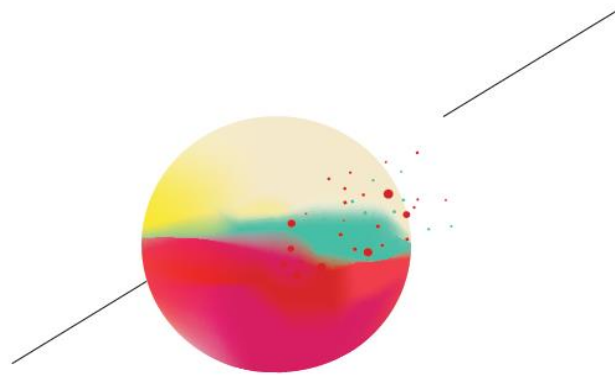


Extraordinary Annual General Meeting & Annual General Meeting

2024

Preparatory dossier



ENERGYCITIES

27th June 2024 from 09:00 to 10:30

Palau de la Musica, Valencia (ES)

Room Joaquim Rodrigo

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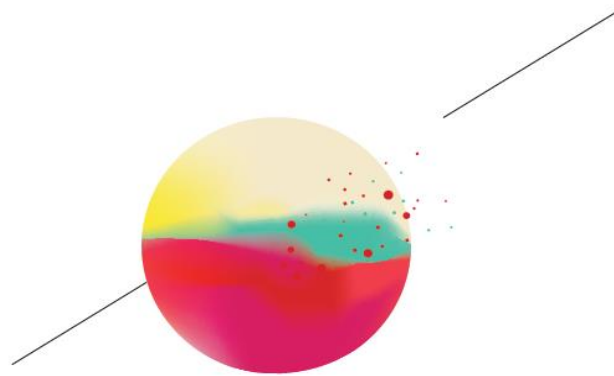
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Extraordinary Annual General Meeting

27th June 2024 from 09:00 to 09:15

Preparatory dossier



ENERGYCITIES

Palau de la Musica, Valencia (ES)

Room Joaquim Rodrigo

1 - Agenda

- > Opening the extraordinary General Assembly by the President
- > Presentation of the amendments
- > Vote on the amendments

2 - Presentation of the amendments

Rationale to amend the current Statutes

The proposed amendments are minor and only administrative. The latest changed of the Statutes have been adopted in 2017 GA in Stuttgart. The Statutes of our organisation have been adopted on the 4th December 1994 in Newcastle.

2.1 - First amendment

Reminder - Art 3: Registered Office

The registered office of the Association is to be situated at 2 chemin de Palente, 25000 BESANÇON (France). This address is also that of its technical and administrative coordination centre known as "Energy Cities/Energie-Cités Centre".

Proposed amendment

The registered office of the Association is based in 25000 BESANÇON (France). This address is also that of its technical and administrative coordination centre known as "Energy Cities/Energie-Cités Centre".

Justification

Although the French base of our organisation is important and has fiscal and legal consequences, the exact address is not compulsory, and the organisation has moved offices.

Discussion

2.2 - Second Amendment

Reminder – Art. 18 Working languages

The working language of the association shall be English and French with simultaneous interpretation during the General Assembly. Other languages might be used according to the participants and the available budget.

Official documents issued by the association must state the original language in which the document was written.

Proposed amendment

The working language of the association shall be English and French with simultaneous interpretation during the General Assembly **if needed**. Other languages might be used according to the participants and the available budget.

~~Official documents issued by the association must state the original language in which the document was written.~~

Justification

We always provide French interpretation during our General assembly but have noticed in the last year that it was not always used. Of course, it will always be provided if needed and we remain committed to provide information, newsletters, projects material at least in French and in as many other languages that we can.

Discussion

2.3 - Third amendment

Art 19 - Voting by correspondence

By way of exception, General Assemblies and Executive Committee meetings can be held by correspondence. In this case, two copies of the texts intended for approval shall be sent to the legal representatives of active members, who shall have 20 days from the date of transmission by fax or email within which to return one of the copies to the President, bearing the word “adopted” or “rejected” followed by their signature. Beyond this period, votes can no longer be accepted. Minutes of these meetings shall be kept and sent to all members of the Association.

Proposed amendment

By way of exception, General Assemblies and Executive Committee meetings can be held by **online** or **by email** correspondence. ~~In this case, two copies of the texts intended for approval shall be sent to the legal representatives of active members, who shall have 20 days from the date of transmission by fax or email within which to return one of the copies to the President, bearing the word “adopted” or “rejected” followed by their signature.~~ **Votes online are held with secured device ensuring that legal representatives of members are participating to the votes. When adoption is proposed by email, members shall have a deadline to vote.** Beyond this period, votes can no longer be accepted. Minutes of these meetings shall be kept and sent to all members of the Association.

Justification

Online voting is likely to happen and offers more accountability and flexibility than the process described in our current statutes.

