

“ Making a commitment to urban sustainable energy ”



A democratic commitment



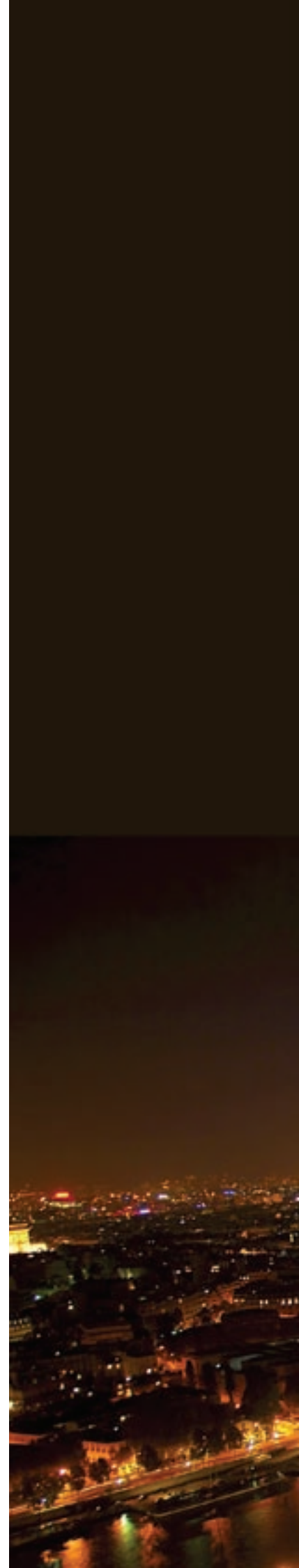
The Covenant of Mayors offers cities a democratic response to climate change. Tackling climate change at city level goes together with the creation of local jobs and increased quality of life for citizens, the original concept of the city as the *raison d'être* of policy and as the natural space for debate and joint action. Taking action at local level allows for problem-solving approaches – turning climate change into an opportunity for local decision-makers. Moreover, cities are less subject to ideological confrontation and more to finding practical co-operative solutions – nearly all the cities that had signed up to the Covenant by the beginning of 2009 did so by unanimous decision of the councils involved.

Making real progress now on the development of smart, energy efficient cities must be one of Europe's highest energy, sustainability and social priorities. It is certainly at the very top of the agenda of Europe's Energy Policy and will remain so.



Andris Piebalgs

European Commissioner for Energy



‘Tackling climate change in a coherent way’

Fighting climate change at city level

The EU is leading the fight against climate change as one of its top priorities. It has introduced the most ambitious targets of their kind in the form of the ‘20-20-20 by 2020’ initiative within the ‘Climate Action and Renewable Energy Package’. As a result, Member States are committed to curbing their CO₂ emissions by at least 20% by 2020. The Covenant of Mayors takes this one step further through a voluntary agreement to go beyond these targets.

Cities are privileged places where it is possible to find multicultural, cross-sector solutions and where the necessary conciliation between private and public interests may be found. The climate challenge can only be tackled with holistic, integrated, long-term approaches, based on citizen participation. Local governments must become leading actors for implementing sustainable energy policies, and must be recognised and supported in their effort.

While coordination from European institutions and Member State governments is vital, local authorities have a key role in mitigating climate change. Over half of greenhouse gas emissions are created in and by cities. And 80% of the population lives and works in cities, where up to 80% of energy is consumed. Mayors often have better control than national governments over issues influencing their cities. Moreover, they can address the challenges in a coherent way, be it development of alternative energy or pollution control, energy management or changes in behaviour by public authorities and citizens.



Encouraging cities to act



The Covenant of Mayors

The formal commitment by the signatory city councils to go beyond the EU objectives in terms of CO₂ reduction, through the implementation of sustainable energy action plans with concrete measures.



On behalf of the European Commission, Energy Commissioner Andris Piebalgs proposed a Covenant of Mayors to bring together European local leaders in a voluntary effort to contribute to the achievement of the ambitious EU targets. After wide consultation, many European cities expressed their willingness to join the Covenant of Mayors.

Signatories to the Covenant commit to submitting their local Sustainable Energy Action Plans (SEAPs) within the year following adhesion. These cities are then expected to provide periodic public reports outlining the progress of their Action Plans. Signatories accept termination of their involvement in the Covenant in case of non-compliance.

Cities also commit to allocating sufficient human resources to the tasks, mobilising society in their geographical areas to take part in the implementation of the action plan, including organisation of local energy days, and networking with other cities.

