



# **Green Fiscalism for the local energy transition in the MED area**

Synthesis report on the LOCAL4GREEN project

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This document has been realised by

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## Contents

Introduction: .....	5
Project outcomes .....	7
Main outcomes .....	7
Capacity of replication in other territories .....	7
Contribution to know how and added value .....	7
Pilot actions: Design and implementation of local fiscal policies to promote RES.....	8
Spanish pilot actions results .....	10
Municipality of Pedreguer.....	11
Municipality of Quart de Poblet .....	12
Municipality of Dolores.....	13
Municipality of Altea .....	14
Albanian pilot actions results .....	15
Municipality of Vau Dejes .....	16
Municipality of Kukes .....	17
Municipality of Lezha .....	17
Cyprian pilot actions results .....	19
Municipality of Lakatamia .....	19
Municipality of Nicosia.....	20
Croatian pilot actions results.....	21
Municipality of Brdovec .....	21
Municipality of Dugo Selo.....	22
Municipality of Jastrebarsko .....	23
Municipality of Klanjec .....	24
Municipality of Pregrada .....	25
Greek pilot actions results .....	27
Municipality of Edessa .....	27
Municipality of Thermi.....	28
Municipality of Pylaia-Hortatis.....	29
Maltese pilot actions results .....	30
Municipality of Sannat.....	30
Municipality of San Lawrenz .....	31
Policy recommendations .....	33
Contributions to the Ecosystemic Transition Unit model.....	34
Energy Community .....	35
Energy planning.....	35
Energy facilities .....	35
Energy Governance .....	35
Conclusion.....	36







## Introduction

The LOCAL4GREEN project aims at promoting the use of Renewable Energy Sources (RES) at local level through the formulation and introduction of local fiscal policies, encouraging virtuous behaviours of public and private sectors in islands and rural areas of the Mediterranean region. For that, the project partners developed a methodology for the local fiscal policies formulation and according to it, they test several designed fiscal policies in pilot municipalities of the MED area.

The present document has been elaborated by the Interreg MED Renewable Energy Community, in collaboration with the LOCAL4GREEN project partnership, to give an overview of the main results and outcomes obtained by the project in terms of technical results and also contribution to the model developed by the Community of *Ecosystemic Transition Unit or ETU*. This model has been built on the basis of the activities and results of the 6 modular projects belonging to the Interreg MED RES Community and dealing with:

- > **LOCAL4GREEN:** Local fiscal policies for Green Energy
- > **PRISMI:** Promoting RES integration for smart Mediterranean islands
- > **COMPOSE:** Rural Communities engaged with positive energy
- > **ForBioEnergy:** Forest Bioenergy in the protected Mediterranean areas
- > **PEGASUS:** Promoting effective generation and sustainable Use of electricity through microgrids
- > **StoRES:** Promotion of higher penetration of distributed PV through storage for all

An *Ecosystemic Transition Unit* is a territory implementing its energy transition taking into account an ecosystemic approach, based on the following main pillars: technological (energy facilities), social (energy community), legal (energy governance) and territorial (energy planning). As a conclusion of these 3 years of work, both for the project and for the Interreg MED RES Community, but also as a starting point for the implementation of the *ETU* at territorial level and consequently transferring and capitalisation of the results of the projects of the community, it was important to underline better the different contribution each project gave to the *Ecosystemic transition Unit* Concept.

The present document is composed by the following main sections:

1. a general section, with the main features of the project and its general outcomes
2. a pilot section dedicated to the description of the LOCAL4GREEN pilot implementations and related results
3. a policy section, synthesising the policy recommendation of the project
4. a section dedicated to underline the contribution of the project to the “Ecosystemic Transition Unit” model

**ENJOY THE READING!**



**Title of the project:** Local4Green - LOCAL Policies for GREEN Energy

**Partners and associated partners:**

1. Valencian Federation of Municipalities and Provinces (FVMP), Spain (Lead Partner)
2. MUSOL Foundation, Spain. SARGA. - Government of Aragon
3. Malta Intelligent Energy Management (MIEMA), Malta
4. Regional Energy and Environment Agency in Rhône-Alpes
5. North-West Croatia Regional Energy Agency (REGEA), Croatia.
6. Development Agency of Eastern Thessaloniki's Local Authorities (ANATOLIKI), Greece.
7. Lazio Region Association of Cities and Municipalities (ANCI Lazio), Italy.
8. Building and Civil Engineering Institute (ZRMK), Slovenia.
9. Cyprus Energy Agency (CEA), Cyprus.
10. University of Algarve, Portugal.
11. Association of Albanian Municipalities, Albania.

**Budget and duration:**

Total budget: 2.013.423,15 €

Budget ERDF/IPA: 1.711.409,68 €

Duration: 36 months

**Testimony of lead partner**

LOCAL4GREEN supports Local Authorities to design and implement innovative fiscal policies, intended to promote the use of renewable energy sources both in the public and private sector of rural territories and islands in MED regions. LOCAL4GREEN produced a handbook with the participative methodology to formulate the fiscal policies to promote RES and, according it, each partner has designed the policies to be implemented in their pilot municipalities.



