



**Local & Regional  
Europe**

# **CEMR joint response on the consultations on the EU Energy Efficiency Directive (EED) – evaluation and review and the EU Renewable Energy Rules - review**

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## INTRODUCTORY REMARKS

CEMR welcomes the opportunity to contribute to the development of climate policies at the EU level, through the open consultations (17 November 2020 – 9 February 2021) on the [EU energy efficiency directive \(EED\) – evaluation and review](#) and the [EU renewable energy rules – review](#) (RED).

CEMR already sent to the Commission some input September 2020 on: 1) the combined evaluation roadmap and inception Impact Assessment on the Directive on Energy Efficiency 2012/27/EU (EED) and 2) the Inception Impact Assessment on the Directive on the Promotion of the Use of Energy from Renewable Sources 2018/2010/EU (RED).

With these new consultations and considering the links among them, CEMR is giving one joint response covering both EED and RED, highlighting the specificities of each directive when needed. Examples are also provided at the end to illustrate our messages.

**Local and regional governments (LRGs)** play a significant role in delivering the UN sustainable development goals and the EU climate and energy goals. LRGs have been showing strong leadership, especially in the present COVID crisis where they are communicating with and mobilising citizens in a very direct and regular way. This ability is also an added value in supporting relevant LRG decision-makers for action on climate, energy efficiency and renewable energy.

In line with the Better Regulation package and the Interinstitutional Agreement on Better Law-Making, **LRGs and their national and European representatives must be specifically invited** to participate in impact assessment of new EU policy or legislative proposals in areas that previously were not addressed by the EU, on higher targets in areas of shared competence and on any proposal that aims to expand the scope/detail of competence of the European Commission over the powers currently exercised by LRGs.

## OUR MAIN MESSAGES IN SUMMARY

- CEMR supports ambitious climate and energy targets in line with 2050 climate neutrality for the EU Member States (MS) and in non-EU countries where EU legislation applies. Focusing on greenhouse gas (GHG) reduction, targets on energy efficiency and renewable energy should be only indicative at national level. Adequate pricing of carbon and energy should be a cornerstone of policy as well as technology-neutrality and a holistic view on energy systems, in order to reflect varying conditions on local, regional and MS-level across the EU and in non-EU countries where applicable.
- Implementation needs to be accompanied by appropriate resources and supportive measures, while avoiding overregulation and increased administrative burden.
- CEMR opposes the EU renovation obligation for public buildings being extended to LRGs. Neither EU obligations for public procurement nor for energy efficiency plans are relevant tools to promote LRG climate action, but in both areas there is a need for technical and policy support.

## DETAILED REMARKS AND RESPONSE

1. **CEMR supports ambitious climate and energy targets in line with 2050 climate neutrality** for the EU and in non-EU countries whereas EU legislation applies. Local and regional governments (LRGs) are willing to increase their contribution as long as appropriate conditions are in place, in terms of frameworks, measures and financial resources. CEMR recalls the necessity to respect the subsidiarity principle, recognising the role of LRGs and multi-level dialogue and avoiding imposing burdensome and inflexible legislation. We strongly support a bottom-up process within the framework of the National Energy and Climate Plans (NECPs). For this reason, CEMR calls on the European legislators to include provisions obliging MS to negotiate with LRGs in determining how to achieve ambitious national climate and energy targets (for greenhouse gas reduction, energy efficiency and renewable energy) and implement

the necessary actions. Formal and regular dialogue and consultation with LRGs should also be an integrated part in designing EU climate and energy policies.

2. **CEMR advocates for a primary focus on the GHG-reduction targets and for the contribution of member states and other nations** within their mandates, competence and resources. National governments should decide on ambitious national targets after consultations fully engaging LRG. From this follows that **targets on energy efficiency and renewable energy should be indicative and voluntary for MS**. The same applies to the “energy-efficiency first principle”. They still have importance as guiding principles for decision-makers and investors.
3. **CEMR advocates for the necessity of adequate pricing of carbon and energy** for GHG-reduction, in the context of revision of EED and RES directives. Energy taxation should be revised to regard the GHG-effect of fuels. At the same time pricing has to be applied with balance and due compensation to avoid carbon-leakage for industry and adverse social effects, through programmes for just transition and to counter energy poverty.
4. **CEMR supports the implementation of the current directives, accompanied by appropriate resources**. CEMR welcomes that the Green Deal’s measures and realisations will be supported by funding and financial tools through the multiannual financial framework (MFF), Next Generation EU recovery plan, European Green Deal Investment Plan, Just Transition Mechanism and the Sustainable Finance Strategy (see CEMR input to the Taxonomy consultation December 2020). CEMR calls on the necessary involvement of LRGs in the recovery plans, regretting that this has not been the case in many MS. Especially in implementing the plans the significant role of LRGs has to be recognized. CEMR calls for investment in climate measures, energy efficiency and renewable energy sources to boost the economy. Funding should go towards measures with high impact and potential, including decentralised action by LRGs. CEMR and LRGs wish to be involved in the discussions on financing at EU level. CEMR highlights that many of the necessary measures to reduce climate impact are quite cost intensive.
5. CEMR also acknowledges the need for other supportive non-regulatory policy instruments such as **technical support, research and development, standards, training, information dissemination and awareness raising** etc. Additional guidance and support measures should be considered to improve implementation and increase measures for emissions reduction, energy savings and conversion to renewable energy across different sectors. This also includes support for LRGs.
6. **CEMRs emphasises the need to simplify administrative burdens and avoid over-regulation**. EU-regulation and delegated acts need to be continually revised and adjusted as to whether they are effective. At the same time, major revisions of the newly adopted directives should be done only after careful assessment of ongoing work, such as NECPs, and include impacts and opportunities at local level. Insufficient progress in some MS should not automatically be a reason for changes in the EED and RED.
  - The current overlap of Energy Performance Certificates (EPC) for buildings and energy audit for large companies (including economic activity by LRGs) should be addressed.
  - Demands on individual measurement and billing of heating in residential buildings in the EED should not be mandatory when this would take away the property owners’ incentive for energy efficiency measures and risk introducing energy poverty.
7. Regulation should in general be **technology-neutral**, only reflecting GHG-savings and sustainability of the energy sources and technology from a life cycle perspective.
  - E.g. the EED and the “Energy performance for buildings directive” (EPBD) should equally treat renewable energy produced on-site at the building and renewable energy supplied through

district heating, district cooling, the electricity grid or in the form of renewable gases, including hydrogen. This is not the case in the regulation and Cost-optimal guidance for “near zero energy buildings” (NZEB), which subtracts only on-site renewable energy from the energy performance of the buildings.