Discussion

3 - Vote on the amendments

Results

Amendment 1

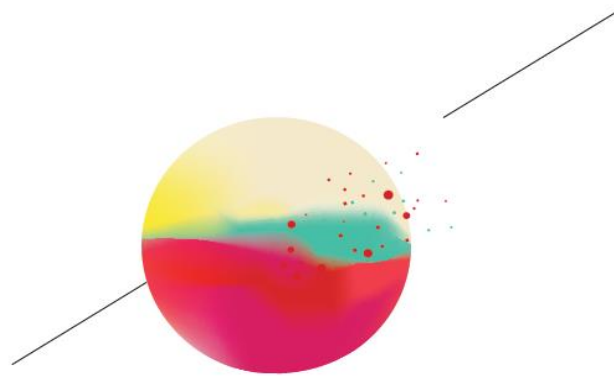
Amendment 2

Amendment 3

Ordinary Annual General Meeting

27th June 2024 from 09:15 – 10:30

Preparatory dossier



ENERGYCITIES

Agenda

1. Association life

- > New members
- > Presentation of Activities report by the Director (team, project, partnerships)

2 - Energy Cities finances

- > Presentation by the Treasurer (online) and vote of the closing accounts 2023
- > Presentation of the draft budgets 2024- 2025

3 - Orientation debate : European priorities for the next 5 years

- > Presentation by the President
- > Panel discussion with Members and Board Members
- > **Debate:** The orientation debate aims at identifying the main policy priorities Energy Cities should concentrate on for the next EU mandate. New Commissioners and new European Parliament will be appointed in 2024.
- > Reaction by **Matthew Baldwin**, Deputy Director General, DG Energy, European Commission

1 – Association life

1.1 – Energy Cities’ members

1.1.1 – New members

6 new members have joined Energy Cities since October 2023:

- > Cascais Ambiente (Portugal)
- > Verona (Italy)
- > Poti (Georgia)
- > VVSG Flemish cities Association (Belgium)
- > Grand Paris Grand Est (France)
- > Liepaja (Latvia)

1.1.2 - Resignations

Since October 2023, Energy Cities has registered **5 resignations**:

Dunkerque (France)	On request
St Nazaire (France)	On request
Edremit (Turkey)	On request
Bayonne (France)	On request
Pays de Châtelleraut (France)	On request

Proposed resolution

The General Assembly welcomes the new members and takes note of the withdrawn from membership

1.1.3 – List of Members

Energy Cities counts **177 individual and collective members** as of the 27th June 2024.

Collective members

ALDA–European Association for local Democracy – 251 members
 AMORCE (FR) - 920 members
 VVSG - Association of Flemish Cities and Municipalities (BE)
 Citenergo-Union of Towns and Cities of Slovakia (SK) – 11 members
 Cities Northern Netherlands (NL) - 4 member cities
 Comunidade Intermunicipal do Oeste (PT) - 12 members
 CREM-Centre de Recherches Energétiques et municipales (CH) – 56 members
 EcoEnergy–Municipal Energy Efficiency Network (BG) – 45 members
 EECU-Energy Efficient Cities Ukraine (UA) - 90 members
 Energia Calabria (IT) – 20 members
 Energy Cities Algeria
 FLAME – Fédération des Agences locales de maîtrise de l'énergie et du climat (FR) – 38 members
 Healthy Cities of the Czech Republic (CZ) – 130 members
 Klimaatverbond Nederland (NL) - 134 members
 Klimatkommunerna (SE) – 36 members
 Marmara Municipalities Union (TR) – 190 members
 NALAS-Network of Associations of Local Authorities of South-East Europe (MK) – 15 members
 OER-Orase Energie in Romania (RO) – 27 members
 PNEC–Polish Network Energie-Cités (PL) – 40 members
 RACA-Union of Communities of Armenia (AM) – 793 members
 Sustainable city Network (GR) – 31 members
 UBC-Union of the Baltic Cities (FI) - 106 members

Austria	Cyprus	Bourgogne Franche	Montreuil	Heidelberg
Vienna	Aradippou	Comté Région	Mulhouse - CA	Marburg
	Cyprus – Energy	Brest – CU	Nanterre	München
Belgium	agency	Clermont Auvergne	Nantes	Schwetzingen
Brussels		Métropole	Nantes Métropole	Stuttgart
Brussels Capital	Czech Republic	Dijon	Neuvecelle	
Charleroi	Litomerice	Echirolles	Nevers	Greece
Forest		Epernay	Nice Côte d'Azur	Igoumenitsa
Fourmies	Denmark	Fourmies	Métropole	kalamata
Liège	Frederikshavn –	Grand Besançon - CA	Paris	Komotini
Liège-Province	Energy agency	Grand Paris Sud	Pau-Pyrénées - CA	
Leuven	Odense	Grand Paris Grand	Rennes	Hungary
Mouscron	Sonderborg	Est	Rennes Métropole	Budapest
Namur		Grenoble	Saint-Etienne	
Schaerbeek	Finland	Grenoble Alpes	Métropole	Ireland
Vilvoorde	Helsinki	Métropole	Strasbourg	Cork County
	Tampere	Yvry-sur-Seine	Eurométropole	Dublin
Croatia		La Rochelle – CA	Talence	
Ivanic-Grad	France	Le Havre	Toulouse Métropole	
Karlovac	Albertville	Les Mureaux	Villers-sur-Mer	Israël
Krizevci	Amiens Métropole	Lille		Hadera
Porec	Annecy	Lille Métropole	Georgia	
Regional Energy	Antony	Européenne	Poti	Italy
Agency North	Aube-Syndicat de	Lorient	Rustavi	Castellamare di
Rijeka	Communes	Lyon Métropole		Stabia
Velika Gorica	Auxerre - CA	Marseille	Germany	Mantova
Zadar	Besançon	Metz Métropole	Ettlingen	Modena
Zagreb	Bordeaux Métropole	Montmélian	Frankfurt-am-Main	Parma
		Montpellier	Freiburg-im-Breisgau	Pordenone