## Project outcomes

### Main outcomes

The Project has reached **78 pilot municipalities** from the 9 partners' regions/countries, overcoming the 60 municipalities to involve foreseen initially targeted. **154 local fiscal policies to promote RES** have been designed and for now, **48 policies have been approved**. Most policies have entailed a reduction of some taxes/fees like the property tax, the fee for construction of new buildings/refurbishment or the fees for use of public land for the taxpayers using RES. In other cases, the policies have entailed an increase of some tax, like tourist tax, in order to create a municipal fund to promote RES activities.

### Capacity of replication in other territories

The Project has elaborated the Handbooks on local fiscal policy models to promote RES, and has organized transferring and dissemination Seminars, both activities at international and national levels. Moreover, the project offers an advisory service and online training aimed to allow new municipalities to replicate the tested green fiscal policies. At international level, the replication in other territories has been possible through the participation of the Project in remarkable European events like the EU Sustainable Energy Week and the European Week of Regions and Cities. In addition, the Project has organized lobby meetings with Covenant of Mayor representatives to promote that their pilot actions are benchmarked and disseminated.

### Contribution to know how and added value

Regarding the Project's theme, even if in the last years the actual number of environmental taxes implemented in EU Member States has increased, the green taxation at local level is still largely unexplored, since most of the environmental taxes are deployed by national governments. Despite the fact that Local Authorities in the Mediterranean area are largely limited or forbidden from putting in place new environmental taxes, in many cases they can easily modify the existing local taxes and fees taking into account the environmental interests. Definitively, one of the main added values of LOCAL4GREEN project is the focus on an unexplored niche of public policies that can be exploited to promote the RES and also to promote other sustainable development sectors like energy efficiency and sustainable tourism.



## Pilot actions: Design and implementation of local fiscal policies to promote RES

The partners have been applying two tools in the pilot municipalities.

**Planning tool - Handbook for green local fiscal policy formulation.** It has been used by the partners to select and design the local fiscal policies to promote RES. The methodology is structured in four stages: Plan, Do, Control and Improve. There are 20 steps in total to select and design the local fiscal policies according to legal, technical and economic constraints. Such steps encompass citizens participation as well as mainstream social inclusion.

**Governance tool - Local fiscal policies to promote the RES.** They have been formulated for each pilot municipality. Even if the local fiscal policies vary considerably according to the legal framework of each country/region, most of the partners have designed measures to promote RES through the following local taxes/fees: property tax, fee for construction of new buildings/refurbishment, fees for use or occupation of public land, tax on economic activities, municipal buildings leasing/renting revenues and touristic tax. In most of pilots, reductions of such taxes/fees are planned for the taxpayers that use RES. In other pilots, an increase of the municipal taxes/fees is planned to create a municipal fund ("Green mechanism fund") to promote RES.

Generally, the kind of fiscal policies approved in the pilot municipalities are the following:

Kind of fiscal policies approved	Nb	%
Fee for construction of a new building/refurbishment	15	31%
Parking fees	7	15%
Municipal buildings leasing/renting revenues	6	13%
Immovable property tax	4	8%
Tax on economic activities (or trade tax)	4	8%
Waste Collection and Lighting fees	4	8%
Tourist tax	2	4%
Tax on vehicles	2	4%
Fees for use or occupation of public land	1	2%
Municipal tax on real estate transmission	1	2%
Trade licenses	1	2%
General municipal RES tax for the industry	0	0%
Tax for getting on/of vehicles through pavements	0	0%
Others	1	2%
	<b>48</b>	<b>100%</b>

**Table 1** - Kind of local fiscal policies approved and applied by the pilot municipalities of the LOCAL4GREEN project



Locations of the pilot activities:

Country	Partner from LOCAL4GREEN project supporting local fiscalism implementation	Municipalities involved
Spain	<i>FVMP</i>	Muro de Alcoy, Dolores, Pedreguer, Godella, Almussafes, Xeresa
	<i>MUSOL</i>	Alaquàs, Callosa d'en Sarrià, L'Alfàs del Pi, Altea, Quart de Poblet
Albania	<i>Association of Albanian Municipalities</i>	Kuke, Lezhe, Vau Dejes
Cyprus	<i>Cyprus Energy Agency</i>	Nicosia, Aradippou, Lakatamia
Croatia	<i>North-West Croatia Regional Energy Agency</i>	Brdovec, Dugo Selo, Jastrebarsko, Klanjec, Pregrada
Greece	<i>Development Agency of Eastern Thessaloniki's</i>	Edessa, Thermi, Lagadas, Pilea-Hortiatis, Volvi, Sithonia, Kozani, Amariou, Leros, Malevizi, Milos, Platania, Tanagras, Farsala
Malta	<i>Malta Intelligent Energy Management Agency</i>	Fontana, Għajnsielem, Għarb, Għasri, Kerċem, Munxar, Nadur, Qala, Rabat (Victoria), San Lawrenz, Sannat, Xagħra, Xewkija, Żebbuġ
Portugal	<i>University of Algarve</i>	Aljezur, Monchique, Faro, Loulé, São Brás de Alportel, Castro Marim, Alcoutim, Silves, Vila do Bispo, Vila Real de Santo António, Lagoa, Olhão, Portimão
Slovenia	<i>Building and Civil Engineering Institute ZRMK</i>	Kočevje, Kamnik, Grosuplje, Trebnje, Ivančna Gorica, Lenart, Križevci, Kranj
Italy	<i>Lazio Region Association of Cities and Municipalities - ANCI LAZIO</i>	Velletri, Albano Laziale, Ventotene, Vasanella, Rocca Priora, Formello, Olevano Romano

