O1.1 Analysis of the main barriers to the Covenant of Mayors in the Eastern Countries

1. Introduction

The framework within which the project “Yes (DA) to the Covenant” (DACO) was developed is the extension of the successful Covenant of Mayors (CoM) initiative of the European Commission into the international arena, particularly to the Eastern part of the Globe. The challenge is to support local authorities in Eastern Europe, the Caucasus and Central Asia to reduce their dependency on fossil fuels, to improve security of their energy supply, and to allow them to contribute more actively to climate change mitigation. Concretely, the aim is to encourage and support local authorities of these regions to implement a more sustainable local energy policy.

The project also aims at attracting more cities from the East Partnership (ENP) and Central Asia to sign up to the Covenant of Mayors, both through the implementation of this project and also by showing the example to other neighboring communities.

The means by which the DACO project acted was through providing a concrete contribution to the preparation and implementation of the Covenant-related Sustainable Energy Action Plans (SEAP) as well as to assist Local Authorities and other relevant stakeholders to address commitments of their city under the Covenant of Mayors initiative.


The expected outcome of this project is that local authorities in the Central Asia and ENP-East Area join the Covenant of Mayors’ principles, rules and goals.

This paper reports on the findings and experience of the DACO team in identifying and overcoming the barriers to the implementation of the Covenant of Mayors.

The analysis has been organized in different perspectives, towards the various aspects of the SEAP development and implementation, the preparedness of the local communities, and the replication potential of this initiative.
2. The Covenant of Mayors Process

The first step in joining the Covenant of Mayors initiative is the signature of a declaration where the local community makes a voluntary unilateral commitment to reduce their CO2 emissions by more than 20% by 2020 through energy efficiency and renewable energy actions.

By joining the Covenant of Mayors initiative local authorities commit to:

- Prepare a Baseline Emission Inventory;
- Submit a Sustainable Energy Action Plan (SEAP), approved by the municipal council within the year following their official adhesion to the Covenant of Mayors initiative, and outlining the measures and policies they will implement to achieve their targets;
- Publish regularly - every 2 years after submission of their SEAP - implementation reports stating the degree of implementation of the programme and the interim results;
- Promote their activities and involve their citizens / stakeholders, including the organisation of Local Energy Days;
- Spread the message of the Covenant of Mayors, in particular by encouraging other local authorities to join and by contributing to the major events (i.e. annual Covenant of Mayors ceremonies and thematic workshops)\(^1\).

3. Experience gained within the DACO Project

3.1. Capacity of Local authorities to implement energy and environmental policies within the context of the CoM

To the DACO four local communities the Covenant of Mayors initiative was introduced as a novelty at the start of the project. In fact, the process of accession to the Covenant of Mayors within the DACO communities was developed somehow from the end to the beginning. This means that before signing up to the Covenant of Mayors, the project team had to develop some preparatory work in order to better inform the municipal authorities on the content of the initiative.

This action was then followed by training provided to local experts on the development of sustainable energy action plans and the beginning of the development of the Baseline Emissions Inventory. Only then were the managers of the municipalities ready to start considering the signature of the Covenant of Mayors. Three of the four municipalities joined the Covenant of Mayors after two years of project implementation. There is now a clear objective to further adhere to this initiative in Belarus, Tajikistan and Kazakhstan. However, the Sumgait municipality (Azerbaijan) has found internal difficulties to be able to proceed to the full accomplishment of the

\(^1\) In Covenant of Mayors website: www.eumayors.eu
project, including the adhesion to the Covenant of Mayors. Perhaps the fear of making long-term binding commitments with regards to the energy efficiency and renewable energy source investments, might introduce a level of uncertainty that mayors are not ready to here.

The reality faced by the project team was that these communities did not have experience in establishing anything similar to an integrated sustainable energy action plan. Although some ad-hoc energy or environmental activities might have been developed locally before, formal plans have not been implemented so far.

One other circumstance is that in the covered region, the figure of the “chairman of the municipality” is not by its nature an elected one, but rather an appointed official to the post. So, according to the formal rules of the Covenant of Mayors it is open to all local authorities democratically constituted with/by elected representatives, whatever their size and whatever the stage of implementation of their energy and climate policies\(^2\). Therefore an adaptation to the local reality should be introduced.

Moreover, formal procedures to approve implementation plans at local level also differ from the current EU practice. The necessary administrative and political process to obtain approval to the signature of the Covenant of Mayors makes the circuit lengthy and cumbersome.

Nevertheless, practical experience has shown that there is a good capacity to mobilize local stakeholders. Stakeholders group meetings in the four cities have shown good liaison with the local authorities, delivering a path to further cooperation within the framework of the Covenant of Mayors.

