Dear Vice President,

In reply to your letter of 14 January 2015 on the ways to improve the European Investment Bank's (EIB) approach to supporting climate action, I would like to welcome the fact that you have invited the Committee of the Regions (the CoR) to provide a contribution to the stakeholder consultation. Climate change is indeed a policy area of key importance for local and regional authorities across the EU, represented by the CoR. According to the UNDP\(^1\), more than 70% of climate change reduction measures and up to 90% of climate change adaptation measures are undertaken by local authorities.

As key messages on behalf of the CoR, I would like to stress the following:

- It is highly recommended the EIB starts by making itself known to local and regional authorities. The EIB can provide many investment opportunities in climate policy (mitigation and adaptation). However local and regional authorities which could benefit from it are not always aware of the EIB offer. Big cities are the most aware of the EIB possibilities. Nevertheless the EU has a polycentric structure, with a dominance of small and medium-sized cities. Around 56% of Europe's urban population live in cities and towns of between 5,000 and 100,000 inhabitants, whilst only 12.3% of Europeans live in cities with a population of over one million inhabitants. Therefore the EIB could put a new emphasis on small and medium-size cities. One solution could be to publish an EIB financing guidebook on climate specifically targeting local and regional authorities. It would be in plain language, available in several languages and updated regularly;

- we would recommend easier access to the EIB loans for local and regional authorities interested in investing in energy related projects in order to lower their greenhouse gas emissions and promote sustainable territorial development. Administrative burden should be

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\(^1\) UNPD report *Charting a new low-carbon route to development: A primer on integrated climate change planning for regional governments* (2009).
minimal and proportional. Particular attention should be paid to the language. Reporting requirements should also be kept minimal;

- it would be beneficial to build synergies between the financial instruments offered by the EIB to support climate action and the European Structural and Investment Funds to achieve better results on the ground;

- it would be important to achieve the best possible balance in the EU spending between large scale infrastructure and decentralised energy production, insisting on sufficient availability of support schemes also to small scale renewable energy producers. The Juncker investment plan is to be praised but puts an emphasis on large infrastructure. The EIB could provide a better balance by intensifying its schemes targeting local and regional authorities;

- More clarity and appropriate flexibility is needed within the two newly established instruments, the Private Finance for Energy Efficiency and Natural Capital Financing Facility to meet climate policy objectives at local and regional level;

- it is also recommended to upscale the EIB technical assistance programmes and advisory services for local and regional authorities. The CoR noted a considerable need in this field within cities and regions of all Member states;

- it would be important to further strengthen and formalise the EIB support for the Covenant of Mayors. This initiative is a unique example of successful multi-level governance in the field of mitigation. With more than 6,200 signatories, a close follow-up from the EIB is warranted;

- A similar support could be envisaged for the EU Mayors Adapt initiative launched in March 2014;

I trust you will take on board our recommendations and remain at your disposal for further exchange between our two institutions in key policy sectors of reciprocal interest.

Yours sincerely,

Francesco PIGLIARU