**Table 2** – Pilot municipalities involved in the LOCAL4GREEN project





## Spanish pilot actions results

In Spain, Municipalities are the closest entities to citizens, however, their competences are limited. They are based on Law 27/2013, of December 27, on the rationalisation and sustainability of the Local Administration, which establishes the municipal competences to avoid duplicity with other Administrations, and Royal Legislative Decree 2/2004, of March 5, approving the modified text of the Law regulating Local Tax Authorities. Thus the estate legislation aims at regulating either communal institutions for the different Tax Authorities or coordination measures between the state Tax Authorities and those of Local Corporations, as well as the protection of financial sufficiency of local Tax Authorities guaranteed by article 142 of the Spanish Constitution, in regards to the indispensable budget for the exercise of local autonomy constitutionally recognised as well in articles 137, 140 and 141 of the Spanish Constitution.

Following the provisions of the Royal Legislative Decree 2/2004, of 5 March, which approves the Modified Text of the Law on Local Finances, in article 17, currently there are eleven green fiscal policies approved by fiscal ordinances and the tax period (calendar year) in which they are applicable has already begun, so they are being implemented.





## Municipality of Pedreguer

- 1. Fiscal Ordinance regulating Property Tax :** For properties that are provided with thermal use system of solar energy, a bonus till 50% will be applied in the tax payment during the 3 next years after the ending of the construction, and a bonus till 25% for the 4<sup>th</sup> and 5<sup>th</sup> year; the bonus percentage will be different depending on the cadastral value. For obtaining the bonus, the properties have to be use of housing, and have a minimum surface of useful solar capture of 4m<sup>2</sup> and a minimum installed capacity of 1.5 kW per 100 m<sup>2</sup> of built surface.
- 2. Fiscal Ordinance regulating the Road Tax:** Depending on the type of the vehicle engine and its impact on the environment, in function of the emissions of CO<sub>2</sub>: a bonus from 7.5 to 10% will be applied during the first 3 years. Depending on the fuel consumed: for electric and zero-emissions vehicles, a bonus of 75% will be applied during the first 5 years; and for hybrid vehicles, a bonus of 50% will be applied during the first 3 years.
- 3. Fiscal Ordinance regulating the Tax on Constructions, Installations and Works:** A reduction of 40% will be applied on the tax in the next cases:
  - > Works and installations done in properties used as habitual residence by taxpayers that incorporate systems of thermal and electric use of solar energy for self-consumption
  - > The installations for heat production have to include collectors approved by the competent administration
  - > Systems of thermal use that have a minimum surface of useful solar capture of 4m<sup>2</sup> and a minimum installed capacity of 5 kW per 100 m<sup>2</sup> of built surface
- 4. Fiscal ordinance regulating the Tax on Economic Activities:** A bonus of 50% will be applied during the first 5 years in the tax payment for the taxpayers that produce energy obtained from RES installations or cogeneration systems, that will be used for the development of their activities in the municipality of Pedreguer; the RES installations have also to be located in the municipality territory.

Fiscal policy implemented	Results obtained (Estimations per year)	
	RES production	CO <sub>2</sub> reduction
Tax on Constructions, Installations and Works	113.550 kWh	43.717 kg CO <sub>2</sub> eq
Property Tax	175.200 kWh	67.452 kg CO <sub>2</sub> eq
Tax on Economic Activities	105.980 kWh	40.802 kg CO <sub>2</sub> eq
Road Tax	-	98.000 kg CO <sub>2</sub> /km

