



Work Package 6 Deliverable 6.2



Tracking EU climate policy and engaging with policymakers: a toolkit for cities to unlock climate action

Deliverable Lead and Editor	Carbon Market Watch
Contributing partners	Energy Cities
Туре	Report
Status	Final

31 October 2023

Public



#### Disclaimer

The content of this deliverable reflects only the author's view. The sole responsibility for the content of this report lies with the authors. It does not reflect the opinion of the European Union. The European Commission is not responsible for any use that may be made of the information contained therein.

#### **Copyright notice**

©2021 EUCityCalc Consortium Partners. All rights reserved. The EUCityCalc is a European Union's Horizon 2020 research and innovation programme Project supported by the European Commission under Grant Agreement No. 101022965. You are permitted to copy and distribute verbatim copies of this document, containing this copyright notice, but modifying this document is not allowed. All contents are reserved by default and may not be disclosed to third parties without the written consent of EUCityCalc partners, except as mandated by the European Commission contract, for reviewing and dissemination purposes. All trademarks and other rights on third party products mentioned in this document are acknowledged and owned by the respective holders. The information contained in this document represents the views of EUCityCalc members as of the date they are published. EUCityCalc consortium does not guarantee that any information contained herein is error-free, or up-to-date, nor makes warranties, express, implied, or statutory, by publishing this document.





INTRODUCTION	4
1. WHAT ARE NATIONAL ENERGY AND CLIMATE PLANS?	5
1.1. Overview of the Governance Regulation and NECPs	5
1.2. Tracking the NECP update process: key information and milestones	
Croatia	8
Czechia	8
France	
Italy	
Latvia	
Portugal	9

#### 

2.1. Past and current experiences of participation in NECP processes	
First NECP cycle: 2018-2019	
NECP update cycle: 2023-2024	
2.2. What's in the EU Green Deal for cities	
2.2.1. Energy Efficiency Directive (EED)	
2.2.2. Renewable Energy Directive (RED II)	
2.2.3. Energy Performance Building Directive	
2.2.4. Nature Restoration Law	
2.2.5. CO <sub>2</sub> Emissions Standards for Cars and Vans	

#### 

national governments	
Identifying priority areas for local and national action with the EUCityCalc tool	
Deep-dive into sectors with the EUCityCalc tool to highlight local-/national- level links	
3.2. Boost human resources & green skills in local administrations	36
3.3. Make your voice heard: get involved at a national level and ask for EU funds	
3.3.1. Social Climate Fund (SCF)	
3.3.2. Just Transition Fund (JTF)	
	41
3.3.3. REPowerEU	······································

BIBLIOGRAPHY	Υ4	155
--------------	----	-----





## Introduction

Cities and local authorities are essential to incorporate into national and EU climate policymaking processes. They often have high climate action ambitions and actually end up implementing many of the policies that are decided at higher levels of government. They also rely on support from their regional and national governments in terms of finance and capacity as well as in overall policy coordination in order to unlock their full climate mitigation potential. However, in many cases cities are not adequately consulted or involved in climate policymaking processes at the national and EU levels.

In a general sense, this toolkit aims to support cities and local authorities to better understand the landscape of EU policymaking -- the EU Governance Regulation and parts of the EU Green Deal – as well as to help them in formulating recommendations that they can adapt to their national governments to reinforce their climate action measures at the local level. The overall approach of the report is detailed as follows.

First, this report serves to provide cities and local authorities with an overview of the EU's Governance Regulation, its provisions for multi-level climate governance, milestones for countries' revisions of their National Energy and Climate Plans (NECPs) through June 2024, and the role of cities in this process (1. What are National Energy and Climate Plans?).

Second, this report goes beyond the NECP process and explores the role of cities in related legislation under the EU Green Deal with important implications for urban climate action, namely the Energy Efficiency Directive, the Renewable Energy Directive, the Energy Performance Building Directive, the Nature Restoration Law, and the CO<sub>2</sub> emissions standards for cars and trucks (2. The role of cities and local authorities in National Energy and Climate Plans and the EU Green Deal). The report summarises the important parts of this legislation for local authorities, which can serve to reinforce their efforts to support climate measures, to raise funds, and to coordinate with their regional and national governments.

Third and finally, the report proposes advocacy approaches and concrete tips for cities and local authorities to engage with policymakers in their national governments and at the EU-level to boost local climate action (3. Key advocacy approaches for cities to convey their recommendations to Member States and the EU). In particular, the report focuses on how cities can use the visualisations





and data from the European City Calculator tool in order to make their voices heard and to make the case for their successes and needs to their governments.

Each city and country in Europe and around the world face unique contexts which present different opportunities and challenges. Therefore, this toolkit is not intended to be prescriptive or to provide a one-size-fits-all solution. Rather, it is hoped that the details of EU climate policy context and the proposed methods of engagement presented in this report will empower cities and local authorities to define strategies and approaches that best fit their context in order to make their voices heard and to secure stronger support for their climate action measures from their national governments and at the EU-level.

# 1. What are National Energy and Climate Plans?

#### **1.1. Overview of the Governance Regulation and NECPs**

The European Union's *Energy Union and Climate Action Governance Regulation* (hereafter called "Governance Regulation"), sets an overall framework to achieve the EU's climate and energy targets for 2030.<sup>1</sup> Under the Governance Regulation, each EU member state is required to develop an integrated 10-year National Energy and Climate Plan (NECP), covering the five different areas of the EU's Energy Union: i) energy security, ii) the internal energy market, iii) energy efficiency, iv) decarbonisation, and v) research, innovation and competitiveness. NECPs are crucial documents since they present the range of member states' policies, measures, and plans to achieve their commitments towards the EU's collective climate and energy targets.

For the first round of NECPs covering 2021-2030, EU member states each submitted their first draft in the end of 2018, which was finalised by the end of 2019. NECPs, as well as the European Commission's assessment and recommendations regarding their design, are publicly available on a

<sup>&</sup>lt;sup>1</sup>*Regulation* (EU) 2018/1999, <u>https://eur-lex.europa.eu/legal-</u> content/EN/TXT/?toc=OJ:L:2018:328:TOC&uri=uriserv:OJ.L\_.2018.328.01.0001.01.ENG





dedicated webpage.<sup>2</sup> The Governance Regulation requires NECPs to be updated every five years -meaning between June 2023 and June 2024 for the ongoing update round -- marking an important opportunity to increase the ambition of NECPs, which are lagging behind.

The timing of the entry into force of the Governance Regulation and its deadline for the finalisation of the NECPs by end of 2019 were not ideal, resulting in NECPs that were not fit for purpose. This is because the EU Green Deal was finalised shortly after the end of 2019 with the Fit-for-55 package launched in 2021,<sup>3</sup> aiming for EU-wide net emission reductions of at least 55% by 2030. Therefore, the ambition level set out in the current NECPs is not adequate, since they were based on the 2030 climate and energy framework established in 2018 with an aim to collectively achieve only a 30% emission reduction by 2030 compared to 2005 levels.<sup>4</sup> For example, the European Commission's assessments in 2020 found that the implementation of planned measures or stated ambitions in current NECPs would lead the EU to a projected overall reduction of emissions by 41% in 2030<sup>5</sup>, well below the EU's 55% target.

In addition, in the past years, the COVID-19 pandemic as well as Russia's invasion of Ukraine in 2022 have radically changed the geopolitical, energy and climate contexts in Europe and beyond, leading to the development of new plans like REPowerEU.<sup>6</sup> These developments have underscored yet again the need to rapidly reduce EU energy consumption and greenhouse gas emissions and to scale-up renewable energy as well as action across levels of government.

Therefore, the update of the current NECPs between June 2023 and June 2024 is essential, not only to urgently raise the level of ambition for an outdated set of climate and energy targets, but also to correct shortcomings in the participation of local authorities and the public in the design of NECPs. Key stakeholders like cities and local authorities have a fundamental role in contributing to their countries' climate targets and in raising the national-level of climate ambition, but their potential

<sup>&</sup>lt;sup>6</sup> <u>https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe\_en</u>



<sup>&</sup>lt;sup>2</sup> <u>https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\_en</u>

<sup>&</sup>lt;sup>3</sup> https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\_en\_

<sup>&</sup>lt;sup>4</sup> LIFE PlanUp (2021), "Fit for Flop/55: Lessons from the National Energy and Climate Plans to achieve a climate-neutral Europe", <u>https://cdn.webdoos.io/planup/CMW\_PlanUp\_fitfor55\_EN\_v04\_WEB\_pages.pdf</u>

<sup>&</sup>lt;sup>5</sup> European Commission (2020), "An EU-wide assessment of National Energy and Climate Plans", <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1600339518571&uri=COM%3A2020%3A564%3AFIN</u>; LIFE Unify (2022), "Taking Stock & Planning Ahead: National Energy and Climate Plans as a tool to achieve climate safety and energy security", <u>https://unify.caneurope.org/wp-content/uploads/sites/2/2022/07/necp-report-taking-stock-planning-ahead.pdf</u>



tends to be poorly reflected in NECPs.<sup>7</sup> In addition, the participation of local authorities and the wider public in designing NECPs and in being engaged by national ministries in continuous dialogue has not been well managed in many countries -- as will be further discussed in <u>section 2.1</u> -- despite these being requirements under the Governance Regulation (see Box 1).

## Box 1 – EU Governance Regulation's provisions for public consultation and stakeholder dialogues

The Governance Regulation requires each EU member state to organise early and effective public consultations prior to the finalisation of NECPs (Article 10) and to also establish "multi-level climate and energy dialogues" (Article 11) to discuss energy and climate policies with a wide group of stakeholders including local authorities and cities.

#### Article 10 – Public consultation:

"Without prejudice to any other Union law requirements, each Member State shall ensure that the public is given early and effective opportunities to participate in the preparation of the draft integrated national energy and climate plan — as regards the plans for the 2021 to 2030 period, in the preparation of the final plan well before its adoption — as well as of the longterm strategies referred to in Article 15. Each Member State shall attach to the submission of such documents to the Commission a summary of the public's views or provisional views. [...] Each Member State shall ensure that the public is informed. Each Member State shall set reasonable timeframes allowing sufficient time for the public to be informed, to participate and express its views."

#### Article 11 – Multilevel climate and energy dialogue:

"Each Member State shall establish a multilevel climate and energy dialogue pursuant to national rules, in which local authorities, civil society organisations, business community, investors and other relevant stakeholders and the general public are able actively to engage and discuss the different scenarios envisaged for energy and climate policies, including for the long term, and review progress, unless it already has a structure which serves the same purpose. Integrated national energy and climate plans may be discussed within the framework of such a dialogue."

Source: <u>https://eur-lex.europa.eu/legal-</u> <u>content/EN/TXT/?toc=OJ:L:2018:328:TOC&uri=uriserv:OJ.L</u>.2018.328.01.0001.01.ENG

<sup>&</sup>lt;sup>7</sup> See for example, a recent EUCityCalc report on a similar subject: EUCityCalc (2023), "National and EU factors affecting EUCityCalc pilot cities' climate transition", <u>https://europeancitycalculator.eu/wp-content/uploads/2023/07/D6.1\_WP6\_National-and-EU-factors-affecting-pilot-cities-climate-transition.pdf</u>





## **1.2. Tracking the NECP update process: key information and milestones**

As mentioned previously, EU Member States' National Energy and Climate Plans (NECPs) and related

documents are publicly accessible on a dedicated European Commission webpage<sup>8</sup>:

- each member state's draft NECP in 2018 (prior to finalisation in the end of 2019), as well as the final NECP;
- the European Commission's assessment of each member state's draft NECP and recommendations to improve it prior to finalisation;
- the European Commission's assessment of each member state's final NECP, as well as an overall assessment of all the final NECPs;
- each member state's draft updated NECP in 2023 (most member states had not submitted their draft updated NECP as of 26 July 2023,<sup>9</sup> despite the deadline being end of June 2023 once they submit their NECP, it will be made available on the webpage).