- Bioenergy fulfilling GHG-savings and sustainability requirements should be treated as a sustainable energy source for buildings and transport. In production of power and heat it also provides a basis for negative emissions through “bioenergy carbon capture and storage” (BECCS).

- Specific electrification targets are not desirable since they would not respect technology neutrality nor have a direct correlation to the use of renewable sources. While electrification is undoubtedly an important feature of the new energy system, it is not always the most efficient solution from an energy system perspective, e.g. when available infrastructure can be utilised and stranded assets can be avoided (such as existing gas pipelines retrofitted for the transport of hydrogen). Therefore, we advocate for a level playing field between renewable electricity and other renewable or low-carbon energy carriers, incl. hydrogen. Renewable hydrogen in the early stages of development should be exempted from the REDII-requirements for additionality and correlation. Multipliers in transport should be applied in the same way to renewable electricity as to zero- and (to a lesser degree) low-carbon alternatives to conventional fuels.

8. Regulation needs to be **holistic, regarding the transition to more integrated energy systems**, and the fact that demands for new capacity and conditions for deploying various forms of renewable energy varies across regions in the EU. When integrating renewable energy in heating and cooling, esp. in cities, it is of utmost importance to consider local infrastructure (e.g. district heating, gas, electricity, waste heat) at the same time as efficiency measures, to allow for trade-offs and prioritisation. This implies priority to actions on an **energy systems level before demands on a building level. Self-consumption of renewable energy should be given enabling and fair treatment**, but need to regard effects on local energy systems and environmental impact.
9. There is a continued need to **encourage the recovery of waste heat and production of sustainable heat** whenever it is technically possible and economically viable for the contracting parties, for which there are many existing examples in countries with well-developed district heating networks. In these cases, third party actors should not be granted an unconditional (non-discriminatory) right to access the district heating and cooling grid in order to sell their heat/cold directly to end-users as this would increase costs for end-users and reduce the competitiveness of district heating and cooling systems. Member states can, however, decide to grant regulated access for third party actors, where the district heating operator act as a single buyer.
10. The decision about **unbundling the management of the generation and distribution heat network should be left exclusively to Member States**, but it should not be obligatory for Member States. Member states shall lay down the necessary measures to prevent grid monopolies from things like unfairly high prices/charges, underinvestment in networks and should stimulate innovation and sustainability. The district heating network is in many ways fundamentally different from the networks for electricity and gas.
11. **CEMR opposes EU renovation obligations for public buildings to be extended to LRGs.** This would raise a number of practical difficulties for LRGs, not respecting the need for renovation, the use of buildings, maintenance and renovation strategies, economic feasibility/business case, local property markets, entrepreneurial costs, LRG economic situation and the social impact of tenants having to pay for the renovation through increased rents. Relevant energy efficiency measures should instead be achieved through more flexible ways to identify

and implement cost-effective measures, tailored to the local, regional and national context and available financial means. For similar reasons the suggested **minimum energy performance standards** and **deep renovation requirements** for buildings should in general be applied only as recommendations, with due regard to individual building specifics and be backed with appropriate enabling support. **Energy performance contracting in renovation of public buildings** should be facilitated but not a requirement, LRGs can find capital and competence also in other ways. **Minimum shares of renewable energy in new buildings** should instead be a question for the MS energy system.

**12. Public procurement obligations to purchase energy efficient products is not a proper tool** since procurement of goods and services needs to fulfil various other aims for function, use, economy etc. We also oppose **obligations for public authorities and entities to buy renewable electricity** and **green energy** (RED p19-20). Such obligations would not create a level playing field in relation to private undertakings. Decisions on procurement must be made by each LRG according to the principle of local self-government. Many LRGs and their organisations for joint procurement already place advanced demands for sustainable products and services. The EU has important roles to facilitate sustainable procurement by regulation, setting minimum product criteria and expanding guidance and tools such as standards, eco-design demands, Environmental product declarations (EPDs) etc. The Commission could help by launching a process for reliable and transparent EU wide certificates and labelling schemes, particularly in the field of environmental sustainability, in order to create legal certainty and reduce burdens for LRGs.

**13. Local and regional governments should be encouraged but not obliged by the EU to develop plans for climate protection, energy efficiency and renewable energy, including heating & cooling.** LRGs in many cases develop energy and climate protection plans incorporating renewable energy and energy efficiency. CEMR highly encourages such planning as a prerequisite for relevant action on climate and energy. LRGs and public utilities also play a significant role in setting up local renewable energy projects. Planning is a local competence in most MS and should be respected according to the principles of subsidiarity. Setting up EU wide legislative standards and requirements for plans that have limited regard of the local competences or availability of financial resources must be avoided. Mandated plans risk becoming just another paper-product. Instead planning could be facilitated by technical support, data availability and exchange of best practice.

