



ENERGYCITIES

policy paper

JUST ENERGY TRANSITION FUND

Energy Cities briefing - July 2019

***JUST ENERGY TRANSITION FUND
TO SUPPORT DECENTRALISED
ENERGY ALLIANCES***

EU policies have been supporting the local energy transition for years with great success. The Intelligent Energy Europe programme, for example, financed the creation of local energy agencies between 2007 and 2013. Before that, the SAVE programme was crucial to build the capacity of municipalities in Eastern Europe on energy issues. In our initial review of the 2014-2020 EU funding period, we have analysed the new opportunities for funding the local energy transition offered not only by EU funds, but also by new financial instruments (e.g. EFSI). Energy Cities identified in this review a big gap for supporting new governance models and mobilisation of all actors in order to co-design transition strategies and to implement them successfully.

As recently summarised in **the report** 'Governing missions' laying down the principles for innovation to drive the research agenda, the changes in policy governance will be the key for success if we want to reach climate neutrality. This applies at all levels and it is not yet supported, or only with fragmented and small programmes.

The outgoing EU Parliament had issued the call for the creation of a new EUR 5 billion Just Energy Transition Fund, whose objective would be to "address societal, socio-economic and environmental impacts on workers and communities adversely affected by the transition from coal and carbon dependence" in its interim report on the Multi-Annual Financial Framework (MFF) 2021-2027. This new funding instrument would also have to allocate sufficient resources "for the development of inclusive, local and just transition strategies, with the reconversion of sites and the creation of decent and sustainable jobs, together with reskilling and upskilling in clean processes and technologies based on renewables or energy efficiency solutions".

What is still missing in the Just Energy Transition Fund's scope is an overarching mission to drive a radical change in energy generation and environmental responsibility that result in a genuine power shift towards local communities in transition in all EU territories.

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Taking this into account, we call for the Just Energy Transition Fund to:

- Support the creation of decentralised energy clusters in all EU territories. The decentralised energy clusters are governed by the local communities in transition and follow the principles of “local resources first” (harvesting in a sustainable manner locally available renewable and energy efficiency solutions), local energy autonomy and civic-public partnerships (a new form of partnership that includes citizens and local authorities).
- Support the establishment of “local energy transition committees”. This new governance scheme will take on different forms according to the local context, but should ensure that a clear strategy to reach 2050 climate neutrality with clear intermediary milestones is agreed by all actors. In addition to being an independent body to evaluate the implementation of targets, it should also be a place to engage all stakeholders and create new “project clusters” for all sectors.

→ Channel financial support to the entire strategy and ensure fairness between sectors, districts, and population segments. The transition will succeed by being inclusive, or it will fail.

What the EU Just Energy Transition Fund should deliver:

- Locally anchored investment plans for the next decade, based on mapping potential, capacity building, the design of decentralised energy projects and local consumption, sustainable mobility plans and the development of a strong business case with the involvement of local stakeholders;
- A renewed, adapted, local governance to implement these transition strategies, with the mobilisation of all stakeholders.

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Inspirations

Case: Munich Integrated Action Programme for Climate Protection Munich, 1.5 million inhabitants, Germany

Since 2008, the Covenant of Mayors city of Munich has initiated a new governance process for their Energy and Climate strategy: the Integrated Action Programme for Climate Protection in Munich (IHKM). Its work is to ensure overall coordination in 8 fields of action, involving different departments. Each of them have to report on their CO2 savings and track their progress. In addition, 11 Climate protection managers are dedicated to involve and increase capacity of local actors. Almost 600.000 tons of CO2 are saved each year thanks to this programme.

To know more: **The Integrated Action Programme for Climate...**

Case: Leuven 2050 master plan Leuven, 100.000 inhabitants, Belgium, European Green leaf 2018

The Belgian Covenant of Mayors signatory has developed a comprehensive master plan to reach climate neutrality in 2050, with ambitious intermediary goals for 2025, 2030 and 2035. The actions are divided into 8 ambitions, 13 programmes and 80 project clusters. Each project cluster is led by different actors and can involve one or more of the relevant municipal departments. The strength of the strategy lies in the mobilisation of all relevant parties in an open and transparent process. The clear strategy helps to leverage new funding streams, such as e.g. a joint EIB-ELENA programme with the province of Vlaams-Brabant to refurbish Leuven's residential housing stock.

https://assets.leuven2030.be/attachments/Leuven%202030_Roadmap%20Summary_version2019.pdf



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Case: Bistrita 2050 Energy Vision Bistrita, 70.000 inhabitants, Romania

The Romanian municipality Bistrita in 2014 created **a collaborative, inclusive strategy** to ensure a sustainable energy future in the framework of the European IMAGINE project. Bistrita's vision involves a clear 3-phase framework that puts the municipality on track to cover half of its energy needs from renewable sources and make the energy mix of its buildings 100% renewable by 2050. The municipality will tap into its local, sustainable biomass potential and boost solar and wind production to achieve these goals.

In addition to this, Bistrita developed a roadmap titled "The Annual Energy Book", which lists all its measures planned until 2050. Bistrita's roadmap focuses on 8 different fields, which are energy supply, buildings and facilities, infrastructure, employment, mobility, urban development, public procurement and instruments. The "Annual Energy Book" is reviewed, updated and approved every five years by the city council, in close collaboration with citizens and other local stakeholders.

More information:

Recent Energy Cities publications:

- **the city-citizen partnership to generate more renewable energy** (May 2019)
- **investment needs for local energy transition** (April 2019)
- **local energy and climate 2050 roadmaps**
- **our manifesto**

ⁱ by Mariana Mazzucato, June 2019

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