



Opinion of Energie-Cités

“Cohesion Policy and cities: the urban contribution to growth and jobs in the regions”

February 2006



Commission staff working paper (23/11/05):

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It was with satisfaction that Energie-Cités (www.energie-cites.org) read the European Commission working paper dated 23/11/2005 relating to **“the urban contribution to growth and jobs in the regions”**.

These guidelines, which specify the importance of the role of the cities, echo Energie-Cités' concerns as stated in all our opinion papers and publications. They are well in keeping with the outlines of the “RUSE” *Redirecting Urban areas development towards Sustainable Energy* (www.ruse-europe.org) project supported by INTERREG III C in which 4 new Member States (Lithuania, Poland, Slovakia and the Czech Republic) and a candidate country (Bulgaria) are notably involved alongside our Network. They also deal with several of the concerns of the Parliament “Urban & Housing” Intergroup to which we are associated.

Energie-Cités congratulates the Commission staff on their initiative.

1 – Energie-Cités especially welcomes the following sections which lie within our field of competence

- > Accessibility and mobility and the natural and physical environment which contain propositions relating to energy efficiency, renewable energy and urban transport likely to make cities more attractive,
- > The integrated approach to sustainable urban development, citizen participation, networks and exchange of experience which propose methods of governance suited to our times,
- > Developing financial engineering and public-private partnership (PPP) in order to provide financing for urban renewal that is commensurate with the challenges to be met.

More particularly, Energie-Cités welcomes the fact that support for improving energy efficiency of housing built during the communist era is considered necessary. It is, in fact, apart from the proposition itself, a sign given to the most deprived of European citizens that Europe is also made for them.

However, Energie-Cités insists that the question of energy efficiency should not be addressed as a “sectorial” issue, in contrary, it should cover all projects supported by the cohesion policy. In fact, nothing would be more absurd than to dedicate significant sums to the support of “non-sustainable projects” from the energy point of view. This would pose the burden on the future generations obliged to carry the consequences of non-optimal choices we do now. In our opinion, this dimension is not sufficiently addressed in the document.

2 - However, a series of difficulties needs to be overcome if the guidelines recommended in the working paper are to be implemented efficiently.

This is why Energie-Cités is drawing attention to the difficulties inherent to the integration of energy efficiency in national and regional programmes, difficulties which have, unfortunately, been highlighted by the experience of recent years; energy efficiency having been more the exception than the rule in cohesion and structural funds.

The points below concern notably (although not only) new Member States from ex-Eastern Europe:

2.1 - National authorities responsible for energy who are involved in preparing programmes relating to cohesion and structural funds, are, generally speaking, predominantly- and sometimes only- concerned with questions of supply (energy production and large supply networks) and rarely consider that demand-side management is a component in its own right of social and territorial cohesion, of security and regional development and of environmental protection. In brief, of sustainable urban development.

- > For that reason, **actions recognized as eligible for energy efficiency often occupy a marginal place** in programmes and the actors concerned with these policies are too varied, widespread and too poorly organized to exert sufficient influence.

2.2 - These same authorities are more concerned with questions of supply on a national level (electricity and gas).

- > For that reason, they often neglect local heating supplies, especially for **district heating systems**, the rehabilitation of which, notably in new Member States, represents an extremely important issue as regards both the energy security of the inhabitants in urban areas and the fight against fuel poverty and the right to have heating, or even as regards large-scale biomass or waste to energy schemes. **The building sector** which nevertheless represents the highest energy demand (housing, hospitals, public buildings, the service industry, etc.) is not usually taken into account by these authorities and remains unable to take advantage of the programmes.

2.3 - National and regional authorities responsible for transport are often more concerned with the financing of the facilities under their care than urban transport.

- > For that reason, they often neglect the importance, for the daily quality of life of the inhabitants, urban pollution and the attractiveness of the cities, of pleasant and efficient suburban and **urban public transport systems**, and more generally, of **cycling and pedestrian facilities, or of modal transfer (P+R)**.

2.4 - National and regional authorities responsible for the environment are predominantly concerned with updating their countries in areas of waste, water and wastewater management; all areas that relate to community legal obligations.

- > For that reason, the question of energy efficiency, due to the wide ranging character of the often small projects, gets moved into the background as, for example, a by-product of air quality.

2.5 - National and regional authorities responsible for public construction and renovation are not always as aware as they should be of the need to integrate thermal retrofitting into building rehabilitation.

- > For that reason, we have seen Slovak municipal building rehabilitation programmes without energy components; we have seen, in Poland, that hospital buildings could take advantage of aid from Structural Funds for energy efficiency whilst the other public buildings could not.

2.6 - Energy efficiency projects are often small when taken individually and, just like the EIB, the managers of European funds prefer large-scale projects.

- > For that reason, energy efficiency projects can find themselves pushed to one side for purely administrative reasons. This is extremely damaging to the realization of projects.

2.7 - The above comments highlight another shortcoming: the **lack of human means** capable of making guideline propositions, of proposing projects, and of leading actions efficiently. Where measures relating to energy efficiency do exist, they are above all directed towards physical (hard) operations.

- > For that reason, **programmes neglect the accompanying actions** (increasing public awareness, promotion, training, communication audits, ability to mobilise market financing, etc.), which are better developed in INTERREG projects, but in a more marginal way. Breaking this vicious circle will mean putting emphasis on the human factor, especially for actions which are based on a new culture ("doing more with less").

2.8 - The question of **implementation agencies** is therefore crucial: it is clear that a **national, regional or local energy agency** will be better suited to leading such innovative policies than the traditional authorities, more directed towards reproducing what already exists than exploring new paths. In any case, great vigilance will be required if the expected effects are actually to follow the measures recommended in the working paper.

Conclusion

We strongly hope that DG REGIO, in relation notably with DG TREN, will be dedicated to dealing with these problems, and will have the human means available to attract sufficient attention from Member States concerning these questions.

It is extremely important that our concerns be brought to the fore, in one way or another, in the Communication that is to follow this working paper.