

NAT/684 Coalition to deliver commitments of the Paris Agreement

Brussels, 14 July 2016

OPINION

of the
European Economic and Social Committee
on

Building a coalition of civil society and subnational authorities to deliver commitments of the Paris Agreement

(own-initiative opinion)

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On 21 January 2016, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Building a coalition of civil society and subnational authorities to deliver commitments of the Paris Agreement (own-initiative opinion).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 30 June 2016.

At its 518th plenary session on 13 and 14 July 2016 (meeting of 14 July), the Committee adopted the following opinion by 183 votes with one abstention.

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1. Conclusions and recommendations

- 1.1 The EESC welcomes the decisions of COP 21 in Paris and considers them to be an important milestone in effectively fighting against climate change.
- 1.2 However, there are two major problems. First, the emissions reduction targets submitted by the individual Member States (INDCs) do not correlate with the results achieved in Paris. Second, despite some limited progress, the importance of civil society has not been sufficiently taken into consideration.
- 1.3 Civil society actors currently face significant obstacles when they wish to initiate and implement measures to counteract climate change. This is mainly due to the fact that the political sector is unaware of how much potential civil society action has in terms of protecting the climate. There has hitherto been too little political interest in what climate strategies civil society actors are planning, what they need, and what support they require. Regulatory guidelines can sometimes even systematically prevent civil society climate action.
- 1.4 Thus civil society actors all too often find that there is no framework for action that would allow them to implement their plans for "bottom-up climate action". Another factor is that they cannot finance their projects, although in fact sufficient investment resources are most likely available.

- 1.5 As an immediate response to the decisions made in Paris, the EESC therefore proposes a coalition of politics, administration and civil society. The coalition's mission is to minimise obstacles standing in the way of civil society climate action by:
 - promoting bottom-up climate action and breathing new life into the principle "think global, act local",
 - taking account of the broad spectrum of potential civil society climate strategies, while not losing sight of the variety and broad range of civil society actors,
 - developing a form of multi-level governance that facilitates civil society climate action rather than hindering it.
- 1.6 The coalition must take action at various political levels. Essentially, the aim is to implement the following five tasks:
 - (1) developing an understanding of the climate strategies civil society actors want to, can, could/should and are permitted to carry out especially at local and regional level
 - (2) identifying and overcoming structural obstacles
 - (3) disseminating success stories across Europe
 - (4) specifying conditions and factors for success, primarily at national level
 - (5) developing a policy framework to allow civil society climate action to be successfully implemented at all levels.
- 1.7 A structured but open dialogue within the coalition is needed if these five tasks are to be implemented; in this sense, the coalition should constitute a discussion forum. It is therefore important that participants reflect civil society's diversity, and develop a culture of openness, creativity and cooperation. The discussion forum should ensure that the policy framework to be developed really does support civil society climate action.
- 1.8 The coalition needs administrative support if it is to fulfil its tasks, so that it can
 - involve as many civil society actors as possible,
 - systematically research and analyse the success or failure of planned and alreadyimplemented civil society climate action, using this as a basis to lay out example courses of action for different categories of actor, and
 - design and implement Europe-wide communication of these examples.

1.9 The coalition of politics and civil society should attain another goal supported by the EESC: the need for fair change in the world of work to favour sustainability, with the structural participation of trade unions and employees' associations.

