

**Günther OETTINGER**

EU Commissioner for Energy

**The Covenant of Mayors -  
Achievements and way forward**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Covenant of Mayors Ceremony

**Brussels, 4 May 2010**

## **Introduction**

It is an honour for me to meet you for the first time as Energy Commissioner. The rationale of the Covenant of Mayors is not new to me. Having been President of a region gave me an opportunity to experience the priorities in cities and regions.

Now many regions and cities are ready to face the climate change challenges. Regions and cities do it on their own initiative, in the exercise of their political legitimacy. Because of your intimate knowledge of your territories you are able to provide solutions that tackle not only climate change but also issues as social integration, creation of jobs or better quality of life.

This is, in my view, the rationale to the Covenant of Mayors: each institution assuming its own responsibility on its own, but leaning on each other to progress better and faster, a most genuine expression of good governance.

The Covenant of Mayors is fundamentally a key instrument of the EU energy policy. Cities and regions have the capacity to act on the most relevant sectors of our energy demand. If most European regions and cities joined the Covenant of Mayors, more than half of the work to attain our 20% target would be done!

You also apply the Lisbon Treaty principle of territorial cohesion. Covenant cities and regions share their know-how and make their achievements replicable.

Besides, the principle of subsidiarity is reinforced. This principle says that a problem must be tackled by those who can do it best. Who is better suited than cities and regions to fight climate change through extensive urban renovation programmes, massive installation of decentralised renewable energy, efficient local energy infrastructures? Who knows better than you how to create jobs and improve citizen well-being while making your cities cleaner and more solidary?

## **Broadening and reinforcing present action**

It is a great honour for me to assume my responsibilities towards the regional and local authorities in the Covenant. I confirm the full support of the Commission for the Covenant of Mayors, and our willingness to reinforce it. Let me mention briefly the main elements of our support:

As a first measure, I can give you assurance that the present services and facilities will be continued and reinforced.

The credibility of the Covenant is based not only on your actual actions but also on how your efforts are accounted for. As of next year, we will allocate more resources to further improvement of a sound methodological basis for your action plans and inventories of emissions.

Through the ManagEnergy initiative the Commission will contribute to build capacity among local and regional energy actors. We commit as well to support you in the organisation of local Energy Days, through the Sustainable Energy Europe Campaign.

Next year, the Covenant of Mayors will appear as a priority not only in our Intelligent Energy –Europe programme, but also in other support programmes, as it is already the case with several projects in Interreg, Life+ or the ICT programmes.

Many of you are aware that urban technologies have been added as a priority sector in the Sustainable Energy Technology Plan. A proposal for a dedicated initiative within the Research and Technology Framework Programme, Smart Cities, is now in a brainstorming phase. I hope that by next year we will have a concept for Smart Cities that will respond to your expectations and for which we will seek appropriate funding under the new Financial Perspectives.

ELENA is the first financial instrument that was devised having the Covenant of Mayors in mind. A few minutes ago we witnessed the signature of the first ELENA contract. I am confident that the EIB will mobilise close to 2 billion € before the end of this year. Considering this success, and counting on the active support of the Member States, I can announce you that ELENA will continue and be reinforced not only in the next years. We also intend to consider new financial instruments that are adapted to the needs and advantages of cities: for instance, carbon-funding instruments or revolving funds.

I have also instructed my services to reinforce the co-operation with regional and national administrations, that support both in technical and financial terms the implementation of the Covenant in smaller cities. I thank the numerous regions that are already contributing, and would like to recognise the contribution of the Dutch government, the first Member State to extend the support to the Covenant to the whole country. I look forward to sign many more agreements in the immediate future.

Let me mention as well the global dimension of the Covenant of Mayors. I am just coming back from China, where I could see how interested the Chinese government and its cities are in the Covenant. I look with sympathy to the intention of several cities in South America to launch a Latin-American chapter of the Covenant. We respond to those demands in the best possible way. For instance, this year the Commission will launch a decision to provide technical assistance for the extension of the Covenant in European Neighbourhood Policy countries.

All these elements show the interest of this grassroots movement, which finds allies all over the world and should be a strong support for our international co-operation policy.

### **Brand new proposals**

When taking office, three months ago, I became aware that continuing and reinforcing the present schemes was not enough. We needed to find new resources and supporting instruments. I have the honour of announcing you two new initiatives that, if approved, should provide strong support to the regional and local authorities.

First, I have requested the Commission services to produce a new Energy Efficiency Strategy for Europe. I have highlighted that we need to include a chapter dedicated to regional and local actors, with specific measures and programmes. The new Strategy will not only recognise the crucial role you play to achieve our targets, but also include proposals to support you. I would like to use this occasion to invite all of you to provide your ideas and opinions.

The second initiative concerns new financial resources. I am glad to inform you that I intend to propose to my colleagues in the Commission the re-utilisation of unspent funds in the European Economic Recovery package for sustainable energy developments at regional and local level. The amounts available are not yet confirmed, but a minimum of 115 million € is available, which could increase until the end of the year. Based on recent successful programmes, those amounts would constitute a fund that would be used with the aim of maximising leverage factors. The EU contributions must catalyse mobilisation of funds for investments amounting to between 2.5 billion € and 8 billion € . The experience gained will be critical in designing the next generation of programmes under the new financial perspective.

We count on the formal commitment of the European Investment Bank and other major financial institutions as the EBRD, the Council of Europe Bank or KfW to provide the funding.

I have put high expectations to the impact of this instruments not only on the achievement of our sustainable energy targets but also as a economic stimulation tool with high potential to recover jobs and to set successful low-carbon economy models.

## **Conclusion**

I think that today's statements have clearly shown not only the extent of the commitment of EU cities and regions, but also their capacity to deliver. On their part, the EU institutions have clearly expressed support and a vision for the future.

Dear Mayors and Presidents, ladies and gentlemen, I am deeply convinced that we are progressing in the right direction. Being together, we have the capacity to provide solutions and ensure a much better future for the citizens of Europe and the world.

We are just starting the journey. We need to develop and implement ambitious action plans. We must involve the citizenship in our endeavour, and raise their interest in supporting our objectives. We face times of economic hardship and financial shortages, and the future is never exempt of surprises.

But we have the intelligence, the capacity and the attitude to overcome present and future challenges.

Thank you very much.