# Opinion of the European Committee of the Regions - The European Climate Pact

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## POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

### On achieving the European Green Deal's objectives in the post-COVID-19 era

1. welcomes the proposal of the Commission to establish the European Climate Pact aimed at engaging citizens and their communities in designing climate and environmental actions through concrete actions on the ground, encouraging open dialogue with all actors, building synergies, fostering capacities and triggering climate actions; believes that the Pact should be developed as an innovative governance instrument to allow for two-way communication, cooperation and information exchange across levels, sectors and territories to improve the effectiveness and the legitimacy of the EU's climate policy;

2. recalls that a 'pact' commonly refers to an undertaking between equal partners for joint or mutual benefit and the achievement of common aims; therefore reiterates that local and regional authorities stand ready to work in partnership with the EU institutions, Member States and all relevant stakeholders under the Climate Pact to jointly pursue the aims of climate neutrality and the implementation of the UN Sustainable Development Goals. The common approach of the Pact should however not discard the existing variety of challenges caused by climate change to different areas of the EU; the common aims should therefore reflect the specific geographical needs also based on a systematic assessment of these needs and characteristics;

3. underlines the fact that the COVID-19 pandemic, and the economic crisis it is causing, will probably force us to complete the original vision of the Climate Pact. Insists, however, that the European Commission and the Member States have to ensure that the current crisis does not slow down, but should rather be used as an opportunity to accelerate the necessary transformation of the European Union towards climate neutrality this includes setting the goal of  $CO_2$  reduction until 2030 to at least 55 %;

4. reiterates its commitment to the 17 United Nations Sustainable Development Goals (SDGs) being treated as an integral part of the Green Deal, and endorses the UN's position of understanding the social dimension as an integral aspect of sustainability in addition to climate protection and nature conservation measures. The prospect of social inclusion must be guaranteed for the entire European population. As well as social security, this concerns in particular gender equality, access to high-quality education and the guarantee of a healthy existence for people of every age; meanwhile it is to be underlined that a commitment to the 17 SDGs includes cooperating with our partners outside the EU on the basis of these same values;

5. stresses that the Climate Pact should be first of all an enabler for cooperation between the LRAs and the European institutions. It should serve as an innovative governance tool, to develop ideas, channel field information into the EU decision-making process, improve implementation of EU policies and coordinate action to combat climate change, while simultaneously tackling the economic crisis caused by the COVID-19 pandemic. Measures to stimulate the economy should foster both the resilience of societies and the decarbonisation of the economy with the aim of reaching climate neutrality by 2050 at the latest. All policies to be developed should be analysed for their impact on the climate and the environment;

6. highlights that the Climate Pact should boost the commitments already signed at local level by local actors (SMEs, schools, local authorities, universities, etc.) and generate new commitments to make Europe the first climate-neutral continent by 2050;

7. underlines therefore that the Climate Pact should also act as an 'umbrella' initiative with its own branding for the existing and future local climate pacts (<sup>1</sup>) or locally driven partnerships, working towards clear climate goals with civil society, businesses and other relevant stakeholders. It should help to create citizens' support for climate policies, facilitate exchanges of best practices, replication and scale up of the most successful European initiatives, and stimulate the creation of local climate pacts across the EU;

8. welcomes the Commission's express commitment to pay particular attention to the outermost regions under the European Green Deal, taking into account their vulnerability to climate change and natural disasters, as well as their unique assets, such as biodiversity and renewable energy sources, and strongly hopes that specific measures to this effect will be adopted;

9. reiterates its commitment to supporting the Commission and LRAs in the successful implementation of the Green Deal and particularly in making the Climate Pact a strong tool to assist LRAs in this ambitious project and grant them a proactive role; points out that this innovative transversal approach of the Green Deal and the economic recovery requires a brand new approach to capacity-building in LRAs, targeting all sectors and pushing for more integrated management. The Climate Pact should be the opportunity to create a Green Deal culture all across LRAs and build citizens' awareness of, and involvement in, all the concerned policy areas;

10. highlights how the ongoing health emergency related to the COVID-19 pandemic is showing all over Europe, once again, the role of LRAs as crucial decision-makers and providers of public services in ensuring a first-line response to local needs and challenges, not least in periods of global emergency. Points out that local communities and their citizens should resume their role, disrupted by growing globalisation and industrialisation, too often built on an unsustainable use of limited resources by becoming key partners in designing climate actions and protecting and restoring their environment;