Salerno

Udine

UCSA Ufficio

Comune

Verona

Latvia

Liepaja

Riga

Macedonia

Sköpje

Portugal

AdEPorto - Energy

Agency

Agencia de Energia &

Ambiente da

Arrabida - Energy

Agency

Agueda

Almada

Aveiro

Barreiro

Cascais ambiente –

Energy Agency

Energaia – Energy

Agency

Guimaraes

Lisboa e-nova -

Energy Agency

Moura

Oeiras

Romania

Bistrita

Brasov

Bucarest

Timisoara

Serbia

Cacak

Nis

Slovakia

Poprad

Trnava

Spain

Barcelona – Agencia

de la Energia

Figueres

Malaga

Pamplona

San Sebastian

Valencia

Sweden

Kronoberg Region

Ljungby

Orebrö

Växjö

Switzerland

Genève

Lausanne

Martigny

The Netherlands

Arnhem

Delft

Heerlen

Utrecht

Zoetermeer

Turkey

Bornova

Büyükçekmece

Gaziantep

Karsiyaka

Nilüfer

Ukraine

Berdychiv

Chortkiv

Ivano Frankivsk

Lviv

Mariupol

United Kingdom

Milton-Keynes

1.2 - Presentation of Activities report by the Director

As every year, now, to know about the achievements of our network, we published our [impact report 2023](#). Here we will be focussing on the backstage of our achievements, sharing the main highlights of the development of our work.

1.2.1 - Working in coalition and partnership with institutions

Co-organising with the European Commission and with the Belgium Presidency, a high level conference on the Covenant of Mayors contributed to keep municipalities at the core of attention. Energy Cities Board continued to debate with key decision makers, such as Kurt Vandenberghe, Director General of Climate Directorate at the European Commission in March 2024. Being appointed as expert to rapporteur of the Committee of the regions on governance of climate policies, also has been proven to be very efficient to bring our messages to the table.

In 2023 Energy Cities has been co-leading two coalitions to join forces before the EU next mandate. The first one, [the Local alliance](#) is bringing the 8 EU major local government networks together with a clear EU agenda for implementation of the [Green Deal locally](#).

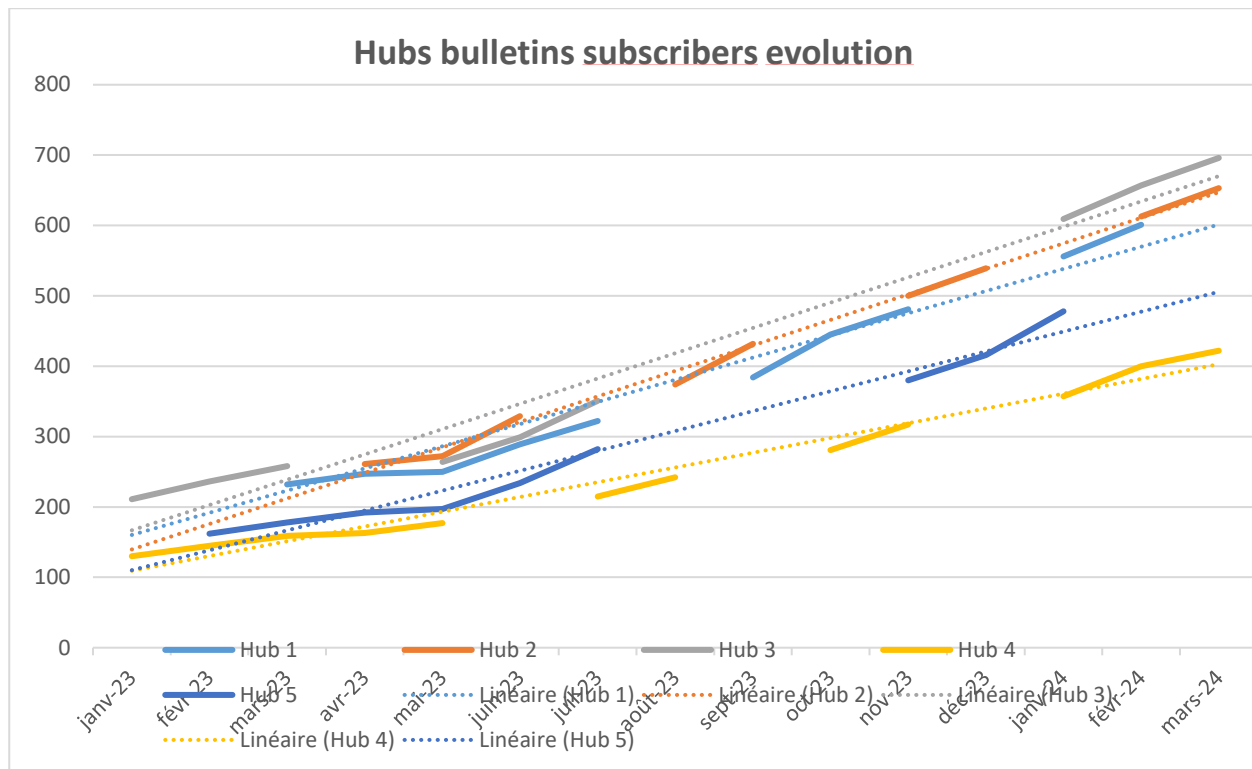
The second alliance is structured around 8 organisations, think-tank researchers, Green NGOs with the aim to bring sufficiency as a principle for every EU policies. More than 80 different organisations signed [the manifesto](#) and debate it with EU Commission during the European Sustainable Energy Week in Brussels (EUSEW).

