



Policy Brief No.2

Policy recommendations on coordination mechanisms in the EU

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Executive Summary

Coordination mechanisms are essential for the effective design and implementation of energy efficiency measures and the achievement of the corresponding imposed targets. From the mapping of the existing coordination mechanisms and the analysis of best practices across the EU we derived five concrete policy recommendations to contribute to the development of more robust and efficient mechanisms:

1. Systematically involve the implementation level (typically local and regional) in the policy formulation process and make use of their specific expertise and knowledge,
2. Complement formal policy coordination with informal coordination fora or networks,
3. Involve stakeholders from academia, business or civil society into policy formulation and implementation,
4. Complement legal obligations with carefully designed financial support schemes and
5. Introduce a review mechanism for the different policies adopted and include different stakeholders in the evaluation.

Finally, the development of integrated IT systems can be an essential part of the coordination mechanisms facilitating the exchange of information, fostering the engagement of the stakeholders and improving the monitoring of the energy efficiency measures both vertically and horizontally.



I Introduction

The establishment of effective coordination mechanisms is considered as a prerequisite for the achievement of the specified energy savings targets within the framework of the Energy Service Directive (ESD) and Energy Efficiency Directive (EED). Specifically, the introduction of these mechanisms will facilitate the exchange of the required information among the different administrative levels through the establishment of the appropriate communication channels, while it will foster the more active engagement of the involved stakeholders enhancing their current degree of skills and knowledge. To this direction useful policy recommendations and essential findings were elaborated by mapping the existing coordination mechanisms and through the analysis of the identified best practices in order to improve the design and implementation of the energy efficiency measures.

Recommendation No. 1

Systematically involve the implementation level (typically local and regional) in the policy formulation process and make use of their specific expertise and knowledge

The local and regional authorities should have the opportunity to voice their opinion safeguarding their needs and priorities about their political initiatives and legal acts through the organization of obligatory consultation procedures or other forms of lobbying. Especially in more decentralised organised governance structures this will ensure the involvement of all levels and will support the effective implementation of policies. According to the analysis of the best and good practices, countries with regionalised structure have introduced more efficient coordination mechanisms. Indisputably, the main reason for this tendency is the crucial role of the regional and local authorities in the design and implementation of policy measures in the field of energy efficiency.

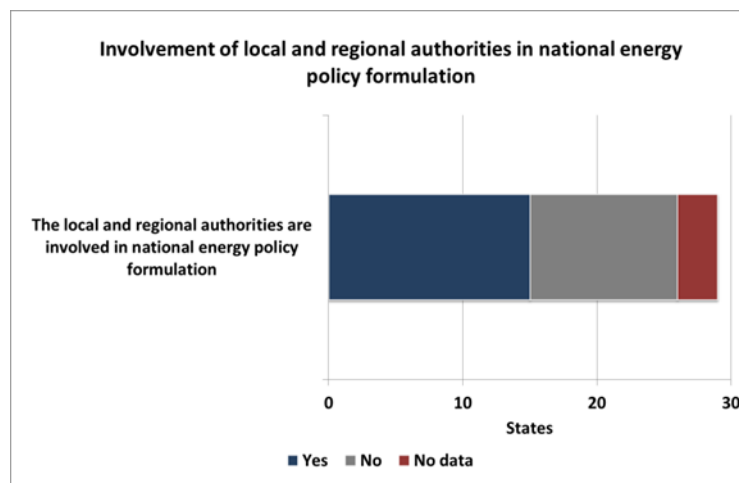


Figure 1 - Involvement of local and regional authorities in national energy policy formulation

Finally, this outcome should be linked with the fact that countries, which are characterized by no centralised governance structure, seem to have established more effective Monitoring & Verification schemes.

According to the results of the mapping of the existing coordination mechanisms the majority of the examined countries have assigned the formal responsibility for the design and implementation of energy efficiency measures at national level. Nevertheless, in specific cases the local and regional authorities are involved in the national energy policy formulation.

Moreover, an additional characteristic regarding the concentration of the responsibilities at national level is the demand for the actual involvement of the different ministries due to the fact that they are responsible for specific sectors and can undertake the design and implementation of specific types of energy efficiency measures according to their field of expertise. In any case the responsibilities for the creation and implementation of energy efficiency policy should be clearly defined among the

different governmental layers (local and regional authorities) and the different ministries involved. According to the results of the mapping of the existing coordination mechanisms, the specified responsibilities for the design and implementation of energy efficiency policy are clearly defined between different governmental layers for almost all of the examined countries.