Commitments by the Commission

Prior to any formal decision by cities to sign up to the Covenant of Mayors, the European Commission committed to recognising cities involved in the Covenant and provide for their public visibility. The Commission implemented and is funding the Covenant of Mayors Office, which provides technical and promotional support, including implementation of evaluation and monitoring tools, mechanisms to facilitate sharing of know-how between territories and tools to facilitate replication and multiplication of successful measures.

The Commission committed as well to providing guidelines and benchmark examples for possible implementation of the Mayor's commitment in practice and to link to existing activities and networks that support the role of local government in the field of climate protection. The European Commission Joint Research Centre (JRC) will take on these tasks, in close collaboration with the Covenant Office. The Commission also invites other actors to become involved in the Covenant of Mayors as supporting structures and Benchmarks of Excellence.

Negotiations with key players also ensured their contribution to the Covenant:

- **The EU Committee of the Regions expressed full support since the initiative's inception, contributing decisively to the Covenant layout, as well as its promotion;**
- **The European Parliament hosts the Conference of Mayors; and**
- **The European Investment Bank is fully involved in the Covenant and the launch – with Commission funding through the Intelligent Energy Europe programme – of technical-assistance facilities to speed definition and implementation of financial instruments adapted to city needs.**

Providing
visibility
and support
to signatory
cities

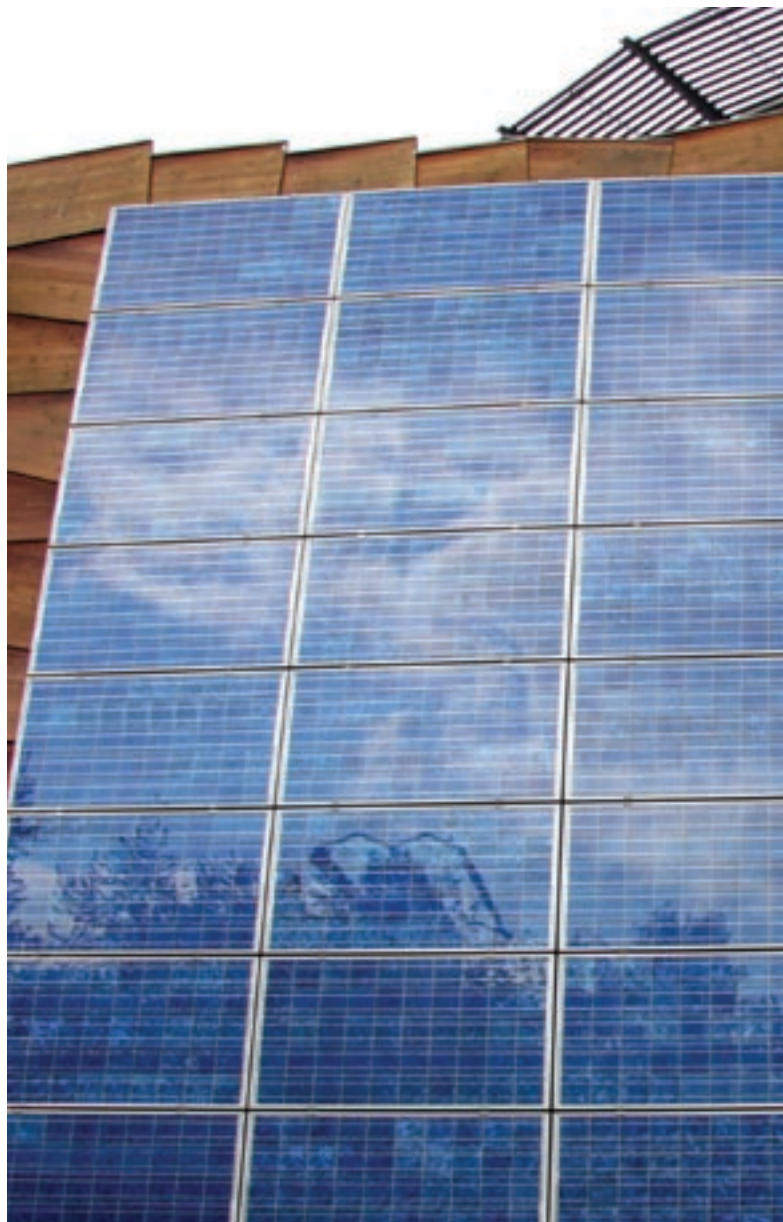


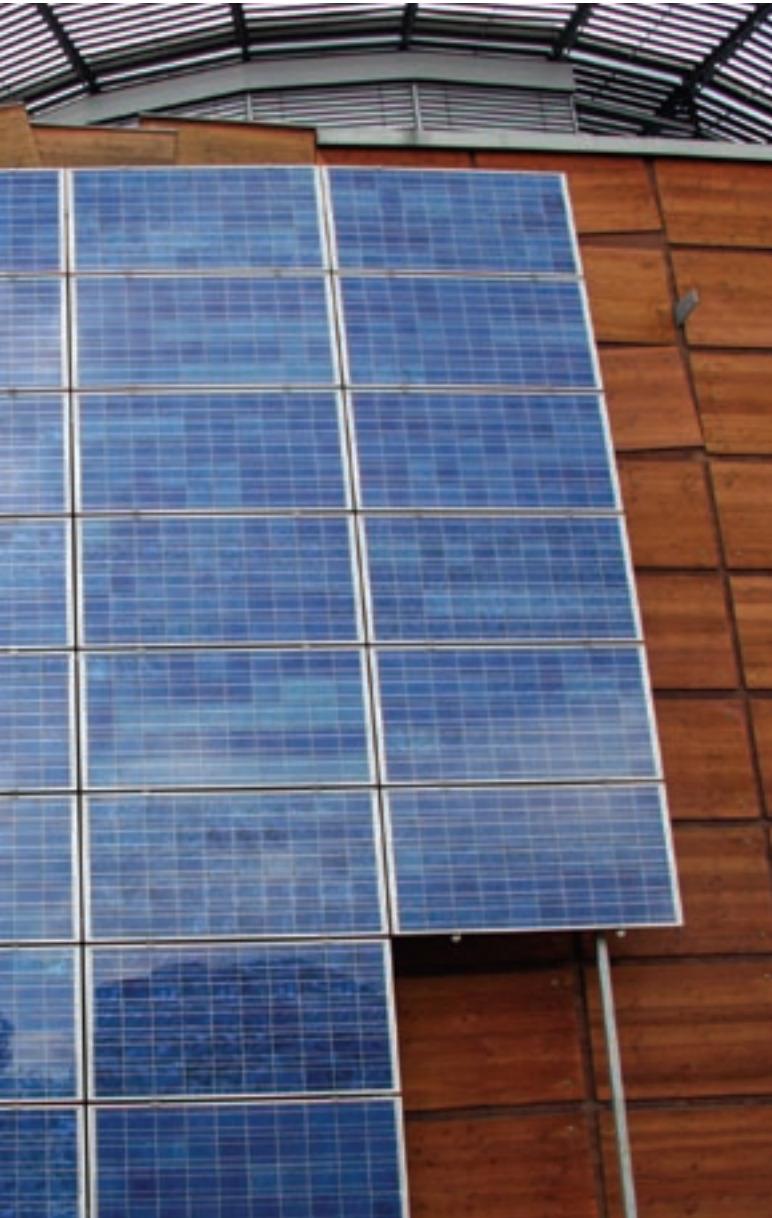
Ensuring coordination and support

The Covenant of Mayors Office

The Covenant of Mayors Office is the core element of the initiative. Funded through the Intelligent Energy Europe programme, it consists of a dedicated team of professionals that will:

- Facilitate networking activities within the Covenant and with organisations and networks external to it, through exchange of experience and joint initiatives;
