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# Local authorities for a socially inclusive climate and energy transition

A 2024 Climate Alliance policy manifesto for the EU incoming leadership

The current EU institutions' legacy will be that of setting into motion a major overhaul of European climate, energy, and environmental legislation as launched under the European Green Deal. The plans have now been laid and it is up to the next EU institutions (2024-2029) to turn them into reality. While Member States will need to translate this legislation, it is only through meaningful engagement with local authorities, which know the realities on the ground, that EU and national laws will have real impact. Mayors and municipal decision makers are increasingly contributing to EU priorities, but stronger municipal representation through improved multi-level governance and systematic coordination is required. It is time to implement the Green Deal and do everything in our power to remain within the 1.5°C Paris Agreement threshold.

The local level will prove as important for the transition ahead as the legislation that guides it.

At Climate Alliance, we view the climate crisis as a social issue that must be framed in terms of climate justice. This engages us in coming up with real, locally-led solutions that actively contribute to a good life for all. Climate Alliance municipalities thus stand behind fundamental **principles** for comprehensive climate action that is local, fair, resource-saving, nature-based, and diverse. Preventing climate catastrophe and boosting EU energy independence while ensuring that the transition remains affordable will necessitate accelerated reductions in energy demand and emissions along with equitable adaptation measures, which our **charter** describes in detail.

Climate Alliance thus believes that the next policy cycle of the EU institutions would be well advised to emphasise the following:

- 1. Make permanent multi-level governance processes involving local authorities a must when formulating legislation.** Directly involving local authorities in structural dialogues ensures implementation measures will truly work at the local level.
- 2. Reduce inequalities by addressing energy poverty in all its forms.** Adopting energy poverty policies to improve vulnerable inhabitants' quality of life requires a wide range of measures to ensure no one is left behind.
- 3. Ensure that Member States make climate action mandatory at the municipal level and provide the necessary funding.** Addressing the climate and energy transition cannot be voluntary and requires both accessible and sustainable direct financing for local authorities large and small.



4. **Set energy savings as the foundation of an energy efficient buildings sector.** The most sustainable energy is that which is goes un-used and as such, the focus must lie on reducing energy consumption in the first place.
5. **Promote a just and democratic energy transition founded upon flexible, decentralised and renewable energy sources.** Our energy system should not rely on fossil fuels or other non-sustainable forms of energy.
6. **Reframe the climate challenge as an issue of climate justice.** Include external impacts as an integral part of the Green Deal and foster cooperation with partners worldwide, e.g. with indigenous communities, in addressing massive environmental spill over effects.

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## 1. **Make permanent multi-level governance processes involving local authorities a must when formulating legislation**

Setting up permanent multi-level governance processes in the formation of legislation to directly involve local authorities will ensure measures are feasible, realistic and taken up at the local level.

### We recommend that the next EU institutions:

**R**ecognise local authorities as critical partners in implementing the energy transition and consult with them in systematic ways for consultations, the drafting of legislation and assessments at EU and national levels.

**A**cknowledge that Europe's regions have different challenges and that often, local authorities have not only an unparalleled grasp of these challenges, but also expertise on how best to address them. They must be empowered to do so.

**E**nsure the EU Governance Regulation actually strengthens multi-stakeholder governance with stronger, legally-binding language for Member States that guarantees meaningful early public participation and creates standing consultation processes both with local authorities in the National Energy and Climate Plans.



## 2. Reduce inequalities by addressing energy poverty in all its forms

Adopting energy poverty policies to improve vulnerable inhabitants' quality of life requires a wide range of measures to ensure no one is left behind. Local authorities are increasingly faced with energy poverty among their vulnerable constituents. Yet integrated action is hampered when energy poverty is viewed as 'just another type of poverty' and thus delegated to social departments alone. Member States must come to define energy poverty as both a social and an energy issue requiring collaboration instead of being siloed to single departments.

### We recommend that the next EU institutions:

**D**evelop policies and measures to reduce our dependence on singular energy carriers or technologies, instead securing a diversity of renewable energy sources and technologies in harmony with regional and local characteristics.

**P**rovide an enabling national and European legislative framework for energy poverty alleviation.

**S**trengthen the energy poverty mandate of cities and towns, recognising municipalities as the level of government closest to vulnerable citizens and that best equipped to carry out tailored measures on the ground.

**A**pprove EU legislation and develop tailored national legal frameworks that protect tenants and homeowners in vulnerable situations, providing financial and legal instruments to tackle cost, skill and labour intensive deep renovations.

**E**quip and support communities with financial means, appropriate fiscal and administrative frameworks, as well as the right technical and human resources to disburse dedicated funds.

## 3. Ensure that Member States make climate action mandatory at the municipal level and provide the necessary funding

Climate action at the local level is not mandated in most Member States and therefore local authorities typically do not have a budget for such measures. By making climate action a legal obligation for local authorities, targeted investments at the national level could be distributed to the regional and local levels in support of municipal climate measures and the hiring of necessary staff. Pre-planned budget lines that are earmarked specifically for local authorities are of the essence.



The threshold for access to EU funds for municipalities must also be lowered. Smaller municipalities in particular are often barred from participating in existing programmes both due size requirements and complex application processes that require excessive staff resources. Programmes should also be focussed on funding existing, long-term projects that have already been vetted by local authorities, but are underfunded.

The next EU institutions will have to adopt the EU Multiannual Financial Framework (MFF) for 2028-2035. The new MFF is the occasion to ensure EU funding fully supports local authorities in implementing a clean and affordable energy transition.

