



ALIGNING LEGISLATION  
& EUROPEAN FUNDING  
ON THE -55% GHG  
TARGET BY 2030

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PROVIDING CITIES WITH  
RESOURCES FOR THE  
ECOLOGICAL TRANSITION

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# REMINDER OF PREVIOUS EPISODES

## 2021: YEAR 1 – POST-COVID

### LAUNCH YEAR FOR THE NEW BUDGETARY PERIOD AND RECOVERY

The European Union's budget was substantially increased to cope with the economic consequences of the health crisis. In addition to the "traditional" budget of € 1,100 billion for the period from 2021 to 2027, the "Next Generation EU"<sup>1</sup> budget totalling almost € 750 billion (in subsidies and loans) is expected to be committed

by the end of 2023. 30% of both these amounts is to be allocated to tackling climate change. Among the investments to be supported are the hydrogen sector, and the transitional gas infrastructures. A stipulation of "do no significant harm" also applies to all European spending. In addition, a Just Transition Fund was created.

#### HIGHLIGHT: THE MISSION ON CLIMATE-NEUTRAL AND SMART CITIES

A major new feature of the 2021/2027 programme is that the Horizon Europe research programme will fund 5 multidisciplinary missions: one on adaptation, which will support the resilience of 150 regions and territories<sup>2</sup>, and the "100 neutral cities by 2030" mission. The idea is to support a global planning approach to the city involving all its actors (no longer sector by sector) and to accelerate its implementation by facilitating access to European funding or other financial institutions. Many Energy Cities members are positioning themselves (first step: call for expression of interest for 31 January 2022 for the first 30 cities to be selected<sup>3</sup>).

#### 2021: ambition for 2030 revised upwards

Promised by the Commission on its arrival in 2019 and included in the first European Climate Law<sup>4</sup>, the proposed new target is climate neutrality by 2050. The Law adopted in June 2021 also establishes a European Scientific Council to evaluate European policies and a European carbon budget.

To translate this ambition into sectoral texts, the Commission has proposed the "Fit for 55" package which aligns the energy directives (Efficiency, Buildings, Renewables, Gas) to achieve a 55% reduction in GHG by 2030.

<sup>1</sup> <https://op.europa.eu/en/publication-detail/-/publication/d3e77637-a963-11eb-9585-01aa75ed71a1/language-en>

<sup>2</sup> The three other missions: one concerning cancer, another on soil regeneration and another on the protection of oceans.

<sup>3</sup> <https://op.europa.eu/en/web/eu-law-and-publications/publication-detail/-/publication/0063caa6-50c2-11ec-91ac-01aa75ed71a1>

<sup>4</sup> <https://www.consilium.europa.eu/en/press/press-releases/2021/06/28/council-adopts-european-climate-law/>



These new obligations, which may weigh heavily on low-income households as they propose to include the housing and transport sectors in the emissions trading scheme, are paired with the creation of a Social Climate Fund. The latter would be a national allowance, to be supplemented by the sale of CO2 quotas and spent on the basis of a scheme negotiated by each Member State with the European Commission. All these legislative texts are currently being negotiated in the European Parliament and the Council. These discussions will be at the heart of the Energy Cities lobby in 2022.

And the [Covenant of Mayors](#) is in line with this heightened ambition: cities are urged to renew their commitment in accordance with the target for climate neutrality by 2050.

### HIGHLIGHT: ENERGY PRICES - A SOCIAL AND ECONOMIC TIME BOMB

2021 was a dire year for European consumers with the dramatic rise in energy prices. Some countries have proposed emergency measures for the most vulnerable and for small businesses, others have frozen prices (Bulgaria, up until March for an estimated cost of € 750 million), but the impact of prices can be felt on all products. The European political response remains well below the scale of the crisis: it is seen as a cyclical phenomenon, mainly due to geopolitical considerations... It is still extremely difficult to get a clear picture of the impact of electricity and gas market prices on consumers. Not everyone has the same contractual conditions. But this opacity also prevents us from having an overall vision and coordinated European proposals. It will be one of the challenges of 2022.

### HIGHLIGHT: ENERGY AT THE HEART OF AGREEMENTS AND DISAGREEMENTS IN GOVERNMENT COALITIONS AND ELECTORAL PROGRAMMES

This is perhaps the novelty of the year – everyone is taking a stand on nuclear power: for the extension of the use of power stations (BE, FR), for new power stations (NL, FR, CZ, Hungary...), for its exclusion from the taxonomy that defines what constitutes a green investment (DE, ES, LX, PT...). However, nuclear is not alone in making programme headlines: certain candidates for the French presidency, for example, are going so far as to propose a vast plan to dismantle wind turbines.

The German and Dutch coalition agreements on the other hand, are very serious about integrating the climate goal into all policies across the board. The judgement of the Dutch Court of Justice recalled the obligations of both institutions and companies towards future generations and as such, marked the country's political agenda.