11. suggests using examples of best practice in local and regional climate change approaches – such as the worldwide Under2 Coalition group of subnational authorities, which brings together more than 220 provincial governments, regions and municipalities – to take advantage of the knowledge already gained in devising long-term climate strategies, and to see the comparing of experiences with successful methods, innovative approaches and valuable insights from such initiatives as an integral part of the Climate Pact;

12. welcomes the EC Communications on The EU budget powering the recovery plan for Europe and Europe's moment: Repair and Prepare for the Next Generation and reiterates its support for the European climate neutrality policy, considered an indispensable and frontrunner policy aimed at ensuring a sustainable future for Europe. In the context of the ongoing pandemic, climate neutrality policy and territorial resilience, must become the backbone of a climate-neutral recovery strategy, ensuring that all funds invested in the recovery of Europe's economies also strongly contribute to accelerating the transition to climate neutrality biodiversity protection and increasing territorial resilience within the foreseen framework;

<sup>(1)</sup> Please see for example local climate pacts in cities such as Stockholm, Rotterdam, Amsterdam and Nantes.

13. reiterates that well-designed policies aimed at tackling climate change can open up economic opportunities: according to the Commission, achieving climate neutrality could lead to a 2 % increase in the EU's GDP by 2050, to savings of around EUR 200 billion/year in avoided health costs, and to the creation of one million jobs in the green economy; these opportunities are likely to be even more relevant in the light of the emerging links between the current pandemic and the risk of future ones, and environmental degradation, loss of biodiversity and the effects of climate change. Therefore welcomes the fact that the Climate Pact will have tree-planting, nature regeneration and greening of urban areas as one of its priority actions and calls to include also green infrastructure as well as actions aimed at saving water and ensuring circularity in the water economy;

14. emphasises that in the extraordinary circumstances in which we find ourselves as the result of a pandemic, there is a need not to leave any citizen behind. Now, more than ever, both climate actions and recovery instruments need to reach both cities and rural areas, as well as all sectors of the economy, focusing in particular on the traditional production sectors that have suffered most as a result of the measures to combat the COVID-19 pandemic. Welcomes in this context the announced Renovation Wave initiative aiming at improving energy efficiency of public and private buildings while providing jobs and boosting the construction sector;

15. stresses that LRAs should have direct access to European funds (from the European budget as well as from other European financial institutions such as the EIB) for both recovery from the economic crisis caused by the COVID-19 pandemic and for combating the climate crisis. More specifically, additional instruments granting a direct access to the EU funds such as the European City Facility under the Horizon 2020 Programme, Urban Innovative Actions under the ERDF (art. 8) or the future European Urban Initiative-post 2020 under the ERDF/CF Regulation (art. 10), should be set up, especially for the Green Deal projects;

16. considers, in this context, that the Climate Pact should promote direct access to the EU funds for LRAs for their sustainable actions under the new Multi-Annual Financial Framework in line with the principle of subsidiarity. Specifically, asks for direct access to the resources allocated in the CEF framework. In this regard, calls also for 10 % of the new ERDF to be designated to Sustainable Urban Development. Proposes a development of the Climate Neutrality Policy with its own budget within the future MFF, similar to the Agricultural or Regional policies, and with direct access to funds for cities and regions choosing the green path of recovery;

17. agrees with the conclusions of the mission board of the 'Climate-neutral and smart cities' under Horizon Europe, to further support and promote 100 European cities in their systemic transformation towards climate-neutrality by 2030, making use of funds of both Horizon Europe, the European Structural and Investment funds, the Just Transition Fund, the Important Projects of Common European Interest, Invest EU and other EU instruments;

18. The CoR and the EIB should be close partners of Climate Pact members and support the Commission in making it fit for purpose and accessible to all LRAs, regardless of their size, geographical situation or socioeconomic background;

19. invites the Commission to reconsider the focus areas with a view to aligning the Climate Pact and the climate-neutral recovery strategy: the Climate Pact should focus on a broader range of actions, depending on the projects being ready for implementation and the specific needs of the different local communities;

20. points out that the signatories to the Covenant of Mayors have in their Sustainable Energy and Climate Action Plans an impressive set of actions that could be funded and implemented straight away and that many other forms of climate and environment-related cooperation of local and regional authorities and individual local and regional authorities have similar plans that could be considered for the same purpose; the CoR stands ready to further support the development of this initiative working together with the European Commission and the Covenant of Mayors Office towards a reinforced political backing and a stronger embedment of the Covenant in the national energy and climate frameworks; 21. stresses that LRAs support an ambitious transition to clean, affordable and secure energy and proposes the promotion of a permanent Multi-level Green Deal Dialogue with LRAs and other stakeholders in the context of, and with the tools of the Climate Pact;

