

## The Covenant of Mayors for making the EU 2020 Strategy a success

### Statement of Energy Cities Salerno, 29<sup>th</sup> April 2010

The Annual General Meeting of *Energy Cities* convened in Salerno (IT) on 29<sup>th</sup> April 2010 adopted the following statement:

**1 – *Energy Cities* is fully mobilised to make the Covenant of Mayors a success.** This local authority initiative *without precedent* in Europe unites 1,700 local authorities and dozens of support structures around the EU Energy & Climate Package targets. We are mobilised because we:

- believe that our duty as citizens is to take action at our own level, in close connection with our populations,
- are convinced that these targets can only be reached if all governance and decision-making levels are mobilised and co-operate,
- are aware of our responsibilities in rethinking urban mobility, town planning, new and retrofitted buildings as well as in reducing poverty, developing the local economy and creating new jobs to improve the quality of the life for all,
- have confidence in our capacity to innovate and invent new forms of local organisation and governance geared to today's challenges.

**2 - *Energy Cities* is pleased that:**

- The *Covenant of Mayors* is now recognised as a major European local authority initiative and appreciated as such. It also has the political support of the European Commission, the Parliament, the Committee of the Regions, the European Investment Bank and many other European-oriented organisations.
- The Treaty of the EU (Lisbon Treaty) now integrates *Energy* and *Territorial Cohesion*, thus opening new horizons for policies in favour of local authorities.
- The draft *European Union Strategy for 2020*:
  - o sets out 5 headline targets for 2020: employment, research and innovation, *climate change and energy*, education and combating poverty, all areas that are interconnected at the local level,
  - o defines 7 flagship initiatives for “*a resource efficient Europe*”,
  - o calls all stakeholders, including “*national, regional and local authorities*”, as well as “*representatives of civil society*”, to work towards meeting said targets.
- The European Commission has started addressing the *urban issue* as part of the preparation of its future *Cohesion Policy*.

**3 – However, *Energy Cities* would like to go beyond words...**

The cities' commitment exemplified by the Covenant of Mayors must, in return, receive ***more practical support at both European and national levels***. European policies and actions must converge to ensure the success of local commitments, for example:

At a financial level, by mobilising, *inter alia*:

- o unused funds from the European Economic Recovery Plan (€115 M),
  - o Structural Funds, of which the use must integrate eco-conditions as soon as possible,
  - o banking opportunities, in addition to the EIB's ELENA programme, which is a first step,
- and by immediately supporting:

- the **creation of 500 new local energy and climate agencies** to help cities initiate their energy transition.

At a **technological level**, by taking advantage of:

- the “*Smart Energy Cities and Regions*” initiative from the “*Sustainable Energy Technologies – Plan*” (SET-Plan) to experiment with new solutions geared to a more decentralised energy paradigm.

At the level of **implemented policies**, by explicitly integrating:

- the need for “*an initiative aimed at supporting the policies and actions of cities – especially those engaged in the Covenant of Mayors – committed to reaching and exceeding the Energy and Climate Package targets on a voluntary basis in their territories, using existing and new instruments*” in the EU 2020 Strategy<sup>1</sup> flagship initiative “*for a resource efficient Europe*” (see appended amendments p.3).

#### **4 – That is why *Energy Cities* calls upon:**

##### **Cities:**

- to join the Covenant of Mayors in even greater numbers,
- to fulfil their commitments with enthusiasm and professionalism,
- to imagine their energy future and to be more aware of their capacities to impose change.

##### **Regions:**

- to commit to targets similar to those of the Covenant of Mayors in their territories,
- to support committed cities in their territories.

##### **the Committee of the Regions:**

- to investigate how they can contribute to a better Territorial Cohesion in liaison with cities and city networks, and *vice versa*,
- to realise the importance of a foresight approach to urban planning for imagining a desirable and sustainable future for our cities and their inhabitants.

##### **Member States:**

- to take better account of the potentials of cities for reaching the targets they have signed up to,
- to support committed cities in their respective countries.

##### **the European Commission:**

- to improve recognition of the *potentials* of cities for reaching the EU targets, in initiating an urban policy aimed at “*a low energy city with quality of life for all*”,
- to reorient unused Structural Fund towards the implementation of the EU energy and climate targets at city level,
- to propose orientations for the post-2013 Cohesion Policy that integrate the *EU Energy and Climate package*,
- to support cities from neighbouring countries, that have signed the Covenant of Mayors, through appropriate ways.

##### **the European parliament:**

- to fully support the process engaged by the Covenant of Mayors,
- to rely on this momentum to pass measures geared to accelerating energy transition at local levels,
- to relay the proposals of cities and city networks to this end.

<sup>1</sup> Strategy EU 2020 [http://ec.europa.eu/archives/growthandjobs\\_2009/pdf/complet\\_en.pdf](http://ec.europa.eu/archives/growthandjobs_2009/pdf/complet_en.pdf)

## **Flagship Initiative: "Resource efficient Europe"**

**Amendments proposed by Energy Cities, 29 April 2010**

The aim is to support the shift towards a **resource efficient and low-carbon economy** that is efficient in the way it uses all resources. The aim is to decouple our economic growth from **resource and energy use, reduce CO<sub>2</sub> emissions**, enhance competitiveness and promote greater energy security.