## But also

- On 21 December, the European Commission put forward [new rules for State aid](#) for the climate, environmental protection and energy, providing real recognition of energy communities and specific rules for urban heating. A summary for cities will be published soon by Energy Cities.
- The struggle against energy poverty now has a unique platform for information and training: the EPAH ([Energy Poverty Advisory Hub](#)). This is a new form of European support (cascade funding) for local authorities, who can obtain a subsidy to develop their local action plan. This is also the model of the EUCF (European City Facility) managed by Energy Cities, which allocates grants and provides expertise to local authorities which are developing their investment plan for sustainable energy (energy efficiency, renewable energy). Subsidies for applying Smart Cities models, or to define an adaptation plan will soon be available via the Covenant of Mayors, or the Scalable Cities project.
- The COP 26 in Glasgow, which once again highlighted the actions of cities in contrast to national inaction and diplomatic deadlocks.
- A [new EU Urban mobility framework](#): among the binding proposals, it is required that all cities (list of “urban nodes” considered [here](#)) have a sustainable mobility plan – this new requirement can boost the transformation of public spaces. This plan extends the 2021 #EUyearofrail that saw the [redeployment of the \(night\) train](#).
- The “[New European Bauhaus](#)” is a promising initiative to follow. Backed by the President of the European Commission, it has already given rise to new programmes, such as the “affordable housing initiative<sup>5</sup>”, which are shifting the European approach towards a “place-based” vision of prosperity!
- The Commission has proposed [a regulation to include environmental damage](#) as a crime.

## Our publications and tools

- Partnerships for local public action
- Exploring sufficiency initiatives in territories
- Just transition: public policies to support local production that is open to all and to support mass education on energy (to come)
- Energy communities: a practical guide
- Transition tool box

<sup>5</sup> Energy Cities is one of the partners implementing this initiative (DG GROW), and is also a partner of the New European Bauhaus (Secretariat-General of the European Commission).



## What about 2022?

In this uncertain period, it is difficult to imagine future political developments. However, we do know what would be good for local transitions, and so here are the key points of our agenda:

- For the sectoral directives: we will support the requirement of “Heat planning” for all local authorities, as proposed in the energy efficiency directive. We would like to extend it to an obligation to map local production potential in the Renewable energy directive. This potential, largely underestimated, must be the subject of massive development strategies (and not less efficient or less sustainable energy sources).
- Just transition: Who funds what in the transition? How can we transfer the income of certain historical producers to the necessary investments? How can we ensure a stable framework for energy transition investments? In addition to ensuring the climate neutrality of our economies as quickly as possible, the Stability Pact must be equipped with tools to steer the transition (Doughnut economics) and the European programmes for the reform of public services are an instrument to be mobilised urgently for this purpose, as is the Social Climate Fund.
- Stop fake energy news: How is it possible to tell untruths about energy issues in the mainstream media? Why don't we collectively debate existing solutions that would bring us true energy independence, or interdependence? From the European Energy Poverty Observatory to an energy education programme that goes beyond the basic knowledge of responsible consumption, democracy needs a global understanding of the issues at stake and the investments planned by policy makers.
- A “state of the energy union” or a “state of play of energy policy failures”: local resources, urban metabolisms, the potential for sufficiency, are different in every region, for every city. They form the basis for realistic forecasts and objective planning. European energy programming must be carried out based on real needs, and we need new governance. Needs-based planning will also allow us to clearly identify the opportunities for energy sufficiency.

## NOT TO BE MISSED

### European legislative agenda

January / June 2022: French presidency of the European Union; progress and finalisation of certain directives of the “Fit for 55” package.

### 2022: 50 years on from the “Limits to growth” report

The Meadows report from 1972, published at the time of the first UN Conference on the Human Environment in Stockholm, is more relevant than ever. The Club of Rome has planned a major campaign to place the conclusions of the report at the heart of the debate and to put sufficiency on the agenda.

### The year's key events

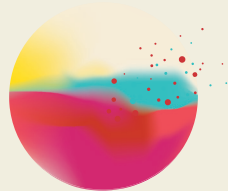
15 January: Launch of this year's European Green Capital, Grenoble, France

7-8 March: European Climate Summit, Nantes, France

20-22 April: European Cities and Citizens Energy Forum / Energy Cities, Heerlen, the Netherlands

31 May – 2 June: The European Ecological Transition Conference, Geneva, Switzerland

14-16 June: URBACT City Festival 2022, Pantin / Greater Paris, France



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Energy Cities' mission is to empower cities and citizens to shape and transition to future-proof cities. We showcase concrete alternatives deployed by cities, we advocate changing policy and economic governance at all levels and we foster wide cultural change leading to a future-proof society. Energy Cities community is composed by local leaders of thousands of cities in 30 European countries.