For example, the NECP documents of the member states of the pilot cities in the EUCityCalc project<sup>10</sup> are as follows:

#### Croatia

- Draft NECP (submitted in 2018)
  - Draft NECP: original in <u>Croatian</u>; version in <u>English</u>
  - European Commission recommendation
- Final NECP (submitted in 2019)
  - Final NECP: original in <u>Croatian</u>; version in <u>English</u>
  - European Commission assessment in <u>Croatian</u> and in <u>English</u>
  - Draft updated NECP (submitted 4 July 2023)
    - Draft updated NECP: original in <u>Croatian</u>; version in <u>English</u>

#### Czechia

- Draft NECP (submitted in 2018)
  - Draft NECP: original in <u>Czech</u>; version in <u>English</u>
  - o European Commission recommendation
- Final NECP (submitted in 2019)
  - Final NECP: original in <u>Czech</u>; version in <u>English</u>

<sup>&</sup>lt;sup>10</sup> The ten cities are Koprivnica, Varazdin, and Virovitica (Croatia), Zdar (Czechia), Dijon Métropole (France), Mantova (Italy), Riga (Latvia), Palmela, Sesimbra, and Setúbal (Portugal).



<sup>&</sup>lt;sup>8</sup> <u>https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\_en</u>

<sup>&</sup>lt;sup>9</sup> As of 26 July 2023, nearly one month after the deadline, only the draft updated NECPs of Croatia, Denmark, Finland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain, and Sweden were available on the European Commission's online portal: <u>https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\_en.</u>



- o European Commission assessment in <u>Czech</u> and in <u>English</u>
- Draft updated NECP
  - Not available as of 13 October 2023

#### France

- Draft NECP (submitted in 2018)
  - Draft NECP: original in French; no version in English
  - o European Commission recommendation
- Final NECP (submitted in 2019)
  - Final NECP: original in <u>French</u> with <u>annex</u>; version in <u>English</u>
  - European Commission assessment in <u>French</u> and in <u>English</u>
- Draft updated NECP
  - Not available as of 13 October 2023

#### Italy

- Draft NECP (submitted in 2018)
  - Draft NECP: original in <u>Italian</u>; version in <u>English</u>
  - o European Commission recommendation
- Final NECP (submitted in 2019)
  - Final NECP: original in <u>Italian</u>; version in <u>English</u>
  - European Commission assessment in <u>Italian</u> and in <u>English</u>
- Draft updated NECP (submitted 24 July 2023)
  - Draft updated NECP: original in <u>Italian</u>; version in <u>English</u>

#### Latvia

- Draft NECP (submitted in 2018)
  - Draft NECP: original in Latvian; version in English
  - o <u>European Commission recommendation</u>
- Final NECP (submitted in 2019)
  - Final NECP: original in Latvian; version in English
  - European Commission assessment in Latvian and in English
- Draft updated NECP
  - Not available as of 13 October 2023

#### Portugal

- Draft NECP (submitted in 2018)
  - Draft NECP: original in <u>Portuguese</u>; version in <u>English</u>
  - European Commission recommendation
- Final NECP (submitted in 2019)
  - Final NECP: original in <u>Portuguese</u>; version in <u>English</u>
  - European Commission assessment in <u>Portuguese</u> and in <u>English</u>
- Draft updated NECP (submitted 13 July 2023)
  - Draft updated NECP: original in <u>Portuguese</u>; version in <u>English</u>

The Governance Regulation requires NECPs to be updated every 5 years, meaning the process to

update NECPs has been initiated, albeit unevenly. Since EU member states submitted their first draft





NECPs in the end of 2018 and finalised them in the end of 2019, this means that the deadlines for the updated NECPs are to submit a draft version in end of June 2023 and a final version in end of June 2024. However, only Croatia, Denmark, Finland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain, and Sweden had submitted their draft updated NECPs as of 26 July 2023, with most member states clearly lagging behind the 30 June 2023 deadline.

The key milestones for the NECP update process to June 2024 and beyond are illustrated in Figure 1 below, and summarised as follows:

- Submission deadline of draft updated NECPs (30 June '23)
  - Member States were given a deadline to submit their draft updated NECPs to the European Commission by 30 June 2023. Despite this deadline being a requirement, most Member States had not submitted their draft updated NECP as of 26 July 2023. In fact, only a handful of member states submitted their draft updated NECP by the 30 June 2023 deadline.<sup>11</sup>
- Commission's assessment of draft updated NECPs (1 July '23 to 31 December '23)
  - The European Commission will conduct an assessment of the submitted draft updated NECPs, "no later than 6 months before the deadline for submitting the final plans"<sup>12</sup>, which means by 31 December 2023 (the final updated NECPs are due by 30 June 2024 at the latest).
  - The Commission will assess the draft updated NECPs "against the requirements of the Governance Regulation [paying] particular attention to whether the objectives, targets and contributions set by Member States are sufficient for the collective achievement of the Energy Union, including those in the relevant legislation currently being negotiated."<sup>13</sup> As part of the assessment, the Commission may provide countryspecific recommendations.
- Finalisation of updated NECPs (30 June '23 to 30 June '24)
  - Member states can begin finalising their draft updated NECPs between the time of its submission up until the final deadline of 30 June 2024. Finalisation of the updated NECP should be informed not only by the European Commission's assessment and subsequent recommendations, due by 31 December 2023, but also by further exchanges with local authorities, civil society and other stakeholders in each member state, given the obligations of member states under the Governance Regulation to ensure early and effective public participation (Article 10, Governance Regulation) and to establish "multi-level climate and energy dialogues" (Article 11).
- Submission of final updated NECPs (30 June '24)
  - $\circ~$  Each member state must submit the final version of its updated NECP by 30 June 2024 at the latest.
- Continued implementation of NECPs (after June '24)

<sup>&</sup>lt;sup>12</sup> European Commission (15 December 2022), "Commission Notice on the Guidance to Member States for update of the 2021-2030 national energy and climate plans", page 3, <u>https://energy.ec.europa.eu/publications/guidance-ms-updated-necps-2021-2030 en</u> <sup>13</sup> Ibid., p.23.



<sup>&</sup>lt;sup>11</sup> <u>https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\_en</u>



- NECPs and any updates continue to be implemented following the submission of the final version.
- **Subsequent NECPs and updates** (Next NECPs: January 2028-January 2029; mid-term update of NECPs: January 2033-34; both cycles repeat every 10 years)
  - After this current round of updates ending in June 2024, NECPs will be updated according to the following schedule:
    - Articles 9 and 3 of the Governance Regulation require member states to submit a new integrated ten-year NECP on 1 January 2029, and every subsequent ten years.<sup>14</sup>
    - For the new ten-year NECP, member states must follow the same process of first submitting a draft version the year before the deadline of the final version: meaning that by 1 January 2028, each member state must submit a draft version of their new integrated 10-year NECP covering 2030-2040, which must be subsequently finalised by 1 January 2029.
    - In addition, Article 14 of the Governance Regulation requires NECPs to be updated at the 5-year mark in the same way that is currently happening, meaning that the NECPs covering 2030-2040 would need to be updated between 1 January 2033 (draft version) to 1 January 2034 (final version).<sup>15</sup>
    - Every ten years, this schedule repeats itself, meaning the 10-year NECP covering 2040-2050 would be required by 1 January 2038 (draft) and 1 January 2039 (final), and would be updated between 1 January 2043 (draft) and 1 January 2044 (final), and on and on.
  - It is worth noting that this schedule may change in the future, if the Governance Regulation is revised.
- **Revision of Governance Regulation** (legislative proposals may start in Q4 2024 during the next term of office of the Commission)
  - Article 45 of the Governance Regulation requires the European Commission to present a report on the operation of the Governance Regulation to the European

content/EN/TXT/?toc=OJ:L:2018:328:TOC&uri=uriserv:OJ.L\_.2018.328.01.0001.01.ENG).

content/EN/TXT/?toc=OJ:L:2018:328:TOC&uri=uriserv:OJ.L\_.2018.328.01.0001.01.ENG).

<sup>&</sup>lt;sup>15</sup> "By 30 June 2023, and subsequently by 1 January 2033 and every 10 years thereafter, each Member State shall submit to the Commission a draft update of the latest notified integrated national energy and climate plan or shall provide the Commission with reasons justifying why the plan does not require updating. [...] By 30 June 2024, and subsequently by 1 January 2034 and every 10 years thereafter, each Member State shall submit to the Commission an update of its latest notified integrated national energy and climate plan, unless they have provided reasons why the plan does not require updating pursuant to paragraph 1" (Governance Regulation, Article 14, Update of the integrated national energy and climate plan, paragraphs 1-2, <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ:L:2018;328:TOC&uri=uriserv:OJ.L\_.2018;328.01.0001.01.ENG</u>).



<sup>&</sup>lt;sup>14</sup> Article 9: "1. By 31 December 2018, and subsequently by 1 January 2028 and every ten years thereafter, each Member State shall prepare and submit to the Commission a draft of the integrated national energy and climate plan in accordance with Article 3(1) and Annex I.

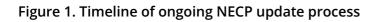
<sup>2.</sup> The Commission shall assess the draft integrated national energy and climate plans and may issue country-specific recommendations to Member States in accordance with Article 34 no later than six months before the deadline for submitting those integrated national energy and climate plans" (Governance Regulation, Article 9, Draft integrated national energy and climate plans, paragraphs 1-2, <u>https://eur-lex.europa.eu/legal-</u>

Article 3: "1. By 31 December 2019, and subsequently by 1 January 2029 and every ten years thereafter, each Member State shall notify to the Commission an integrated national energy and climate plan" (Governance Regulation, Article 3, Integrated national energy and climate plans, paragraph 1, <u>https://eur-lex.europa.eu/legal-</u>



Parliament and to the Council.<sup>16</sup> Therefore, on 6 July 2023, the European Commission opened a <u>call for evidence on the review report of the Governance Regulation</u>, which will be presented in Q1 2024, and which will be informed by responses to the call for evidence.

 Any legislative proposals to revise the Governance Regulation are likely to only be initiated – and potentially adopted – by the next European Commission (the current Commission's term of office runs until 31 October 2024).<sup>17</sup> The Committee of the Regions is for example calling for an in-depth revision of the Governance Regulation.<sup>18</sup>





\*Given that most Member States have been delayed in submitting their draft updated NECP, the European Commission's assessment may hence be pushed back accordingly

Source: EUCityCalc

<sup>17</sup> <u>https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/search-all-eu-institutions-and-bodies/european-commission\_en</u>

<sup>&</sup>lt;sup>18</sup> European Committee of the Regions (2023), "DRAFT OPINION: A multilevel governance for the Green Deal. Towards the revision of the Governance Regulation", 158th plenary session, 29-30 November 2023, <u>https://cor.europa.eu/en/our-</u> work/Pages/OpinionTimeline.aspx?opId=CDR-903-2023.



