



EU 2020 Strategy
Energie-Cités¹ Position Paper

**Making the *Covenant of Mayors* a successful multilayer
governance test
in the energy and climate field**

January 2010

General points

1 – The paper proposed by the European Commission² states that “*EU 2020 is being designed as the successor to the current Lisbon Strategy*”.

2 – According to the Commission, “*the challenge of becoming a sustainable social market economy*”, defined as “*an inclusive, smarter, greener economy*” will “*require increased policy co-ordination, better synergies through effective subsidiarity, and strengthened partnership between the EU and Member States in the design and delivery of public policies*”. To achieve this, the Commission recommends “*fully exploiting the single market, setting EU 2020 in a global context and supporting growth through full use of the Stability and Growth Pact*”.

3 – The announced process indicates that “*the Spring European Council in 2010 should set the strategy on its course for the next 5 years on the basis of a Commission proposal (...). The European Council should fix a small number of headline objectives, and define the corresponding policy actions to be pursued at EU and Member State level in partnership*”. The purpose of the consultation process is to provide input for the Commission’s proposal to the Council.

4 – Finally, the document notes that “*the EU 2020 vision will need the active support of stakeholders such as the social partners and civil society*”.

Comments by Energie-Cités

Proposing a medium-term EU strategy is a welcome initiative for it is indispensable to **rekindle hope and enthusiasm amongst citizens disappointed by a Europe running out of steam**. The very low participation level at the European Parliament elections, the difficulties that preceded the adoption of the Constitutional Treaty, national selfishness, the rather opaque conditions that led to the nomination of the top European officers and finally, the galling failure of Copenhagen have put Europe at high risk. However, the **method** used to achieve such a strategy will be crucial and several conditions will have to be met:

1 – Europe must adopt a longer term vision (2030-2050) that all short and medium-term public policies should refer to in order to avoid stalemate. The transformations due to take place in the World and in Europe over the next decades will probably be much deeper than the Commission’s paper implies. We have entered a world of major uncertainties, a source of collective anxiety as well as a potential gateway for extremism. Citizens need not only to know the direction in which they are supposed to go but also to understand how Europe can be useful and indispensable to them.

2 – Europe must change its relations with the citizens, civil society and local institutions such as municipalities and regions. The objective is not only to ask for the “*support of stakeholders*” as regards the EU Strategy, but also to seek their adherence and participation in policy design and delivery. Faith in European institutions must be restored with no fear of a minimal critical analysis of the past. Proclaiming that “*[the Lisbon Strategy] has been the EU’s reform strategy for the last decade and has helped the EU to weather the storm of the recent crisis*” does not herald the expected return of trust. If the *Lisbon Strategy* had achieved – or had come close to – the goal set in 2000, that is, that Europe be “*the most competitive and dynamic knowledge-based economy in the world by 2010*”, the EU would not have given the image of a marginalised, not to say ignored Europe in Copenhagen, particularly in the climate field where it thought it had scored the most significant points³.

¹ www.energie-cites.eu

² http://ec.europa.eu/dgs/secretariat_general/eu2020/docs/com_2009_647_en.pdf

³ “*If Europe is to become the most competitive and innovative region in the world, it must consider this objective from the angle of sustainable growth, that is, by promoting the efficient use of fossil resources and by controlling the effluents and waste that are generated by the transformation of energy. What is at stake for Europe is its capacity to propose an energy model (consumption and production) that can be reproducible in the rest of the world*” (extract from an opinion paper by Energie-Cités, January 2005). This opinion is still valid, especially after Copenhagen.

3 - Europe must change its style and be more comprehensible. Lessons have to be drawn from the Constitutional Treaty. Europe must learn how to address its citizens in a comprehensible way. It is doubtful that formulas such as: *“The Commission’s aim is for Europe to lead, compete and prosper as a knowledge-based, connected, greener and more inclusive economy, growing fast and sustainably, creating high levels of employment and social progress”* will suffice to fulfil such an ambition, or that proposed recipes, such as *“fully exploiting the single market, setting EU 2020 in a global context and supporting growth through full use of the Stability and Growth Pact”* will provide the expected results.

As a conclusion, except for the few new ideas that are put forward, we consider that this paper is lacking in stamina, enthusiasm and ambition and regret that it is not conducive to a renewal of practices commensurate with the stakes at hand. We cannot afford to end up with a remake of the Lisbon Strategy!