## We recommend that the next EU institutions:

**R**ecognise municipalities as key actors in implementing tangible climate action, e.g. by motivating citizens, facilitating building renovation and expanding sustainable public transport programmes.

**L**egally require Member States to facilitate municipal climate action with the necessary administrative and financial resources, making climate action mandatory with a dedicated financial budget line for local authorities.

**E**armark additional funds for municipal climate action in the understanding that there are substantial differences in the financial situation of each Member State.

**D**edicate a certain percentage of the next EU MFF for municipal climate action with a specific focus for local authorities.

**S**implify financing and administrative mechanisms to make them more accessible for local authorities, regardless of size.

**F**ocus on continuity and on securing financing for existing projects that require longer-term investments in order to achieve real impact as opposed to constantly supporting new proposals for short-lived projects.

## 4. Set energy savings as the foundation of an energy efficient buildings sector



For local authorities to address deep building renovations and implement heating and cooling plans, the EU must be ambitious in lowering energy demand and boosting energy efficiency. Our building stock should not only use as little energy as possible, it should also produce sustainable energy wherever possible to protect against energy poverty, support flexibility in the grid, and increase energy independence.

## We recommend that the next EU institutions:

**R**ealise that increased energy efficiency in our building stock is the key to reducing energy consumption but also ameliorating energy poverty.

**P**romote high performance building renovations programmes, including city-led initiatives like the Energy Caravan campaign, to support residential transformation to go well beyond the EU minimum 3% deep renovation rate.

**P**romote the use of highly efficient components in both new builds and renovations for increased energy savings, as demonstrated, for example, by the Passive House Standard and the EnerPHit Standard for renovations. An emphasis on optimising energy performance will help avoid lock-in effects.

**F**oster circularity in the building sector with components that are ecological, regional and sustainably sourced as well as materials that are durable, repairable and reusable.

## 5. Promote a just and democratic energy transition founded upon flexible, decentralised and renewable energy sources.

With regard to the recent EU proposal for a 2040 climate target, it bears stressing that **how we plan to reach the target** is just as important as the target itself. A reliance on technologies that aim to recapture emissions already produced will not reinforce commitments to transition away from fossil fuels so much as it will further cement their use, providing a path to continue with business as usual.



Our energy system should not rely on fossil fuels or other non-sustainable forms of energy. Energy communities must be fostered as key energy prosumers. The SER framework (Sufficiency, Efficiency, Renewables) should guide the EU energy transition towards a more flexible and renewables-based energy system that is both fair and affordable for local authorities to set up.

## We recommend that the next EU institutions:

**A**void turning to controversial and potentially perilous technologies like nuclear energy in meeting the 2040 targets, and focus on cutting emissions at their source.

**S**tep away from questionable technologies such as carbon capture and storage and carbon offsetting, which only serve to promote business as usual.

**B**etter recognise the role of reducing energy consumption in delivering energy savings, notably by setting a definition of energy sufficiency at the EU level to ensure a common understanding of the concept so it can be applied to the energy sector.

**S**peed up the national implementation of legislation supporting energy savings as well as decentralised, resilient and renewable energy systems for PV, wind and water, including energy storage.

**B**e wary of hydrogen, only promoting that which is produced from just, renewable energy systems and understanding it as a fuel to be reserved for select sectors such as heavy industry – not as a catch-all solution for heating and transport.

**D**evelop further legislation that empowers citizens to implement energy savings in order to democratise the energy supply.

**F**ormulate legislation prohibiting the sale of petrol and diesel cars by 2035 and ensure the Energy Sharing Directive fosters a decentralised energy supply.

## 6. Reframe the climate challenge as an issue of climate justice

Approaching the climate challenge from a climate justice perspective means recognising our common but differentiated responsibilities in fighting the climate crisis. Thinking in terms of climate justice engages us in coming up with locally-led solutions that actively contribute to a good life for all the world's peoples. If we are to implement local climate action and take global responsibility, we must continue to prevent large-scale destruction of rainforests in the future. Our most important



allies are our indigenous partners in Amazonia themselves. Together we can strengthen their rights and contribute to the protection of their territories and thus of the rainforests.

For example, the demand for aluminium is enormous in the EU. Energy transition policies need to consider that mining is an activity that generates significant socio-environmental impacts in countries of the Global South. Deforestation-free products and supply chains for European markets is critical.

## We recommend that the next EU institutions:

**M**ake the external impacts dimension an integral part of the Green Deal by creating jointly-owned cooperation agendas with partners outside the EU (e.g. indigenous communities) to address the environmental spillovers that contribute to deforestation, biodiversity loss, over-fishing, waste exports and the pollution of air and oceans.

**T**ake measures to protect indigenous and other vulnerable communities at risk of being victims of corporate human rights violations and environmental harms.

**P**romote initiatives that are public welfare oriented, e.g. by preserving soil and water resources; establishing, managing and preserving greenhouse gas sinks such as bogs and forests; as well as by reducing our dependency on fossil-fuels and foreign resources.

**R**equire deforestation-free products and supply chains for European markets in the EU regulation on deforestation-free products and supply chains.



Contact



# CLIMATE ALLIANCE

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## THE CLIMATE ALLIANCE

For over 30 years, Climate Alliance member municipalities have been acting in partnership with indigenous rainforest peoples for the benefit of the global climate. With nearly 2,000 members spread across more than 25 countries, Climate Alliance is Europe's largest city network dedicated to comprehensive and equitable climate action. Recognising the impact our lifestyles can have on the world's most vulnerable people and places, Climate Alliance pairs local action with global responsibility. [climatealliance.org](https://climatealliance.org)