Ms Esther de Lange
Member of the European Parliament
Vice-Chair of the European People’s Party Group
European Parliament
60, rue Wiertz
1047 BRUXELLES
BELGIQUE

Brussels, 29 September 2021

Ref.: CL – CRPMCOU210126

Subject: European Parliament report’s on Social Climate Fund

Dear Ms de Lange,

The European Parliament and Council are shortly to commence legislative work on their respective positions over the Social Climate Fund legislation. I am confident both co-legislators will strive to ensure the final text of the regulation meets the ambition to achieve the objectives of a fair climate neutrality for all European territories is fit for purpose. To this end, I would like to draw your attention on a few elements in the proposal that require substantial improvement from the perspective of local and regional authorities.

The primary objective of the Social Climate Fund is to assist households and SMEs through the transition to a carbon-neutral economy. The proposal stipulates that support should consider the diversity of situations across EU regions and acknowledges the specific knowledge of local and regional governments. However, it does not establish any clear territorial earmarking for those regions, such as maritime peripheral regions, that are the most affected by climate change and that might experience significant socio-economic impacts linked to the introduction of the extended ETS. Furthermore, the regulation does not set a clear requirement for Member States to involve local and regional authorities in the design and implementation of the fund’s investments. Nor is this identified as an assessment criterion for the Social Climate Plans.

I believe this flaw in the regulation needs to be addressed whereas the success of the instrument crucially depends upon delivering tailor-made interventions meeting the specific needs of EU territories. Furthermore, it appears a necessary step in order to fulfil the legal obligation to ensure the consistency of the Fund with the National Energy and Climate Plans and cohesion policy programmes, both of which rely on a sound multi-level dialogue.

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The scope of the fund should be more explicitly extended to maritime transport in order to spur its decarbonization given that it is one the sectors encompassed by the proposed reform of the ETS. It would be unfair if revenues from the ETS are not equally used to support the sector.

Let me also stress that avoiding overlaps or conflicts between the Social Climate Fund and other Union’s programmes featuring similar priorities, especially under cohesion policy, is paramount. We need to invest on effective synergies and complementarity that could help maximize the impact of EU investment altogether. Therefore, I invite you to include in the regulation a more explicit reference to the need for an optimal coordination and strategic programming in the EU Member States between the Social Climate Fund, cohesion policy 2021-2027 and other EU funds. We need to make sure that the different spending programmes of the EU go hand in hand, instead of competing one with the other. This is a risk fuelled by the provision allowing for transferring resources from cohesion policy to the Social Climate Fund, which should be removed from the legislation. Likewise, we need to guarantee that the stated priority to support peripheral and maritime areas, and more broadly territories suffering from energy poverty, is fully embraced by Member States. In this regard, a degree of territorial earmarking should be needed.

In conclusion, we believe that the Social Climate Fund envelope can reach its potential only with a higher co-financing, as the proposed one could penalize Member States and regions with a more limited fiscal capacity. We also believe important to ensure that the resources of the Social Climate Fund are considered as additional in the current and future MFF, and do not affect the envelopes of other programmes.

Yours sincerely,

Cees LOGGEN
President of the CPMR
Regional Minister of Noord-Holland