### 3.2. SEAP development and implementation

Several issues may currently difficult the task of Baseline Emission Inventory as well as the Sustainable Energy Action Plans development. At the beginning of the DACO project, training, implementation tools and guidance material on the Covenant of Mayors was only becoming available through the official Covenant of Mayors website, and most of the tools were only available in English. In these countries Russian is the most used language, therefore it was important to develop these information packages also in Russian.

\(^2\) Ibid. Idem.
Although, especially within the DACO project it is foreseen that appointed local experts train other local experts, non-availability of material in Russian was creating barriers to the further development of the capacity building locally.

Sustainable energy action plans are new tools for local authorities, both in EU and abroad. The lack of qualified personnel available in the referred municipalities implies a burden in the development of plans. Further training activities and information dissemination targeted to local experts and municipal authorities in this region are fundamental for the future success of the initiative.

Available raw data is not always present for the use in the construction of the Baseline Emissions Inventory. Sometimes even different workable units for energy data are creating difficulties in benchmarking and comparison exercises. Some countries are already making an effort in harmonizing these tools towards EU practice but other are still far behind. Work on the harmonization and agreement on these methodologies would be useful for a better performance on BEI and SEAP.

3.3. SEAP into practical investment plans

In Eastern European Partnership and Central Asian Countries the first driver towards SEAP development and implementation is political will, not only shared by local authorities but also, and probably most importantly, at central level. The top-down approach is a normal practice for main policy implementation, even though the Covenant of Mayors practice is rather bottom-up. So, notwithstanding local stakeholders groups are established and used as a discussion forum for the selection and implementation of measures, centrally driven instructions are determinant factors for the success of the initiatives.

Of course this is then reflected on the implementation capacity both at technical level and at financial level. Financing of the SEAP inscribed actions depends mostly on the municipal budget which is decided at central government level. Therefore a burden can exist there limiting the full implementation of the plan.

Financing of SEAP actions by international financial institutions and other international donor institutions seem to be one of the natural resources to explore. Synergies should be looked at on current activities implemented at national and local level by other organizations acting in these countries. International organizations such as UNDP, UNEP and the European Commission could be a provider of support for the implementation of the SEAP inscribed actions. However, large
financial institutions are often limited to high investment thresholds, far above the indicative budget for actions implementation inscribed in the SEAP. These are the cases of e.g. EBRD and the World Bank.

Small-scale financial facilities setting up could be a good opportunity to support the implementation of the SEAP actions, however further assessment and experience should be gained in this area.

3.4. General public awareness on climate change issues

This topic is very dependent on the background conditions of each country. The existence of natural conventional resources plays an important role on the development of energy efficiency activities and renewable energy projects. DACO has shown that countries exploring fossil fuels in their own territory, and using these sources to supply their own energy needs tend to have less developed initiatives and programmes to energy efficiency and renewable energies.

On the other hand, more energy dependent countries tend to have more developed projects and programmes, as well as being more sensible to questions of energy saving and renewable energies deployment.

Moreover, there might be other social motives to this regard. Other basic society needs are considered to be more urgent by the governing bodies other than emissions reductions. Therefore, energy efficiency and renewable energy projects tend to be kept for later implementation.

Nevertheless, further enhancement of public information campaigns and awareness raising on energy efficiency should be undertaken to improve the likelihood of such initiatives being implemented.

3.5. Implementation of pilot projects on Energy Efficiency and Renewable Energies linked to city SEAP

Small municipalities such as the DACO project participants tended to select pilot projects within the buildings sector. Both the implementation of energy efficiency and renewable energies investments in households and communal facilities were within this project the selected ones. The knowledge and technical resources seemed to be present for the implementation of the pilot
project, just the financial constraint was back lagging its implementation. Guarantees associated with public financing from EU created a cumbersome process with the East municipalities that had an impact on the delay of the project implementation. Civil works in Eastern Europe and Central Asia on housing and facilities should be mostly developed in the summer season as winter harsh conditions limit the possibility of civil works.

4. Conclusions and recommendations

The DACO project developed extensive work on the implementation of the CoM in ENP and Central Asian countries. Four cities are partners of this project, local experts were trained and methodologies for SEAP development were adapted to the local reality.

However, some external and internal burdens tend to slow down the process of signing up to the CoM and implementing the SEAP measures. These barriers are related mostly to the background reality of each country, namely in administrative terms, natural resources and human technical resources.

As concluding recommendations and in order to enhance the performance of the implementation of such projects, the project team suggest the following:

- Develop awareness raising campaigns on energy efficiency and renewable energy projects;
- Develop further training and technical materials in Russian language;
- Develop further training activities to local experts in the region in the form of cooperation projects;
- Support the international harmonisation of energy data units and statistical coverage in the form of cooperation projects;
- Enlarge the international financial tools towards the implementation of local level energy efficiency and renewable energy projects;
- Help setting up small-scale facilities for small-scale local financing of Energy Efficiency and renewable energy projects.