

Local and regional governments' contribution to the European Green Deal



These key messages and recommendations were written with contributions from Angelika Poth-Mögele, Marine Gaudron (cohesion), Leonardo Ebner (public services), Carol Thomas (governance), Eva Baños de Guisasola (climate), Axelle Griffon (environment, mobility) and Craig Willy, as well as our colleagues from PLATFORMA Marlène Siméon, Silvio Lazzari and Gabino Gutiérrez (decentralised cooperation).

Contact

Axelle Griffon Policy Adviser – Environment and Mobility

axelle.griffon@ccre-cemr.org

+ 32 2 500 05 38

Local and regional governments' contribution to the European Green Deal

- Key messages and recommendations -

Background

The European Commission released on 12 December 2019 its <u>communication and timeline</u> for the European Green Deal. The communication sets out how to make Europe the first climate-neutral continent by 2050 by taking action in a wide range of policy areas such as clean energy, climate, mobility, etc. and how to finance it.

The recent Covid crisis has a tremendous impact across all sectors covered by municipalities, both at short and long term. There is more than ever a profound need to rebuild a sustainable future, taking into account the deep impact and changes on our societies.

How municipalities and regions are delivering the Green Deal on the ground

The Green Deal will have a major impact for local governments as they are designing and implementing many of the policies covered by the Green Deal. They implement and finance Green Deal policies on the ground: local and regional governments implement 70% of all EU legislation, 70% of climate mitigation measures, 90% of climate adaptation policies, and 65% of the Sustainable Development Goals.

Local and regional governments are already committing to ambitious targets at local level and thus contributing to the transition towards a carbon neutral society at the level closest to the citizens. For example, on average, the commitments made by the 10,000 signatories of the European Covenant of Mayors are higher than the European Union's targets: reducing CO_2 emissions by 31% by 2020 (EU target: 20%) and by 47% by 2030 (EU target: 40%). In the next decades, this initiative will carry on mobilising municipalities and regions and possibly integrate other environmental policies such as waste, water, air quality, etc.

CEMR recommendations

CEMR will work hand in hand with the European institutions on the Green Deal. The package's ambition is in line with our recently proposed multi-annual strategy and our commitment to localise the Sustainable Development Goals (SDGs).

- 1. Local and regional governments need to be recognised as a partner in delivering the transition and be equipped with sound financial resources and capacity to achieve the Green Deal's ambitions. Given the diversity of European municipalities, regions and their citizens, as well as the complexity of their situations, there must be a certain amount of flexibility in the implementation of EU legislation and the achievement of EU targets. Mutual trust between levels of government is crucial in this respect.
- 2. Further improvement of the European Commission's Better Regulation principle, i.e. assessing the impact of existing regulations and designing new one in a transparent and evidence-based manner is a key aspect of ensuring the effective implementation of the Green Deal. It will become a genuine enabling framework only if the efforts and contributions

- of all levels of government concerned need to be harnessed to foster coherent and effective delivery of sustainable EU policies and investment, taking account of the diversity of governance structures across Europe.
- 3. In addition, the European Commission must itself ensure a coordinated way of delivering the Green Deal. Each of the Commission services concerned needs to take into account the interconnections between the policies that fall within the remit of their DG and which have knock-on effects on the delivery of other policies. It is also crucial to focus on enforcing existing legislation and improve implementation without adding administrative burden for local and regional governments.

Climate

- 4. The introduction of climate laws and climate pacts needs to come hand in hand with a fully inclusive decision-making process in order to reflect the concerns and needs of local and regional governments.
- 5. Before proposing or reforming legislation on climate and energy, the European Commission should ensure enforcement effective implementation of existing directives and regulations.
- 6. Even if the 2030 EU emissions reduction target were increased to 50 or 55%, this would still be a far cry from decarbonisation by 2050. Higher ambition should be considered if we really want to meet the Paris Agreement, while always providing sufficient resources to local and regional governments, as most cannot deploy additional resources for more ambitious EU targets.
- 7. The climate law will be an EU regulation establishing an EU-wide target to become carbon neutral by 2050. There will not be individual targets for Member States as such or for local authorities. Therefore, we need to understand how the local authorities will be affected by the target.
- 8. There is still no well-established regular dialogue with the local level in the international discussions on fighting climate change. We encourage the Commission to facilitate this dialogue and ensure that the position of the local and regional governments in Europe is included in the COP negotiations. This would complement the Local Governments and Municipal Authorities constituency (LGMA) process of the United Nations.

Energy

- 9. The National Energy and Climate plans (NECPs) are the new framework within which EU Member States have to plan, in an integrated manner, their climate and energy objectives, targets, policies and measures, and report them to the European Commission. The review of the NECPs by the Commission is due in June this year. In 2023, Member States will have the opportunity to revise their 2020 plans. We recommend that a mechanism ensures at an early stage that the orientation, targets and actions comply with European ambitions.
- 10. Additionally, we regret that the whole process does not fully involve the local level. The <u>Regulation on the Governance of the Energy Union and Climate Action</u> needs to be well implemented to ensure that local and regional governments are recognised in this process at an early stage and supported by appropriate resources.
- 11. At the same time, misdirected regulation must be altered. Energy Taxation must regard the greenhouse gas effect of the fuel. Regulation and support for renewable energy should, in general, be technology-neutral, only reflecting climate performance and sustainability of the energy. The Directive of Energy Performance of Buildings (EPBD) should equally treat

renewable energy produced on-site at the building and renewable energy supplied through district heating, district cooling or the electricity grid. Demands on individual measurement and billing of heating in residential buildings in the Energy Efficiency Directive should not be mandatory when this would take away the property-owners' incentive for energy efficiency measures and risks introducing energy poverty.