### **At EU level, the Commission will work:**

- To mobilise **EU financial instruments** (e.g. rural development, structural funds, R&D framework programme, TENs, EIB) as part of a consistent funding strategy, that pulls together EU and national public and private funding;
- To enhance a framework for the use of **market-based instruments** (e.g. emissions trading, revision of energy taxation, state-aid framework, encouraging wider use of green public procurement);
- To present proposals to modernise and **decarbonise the transport sector** thereby contributing to increased competitiveness. This can be done through a mix of measures e.g. infrastructure measures such as early deployment of grid infrastructures of electrical mobility, intelligent traffic management, better logistics, pursuing the reduction of CO<sub>2</sub> emissions for road vehicles, for the aviation and maritime sectors including the launch of a major **European "green" car initiative** which will help to promote new technologies including electric and hybrid cars through a mix of research, setting of common standards and developing the necessary infrastructure support;
- To accelerate the implementation of strategic projects with high European added value to address critical bottlenecks, in particular cross border sections and inter modal nodes (cities, ports, logistic platforms);
- To complete the **internal energy market** and implement the **strategic energy technologies (SET)** plan, promoting **renewable sources of energy** in the single market would also be a priority;
- To present an initiative to upgrade Europe's networks, including **Trans European Energy Networks, towards a European supergrid, "smart grids"** and interconnections in particular of renewable energy sources to the grid (with support of structural funds and the EIB). This includes to promote infrastructure projects of major strategic importance to the EU in the Baltic, Balkan, Mediterranean and Eurasian regions;
- *(Energy Cities amendment)* To present an initiative aimed at supporting **the policies and actions of cities - especially those engaged in the Covenant of Mayors - committed to reaching and exceeding the Energy and Climate Package targets on a voluntary basis** in their territories, using existing and new instruments.

### **Justification:**

*1 – Reaching the EU energy and climate objectives will not be possible without the involvement of cities; they are responsible for urban and periurban space organisation, a major determinant of energy use in a number of areas: mobility and transport, new and retrofitted buildings, heat and cold networks, town planning, etc.*

*2 – At the COP 15, the EU proposed integrating **the role of local authorities** in the implementation of mitigation and adaptation measures: "The EU highlights the role which local authorities will play in implementing mitigation and adaptation actions and calls for recognition of that role in the Copenhagen agreement." (21<sup>st</sup> October 2009, European Council of the Environment Ministers)*

- To adopt and implement a **revised Energy Efficiency Action Plan** and **promote a substantial programme in resource efficiency (supporting SMEs as well as households)** by making use of structural and other funds to leverage new financing through existing highly successful models of innovative investment schemes; this should promote changes in consumption and production patterns;

<sup>2</sup> [http://ec.europa.eu/archives/growthandjobs\\_2009/pdf/complet\\_en.pdf](http://ec.europa.eu/archives/growthandjobs_2009/pdf/complet_en.pdf)

- To establish **a vision of structural and technological changes required to move to a low carbon, resource efficient and climate resilient economy by 2050** which will allow the EU to achieve its emissions reduction and biodiversity targets; this includes disaster prevention and response, harnessing the contribution of cohesion, agricultural, rural development, and maritime policies to address climate change, in particular through adaptation measures based on more efficient use of resources, which will also contribute to improving global food security.

**At national level, Member States will need:**

- To phase out environmentally harmful subsidies, limiting exceptions to people with social needs;
- To deploy market-based instruments such as **fiscal incentives and procurement** to adapt production and consumption methods;
- To develop smart, upgraded and **fully interconnected transport and energy infrastructures** and make full use of ICT;
- To ensure a coordinated implementation of **infrastructure projects**, within the EU Core network, that critically contribute to the effectiveness of the overall EU transport system;
- *(Energy Cities amendment)* To provide **practical support to the policies and actions** – including through a recognition of their right to experiment innovative solutions - **of cities committed to reaching and exceeding the Energy and Climate Package targets in their territories**, especially those engaged in the Covenant of Mayors,.

**Justification:**

*Cities need appropriate legal, fiscal and incentive frameworks. Cities are responsible for urban and periurban space organisation, a major determinant of energy use in a number of areas: mobility and transport, new and retrofitted buildings, heat and cold networks, town planning, renewable energy and energy from waste, etc. Cities, however, operate within a framework that is largely determined by laws, tax systems and incentives defined by national and regional governments and far from always being favourable to local action.*

- To focus on the **urban dimension of transport** where much of the congestion and emissions are generated;
- To **use regulation, building performance standards and market-based instruments such as taxation, subsidies and procurement to reduce energy and resource use and use structural funds to invest in energy efficiency in public buildings and in more efficient recycling;**
- To incentivise energy saving instruments that could raise efficiency in energy-intensive sectors, such as based on the use of ICTs.

*(Energy Cities amendment)* **At local level and on a voluntary basis, cities will seek to:**

- Design and implement **policies and actions aimed at reaching and exceeding the Energy and Climate Package targets** in their territories by mobilising the civil society.

**Justification:**

*1 – Reaching the EU objectives will not be possible without the involvement of cities; they are responsible for urban and periurban space organisation, a major determinant of energy use in a number of areas: mobility and transport, new and retrofitted buildings, heat and cold networks, town planning, renewable energy and energy from waste, etc.*

*2 – Cities have demonstrated their commitment, notably through the Covenant of Mayors. Every day, they demonstrate their capacity to change and take initiatives by coming up with practical innovations aimed at optimising urban systems by reducing their emissions and ensuring cautious use of resources.*

*3 – Thanks to these policies, and because they have to continuously integrate the fight against poverty, the creation of new jobs, energy and climate issues, as well as innovation and education – the five priority areas of the EU 2020 Strategy – in their territories, the role of cities is of paramount importance.*

*4 – The encouragement given to cities by the EU and Member States will contribute to increasing the number of cities involved in local energy and climate change policies, a major step towards reaching the EU objectives.*