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# RENEWABLE AND LOW-CARBON FUELS VALUE CHAINS INDUSTRIAL ALLIANCE

## FREQUENTLY ASKED QUESTIONS

### WHAT IS AN INDUSTRIAL ALLIANCE?

Industrial alliances are a tool to facilitate stronger cooperation and joint action between all interested partners. Industrial alliances can play a role in achieving key EU policy objectives through joint action by all the interested partners. They can make European economies more resilient, ensure the global competitiveness of our industry (including SMEs), support a successful transition to a carbon-neutral continent by 2050 and make Europe fit for the digital age. This is why industrial alliances can be used as one of the delivery vehicles for relevant European strategies, e.g., on hydrogen, raw materials or plastics.

Industrial alliances bring together a wide range of partners in a given industry or value chain, including public and private actors and civil society. Industrial alliances have the following characteristics

- they are built around a common goal to implement EU policy objectives
- they involve all relevant partners (EU countries, regions, industry, financial institutions, private investors, innovation actors, academia, research institutes, civil society, trade unions, and others) along the value chain
- they are based on the principles of openness, transparency, diversity and inclusiveness and comply with competition rules
- are not involved in decision making on policy, regulation or financing
- there is no direct funding for alliances, and they do not prejudice potential Important Projects of Common European Interest (which are designed by EU countries and need a separate approval by the Commission)

Alliances have already delivered benefit in the area of batteries and circular plastics

Building on this success, the Commission launched further alliances. In 2020 the European Clean Hydrogen Alliance and the European Raw Materials Alliance and in 2022 a new alliance on Renewable and Low-Carbon Fuels Value Chain.

### WHAT ARE THE OBJECTIVES OF THE RENEWABLE AND LOW-CARBON FUELS VALUE CHAIN INDUSTRIAL ALLIANCE?

The ultimate objective of the Alliance is to ensure that aviation and waterborne transport have sufficient access to renewable and low carbon fuels, while taking into account the future use of these fuels in road transport, and thus contribute to the reduction in the transport sector's greenhouse gas (GHG) emissions by 90 percent by 2050.

In addition, the alliance will seek to achieve these 5 specific objectives:

- Objective 1: Building on the sustainable feedstock and production pathways eligible towards the decarbonisation targets put forward in FuelEU Maritime and ReFuelEU Aviation, the Alliance shall:
  - leverage on work done in other initiatives<sup>6</sup>, identify transport fuels which are most economically and environmentally suitable (including consideration for the zero pollution ambition<sup>7</sup>) for scaling up, and
  - evaluate strong and weak points of the value chain (including systemic, technological, geographical and workforce related ones) and assess investment needs.
- Objective 2: For the purpose of accelerating market entry of new innovative fuels and associated technologies, the Alliance will assess the enabling conditions, such as those relating to demand and supply side including local availability of feedstock, adequately trained workforce and industry knowledge base in Member States. It will also identify gaps in standardisation, safety assessments, and make sure all stakeholders in the value chains are aware of any downstream certification requirements<sup>8</sup>. This assessment will feed into and inform relevant policy debates.
- Objective 3: Identifying and assessing existing relevant public and private financing opportunities as well as determining the suitability of additional instruments for de-risking investments for scaling up the production and crowding in private investments (in particular in relation to cross-border projects, including possible Important Projects of Common European Interest) and drawing conclusions on their suitability.
- Objective 4: Create of a pipeline of investment projects (including high TRL level R&D activities) based on prioritisation established under Objectives 1 and 2 and the self-assessment tools in order to increase their visibility and credibility. In the development of such pipeline, the Alliance will pay particular attention to focus on projects that are compatible with the transition to low- and zero-emission mobility. Ongoing processes to develop and subsequently deploy technologies for zero-emission vessels and aircraft shall not be negatively impacted.
- Objective 5: Looking at creating synergies with different transport modes and ensuring availability of resources for renewable and low-carbon fuels for aviation and waterborne transport (notably in cooperating with the European Clean Hydrogen Alliance and ensuring consistency between hydrogen production capacity increases and different utilisation pathways in transport, such as for e-fuels).

## WHAT ARE THE EXPECTED DELIVERABLES?

The alliance will agree upon its key deliverables by endorsing the alliance work plan at the first meeting of the General Assembly planned for beginning of July 2022. Members of the Alliance will be able to contribute to the formation of the alliance work plan during the consultation process to be held in the month of June 2022. Alliance deliverables will need to build upon the alliance 5 objectives.

## WHO CAN JOIN THE ALLIANCE?

The EU renewables and low-carbon fuels value chain will need to be well integrated with global value chains, in particular, considering the global character of aviation and waterborne transport operations. For this reason, the alliance will implement a strategically open approach towards participation of companies and other stakeholders from our global partners. No restrictions are planned for membership regarding the ownership or location.