Circular economy

- 12. The Green Deal is a useful tool to bring together the different stakeholders that will make the transition towards a circular economy happen. While engaging the industry in the process is crucial, it is of the utmost importance to also work with all the partners involved at different levels of the value chain; including local and regional governments.
- 13. Local governments in the EU are responsible for the management of 489 kg of municipal waste per capita, of which 47 % was recycled in 2018. As such, local governments play a key role in improving waste management, promoting circular consumption patterns and enabling circular businesses at local level, all of which together contribute to the transition towards a circular economy. For waste that can't be recycled, efficient recovery of energy should be encouraged.

Mobility

14. Local governments play an instrumental role in enabling clean mobility, greening transport and strengthening public transport. Their role consists in shaping mobility services, adapting legal frameworks, introducing alternative modes of transport, raising awareness and guiding consumer choices. However, there are also huge challenges and obstacles, including general issues of public procurement and the inherent costs of providing transport services and establishing the necessary infrastructure. To contribute to decarbonisation, public infrastructure needs to be modernised, along with transportation rules, financing and taxation, so as to be properly equipped for new and innovative modes of transport.

Financing the transition

- 15. Financing the transition is crucial to ensure that the recovery from the Covid crisis will not lose sight of the objectives of the Green Deal. There should be resources available immediately to pave the way towards recovery in a sustainable way. Moreover, these resources need to be tailored for all local governments whatever their size or geographical situation to trigger an economic reconstruction based on a sustainable transition and the climate goals.
- 16. Support to local and regional governments through the Just Transition Fund is crucial but still insufficient; the announced €7.5 billion of fresh money will actually have to be complemented from the European Structural and Investment Funds, the European Regional Development Fund (ERDF) and the next European Social Fund (ESF+). Therefore, if Member States wish to benefit from the Just Transition Fund, it will reduce even more the room for manoeuvre on where to target investments. It also means that part of the budget initially foreseen for ERDF and ESF+ will only be available through the Just Transition Fund.
- 17. Measures to support sustainable local public investments is also a positive move, however a truly enabling framework for local public investments will also require reforms in some Member States but even more so, of the European economic governance. The current rules (e.g. Governance and Stability Pact) are a serious limit to the capacity of local and regional governments to engage in long term sustainable investments because of the debt cap that

- includes local and regional level in calculation of the national debt. Sustainable investments at the local and regional level should be excluded from these rules.
- 18. Very costly investments are necessary to implement the Green Deal at the local and regional level, for example to renovate public buildings or modernise public transport fleets. Innovative funding instruments need be to be assessed and experimented at local level. CEMR propose to coordinate such strategic reflection, including relevant stakeholders.

European Semester

19. Local and regional governments play an essential role in the implementation of country-specific recommendations and reforms. In fact, over 60% of the Commission's recommendations have an impact at local level. However, the European Semester, the European Commission instrument to align the fiscal, macroeconomic and socio-economic policies of the EU Member-States doesn't reflect the local dimension of these policies. As such, local and regional governments have to be better involved in the European Semester process in line with the Partnership Principle that applies for Cohesion Policy.

EU as a global leader: implementing the Green Deal beyond the EU

- 20. Local and regional governments' participation in the Green Deal's external action will be essential to ensure policy coherence between external and internal policies, to both anchor EU policies locally within Europe and reach out to territories in partner countries. The principle of policy coherence is also a powerful tool for local and regional governments to raise awareness about the interconnected links between local and global challenges, as well as to involve different sectors of the community.
- 21. The Commission's communication presents the EU as a global leader which "will use its diplomatic and financial tools" to achieve the Green Deal. Through their decentralised cooperation, local and regional governments will be active players in the implementation of the Green Deal among their peers abroad, whether by establishing joint action plans, building up capacity or exchanging diagnoses and expertise. Local and regional governments can also be the standard-bearers for green values by including ecological elements in their own projects with partner countries and also by improving the sustainability of their own value chain related to public purchases.
- 22. Twenty-five percent of the next EU external policy budget will have to be dedicated to climate and we hope to see local and regional governments clearly engaged by the EU in this process.
- 23. Development education plays a crucial role in raising awareness among citizens in favour of global climate actions, both in Europe and partner countries. Such strategies aim at transforming a community's attitudes and behaviour towards sustainability, solidarity, equality and democracy by concrete actions taken by and with citizens.

Conclusions

These key messages and recommendations were formally approved during the CEMR Executive Bureau on 26 June. It will be disseminated towards the EU institutions and relevant stakeholders. In parallel, the CEMR Secretariat will engage the discussion and advocacy work on the different legislative and policy initiatives entailed in the Green Deal.





The Council of European Municipalities and Regions is the united voice of Europe's local and regional governments federated through 60 national associations.

CEMR is the European section of United Cities and Local Governments (UCLG), through which it represents European local and regional governments at international level.

Founded in 1951

member associations

100,000 local and regional

> committees and expert groups

CEMR member associations

Czech Republic **Austria** GEMEINDEBUND STÄDTEBUND Belgium BRULOCALIS UVCW VVSG **Bosnia** and Herzegovina Bulgaria Croatia

Albania

Denmark Estonia **Finland AFLRA France** Georgia NALAG Germany

Greece Hungary Iceland Ireland Israel Italy **AICCRE** Kosovo Latvia Lithuania

Luxembourg Malta Moldova Montenegro **Netherlands North Macedonia Norway Poland**

Romania **UNCJR** Serbia Slovakia Slovenia SOS ZMOS Spain Sweden

Portugal

Turkey Ukraine United Kingdom

Cyprus

www.cemr.eu twitter.com/ccrecemr Tel. +32 2 511 74 77 info@ccre-cemr.eu