2. **Background to the opinion**

- 2.1 The results of COP 21 in Paris are an important milestone in terms of climate negotiations, as this agreement is the first to be legally binding under international law, containing a commitment from every single party to actively address climate change, which is recognised as a threat.
- 2.2 The international community has jointly pledged to limit global warming to below 2 degrees Celsius, and to 1.5 degrees insofar as possible.
- 2.3 The agreement contains an additional important and specific objective: to achieve global greenhouse gas emissions neutrality in the second half of the century.
- 2.4 The EESC has welcomed these results¹, but also sees two major problems:
- 2.4.1 First, the intended nationally determined contributions (INDCs) submitted by Member States do not correlate with the results of COP 21: implementing them would not limit global warming to 2 degrees Celsius, but would allow it to reach 2.5 or possibly even over 3 degrees Celsius.
- 2.4.2 Second, the importance of civil society has not been sufficiently considered. While some progress has been made in terms of transparency and cooperation, civil society's real role in climate policy has not yet been fully recognised: the results of the Paris conference will be implemented and brought to life by civil society, not the COP negotiators.
- 2.5 There is no strategy (nor the appearance of a strategy) to make use of civil society as a strategic partner in implementing the COP decisions. The same is true at European Union level. EU climate policy must therefore acquire a second pillar, alongside "climate diplomacy", to focus on understanding and enhancing civil society's importance and role, and on making it easier for the wide variety of civil society actors to design and implement strategies to protect the climate in their particular sphere.

"Bottom-up measures" for successful climate action

2.6 Climate policy cannot and must not merely be imposed "from above" – it will only be successful if it is based on broad support and active participation by a majority of businesses,

See the debate at the EESC plenary session on 20 January 2016.

local and regional authorities, and citizens. Its implementation must therefore primarily be "bottom up", or else it will fail.

- 2.7 Indeed, substantial achievements in sustainability and climate policy have been achieved in the past because civil society representatives a category that should explicitly include "ordinary" people in their role as citizens did not content themselves with merely reacting to political guidelines or seeing themselves as "means of implementation". Rather, it was precisely these people who took action and functioned as pioneers of change, leading to significant progress and exerting political pressure, using the means available to them. This is true in terms of technology and the economy, but primarily in terms of society (society's acceptance of these technologies, and most of all bringing change into the mainstream social learning and "learning from the community").
- 2.8 For instance, while previous energy production and policy (partially responsible for climate change) was mostly oriented towards finite sources of energy and large, centralised structures with few players with civil society generally featuring as a mere "consumer" climate-friendly action will be much more decentralised in the future and will require everyone to get involved. There is no doubt that there is willingness to do so, and this must be systematically used and fostered.
- 2.9 The civil society action that can already be seen today has enormous latent innovation potential, stemming from the reflection, influence and action of cities and municipalities, local authorities, large companies, and trade unions, as well as private individuals (individuals, farmers, cooperatives, SMEs, etc.).
- 2.10 Currently, this action is very frequently not connected to organisations and is linked to very specific projects. It is precisely these features that generate its particular societal dynamics. Meanwhile, this also means that, if such initiatives fail, those involved have to assume the entire cost of failure themselves. And the risks are not just financial. For as well as money, civil society action requires motivation, commitment, and time. It must therefore be worthwhile (and not just in a financial sense), and the risk of failure must be surmountable. In this context, European and national policies should provide a framework for civil society action that is very open and as broad as possible.

Obstacles stand in the way of civil society's willingness to act, and they must be surmounted:

2.11 While there are already many success stories in the European Union that testify to the importance and effectiveness of civil society involvement in climate action, these examples are not systematically recorded and evaluated. There are no discussions about the political lessons that can be learned from these numerous and diverse initiatives, what hurdles need to be surmounted to make them even more successful and widespread, or the reasons why they fail.

- 2.12 Moreover, there are no adequate incentive schemes to enable capital employed to be refinanced. There are also no mechanisms that send the desired message to non-state actors, aside from large industrial firms. Instead of this, the trend that is currently seen in Europe is actually the opposite: incorrect political guidelines often make it yet more difficult or even impossible to implement appropriate initiatives. In many cases, therefore, there is no (!) framework for action for civil society actors to develop climate concepts, let alone implement them; they are unable to put their ideas into practice. Sometimes the legal/administrative framework is simply not right; sometimes they cannot finance their projects; in yet other cases, the fact that the external costs of fossil fuels are still not able to be fully internalised², meaning that carbon despite statements to the contrary has no "correct" price, turns out to be an insurmountable obstacle.
- 2.13 All too often, discussion revolves around the "losers" of an ambitious climate policy; just as often, the impression is given that climate action primarily means doing without certain things. Of course, the problems that transforming into a largely carbon-free economy entails must be adequately addressed and taken into account. However, the positive aspects must also be emphasised at least as much in order to create an optimistic mood in society. The technological and economic progress of recent years (such as energy generation from renewable sources, energy storage, and especially digital applications that have enabled significant progress in terms of efficient and smart use of resources), at the latest, justify such a mood.
- 2.14 Europe's current technological and economic situation means that sustainability and climate action can benefit everybody. The European Energy Union builds on this exact notion. A precondition for such initiatives is that policies must support them, or at least make them possible, rather than trying to prevent them for example, because they call existing structures into question. In principle, it should be easy to make use of the potential for climate-related change and progress; however, it is far from being fully harnessed.