Any company or organisation, EU bodies and agencies, Member States, local and regional authorities or their agencies, recognised social partner organisations as well as other stakeholder groups, civil society organisations or members of Horizon Europe Partnerships can become a member of the Alliance.

The Alliance does not exclude any modes: in the medium term, different renewable and low-carbon fuels will continue to play a significant role in the decarbonisation of road transport, and businesses active in road transport fuel production, storage and distribution that are interested in diversifying their customer base and expanding into the aviation and waterborne sectors would be an added value in the Alliance. This would mean new business opportunities and would provide greater resilience over the entire value chain.

However, specific discussion fora that will be called for in the context of the alliance will be limited in size, and therefore selection will be performed by the Commission to ensure geographic and size balance as well as to secure that companies with desired value chain position (as well as other key stakeholders) are well represented.

## WHAT ARE THE CRITERIA, CONDITIONS, AND FORMALITIES TO JOIN THE ALLIANCE?

An entity becomes a member of the Alliance by transmitting to the European Commission a signed Alliance Declaration following this [link](#). The alliance declaration includes:

- a commitment to contribute towards the objectives of the Alliance
- a motivation
- an annex outlining principles and working methods of the Alliance
- an annex outlining competitiveness compliance guidance.

The Alliance remains open to new members at all stages of its operation.

The alliance is open to businesses and non-governmental organisations both from EU and foreign countries. Authorities and bodies of EU Member States are also invited to become a member. Members of the Alliance need to be registered in the EU Transparency register.

## HOW WILL THE ALLIANCE WORK? WHAT WILL BE THE ROLE OF THE GENERAL ASSEMBLY, THE ROUNDTABLES, THE STEERING GROUP AND SECRETARIAT?

The structure of the Alliance should reflect the specificities and challenges of each priority mode and fuel production pathways. The alliance governance will include:

- The General Assembly comprising of all members of the alliance grouped in two chambers for waterborne and aviation mode, respectively. The Chairs of the chambers will be appointed by the General Assembly for one-year terms. To allow operations of all structures during early phases of the Alliance preparation, the Commission invited Safran and Fincantieri to act as first chairs of the Aviation and Waterborne pillar, respectively.  
First meeting of the General Assembly is planned for June 2022 to endorse the workplan of the Alliance.
- Several roundtables grouping selected stakeholders from value chains along:
  - key fuel production pathways and transport modes (aviation and waterborne), and
  - key challenges common to all modes, e.g., access to feedstock, access to finance, etc. selected based on open call for participants

Specific number, definition and tasks of roundtables will be defined in the workplan of the alliance, to be consulted with the Alliance members before endorsement at the General Assembly.

A separate selection process will be conducted from among the Alliance members paying particular attention to ensure (at all times):

- Optimal geographic balance, favouring underrepresented regions of the EU
  - Representation of large, medium, and small enterprises
  - Contribution from broader stakeholders, including NGOs.
- The Secretariat managed jointly by Fuels Europe and Hydrogen Europe, based on Memorandum of Understanding agreed with the Commission.
  - The Steering Group to ensure policy steering and monitoring of progress from the Commission comprising of the Chairs of General Assembly, Secretariat organisations and the Commission.

## WHAT WILL BE THE ROLE OF DG MOVE / EU COMMISSION?

Industrial alliances are a formula of action of the EU Commission that brings together businesses, investors, and policymakers to facilitate formation of economically viable value chains in the EU and in connexion with our global trading partners. The EU Commission is providing the alliance with the security and predictability of investment environment as well as providing a safe area for discussion on how to rapidly scale up production, distribution, and consumption capacity for renewable and low-carbon fuels in aviation and maritime. In more practical ways, The EU Commission (DG MOVE) will facilitate works of the alliance by chairing the High Level Steering Group, screening of applications, selection of members of the roundtables in transparent and non-discriminatory way and by providing guidance on how to remain compliant with competition rules.

## ARE THERE ANY CONNECTIONS WITH THE OTHER EUROPEAN ALLIANCES?

The Alliance will reach out to other relevant industry initiatives to avoid duplication.

Two of the six European Clean Hydrogen Alliance thematic roundtables (Industry Roundtable and Mobility Roundtable) are directly relevant for the future work of the Renewable and Low-Carbon Fuels Alliance:

- The Mobility Roundtable focuses on the uptake of hydrogen in transport. This requires investment in new types of storage and distribution networks. It also requires new types of vehicles. Thus, both alliances are complementary; they will not overlap.
- The Industry Roundtable identifies as a target the production of synthetic fuels. However, the destination of these fuels is not further specified.

The upcoming Industry on Alliance Zero Emission Aviation (AZE) seeks to prepare the market uptake of a new generation of green aircraft using non-drop-in fuels (battery electric, hybrid, hydrogen) in all market segments. This alliance aims to address the gap between research and technological development and the readiness of the entire European aviation value chain. The activities of both alliances are therefore complementary; they do not overlap.