**CEMR welcomes the ongoing engagement and work at local and regional levels on the road to climate neutrality. We emphasize the need to strengthen such action, also by adequate support from the EU and national levels and by the exchange of good practice. This leads us to present our list of examples below in Annex I.**

# Annex I:

## Examples and good practice on energy & climate action (energy efficiency and renewable energy)

### Examples on governance, multi-level dialogue and wider initiatives on climate action involving LRGs:

**CEMR has collected some initial information and examples of climate laws and/ or climate pacts from CEMR members:** 1) Belgium; 2) Denmark; 3) Estonia; 4) Finland; 5) Germany; 6) Iceland; 7) Latvia; 8) Luxembourg; 9) Norway; 10) Scotland; 11) Slovenia; 12) Sweden; 13) The Netherlands. The document can be found [here](#). Check as well [publication](#) By Platforma - CEMR on “Sustainable Development Goals: how Europe’s towns and regions are taking the lead”.

- 1. Involvement of LRG in the Finnish recovery and resilience planning.** From the start the preparation of the Recovery and Resilience Plan has been seen as a horizontal exercise in Finland. In early September a coordinating working group headed by the Ministry of Finance and consisting of representatives from different ministries was established. The preparations started with a **broad round of consultations and dialogue between different stakeholders** (regions, cities, social partners, business sector etc.). There was also an open e-mail box for different proposals regarding investment and reform projects. After these consultations, the preparations have been carried out at the ministries and the government will approve the final plan by the end of April. A government report for the Finnish parliament was also prepared in Nov 2020 which introduced the key priority areas, guidelines and criteria for the further work and the selection of investment and reform packages.
- 2. Dutch Climate deal:** The Climate Agreement is part of the Dutch climate policy. It is an agreement between many organisations, municipalities, civil society and companies in the Netherlands to combat climate change. The government’s central goal with the National Climate Agreement is to reduce greenhouse gas emissions in the Netherlands by 49% by 2030 compared to 1990 levels. <https://www.government.nl/documents/reports/2019/06/28/climate-agreement>.
- 3. Regional Energy Strategies in the Netherlands:** As a consequence of the Dutch Climate Agreement, regional and local authorities and water boards are now working together with citizens, companies, network operators and civil society organisations to develop regional energy strategies (RES). In total there are 30 energy regions in the Netherlands and each of them is working on their own strategy, making clean energy choices that reflect regional and local specificities and needs. The strategies look at the best ways for a region to produce renewable energy, to identify the most suitable sources for heating and cooling, to facilitate the phase-out of gas, and to assess what is possible in terms of spatial planning, financing and social acceptability. Naturally, the complementarity of all plans and their contribution to the overall emissions reduction target is an important feature of these plans. The idea is to give regions a choice in how to implement the energy transition locally, while onboarding citizens and creating more social acceptance. The RES 1.0 should be ready by July 2021. <https://www.regionale-energiestrategie.nl/default.aspx>
- 4. Energy Efficiency Agreements in Finland** are an important part of Finland’s energy and climate strategy and a primary tool to improve the efficient use of energy through voluntary agreements with industrial and municipal associations, without resorting to legislation or other

coercive measures. The cooperation with the Government comprises both industry, the energy, service property and building sectors, municipalities, and oil-heated real estates. Municipalities, cities and joint municipalities sign their own Energy Efficiency Agreement, in which they commit to actions and targets specified in the Agreement for the Municipal Sector. The municipalities rental housing properties are joined primarily into the Rental Housing Property Action Plan for the Property Sector. Since the 1990s, Energy Efficiency Agreements have been the primary tool in Finland for improving energy efficiency and meeting the strict EU obligations on improved efficiency in energy use. <https://energiatehokkuussopimukset2017-2025.fi/en/agreements/>

5. The **Fossil Free Sweden initiative** has encouraged more than 20 industries and business sectors to draw up their own roadmaps as to how they will be fossil free while also increasing their competitiveness. The initiative is initiated by the government and based on the decision by the parliament to make Sweden climate neutral by 2045. The roadmaps contain commitments for the stakeholders, describe when and how to become fossil free, including the need for investments, new technological solutions, political solutions and obstacles to be removed. Sectors and industries include construction, cement, concrete, steel, mining & minerals, forestry, agriculture, groceries, heating, electricity, recycling, aviation, maritime, heavy hauling and digitalization consultancy. Some municipalities and regions are part of the wider initiative, some are parties of individual roadmaps and some are participating in challenges for transport, company cars and solar panels. The Swedish Association of Local Authorities and Regions (SALAR) is participating in the roadmaps for the heating and construction sectors. Link: <http://fossilfritt-sverige.se/in-english/> Similar initiatives for wider cooperation on climate and energy exist in several cities and regions.
6. **13 sectorial climate partnerships in Denmark** have been established by the Danish Government and the private business sector. The partnerships collaborate on measures that reduce greenhouse gas emissions and strengthen the companies' green competitiveness. At the same time, the Green Business Forum has been established. Local Government Denmark have represented the Danish local authorities in the three partnerships for waste, water and circular economy. Link to their recommendations: [here](#). Link to all [partnerships and recommendations](#).
7. The **Danish Council on Climate Change** is established in connection to the Danish Climate Law as an independent expert body that advises on the transition to a climate-neutral society. LGDK represents the Danish municipalities in a **climate dialogue forum** commenting on the Climate Council's recommendations to the government. LGDK would like to be further involved in a more formalized climate cooperation with the Danish government.
8. In the **DK2020 initiative** 20 Danish municipalities will develop top ambitious climate plans with inspiration from the world's leading cities in the area, to boost the implementation of the goals of the Paris Agreement. Behind the initiative are the association Realdania, the international urban network C40 and the green think tank CONCITO. <https://www.realdania.org/whatwedo/grants-and-projects/dk2020>
9. **AICCRE:** The Integrated Regional Air Plan (PAIR 2020) of Emilia-Romagna was approved with resolution of the Legislative Assembly in April 2017. The PAIR2020 expects to achieve by 2020 important reduction targets for the main pollutants compared to 2010. The key word of PAIR 2020 is "integration", in the belief that to meet air quality standards it is necessary to act on all sectors that contribute to air pollution as well as to climate change and to develop coordinated policies and measures at various levels government (local, regional, national) and the Po Valley.