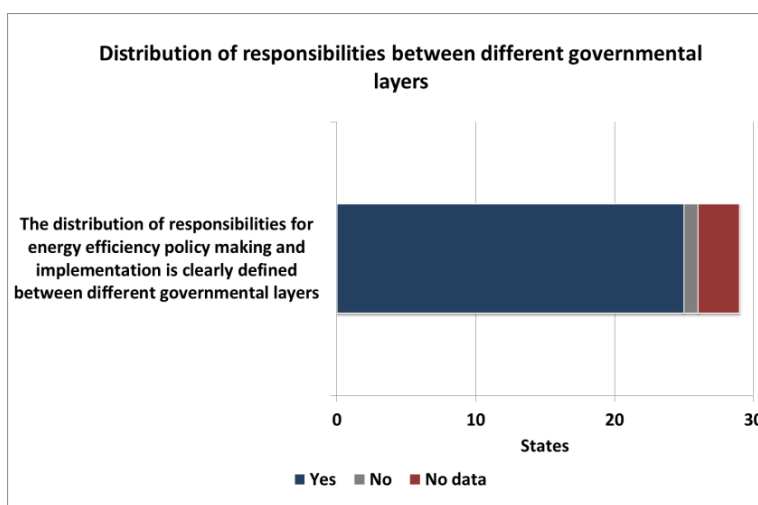


Figure 2 - Distribution of responsibilities between different governmental layers

Furthermore, initiatives can also foster more active involvement of the local authorities in the design and implementation of energy efficiency policies and measures. These actions include the creation of task forces and working groups, the preparation of energy efficiency plans and the engagement of regional energy agencies and regional development agencies. Consequently, the priorities and needs of the different authorities involved in these actions are taken into consideration during the design of the energy efficiency measures.

Best practices for further elaboration¹

Germany The energy efficiency policy competencies are shared between the federal government and the federal states. All laws and regulations are adopted through a co-decision policy process, which ensures that regional and local concerns can be voiced and that the adequate funding and staffing can be guaranteed.

The Federal Ministry of Economic Affairs and Energy hosts an annual working group of the responsible government officials of federal and federal state level (Bund-Länder-Arbeitskreis Energieeffizienz) in order to facilitate the policy process, to inform about intended policy changes or amendments and to promote the identified best practices. Furthermore, additional working groups have been set up for dedicated sub-topics related to energy efficiency.

Croatia The National Energy Efficiency Authority collaborates with all the involved institutions so as to achieve the established goals and to monitor the achieved energy savings. Furthermore, over 200 bodies (from local and regional authorities) have been appointed in the National Energy Efficiency Action Plan as responsible for the implementation of energy efficiency measures.

The National Energy Efficiency Authority develops the National INFO WEB site in order to provide information about financial or legislative energy efficiency issues.

The local authorities are obliged by the corresponding law to prepare annual and three-year energy efficiency plans. All the energy efficiency plans are required to be approved annually by the National Energy Efficiency Authority. Finally, the informal role of regional energy agencies and regional development agencies is vital, as they are responsible for drafting and implementing energy efficiency measures at local level.

Recommendation No. 2

Complement formal policy coordination with informal coordination fora or networks

The establishment of formal or informal coordination bodies for the formulation and the implementation of the energy efficiency policies among the different administrative levels will increase the effectiveness of the introduced coordination mechanisms. According to the mapping results of the existing status of the coordination mechanisms, specific types of coordination bodies have already been

¹ The identification of the best practices was performed through the conduction of a specialized procedure within the framework of multEE project taking into consideration specific characteristics of the existing coordination mechanisms among the examined countries.

introduced in several regionalized and decentralized governance structures. Specifically, more than half of the examined countries have already established specific formal or informal coordination bodies between the national and regional level for the formulation of energy policy.

Best practices for further elaboration

France A dedicated consultation body, the CNEN (Conseil national d'évaluation des normes) aims at promoting the point of view of local authorities regarding energy policy. Moreover, regulations impose the obligation to local authorities to implement regional schemes and local action plans regarding energy, air and climate. The priorities and needs of the different involved authorities have been taken into consideration during the design of the energy efficiency measures through CNEN.

Italy The Conferenza Stato Regioni is a joint committee established by the State, the regions and the autonomous provinces of Trento and Bolzano fostering the cooperation between central and regional administrations and dealing with all aspects of EU policy constituting the basis for the conduction of political negotiations among the central and regional governments. Moreover, this committee aims to launch the discussion about the major regulatory and administrative acts of regional interest and to provide the opportunity to the regions to participate in the formulation of the decisions of the government in matters of common interest.

Recommendation No. 3

Involve stakeholders from academia, business or civil society into policy formulation and implementation

The motivation of the different involved authorities for participation in the formulation and implementation of the energy efficiency measures should be achieved through specific organized actions and adopted regulations. These initiatives can include the establishment of working groups, cooperation forums, platforms and partnerships, the organization of consultations with stakeholders, the constitution of advisory boards, the conduction of workshops and the encouragement of the universities for more active involvement.