<sup>&</sup>lt;sup>16</sup> "The Commission shall report to the European Parliament and to the Council within six months of each global stocktake agreed under Article 14 of the Paris Agreement on the operation of this Regulation, its contribution to governance of the Energy Union, its contribution to the long-term goals of the Paris Agreement, progress towards the achievement of the 2030 climate and energy targets, additional Energy Union objectives and the conformity of the planning, reporting and monitoring provisions laid down in this Regulation with other Union law or decisions relating to the UNFCCC and the Paris Agreement. The Commission reports may be accompanied by legislative proposals where appropriate" (Governance Regulation, Article 45, Review, paragraph 1, <u>https://eurlex.europa.eu/legal-content/EN/TXT/?toc=OJ:L:2018:328:TOC&uri=uriserv:OJ.L\_.2018.328.01.0001.01.ENG</u>).



## 2. The role of cities and local authorities in National Energy and Climate Plans and the EU Green Deal

#### 2.1. Past and current experiences of participation in NECP processes

As mentioned in <u>section 1.1</u>, many member states had a poor record of real engagement with local authorities and cities (as well as other stakeholders) during the NECP design process in 2018-2019, despite there being clear requirements under the Governance Regulation's Articles 10 and 11 to ensure early and effective public participation and to establish multi-level climate and energy dialogues (see Box 1 in section 1.1).

#### First NECP cycle: 2018-2019

During the 2018-2019 NECP process, member states generally set up public consultations, but these cannot be considered as truly compliant with the Governance Regulation, since the consultation periods were often extremely short, given the length and complexity of the documentation (hundreds of pages).

Findings from the Life PlanUp project show, for example, that Poland only opened public consultations on its NECP for a month and that Romania consulted the public on its draft plan during three weeks only before submitting it to the European Commission a few weeks later.<sup>19</sup> These time periods are much too short to receive meaningful engagement from stakeholders, especially when done as a tick-the-box exercise mere weeks before submitting the final NECP, which effectively means no public inputs can realistically be taken into account from the consultation.

<sup>&</sup>lt;sup>19</sup> LIFE PlanUp (2021), "Fit for Flop/55: Lessons from the National Energy and Climate Plans to achieve a climate-neutral Europe", <u>https://cdn.webdoos.io/planup/CMW\_PlanUp\_fitfor55\_EN\_v04\_WEB\_pages.pdf</u>





The Governance Regulation requires member states to include, in their NECP submission, a summary of the views of different stakeholders on the NECP, yet this was not always conducted in practice. Hungary's NECP mentioned the selected stakeholders reached out to for its consultation, but no summary was given of their views nor to what extent these were included in the final plan.<sup>20</sup> Romania, Czechia and Greece provided a summary of the views from the public consultation but without going into detail about how they were accounted for in its final plan. France, Germany, Sweden, Finland, Italy, Spain and Poland included a summary of the views from the public consultation and explained to what extent those were integrated in their NECPs.<sup>21</sup> Overall, the European Commission's assessments of member states' NECPs paint a mixed picture of the extent to which member states truly sought to engage with key stakeholders like local authorities and cities.<sup>22</sup>

Results from discussions with EUCityCalc consortium partners as well as a survey circulated to EUCityCalc pilot cities also indicate similarly mixed results regarding the extent to which their national authorities engaged local authorities in the last NECP cycle (summarised below and in Figure 2):

- France and Latvia reportedly held extensive and/or targeted consultations:
  - France organised several committees and working group meetings about the two plans that constitute its NECP, the Stratégie National Bas Carbone (National low carbon strategy) and the Plan Pluri-Annuel de l'Energie (Multiannual energy plan).
  - **Latvia** established a specific council to develop the NECP that included the Union of Latvian Municipalities Association as a member with voting rights; in addition the

Source: LIFE PlanUp (2021), "Fit for Flop/55: Lessons from the National Energy and Climate Plans to achieve a climate-neutral Europe", <u>https://cdn.webdoos.io/planup/CMW\_PlanUp\_fitfor55\_EN\_v04\_WEB\_pages.pdf</u>

<sup>&</sup>lt;sup>22</sup> European Commission Assessments of Member States' Draft NECPs (2019-2020), available here: <u>https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\_en</u>



<sup>&</sup>lt;sup>20</sup> Moreover, the Hungarian government sent out a questionnaire to selected stakeholders only, which does not constitute a true public consultation. In addition to this, the stakeholders selected to participate in the NECP process were not made aware that they were contributing to the country's NECP. The questionnaire only included general information about a new planning document, but not the draft NECP itself. Hungary rectified this issue at least to some extent when consulting on its final NECP (again, with selected stakeholders) by attaching the full plan to the questionnaire.

<sup>&</sup>lt;sup>21</sup> LIFE PlanUp (2021), "Fit for Flop/55: Lessons from the National Energy and Climate Plans to achieve a climate-neutral Europe", <u>https://cdn.webdoos.io/planup/CMW\_PlanUp\_fitfor55\_EN\_v04\_WEB\_pages.pdf</u>



council engaged with a wide group of stakeholders at working group level, including local authorities and NGOs as well as other stakeholders.

- However, this level of involvement was not so in all EUCityCalc pilot cities' countries:
  - While **Italy** had selected thematic expert groups and an online public consultation, local authorities and other stakeholders were not reported to be closely involved in the NECP process.
  - Similarly, in **Portugal**, several presentations and thematic workshops were held on the NECP, but cities were reportedly not closely enough involved in discussions regarding the design of the NECPs.
  - For Croatia, local and regional entities were convened in workshops discussing various climate strategies (beyond NECPs) and were invited to e-consultations on the draft NECP, and in addition, regional energy agencies were consulted in a specific meeting regarding the draft NECP, but local authorities more widely were not closely involved and there is reportedly a wider disconnect between the national and local levels in terms of climate policymaking.
  - In Czechia, a NECP working group was established (but it only held one plenary meeting), municipality associations were consulted on certain issues beyond the context of NECPs, but overall limited meaningful consultation was reported to have taken place (e.g. for the public consultation, the NECP was published on the Ministry of Industry & Trade's website in November 2019, but the plan was finalised in January 2020, meaning that inputs from the consultation were extremely unlikely to have been able to inform the NECP's development).

Similar experiences and shortcomings have been echoed in other contexts and have been flagged in the past by the European Commission.<sup>23</sup> A recent study by the European Committee of the Regions found that only 35% of respondents surveyed (52 respondents from 23 Member States, representing primarily local and regional authorities as well as energy agencies) considered that their national competent authority had established a permanent mechanism for consultation on the NECP.<sup>24</sup>

<sup>&</sup>lt;sup>24</sup> European Committee of the Regions (2023), "Local and regional authorities in the governance of the energy union", <u>https://cor.europa.eu/en/engage/studies/Documents/Local%20and%20regional%20authorities%20in%20the%20governance%20</u> <u>of%20the%20energy%20union/LRAs%20in%20energy%20governance\_draft%20study%20with%20cover.pdf</u>



<sup>&</sup>lt;sup>23</sup> Energy Cities (25 October 2022), "National climate plans are not involving local decision-makers as they should", <u>https://energy-cities.eu/from-theory-to-practice-mayors-call-for-greater-inclusion-of-local-voices-in-national-energy-and-climate-policies/;</u> European Commission (2020), "An EU-wide assessment of National Energy and Climate Plans", <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1600339518571&uri=COM%3A2020%3A564%3AFIN</u>



Moreover, when asked whether contributions of local and regional authorities to the NECP had been taken into account, over half of the stakeholders (52 %) did not know.<sup>25</sup>

## Figure 2: Assessment from European Commission and EUCityCalc pilot cities regarding participation opportunities in their countries' 2018-2019 NECP cycle

Country	Real consultation with cities in NECP development?	Existence of multi- level dialogue involving cities?	Inputs from cities in NECP development?
Croatia	No/Partly	Partly/Unclear	To some extent, perhaps limited
Czechia	Partly/Unclear	No	Unclear
France	Yes	Yes	Yes
Italy	Partly	Partly	To some extent, perhaps limited
Latvia	Yes	Yes	Yes
Portugal	Partly/Unclear	Partly/Unclear	To some extent, perhaps limited

*Source: Author elaboration based on <u>European Commission assessments of draft NECPs</u> (2019-2020) and <i>information from EUCityCalc partners* 

#### NECP update cycle: 2023-2024

Ahead of the initiation of the 2023-2024 NECP update cycle, and in order to improve conformity with Articles 10 and 11 of the Governance Regulation (among other parts of the regulation), the European Commission provided guidance to EU member states for preparing their draft update of the NECP. In this guidance, they underscored, among other issues:

- The need for early and effective participation (Article 10)
  - The Commission recalled the requirements under Article 10 -- "[Member States] are obliged to ensure that the public is given early and effective opportunities to participate in preparing the draft updated national plans in a transparent and fair framework" -- before giving specific indications as to what they entail: "the public must be given reasonable time to participate in the different phrases and must be consulted when all options are still open. [...] Sound consultation implies that the public should have access to all relevant documents, reports and assumptions at the start of the consultation period."<sup>26</sup>

<sup>&</sup>lt;sup>26</sup> European Commission (December 2022), "Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans", p.16, <u>https://eur-lex.europa.eu/legal-</u>content/EN/TXT/PDF/?uri=CELEX%3A52022XC1229%2802%29&from=EN



<sup>&</sup>lt;sup>25</sup> Ibid.



- The Commission also encouraged Member States to set up their consultations through a standalone "dedicated NECP website, which contains all the information."<sup>27</sup>
- The need for multilevel energy and climate dialogues (Article 11)
  - The Commission recalled the requirements under Article 11: "Member States must establish a multilevel energy and climate dialogue. They must provide a platform to discuss with stakeholders the different scenarios envisaged for energy and climate policies."<sup>28</sup>
  - Crucially, the Commission also specifically highlighted the importance for Member States to engage with cities and local authorities, including through the EU Covenant of Mayors, as part of the work to set up multilevel energy and climate dialogues: "[Member States] should also explore synergies with existing forums, such as the EU Covenant of Mayors."<sup>29</sup>

Despite the European Commission's guidance and the lessons from the previous NECP cycle about mixed-to-poor public participation and limited involvement of local authorities, there is a risk that Member States repeat the same errors while updating their NECPs.

For the current round of NECP revisions taking place between now and June 2024, evidence points to worrying development that Articles 10 and 11 of the Governance Regulation are not being adequately implemented by Member States yet again. Climate Action Network Europe and WWF undertook a survey, collecting experiences and data from 35 civil society organisations across 23 EU member states to assess whether national governments have been implementing the provisions for public participation and multi-level dialogues. The study, published in late April 2023, found large deficiencies, with 14 out of 23 EU member states having failed to even start any form of public consultation on their NECPs, despite the deadline for the draft NECPs being due by end of June 2023.<sup>30</sup>

Moreover, the study found that even in Member States where public consultations were initiated by late April -- Belgium, Croatia, Cyprus, Estonia, France, Lithuania, Portugal, Slovenia and Spain -- that the quality of these consultations varied considerably. For example, Spain and Portugal had organised preliminary consultations, but they had not provided respondents with a draft version of the revised NECPs. Similarly, even where broader consultations have started already, draft NECPs have largely not been made available to stakeholders, including in France, Cyprus and Croatia: for

29 Ibid.

<sup>&</sup>lt;sup>30</sup> Together for 1.5°C (2023), "Public participation in NECPs: Evidence of weak & uneven compliance", Together for 1.5°C project, available at: <u>https://1point5.caneurope.org/public-participation-necps-evidence/</u>.