10. **The “Klimaaktive Kommune” competition promoting ambitious local leadership in Germany:** Since 2009 the Association of German Cities, the German Association of Counties and the German Association of Towns and Municipalities are cooperation partners of the “Klimaaktive Kommune” competition, which is awarded by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the German Institute for Urbanism. The competition rewards successfully realised and effective activities by local authorities in various climate related fields, i.e. climate-friendly building and renovation, urban greenery, climate-friendly mobility, sufficiency or national climate engagement on the local level.
11. A big success factor in Germany are the easily accessible funding programmes, which are non-credit based, direct payments. Moreover, funding programmes to cover the personal costs of “Klimaschutzmanager” (Climate protection managers) which are directly adjacent to the municipalities’ administration have also been a great way for municipalities to develop strategies as well as offering consultancy services for both the public administration, companies and citizens to find the right energy-efficient solution for their buildings.
12. **40 per cent of German cities have a political decision on climate adaptation**, according to a 2019 study by the German Federal Environment Agency. 46% have made at least one internal inventory and 27% have a decision to implement strategies or concepts in the local representative bodies.
13. **In Austria** the reciprocal effects of measures taken to increase energy efficiency, increasing the share of renewable energy sources and reducing of greenhouse gases show that energy efficiency measures taken in the context of EED have largely positive contributions to the increase of renewables and reductions in greenhouse gases.
14. **The city of Oslo** has developed an innovative system for **budgeting and governing for climate action**, in line with the city’s system for financial budgeting and reporting. Through C40 the system is tested internationally. In **Aberdeenshire Council** in Scotland the Carbon Budget sets annual targets, provides politicians with a clearer demonstration of costs and savings through carbon saving initiatives and ensures that each service area is accountable for reducing its own emissions. **Climate budgets** have increasingly been developed by cities, including **Manchester** and **Stockholm**.
15. **Actions from UK Councils:** Ashden and Friends of the Earth have put together an evidence-based list of the most effective **actions councils can take on climate**. **A guidance on governance for UK local authorities** is available in a paper from ARUP “You have declared a climate emergency,....what next?” Link **here**

### CEMR involvement in governance and wider initiatives on climate action involving LRG:s

16. **CEMR** is involved in several initiatives on governance and climate and able to contribute with experiences: **The Global Covenant of Mayors**, (including its Regions Portal for regional covenants to share and exchange information), the **European Covenant of Mayors**, **the Reference Framework for Sustainable Cities**, The European Energy Award and the Local Authorities Platform of the Covenant of Mayors for Sub Saharan Africa (a knowledge-sharing platform). **PLATFORMA** (the pan-European coalition of towns and regions and their national, European and global associations active in city-to-city and region-to-region cooperation), is working through peers and decentralised cooperation, also in developing countries contributing



to EU development cooperation policies and international frameworks, especially on [climate issues](#). The European Energy Award is also another example in many European cities.

17. **CEMR, through PLATFORMA** (the pan-European coalition of towns and regions – and their national, European and global associations – active in city-to-city and region-to-region , cooperation), is working with peers to implement climate projects in developing countries and on south-south, north-south and north-north decentralised cooperation also. As a hub of expertise on European local and regional governments' international action, PLATFORMA aims at boosting European local and regional governments' contribution to EU development cooperation policies and international frameworks, especially on [climate issues](#).
18. **The involvement of LRA in UNFCCC COP:s:** Since the COP in Paris in 2015, LRA:s have increasingly been welcomed as important partners for the international agreements. CEMR is working at this level especially through the Global Task Force of Local and Regional Governments, coordinated by UCLG and through Local Government and Municipal Authorities constituency of UNFCCC. This international level of the local level also needs to be part of the European Climate Pact (CEMR can voice the echo of UCLG formally as its European branch). CEMR has recently joined the **COP26 unit** (together with representatives of the LGMA constituency with other international partners to start preparing some aspects of COP26 in the UK next November 2021 (TBC). We are doing this in particular with COSLA. The UK government has also confirmed that there will be a local summit / local moments within COP26.
19. CEMR has in the study, "[National associations of local and regional governments in Europe](#)", shed light on the crucial role these associations play in their state's governance system. Questions of the study include activities, advocacy towards central government and relationship with Europe.
20. **The Covenant of Mayors** has since many years been promoting **sustainable energy and climate action plans (SECAPs)** as a tool for governance. Similar plans and strategies exist in may LRAs across Europe.
21. **Ambassadors for:** We already can share the experience we have as we have proposed Ambassadors at the Committee of the Regions within the context of the European Covenant of Mayors, we have set up a group of Ambassadors within the Covenant of Mayors in Sub Saharan Africa and we also follow the work of the Ambassadors figure within the context of the Global Covenant of Mayors.

LRGs are already active in several key areas and are committed to contribute to the climate neutrality goal in areas and sectors such as the following:

**a) Urban and rural land-use planning**

22. **In Norway** a new tool for calculating the climate effect of municipal land-use plans is now being developed in a joint R&D-process between The Norwegian Association of Local and Regional Authorities, a group of state agencies and a Ministry. All calculations will be made in accordance with current UN-regulations. The tool is now being programmed and tested in cities simultaneously.