Specific point: the energy and climate issue

1 – In the section entitled **“Creating a competitive, connected and greener economy”**, the Commission states that:

- *“Europe needs to remain competitive in the future world of relatively high energy prices, carbon constraints and significantly greater resource competition”.*
- **“More efficient use of resources, including energy, and the application of new, greener technologies will stimulate growth, create new jobs and services (...), to meet its environmental and climate goals”.**

This means **“using the material inputs in the economy more efficiently, becoming more productive by reducing pressure on resources”.**

2 – Claiming that *“by 2030 the EU will have to replace half of its existing electricity plants”*, the Commission adds that **“if we take the right strategic investment decisions now, two thirds of our electricity generation could be both low carbon and more secure by the early 2020s”.**

3 – The Commission continues: *“In this context, the development of a European electricity super-grid will enable a considerable increase in the share of renewable electricity and decentralised generation. Improving energy efficiency will also be vital as it is the cheapest way to reduce emissions and, at the same time, to increase the energy independence of Europe.”*

Comments by Energie-Cités

1 - **Energie-Cités is pleased to see the energy issue tackled in this paper**, especially as it covers only a limited number of areas. We therefore hope that energy will be amongst the short list of headline objectives that are to be proposed to the Council. However, despite a realistic diagnosis of the future situation (*“relatively high energy prices, carbon constraints and significantly greater resource competition”*), the paper still confines itself to extremely general considerations that are more contextual than geared to encouraging **an overall review of all sectoral policies** in the EU and Member States for a high quality of life, low energy, low carbon, low effluent, low waste and strong renewable energy-based Europe – the same applies to the territories therein.

2 – Except for the now recurrent but rarely effective invocation to *“energy efficiency [as] the cheapest way to reduce emissions”*, the only two cases mentioned are **energy supply** and **electricity**, although electricity accounts for only 20% of final energy use. This reflects the strong influence the energy industry has on the Commission and the way **demand-side actions** (heating, mobility, food production etc.) are, *de facto*, put in the background⁴, or even neglected as was the case with the European Economic Recovery Plan adopted in 2009. As for the examples quoted, they are **confused, contradictory and even unrealistic** in view of the positions traditionally defended by the Commission. For example:

- What does *“two thirds of our electricity generation could be [...] low carbon [...] by the early 2020s”* really mean? Is there a strategy for that? What does “low carbon” encompass? What do we mean by *“by the early 2020s”*?
- How can *“decentralised electricity generation”* call for the creation of a *“European super-grid”* when the principle of decentralised generation relies essentially on the priority use of distribution and collection networks, thus making large transmission networks more available to intra-European exchanges?

3 – The EU strategy should take more account of “territorial cohesion”, now listed in the Treaty of the EU, including its energy part. For instance, the setting up of local renewable energy supply systems must coexist with the principles governing the internal gas and electricity market. **The issue of making territories**

⁴ It is said the EU will have to replace half of its existing electricity plants by 2030. But what this figure would be if an active policy for electricity saving was set up?

more aware of their responsibilities as regards their energy supply should be considered, especially from the local economic sustainability, local jobs and reduced energy vulnerability angles.

4 – The paper was published two weeks before the opening of **COP15, yet this process is not even mentioned**. The paper does not, therefore, anticipate ambitious climate objectives resulting from successful negotiations in Copenhagen. Does this mean that the Commission did not really believe in them? Or that it continues to think that economic and environmental strategies should remain separate, despite their never having been so interdependent⁵? The EU Strategy cannot be limited to expressing a desire for a “**greener economy**”. It will have to fully contribute to achieving both energy and climate objectives, not only because these are mandatory, but because it is **a unique opportunity to rethink** our mode of development, our lifestyles and the bases of our economy. It is at this cost that the EU Strategy will assume *responsibility* for future generations and destitute peoples.

5 – The European society is ready to take up such challenges. Less than a year after the Energy & Climate Package (December 2008), over 1,000 European municipalities had committed themselves to achieving and exceeding EU objectives in their territories on a voluntary basis through the **Covenant of Mayors**. Their numbers should rapidly grow to 2,000, 3,000 and even 10,000. Are there many examples of such a mobilisation not only for *supporting* a European decision but also for volunteering to implement it? Every EU strategy will have to integrate the capacities and, increasingly, European society’s desire to change. The **Covenant of Mayors** must be used as a **successful multilayer governance test**⁶ in the energy and climate field, and **Cities must be given their rightful place in it**. Energie-Cités is ready to make proposals to this effect.

⁵ The paper however mentions “*the interdependence between different policies, between policies and instruments and the importance of policy integration to deliver the overall objectives*”.

⁶ The paper calls for the recognition of the “*interdependence between different levels of government (EU, Member States, regions, social partners – multilayer governance)*”.