

# **PRESS RELEASE**

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## €86 billion EU Social Climate Fund at risk of mismanagement

Brussels, Belgium – An exclusive <u>new report</u> from eight major European local and regional government networks reveals that vulnerable households in the EU are at risk of being underserved by the €86 billion Social Climate Fund (SCF) due to inadequate consultation of local and regional governments by national governments.

The survey underpinning the report, conducted by the Local Alliance — a coalition comprising ACR+, CEMR, Climate Alliance, Energy Cities, Eurocities, FEDARENE, ICLEI Europe and POLIS — highlights widespread non-compliance with key requirements under SCF legislation.

Articles 4 and 5 of the SCF state that Member States must engage with local and regional governments in developing their national Social Climate Plans. However, the report finds that many governments are failing to fulfil these obligations, often reducing consultations to empty gestures or bypassing them entirely.

### A missed opportunity to address local needs

The SCF is a flagship initiative under the European Green Deal, aimed at supporting vulnerable households. But the findings show a troubling disconnect between national decision-makers and their local governments.

The survey, covering cities and regions across 14 Member States, including Belgium, Finland, Germany, Greece and Spain, paints a stark picture of delayed consultations, inadequate dialogue, and missed opportunities to incorporate local expertise.

"The Social Climate Fund represents a critical opportunity to drive Europe's transition to sustainability while addressing the needs of our most vulnerable communities. However, without genuine engagement of local and regional governments, this ambitious vision risks falling short," states Françoise Bonnet, Secretary General of ACR+. "At ACR+, we firmly believe that cities and regions are at the heart of sustainable action."



#### Local governments: Key partners for effective action

Local and regional governments are uniquely positioned to ensure that EU funds address the specific needs of their communities. They bring expertise, proximity, and an understanding of local priorities, which are crucial for tailoring measures to effectively support vulnerable households.

The absence of meaningful consultation not only undermines the legislative requirements but also jeopardises the effectiveness of the SCF just six months before Member States are due to submit their plans in June.

#### **Recommendations for national and EU decision-makers**

To ensure the Social Climate Fund effectively supports vulnerable households, the Local Alliance urges Member States, amongst others, to prioritise meaningful collaboration with regional and local governments, through locally developed plans such as SECAPs and Sustainable Urban Mobility Plans.

This will provide EU investments that are aligned with local needs to address energy and transport poverty, ensuring measures that target the needs of vulnerable groups like women, older people and single-parent households. For more information, download the full report here.

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#### Notes to Editors:

1. Additional quotes:

"Without genuine collaboration with local and regional governments, national Social Climate Plans risk being disconnected from differing on-the-ground realities in regions, cities and towns. This could lead to top-down policies that fail to effectively support the communities most in need." **Wolfgang Teubner, Regional Director of ICLEI Europe.** 

"If city and regional governments are sidelined, we risk turning the Social Climate Fund into a missed opportunity to improve the lives of Europe's most vulnerable people. To truly tackle energy and transport poverty, we need national governments to shift from token consultations to genuine partnerships with local partners who understand the realities on the ground." **André Sobczak, Secretary General of Eurocities.** 



"The Social Climate Fund can drive a fair energy transition, reduce energy poverty, and boost energy efficiency across Europe. However, this will only succeed if regional and local governments, along with their energy and climate agencies, are properly involved in the Social Climate Plans process." **Filip Dumitriu, Director of the FEDARENE** 

"The €86 billion Social Climate Fund holds the potential to transform lives and build a more equitable Europe, but only if the voices of local and regional governments are at the table. These governments are on the frontlines of addressing energy and transport poverty, yet too often, their expertise is overlooked. National governments and the EU Institutions must recognise that meaningful consultation isn't just a legal requirement — it's a necessity for effective and inclusive action." **Fabrizio Rossi, Secretary General of CEMR.** 

"Multi-level governance must be more than a buzzword; it requires genuine collaboration, co-design, and trust across all levels of government. Only through real feedback and evaluation can we achieve effective policy outcomes." Claire Roumet, Director of Energy Cities

2. The members of the Local Alliance are:

The <u>Association of Cities and Regions for sustainable Resource management (ACR+)</u> has been advocating for decentralised authorities' crucial role regarding material resources and circular economy for 30 years already. The international network gathers local and regional authorities working for waste-free circular systems in their territories and beyond, together with other stakeholders. Through its various activities, ACR+ provides its members with concrete tools, technical data, and innovative approaches to enact a just and sustainable transition.

Bringing together the voices of one million local leaders, <u>The Council of European Municipalities and Regions</u> (<u>CEMR</u>) has advocated for ensuring that decisions made at the European level are fair and sustainable for local governments and their citizens since 1951. Mayors and local elected officials are at the forefront of responding to global challenges such as climate change and migration, translating policies into tangible actions on the ground. They are also responsible for implementing 70% of EU legislation. That's why at CEMR, we advocate for ensuring their voices are heard at every stage of the decision-making process.

For over 30 years, <u>Climate Alliance</u> 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 25 European countries, Climate Alliance is one of the leading city networks 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.

<u>Energy Cities</u> is the European network of local authorities in energy transition. Created in 1990 as a non-profit organisation, Energy Cities now represents over 1,000 cities in 30 European countries. Energy Cities empowers local communities to shape and transition to future proof cities, by showcasing concrete alternatives deployed by cities, advocating to change political and economic governance at all levels and fostering a wide cultural change.

<u>Eurocities</u> wants to make cities places where everyone can enjoy a good quality of life, is able to move around safely, access quality and inclusive public services and benefit from a healthy environment. We do this by networking more than 200 larger European cities, which represent some 150 million people across 38 countries, and by gathering evidence of how policy making impacts on people to inspire other cities and EU decision makers.



<u>FEDARENE</u> is a European network of regions and regional and local energy agencies which implement, coordinate and facilitate energy and environment policies. More than 80 regional and local agencies, regional governments and departments across over 50 different regions are part of the federation.

<u>ICLEI – Local Governments for Sustainability</u> is a global network of more than 2,500 local and regional governments committed to sustainable urban development and is active in 125+ countries. ICLEI Europe supports local governments in implementing the European Green Deal, the overarching EU strategy for climate neutrality, to build more resilient and equitable communities.

<u>POLIS</u> is a Brussels-based non-profit founded in 1998, uniting European cities and regions to promote sustainable urban transport innovation. It facilitates knowledge sharing among members, fosters dialogue with industry and research, and advocates for its members in shaping EU mobility policy.