<sup>27</sup> Ibid.

<sup>&</sup>lt;sup>28</sup> Ibid.



example, France organised online panels about the NECP process, but no draft revised NECP was provided to stakeholders, and the panels only tackled the theme of energy.<sup>31</sup>

The case of the previous NECP cycle as well as the first indications of how the process is currently being undertaken during the ongoing revision give doubts about the extent to which national governments are truly engaging with a range of stakeholders, especially at the local-level. While the EU Governance Regulation has clear requirements for early and effective public participation and multi-level energy and climate dialogues, in practice it does not appear these are being appropriately implemented by Member States.

At the same time, these issues have not led to any real consequences for Member States on behalf of the European Commission, despite the fact that several of the Commission's assessments of countries' NECPs noted that Member States had not adequately upheld Article 10 and 11. Similarly, although Member States are required "to report on progress in establishing this [multilevel energy and climate] dialogue"<sup>32</sup> in their NECP Progress Reports that were due on 15 March 2023, many Member States submitted their progress reports either late or not at all, which is illustrative of wider issues regarding implementation and enforcement.<sup>33</sup> The lack of enforcement risks further entrenching the status quo, whereby Member States do not adequately involve diverse stakeholders like cities that would actually play a key role in further unlocking the national government's climate ambition.

Part of the problem leading to inconsistent and inadequate implementation of the Governance Regulation's requirements for public participation and dialogues is due to the regulation's own vagueness. For example, the provisions under Article 10 do not define a minimum duration on what constitutes a sufficient time for the public to be informed, to participate and to express its views, which can lead to Member States holding public consultations that only last a few weeks or 1-2 months, which is an extremely short period for such complex and comprehensive planning documents. There is also no provision requiring Member States to consult the public "well before the adoption" of the draft NECP – this is only required for the final version of the NECP. In the first NECP

<sup>31</sup> Ibid.

<sup>33</sup> Climate Action Network Europe (29 July 2023), "CAN Europe submission to the Call for Evidence on the Governance Regulation Review Report", <u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13799-Energy-Union-and-climate-action-Review-report-on-the-Governance-Regulation/F3433698\_en</u>



<sup>&</sup>lt;sup>32</sup> European Commission (December 2022), "Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans", p.16, <u>https://eur-lex.europa.eu/legal-</u>

content/EN/TXT/PDF/?uri=CELEX%3A52022XC1229%2802%29&from=EN



drafting cycle, this led to many Member States only consulting on their final NECP, but not on the draft. Finally, the provisions lack stringency on enforcing transparency in the overall public participation process since Member States are not obliged to provide an easily accessible and clear timeline of their draft and final NECP processes. Enforcing transparency would be indispensable to providing early and effective opportunities for the public and stakeholders to participate in the NECP drafting process. The public and other stakeholders must be aware of the timing and format well in advance of the public participation process, to be able to fully participate and express their views on the NECPs.<sup>34</sup>

Overall, the experiences from the past and ongoing NECP cycles underscore a range of problems that call for a fundamental change in how participation and consultations must take place for Member States to truly involve key actors like local authorities in climate planning in NECPs and beyond.

The lack of local-level consultation in the NECP process is a clear contradiction with the fact that there are many new requirements for cities in the EU Green Deal, and an increasing focus on the local-level from EU institutions in the Fit for 55 package. Therefore, building on this, the <u>next section</u> will discuss the key role of cities in broader climate planning in the EU. <u>Section 3</u> will then take this one step further by providing advocacy approaches and asks for cities to effectively communicate their recommendations to their national governments and to the EU namely regarding their experience with the EUCityCalc tool.

#### 2.2. What's in the EU Green Deal for cities

As indicated at the close of the previous section, the lack of local level consultation in the NECP process is at odds with the many new requirements and roles for cities and local authorities in the EU Green Deal and Fit for 55 package. The EU Green Deal is the flagship of the current Commission's mandate.<sup>35</sup> It includes the Fit for 55 package as a way to translate higher greenhouse gas reduction target.<sup>36</sup> It also includes new biodiversity protection directives and some ambitious mobility directives. Specifically, the package includes:

<sup>&</sup>lt;sup>36</sup> https://www.consilium.europa.eu/en/policies/green-deal/fit-for-55-the-eu-plan-for-a-green-transition/



<sup>&</sup>lt;sup>34</sup> LIFE PlanUp (2021), "Fit for Flop/55: Lessons from the National Energy and Climate Plans to achieve a climate-neutral Europe", <u>https://cdn.webdoos.io/planup/CMW\_PlanUp\_fitfor55\_EN\_v04\_WEB\_pages.pdf</u>

<sup>&</sup>lt;sup>35</sup> <u>https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\_en</u>



- A set of four mobility proposals aiming to modernise the EU's transport system, at which cities are at the core.
- The Hydrogen & Gas Market Decarbonisation Package (a directive and a regulation), aiming to promote low carbon gases and allow for more engagement of gas consumers.
- The EU Green Taxonomy Delegated Act, aiming to prevent greenwashing while proposing a classification system to highlight which private investments can be labelled as climate-friendly, and thus make green investments more visible and attractive to private capital.
- Energy Efficiency Directive, aiming to reduce energy consumption in the EU.
- Renewable Energy Directive, aiming to increase the EU's energy consumption from renewable sources.
- Energy Performance Building Directive, aiming to reach an EU zero-emission building stock by 2050<sup>37</sup>.

The Commission proposed a recommendation to the Council to ensure a fair transition towards climate neutrality. Among other points, the Commission underscored the importance of involving regional and local authorities in the process<sup>38</sup> and leaving no one behind. This means creating new jobs, ensuring access to affordable essential services for all, setting up a social protection system, and empowering energy consumers. The path towards a greener EU cannot be designed without equipped cities and committed citizens.

As stated in the guidelines that the Commission shared with the Member States in November 2022, everything planned and expected in the Fit for 55 has to be included in the NECPs<sup>39</sup>.

For the purpose of this toolkit, the initiatives included in the Fit for 55 that will affect cities the most are the Energy Efficiency Directive, the Renewable Energy Directive, the Energy Performance Building Directive, the Nature Restoration Law and the CO<sub>2</sub> Emissions Standards for Cars and Vans.

#### 2.2.1. Energy Efficiency Directive (EED)

The adoption of the Energy Efficiency Directive (EED) on 25 July 2023 creates the framework to deliver energy savings in the EU.<sup>40</sup> It sets rules and obligations for the Member States to achieve

<sup>&</sup>lt;sup>40</sup> <u>https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficiency-targets-directive-and-rules/energy-efficiency-directive\_en</u>



<sup>&</sup>lt;sup>37</sup> Energy Cities, (2022), "Puzzle out the "fit for 55" package", <u>https://energy-cities.eu/puzzle-out-the-fit-for-55-package/</u>

 <sup>&</sup>lt;sup>38</sup> Energy Cities, (2022), "Fit for 55" package gives increased recognition to the local level but fails to deliver systemic change", <a href="https://energy-cities.eu/fit-for-55-package-gives-increased-recognition-to-the-local-level-but-fails-to-deliver-systemic-change/">https://energy-cities.eu/fit-for-55-package-gives-increased-recognition-to-the-local-level-but-fails-to-deliver-systemic-change/</a>
 <sup>39</sup> Energy Cities, (2022), "What'sEUp: Where are the structural measures to tackle the energy crisis?", <a href="https://energy-cities.eu/fit-for-55">https://energy-cities.eu/fit-for-55-package-gives-increased-recognition-to-the-local-level-but-fails-to-deliver-systemic-change/">https://energy-cities.eu/fit-for-55-package-gives-increased-recognition-to-the-local-level-but-fails-to-deliver-systemic-change/</a>

cities.eu/policy/whatseup-where-are-the-structural-measures-to-tackle-the-energy-crisis/



energy efficiency targets and therefore reduce the energy consumption in the EU. The recast EED expects to mandatory reduce energy consumption by 11,7 % by 2030 compared to the projections of the 2020 Reference Scenario (Article 4).

At the same time, the EED introduces a progressive increase in ambition of annual final consumption targets: 3% from 1 January 2024 to 31 December 2025, 1.5% from 1 January 2026 to 31 December 2027 and 1.9% from 1 January 2028 to 31 December 2030 (Article 8.1). These targets can be achieved with the implementation of energy-saving obligations (ESO) schemes. Local authorities are heavily involved by the Member States in achieving this objective, but since the revision, they have also been directly addressed by the European text.

Digging into EED's content, Article 5 is particularly relevant since it regards the reduction of energy consumption in the public sector and public buildings. The public sector has to achieve an annual energy consumption reduction of 1.9% within two years after the transposition date of the 2023 EED, with the possibility to exclude public transport or armed forces. There will be a phasing-in period for municipalities with less than 50.000 inhabitants (from 2027) and with less than 5.000 inhabitants (from 2030).

Moreover, Article 5.3 asks Member States to ensure that regional and local authorities include energy efficiency measures in their long-term planning and to take actions to mitigate negative direct or indirect impacts on the energy-poor and vulnerable households when designing and planning those measures.

In addition, Article 5 expands the 2012 EED requirement to renovate central government buildings to all buildings owned by public bodies so including cities. Member States will have to ensure that at least 3% of the total floor area of heated and/or cooled buildings owned by public bodies is renovated every year. Less stringent rules can be applied to several categories of buildings, such as buildings officially protected because of their special architectural or historical merit and buildings used as places of worship and for religious activities. Social buildings can also avoid renovation because of the negative impact on costs that would lead to a rent increase not compensated by the reduction of energy bills.

Regarding heating and cooling, Article 25 states that national members must include in their NECPs a comprehensive heating and cooling assessment, done in collaboration with all stakeholders and using a cost-benefit analysis covering all the territory. Furthermore, it is imperative for Member States to ensure that regional and local authorities overseeing populations exceeding 45,000



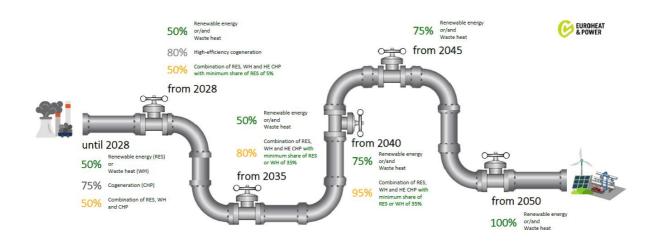


inhabitants formulate comprehensive heating and cooling plans at the local level. The plan should be based on data and information from the national assessment, in addition to providing an estimate and mapping of the potential for increasing energy efficiency, such as low-temperature district heating readiness, high-efficiency cogeneration, waste heat recovery, and renewable energy in heating and cooling in that particular area. This plan should also assess how to finance the implementation of policies and measures and identify financial mechanisms allowing consumers to shift to renewable heating and cooling among other requirements.

Member States shall support regional and local authorities to the utmost extent possible by any means including financial support and technical support schemes and should find synergies with existing local plans.

Article 26 is about heating and cooling supply. The new definition of efficient district heating set new criteria that will evolve every 5 years (Figure 3 below). These criteria include a share of Renewable Energy Sources, waste heat, cogenerated heat or a combination of those. The details of the criteria are addressed in further detail in Article 26.





#### Source: Euroheat & Power

The content of this new directive should already be integrated into revised version of the NECPs Member States are drafting. In the coming two years, national parliaments have to transpose EED into their national legislation.