- Support the promotion of the Covenant of Mayors through a number of means: website, annual event, promotional material, media activity and participation in events;
- Monitor, from an operational and technical point of view, the implementation of the Covenant by the participating cities;
- Provide technical support to interested cities to facilitate and register their adhesion to the Covenant;
- Support the liaison with other actors in the Covenant, namely national/regional/local supporting structures, networks of cities and regions, and Benchmarks of Excellence; and
- Support the liaison with other relevant EU initiatives and policies assisting the deployment of sustainable energy solutions in an urban context, exploiting possible synergies of action.





Scientific and technical advice

The preparation of Action Plans and reports is extremely demanding for many cities in terms of technical and scientific skills. The JRC will provide support to cities by undertaking a number of important tasks: operating a technical helpdesk service in co-ordination with the Covenant Office, researching existing methodologies and tools, providing guidelines for drafting action plans and evaluation tools to provide feedback to the cities, and assisting in the selection of Benchmarks of Excellence.

Benchmarks of Excellence

Benchmarks of Excellence are initiatives and programmes which represent a worldwide model of successful implementation of sustainable energy development concepts in urban settings. Any private or public body that has developed such programme or initiative in at least one city and is endorsed by the mayor of a city having signed up to the Covenant is eligible to apply to become a Benchmark of Excellence to the Covenant of Mayors. Proposals are evaluated by Commission Services; then the Commission negotiates a dissemination and promotion programme targeted towards interested cities with the companies or other entities behind the Benchmark of Excellence.



Institutional and funding support

Supporting Structures

The Covenant of Mayors is open to cities of all sizes. Cities and towns too small to have the resources to prepare an inventory – or work on and draft an action plan – should be supported by administrations with such capacities. These Supporting Structures can be regions, counties, provinces, agglomerations, NUTS III areas or mentor cities.

