



Committee of the Regions

DEVE-IV-031

**77th plenary session
26-27 November 2008**

**OUTLOOK OPINION
of the
Committee of the Regions
on
HOW REGIONS CONTRIBUTE TO ACHIEVING EUROPEAN
CLIMATE CHANGE AND ENERGY GOALS, WITH A
SPECIAL FOCUS ON THE COVENANT OF MAYORS**

THE COMMITTEE OF THE REGIONS

- reminds the EU institutions that local action is key to meeting the 20% energy efficiency targets. The crucial role of regions and cities in delivering these objectives is already clearly recognised by the European Commission and the European Parliament;
- points out that transport, housing and public buildings, and public lighting infrastructure, which are planned for and provided by local and regional authorities, are both areas where significant CO₂ reductions and energy savings can be achieved;
- considers the need for the action plans of towns and cities to sit within the context of regional and national plans. Regional plans could provide the link between the local and national initiatives which would ensure that local plans are developed in a coherent manner. The action plans must introduce practical instruments so as to achieve the targets, and adequate financing must be made available;
- believes that the Covenant should be relaunched to make explicit the opportunity for all sub-national authorities, including regions, to be members;
- calls for EU funding and financing to be adapted in order to prioritise actions to promote sustainable energy use such as an increase in the percentage of regional funding to be spent on improving the energy efficiency of domestic homes from 3% to 5%. EIB loans should be readily accessible for local authorities and regions willing to invest in energy efficiency programmes, promote the use of renewable energy sources and reduce CO₂ emissions.

Rapporteur:

Ms Kay Twitchen (UK/EPP), Member of Essex County Council

Reference document

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Key Messages

1. Welcomes the invitation by the European Commission to comment on the role of regions within the Covenant of Mayors.
2. Underlines that every citizen has the right to know what their elected representatives are doing to ensure the sustainability of their environment for future generations.
3. Emphasises that the "Covenant of Mayors" is an excellent opportunity for Mayors to engage citizens in collective and positive action to combat climate change and will enable the European Union to demonstrate true leadership in this sphere.
4. Reminds the EU institutions that local action is a key determinant of individual changes in behaviour which is crucial to meeting the 20% energy efficiency targets and the crucial role of regions and municipalities to delivering this is already well recognised by the European Commission¹ and European Parliament².
5. Notes that by promoting sustainable energy and energy efficiency, the Covenant of Mayors can spur on the cities and regions to implement changes to protect their most vulnerable citizens, particularly those on low and fixed incomes, from the effect of high energy prices and from suffering fuel poverty. In doing so, however, care should be taken to avoid subsidising energy use and to allow scope for strong incentives to improve energy efficiency and, as far as possible, reduce energy use.
6. Notes that regional and local authorities have already started to undertake activities and initiatives which will contribute to the goals and objectives of EU climate change policy, showing leadership with the bold and necessary decision to increase energy efficiency for the benefit of their citizens and the environment. The Covenant of Mayors, like a number of similar national and international initiatives, provides a strong mechanism for renewed impetus for this work to continue.
7. Welcomes the newly created possibility of being able to take account of municipalities' past performance in energy efficiency and energy saving and urges municipalities that are leading the way in this area to play an active role in the covenant and to present their own projects.

¹ Andris Piebalgs: "indeed, many of the most innovative ideas and projects for fighting global warming are coming from regions and cities", CoR April Forum.

² EP Report on an Action Plan for Energy Efficiency: Realising the Potential (2007/2106(INI): "stresses the role of local and regional energy agencies in the effective implementation of energy-efficient measures".

8. Welcomes the positive start to the Covenant and the high level of political commitment from European municipalities who have signed up to achieving more than 20% energy savings. However if only large cities sign up, this initiative risks being a symbolic gesture. It is now time to engage all sub-national authorities, municipalities and regions, as appropriate to the internal structure of each Member State, to intensify sign-up to the Covenant or to boost the number of partners involved in other kinds of practical work to a similar end. Small municipalities should be informed about the possibility of joining together in regional networks.
9. Calls therefore for the regional and local levels to be an equally indispensable partner in the Covenant and the implementation of EU climate change commitments.
10. Welcomes progress in the legislative frameworks provided by the energy and climate change package which will give legislative certainty and a framework for activities to be undertaken through the Covenant of Mayors. However more activity is required at EU level to action the commitment of member states to reduce energy consumption by 20%.
11. Regrets the failure to introduce a binding energy efficiency target in the 2008 climate change and energy package which is the missing link to achieving the necessary CO₂ reduction; and
12. Underlines that without a framework that sets targets at EU, national, regional and local levels, the Covenant will not be enough to deliver the at-least-20% emission reductions that signatories have committed themselves to. It is important for local and regional authorities to be involved in drawing up climate and energy targets, for practical instruments to be adopted for achieving these targets, and for adequate financing to be made available.