#### In summary, for local authorities:

- Renovation obligation for all public building at an annual rate of 3%.
- For cities above 45,000 inhabitants: a comprehensive heating and cooling plan.

#### 2.2.2. Renewable Energy Directive (RED II)

The revision of the Renewable Energy Directive aims at increasing the EU's energy consumption from Renewable Energy Sources (RES).<sup>41</sup> According to RED II, the EU had to ensure at least 32 % of its energy consumption comes from renewable energy sources by 2030.

In June 2023, the European Parliament and the Council agreed on a binding target of 42.5% at EU level, with a voluntary target of 45%. Each member state will contribute to this common target and will already have to consider it as part of its new NECP. The directive also includes the obligation for Member States to accelerate renewable energy deployment by designating "go-to areas" where the permitting process would be fast-tracked. Renewable energy projects would also be considered of "overriding public interest", to limit legal objections to their implementation.

The revised RED II also defines sub-targets for specific sectors. For example, at least a 49% renewable energy share in buildings should be achieved by 2030. Support measures are foreseen for excess heat recovery and the promotion of thermal energy storage.

According to Article 15, local authorities will be most likely tasked by national governments with the planning for renewable energy sources (RES) integration and deployment in their territories. The plans should include also self-consumption, renewable energy communities, and heating and cooling. Local authorities will have to be consulted and public participation should be ensured when identifying suitable areas for RES deployment. Public acceptance should be promoted also via direct and indirect participation in RES projects by local communities.

Public buildings at national, regional and local levels will have to lead by example in terms of renewable energy use. The roofs of public or mixed private-public buildings should be made available also to be used by third parties for renewable energy installations. Member States may also promote cooperation between local authorities and renewable energy communities in the building sector via public procurement.

<sup>&</sup>lt;sup>41</sup> <u>https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive\_en</u>





Finally, Article 15 set gradually increasing renewable targets for heating and cooling, with a binding increase of 0.8% per year at the national level until 2026 and 1.1% from 2026 to 2030. To achieve this annual increase, RED II presents a menu of measures that the Member States should choose to implement, which includes:

- capacity building for national, regional and local authorities to map local renewable heating and cooling potential and plan, implement and advise on renewable projects and infrastructures;
- requirements at local and regional level concerning renewable heat planning, encompassing cooling;
- promotion of renewable-based district heating and cooling networks, in particular by renewable energy communities, including through regulatory measures, financing arrangements and support.

According to the directive, local and regional authorities should be encouraged to include renewable heating and cooling in the planning of city infrastructure where appropriate, in consultation with network operators, so that energy efficiency, demand response programs, renewables selfconsumption and renewable energy communities are taken into account in infrastructure development plans. This dialogue could be also ensured by national governments via coordination frameworks, if necessary (Article 23).

Finally, one of the novelties introduced by the directive is the definition of RES acceleration areas, where permitting would be fast-tracked (Article 16). In addition, whenever no major threat to the environment is identified, renewable energy projects would also be considered of "overriding public interest", to limit legal objections to their implementation. The directive also establishes that to facilitate and speed up the permit granting process, local authorities should be assisted by the national government, with necessary resources, skills and qualified staff, also according to the planned capacity foreseen in the National Energy and Climate Plans.

RED II has been formally adopted in October 2023.

#### In summary:

• New planning obligations for RES integration and deployment in their territories (including public buildings, self-consumptions, energy communities and district heating and cooling)





- It is fundamental to cooperate with other actors at local level, in particular energy communities, to increase public acceptance. Public procurement can be an instrument to do that.
- Members States should assist the local level by providing skills, resources and staff (for mapping, planning, permitting, and stakeholders dialogues).
- Member States should coordinate with the local level for the definition of renewables go-to areas.

#### 2.2.3. Energy Performance Building Directive

By proposing the Energy Performance Building Directive, the Commission aims to reach EU zeroemission building stock by 2050. Buildings are responsible for approximately 40% of EU energy consumption and 36% of the energy-related GHG emissions. Moreover, almost 75% of the building stock is energy inefficient. Better and more energy-efficient buildings will contribute to the general well-being and alleviate energy poverty. Therefore, having energy-efficient buildings is strategic to the fulfillment of the Green Deal.<sup>42</sup>The European Parliament, the Council and the Commission are currently involved in trialogues to find an agreement.<sup>43</sup>

Key points for local and regional authorities are:

- New National Building Renovation Plans aligned with NCEPs with a stronger monitoring framework. For these plans, the consultation of public and in particular local and regional authorities is required (Article 3). EU countries must for example establish strong long-term renovation strategies, aiming at decarbonising the national building stocks by 2050, with indicative milestones for 2030, 2040 and 2050. The strategies should contribute to achieving the NECPs energy efficiency targets.
- All new public building (owned or occupied) by 2027, as well as all new building by 2030 need to be zero emissions (Article 7).
- According to Article 9, existing non-residential and public buildings have to stick to energy
  performance standards by 2027, while residential buildings have to comply by 2030 to reach
  at least energy class F. By 2033, all buildings will need to be renovated to at least energy class

<sup>&</sup>lt;sup>43</sup> <u>https://www.europarl.europa.eu/legislative-train/package-fit-for-55/file-revision-of-the-energy-performance-of-buildings-</u>



directive

<sup>&</sup>lt;sup>42</sup> <u>https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive\_en</u>



E (2030 for non-residential buildings), with some exceptions (protected building, temporary use...).

 Member States cannot provide financial incentives for fossil fuels boiler installations from 2027 (Article 15) and can ban fossil fuel use in buildings (Article 11).<sup>44</sup>

#### In summary for local authorities:

- Update urban planning and urban codes to the new obligations for new building and large renovation (integrated renewable production, minimum standards).
- District approach in urban renewal.
- The directive supports electro-mobility by introducing minimum requirements for car parks over a certain size and other minimum infrastructure for smaller buildings.

#### 2.2.4. Nature Restoration Law

In July 2023, the European Parliament adopted its position on the Nature Restoration Law. It significantly amends the initial proposal from the Commission, including many elements and flexibilities of the general approach adopted by the Council on 20 June 2023. Trilogues with the Council and the Commission have already started to approve the law in the next few months.<sup>45</sup>

The law calls for binding targets to restore the degraded EU's ecosystems. Among others, at least 20% of the EU's land and maritime areas by 2030, and all ecosystems in poor to bad quality by 2050 will need to be restored and protected. Moreover, the law aims to bring nature back to cities by stopping the net loss of green urban area by 2030, and increasing these spaces by 3% by 2040 and by 5% by 2050. Furthermore, green urban spaces should be included in existing and new infrastructure.<sup>46</sup> Of course, cities will need more support since they will have to transform the buildings, transport, food, heat and electricity networks that underpin our modern metropolises as soon as possible.<sup>47</sup>

The Nature Restoration Law is a key piece of legislation for cities because it:

• Increases tree canopies, biodiversity and access to nature for citizens to ensure that cities remain habitable despite climate change impacts.

<sup>&</sup>lt;sup>47</sup> <u>https://energy-cities.eu/energy-cities-calls-on-meps-to-support-nature-restoration-law-to-safeguard-cities/</u>



<sup>&</sup>lt;sup>44</sup> <u>https://energy-cities.eu/puzzle-out-the-fit-for-55-package/</u>

 $<sup>{}^{\</sup>tt 45} https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-restoration-of-healthy-ecosystems and the second second$ 

<sup>&</sup>lt;sup>46</sup> <u>https://www.epc.eu/en/Publications/Making-sense-of-the-EUs-Nature-Restoration-Law~5269a8</u>



• Protects cities from increasing natural threats such as wildfires, flooding and drought.

#### 2.2.5. CO2 Emissions Standards for Cars and Vans

The regulation, CO<sub>2</sub> Emission Performance Standards for Cars and Vans, entered into force on 15 May 2023. Key points of this piece of law are:

- In 2030, new cars in the EU must emit 55% less CO<sub>2</sub> compared to 2021, and new vans should emit 50% less.
- By 2035, all new cars and vans must have zero emissions.
- The incentive for low-emission vehicles will end in 2030.
- By 2023, the Commission will be required to unveil a unified EU methodology for assessing the lifecycle CO<sub>2</sub> emissions of automobiles and vans, as well as the energy and fuel consumption associated with these vehicles.
- Starting in January 2024, manufacturers will have the option to voluntarily disclose the lifecycle CO<sub>2</sub> emissions of their vehicles, with mandatory reporting becoming effective from January 2028.<sup>48</sup>

The implementation of this regulation is important to achieving climate neutrality by 2050. Air quality will improve, and pollution – including noise pollution - will decrease, thereby enhancing wellbeing.

In order to succeed, the number of electric cars (EVs) and charging stations should increase. The CO<sub>2</sub> Emission Performance Standards for Cars and Vans regulation is interlinked with the Alternative Fuels Infrastructure Regulation (AFIR).<sup>49</sup>. The share of EVs in new registrations rose from about 3.5% in 2019 to about 11% in 2020, exceeding 1 million registrations for the first time.<sup>50</sup> EVs tend to already be the cheapest option for drivers on a total cost of ownership basis, but as they are still produced in relatively small numbers, they are still too expensive for most consumers. Although the automotive sector is lagging behind when it comes to the widespread production of EVs, it is hoped that these targets, will lead to the production of EVs that are cheaper than petrol equivalents by 2025.

<sup>&</sup>lt;sup>50</sup> https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/698920/EPRS\_BRI(2022)698920\_EN.pdf



<sup>&</sup>lt;sup>48</sup> <u>https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-revision-of-the-directive-on-deployment-of-alternative-fuels-infrastructure</u>

<sup>&</sup>lt;sup>49</sup> <u>https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-revision-of-the-directive-on-deployment-of-alternative-fuels-infrastructure</u>



## Key advocacy approaches for cities to convey their recommendations to Member States and the EU

## 3.1. Illustrative narratives: Leveraging the European City Calculator to demonstrate cities' ambitions and limitations to their national governments

Cities and local governments play an essential role in actually implementing the policies and measures that are necessary to achieve national and EU climate goals, as well as in discussing these policies with residents and all local public and private stakeholders. Local governments can be even more ambitious than their national governments on climate action (e.g. "EU Mission for 100 climate-neutral and smart cities by 2030") and many cities across the world are part of networks and associations to coordinate climate planning, share best practices, and continually raise the level of ambition such as the Covenant of Mayors for Climate and Energy – Europe, which has about 12,000 signatory cities and local governments with the objective to reduce GHG emissions by 55% by 2030, strengthening resilience and alleviating energy poverty. Thousands of cities have voluntarily committed to develop and implement Sustainable Energy and Climate Action Plans (SECAPs), which even exceed the EU's 2030 energy and climate targets in some cases.