With these two main coalitions that we co-created, we also participate actively to few other coalitions on Heat decarbonisation. Instead of having our own Manifesto, and fighting for with partners for the same audience, we opted for what is more powerful to join forces.

1.2.2 - Having vibrant HUBs communities

In 2024, we are launching a specific programme for elected people. Our **“Mayors voice”** will be amplified via different activities with the aim to offer a closed doors space for Mayors to exchange between them. We will provide to more members speaking and meeting opportunities.

While our newsletter has more than **4 000 subscriptions**, with our news bulletins per thematic HUBs are enlarging our audience (while targeting more experts and open to partners) and in constant increased number.



1.2.3 - Getting more strategic on our funding (project and foundations)

As our financial report will show, we keep our growth rate by securising our core funding streams. We have won the 6th contract for the Covenant of Mayors initiative, our flagship project. We also have extended our know-how to design a new “EU facility” to support with grants and expertise, cities in their strategic planning and investment plans. This new facility, the “renewable community facility” will be launched soon.

We also chose not to answer in many projects that are less aligned with our mission. In particular when they involve cities only as recipients of knowledge produced elsewhere and not as co-designer of solutions. We are still exploring diversification of our funding sources.

1.2.4 - Changing our internal organisation

Lastly, we have reorganised internally our work around our value-proposal. Our team is now composed of 40 colleagues in 3 main circles (the purpose of our work) supported by a RESOURCES Circle managing the means to have a well-functioning organisation and the LEAD circle for the overall coordination.

- > **LEARN Circle:** Learn via pilot experiences and transform them into transferable knowledge, to increase capacities of local leaders
- > **ENGAGE Circle:** Increase Energy Cities visibility and attractiveness as a city-network and as a valuable partner and capitalise on the activities/knowledge/opportunities developed in the framework of our projects to attract new municipalities and activate our community of members
- > **SHAPE Circle:** Shape the institutional landscape for cities to have the means of their transformation

2 – Financial reports

2.1 – Financial report 2023

2.1.1 – Financial statement 2023

	2022	Prov. 2023 GA	2023
EXPENDITURE			
STAFF COSTS Salaries, social contributions, travel expenses, internships, etc.	2 418 368 €	3 056 000 €	2 820 429 €
Purchases Utilities, telephone, rent, etc.	157 997 €	176 500 €	163 710 €
External services Fees, entertainment expenses, translations, publications, etc.	333 199 €	359 500 €	346 032 €
Taxes	39 690 €	37 000 €	14 106 €
Surplus	93 690 €	62 600 €	26 234 €
TOTAL	3 042 944 €	3 691 600 €	3 370 510 €

INCOME			
Membership fees	338 438 €	340 000 €	327 480 €
EU	2 167 157 €	2 860 400 €	2 393 474 €
Other contracts (service contracts, grants)	495 583 €	465 200 €	488 205 €
Other sources + Financial products	41 496 €	26 000 €	161 351 €
TOTAL	3 042 944 €	3 691 600 €	3 370 510 €

The actual budget for 2023 shows a 9% decrease compared to the provisional budget for the same year, but a 11% increase compared to 2022. The decrease compared to the provisional budget is mainly due to the shift of some activities from 2023 to 2024, because of various reasons (adjustment to policy landscape, partners' availability, etc.).

The provisional budget approved by the GA in 2023 showed a €62 600 surplus. Actual surplus amounts to €26 234.

As regards expenditure

1/ **Staff costs** (salaries, social contributions, travel expenses, internships, etc.) account for about 84% of total expenditure, which is normal for a service-based organisation.

2/ **Purchases** (utilities, telephone, rent, etc.) remain very low despite the increase in staff (almost 40 employees).

3/ **External services** (fees, prints and publications, etc.): the expenditures are almost similar to the ones of 2022.

As regards income

Income for 2023 amounts to **€3,691 600**, whereas it had been estimated at **€3,370 510**. This is mainly due to the shift from 2023 to 2024 of some activities of our EU-funded projects. In addition, financial products were higher thanks to the increase of interest rates.