Role of Regional Authorities

13. Reiterates messages of earlier opinions adopted by the CoR in this field³. Regions, like towns and cities, are key players in the field of energy having responsibilities in numerous activities which deal with planning, permitting, investment, procurement, production and consumption. Transport, housing and public buildings, and public lighting infrastructure, which are planned for and provided by local and regional authorities, are both areas where significant CO₂ reductions and energy savings can be achieved.
14. Emphasises the impact which a general goal of reduction in consumption of both consumer goods and natural resources such as water will make on reducing emissions and energy use. In many cases, regions can have a wider impact on behavioural change than individual local

³ Opinion of the Committee of the Regions on Limiting Global Climate Change to 2 degrees and the Inclusion of Aviation in the Emissions Trading System DEVE-IV-015.

authorities and thus are well placed to influence citizens to change behaviours as they operate across both urban and rural areas.

15. Therefore advocates a major role for regions and hopes that the competent regional bodies will encourage the numerous municipalities within their respective areas to take part.
16. Considers the need for the action plans of towns and cities to sit within the context of regional and national plans. Regional plans could provide the link between the local and national initiatives which would ensure that local plans are developed in a coherent manner. It is important that the action plans contain concrete financial, technical, human resource, legislative and evaluative instruments, as well as a timetable, for achieving these targets..
17. Recalls that there are profound differences between regions, that certain systems, sectors and regions may be particularly affected by climate change, and that the ability to adapt, which is distributed unevenly among the various sectors and regions, is closely bound up with socioeconomic development; in this regard, regions and local authorities have an important role to play.
18. Welcomes the benchmarking element of the Covenant and underlines the leadership role regions could play in identifying local opportunities for action, sharing best practice, identifying project partners, allocating funding, measuring progress and communicating success. Local initiatives should be embedded in a regional or national framework to maximise the impact and enable opportunities for partnerships to emerge. In addition they should be free to set themselves ambitious targets, which are sustainable, exceeding those in national frameworks.
19. Recognises an important factor in the success or failure of the Covenant will be the size of the partnerships committing to undertake actions. In order for actions to be effective they need to be large enough to have an impact but small enough to ensure local ownership. Whereas major cities can achieve economies of scale, regions can help smaller municipalities and rural authorities in particular to confront the considerable challenges involved in improving energy efficiency, promoting sustainable energy sources and reducing CO₂ emissions.
20. Reminds the Commission of the important role played by regions and cities to influence energy markets through their role as a large procurer of heat and electricity and as a supplier of heat and electricity through for example, combined heat and power systems and municipal waste processing systems such as Energy from Waste, Anaerobic Digestion and production of Solid Recovered Fuels and develop renewable and alternative sources of energy with low greenhouse gas emissions. and develop renewable and alternative sources of energy with low greenhouse gas emissions.
21. Thus the Covenant should be relaunched to make explicit the opportunity for all sub-national authorities, including regions, to be members with the aim of maximum territorial coverage, including rural areas which face considerable challenges to improve energy efficiency,

promote sustainable energy sources and reduce CO₂ emissions. The Covenant of Mayors should be coordinated with similar national initiatives.

Challenges for the Covenant

22. Reiterates its support for the objectives of the Covenant and the scope of its activities, including reducing energy demand and consumption, developing a sustainable and secure energy supply through the promotion of renewable energy sources and improving the energy efficiency of products.
23. Insists that emission reduction measures have long-term sustainability as their main goal and thus that qualitative criteria are attached to targets to ensure that sustainability can be assured.
24. Points out that in order for the Covenant to have a long term impact, it needs to be firmly embedded in the constitutions of the authorities who sign up to it, protecting its commitments and goals from future interference or watering down resulting from possible future changes in political leadership or administrative and boundary changes.
25. Points out that short term budgetary pressures challenge regions and cities who take medium to long term investment and policy decisions to improve their own energy efficiency, to promote the use of sustainable energy sources and reduce CO₂ emissions. National performance assessment targets should take this into account.
26. Suggests that as there is no one definition for Mayor or Region which exists across all Member States in the EU, the title of the Covenant and its implied scope needs to ensure that it does not exclude other bodies or inhibit sign-up to the Covenant.
27. Highlights the variation in progress across EU cities and regions in reducing CO₂ emissions and energy consumption in recent years and that some pioneers of progress are already reaching beyond the "low hanging fruit". Account should be taken of the variety of energy intensity of consumption and production and the associated greenhouse gas emissions situations across and within Member States, particularly between urban and rural areas.

