

# PRESS RELEASE

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## Press Contact

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## European Recovery Plan: unused funds should go to cities engaged in the Covenant of Mayors

It appears that an amount of about 115 M€ will remain from the Economic European Recovery Plan (EERP), one year after its adoption. This is not a huge amount, but if it is well used, a leverage effect might occur.

As Eckart Würzner, Mayor of Heidelberg and President of Energie-Cités, recalls, ***“there is a huge potential for energy sustainable investments at local levels that will both create jobs, achieve energy and climate targets more quickly, and reduce energy poverty, all objectives of the EU Strategy for 2020. Large scale investments are needed to: create and extend public transport infrastructures and cycle ways, retrofit housing and tertiary buildings, develop biomass plant and district heating, etc. Who really else than cities can do it? But we need support from our Regions, National governments and the EU”***

Therefore, Energie-Cités urge to allocate this remaining amount **allocated to Cities, especially those which are committed in the Covenant of Mayors**, the local voluntary initiative to achieve the EU energy and climate goals. That would be a much appreciated encouraging signal to the 1300 Mayors who are already committed...and to the others to become committed.

The €5 billion European Economic Recovery Plan (EERP) adopted in spring 2009 excluded local authorities' energy efficiency initiatives from support. Local authority networks –coordinated by Energie-Cités- had proposed allocating 500 MEUR to cities engaged in the Covenant of Mayors to reinforce, inter alia, their financial and human capacities. Although favourably received by the Parliament, this proposal had been discarded by the Commission.

However, the following decision was taken: *“Should the Commission (...) find that it will not be possible to commit by the end of 2010 a part of the funds (...), the Commission will propose, if appropriate and **in a geographically balanced way**, an amendment to the Regulation allowing for the **financing of projects in the area of energy efficiency and renewable energy sources**, in addition to the above initiatives (...).”* (Source: Commission Declaration of Regulation (EC) No 663/2009)

**Background information:**

[www.eumayors.eu](http://www.eumayors.eu)

[www.energie-cites.eu](http://www.energie-cites.eu)

Extract of Networks's release (ENERGIE-CITÉS, EUROCITIES, CLIMATE ALLIANCE, ICLEI , supported by EREC) - 10 March 2009

- **Supporting local authorities to create / strengthen Local Incentives Sustainable Energy and Climate Funds and/or Energy Service Companies** to encourage local actions and maximise the leverage effects of public money, mobilise private money and encouraging public-private partnerships.
- **Providing loans directly to EU cities or through "global loans" to local banks for municipally linked actions.** This action should be implemented through agreements between the European Investment Bank (EIB) and local banks for municipal projects (incl. for local stakeholders).
- **Co-financing the creation / strengthening of 500 Local Energy and Climate Agencies (LECAs)** to provide technical support to committed cities, especially the Covenant of Mayors signatory municipalities and to mobilize local citizens and players around municipal objectives.

Full 10 March 2009 release on: [http://www.energie-cites.eu/IMG/pdf/Economic\\_Recovery\\_Plan\\_Amendments\\_from\\_networks\\_version\\_10\\_March\\_2009\\_Final-2.pdf](http://www.energie-cites.eu/IMG/pdf/Economic_Recovery_Plan_Amendments_from_networks_version_10_March_2009_Final-2.pdf)

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