22. considers that accessibility of clean energy meets two central challenges: it needs to be competitive in price and easily available; while the technical evolution shortens the cost gap with other energy sources, LRAs are key in facilitating proper access to the right infrastructure. This is why a fast-track access to financial support for local and regional authorities committed to climate mitigation and adaptation actions is needed; the Climate Pact should help in understanding the key needs of local and regional authorities in different circumstances and develop the appropriate tools, based on their experience, for support from the EU level. In this context, the CoR stands ready to cooperate on concrete actions and initiatives with the EC and the LRAs in order to improve the access to clean energy across the EU;

23. suggests that the Climate Pact should have the Renovation Wave initiative as one of the crucial focuses, which has the potential to be one of the key elements for a sustainable recovery as announced in the EC Communication on the Europe's moment: Repair and Prepare for the Next Generation; in this area, it is particularly important to create joint initiatives of the public and the private sector, and LRAs are in a key position to inform citizens of the benefits and existing support tools for the renovation of their houses, leading by example, connecting and supporting local businesses with the necessary expertise at different levels, and developing tools to access national or EU financial assistance; moreover, LRAs should lead by example in the renovation of public buildings and promoting in particular the energetic renovation of social housing and other publicly owned housing;

24. draws attention to the fact that since local and regional levels are at the beginning (bio-based economy regions) and at the end of a sustainable and circular economy (waste management, recycling) they should be included in the development of related policies and their implementation; emphasises that for this reason, and because of the particular salience of these issues for citizens and businesses, the Climate Pact can be used to highlight the concrete areas in need of support;

25. calls furthermore for a permanent dialogue mechanism between the European Commission and the European Committee of the Regions on the Renovation Wave initiative;

26. suggests that in the objective of achieving the climate neutrality goal and also as a tool for combating the economic crisis, European institutions should assist LRAs in sustainably converting public transport to electric power and other sustainable fuels by 2030;

27. considering the scope of LRAs' competences, suggests that apart from sustainable mobility, the key policy fields to be addressed in the context of the EU Climate Pact actions are energy efficiency in buildings, renewables, the circular economy (including water and waste), promotion of responsible and sustainable consumption, nature and biodiversity regeneration and the development of green and blue infrastructure, particularly in urban areas and the promotion of a form of tourism that is sustainable, welcoming and inclusive. Together with their potential for reducing GHG emissions, they will bring about opportunities for new, high quality job creation, R&D+i development and improved health and wellbeing of citizens, and what that implies, with reductions in health costs in the EU. It would also be desirable for these areas to include challenges relating to improving water retention, reducing water consumption and creating biodiversity protection zones;

28. recognises that implementation of green criteria in public procurement and conditionality of available funding related to GHG reduction effects will constitute an important incentive contributing to the necessary shift of the economic model conducive to the Green Deal goals. In this sense, the Climate Pact should foresee specific activities for developing the relevant criteria and measurements and supporting local and regional authorities (also smaller ones, where often the complexity of procurement legislation is a serious barrier to investment) in deploying them, while urging EU and national administrations to simplify rules to provide technical support wherever necessary; to develop relevant criteria and eco-design requirements, encourages the EU, the Member States and LRAs to introduce and further develop their own GHG-reduction commitments for their administrations – with the Climate Pact potentially serving as a supportive framework;

29. highlights that an increasing number of studies show the links between health and environmental protection (<sup>2</sup>), including reduction of air pollution, and urges the Commission to include the health dimension in the Green Deal framework, starting from the creation of a European strategy for Health, the Environment and Climate Change similar to the WHO strategy (<sup>3</sup>); the climate pact in its outreach to citizens and civil society should be an important tool to raise awareness about these links and build the momentum to include these dimensions in the relevant policy making at all levels;

30. proposes, in the context of the EU hydrogen strategy for a climate-neutral Europe (COM(2020) 301 final), that the Climate Pact should also support the development of a hydrogen economy using green hydrogen based on renewable energy in regions and cities (see CoR 2020/549);

31. urges all EU institutions and Member States to continue working towards an ambitious set of new Nationally Determined Contributions; it also reiterates the importance of involving EU LRAs in this process through the establishment of a system of locally determined contributions to complement the NDCs, and establishing a stronger link between local/regional, national and European ambition, starting from the work being done in the framework of the Global Covenant of Mayors. The Climate Pact could be a powerful tool in this sense;