**Table 3** – Main results of the local fiscal policies implemented in Pedreguer



## Municipality of Quart de Poblet

- 1. Fiscal Ordinance regulating Property Tax:** A 5% discount (2019) is established on the total amount of tax payable for properties in which economic activities are carried out that could be declared of special interest or of public use and a 60% discount applies to property intended for social housing (2018). The use of RES is considered of public interest.
- 2. Fiscal Ordinance regulating the Tax on Economic Activities:**
  - > A 50% discount on the amount payable for taxpayers who pay municipal taxes and who use or produce RES or cogeneration systems during the taxable period following the date of installation of said RES, and 5% for successive tax years, provided that there is no change regarding the circumstances that led to the award of said concession.
  - > A 5% discount on the amount payable in the following tax year will be applied to taxpayers who pay municipal taxes and establish a transport plan for their workers aimed at reducing energy consumption and emissions caused by the commute to work and encourage the use of more efficient means of transport, such as collective or shared transport.
- 3. Fiscal Ordinance regulating the Tax on Construction, Installations and Works:** A 10% discount on the corresponding amount payable when, in the execution of the works and the transport of material and installations, means that consume energy from RES are used.
- 4. Fiscal Ordinance regulating the Municipal Tax on Real State Transmission:** A 10% discount on the corresponding amount payable when in the urban land to transfer is developed an economic activity (shop, industry, professional, etc.) that uses renewable energy sources.

Fiscal policy implemented	Results obtained (Estimations per year)	
	RES production	CO <sub>2</sub> reduction
Property tax	437.197 kWh	168.321 kg CO <sub>2</sub> eq
Tax on economic activities	213.744 kWh	82.291 kg CO <sub>2</sub> eq
Constructions Tax	272.436 kWh	104.888 kg CO <sub>2</sub> eq
Municipal tax on real estate transmission	Not available yet	Not available yet

**Table 4** - Main results of the local fiscal policies implemented in Quart de Poblet





## Municipality of Dolores

1. **Fiscal Ordinance regulating the Tax on Constructions, Installations and Works:** A reduction of 50% will be applied in the tax for buildings, installations or works that incorporate systems for thermal or electric use of solar energy or other renewable energy sources. This bonus will be conditioned upon the installations for heat production include collectors that have been approved from the competent Administration. This bonus will not be accepted if the installation of these systems is mandatory according to specific regulations.
2. **Fiscal Ordinance regulating the Road Tax:** The tax modification affects hybrid vehicles and electric or zero-emmission vehicles. The first ones have a bonus of 50% of the tax during 4 years from their first matriculation. The second ones receive a bonus of 75% during all life of the vehicle. The vehicles before mentioned that are used for municipal public services will have an extra bonus of 50% of the tax during the time are used for this purpose.

Fiscal policy implemented	Results obtained (Estimations per year)	
	RES production	CO <sub>2</sub> reduction
Tax on Constructions, Installations and Works	105.980 kWh	40.802 kg CO <sub>2</sub> eq
Road Tax	-	81.000 kg CO <sub>2</sub> /km

**Table 5** – Main results of the local fiscal policies implemented in Dolores



## Municipality of Altea

### **Fiscal Ordinance regulating the fee for concession of licenses to new shops/tertiary:**

This ordinance regulates the fee for the provision of services related to the granting of licences, authorisations, control and/or inspection of prior communications and statements of compliance and other environmental actions. The incentive applied is the reduction of the fee to issue the authorization/communication to open a shop and other companies. Such fee is paid for several authorizations, licenses, etc. depending on the type of shop to be opened.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Trade licenses	Reduction of the fee to issue authorization / communication to open a shop or other companies that use RES (from 100€ to 75€)	351.854 kWh	135.464 kg CO <sub>2</sub> eq

**Table 6** – Main results of the local fiscal policies implemented in Altea







## Albanian pilot actions results

The aim of LOCAL4GREEN Project is to assist local authorities to draft and implement innovative local fiscal policies oriented at promoting use of renewable energy resources in public-private sector. As such, the Project has prepared the Participatory method-based preparation of local fiscal policies to promote renewable energy sources at a municipal level. The methodology has further identified several local sectors to focus on identifying possible interventions from our Municipality in promoting use of renewable energy:

- > Residential
- > Institutional and commercial sector
- > Transport
- > Agriculture
- > Waste management

The Municipal Tax and Tariff Office has worked during this time in identifying such possible fiscal interventions and has prepared this proposal to be further considered as part of preparations for the Municipal Fiscal Package for 2019.





## Municipality of Vau Dejes

- 1. For the relief on the Property Tax (building):** Municipal Tax Department is in charge with the implementation of the fiscal policy. It is responsible for identifying benefiting subjects and calculating the new level to be paid for the property tax (building).
- 2. For the relief on the public services tariff:** Department of Public Services and Municipal Tax Department are in charge with the implementation of the fiscal policy. They are responsible for identifying benefiting subjects and calculating the new level to be paid for the public services tariff.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Green Tariff for Public Services	30% reduction for businesses that install a PV installation	509.082 kWh	4.581,5 kg CO <sub>2</sub> eq
Property Tax	30% reduction for families and businesses that install a PV installation	509.082 kWh	4.581,5 kg CO <sub>2</sub> eq

**Table 9** – Main results of the local fiscal policies implemented in Vau Dejes



## Municipality of Kukes

**Green Tariff for Public Services:** Initial proposal that included lowering the building tax and green tariff will be limited only to latest one for all categories of taxpayers. Our proposal is lowering the Tariff for the Greeneries with 30% for those families, entities and businesses that have installed a photovoltaic installation in their operating structures. Category of businesses concerning transport (except for those that already have permanent offices) cannot be included in this fiscal policy as they do not have permanent structures (buildings) to install solar panels.