Further suggestions for the Covenant

28. Calls for support in preparing baseline emission reduction trajectories as well as clear guidance on how emissions data is going to be reported and measured. This is essential to be able to compare and benchmark.
29. Suggests that in order to avoid mistakes being repeated, benchmarking should include examples not only of failures but also of successes. These examples should be directly applicable, and consequently details of all initiatives, including their budgets, should be

provided. The EU should include lessons drawn from the US Conference of Mayors and the North Eastern and Mid-Atlantic (US) Regional Greenhouse gas initiative.

30. Suggests that as many cities and municipalities are members of regional or national networks which have all developed methodologies and accounting systems, ways of using these methodologies within the Covenant should be considered whilst at the same time looking to harmonise reporting and measuring tools in the medium term. This would avoid reinventing methodologies and might encourage wider participation in the Covenant. The aim is to ensure that the majority of municipalities that are members of existing networks sign up to the Covenant of Mayors.
31. Suggests that the timescales within the Covenant need to allow the Bench Marks of Excellence and existing initiatives which are considered best practice to be shared across Member States prior to the action plans being developed. This will ensure that the action plans which cities and regions prepare can reflect this good practice.

Challenges for the EU energy efficiency targets

32. Underlines the importance of the European and national context to the success of local action and in particular the failure of the Commission to action and update the 2006 Energy Efficiency Action Plan. This will be required in order to give Member States and their regions and cities the incentive to push for efficiencies beyond the 20% EU target.
33. Repeats the call at the June European Council to the European Commission and Member States to expedite its implementation and to consider its revision.
34. Urges that there should be a direct link between national energy action plans and those of the regions as these are an indispensable link between the national sustainable energy plans and those of the cities and municipalities. It is important for local and regional authorities to be involved in drawing up climate and energy targets, for practical instruments to be adopted for achieving these targets and for adequate financing to be made available.
35. Calls for EU funding and financing to be adapted in order to prioritise actions to promote sustainable energy use such as an increase in the percentage of regional funding to be spent on improving the energy efficiency of domestic homes from 3% to 5%. EIB loans should be readily accessible for local authorities and regions willing to invest in energy efficiency programmes, to promote the use of sustainable energy sources and to reduce CO₂ emissions.
36. Suggests therefore that the mid-term review of EU funding programmes needs to look at how the full range of programmes can be adapted to support energy efficiency, promote sustainable energy sources and reduce CO₂ emissions, and ensure programmes to improve energy efficiency are accessible to regions and cities. Thus, for instance, possible revisions, in addition to an increase of regional/cohesion funding to support the energy efficiency of

domestic homes, should include greater investment to support the commercialisation of new technologies under programmes such as FP7. A review of the regulations governing state aids may also be necessary in order for measures to be taken in the area of industrial change and energy conversion.

37. Invites the Commission to continue to develop and accelerate the review of measures which could assist cities, towns and regions effect behavioural change e.g. promoting and classifying energy efficient products.
38. Believes that regions and cities would be assisted in their efforts to meet and exceed the 20% energy efficiency target for 2020 if the target were made binding and the EU Energy Efficiency Action Plan were updated to take account of this , including the expectation that Member States revise National Action Plans to reflect this target.

Brussels, 26 November 2008.

The President
of the
Committee of the Regions

Luc Van den Brande

The Secretary-General
of the
Committee of the Regions

Gerhard Stahl

II. PROCEDURE

Title	How regions contribute to achieving European climate change and energy goals, with a special focus on the Covenant of Mayors
Reference(s)	
Legal basis	Art. 265 para. 1 of EC Treaty; Protocol governing arrangements for cooperation between the European Commission and the Committee of the Regions
Procedural basis	Art. 26 of the CoR Rules of Procedure
Date of Council referral/Date of Commission letter	30 April 2008
Date of President's decision	16 May 2008
Commission responsible	Commission for Sustainable Development (DEVE)
Rapporteur	Ms Kay Twitchen (UK/EPP) - Member of Essex County Council
Analysis	7 July 2008
Discussed in commission	8 September 2008
Date adopted by commission	8 September 2008
Result of the vote in commission	Unanimity
Date adopted in plenary	26 November 2008
Previous Committee opinions	