32. highlights the crucial role of digital technologies in building a more resilient society and their potential for an overall positive impact on emissions reduction and economic recovery: considers therefore that stronger integration between the climate-neutrality transition and a sustainable digital transition should be foreseen and that the Climate Pact could be a tool to discuss and further explore the potential synergies between the two, also based on the recent experiences of LRAs in response to the health emergency;

# On awareness raising and capacity building

33. reiterates the crucial role of adaptation to climate change with a view to building resilient territories and reducing annual losses from adverse climate impacts: in this context points out the need for a set of powerful actions aimed at improving the capacity of LRAs to implement adaptation policies, starting from sustainable funding strategies and enhanced capacity-building activities. Another key issue is the possibility of monitoring progress on climate change investments at the level of cities and regions. The current scope of data in this area is limited. It urges the Commission to take these aspects into account when drafting the new EU Adaptation Strategy and to link it to the Climate Pact;

34. stresses the key role of local and regional authorities when addressing food production and land management; better nutritional trends can be encouraged through education, catering and public procurement; more sustainable food production should also take into account the employment generated, the transport of goods and the packaging; the inclusion of the agricultural sector in the Emissions Trading System should better reflect its contribution as carbon sinks;

35. points out that sustainability as a concept should embrace the importance of the occupation and management of the land, generally assured by farmers and fishermen in isolated, sparsely populated and remote areas. LRAs should facilitate the installation of new citizens in rural communities as a tool for avoiding demographic pressure on cities, rationalise public services and their cost, promote the sustainable use of land and reduce transport-related emissions; this requires assistance and targeted funding to creating the necessary infrastructure needed for remote working as well as mobility, digitalisation (access for local consumers and the marketing of their products), social and health services;

<sup>(2)</sup> https://www.eea.europa.eu/themes/human

<sup>(3)</sup> https://www.who.int/phe/publications/global-strategy/en/

36. considers that climate change disaster risk reduction policies will play an increasingly relevant role: LRAs should be supported in getting a better understanding of these policies and linking them to strengthen the overall resilience of their areas and their capacity to face emergencies;

37. points out that LRAs struggle with access to finance, which undermines the EU funds absorption rate: the Climate Pact should bridge this gap by gathering all existing supports for LRAs to find their way through EU funds and complementing them with missing information; all this information should be provided in all EU languages and should be user-friendly;

38. highlights that education should be granted a central role in creating a new culture of environment and climate protection, which entails moving towards significant societal changes: in this context, the Climate Pact could promote initiatives in cooperation with LRAs, targeting public, municipal and private educational establishments and information providers, in particular schools and Europe Direct Information Centres (EDICs) to empower them in creating this new culture. These initiatives should be interlinked with a strong push towards digitalisation, which is proving to be a crucial tool for education in these times;

39. recognises the excellence of European universities and research centres and calls on the Commission to involve them in the Climate Pact as a relevant source of knowledge and as potential strong allies in creating an effective capacity-building platform and to promote their coordination with local and regional authorities to develop collaborative pilot projects to facilitate decision-making and the sharing of successful experiences;

# On triggering action and enhancing multilateral cooperation

40. considers that the Covenant of Mayors initiative and other forms of climate and energy-related cooperation of local and regional authorities should be fine-tuned and further strengthened in order to become key tools of the Climate Pact to trigger local action: in this sense, a stronger involvement of citizens, relevant NGOs, business, research institutions and universities should be supported, moving towards a quadruple helix approach;

41. notes the strategic importance of linking national and regional dual vocational training schemes to the achievement of the European Green Deal's goals, working closely with the actors in basic education systems, higher education and research, as the best means of updating workers' skills and of finding a place for them in areas of employment geared towards combating climate change;

42. highlights the relevance of many EU initiatives targeting cities and regions under the remits of the Green Deal: nevertheless, it considers them to be under-exploited by LRAs due to the lack of a clear overview of all existing opportunities, of their characteristics and main targets. The Climate Pact platform should create such an overview, supporting LRAs in choosing the initiatives that suit them best and suggesting a gradual pathway towards climate neutrality, with communication and information for LRAs that is as accessible as possible to allow rapid implementation of measures locally: the Covenant of Mayors and other cooperation on climate and energy involving LRAs could be pivot elements of this system;

43. points out the previously expressed CoR positions, notably the inclusion of the 'digital cohesion' concept as a driver of better integration of all EU citizens, combined with specific and dedicated programmes to increase digital skills and to monitor and adapt policies. Smart city projects should be a good basis to produce capacity-building projects at a larger scale and flexible enough to adapt to diverse realities;