Net income 2023

Net surplus amounts to €26 234.

Proposed resolutions

First resolution: approval of the accounts

Following the reading of the Board of Directors' and Auditor's reports, the General Assembly approves the accounts and balance sheet for the financial year ended 31st December 2023 such as they are presented and discharges all directors from their duties for the financial year under consideration.

Second resolution: surplus allocation

The General Assembly decides to allocate the surplus, which amounts to €26 234 for the financial year ended 31st December 2023, to the association's fund account which amounted to €1,538 645 at the end of 2023.

As in previous years, the net income will be allocated to the association's fund, which will then amount to €1,564 879, that is, approximately 6 months of salaries and social contributions. Thanks to this fund, we avoid paying financial costs and can be eligible to bigger EU tenders requiring in their eligibility criteria a certain asset level.

We present you after:

- > A table showing all cash flows (incomes and expenditures), including expenditures that are allocated to an external service at the time of the signature of the contract (e.g. a publication or travel). As the same amount appears in the income and expenditure accounts, the balance remains unchanged. These amounts may vary from one year to the next, making comparison difficult, this is why we also establish a balance sheet (available above) excluding these products and expenditures already allocated.
- > The Auditor's report.

Balance Sheet 2023			
EXPENDITURE			
EMPLOYER'S CONTRIBUTIONS	2 944 833	Membership fees	327 480
Gross salaries	1 818 077		
Employer's social contributions	656 558		
Other employer's contributions	151 263	European Commission DGs	
Salary saving scheme	50 400	DG DEVCO	0
Provision for retirement plans		DG ENER	636 551
Travel and accomodation costs	179 881	DG REGIO	86 628
Training	51 738	DG NEAR	283 951
Provision for paid holidays	20 321	CINEA	1 898 276
Social activities	5 633	COSME	63 679
OPERATING COSTS	1 200 855		
Purchases	196 287	Service contracts	23 727
Energy	2 951		
Supplies	18 737		
Stamps	2 158	Grants	671 246
Internet	55 412		
Insurance	3 102	Other sources	19 083
Contracts	7 718	Financial products	161 351
Rent Brussels	52 552		
Rental charges	47 450	other incomes	
External services	1 004 567	(projects forecasted)	
Reception	147 674		
GM+Executive Committees	75 776		
Printing and publications	8 129		
Documents	10 809		
Translations / interpretation	99 066		
Fees	578 519		
Depreciation allowance	28 099		
Non recurrent loss			
Financial management costs	7 706		
Miscellaneous	34 684		
Taxes	14 106		
Excess of income over expenditure	26 234		
TOTAL EXPENDITURE	4 171 972	TOTAL INCOME	4 171 972

Auditor's report



ENERGY CITIES

Association managed by Law 1901

HEADQUARTER : 2 CHEMIN DE PALENTE – 25 000 BESANCON

Exercise 2023

(01/01/2023 - 31/12/2023)

**AUDITOR'S REPORT
ON THE ACCOUNTS FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER 2023**

Établissement de Saône
2 rue de la Croix de Mission 25660 SAÔNE
03 81 25 56 37 - audit@agiliance.fr

Établissement de Vesoul
CS 90232 70004 VESOUL CEDEX
03 84 97 50 00 - audit@agiliance.fr

Établissement de Roche-lez-Beaupré
9 rue de Faltans 25220 ROCHE-LEZ-BEAUPRE
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SAS au capital de 15 000 € - SIREN 818 047 987 - APE : 6920 Z - RCS BESANCON - Identification intracommunautaire FR 32 818 047 987
Société de Commissariat aux Comptes inscrite auprès de la cour d'Appel de Besançon et membre de la Compagnie Régionale des Commissaires aux Comptes de Besançon-Dijon



ENERGY CITIES

Association managed by Law 1901

HEADQUARTER : 2 CHEMIN DE PALENTE – 25 000 BESANCON

ADITOR'S REPORT ON THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

To the members,

I. Opinion

In accordance with the terms of the mission entrusted to us by your Annual General Meeting, we have completed the audit of the annual accounts of the Association ENERGY CITIES for the financial year ended 31 December 2023 as attached to this report.

We hereby certify that the annual accounts are true and fair as regards French accounting rules and principles and that they provide an accurate reflection of the result of the year under review as well as of the Association's financial status and assets as of the end of this financial year.

II. Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the annual accounts" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and the French Code of Ethics for statutory auditors, for the period from 1st January 2023 to the date of our report.



III. Observation

Without calling into question the opinion expressed above, we draw your attention to the information contained in the notes to the financial statements concerning the main events of the current period about the moving of the Besançon's establishment in January 2024 .

IV. Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that the key audit matters that, in our professional opinion, were of most significance, related to the appropriateness of accounting policies used, the reasonableness of the significant estimates made and the overall presentation of the financial statements.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned below, and in forming our opinion thereon as expressed above. We do not provide a separate opinion on specific items of the financial statements.