Fiscal policy implemented	Results obtained (Estimations per year)	
	RES production	CO <sub>2</sub> reduction
Green Tariff for Public Services	869.840 kWh	7.829 kg CO <sub>2</sub> eq

**Table 7** – Main results of the local fiscal policies implemented in Kukes

## Municipality of Lezha

- 1. For the relief on the Property Tax (building):** Municipal Tax Department is in charge with the implementation of the fiscal policy. It is responsible for identifying benefiting subjects and calculating the new level to be paid for the property tax (building).
- 2. For the relief on the public services tariff:** Department of Public Services and Municipal Tax Department are in charge with the implementation of the fiscal policy. They are responsible for identifying benefiting subjects and calculating the new level to be paid for the public services tariff.
- 3. For the free parking in public spaces:** Department of Public Services is the responsible office in implementation of this fiscal policy. Verification of subjects benefiting two hours free parking in public spaces will be done on the spot from the respective employees.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Green Tariff for Public Services	30% reduction for businesses to install a PV installation	1.208.187,5 kWh	10.874 kg CO <sub>2</sub> eq
Property Tax	30% reduction for families and businesses that install a PV installation	1.208.187,5 kWh	10.874 kg CO <sub>2</sub> eq
Parking fees	2 hours of free parking in public spaces for hybrid and electric vehicles	-	107.000 kg CO <sub>2</sub> /km

**Table 8** - Main results of the local fiscal policies implemented in Lezha







## Cyprian pilot actions results

### Municipality of Lakatamia

Lakatamia's Municipal Council approved the fiscal policy about the **waste management fees per household**, by ringfencing part of the money coming in from the recent increase in the waste management fees per household to promote RES in the Municipality. Based on the current waste management fees and the increases applied to the rates in 2018, then:

- > Total income for 2018 from waste management fees per household for the Lakatamia Municipality: 1,948,784.00 EUR
- > Potential Gains for the Municipality if 2.5% of this amount is for the green mechanism fund:  $1,948,784.00 \times 2.5\% = \sim 49,000.00$  EUR

According to the design of this fiscal policy, the €49,000.00 amount from the increased waste management fees, will from 2018 onwards be ringfenced in a green mechanism-fund and used to upgrade the green point for the Municipality and to include a RES – REUSE interactive educational corner. The amount that will be dedicated for the educational corner is €10,000.00. Also, the Municipality is planning, after the construction of the educational corner, to proceed with the development of a RES-REUSE theme park.

Green taxation is an important tool for achieving local sustainability and the first step for the development of a revolving green mechanism-fund. The fund will be populated by the green taxation, as well as by the overall municipal budget and by European funding, and will be revolving. The money ringfenced will be used to fund the development of the green point and RES-REUSE educational corner. When the Municipality has fully understood how the revolving fund operates, it will be able to fully utilize it. The methodology developed for green taxation can be used for different purposes, especially within sectors (e.g. energy, waste, industry, water) affecting climate, and for the funding of the revolving fund.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Waste management fees	A percentage of the additional money raised through 2018 increase in waste management fees per household is allocated for the Green-Mechanism Fund aimed to develop green activities (energy audits to improve energy efficiency and use of RES, environmental education, SEAPs actions)	49.500 kWh	43.200 kg CO <sub>2</sub> eq

**Table 10** - Main results of the local fiscal policies implemented in Lakatamia



## Municipality of Nicosia

Nicosia's Municipal Council officially approved on 10th January 2019 the fiscal policy about **the increase of 5% in the hotel accommodation tax** per room per night, for the years 2019-2021:

- > Total income for 2018 (forecast) from hotel accommodation tax for the Nicosia Municipality: 120,000.00 EUR
- > Potential Gains for the Municipality if 5% of this amount is for the green mechanism fund:  $\sim 120,000 * 5\% = \sim 7,000.00$  EUR

According to the design of this fiscal policy, the €21,000.00 that will be raised through the increased taxation during the first 3 years, beginning in 2019, will be ringfenced in a green mechanism-fund and used to provide free energy audits to hotels in the Nicosia district, as well as for the funding of two awareness events to promote energy efficiency and RES in the hotel sector.

Green taxation is an important tool for achieving local sustainability and the first step for the development of a revolving green mechanism-fund. The fund will be populated by the green taxation, as well as by the overall municipal budget and by European funding, and will be revolving. In the case of Nicosia Municipality, the money will be spent for free energy savings in the hotel sector. When the Municipality has fully understood how the revolving fund operates, it will be able to fully utilize it. The methodology developed for green taxation can be used for different purposes, especially within sectors (e.g. energy, waste, industry, water) affecting climate, and for the funding of the revolving fund.



Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Tourist Tax	Increase of the hotel accommodation tax per room and per night in function of the hotels' categories, that will be allocated to a Green-Mechanism Fund aimed to develop green activities (energy audits to improve energy efficiency and use of RES, environmental education, SEAPs actions)	2.933.000 kWh	1.709.000 kg CO <sub>2</sub> eq

**Table 11** – Main results of the local fiscal policies implemented in Nicosia



## Croatian pilot actions results

### Municipality of Brdovec

Municipality of **Brdovec** has signed the EU Covenant of Mayors initiative on November 15, 2011. Municipality of Brdovec has prepared SEAP as a part of Covenant of Mayors initiative and it was official approved by Municipality Council on November 13, 2012.

Long term vision of Brdovec is to **reduce CO<sub>2</sub> emissions by the year 2020 by 21%**.

According to projections of population and energy consumption growth, in 2020 in comparison with base 2009 year will increase for 12,18% (without implementation of defined EE measures CO<sub>2</sub> emission). Implementation of all defined measures within Brdovec SEAP by 2020 will result in decrease of CO<sub>2</sub> emissions by 21% compared to the base year. Of the total 2009 CO<sub>2</sub> emis-



sions the building sector accounts for 70,84%, the transport sector for 27,34% and public lighting sector for 1,82%. Therefore, most important measures that can significantly contribute to CO<sub>2</sub> emission reduction are measures defined for building and transport sectors. The most important are measures for residential buildings and measures for increased usage of public transport instead of private individual transport in Brdovec.

**Adopting a decision on a 100% reduction of the Public utility fee by the Municipal Council for new buildings in the residential subsector using renewable energy sources.** This decision is regulated by new Law on Local Taxes (June 7, 2018). Energy savings achieved by implementing measures is rather difficult to quantify. Based on experiences of the European cities, by 2040 the continuous implementation of these measures should result in an 8% reduction of thermal and electrical energy consumption in residential subsector (compared to the base year 2009).

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Fee for construction of a new building / refurbishment - Public Utility Fee	100% reduction of the Public utility fee for new buildings using RES in the residential, commercial and service subsectors. This fiscal policy has been included in the SEAP of the municipality	357.732,5 kWh	73.450 kg CO <sub>2</sub> eq

**Table 12** - Main results of the local fiscal policies implemented in Brdovec



## Municipality of Dugo Selo

City of **Dugo Selo** has signed the EU Covenant of Mayors initiative on November 3, 2011. City of Dugo Selo have prepared SEAP as a part of Covenant of Mayors initiative. SEAP of the City of Dugo Selo has official approved by Municipal Council on October 23, 2012.

Long term vision of Dugo Selo is to **reduce CO<sub>2</sub> emissions by the year 2020 by 21,70%**. According to projections of population and energy consumption growth, without implementation of defined EE measures CO<sub>2</sub> emission in 2020 in comparison with base 2009 year will increase for 13,84%. Implementation of all defined measures within Dugo Selo SEAP by 2020 will result in decrease of CO<sub>2</sub> emissions by 21,70% compared to the base year. Of the total 2009 CO<sub>2</sub> emissions the building sector accounts for 54,12%, the transport sector for 44,61% and public lightning sector for 1,27%. Therefore, most important measures that can significantly contribute to CO<sub>2</sub> emission reduction are measures defined for building and transport sectors. The most important are measures for residential buildings and measures for increased usage of public transport instead of private individual transport in City of Dugo Selo.



**Adopting a decision on a 100% reduction of the Public utility fee by the Municipal Council for new buildings in the residential subsector using renewable energy sources.** This decision is regulated by new Law on Local Taxes (June 7, 2018). Energy savings achieved by implementing measures is rather difficult to quantify. Based on experiences of the European cities, by 2040 the continuous implementation of these measures should result in an 8% reduction of thermal and electrical energy consumption in residential subsector (compared to the base year 2009).

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Fee for construction of a new building / refurbishment - Public Utility Fee	100% reduction of the Public utility fee for new buildings using RES in the residential, commercial and service subsectors. This fiscal policy has been included in the SEAP of the municipality	429.969,5 k Wh	89.061 kg CO <sub>2</sub> eq

**Table 13** - Main results of the local fiscal policies implemented in Dugo Selo



## Municipality of Jastrebarsko

City of **Jastrebarsko** has signed the EU Covenant of Mayors initiative on March 9, 2010. City of Jastrebarsko have prepared SEAP as a part of Covenant of Mayors initiative. SEAP of the City of Jastrebarsko has official approved by City Council on December 14, 2011.

