leverage the country's geological conditions to double domestic, so that alongside solar energy, this renewable energy source can also play a key role in achieving climate goals.

Beside the different permit procedures, most likely there are many legal challenges related to contracts. One of the most important issues when establishing a renewable energy facility is the matter of connecting to the electricity grid. Since grid capacity is limited, some projects face years-long waits to connect. Furthermore, the exact terms of grid connection contracts must be thoroughly reviewed from a legal perspective, particularly regarding deadlines, penalties, and technical requirements. In recent years, the difficulties associated with these grid connections and the introduction of new regulations have also posed challenges for investors. The problem remains unresolved to this day. Legislative amendments often take effect almost immediately, which is why continuous monitoring of changes must be part of the legal preparation during the project. Renewable energy investments in Hungary thus present a multitude of legal challenges. Since the rules and the permitting process are constantly changing and are highly complex to begin with, strict conditions must be met to qualify for subsidies. The foundation of a successful investment lies in careful legal preparation, proper planning, and, of course, the involvement of expert support.

8. Land Use

How exactly are emissions from the land-use sector recorded nationally? What trends can be derived from this data? What strategies are being pursued at the national level to strengthen the land-use sector's contribution to emission reductions and to comply with the LULUCF-Regulation 2018/841?

Monitoring greenhouse gas emissions and removals from land use, land-use change, and forestry (LULUCF) in Hungary is a complex system that operates in accordance with international obligations.

1. The Territorial Monitoring System (TMR) (as of 2026)

- *Operated by the Hungarian State Treasury, the TMR uses data from Sentinel satellites to continuously monitor agricultural areas.*
- *This system automatically detects changes in land use (e.g., conversion of cropland to grassland, afforestation), which have a direct impact on carbon dioxide emissions or sequestration.*
- *With the mobilGAZDA (mobileFARMER) app, farmers can use georeferenced photos to verify compliance with eligibility and environmental protection requirements, thereby facilitating more accurate data collection*

2. LULUCF Sector Monitoring

- *Hungary prepares an annual National Inventory Report containing emissions data for the LULUCF sector for the United Nations Framework Convention on Climate Change (UNFCCC).*
- *Monitoring covers forest areas, croplands, grasslands, wetlands, and built-up areas.*
- *Objective: To determine whether afforestation, tillage practices (e.g., no-till farming), and land-use changes increase or decrease atmospheric carbon dioxide levels. [1]*

3. Data Sources and Methodology

- *Satellite data: Data from Copernicus Sentinel-1 and Sentinel-2 are essential for detecting land cover changes.*
- *National Forest Inventory: For accurate monitoring of carbon stock changes in forested areas.*
- *MePAR (Agricultural Parcel Identification System): For monitoring cropland use. [1, 2, 3, 4, 5]*

The monitoring systems refined for 2026 aim to provide accurate data on the achievement of EU climate targets.

9. Special National Strategies, Programmes, and Ideas

What special strategies, regulatory programmes, and ideas—beyond those already mentioned—are being pursued nationally for climate mitigation? How do these national concepts and legal instruments relate to EU climate policy? Does a programme for carbon capture and storage exist?

Due to the new elections and the setting up of a totally new political and governance system, definitely there are changes in the future. Looking only at the recent judgment of the Constitutional Court there are several missing links and efficiency problems.

10. Social and Regional Compensation Mechanisms

Are there national mechanisms to provide social or regional compensation for the burdens arising from climate protection measures? Is any form of “climate dividend” or “climate payment” being issued?

No

11. Adaptation

Are there national programmes for climate adaptation? How can these be briefly described? Should the EU, from a national perspective, develop climate adaptation programmes, or should this remain the responsibility of the Member States?

There are several projects and programmes related adaptation. As an example, we may mention the Forestry Climate-adaptation Forum, established last year, several local or community programs, educational programs (such as climate-adaptation and mitigation engineer). The major national policy is the National Climate Strategy (NÉS). A specific background information resource - National Adaptation Geospatial Information System – has been set up recently

12. New liability/compensation regime in the Air Quality Directive (2024/2881) and the amended IE Directive (2024/1784)

The new Air Quality Directive 2024/2881, art. 28. and the amended IE Directive (2024/1785) requires Member States to establish a liability/compensation regime regarding persons suffering damage to human health caused by violation of the EU-obligations under the two directives. The new EU-obligation should be seen in light of the CJEU-ruling in C-61/21 in which the CJEU rejected Member State liability for human health damage based on the (old) Air Quality Directive. The new obligations place Member States as the one who should pay compensation for the damage, but the legal implications of the new regimes are not entirely clear. How is the new obligation on liability/compensation in the new Air Quality Directive and the amended IE Directive intended to be implemented in your Member State?

This possibility has no publicity today, the transposition is still under preparation.