23. **Oslo: Criteria for considering the climate in the planning process:** The climate criteria have been developed to help quality assure that development is done in the most climate-friendly and climate-adapted way possible. [Link](#)
24. **The UK has a National planning policy framework for sustainable development in several dimensions, including to improve biodiversity in rural and urban areas.** [Link](#)
25. **Examples: On regeneration of natural areas,** rather than crowded plastic forests: <https://www.rewildingeurope.com/wp-content/uploads/publications/boosting-ecological-restoration-for-a-wilder-Europe/index.html>
26. **Climate Ready Clyde** is a partnership of 15 organisations, including Glasgow City Region's eight local authorities, collaborating to develop Scotland's first **regional Climate Change Adaptation Strategy and Action Plan**. The partnership has supported economic appraisal of adaptation options including a Heat Health Warning System and property level resilience measures, explored climate risk screening approaches for infrastructure and scoped the development of an adaptation pathway. Climate Ready Clyde is also working with the European Investment Bank and others to explore the financial and economic risks associated with climate change risks to Clyde Waterfront, a large regeneration project on the banks of the river. It includes economic appraisal of adaptation options including a Health Warning System and property level resilience measures, climate risk screening for infrastructure and the development of an adaptation pathway.
27. **Urban Links 2 Landscape.** Is an Interreg project with best practice examples and tools, resulting among other things in a hand book for green planning for cities and regions. [Link](#)
28. In **Germany** the national building code already established that climate protection needs to be taken into account when drawing up land use and spatial development plans in 2011. The city of Bremen has used this climate protection clause in their KLAS project to look for ways in which the risk of flooding and the local adaptation potential could be fed into future planning processes in Bremen. One of the results is that the integrated plan now indicates those urban areas in which future urban planning should pay particular attention to the bioclimatic situation and the handling of rainwater. Above all, extraordinary rain and heat events are considered. Furthermore, specific planning tools for these areas have been developed.
29. **Zell am See** is taking a step towards becoming a Smart City with its "**Limberg sun garden**" demo project. The upgrade of the Zellermoos district is to include the construction of around 180 apartments, a kindergarten, a local store, and multi-purpose rooms. The integrative construction project focuses on energy, accessibility, mobility, and social concerns. In cooperation and exchange with other municipalities, the project aims to develop guidelines for **small towns**.
30. In **Bregenz Austria** **The energy master plan** for a sustainable urban development combines energy consumption and production as well as CO2 emissions with spatial structures. With its energy scenarios, it delivers up to 2050 the basis for the revision of the cities' energy strategy 2030. As a planning and monitoring instrument it supports the Implementation of an energy-optimised and sustainable urban development.
31. **The City of Graz, Austria** is working on a modern, visionary, digital urban climate analysis to prevent Urban Heat Islands and provide the foundation to help solve climatic issues of the City. The 2018 Action Plan for Climate Change Resilience is currently implemented, with an

emphasis on funding the **greening of the city**, such as green roofing, facade greening, planting trees and urban gardening.

32. **Reference framework for sustainable cities:** The RFSC is an online toolkit ([www.rfsc.eu](http://www.rfsc.eu)) for local European authorities that are more involved in or are willing to start a process of integrated and sustainable urban development. The main objective of the toolkits is to enhance the dialogue within a city and with peer cities tackling the same issues all across Europe. CEMR has been involved in the development of the RFSC from its beginning in 2008. It is now a member of the RFSC Consortium together with Platform 31 (lead partner) and ICLEI–Local Governments for Sustainability.

## b) Transport and urban mobility

33. **CEMR** is involved in the [Mobility partnership of the Urban Agenda](#) which has proposed solutions to improve the framework conditions for urban mobility for cities across the EU. This covers issues relevant to technological advancements, encouraging the use of active modes of transport, improving public transport and promoting multi-level governance measures.
34. **Germany and Sweden** both have plans to double public transport in a short period of time. In Sweden regional and local public transport has in a 10-year period increased the share of renewable fuels from 42 to 90 per cent, contributing to climate mitigation.
35. **Dundee** is regarded as Scotland's leading city in the adoption, promotion and operation of **electric vehicles**. Since 2011 electric chargers have been installed for public use and free parking introduced for all 100% electric vehicles. The City Council has a fleet of 100 electric vehicles and plans to be 100% electric by 2025. A successful uptake has also led to the introduction of 112 electric taxis. Three revolutionary electric vehicles multi-charging hubs are built involving renewable energy optimisation with solar canopies and battery storage developed from second life vehicle batteries. This takes advantage of off peak charging tariffs and reduces peak time demand.
36. **Active Mobility in France** includes many cities focusing on **new cycleways**. Read examples [here](#)
37. **Car sharing in Graz** is developed through a new system of **local mobility hubs** called **tim** (daily-intelligent-mobile) offering a highly flexible way of transportation without the need to own a private car. At the hubs you can change to different ways of transportation, i.e. e-Carsharing, rental car, tim e-Cab or charge your private e-car. At present there are eleven hubs in the city and one at the airport, which can be reached easily by tram, bus, bicycle or walking. <https://www.tim-oesterreich.at/graz>
38. **Electric ferries in Norway:** More than one third of all 200 car-ferries in Norway will be emission-free in the next two years. Many of these ferries are already in operation. Through bold political decisions Norwegian county governments have made a critical mass of orders of such vessels for the maritime industry, giving impetus also for emission-free solutions in other segments of shipping. A Norwegian county will this summer publish a tender for an emission-free passenger speed vessel, a hydrofoil, the very first of its kind. The tender is a result of former development contracts with a group of counties and the maritime industry. The development is financed by the counties, the participating maritime industry and partly by a national support mechanism.