44. recognises the central role of peer-to-peer learning for an effective and pragmatic approach to the implementation of the Green Deal: pairings and best practice repositories, for example through initiatives like the Covenant of Mayors, can be a powerful tool to help LRAs kick-start their climate-neutral policies without having to start from scratch;

45. recognises that locally, there is a wealth of experience on co-creating policy solutions, enabling citizens' assemblies, boosting civic dialogues and fostering participatory budgeting. These experiences form a solid basis for inspiration on how to engage people directly in formulating and achieving ambitious climate goals. The Climate Pact should build on local insights by placing LRAs as facilitators for a wide range of local stakeholders and citizens;

46. points out that most local projects for energy transitions and climate protection are of a small size compared with the optimal scale of big finance: the Climate Pact could create a tool for LRAs to find partners among peers and aggregate these projects to grant them access to all funding opportunities;

47. recognises the significant potential of public-private partnership in funding the climate-neutral transition and highlights that this approach is still challenging for many LRAs: stronger guidance and support should be provided in this sense in order to ensure that all constituencies can make the most out of this opportunity;

48. points out that tackling the climate crisis implies dramatically changing our habits as citizens and consumers: in this context, the role of all the citizens as active stakeholders must be fully recognised and they need to be empowered through participatory approaches such as, for example, the living lab or through micro-grants for small-scale projects, close to where people live, through local communities and NGOs. Turning consumers into prosumers should be encouraged and adequately financially supported at all levels. Furthermore, citizens' engagement should be supported by the use of innovative technology, such as smart meters or specialised smartphone applications. The role of local and regional authorities will be key here;

### On the role of the CoR

49. commits, via its Green Deal Going Local Working Group, to promote, exchange and coordinate the efforts of local and regional authorities in the implementation of the Green Deal and to ensure swift coordination of the activities in the field of the Green Deal and Green Recovery with the European Commission and other partners;

50. invites the national associations of local and regional authorities to take an active role and be partners of the CoR and the Commission in the activities on the Green Deal: to this end, information points under the, the Climate Pact could be created at the appropriate level to convey the information and the initiatives of the Green Deal and ensure they reach all interested constituencies;

51. plans to launch the CoR4Climate Pact project to further support this important initiative. The project would include the identification of Green Deal Ambassadors, conceived to be focal points for information and dissemination of best practices related to the Green Deal including the role of the Green Deal as an accelerator for the social and economic recovery after the COVID-19 crisis. The project is planned to also include a boost on the communication on the Green Deal, both on publicly, through the CoR website, and internally towards CoR members: this communication should include the most relevant information for the LRAs to launch their local Green Deal, including funding possibilities. Finally, the CoR4Climate Pact project will be an opportunity to take stock of the Green Deal commitments of CoR members and promote peer-to-peer learning opportunities;

52. proposes the establishment of a Green Recovery Forum where the European Commission, LRAs and other stakeholders can work together on climate action: this forum could be integrated in a digital Climate Pact platform to be managed by the Commission and the CoR jointly;

53. supports the implementation and mainstreaming of a Green Oath 'do no harm' principle within the Commission's better regulation agenda and guidelines. Policy consistency and better regulation are essential to deliver efficient and timely legislation that brings added value to citizens, It is therefore important that citizens, stakeholders and all levels of governance can contribute to the development of the right legislation for the right purpose The better regulation toolbox and guidelines have to be employed to reach the climate-neutrality objective;

54. stresses the Climate Pact is a great opportunity to implement the principle of active subsidiarity, as the very objectives of the pact coincide greatly with the main aim of the active subsidiarity approach — developing an inclusive and constructive way of working that fully uses the potential of the Union's multi-layered democratic and governance framework;

55. underlines that the EU must act as a global leader in the battle against climate change, promoting ambitious standards and goals to neighbouring countries and other major emitters; in this regard points out the initiatives of the CoR, such as the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP), the Euro-Mediterranean Regional and Local Assembly (ARLEM) and decentralised cooperation including the Nicosia initiative of cooperation with Libyan mayors, that could use the tools and methodologies to be developed under the Climate Pact to support the LRAs of neighbouring countries in exchanging, adopting and implementing best practices for a more sustainable and green economy;

56. taking into account the crucial role of ESI Funds towards the implementation of the Green Deal, it considers that the Climate Pact should open a dialogue with Managing Authorities to ensure they are fully aware of the existing opportunities in this sense. It stands ready to cooperate with the Commission in boosting the awareness and capacities of Managing Authorities for planning and spending these funds with a view to moving towards climate neutrality through the green and just transition.

Brussels, 14 October 2020.

The President of the European Committee of the Regions Apostolos TZITZIKOSTAS