V. Special verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to members.

VI. Responsibilities of Management and those charged with governance for the annual accounts

Management is responsible for the preparation and fair presentation of the annual accounts in accordance with French accounting rules and principles and for such internal controls as management determines is necessary to enable the preparation of the annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the annual accounts, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the association or to cease operations.



The financial statements were approved by the Board of Directors

VII . Auditor’s responsibilities for the audit of the annual accounts

Our role is to issue a report on the annual accounts. Our objective is to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the association or the quality of management of the affairs of the association.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate as a basis for their opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the Association to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if

such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion.

- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Done in Roche-Lez-Beaupré, on 21th May 2024

Auditor's Cabinet :
SAS AGILIANCE AUDIT
Represented by :
Alexine GOUX


AGILIANCE
AUDIT
AGILIANCE AUDIT
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25220 ROCHE-LEZ-BEAUPRE
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Siren 818 047 987
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Special auditor's report



ENERGY CITIES

Association managed by Law 1901

HEADQUARTER : 2 CHEMIN DE PALENTE – 25 000 BESANCON

Exercise 2023

(01/01/2023 - 31/12/2023)

**SPECIAL AUDITOR'S REPORT
ON THE ACCOUNTS FOR THE FINANCIAL YEAR
ENDED 31ST DECEMBER 2023**

Établissement de Saône
2 rue de la Croix de Mission 25660 SAÔNE
03 81 25 56 37 - audit@agiliance.fr

Établissement de Vesoul
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SAS au capital de 15 000 € - SIREN 818 047 987 - APE : 6920 Z - RCS BESANCON - Identification intracommunautaire FR 32 818 047 987
Société de Commissariat aux Comptes inscrite auprès de la cour d'Appel de Besançon et membre de la Compagnie Régionale des Commissaires aux Comptes de Besançon-Dijon

AGREEMENTS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been advised of any agreement entered into during the year to be submitted to the approval of the annual general meeting pursuant to Article L.612-5 of the French Commercial Code.

Done in Roche-Lez-Beaupré, on 21th May 2024

***Auditor's Cabinet :
SAS AGILIANCE AUDIT
Represented by :
Alexine GOUX***



AGILIANCE
AUDIT

AGILIANCE AUDIT
9 rue de Faltans
25220 ROCHE-LEZ-BEAUPRE
audit@agiliance.fr
Siren 818 047 987
TVA FR 32 818 047 987

2.2 – Provisional budget for 2024

Estimated membership fees amount to €325,000.

Estimated income amounts to €3,797,000. This strong increase compared to 2023 is due to the higher number of new funded projects. It includes projects preliminarily approved for funding by the European Commission but still in the process of being signed (for a total income of 82,000€ in 2024). 6 new projects started in 2024, and 3 additional are expected to start in September 2024.

Estimated expenditure amounts to €3,776,000.

Net income

Estimated surplus is €21 000.

Proposed resolution

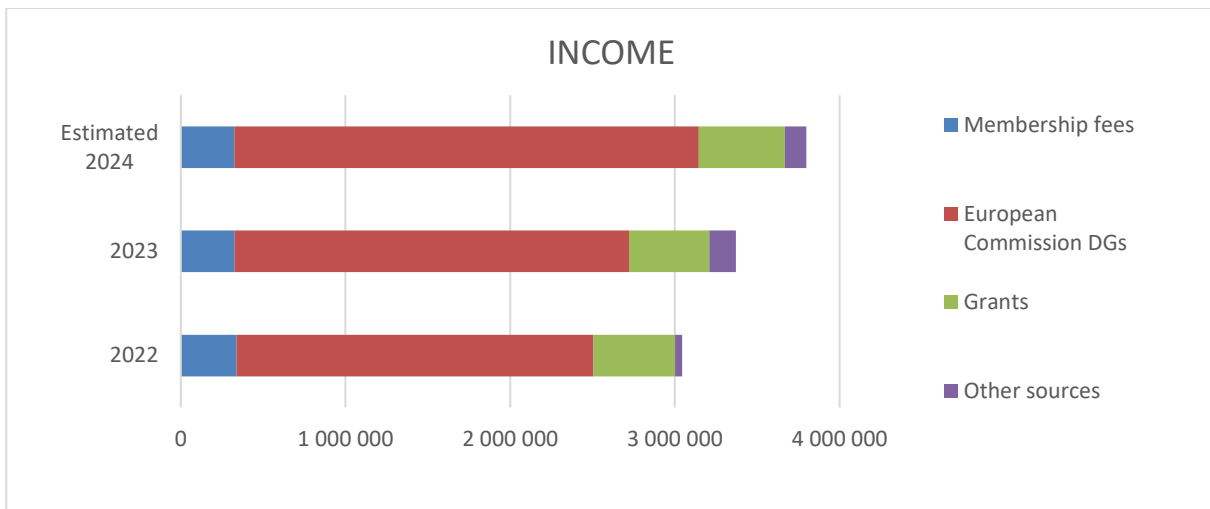
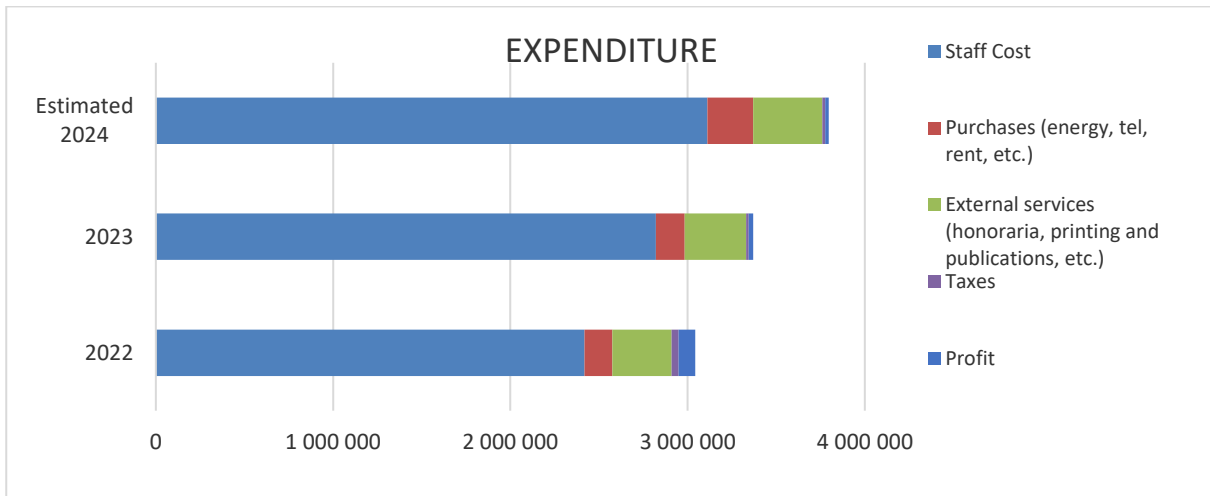
The General Assembly approves the provisional budget for 2024.