3. Urgent need for a coalition of politics, administration and civil society

3.1 We need a new multi-level government approach. The EESC suggests the creation of an ambitious coalition of civil society actors, local and regional authorities, and the responsible political and administrative structures at national and European level.

3.2 The coalition should:

• coordinate approaches at the various political levels of the European Union in order to stimulate non-state climate action;

² See IMF Working Paper: "How Large are Global Energy Subsidies?"_(WP/15/105).

- demonstrate the potential and impact of these measures; and
- provide a forum for structured dialogue between civil society and decision-makers at EU
 and national level, where civil society actors can put forward their ideas and the problems
 they encounter when trying to implement them, make recommendations to politicians as
 to how to proceed, and receive qualified answers to the issues and problems they have
 raised.
- 3.3 Thus the coalition, as an embodiment of multi-level governance, can help to successfully accomplish the task of protecting the climate, a task that concerns all of society.

Climate change means changes in people's everyday lives

- 3.4 The COP objectives are clear and the European Council has put forward a wide-ranging vision for a low-carbon, resource-efficient Europe. According to this vision, 80% to 95% less greenhouse gas should be emitted in 2050 than is today. This will have a tremendous impact on the realities of life for every single European citizen and every single business and its workforce.
- 3.5 In its exploratory opinion on sustainable development³, the EESC has already described how important it is to take precisely these issues the impact on everyday life of impending fundamental changes in policy very seriously.
- 3.6 The risk that sustainable development is seen as a threat and not as an opportunity for the future can be headed off by spreading a simple message: while climate action means change, every member of society has the opportunity, either alone or in cooperation with others, to actively shape that change and in such a way that not only benefits the climate, but also improves living conditions on the ground.
- 3.7 This message must both go out to those who will be directly affected by "negative" changes that are sure to happen (e.g. the entire fossil fuels sector) and appeal to and stimulate the positive potential offered by those members of society who are ready to act and can serve as role models for others.

Recognising, accepting and using the wide range of actors

3.8 Our civil society is extremely varied. This is noticeable in terms of climate action: one actor might find it easy to do something that another actor would have great difficulty in accomplishing. This variety must be taken seriously; this diversity must be understood as an opportunity and used as such.

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³ OJ C 128 of 18.5.2010, p. 18-22.

- 3.9 In essence, "climate protection" must be made tangible. There is also a lack of knowledge in this regard. Although many case studies have been drawn up, there is no systematic framework, such as one that distinguishes between categories of actors. This framework would seem necessary because individuals' different resources imply completely different courses of action. For example:
 - in the field of renewable energy, home-owners, tenants' associations or businesspeople who generate their own electricity,
 - entrepreneurs, start-up companies and SMEs that can make significant contributions to a low carbon society, developing and using new technology, digitalisation etc. and creating new business models (for instance built on "sharing economy"), high quality products, services and jobs,
 - trade unions that together with their members develop and implement climate projects for workers.
 - "transition town" initiatives to develop carbon sinks (greening) in their neighbourhoods.
- 3.10 This list of examples demonstrates that civil society actors' resources vary widely but that the logic behind their action is always similar. They will only commit their own material and financial resources, and their time, when they think they have a realistic chance of achieving immediate resonance. Conversely, this means that in circumstances where no positive impact can be attained, there is a risk of inactivity or even resistance (e.g. to new investment projects).
- 3.11 The examples also show that the range of strategies that have been designed and implemented principally by non-state actors right across Europe is as wide and diverse as civil society itself.