Long term vision of the City of Jastrebarsko is **to reduce CO<sub>2</sub> emissions by the year 2020 by 30,57%**. According to projections of population and energy consumption growth without implementation of defined EE measures CO<sub>2</sub> emission in 2020 in comparison with base 2009 year will increase for 11,54%. Implementation of all defined measures within Jastrebarsko SEAP by 2020 will result in decrease of CO<sub>2</sub> emissions by 30,57% compared to the base year. Of the total 2009 CO<sub>2</sub> emissions the building sector accounts for 78%, the transport sector for 21% and public lightning sector for 1%.



**Adopting a decision on a 100% reduction of the Public utility fee by the Municipal Council for new buildings in the residential subsector (Households) using RES.** This decision is regulated by new Law on Local Taxes (June 7, 2018). Energy savings achieved by implementing measures is rather difficult to quantify. Based on experiences of the European cities, by 2040 the continuous implementation of these measures should result in approximately an 8% reduction of thermal and electrical energy consumption in residential subsector (compared to the base year 2009).

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Fee for construction of a new building / refurbishment - Public Utility Fee	100% reduction of the Public utility fee for new buildings using RES in the residential, commercial and service subsectors. This fiscal policy has been included in the SEAP of the municipality	696.314 kWh	143.690 kg CO <sub>2</sub> eq

**Table 14** - Main results of the local fiscal policies implemented in Jastrebarsko

## Municipality of Klanjec

City of **Klanjec** has signed the EU Covenant of Mayors initiative on September 24, 2009. City of Klanjec have prepared SEAP as a part of Covenant of Mayors initiative. SEAP of the City of Klanjec has official approved by Municipality Council on September 23, 2010.

Long term vision of the City of Klanjec is to **reduce CO<sub>2</sub> emissions by the year 2020 by 21%**. According to projections of population and energy consumption growth, without implementation of defined EE measures CO<sub>2</sub> emission in 2020 in comparison with base 2008 year will increase for 7,63 %.

Implementation of all defined measures within Klanjec SEAP by 2020 will result in decrease of CO<sub>2</sub> emissions by 29,83 % compared to the base year, therefore it is not necessary to implement all defined measures to achieve goal of CO<sub>2</sub> emissions reduction. Of the total 2008 CO<sub>2</sub> emissions the building sector accounts for 59 %, the transport sector for 40 % and public lightning sector for 1%. Therefore, most important measures that can significantly contribute to CO<sub>2</sub> emission reduction are measures defined for building and transport sectors. The most important are measures for residential buildings and measures for increased usage of public transport instead of private individual transport in City of Klanjec.



**Adopting a decision on a 100% reduction of the Public utility fee by the Municipal Council for new buildings in the residential subsector using RES.** This decision is regulated by new Law on Local Taxes (June 7, 2018). Energy savings achieved by implementing measures is rather difficult to quantify. Based on experiences of the European cities, by 2040 the continuous implementation of these measures should result in an 8% reduction of thermal and electrical energy consumption in residential subsector (compared to the base year 2008).

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Fee for construction of a new building / refurbishment - Public Utility Fee	100% reduction of the Public utility fee for new buildings using RES in the residential, commercial and service subsectors. This fiscal policy has been included in the SEAP of the municipality	87.404 kWh	18.393,5 kg CO <sub>2</sub> eq

**Table 15** - Main results of the local fiscal policies implemented in Klanjec





## Municipality of Pregrada

City of **Pregrada** has signed the EU Covenant of Mayors initiative on February 1, 2010. City of Pregrada have prepared SEAP as a part of Covenant of Mayors initiative. SEAP of the City of Pregrada has official approved by Municipal Council on February 27, 2012.

By means of accepting the Sustainable Energy Action Plan of the City of Pregrada, the City of Pregrada fulfilled its commitment to develop the Action Plan adopted by joining the Covenant of Mayors. Therefore, the main objective is to **reduce CO<sub>2</sub> emission for more than 20% by 2020 on the Sectors of Buildings, Traffic and Public Lighting through various actions and measures**. The City of Pregrada needs to achieve the implementation of projects of energy saving, application of energy efficiency measures, renewable sources of energy use and ecologically acceptable fuels on the city level which will result in the reduction of CO<sub>2</sub> emission in the City.



**Adopting a decision on a 100% reduction of the Public utility fee by the Municipal Council for new buildings in the residential subsector using RES.** This decision is regulated by new Law on Local Taxes (June 7, 2018). Energy savings achieved by implementing measures is rather difficult to quantify. Based on experiences of the European cities, by 2040 the continuous implementation of these measures should result in an 8% reduction of thermal and electrical energy consumption in residential subsector (compared to the base year 2009).

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Fee for construction of a new building / refurbishment - Public Utility Fee	100% reduction of the Public utility fee for new buildings using RES in the residential, commercial and service subsectors. This fiscal policy has been included in the SEAP of the municipality	212.487 kWh	46.212 kg CO <sub>2</sub> eq

**Table 16** - Main results of the local fiscal policies implemented in Pregrada







## Greek pilot actions results

Local Authorities of Greece are responsible for local policies (management of local cases) according to Article 102 of the Greek Constitution. Local Authorities are governed by administrative and economic autonomy, while the state is responsible for ensuring, through legislative and financial measures, this autonomy, so as Local Authorities can fulfil their purpose and implement their competencies (Greek Constitution, 2008). In this context, the economic viability of Local Authorities in order to meet their role is secured through revenues, which are mainly gained from fees, taxes, leases, services' provision as well as the necessary state aid.

