

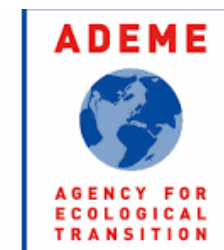
Unboxing the next EU budget proposal

What's at stake for local sustainable energy projects?

12th February 11:00 - 12:30 (CET)



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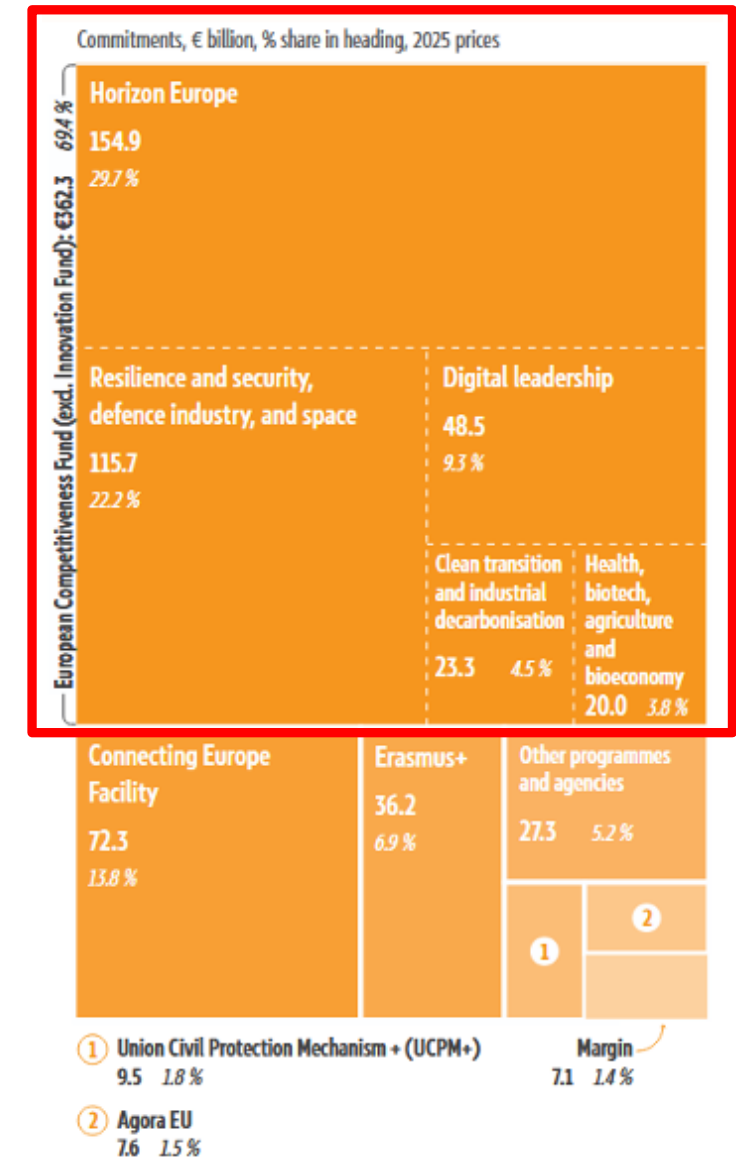
Focus: The European Competitiveness Fund

An opportunity to finance local sustainable energy actions?

Mickaël Bianchin - FEDARENE

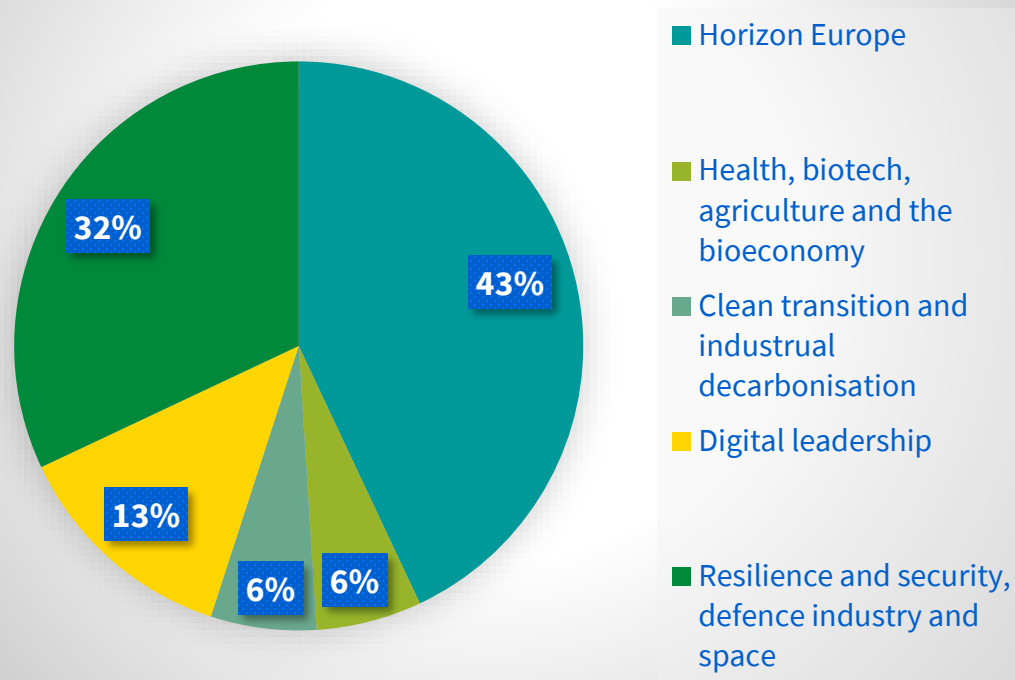
What is the European Competitiveness Fund ?