Although cities often demonstrate a high level of ambition on climate that can even go beyond the national-level, they face a range of challenges to implement measures on the ground which can slow





their transition. For example, the EUCityCalc project published a report<sup>51</sup> analysing the main factors

that influence the climate transition pathways of cities in the consortium<sup>52</sup>, which included:

- National-level governance and policy alignment factors
  - National-level frameworks inadequately consider/support local-level action
  - Communication gap between national-level and local authorities
  - Dependence on national-level policies to achieve local-level ambition
  - o Inconsistent national-level policies slow local-level action
- EU-level governance and policy alignment factors
  - o Low accountability and questionable enforcement of the Governance Regulation
  - Limited local-level awareness of Governance Regulation and provisions for multi-level governance
  - Key role of city networks and associations to ensure local governments perspective is adequately reflected at different levels (EU and national)
- Finance factors
  - Unreliable and limited access to climate finance at local-level (siloed funding, diversification of funding, human capacity and skills), including difficulties in accessing financing
  - National and especially EU funding opportunities are not easily accessible to cities (application process too complex, limited knowledge of what exists)
- Capacity (technical and human) factors
  - Technical capacity varies but tends to be low overall in cities
  - Limited technical capacity support from national government
  - Moderate technical capacity support from EU-level but room for improvement
  - Limited municipal staff

While these factors are tied to the context of the ten pilot cities in the EUCityCalc project, they also point to gaps and obstacles faced by many other cities. However, these factors may also represent untapped opportunities to accelerate and scale-up local action, which can be identified through the EUCityCalc webtool.<sup>53</sup>

#### Identifying priority areas for local and national action with the EUCityCalc tool

Indeed, the EUCityCalc webtool was developed to allow cities to simulate low-carbon transition scenarios in order to prioritise mitigation measures and to communicate the results to a range of stakeholders, from local residents to policymakers at the national and EU-levels. The European City Calculator tool will also feature an analysis of the estimated costs of implementing specific mitigation



<sup>&</sup>lt;sup>51</sup> EUCityCalc (30 June 2023), "National and EU factors affecting EUCityCalc pilot cities' climate transition",

https://europeancitycalculator.eu/wp-content/uploads/2023/07/D6.1\_WP6\_National-and-EU-factors-affecting-pilot-cities-climate-transition.pdf

<sup>&</sup>lt;sup>52</sup> The ten cities are Koprivnica, Varazdin, and Virovitica (Croatia), Zdar (Czechia), Dijon Métropole (France), Mantova (Italy), Riga (Latvia), Palmela, Sesimbra, and Setúbal (Portugal).

<sup>&</sup>lt;sup>53</sup> <u>https://europeancitycalculator.eu/the-eu-city-calculator/</u>



measures, which will also help cities to best select measures that are most relevant to their context and which maximise impact relative to costs.

As part of the design process of the webtool, the pilot cities were also asked to rank 54 different greenhouse gas emission and energy drivers according to the extent to which the cities could actually influence them: for example, while cities may have a good level of influence to retrofit municipal buildings, they have much less ability to decarbonise the electricity/energy supplied to the city or to control the growth of the city (inhabitants and/or new construction).

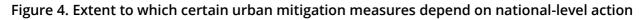
The low-emission pathways produced by the European City Calculator tool therefore take into account cities' estimated ability to influence various mitigation measures, allowing cities to see where they can implement the largest changes, and where they are less likely to make a sizable difference. In addition, the tool also provides an estimate of the extent to which certain mitigation measures depend on national government policies and measures.

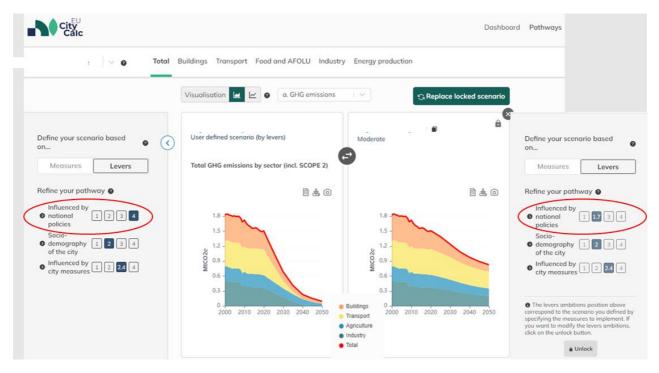
While cities are thus able to make a big difference on their own, there are also areas where they may be more limited in unlocking mitigation without support and coordination from the regional and national levels.

Figure 4 below shows the extent to which a city's ability to scale up its level of ambition can depend on national-level policies: on the right of the figure, one can see a city's transition pathway where mitigation measures influenced by national-level policies are preselected based on a moderate level of ambition (1.7 out of 4); on the left, one can see the same city's transition pathway (same selection of measures), but this time it is assumed that national-level policies are of a much higher level of ambition (4 out of 4). The difference between the two is striking, where there is a significantly higher reduction in emissions in the scenario on the left, when national-level policies are more ambitious. Of course, the results here should be taken with a grain of salt, since this simplifies the real world and assumes a scenario that may not be entirely realistic. Nonetheless, the message here is clear that cities' emission reduction pathways can radically improve when stronger national-leveldependent policies/measures are implemented. This sort of visualisation opportunity provided by the European City Calculator tool gives a key message for better multi-level coordination to help overcome several of the barriers to local action identified in this report.









Source: EUCityCalc

#### Deep-dive into sectors with the European City Calculator tool to highlight local-/national- level links

Going one step further than the general messaging expressed above, cities can also use the tool to perform a deep-dive into specific sectors and sub-sectors. By doing so, they can explore the extent to which action in highly specific areas have interlinkages with national-level action, which can serve as an effective basis for a message to engage with national and EU policymakers.

Below is a simplified 4-step run-down for cities of how the European City Calculator tool can support crafting recommendations to their national government and to EU policymakers.

## Step 1) Identify opportunity areas in sectors that depend on national-level action (e.g. transport)

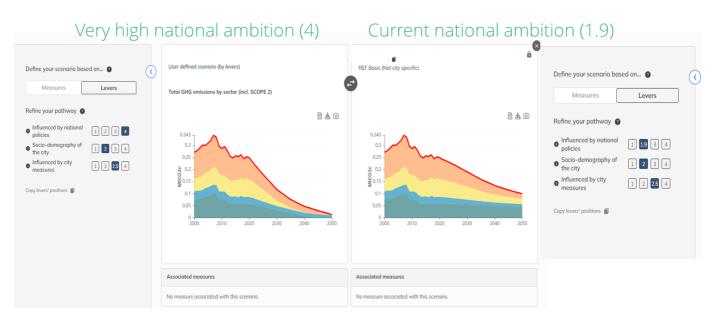
As detailed previously, the European City Calculator tool allows cities to input their current climate transition pathway, whereby national-level policies or levers are preselected according to a certain level of ambition. In figure 5 below, on the right-hand side, one can see that the city's transition pathway corresponds to a moderate level of national ambition (1.9 out of 4, where 1 is the lowest ambition and 4 is the highest ambition). On the left-hand side of the figure, the "levers" that are "influenced by national policies" have been artificially changed to the highest level of ambition (4 out





of 4). As in the previous figure in the preceding section, one can see a considerable reduction in emissions between the moderate level of national ambition and the very high level of national ambition.

Figure 5. Impact on urban climate action depending on current levels of national climate ambition (right) versus very high levels of national climate ambition (left)



#### Source: EUCityCalc

Having done this preliminary visualisation, the first main step for cities is to identify opportunity areas for climate mitigation in their city according to specific sectors that depend on national-level action.

By creating a third scenario, whereby national-level ambition is changed to a high-level of ambition (3 out of 4), one can see a broader range of possible future scenarios: from the current level of national ambition (1.9/4) to a high level (3/4), to the highest level (4/4), as illustrated in Figure 6 below.

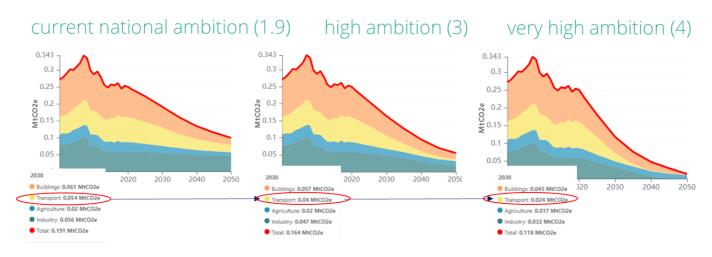
Plotting these 3 scenarios alongside one another allows one to identify, in this case, that the transport sector has the highest mitigation potential (followed by the building sector): in 2030, transport emissions amount to 0.054 MtCO<sub>2</sub>e in the current national-level ambition scenario, compared to 0.04 MtCO<sub>2</sub>e in the high national ambition scenario, compared to 0.024 MtCO<sub>2</sub>e in the very high national ambition scenario.





Compared to the current national ambition scenario in 2030, the high ambition scenario thus represents a 26% reduction in transport emissions, while the very high ambition scenario represents a 55% reduction in transport emissions.

## Figure 6. Impact on urban climate action in the transport sector depending on current levels of national climate ambition (left), versus high levels of ambition (center), versus very high levels of ambition (right)



Source: EUCityCalc

#### Step 2) Identify opportunity areas in sub-sectors (e.g. personal vehicles)

In the example selected previously, the transport sector was identified as having the highest mitigation potential that depends on stronger national-level ambition. On this basis, one can work with the European City Calculator tool to identify specific sub-sectors in transport where the greatest impact is needed.

The European City Calculator tool allows users to select specific sectors, which then breaks down the emissions of that sector into sub-sectors. In the case of transport, one can see the breakdown in emissions by category – rail, bus, car and van, trucks, two-wheelers – as illustrated in Figure 7 below. One can see in the example city below that personal vehicles (cars and vans) account for the most emissions in the sector, which therefore helps the city to refine its focus area.





## Figure 7. Urban sub-sector mitigation potential (transport -> personal vehicles) that could be further unlocked with more national-level action



Source: EUCityCalc

## Step 3) Identify sub-sector measures and policies in your country that could unlock more action

From the exercise in the previous step, the example city knows that the biggest potential area for mitigation concerns addressing emissions from personal vehicles.

Going a step further with the EUCityCalc tool, one can break down which specific actions and measures at the national-level can help unlock the most change. In figure 8 below, one can explore the menu of options related to national-level transport policies.

For example, in the green circles superimposed on the figure below, national fuel efficiency standards for personal vehicles and trucks are highlighted since these represent an important tool to drive down emissions that is beyond the control of cities since this policy is set by the national government. Selecting a higher level of ambition on these specific sub-sector areas allows one to see that such national fuel efficiency standards can have a considerable impact on emissions in a city's boundaries.

Similarly, in the blue circle superimposed on the figure below, which relates to use of alternative fuels for passenger vehicles, one can also see how national policy can have an impact on local emissions. In the test city example below, increasing the national-level ambition for this specific





measure<sup>54</sup> to an ambition level of 3 out of 4 would bring emissions in the transport sector down to 0.042 MtCO<sub>2</sub>e in 2030 (this accounts for most of the transport emission reductions that would be achieved by having a level 3 national ambition for all national policies in the transport sector, as illustrated in step 1 of this section).