Below is a multiannual table to facilitate comparison with previous years. In this presentation of the accounts, the amounts that have already been allocated to external services and various expenses at the time of the signature of the contract are not integrated. It is a different presentation of the same accounts, a presentation that gives a clearer idea of the evolution of our budget and activities over time.

The tables and graphs show the financial statements for the years 2022 and 2023 and the estimated budget 2024.

EXPENDITURE	2022	2023	Estimated 2024
Staff Cost	2 418 368 €	2 820 429 €	3 112 000 €
Purchases (energy, tel, rent, etc.)	157 997 €	163 710 €	257 500 €
External services (honoraria, printing and publications, etc.)	333 199 €	346 032 €	390 500 €
Taxes	39 690 €	14 106 €	16 000 €
Profit	93 690 €	26 234 €	21 000 €
TOTAL EXPENDITURE	3 042 944 €	3 370 510 €	3 797 000 €
INCOME	2022	2023	Estimated 2024
Membership fees	338 438 €	327 480 €	325 000 €
European Commission DGs	2 167 157 €	2 393 474 €	2 820 000 €
Grants	495 583 €	488 205 €	522 000 €
Other sources	41 496 €	161 351 €	130 000 €
Expected incomes			
TOTAL INCOME	3 042 944 €	3 370 510 €	3 797 000 €

The following two graphs show expenditure and income items.



3 – Orientation & debate European priorities for the next 5 years

3.1 – Presentation by the President

Have we been very successful in our advocacy? Or is the reality just doing its shaping work on our society?

It is telling that in the first lines describing the achievements of this mandate (https://ec.europa.eu/commission/presscorner/detail/en/fs_24_1391 : full details on the Green deal achievements 2019/2024) we can read that the EU is fully committed to resource-efficient and competitive economy. Resource-efficiency is a new strategic objective which we have been promoting lately with a vast coalition of actors (<https://energy-cities.eu/policy/for-a-more-resilient-europe-sufficiency-can-lead-us-toward-climate-neutrality/>) it is even the core of the new industrial strategy that the EU proposed to counteract the anti-inflation act of the United States.

Two lines later, we can read that we urgently need to “reduce dependencies from unreliable partners and boost our own energy autonomy”. This should lead in the coming year to a new energy policy paradigm whereby reducing demand is not only about optimising systems but really thinking about our needs. At Energy Cities we have been advocating for years to reinforce energy autonomy by strengthening each local communities’ capacity to produce, share and reduce its energy.

During this 2019-2024, the European green Deal has been translated from a vision into legislation

This overarching goal has been transforming deeply the way EU policies have been designed. With many sectorial legislation proposed, negotiated at the same time, it has been an extraordinary heavy agenda for EU institutions.

It aimed at anchoring the climate neutrality objectives in every economic sector. New financial taxonomy, enlarged emissions trading scheme to include transport and building, new rules for construction and renovation, upgrade of the energy efficiency directive and the electricity market....all these new targets under an overarching EU climate law.

What has not yet been delivered is the inclusion of the agriculture sector, where only strategies have been discussed in the last plenary of the European Parliament (April 2024), environmental obligations have been lifted out. Overall coherency of our fiscal and budgetary rules is not yet delivered either.