## WHAT ARE THE NEXT STEPS AND THE ALLIANCE TIMELINE FOR 2022?

The Alliance key steps in the coming months are:

- Beginning of May – process alliance membership applications and distribute invitations
- Beginning of June – launch consultation with alliance members on the alliance work plan and rules of procedures of the General Assembly
- Middle July – host the first General Assembly of the alliance to endorse the alliance work plan
- October – launch call for members of the thematic roundtables (enumerated in the work plan)
- November - selection of members and establishment of the thematic roundtables
- By end of 2022 – each roundtable to agree upon its rules of procedures and select chair / facilitator.
- By mid 2023 – each roundtable to complete its key tasks
- By mid 2023 – launch of the process to collect project proposals for inclusion in the alliance project pipeline of projects.

## IS THE RLCF ALLIANCE OPEN TO INDUSTRIAL PARTNERS FROM THIRD COUNTRIES?

The development of sustainable fuels in the aviation and maritime transport sectors is a global challenge. In this perspective, the RLCF alliance is open and inclusive. Business and non-governmental non-profit stakeholders from third countries are invited to participate in the work of the Alliance . The alliance will seek to build cooperation at the international level with similar initiatives rising around the World. Willing organisations need be registered in the EU transparency register.

## WHEN WILL THE THEMATIC ROUNDTABLES BE IDENTIFIED?

Specific roundtables will be identified with the preparation of the first annual Framework work plan the number and themes of the roundtables will be proposed to alliance members during a consultation on this draft work plan. This work plan and the round tables will be approved by the first general assembly of the alliance.

## HOW WILL THE PARTICIPANTS IN THE DIFFERENT ROUND TABLES BE SELECTED?

After the creation of the round tables, a call for applications will be launched after the first general assembly. The Commission after an advice from the Steering Group will compose the round tables ensuring a good representation of each part of the value chain of sustainable fuels in the aviation, maritime and energy sectors as well as a good geographical representation. The Commission will also consider the expertise and contributions needed for the work of each round table.

Roundtables will need to be manageable and include experts from respective fields, therefore selection will be based both on the ground of personal qualifications of delegates and the stakeholders represented. Each roundtable will have a set of deliverables to be submitted to the alliance, but majority of the tasks should be completed within 12 months from establishment of the roundtables.

## WHAT KIND OF CONTRIBUTION IS EXPECTED FROM MEMBERS?

The contribution of each member depends on its own expertise and means. The level of engagement can therefore vary from observing to becoming an active contributor. If a member wants to receive and have specific information regarding the deployment of sustainable fuels in the aviation and maritime sectors, it will be encouraged to attend the general assembly meetings where general information and update on the work of the alliance will be provided. If a member wants to contribute actively by bringing specific expertise, data, presentations of on-going R&D and industrial projects, it is recommended to participate in the future roundtables. The Alliance membership does not require any financial contributions.

## WHAT IS THE ROLE OF THE AVIATION AND MARITIME CHAMBER?

The two chambers jointly form the general assembly of the alliance. A key task for the general assembly is to provide an overall mandate to the alliance by endorsing the work plan of the alliance and, in subsequent years, give orientation for the achievements. Each chamber will also delegate from among its members a representative to join the alliance steering group by selection of the chair of the chamber. The chairs for the first term were appointed by the Commission to allow for smooth functioning of the steering group in initial stages of the preparation of the alliance.

## IS IT POSSIBLE TO JOIN THE ALLIANCE AS OBSERVERS AND NOT AS FULL MEMBERS?

The alliance membership is a flexible formula that allows members to decide upon their level of engagement. Though there are no membership categories, we can distinguish between a number of model approaches:

- **Members observers** – members choosing this formula are becoming a member of the alliance by submitting a signed declaration via the online form. Members are granted access to internal communication platforms and can (but don't have to) contribute to consultations with the members and follow updates that are distributed to all members. There are no commitments regarding capital, staff, or other commitments towards the objectives of the alliance.
- **Active Members** - members choosing to be more active can contribute to the work of the alliance in more ways – eg. by submitting applications to join alliance roundtables (to be defined in the upcoming work plan of the alliance), participating in the general assembly, contributing to the consultations on the work plan. These members will have a real impact on the outcomes of the alliance and shape of the desired value chains.
- **Project sponsoring Members** - members choosing this formula of engagement can build upon one of the previously mentioned two approaches and add their individual contributions by participating in activities related to business development – proposing projects for inclusion in the project pipeline, participating in business partners matchmaking. This formula could also be interesting for investors looking viable investment opportunities.

Each member is also free to choose different level of engagement in different phases of the work of the alliance.