**c) Buildings – A balanced approach considering related areas and environmental, social and economic dimensions**

39. A big success factor in Germany are the easily accessible funding programmes, which are non-credit based, direct payments. Moreover, funding programmes to cover the personal costs of “Klimaschutzmanager” (Climate protection managers) which are directly adjacent to the municipalities’ administration have also been a great way for municipalities to develop strategies as well as offering consultancy services for both the public administration, companies and citizens to find the right energy-efficient solution for their buildings.
40. **EENSULATE (ongoing) on building retrofitting in the Marche Region in Italy:** the objective is the development of innovative lightweight, highly insulating energy efficient components and associated enabling materials for cost-effective retrofitting and new construction of curtain wall facades.
41. In England renovation of buildings to make them more **energy efficient is vital, but not the only solution. Increasing use of renewable energy and increasing the occupation levels of dwellings** is also important. To increase renewables, we need to ease the cost and complication of connection to the grid for small scale renewable energy sources. We need to encourage bringing innovative small scale renewable units to market, such as a) roof tiles that make electricity or hot water; b) pavements and even road surfaces that use kinetic energy to make electricity; c) larger scale wave power with rafts that also provides sanctuaries for fish stocks and the Swansea tidal energy system. Increasing onshore wind power is not going to be the saviour. We have to reduce use, use renewables, offset Carbon footprint and improve biodiversity at the same time. Local Planning needs to have the power to better control the types of houses that are built, encouraging small attractive dwellings or groups of dwellings for people who want to downsize. Grants to create flats above shops or use upstairs floors would bring empty or little used storage areas into use as dwellings.
42. **In Slovenia** when renovating publicly owned buildings, we strive for a holistic approach that respects legislation, standards, demographics and user needs. Thus, at the same time capacity increase (if necessary), renovation of installations, equipment, playgrounds, static and energy remediation. In the case of higher investments, we also make an estimate for the case of a new building. 100% city-owned schools and Health centers have undergone the deep energy retrofit, wherever possible. At the same time the statics was examined and improved when needed, natural materials were used as a standards approach to preserve or improve the indoor comfort and well-being. When renovating multifamily buildings with non-profit rental apartments, we strive to make the renovation energy efficient, to keep low cost of use.
43. **Scottish Local Authorities play a lead role in tackling climate change and fuel poverty** by improving energy efficiency in domestic and non-domestic buildings and through on-going engagement with local communities. COSLA and Scottish Local Government have to date welcomed and positively engaged in activity to support energy efficiency interventions across Scotland. Local Government has been actively involved in efforts to tackle fuel poverty, engaging in area based schemes and augmenting national work with many locally based interventions. The interventions so far have largely focused on the domestic social rented sector with many social tenants benefitting from positive impacts of addressing some of the drivers of fuel poverty. Scottish Local Government also continues constructive partnership with Scottish Government to develop a 15 to 20-year national energy efficiency programme with the overall vision that all Scotland’s building will be near zero carbon by 2050 and that by 2040 use less energy to heat with heating more affordable and greener. As strategic housing authorities, with leading role in community planning and knowledge of local community need, local authorities are key to the success of this programme and to harnessing opportunities to invest in infrastructure locally.

- 44. In Sweden**, the technical assistance for different segments of the building sector on national and regional level is a success factor in many cases. In Sweden such networks have reached larger professional housing companies in both the residential and non-residential sectors. Programs have been run by the Swedish Energy Agency (Belok, Bebo and Besmå). The municipal housing companies association has run successful programs on energy efficiency encompassing the majority of apartments and is currently engaged in a Climate initiative for reducing the carbon footprint from both energy use, new construction and the tenants life-styles. It is however often hard to spread the knowledge to non-participants and smaller companies. Specific programs are needed to reduce technical and economic uncertainties for various actors and in various segments. The EU could contribute to such national and regional efforts by highlighting new solutions available in some MS and by addressing obstacles in national and EU regulation.
- 45. In the Netherlands:** The public and semi-public real estate needs an extra drive to speed up the improvement of the energy efficiency. Within the sectors there are knowledge centers, but more is focus, cooperation and synergy are needed to realise the necessary push. The knowledge and innovation platform for improvement of the energy efficiency of public and semi-public real estate brings together different knowledge partners and sectors. These are TNO, Stimular/MPZ, Kenniscentrum Sport, Ruimte-OK, Rijksdienst voor het Cultureel Erfgoed (RCE) and the Rijksdienst voor Ondernemend Nederland (RVO). They share best practices, examples and answer questions. The knowledge network also stimulates the development of innovative and new technologies. See [link](#). The platform is demand-driven and sectoral roadmaps provide the members with guidance on further development of their knowledge and needs. Currently we are working on a proposal to develop knowledge on the themes business cases, sustainable procurement and Total Cost of Ownership (TCO). The working party on non-residential construction has discussed organizing a session on obstacles in the implementation of sectoral road maps.
- 46. In Bulgaria** the residential building stock accounts for the largest share of energy consumption. The large number of pre-1990 residential multifamily buildings built without energy efficiency norms have at least twice the level of energy consumption compared to current standards. The [National Program for Energy Efficiency in Residential Buildings](#) was a success story mainly because it offered 100% grants. It supported rehabilitation of multifamily apartment building (MABs) through implementation of energy efficiency measures and structural renovations. The Program achieved substantial results in demonstrating the benefits of housing renovations for energy efficiency and in improving the enabling environment for energy efficiency investments. According to a survey conducted by NAMRB in 2019 over 95% of residents experienced substantial increase in satisfaction with their buildings: 10% to 35% lower monthly payments for electricity and hot water, less noise and increased indoor comfort. The Bulgarian government has announced its intention to continue the programme under amended regulations **including co-financing from residents**. However, this is seen as an obstacle by the majority of the residents. At present there are 2500 buildings for which municipalities have concluded contracts with the homeowners associations within the time limits, but without funding since resources were exhausted. NAMRB as representative of all municipalities is working with the central authorities to ensure additional funding at national and EU level for these buildings and for the continuation of the programme. Maintaining the already established structure with **municipalities being the main implementing agencies** is the first step in this direction. Proposals for improving the future programme include the reconstruction of water supply and sewerage, replacement of elevators, providing accessible architectural environment and renovation.
- 47. The [CITYnvest project](#):** features best practices in **financing energy efficiency renovation** of buildings. Bundling investments from several municipalities enable use of innovative financing schemes, In some countries it is difficult to issue tenders on behalf of several local authorities to prepare bankable building renovation projects. The CITYnvest project suggests a good

legislative framework to empower municipalities and regions to use the innovative financing instruments. One such an examples is an off-balance ESCO financing<sup>1</sup>.

**48. The City of Oslo in 2019 opened the world's first emission-free construction site.** All machinery on the site, laced in the city centre, was electric, connected to the grid. The solutions applied and the formulation of the tender was based on an extensive dialogue with different actors in the construction industry. Other cities and counties are now preparing to have similar tenders.