- The ECF is designed to be a major financial and coordination instrument to strengthen EU competitiveness, with an emphasis on strategic sectors and technologies.
- The ECF would bring together 14 EU programmes a single fund
 - Horizon Europe* (the only one that will remain as a stand-alone programme)
 - Innovation Fund
 - Digital Europe Programme
 - Connecting Europe Facility - CEF Digital
 - European Defence Fund
 - Act in Support of Ammunition Production (ASAP)
 - InvestEU
 - Defence Industry Reinforcement through Common Procurement Act (EDIRPA)
 - European Defence Industry Programme (EDIP)
 - EU4Health
 - European Space Programme
 - IRIS
 - Single Market Programme (SME strand)
 - **LIFE Programme***



Pillar 2 : the EU competitiveness Fund

ECF distribution of the MFF funding



- Horizon Europe remains a stand-alone programme
- The rest of ECF would be structured in four policy windows that reflect the EU's strategic priorities for increasing competitiveness and resilience (all values in 2025 prices):
 1. Clean transition and industrial decarbonisation, €23.2 billion ;
 2. Resilience and security, defence industry and space, €115.7 billion;
 3. Digital leadership, €48.5 billion;
 4. Health, biotech, agriculture and bioeconomy, €20 billion.

What is new for Horizon Europe?

Pillar I	Pillar II	Pillar III	Pillar IV
EXCELLENT SCIENCE	COMPETITIVENESS AND SOCIETY	INNOVATION	EUROPEAN RESEARCH AREA
€44.079 BILLION	€75.876 BILLION	€38.785 BILLION	€16.262 BILLION
EUROPEAN RESEARCH COUNCIL	COMPETITIVENESS ¹ : 1. Clean Transition and Industrial Decarbonisation 2. Health, Biotech, Agriculture and Bioeconomy 3. Digital leadership 4. Resilience and Security, Defence Industry and Space	EUROPEAN INNOVATION COUNCIL	ERA POLICIES
MARIE SKŁODOWSKA-CURIE ACTIONS		INNOVATION ECOSYSTEMS AND THE KNOWLEDGE TRIANGLE	RESEARCH AND TECHNOLOGY INFRASTRUCTURES
SCIENCE FOR EU POLICIES	SOCIETY: 1. Global societal challenges 2. EU Missions 3. New European Bauhaus Facility		WIDENING PARTICIPATION AND SPREADING EXCELLENCE

- A total budget of 175 billion €
 - Divided into 4 pillars
 - Excellent science
 - Competitiveness & society
 - Innovation
 - European research area
- Pillar II contain the topics that would be the most relevant for local and regional authorities

Funding will keep a similar structure with call for proposals multi-annual work programmes

What about the LIFE Program?

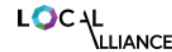
- Current LIFE program is being split:
 - "LIFE Activities" in the ECF: which is primarily geared towards industrial policy and aims to boost competitiveness across sectors such as defence, space, health, digital, biotech and industrial decarbonisation. You will find here post of the previous LIFE CET
 - Funding for LIFE Activities could cover up to 100% of eligible costs and 25% of indirect costs.
 - Other elements, notably concerning nature-based (nature restoration, biodiversity) projects: in the EU Facility without any ring fencing

What was previously found under the scope of the energy and climate transition are now relabelled under competitiveness

Key Takeaways

- No clear territorial approach is proposed within the ECF or Horizon Europe
- Competitiveness is the key word – previous green transition points now in competitiveness
- LIFE Programme split amongst ECF(Life Activities) & EU Facility (biodiversity and nature-based initiatives)
- Governance – local and regional authorities missing
- How will look like? Don't know yet

Tools developed by cities networks



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For an EU budget 2028- 2034 for cities & towns

MAIN MESSAGES

- The **double centralisation** (EU and national levels) of the proposed MFF is dangerous for our democracy. If cities are deprived of their connection to Europe, so will be their citizens. This centralisation has proven ineffective (RRF plans were not highly spent).
- Local governments are **orchestras of competitiveness in their territory**. What they develop as services and infrastructures shape their territory and the possibility for businesses and industries to set up in Europe. For the EU to be competitive, it needs to trust and reinforce its local and regional levels.
- The proposal for the EU budget is **sidelining local authorities**, while together with regional authorities, they implement and apply approximately 70% of EU legislation.

MAIN DEMANDS

1. REINFORCE THE TERRITORIAL APPROACH ACROSS THE MFF

1. By having a **mandatory regional, territorial or urban chapter** in each national and regional partnership plan, and a territorial approach in the sectoral chapters of these plans.
2. By having a **territorial approach in the clean transition and decarbonisation industry** window of the European Competitiveness Fund. "LIFE activities" and other activities of this window must fund LRAs' investments and capacities.
3. By having a **target in the budgets for the territorial tools**, such as the Integrated Territorial Investments.



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OUR RESOURCES

MODEL OF LETTER FOR YOUR MINISTRIES ON THE NRPP

MODEL OF LETTER FOR YOUR ITRE MEPS ON THE ECF

LIST OF KEY INFLUENTIAL MEP

LIST OF ENC AND LOCAL ALLIANCE AMENDEMENTS TO THE NRPPS AND TO THE ECF.



The Local Alliance — a coalition of local and regional governments made of ACR+, CEMR, Climate Alliance, Energy Cities, Eurocities, FEDARENE, ICLEI Europe and POLIS, — is an informal coalition aiming at ensuring that our constituencies have the competencies and resources to implement the European Green Deal and reinforce Europe's resiliency.



Next Webinar 12th March