Figure 8. Identification of sub-sector approaches that depend on national action (e.g. national fuel efficiency standards for freight vehicles and personal vehicles)

			Transport	1 19 3 4
Define your scenario bas	ed on Ø	2	<ul> <li>Key behaviours - Transport</li> </ul>	1 2 2.3 4
		9	S Freight Transport	1 1.6 3 4
Measures	Levers	<	Energy Efficiency	1224
Refine your pathway 🥥			Technology share ZEV	1 2 2.7 4
<ul> <li>Influenced by national policies</li> </ul>	1 19 3 4		Technology share ZEV- mix	1234
Buildings	1 2 23 4		Technology share LEV-	1234
Transport	1 1.9 3 4		mix	
Food, Agriculture,	1 1.8 3 4		Retrofit share	1 2 3 4
<ul> <li>forestry and land use</li> <li>Industry</li> </ul>	1 18 3 4		Load factor (ton.km/vkm)	1 2 3 4
Energy production	1 2 2.5 4		Utilization rate	
• Water	1 2 3 4			
<ul> <li>Demographic and long term</li> </ul>	1 2 2.5 4		Passenger Transport	1 19 3 4
O Costs	1 2 2.8 4		Energy Efficiency	1 2 3 4
Socio-demography of	1 2 3 4		Technology share ZEV-	
the city Influenced by city		_	Automation of cars	1 2 3 4
measures     Buildings	1 2 25 4	۲	Technology and fuels	1 2 3 4
Transport	1 19 3 4		Electrification of	
<ul> <li>Food, Agriculture, forestry and land use</li> </ul>	1 1.8 3 4		marine/IWW/aviation	1 2 3 4
<ul> <li>Industry</li> </ul>	1 18 3 4	<	Road	1 1.3 3 4
Energy production	1 2 2.5 4		Marine	1 2 2.5 4
Copy levers' positions			Aviation	1 2 2.5 4
			Road	1 2 3 4
			Marine	12333
			IWW	1 2 3 4
			Aviation	1 2 3 3.3

#### Source: EUCityCalc

## Step 4) Craft your city's messaging to national and EU policymakers with specific examples and general takeaways based on experience with the EUCityCalc tool

Of course, the examples and messaging chosen above are purely illustrative. Each city and country context will be different. For some cities, it may already be a priority to call on their national government to reform national fuel efficiency standards, whereas for other cities this may not be a

<sup>&</sup>lt;sup>54</sup> Delivering and/or mandating a higher share of fuels that are not fossil-based in the domestic fuel mix for passenger vehicles.





priority and they may wish to rather focus on other types of national policies that are highlighted in the EUCityCalc tool, whether in transport or entirely different sectors like buildings or industry.

Overall, the European City Calculator tool presents an opportunity in cities to identify areas where large potential urban CO<sub>2</sub> reductions are dependent on national-level action (as in previous steps) and then to leverage visuals and data from EUCityCalc to convey recommendations to their national governments.

These recommendations can go anywhere from being quite broad in nature – e.g. as an opportunity to underscore cities' general need more financial support from their governments – to more specific issues such as how if the national government were to update its national fuel efficiency standard that this could lead to X% reduction in CO<sub>2</sub> emissions in the city, thereby contributing further to national and EU climate goals.

The next section, which speaks to the gap with regard to human resources and green skills at the local level, is an example of more general messaging and recommendations that many cities likely already make, and which could be further reinforced by sharing visuals and data from the EUCityCalc tool.

#### 3.2. Boost human resources & green skills in local administrations

Energy analysts, project managers, urban developers, engineers, experts in citizen and stakeholder engagement, energy advisers, communication officers, public building experts, social housing experts. These are only a few examples of professionals needed at a local level to fulfil the green transition. Even though local governments are key to making the EU the first climate-neutral continent by 2050, they lack both personnel and skills.

The ongoing experience with the Recovery Fund is a clear example of how much this issue can impact the implementation. Billions of euros are available to be invested, but their use is slowed down by the lack of capacity to develop projects, and the lack of a priority framework ensuring that the projects being financed match the urgency not only in the short term but also in the long-term, not to mention the lack of knowledge on how to manage those projects.<sup>55</sup>

<sup>&</sup>lt;sup>55</sup> Energy Cities, (2022), "Human capacity in local governments: the bottleneck of the building stock transition", <u>https://www.localstaff4climate.eu/the-study/</u>





In April 2022 Energy Cities published a study<sup>56</sup> investigating the human capacity lack in local governments for the building sector. According to this report, 214,000 new local employment positions across the European Union are needed to decarbonize the EU building sector. Municipalities will need around €16 billion per year at the EU level, which, in 2019, represented only 3% of local governments' public expenditures. As this concerns only the decarbonisation of the built environment, one can expect that the total need for human resources covering all sectors is much higher.

A concrete example comes from the Netherlands, where, according to the Dutch Public Administration Council, by 2030, the biggest cities will need to double staff resources and medium cities to triple them, while staff resources of smaller cities will have to be multiplied by a factor of 2.5.

## Figure 9. Average additional costs and labour force for municipalities per year for 2022-2030 in EU countries for the building sector decarbonisation



AT Austria | BE Belgium | BG Bulgaria | CY Cyprus | CZ Czechia | DE Germany | DK Denmark | EE | Estonia | EL Greece | ES Spain | FI Finland | FR | rance | ES Spain | HR Croatia | HU Hungary | IE | Ireland | IT Italy | LT Lithuania | LU Luxembourg | LV Latvia | MT Malta | NL Netherlands | PL | Poland | PT Portuga | RO Romania | SE Sweden | SI Slovenia | KS Slovakia

<sup>56</sup> Energy Cities, (2022), "Human capacity in local governments: the bottleneck of the building stock transition", <u>https://www.localstaff4climate.eu/the-study/</u>





*Source: Energy Cities, (2022), "Human capacity in local governments: the bottleneck of the building stock transition", https://www.localstaff4climate.eu/the-study/* 

Energy planning is a long-term process requiring cities to employ skilled people on a long-term basis. However, limited operating budgets, strict rules on local government debts, and the low attractiveness of the public sector are – among other factors - challenging the recruitment of professionals.

How can municipalities overcome the problem? Energy Cities' campaign #localstaff4climate – supported by 66 signatories so far – encourages cities to ask their national government to:

- Assess the gap of skills at a local and regional level: cities should make their own assessment of how many additional staff the transition pathways scenarios they would require, and share this with their national government, encouraging them to do a national estimation of the lack of green skills and staff in regional and local administrations. The French think tank I4CE has run a similar study and their methodology could be a basis for other analysis in the EU.
- **Provide funding to recruit all the experts needed:** a strategy has to be developed to attract and facilitate the recruitment by local or regional administrations and their public bodies, to train climate and energy staff members, adapting education and training programs to meet the demands of the labour market.
- Enable local and regional governments to develop their own green budgets and workforce: this can be accomplished by rethinking budget organisation within cities to boost energy and climate expenditures, by removing regulatory barriers to facilitate energy and climate investments, in particular human resources, and by empowering cities via local environmental taxes.
- Remind the national government that without local workforces in local and regional administrations, the national climate and energy policies will never land and the targets will therefore never be met.

## 3.3. Make your voice heard: get involved at a national level and ask for EU funds

The EU set up several funding programmes to ensure a just and fair climate and energy transition. The aim is to help Member States to – among other things - develop new business models, create a new job market, improve the infrastructure system, fight energy poverty, and empower citizens.

It is not easy for local authorities to navigate this wide sea of opportunities. This also happens because Member States too often do not properly involve them in the process. However, local





governments are on the frontline of the green transition. This is why they are eligible to ask for adequate financial resources for the implementation of green policies.

Below, we provide an overview of the major EU funding programs that cities can request their governments to gain access to.

#### 3.3.1. Social Climate Fund (SCF)

Part of the Fit for 55 legislative package, the Social Climate Fund (SCF) has been endorsed by both the European Parliament and Council in April 2022.<sup>57</sup> For the period 2025 to 2032, the Social Climate Fund will provide Member States with funding to address the social impacts of the extension of the Emissions Trading Scheme (ETS) to road transport and construction on vulnerable households. The purpose of the fund is to tackle potential societal consequences stemming from the new emissions trading system. It has two main goals: providing short-term financial aid to vulnerable households and backing initiatives that lessen emissions in the road transport and buildings sectors. This, in turn, is anticipated to lead to reduced expenses for susceptible households, small businesses, and transport users.

According to the law, Member States have to draft national Social Climate Plans (SCPs) to address energy and transport poverty. These plans are a great opportunity for regional and local authorities to make their voice heard and finance their transition. The SCPs have the capacity to financially support immediate income assistance measures in response to the soar of road transport and heating fuel costs, covering up to 37.5% of the total plan expenses. Furthermore, they can encompass enduring structural investments such as building refurbishment, implementation of decarbonization strategies, integration of renewable energy sources, advancement of low and zeroemission vehicles, as well as enhancements to public transportation and shared mobility services.<sup>58</sup>

The SCF amounts to EUR 72.2 billion: EUR 23.7 billion for the years 2025-2027 and EUR 48.5 billion for the years 2028-2032.

#### 3.3.2. Just Transition Fund (JTF)

The Just Transition Fund (JTF) constitutes a financial instrument under the EU Cohesion Policy for the period 2021-2027. Its primary purpose is to provide support to regions experiencing socio-economic challenges due to the shift towards climate neutrality, especially in traditional coal-producing areas.

<sup>&</sup>lt;sup>58</sup> Energy Cities, (2023), "The EU Social Climate Fund", <u>https://energy-cities.eu/policy/the-eu-social-climate-fund/</u>



<sup>&</sup>lt;sup>57</sup> <u>https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-social-climate-fund</u>



This fund is closely tied to the climate-neutral objectives of the European Green Deal and aims to ensure that the transition does not exacerbate regional disparities within the EU. As part of the broader Just Transition Mechanism (JTM), the Commission has established the Just Transition Platform (JTP) to facilitate access to available support and the sharing of best practices among countries and regions. The JTF accounts for 5% of the total Cohesion Policy budget, approximately EUR 19.2 billion, and an additional EUR 25.4 billion is anticipated to be mobilized from investments.<sup>59</sup>

In order to request the funds, national governments have submitted their Territorial Just Transition Plans (TJTP), in collaboration with local and regional stakeholders. These plans outline the specific challenges faced by each region, their developmental requirements, and their objectives for the year 2030. They also delineate the types of measures and projects relevant to their circumstances, while specifying the governing mechanisms. The beneficiaries of these funds range from the most vulnerable individuals to companies, Member States, and regions.

By looking at some of the plans, Energy Cities identified some good practices that could be of inspiration. Presenting these examples to your national governments could help them develop processes that effectively contribute to a just transition. Fostering a bottom-up approach is even more important when a change of mindset is required, indeed.

Poland is the main beneficiary of the JTF. An impressive number of participatory actions were carried out in the particularly affected region of Silesia, such as in-depth interviews, arguments mapping, joint development of innovation ideas with citizens. This participatory process proves that dialogue with various stakeholders and citizens is key to understanding past narratives and crafting new ones aligned with climate objectives.<sup>60</sup>

The region of Ida-Virumaa (Estonia) developed a policy co-design process with other environmental and economic stakeholders to rethink an economy based on oil shale extraction. A group of 30 organizations co-designed together proposals for renewable energy and energy efficiency policies. Among the solutions brainstormed by the group is the introduction of a supporting scheme for citizen's energy cooperatives as well as the promotion of wind energy for Ida-Virumaa's new narrative. Part of these proposals were included in the national plan.

<sup>&</sup>lt;sup>60</sup> Energy Cities, (2022), "Towards a just transition in the European Union", <u>https://energy-cities.eu/policy/towards-a-just-transition-in-the-european-union/</u>



<sup>&</sup>lt;sup>59</sup> <u>https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism/just-transition-funding-sources\_en</u>



The logic guiding the TJTPs should seamlessly align with the National Energy and Climate Plans, thereby forging a cohesive and effective strategy for a carbon-free future.

#### 3.3.3. REPowerEU

The REPowerEU plan was set up to cut off the importation of Russian fossil fuels following the illegal invasion of Ukraine. With this aim, the Commission asked Member States to insert RepowerEU chapters into their National Recovery and Resilience Plan (NRRP). These NRRPs were launched post-Covid to ensure the recovery of Member States' economies thanks to both green and digital transitions.<sup>61</sup>

Sustainable mobility and energy efficiency are the two main focuses under the green transition part, making 35% and 26% of the expenditure respectively.

