Open Letter

CLEAN ENERGY TRANSITION WITHIN THE LIFE PROGRAMME
2021-2027

Dear Members of the European Parliament,

Within the context of the proposed changes within the Multiannual Financial Framework 2021-2027 and the creation of a specific sub-programme on the Clean Energy Transition, the FEDARENE Board and General Assembly of its members have carefully considered the opportunities that this change presents to Local and Regional Authorities and their energy agencies. While presenting another step change from the previous Intelligent Energy for Europe and H2020 programmes, in which energy agencies have been extremely active and successful, this new programme has the potential to enable the energy transition to be accelerated and ensure our ambitious targets are achieved.

FEDARENE wishes to raise the following key points and annexed amendments (p.3), which are in addition and compliment those points raised in our letter to the Working Party on the Environment of the Council of the European Union:

1. We welcome that the Life Programme will consist of 3 pillars, namely: Climate, Environment and Energy. Given the many multi-faceted aspects of the energy agenda it is vital that Clean Energy Transition activities are maintained and given equal status in terms of the impact of the programme. The energy transition offers - in addition to its climate relevance - also significant economic and social benefits beyond the environmental dimension.

2. While acknowledging that budget negotiations continue, this Clean Energy Transition sub-programme must have a separate budget line which safeguards the investment into the energy transition. Balancing demands across the complementary areas of the LIFE programme is a challenge but for future planning and forecasting regions and energy agencies need to know that support opportunities are stable and within defined budgets.

3. The current indication that the Clean Energy Transition actions will have a budget of €1 billion is of particular concern to FEDARENE. Given the current gaps to target which exist across all aspects of the energy agenda further and increased investment in market development is vital. European Citizens, Industry and SMEs

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1 Recital 9 of the Proposed for a Regulation for LIFE reminds us: “The impact assessments of the Clean Energy legislation estimate that the delivery of the Union’s 2030 energy targets will require additional investments of EUR 177 billion annually in the period 2021-2030. The biggest gaps relate to the investments in buildings decarbonisation (energy efficiency and small-scale renewable energy sources), where capital needs to be channelled towards projects of highly distributed nature.”
need support to make the energy transition happen and transfer solutions from R&D into reality across Europe (“market uptake”).

4. Careful consideration of the implementation rules is vital. The current rules which may have worked successfully for the LIFE programme will, in the opinion of FEDARENE, need to be carefully reviewed. The energy sector has particular needs which are different to those of the normal participants in the LIFE programmes (e.g. environmental organisations, NGOs etc.). The energy sector comprises of large industry, a large variety of SMEs, many dynamic public authorities and energy professionals working in energy agencies and other similar organisations. These organisations have collaborated and work effectively and efficiently under H2020 implementation rules and we recommend that the future LIFE programme should integrate successful components of the H2020 programme into its future implementation rules design.

5. Funding rates for the future LIFE programme should be considered carefully. Previous experiences from IEE and H2020 show that, in particular for market up take actions, significant support is required. It is recommended that a minimum support level be set which maximises the impact that can be achieved with the budget available. A rate of 80-100% is recommended as it is the reasoned opinion of FEDARENE that the energy sector will not engage with the LIFE programme without such support levels. In addition to an appropriate overhead contribution rate of 25% is required.

FEDARENE welcomes the opportunity to meet and discuss these issues with a view to be an active contributor to the design of a new LIFE Programme that maximises the ability of citizens and regions to realise the energy transition agenda.

Yours sincerely,

Julije Domac  
President

Seamus Hoyne  
Secretary General

Christiane Egger  
Vice-President

FEDARENE (European Federation of Agencies and Regions for Energy and the Environment) is the premier European network of regional and local organisations, which implement, coordinate and facilitate sustainable energy and environment policies. Regional and local agencies, ministries and departments working in these fields are represented in FEDARENE.

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Annex

FEDARENE’s proposal for Amendments in the Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013

Amendment 1 – (new) Recital 28

The minimum and maximum co-financing rates should be set at such levels that are necessary to maintain the effective level of support provided by the Programme, while taking into account the necessary flexibility and adaptability that is needed to respond to the existing range of actions and entities.

**Explanation**

FEDARENE supports the ENVI Committee’s amendment for the LIFE programme to have consistent co-financing rates and recommends that a minimum support level be set which maximises the impact that can be achieved with the budget available.

Amendment 2 – Article 3 Programme objectives

1. The general objective of the Programme is to contribute to the shift towards a clean, circular, energy-efficient, low-carbon and climate-resilient economy, including **through the transition to clean renewable energy**, to the protection and improvement of the quality of the environment and to **through** halting and reversing biodiversity loss, thereby contributing to sustainable development.

(a) to develop, demonstrate and promote innovative techniques and approaches for reaching the objectives of the Union legislation and policy on environment and, climate action, including **and the transition to clean, renewable energy and improved energy efficiency** and to contribute to the application of best practice in relation to nature and biodiversity;

**Explanation**

FEDARENE supports the ENVI Committee’s amendment strengthening the reference to “clean, renewable energy and improved energy efficiency”, and encourages referencing the “transition to clean energy” consistently throughout the Regulation, and more specifically in article 3. Omitting to clearly specify it could leave space to other less emitting non-renewable energy sources.

In addition, as clean energy related market uptake and capacity building activities are being moved from Horizon2020 to the LIFE programme, this support programme is becoming a key support instrument for the energy transition and should be referenced as such.

Furthermore, article 194 of the Treaty of Functioning of the European Union enshrines EU’s competency in promoting energy efficiency and the development of renewable energy.
sourced and recognises it as a direct Union policy objective with concrete benefits across all sectors including climate and environment.

Amendment 3 – Article 8 Implementation and forms of Union funding

(new paragraph)

3. Minimum and the maximum levels for co-financing rates are differentiated amongst the sub-programmes set out in Article 4 as follows:

(a)

(b)

(c)

(d) The minimum co-financing rates for the actions under the sub-programme Clean Energy Transition referred to in Article 4(2b)) shall be [XX%] of eligible costs.

Explanation

FEDARENE supports the ENVI Committee’s amendment for differentiated co-financing rates amongst the sub-programmes set out in Article 4, and recommends a rate of 80-100% for the Clean Energy Transition sub-programme as it is the reasoned opinion of FEDARENE, (based on feedback from its members) that those organisations involved in such capacity building actions will not be in a position to engage with the programme with funding rates below 80%. This has been proven by the previous success of the Intelligent Energy for Europe and CSA actions under H2020. Given the current gaps to target which exist across all aspects of the energy agenda further and increased investment in market development is vital. European Citizens, Industry and SMEs need support to make the energy transition happen and transfer solutions from R&D into reality across Europe (”market uptake”).

1 Recital 9 of the Proposed for a Regulation for LIFE reminds us: “The impact assessments of the Clean Energy legislation estimate that the delivery of the Union’s 2030 energy targets will require additional investments of EUR 177 billion annually in the period 2021-2030. The biggest gaps relate to the investments in buildings decarbonisation (energy efficiency and small-scale renewable energy sources), where capital needs to be channelled towards projects of highly distributed nature.”