It should be noted that these initiatives should lead to the enhancement of the existing level of skills and knowledge and to the facilitation of the access on the required data and information. Indisputably, these benefits will counterbalance the limited human resources, which are available currently for the majority of the examined countries as outlined by the mapping of the existing mechanisms.

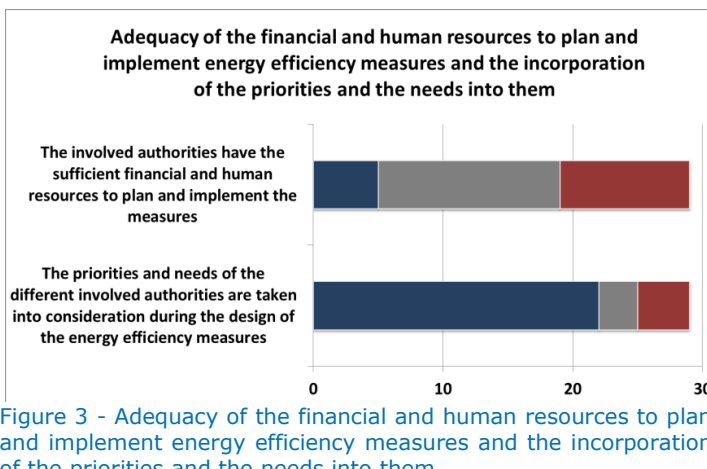


Figure 3 - Adequacy of the financial and human resources to plan and implement energy efficiency measures and the incorporation of the priorities and the needs into them

This constitutes an essential procedure for the majority of the countries, as it will strengthen the formulation and implementation of energy efficiency policies incorporating the priorities and needs of the different involved authorities according to the results of the mapping of existing coordination mechanisms.

Best practices for further elaboration

Germany Stakeholder consultations and debates are organised, assembling representatives from industry, NGOs, consumer associations and representatives of civil society. Moreover, the Federal Ministry for Economic Affairs and Energy has established a number of informal “coordination platforms” (Energiewende-Plattformen), among those the coordination platforms for energy efficiency and energy efficiency in buildings. Key tasks of these platforms are to develop and discuss joint solutions together with the relevant stakeholders from business, civil society, science, the affected government departments and the federal states.

UK The universities are making a unique and substantial contribution through their teaching and research, their business operations and through their influence on communities and the lives of their staff and students.

Latvia The Ministry of Economics has established the following Advisory Boards, which deal with energy efficiency related issues:

- ✓ National Economic (Advisory) Board
- ✓ Latvian Building (Advisory) Board
- ✓ Housing Development Advisory Board
- ✓ Biofuel Development Advisory Board

Recommendation No. 4

Complement legal obligations with carefully designed financial support schemes

Regarding the instruments for the incentivisation of local and regional governments, the most efficient of them consist of the adoption of legal obligations and the development of specific financial support schemes. Specifically, the financial mechanisms foresee mainly the exploitation of the available EU Structural and Cohesion Funds and the available national, regional and local funds mainly through the provision of subsidies. Probably, in some cases the establishment of a specialized fund can facilitate the implementation of energy efficiency measures.

According to the results of the mapping of existing coordination mechanisms, the majority of the examined countries tend to incentivize the local and the regional governments in order to implement energy efficiency measures through the adoption of legal obligations and the development of specific financial support schemes.

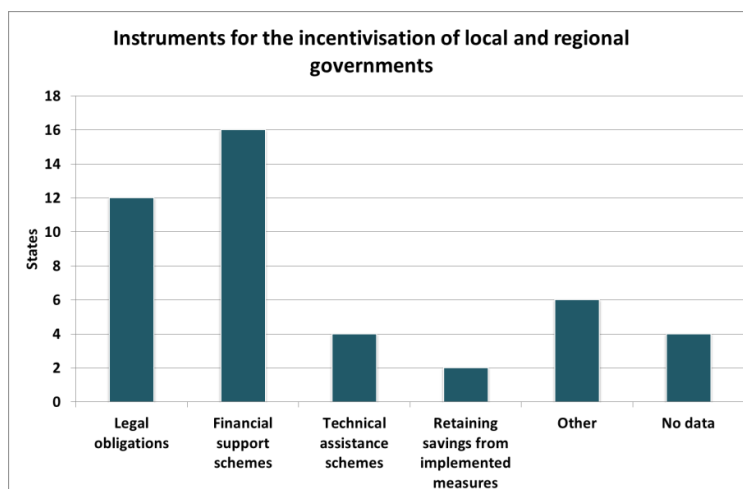


Figure 4 - Instruments for incentivisation with carefully designed financial support schemes

The mechanisms regarding the establishment of technical assistance schemes and the exploitation of the retaining savings from implemented measures have limited application. Finally, other countries have adopted additional mechanisms, such as the implementation of cooperative projects within the Sustainable Energy Action Plans and energy saving initiatives financed indicatively by the European Regional Development Fund and the White Certificates Scheme.

