THE CONGRESS
OF LOCAL AND REGIONAL AUTHORITIES

Recommendation 161 (2005)[1] on local and regional authorities and renewable energy sources

The Congress,

1. Having regard to:

a. the report on local and regional authorities and renewable energy sources by Ms Ute Koczy (Germany, R) on behalf of the Committee on Sustainable Development;

b. the United Nations Framework Convention on Climate Change adopted on 9 May 1992 and the Kyoto Protocol adopted on 11 December 1997;

c. the European Commission's White Paper for a Community Strategy and Action Plan on "Energy for the future: Renewable sources of energy" (COM (1997) 599);

d. Decision No. 646/2000/EC of the European Parliament and of the Council of 28 February 2000 adopting a multiannual programme for the promotion of renewable energy sources;

e. Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market;

f. Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings and its implementation in North-Rhine Westphalia/Germany by adopting the "Energy-Card" for private real property owners from January 2006 onwards;

g. earlier texts adopted by the Congress on energy issues, including Recommendation 106 (2002) and Resolution 127 (2002) on sustainable development and the liberalisation of the energy market;

2. Considering that:

a. energy generation is a core issue for sustainable development since it is a major factor for the economy and social welfare, but also a major threat to the environment and the global climate;

b. today's urban structures around the world are based on fossil fuel supply. This dependence on finite resources leads to massive risks for our cities and regions. The overuse causes climate change impacts and seriously threatens urban environment and liveability;

c. national governments – through the creation, support and operation of centralised electric utilities, subsidies for road and highway construction, and taxes and subsidies that favour fossil fuels – have strongly influenced our energy infrastructure;

d. while local governments play a significant role in influencing energy systems, the designers of these systems have been national and international bodies that have given preference to fossil fuelled energy and have done far less than necessary to promote renewable energy use;

e. by disbursing the majority of their financial resources to support centralised energy projects, international donor agencies and multilateral financial institutions have also significantly contributed to shaping our energy systems;

f. while there is a lot that local and regional governments can do on their own, there are many areas in which they need national government, international agencies and the private sector to strengthen an environment in which renewables can flourish;

3. Concerned that local and regional authorities face numerous obstacles when trying to promote or purchase renewable energy, including the following problems:

a. subsidies for competing fuels: large subsidies for fossil fuels provided by national governments can put renewable energy at a competitive disadvantage. Reducing permanent subsidies would improve market competitiveness for new renewable energy and energy efficiency technologies while yielding the added benefits of improving market efficiency and of considerably decreasing the burden on public spending;

b. high initial capital costs: renewable energy investments generally require higher amounts of financing for the same capacity. Depending on the circumstances, capital markets may demand a premium in lending rates for financing renewable energy projects because more capital is being risked up front than in conventional energy projects;

c. lack of access to credit: local and regional authorities and local citizens may not be able to access credit to purchase or invest in renewable energy because of lack of collateral, poor creditworthiness, or distorted capital markets;

d. lack of research and development funds: research and development funds from national governments and international donor agencies need to be directed to renewable energy technologies to achieve the production of state of the art clean technologies and renewable energy generation;

e. technology performance uncertainty and risk: proven, cost-effective technologies may still be perceived as risky by decision makers as well as by the public if there is little experience with them in a new application or region;

f. insufficient information and the need to improve know-how: while many local and regional authorities have already embraced renewables, others still require assistance in building a policy environment that enables the introduction and proliferation of renewable energy technologies. In other communities an enabling policy environment may exist, but skilled personnel who

can install, operate, and maintain renewable energy technologies may not;

4. Convinced that:

a. in order to achieve clean and sustainable energy systems changes are necessary. These changes must come from all levels of government, with the co-operation of international agencies and with the participation of the private sector and individuals. These actors must work together to change the patterns and modalities of distributing energy, alter the demand for energy and harness new sources of energy;

b. in order to make local and regional commitments and policies successful, local and regional authorities' capacity for effective action must be ensured and enhanced. In particular, local and regional authorities must possess adequate powers, sustainable financial resources and qualified and sufficient staff to be able to fully exploit the manifold options to increase the share of renewables and to provide citizens with access to clean energy;

5. Recommends that the Committee of Ministers of the Council of Europe call on the governments of member states to:

a. generate strong and visible commitments to ambitious renewable energy targets, comprehensive action programmes and effective monitoring mechanisms;

b. set national standards to facilitate renewable energy production, for example through regulating energy generation and placing limits on the pollution and emissions generated from power plants regardless of fuel type;

c. establish proper framework conditions for effective action, in particular through creating legal frameworks that ensure transparency for the energy markets with regard to the fuel mix and the pricing systems;

d. initiate a process of reforming policies by removing subsidies for fossil fuels and eliminating levies that inhibit new clean technologies. These reforms are needed at all levels of government and multilateral agencies;

e. provide a clean energy choice to consumers through electricity market restructuring or setting new standards on electricity production that provide customers with the ability to select either a clean energy source or their own power provider. Information must be provided to all customers on contract terms, cost, generation sources and emissions characteristics of the power being offered;

f. strengthen existing public sector institutions to enable them to play a significant role in the joint effort to provide sustainable energy services for all;

g. involve local and regional authorities in the formulation and implementation of energy policy, strengthening their role in managing the infrastructure, co-ordinating land use planning and energy policy and involving citizens through awareness-raising and community-based participatory approaches;

h. use public investment to develop decentralised renewable energy generation and to achieve an accessible and clean energy infrastructure;

i. create new funding opportunities and direct existing funds for sustainable energy to local and regional authorities, taking into account their important role in facilitating and realising renewable investments;

j. fund research and development of renewable energy in order to stimulate production of state of the art clean technologies and renewable energy generation;

k. invest in capacity building to create enabling environments for renewable energy at all levels of government and civil society, facilitating the exchange of information and transfer of good practice.

---

1. Debated and adopted by the Standing Committee of the Congress on 17 March 2005 (see Document CG (11) 29, draft recommendation presented by U. Koczy (Germany, R, NR), rapporteur).

Council of Europe, F-67075 Strasbourg Cedex
http://www.coe.int/cplre

COUNCIL OF EUROPE CONSEIL DE L'EUROPE

Tél.: + 33 (0) 3 88 41 20 00
Fax: + 33 (0) 3 88 41 27 51/+ 33 (0) 3 88 41 37 47