Despite the importance of involving local authorities in the drafting of the plan – as asked by the Commission - few Member States engaged with them and those who did rarely included the contributions from the consultations. For instance, in Spain, local governments have not been consulted, despite the fact they are the main beneficiaries of the plan. Most Member States rushed to submit their plan, so they did not manage to carry out the dialogues as they were supposed to. As Bulgaria proved, the involvement of local stakeholders is possible and successful, even if the process took place in a crisis moment and the plan was submitted later than expected (October 2021). This late launch allowed the national government to consider regional social partners and stakeholders and to plan massive investments in renewable energy sources and building renovation.

Furthermore, the majority of plans did not explicitly designate cities and territorial stakeholders as primary beneficiaries of the funding. For instance, despite being the focal point of numerous investment initiatives in France, cities have not obtained substantial financial support or direct attention. Cities tried to advocate to increase the transfer of resources and an additional fiscality to speed up the implementation of ecological transition, but the French government did not approve this regionalization of public investments.

In the Italian plan, cities, especially in the south, have been to a certain extent targeted and prioritized. Italy has chosen to invest EUR 2.2 billion out of the EUR 29 billion received in grants for

<sup>&</sup>lt;sup>61</sup> Energy Cities, (2023), "The REPowerEU funds an opportunity for just and local transition?", <u>https://energy-cities.eu/policy/the-repowereu-funds-an-opportunity-for-just-and-local-transition/</u>





the promotion of renewables for energy communities and self-consumption in municipalities with fewer than 5,000 inhabitants.<sup>62</sup>

#### 3.3.4. Getting engaged - tips for cities' recommendations

Chapter 3.3 provided an overview of the EU funding programmes to which Member State can apply to support their green transition in every field.

Cities play the main role in this story. It is important for them to know that the EU entitles them to submit their needs and proposals to their national government. If national authorities do not launch a collaborative process, cities can contact them or national associations representing municipalities to ask for it.

Cities' proposals can be included in the Social Climate Plans, and the updated version of the National Recovery and Resilience Plan. It is important for cities to be proactive and then check that their ideas have been submitted to the Commission.

For instance, the Social Climate Fund can help cities to boost zero and low-emission mobility, as well as to make buildings more energy efficient. If the economic growth of a city's area is heavily dependent on fossil fuels, then the Just Transition Fund can finance re/up-skilling classes for workers, as well as provide easier access to loans and financial support to start-ups and SMEs interested in developing sustainable businesses.

REPowerEU can also finance renewable energy projects, the development of green infrastructure, as well as the extraction, processing and recycling of strategic raw materials. An important part of this process is for cities to consider their strengths and weaknesses in energy-relevant sectors, in order to take advantage of these funds to foster change and flourish.

<sup>&</sup>lt;sup>62</sup> Energy Cities, (2023), "How can REPowerEU chapters make or brake local transitions?", <u>https://energy-cities.eu/policy/how-can-repowereu-chapters-make-or-break-local-transitions/</u>





## 4. Conclusion

Climate policy making processes at the EU-level are complex and do not always appear to have a clear connection to local-level climate action, but as this report shows, there are in fact opportunities in EU legislation, and the requirements it imposes on national governments, to scale up and boost urban climate action: from the Governance Regulation and the upcoming revision of countries' National Energy and Climate Plans through June 2024, to specific legislation under the EU Green Deal with important repercussions for cities (1. What are National Energy and Climate Plans? & 2. The role of cities and local authorities in National Energy and Climate Plans and the EU Green Deal).

Beyond understanding how these different pieces of the climate policymaking puzzle come together, it's also important for cities and local authorities to seize opportunities to make their voices heard to their national governments and to EU policymakers. Of course, there are many ways for cities to do this and the details will depend on the local and national context. To support cities in tailoring their own messaging, the report has provided suggestions for different advocacy approaches to undertake (3. Key advocacy approaches for cities to convey their recommendations to Member States and the EU), the first of which focuses on how to leverage data and visualisations from the European City Calculator tool.

The various modalities of the European City Calculator tool allow cities to clearly visualise where their impact can be optimised while also enabling them to convey a clear message to a range of stakeholders and especially their national government since they can directly demonstrate that, for example, if the ministry were to implement a specific policy, then the city could considerably scale up its climate action and thereby feed into the country's achievement of its national climate target.

In this way, cities can use the European City Calculator tool:

- to identify areas where large potential reductions in CO<sub>2</sub> cuts can occur;
- to distinguish the extent to which this potential mitigation is fully achievable by the city and local-level policies *versus* the extent to which national-level policy is needed (e.g. decarbonising the electricity grid, changing energy efficiency standards);
- to further identify specific sub-sectors and policies where enhanced climate ambition at the local and national levels would lead to a quantifiable reduction in CO<sub>2</sub>;





 to use the visuals, data, and lessons from the European City Calculator tool when communicating with national governments, or when seeking funding, or when liaising with peers, in order to compellingly make cities' case, adapted to their context.

The tool can thus be used both to underscore long-standing needs that the city may have already communicated about before, and/or to identify new opportunity and challenge areas and seek support correspondingly to overcome those barriers and to scale up action.

All cities and countries have unique contexts with different opportunities and challenges. Therefore, rather than provide a one-size-fits-all solution, this toolkit has aimed to empower cities and local authorities by providing them with the details of EU climate legislation and by proposing methods of engagement that can be adapted accordingly to each city's context.





## Bibliography

Coalition for Energy Savings, (August 2023), EED recast: Saving energy, reducing bills, lowering emissions, <u>https://energycoalition.eu/energy-efficiency/eed-recast/</u>

Climate Action Network Europe (29 July 2023), "CAN Europe submission to the Call for Evidence on the Governance Regulation Review Report", <u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13799-Energy-Union-and-climate-action-Review-report-on-the-Governance-Regulation/F3433698 en</u>

Energy Cities (25 October 2022), "National climate plans are not involving local decision-makers as they should", <u>https://energy-cities.eu/from-theory-to-practice-mayors-call-for-greater-inclusion-of-local-voices-in-national-energy-and-climate-policies/</u>

Energy Cities, (2023), "Energy Cities calls on MEPs to support Nature Restoration Law to safeguard cities, <u>https://energy-cities.eu/energy-cities-calls-on-meps-to-support-nature-restoration-law-to-safeguard-cities/</u>

Energy Cities, (2023), "How can REPowerEU chapters make or brake local transitions?", <u>https://energy-cities.eu/policy/how-can-repowereu-chapters-make-or-break-local-transitions</u>

Energy Cities, (2022), "Human capacity in local governments: the bottleneck of the building stock transition", https://www.localstaff4climate.eu/the-study/

Energy Cities, (2023), "More human resources in municipalities – where do we stand?", <u>https://energy-cities.eu/policy/more-human-resources-in-municipalities-where-do-we-stand/</u>

Energy Cities, (2023), "Puzzle out the "fit for 55" package", https://energy-cities.eu/puzzle-out-the-fit-for-55-package/

Energy Cities, (2023), "The EU Social Climate Fund", <u>https://energy-cities.eu/policy/the-eu-social-climate-fund/</u>

Energy Cities, (2023), "The REPowerEU funds an opportunity for just and local transition?", <u>https://energy-cities.eu/policy/the-repowereu-funds-an-opportunity-for-just-and-local-transition/</u>

Energy Cities, (2022), "Towards a just transition in the European Union", <u>https://energy-cities.eu/policy/towards-a-just-transition-in-the-european-union/</u>

EUCityCalc (2023), "National and EU factors affecting EUCityCalc pilot cities' climate transition", https://europeancitycalculator.eu/wp-content/uploads/2023/07/D6.1\_WP6\_National-and-EU-factors-affecting-pilotcities-climate-transition.pdf

European Commission (2020), "An EU-wide assessment of National Energy and Climate Plans", <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1600339518571&uri=COM%3A2020%3A564%3AFIN</u>

European Commission (2019-2020), Assessments of Member States' Draft NECPs, https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-andclimate-governance-and-reporting/national-energy-and-climate-plans\_en

European Commission (15 December 2022), "Commission Notice on the Guidance to Member States for update of the 2021-2030 national energy and climate plans", <u>https://energy.ec.europa.eu/publications/guidance-ms-updated-necps-2021-2030 en</u>

European Commission, (August 2023), Energy Efficiency Directive, <u>https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficiency-directive\_and-rules/energy-efficiency-directive\_en</u>





European Commission, (August 2023), European Green Deal: Energy Efficiency Directive adopted, helping make the EU 'Fit for 55', <u>https://energy.ec.europa.eu/news/european-green-deal-energy-efficiency-directive-adopted-helping-make-eu-fit-55-2023-07-25 en</u>

European Commission, (September 2023), Energy Performance of Buildings Directive, <u>https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-</u> <u>directive en</u>

European Commission, (August 2023), Renewable Energy Directive, <u>https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive en</u>

European Commission, (August 2023), The Just Transition Fund, <u>https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism/just-transition-funding-sources en</u>

European Committee of the Regions (2023), "Local and regional authorities in the governance of the energy union", <u>https://cor.europa.eu/en/engage/studies/Documents/Local%20and%20regional%20authorities%20in%20the%20go</u> <u>vernance%20of%20the%20energy%20union/LRAs%20in%20energy%20governance\_draft%20study%20with%20cov</u> <u>er.pdf</u>

European Committee of the Regions (2023), "DRAFT OPINION: A multilevel governance for the Green Deal. Towards the revision of the Governance Regulation", 158th plenary session, 29-30 November 2023, <u>https://cor.europa.eu/en/our-work/Pages/OpinionTimeline.aspx?opId=CDR-903-2023</u>.

European Policy Center, "Making sense of the EU's Nature Restoration Law", (September 2023), <u>https://www.epc.eu/en/Publications/Making-sense-of-the-EUs-Nature-Restoration-Law~5269a8</u>

Legislative Train Schedule, (August 2023), Revision of the Renewable Energy Directive, <u>https://www.europarl.europa.eu/legislative-train/package-fit-for-55/file-revision-of-the-renewable-energy-directive</u>

Legislative Train Schedule, (August 2023), Social Climate Fund, <u>https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-social-climate-fund</u>

Legislative Train Schedule, (September 2023), Proposal for a Regulation on Nature Restoration, https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-restoration-of-healthyecosystems

Legislative Train Schedule, (September 2023), Revision of the Energy Performance of Buildings Directive, <u>https://www.europarl.europa.eu/legislative-train/package-fit-for-55/file-revision-of-the-energy-performance-of-buildings-directive</u>

LIFE PlanUp (2021), "Fit for Flop/55: Lessons from the National Energy and Climate Plans to achieve a climate-neutral Europe", <u>https://cdn.webdoos.io/planup/CMW\_PlanUp\_fitfor55\_EN\_v04\_WEB\_pages.pdf</u>

LIFE Unify (2022), "Taking Stock & Planning Ahead: National Energy and Climate Plans as a tool to achieve climate safety and energy security", <u>https://unify.caneurope.org/wp-content/uploads/sites/2/2022/07/necp-report-taking-stock-planning-ahead.pdf</u>

Together for 1.5°C (2023), "Public participation in NECPs: Evidence of weak & uneven compliance", Together for 1.5°C project, available at: <u>https://1point5.caneurope.org/public-participation-necps-evidence/</u>