**49. CEMR has also compiled responses and experiences on barriers on the future proposal on the "Renovation wave in buildings".** Link [here](#). The Commission addressed 3 questions to stakeholders: barriers to scaling up the renovation of the building stock, most significant market pull factors, main obstacles in connecting projects and finance; how to address the specificities of some segments of the building stock; open platform under preparation. CEMR's responses were from these countries: 1) Austria; 2) Finland; 3) Germany; 4) Slovenia; 5) Sweden; 6) Scotland; 7) England; 8) The Netherlands. The full responses can be found [here](#).

#### d) Public services (including ICT)

**50. CEMR is working on digitalisation issues** covering these aspects: innovation at local level, e-government transition, user-centered services, broadband as a key infrastructure, interoperability of E-services and public data and security. LRA involvement has proved to be beneficial to both the expansion of broadband infrastructure and to create open market places for digital services.

#### e) Energy production, supply, distribution and use

**51. Energy transition In Swedish municipalities.** Municipal investment in district heating systems and their conversion from fossil fuel to bioenergy, waste heat and waste to energy have been a major contributor to Sweden's increased share of renewables from 33% in 1990 to 55% in 2018. District heating accounts for half the total heating market and is still owned by municipalities to about 60%, after a wave of privatisation in the 1990-ies. Municipalities and regions have also been early investors in hydroelectricity, wind power and solar energy. Biogas is obtained from the majority of municipal sludge treatment and LRAs have in many cases contributed to biogas production from mixed sources.

**52. Stockholm Exergi,** a 50-50 municipal and privately owned enterprise, has adopted a strategy to become [climate positive 2025](#), with existing pilots and plans for large scale [negative emissions](#) from both BECCS (bio energy carbon capture and storage) and bio charcoal produced from garden waste and used to increase land fertility.

**53. The Orkney Islands 'Surf and Turf'** is an innovative community project making **hydrogen** from water and surplus electricity from wind and tidal energy. Hydrogen is than used to avoid grid limitations and supply important local demand, like the inter-island ferries. The local authority has provided financial and logistical support – through its roles in public transport, education and in promoting Orkney's clean energy opportunities.

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<sup>1</sup> As a result on keeping ESCO model on the balance, LRA will not get permission from financial supervisory bodies for their investments, since this model is now interpreted as increasing public debt.

**54. Many German cities** are transforming their heat supply. In Mannheim, over 120,000 households are supplied with heat and power from energy from waste. They also plan to expand the biomass power plant in Mannheim with heat extraction. Moreover, in Duisburg the power from the energy from the waste plant is used to produce hydrogen energy for later usage for mobility purposes (waste collection vehicles).

**55. Spatial energy planning** is developed by Graz, Salzburg, Styria and Vienna, aiming to secure district heating supply and transform to renewable energy sources. Spatial energy planning is a cross-cutting issue that involves municipalities, regions and the federal level, and affects numerous different laws (construction regulations, regional planning law, urban and local image protection etc.) Coordinated framework conditions and appropriate data bases must be provided for successful implementation. [Link](#)

**56. Energy Park Fife in Scotland** is a world leading **engineering and research zone** within the renewable energy sector. The location by the North Sea is ideally suited for a range of marine energy activities, in particular; manufacturing, fabrication and engineering, research & development and operations and maintenance. A joint venture between Scottish Enterprise and Fife Council, Energy Park Fife encompasses a 55 hectares engineering site, docks, business park, low carbon investment park and Scotland's largest open access wind turbine. Fife Council is also leading the Levenmouth Community Energy Project. Situated on one of Europe's largest former coal export docks, the project showcases clean alternatives such as hydrogen for power supplies and transport. It also looks to increase economic growth and reduce fuel poverty locally.

**57. The German County of Schmalkalden-Meiningen: Photovoltaic systems and many other measures for renewable energy and energy efficiency:** Climate protection has long been a top priority in the Thuringian county of Schmalkalden-Meiningen. The county has lead by example in the fields of solar energy, geothermal energy, bio-energy, combined heat and power generation, electromobility, the energetic recycling of household, bulky and commercial waste as well as the implementation of sustainable energy efficiency measures in the electricity, heating and transport sectors. In addition, the county administration offers both services and subsidies. The county ENERGIE working group has since 2001 given advise to the county and its municipalities, as well as to entrepreneurs and citizens. It publishes an energy saving guide for construction and renovation with energy saving. A county energy conference is organized biannually, to present trends, best practice and funding opportunities, also including an energy savings prize. From 2020 public events are arranged in cooperation with the academy, on tax law problems for renewable energy generation. The county administration has checked all its roof area for solar suitability and since 2004 rented roofs or installed PV systems itself. The output of all current 31 systems is 1,310 kilowatts peak (kWp). The PV-systems on educational institutions and sports halls give a practical demonstration of climate protection for children and young people. Total CO2 reduction is almost 1,000 tons per year, and will generate a substantial financial surplus during its operation. All measures and activities on energy efficiency and renewable energy also minimize energy dependency and increase regional added value and employment. Other successful examples from German regions include: work with bio-energy, building automation and control systems, LED-lighting, subsidized energy counselling etc.

#### f) Public procurement as a tool for sustainability

**58. ÖkoKauf Wien:** was established as early as 1998 as a competence network for the promotion of sustainable public procurement and has been an integral part of Vienna's Environmental Protection Department (MA 22) since 2012. The programme regularly prepares and updates criteria that are binding for persons in charge of procurement and is also a consulting and

awareness-raising programme. The city uses its market power to influence suppliers and producers. Since the first internal evaluation in 2008 the programme has showed savings in both CO2-emissions and costs. [www.oekokauf.wien.at](http://www.oekokauf.wien.at).