Best practices for further elaboration

Croatia The participation of responsible bodies is motivated through large financial incentives, such as financial aid of up to 80% for certain energy efficiency measures by the Eco fund. In order to facilitate better knowledge and information sharing, a central WEB INFO POINT for all sectors and levels – from citizens to ministers, will be created.

France	The implementation of energy efficiency measures at regional and local level is incentivized through the provision of subsidy schemes targeting, among others, local authorities and the energy efficiency obligation scheme.
Slovakia	The local and regional governments are supported through the potential financing of their energy efficiency activities from the EU investment and structural funds as well as through the provision of information and technical guidance for the involved municipalities in the form of conferences and consultancy from Slovak Innovation and Energy Agency.

Recommendation No. 5

Introduce a review mechanism for the different policies adopted and include different stakeholders in the evaluation

The continuous assessment of the implemented energy efficiency measures with the participation of the involved authorities in order to redesign them should be considered as a vital part of the coordination mechanisms.

The assessment of the realised energy efficiency measures was performed for the majority of the examined countries contributing to their efficient redesign and to the achievement of the established targets according to the results of the mapping of the existing coordination mechanisms.

The design procedure can be achieved mainly through the compilation and submission of the annual reports for the evaluation of the current progress in relation to the fulfilment of the energy saving targets within the framework of the EED.

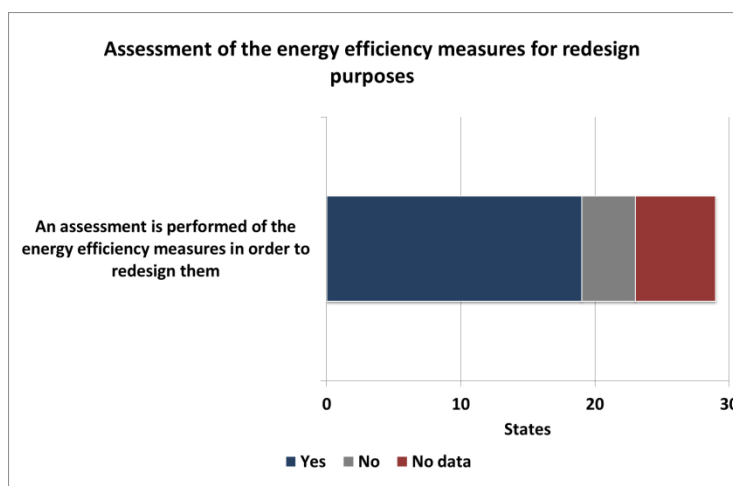


Figure 5 - Assessment of the energy efficiency measures for redesign purposes

Best practices for further elaboration

Latvia The energy efficiency program on renovation of district heating systems was redesigned by increasing the number of eligible participants, namely, industrial boiler installations were included. Moreover, the basic version of Cabinet of Ministers Regulation regarding the program "Increasing Heat Energy Efficiency in Multi-Apartment Buildings (Measures to Improve the Thermal Stability of Apartment Blocks)", adopted in 2009, stated only the threshold requirement for relative decrease (in %) of heat consumption after project implementation. The re-casted version of the Regulations, adopted in 2011, introduced the threshold criterion for the annual heat energy consumption for heating after the implementation enhancing the higher return of investments and higher energy savings.

II How to increase the effectiveness of the Coordination Mechanisms?

Even if the preliminary steps for the constitution of concrete and efficient coordination mechanisms for the majority of the examined States have been performed, various additional initiatives are required in order to introduce a fully operational coordination scheme facilitating both of the formulation and implementation of energy efficiency measures.

Indisputably, the development of integrated IT systems, which is suggested also so as to enhance the effectiveness of M&V schemes, can be an integral part of the developed coordination mechanisms facilitating the exchange of information, fostering the engagement of all the involved stakeholders and improving the monitoring of the implemented energy efficiency measures both vertically and horizontally. Last but not least, the development of the IT systems incorporating coordination mechanisms should take into consideration the peculiarities of the energy efficiency measures in each country.

Finally, specialised capacity building initiatives should be introduced in order to increase the effectiveness of the Coordination Mechanisms, such as the establishment of educational programs at regional/local level and the provision of national tailored local action plan templates for energy efficiency policies.

III Further Reading

multEE Report (D.1.2)
[Synthesis report on M&V Schemes and coordination mechanisms in EU countries](#)

multEE Report (D.1.3)
[European best practices for M&V schemes and coordination mechanisms](#)

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