But this is for the climate neutrality only. Where we see that the green deal has not really yet been deployed is on (raw) materials, on biodiversity, on nature, on water, on earth. The climate neutrality objective is still conceived as if we had all the resources available, for ever and at an affordable price.

But the energy price crisis, which can happen at any time given the volatility of the markets, mainly because of geopolitical threats, gave us a painful reality check that cannot be ignored.

For the next EU mandate, it is time for implementation.

For the Green deal to become reality **EVERYWHERE**, and to translate into better quality of life and opportunity with **EVERYONE**, we need to **empower every municipality to plan, invest, mobilise** so that their local economy and community can benefit of the great opportunities the green deal represent.

And these local strategies should be reality based: both to leverage on the local synergies, boost local economic cooperation, **reduce our material and natural resources footprint**, increase our energy autonomy. These will help our communities to face climate risks and access better quality of life.

- > For precise demands > see our [Resources-wise](#) manifesto

Decarbonisation of Heat

The EU can help stimulate the growth of clean energy with an **EU Heat Facility** – modelled on the EU City Facility. It would provide small grants to progressive cities seeking excellence in local heating and cooling planning ensuring that the most efficient economical path to decarbonisation is taken including geothermal and district heating.

While the benefits of geothermal and district heating are clear, unlocking their full potential requires a **strategic and coordinated approach** at the European level. An **EU Heat Infrastructure Action Plan** could be instrumental in this endeavour, focusing on these areas:

- > **Mapping and Data:** Comprehensive and readily available data on potential geothermal resources and existing district heating infrastructure is crucial for detailed planning. The action plan should encourage the **mapping of geothermal, waste heat, new district networks...**
- > **Risk Mitigation:** The upfront investment costs associated with geothermal exploration and district heating development can be a barrier for some cities. The action plan could establish **financial instruments** to **reduce risk** for municipalities, such as **loan guarantees** and **insurance mechanisms** similar to the French *Fonds de Chaleur*.

EU budget supporting multi-annual local transitions strategies

After the financial crisis in 2013, we, in Europe, have managed to massively cover the crash of the banking sector. In comparison, the 1,5 to 2% of GDP, which annually needs to be invested for the transition, is the same magnitude. It is possible, it is only a political decision.

By the end 2026, **we need every municipality to have developed a clear investment plan** > like the Mission's Cities and learning from their experiences. This new requirement could be included into the revised energy and climate governance regulation. Pluri-annual investment strategies based on the real needs is the best way to identify the no-regret measures, the best projects to reduce carbon and resources footprint, to be strategic in our use of public money.

We need **to align the next multi-annual financial framework with the implementation of the transition locally**. It should finance clear local multi-annual strategies (in complementarity with national and local Funds).

Local climate funds are interesting model to bridge the investment gaps and mobilise private finance to support the local transitions.

Finally, the **revision of the Energy and Climate governance regulation** is the opportunity to complement the current top-down process (EU is translated into national plans and cities are invited to comment) with a bottom-up process (cities draw their climate neutral strategies and investment plans and discuss feasibility within regions, nationally and European level for alignment).

3.2 - Panel discussion with members & Board members

3.3 – Debate & reaction by Matthew Baldwin, Deputy Director General, DG Energy, European Commission

The orientation debate aims at identifying the main policy priorities Energy Cities should concentrate on for the next EU mandate. New Commissioners and new European Parliament will be appointed in 2024.

Questions

- > The new EU budget and fiscal rules will imply that public co-financing of EU projects and EU investment will not count as public debt. The EU wants to incentivise investments on its priorities. What will be the consequences for your city? Will it increase your capacity to spend strategically to deliver climate neutrality? will it solve the lack of staff in municipalities?
- > For decades, the EU energy policy has focussed mainly on the supply side. Reducing needs by organising our cities, society differently is a forgotten policy. What EU can do to help cities to reduce its needs of energy, water, land, material?
- > Energy prices and access to critical raw material and natural resources are keys to EU competitiveness and to EU capacity to deliver the transition. Nevertheless, EU policies are focussing on big alliance/ investment in infrastructure, and not on of having a wise use of resources. How to invest as much in structural reduction of demands and local production than on massive supply generation? (for example: would it be meaningful to ask: “ for 1€ spent in big energy infrastructures from EU budget, 1€ should be spent on local energy and resources systems”) how could we organise local markets when relevant within the EU markets ?
- > “protecting people and prosperity”: it’s the title of the latest communication from the Commission on managing risks. What would municipalities need from the EU to better protect people and ensure the resiliency of their local economies?

Background official documents

- > New fiscal rules and “stability pact” <https://www.europarl.europa.eu/news/en/press-room/20240419IPR20583/new-eu-fiscal-rules-approved-by-meps>
- > EU competitiveness and industrial renewal: Mario Draghi’s report “[Radical change: is what is needed](#)” and Enrico Letta’s report “[much more than a single market](#)” have fed the European Council of head of States in April 2024
- > EU Communication : “[Managing Climate risks: protecting people and prosperity](#) “ and the European Environmental Agency first ever report on [Climate risks assessment](#)

4 – Any other business