Learning to view bottom-up climate action as an open process, and guaranteeing social security

- 3.12 It would be utterly wrong for politicians to give civil society actors a role conceived of purely in political terms, as part of a top-down approach.
- 3.13 Particular consideration should be given to preserving social security in the face of the impending transition. While "bottom-up climate action" means that individuals' private initiatives become more important and provide significant economic impetus, this should not come at the expense of social security.
- 3.14 It is therefore important that those engaged in "bottom-up" climate action remain part of the welfare system. In some cases this will mean redefining how the welfare system is constructed and who makes what contribution to it, simply because burning and exploiting fossil raw materials used to be major pillars of the welfare state. Moving away from this

model and transitioning to a largely carbon-free economy must not proceed at the expense of the socio-political standards and prosperity that have been attained in the European Union. The coalition of politics, administration and civil society must give particular consideration to this. Moreover, this should be used as the basis for developing completely new strategies.

To take one example:

3.15 Decentralised production of energy from renewable resources is now so cheap that, in combination with energy efficiency measures, it could even provide a solution to the problem of (social) energy poverty. That said, such initiatives must be supported by policies that establish a good legal framework and provide access to investment capital.

The coalition of politics, administration and civil society must breathe new life into the principle "think global, act local".

- 3.16 Civil society involvement in climate action is mostly local or regional. Meanwhile, the COP negotiations and many political discussions take place at global level. However, nowhere is the principle "think global, act local" more applicable than in the fight against climate change. The impact of civil society measures must not disappear in a global context; they must be felt, experienced and perceived first-hand i.e. where the measures are carried out.
- 3.17 This means reconsidering, or further reflecting on, European policies: for example, the Kyoto Protocol's JI/CDM framework is of little use to local initiatives. This is a fundamental problem, because civil society actors tend to take action at local and regional level, while the framework for such action is primarily decided at national and European level. The EESC is concerned to note that there is a gap between these levels.
- 3.18 Active climate action carried out by civil society as the second key pillar of European climate policy must have a tangible impact on the ground; otherwise, civil society actors will not take any action at all.
- 3.19 Regions, cities and municipalities play an important role. The EESC very much admires the varied initiatives that have already arisen to coordinate these activities. Examples include the World Summit on Climate and Territories, the Covenant of Mayors, the ICLEI network, etc. In many cases, these initiatives have since started to additionally benefit from various forms of state support.
- 3.20 Regional development and climate-friendly energy policy could complement each other if decentralised energy production were to take place via local or regional structures, meaning that value creation from using wind, solar and biomass energy would happen locally. It therefore makes sense to increase the range of actors, but this potential strategic link has not yet been sufficiently explored in any official EU document.

3.21 This is a good example of how the EU does not make comprehensive enough use of civil society's potential. Even the Covenant of Mayors is primarily considered as being a source of support for implementing the objectives set by the EU. Meanwhile, the Covenant's role in terms of stimulating new policy initiatives is not sufficiently recognised or systematically used.

4. The five tasks of a coalition of politics, administration and civil society

- 4.1 The coalition will be concerned with the following five tasks:
- 4.1.1 First of all, we need to better understand what climate action civil society actors in various roles are planning and want to carry out.
- 4.1.2 Second, structural problems and hurdles that constitute obstacles to successful implementation should be identified and removed. This then gives rise to the political task of removing the bureaucratic hurdles and complex procedures that cause civil society actors not to act, or make action significantly more difficult. The Commission took a first step in this direction by publishing its communication on "Delivering a New Deal for Energy Consumers" However, this is far from sufficient: for instance, the notion of a "prosumer" is interpreted far too narrowly⁵.
- 4.1.3 Third, "success stories" should be publicised even more.
- 4.1.4 Fourth, the key conditions and factors for success should be specified.
- 4.1.5 Fifth, a policy framework should be developed that puts in place the required conditions for action, enabling civil society actors to design and implement strategies to combat climate change. Conveying the framework for action can be described as the task of multi-level government, as the implementation of the framework for action requires mutual understanding among political decision-makers at European, national and sub-national level, as well as coordinated action between them.
- 4.2 Fulfilling the tasks will require additional administrative support, to allow the following activities to constitute the basis for discussions in the coalition of politics, administration and civil society:
 - Broad-based identification of civil society actors who might participate in "bottom-up" climate action.