Supporting Structures are public administrations able to provide strategic guidance and technical support to municipalities with the political will to sign up to the Covenant, but lacking the skills and/or resources to prepare and approve Sustainable Energy Action Plans. The Supporting Structures also keep a close contact with the Commission to ensure the best possible implementation of the Covenant.

Supporting Structures are key allies for the Commission in conveying the message and increasing the impact of the Covenant. Their tasks include typically:

- **Promoting accession to the Covenant of Mayors among municipalities in their area and providing support and coordination to those municipalities signing up;**
- **Providing financial support or opportunities to the municipalities for expenditure related to the preparation of Sustainable Energy Action Plans;**
- **Supporting implementation of the Action Plans and organisation of local energy days to raise awareness; and**
- **Reporting regularly to the Commission on the results obtained and participating in the strategic implementation of the Covenant.**

European Investment Bank funding

The European Commission funds the European Investment Bank (EIB) Project Development Facility for the Covenant of Mayors through the Intelligent Energy Europe programme. The facility aims to accelerate introduction of sustainable energy in the cities involved in the Covenant by:

- **Encouraging and helping project promoters identify and prepare bankable projects;**
- **Improving access to equity and credit markets, maximising investment leverage from available budgetary resources; and**
- **Reducing transaction costs, notably by bundling small investments into more economic packages/portfolios.**

The EIB has developed several financial instruments that can support this initiative:

- **Individual loans to finance large projects – or groups of projects promoted/ implemented by the same entity;**
- **Instruments to finance small investments – these can be EIB loans to financial intermediaries for lending-on to individual promoters or framework or investment loans to other entities, such as municipalities, for their investment programmes;**
- **Combining grants with loans, when subsidies are available and needed to overcome specific barriers; and**
- **JASPERS and JESSICA – in the new Member States – can support the development of specific initiatives of Covenant cities if required by a Member State. In particular, JESSICA can help to finance investments identified in the Action Plans through the creation of urban revolving funds.**

Intelligent Energy Europe programme

The objective of the Intelligent Energy Europe II (IEE II) Programme is to contribute to secure, sustainable and competitively priced energy for Europe by providing for action to:

- **Foster energy efficiency and rational use of energy resources,**
- **Increase the use of renewable energy sources;**
- **Support energy diversification; and**
- **Promote energy efficiency and use of new and renewable energy sources in transport.**

The 2009 work programme provides for dedicated actions on European networking for local action and on sustainable energy communities to provide support for promotional and preparatory activities linked to the Covenant of Mayors. A budget of €10.5 million has been proposed by the Commission.

Looking to the future

Funding

Funding needs are huge to cover the investments associated with reducing the climate impact of cities while creating jobs, improving quality of life and updating infrastructure. All financial instruments and sources need to be addressed. Most of the money will in all likelihood come from national and local budgets and public/private partnerships, but other actors are essential to mobilise resources.

The Commission will continue endeavours to involve other international financial institutions in the Covenant of Mayors, as well as to negotiate better terms for the involvement of national and local banks. The development of new financial instruments adapted to the needs of the cities will be a major priority.

Funding for activities related to the Covenant will continue to come from the Intelligent Energy Europe programme, within the scope of its budget availability, until at least 2013. Present and future developments of the EU research Framework Programme, such as the CONCERTO and CIVITAS initiatives will produce the necessary technology input for urban technologies. Initiatives such as the programmes on information and communications technology for energy efficiency or specific regional programmes will increase their local focus.

The Commission will also continue to recommend more favourable terms to Member States concerning the Structural Funds in terms of resource allocation for sustainable energy at local level. The discussions on the accession of local authorities to emission trade mechanisms and funds will also continue.

Development of the Covenant of Mayors requires an open-minded approach, intent on debating and learning, humble on today's achievements, conscious of the social and moral values in its background and very ambitious in its long-term vision.

Global dimension

Many cities around the world are following Covenant developments closely. Some have expressed interest in approaching the Covenant and creating permanent links to the European cities concerned; others have even signed up to the Covenant, which is indeed open to any democratic city willing to commit to its conditions.

The capacity of local actors to contribute to the conclusion of agreements at the United Nations Framework Convention on Climate Change (UNFCCC) Conferences of the Parties, by committing on their own to achieve specific objectives, cannot be underestimated. The positive role of local authorities, which can see opportunities where the national governments see threats when discussing climate-change mitigation, can become a major factor for going ahead.

Therefore the global dimension of the Covenant of Mayors deserves further dedication and discussion. Europe can offer, together with its commitment at EU level, the voluntary initiative of its cities to create a momentum for peaceful and democratic solutions to the climate challenges.



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