59. The **city of Dortmund** in Germany is committed to the sustainable development goals and the sub-targets of fair and ethical trade. Staff is trained to apply a standardised basis for action when it comes to public procurement, including aspects such as environmental protection, energy efficiency and ILO-core labour standards. Dortmund has received several awards for its concept, among others the EU Trade City Award 2018. The city also hosts the Trade day for sustainable procurement.
60. **KEINO competence centre for public procurement in Finland** is working towards increasing the number of strategic, sustainable and innovative procurements: KEINO is formed by a strategic partnership between six organisations including the Association of Finnish Local and Regional Authorities, Business Finland and Agencies for technical Research, innovation and environment and Hansel Ltd, a central purchasing body for central and local governments). The centre assists contracting entities in developing tools for managing and measuring sustainable public procurement. Ambitious 'buyers' groups' for co-creation of strategic procurement practices are set in key fields such as, construction and the built environment, mobility and logistics, bio and circular economy. KEINO change agents bring activities and support closer to local public procurers. [Link](#)
61. **SKL Kommentus** is a procurement agency owned by Sweden's municipalities and regions. It's purchasing centre administers a broad selection of about 140 framework agreements for products and services that can be used by all customers (covering roughly 5-10% of LRA procurement). Generally and when relevant these include environmental and social criteria and demands to drive the market. Product categories include energy efficient residential and preschool buildings, PV-cells, light sources, vehicles, fuels, ICT-equipment, single-use articles, play material etc. An important part of the work is to follow up on social and environmental demands on producers globally, and increasingly on chemical content by testing products in cooperation with other public procurers. A starting point for both SKL Kommentus and individual municipalities and regions is the sustainability criteria available in more than 50 product groups from the [National Agency for Public Procurement](#) .
62. **Danish SKI** is a procurement agency established 1994 by the Danish municipalities and the Danish Government. As a not-for-profit company any profits are invested in developing more and better framework agreements. The SKI's aim is to ensure that each assignment goes to the supplier with the most competitive offer - in terms of both quality and price. More information [here](#).
63. **AICCRE**: Ministry of the environment, Italy. Green Public Procurement: a strategic tool for relaunching a sustainable economy, mandatory since 2016: [https://www.minambiente.it/sites/default/files/archivio/allegati/GPP/Gpp\\_opuscolo.pdf](https://www.minambiente.it/sites/default/files/archivio/allegati/GPP/Gpp_opuscolo.pdf)

#### g) Waste management and a more circular economy

64. Many German cities and their waste utilities are active in educational work around waste. The "klimafuchs" initiative in the city of Hamburg for instance is focused on teaching conscious behavior as regards littering and waste from a young age on and addresses kindergartens specifically. The "Kunterbuntes Müllmobil" (colorful garbage truck) from the city cleaning is also part of many events where children get to collect bio waste and dispose of it themselves.



65. A circular economy guide for Nordic municipalities features 40 examples, on reusing products, building material and other resources, supporting business development and promoting jobs and education. [Link to report](#) with a summary in English. Among these examples is **ReTuna, the world's first second hand shopping center**, outside the city of Eskilstuna in Sweden. ReTuna is located near a recycling station where staff sort out what could be resold and repaired or reconditioned if any of the many shops choose to. The center also arranges training on sustainability and cooperates with a near-by college. and [www.retuna.se](http://www.retuna.se).
66. **Waste to energy** in Vienna is operating since 1963 and presently provides heating and hot water for around a third of the city's apartments. In the City of Linz the waste incineration plant is operating since 2012 to recover energy from regionally accumulated waste fractions and to diversify the fuel for the production of electricity and district heating. In Sweden around a quarter of the energy in district heating and CHP comes from solid waste. This does not need to be in conflict with increasing recycling, with local energy companies such as Stockholm Exergi presently investing in new advanced sorting facilities.
67. **CEMR** as an umbrella organisation, has, on a voluntary basis and with the support of its members, adopted a "[Sustainability checklist](#)" to apply within the organisation, for events, services, transport, awareness-raising etc. And our individual associations are also committing this one or similar guides/actions.

## h) Enabling financial frameworks

68. **Kommuninvest** is a credit institution jointly owned by almost all Swedish municipalities and regions, providing lower borrowing costs by leveraging explicit mutual guarantee arrangements. Similar institutions exist in all the Nordic countries. **In** the first half of 2020 committed green loans exceed 6 billion Euros, a green loan ratio of about 10 %, with 9 **green bonds** issued bundling more than 360 smaller and larger projects in more than half of Swedish LRAs. A significant share is buildings with stricter demands on energy performance than national building regulation, and plans are made for introducing CO2-demands on the building process and materials. See Green Bonds Impact Report Dec 2019 [direct link](#). A joint Nordic Public Sectors Issuers Position Paper on Green Bonds Impact Reporting has been developed. It is available at [www.kommunalbanken.no](http://www.kommunalbanken.no), [www.kommuninvest.se](http://www.kommuninvest.se), [www.munifin.fi](http://www.munifin.fi) or [direct link](#).
69. **CEMR** has been involved with EPSU in the [project "Localising the European Semester" 2018-2020](#)". The final declaration is available in the website. looked at new ways to establish or reinforce existing channels that allow the involvement of social partners in the yearly mechanism of the European Semester. This project received the financial support of the European Commission. The overall goal of this project was to strengthen the role of European and national social partners of local and regional authorities in the decision-making process of the European Semester. Also, it increased their involvement in the discussion concerning different outcomes of the Semester: Annual Sustainable Growth Strategy, Country Reports, National Reform Programmes, and Country Specific Recommendations. Useful reference of the **UK government** strategy ([Paper from ARUP](#) on climate emergency).

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**About CEMR:** CEMR is the broadest organisation of local and regional governments in Europe, with over 60 national associations of municipalities and regions from 41 European countries. These represent some 130,000 local and regional governments. CEMR's objectives are twofold: to influence European legislation on behalf of local and regional governments and to provide a platform for exchange between its member associations and their elected officials and experts. Moreover, CEMR is the European section of United Cities and Local Governments, the worldwide organisation of local government.

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