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⁴ COM(2015) 339 final.

⁵ OJ C 82, 3 March 2016, p. 22.

- Systematic research on examples of previously implemented civil society climate action, primarily at regional or local level, on the basis of which the discussion forum can define examples tailored to each category of actor.
- Development and implementation of a Europe-wide and subsequently worldwide communication strategy in relation to the example courses of action, tailored to each category of actor.
- Analysis of the example courses of action identified at the discussion forum with regard to the key conditions and factors for success, using the appropriate scientific methods and processing of the results of the analysis.
- Support of civil society stakeholders with fewer resources to enable them to participate actively in the coalition.
- 4.3 The role of politics and administrations if needs be, in cooperation with the EESC will be to coordinate the coalition and to tackle the obstacles that have been raised and, as much as possible, eliminate them, or at least give clear answers as to why it is thought that certain initiatives should not be implemented.

The necessary framework for action – impact on the financing of civil society climate action and the development of new economic models.

- 4.4 Access to capital and other investment funds will only be extended to civil society actors if a framework for action exists that acknowledges the variety of roles played by civil society actors, recognises their different levels of resources, takes factors for success into consideration and creates positive conditions. This continues to be a relevant and practical problem that is not given sufficient political consideration. For the financial implications of the Paris Agreement are huge and far surpass the Green Climate Fund, amounting to USD 100 billion per year.
- 4.5 In particular, small, local banks and other lenders only grant loans to civil society climate initiatives if refinancing is relatively certain. The political framework must satisfy this condition, too (low-risk refinancing of civil society actors' climate investments).
- 4.6 The framework for action must create long-term planning and investment security. Nothing is more detrimental to the necessary level of involvement than the uncertainty created by constant changes of political direction.
- 4.7 Alternative investment opportunities are needed for projects that have local impact; civil society actors are able to assess the potential and risks of these projects first hand and manage them, such as by being a member of a cooperative. If the general public sees that investments are actually reaching them and are not getting lost in the tangled web of financial institutions and major investors, this may also improve people's shaken confidence in financial institutions.

- 4.8 If a stable and robust framework for action is in place, a different form of growth in modified economic structures is possible. Social capital will most likely become as important to this new "growth" as financial capital. The alienation of labour will be somewhat transcended by the development of concepts of "prosumption", and the division of labour will be more strongly organised along the lines of community structures. This opens up huge potential for social innovation, which is indispensable for an ambitious climate policy. New roles are arising, which are still imprecisely described with terms such as "prosumers", "platforms" and "aggregators". "Prosumption", in particular, offers a glimpse of an essential ingredient of success in terms of attaining a sustainable lifestyle and sustainable economic activity.
- 4.9 This new economic model is not utopian it can already be seen today in numerous, mainly locally organised, climate initiatives, and is therefore scalable. Scaling, imitation and expansion are absolutely vital, and not just because of the ambitious climate targets; rather, they are a prerequisite for reducing transition costs and averting a conflict between the objectives of climate policy and social policy.
- 4.10 The EESC stresses that the Paris Agreement clearly states the need for working conditions to be transformed in a fair way, as was already noted at the Lima Climate Conference. High-quality jobs must be created as part of the new economic model. This can be achieved by means of robust social dialogue, as well as via collective bargaining with the participation of employers, in conjunction with substantive measures and activities such as continuing education for employees to allow them to gain the new qualifications that are necessary for the energy and ecological transition, and also in conjunction with measures to strengthen social security systems. A positive framework for action is necessary in this regard, too. Only then can civil society actors compensate for losses in employment and competitiveness in some sectors inevitable during a transformation and enable social, sustainable and inclusive economic growth.

Brussels, 14 July 2016.

The President
of the
European Economic and Social Committee

Georges Dassis		