### Municipality of Edessa

Based on the particularities of the Legislative System in Greece, the Municipality of Edessa has proceeded with the adaptation of three local fiscal policies by including them in its SEAP actions. These three pilot policies will be analysed within this chapter.

**Reduction of fee for municipal real estate leasing when using RES:** In Edessa there are 12 Municipal buildings that will be leased in 2019, for which the investors have agreed to install PV systems of installed capacity of 10 kw per building. These PVs are able to produce a total 150 MWh per annum. These MWh of electricity produced by solar energy replace 150 MWh of final energy consumed by coal. Applying the national emission factor for Greece for the production of electricity (1,149 t CO<sub>2</sub>/MWh) we estimate the CO<sub>2</sub> emissions that can be saved through the application of the policy are 172,35 t/y.

**Reduction of the fee from the exploitation of constructions & the provision of services (parking fees) when using RES:** In Edessa, there is one parking area available that will be leased by the Municipality to an individual. That individual has agreed to install PVs of 10 kW installed capacity, as well as a charging station for Electric Vehicles. The produced electricity by PVs is 12,5 MWh/annum. This electricity production is able to charge 4 cars for a year (assuming that an EV consumes 150 Wh/km) and a car in Greece makes 20.000 km/year in average. If these EVs replace 4 conventional gasoline cars with a CO<sub>2</sub> emission of 140 g/km then the saving is 11,2 t CO<sub>2</sub>/year.

**Reduction of parking fees for electric and hybrid vehicles:** Regarding this particular policy it is practically impossible to measure and evaluate its outcome at this moment. Although the reduction of parking fees for electric and hybrid vehicles can be an important incentive for replacing conventional vehicles with electric or hybrid ones, it is too soon to evaluate the specific policy and the effect it will have on the private individuals in order to replace their vehicles.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Municipal buildings leasing/renting revenues	Reduction of fee for leasing municipal buildings and facilities which use RES	150.000 kWh	172.350 kg CO <sub>2</sub> eq
Municipal buildings leasing/renting revenues	Reduction of fee for leasing municipal parking services which use RES	Not available yet	12.600 kg CO <sub>2</sub> eq
Parking fees	Reduction of municipal parking fees for electric and hybrid vehicles	Not available yet	NA

**Table 17** – Main results of the local fiscal policies implemented in Edessa

## Municipality of Thermi

Based on the particularities of the Legislative System in Greece, the Municipality of **Thermi** has proceeded with the adaptation of three local fiscal policies by including them in its SEAP actions.

**Reduction of fee for municipal real estate leasing when using RES:** In Thermi there are 6 Municipal buildings that will be leased in 2019, for which the investors have agreed to install PV systems of installed capacity of 10 kw per building. These PVs are able to produce a total 75 MWh/y. These MWh of electricity produced by solar energy replace 75 MWh of final energy consumed by coal. Applying the national emission factor for Greece for the production of electricity (1,149 t CO<sub>2</sub>/MWh) we estimate the CO<sub>2</sub> emissions that can be saved through the application of the policy are 86,167 t/y.

**Reduction of the fee from the exploitation of constructions & the provision of services (parking fees) when using RES:** In Thermi, there is one parking area available that will be leased by the Municipality to an individual. That individual has agreed to install PVs of 10 kW installed capacity, as well as a charging station for Electric Vehicles. The produced electricity by PVs is 12,5 MWh/y. This electricity production is able to charge 4 cars for a year (assuming that an EV consumes 150 Wh/km) and a car in Greece makes 20.000 km/y in average. If these EVs replace 4 conventional gasoline cars with a CO<sub>2</sub> emission of 140 g/km then the saving is 11,2 t CO<sub>2</sub>/y.

**Reduction of parking fees for electric and hybrid vehicles:** Regarding this particular policy it is practically impossible to measure and evaluate its outcome at this moment. Although the reduction of parking fees for electric and hybrid vehicles can be an important incentive for replacing conventional vehicles with electric or hybrid ones, it is too soon to evaluate the specific policy and the effect it will have on the private individuals in order to replace their vehicles.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Municipal buildings leasing/renting revenues	Reduction of fee for leasing municipal parking services which use RES	Not available yet	Not available yet
Parking fees	Reduction of municipal parking fees for electric and hybrid vehicles	Not available yet	Not available yet

**Table 18** – Main results of the local fiscal policies implemented in Thermi



## Municipality of Pylaia-Hortatis

Based on the particularities of the Legislative System in Greece, the Municipality of **Pi-lea-Hortiatis** has proceeded with the adaptation of three local fiscal policies by including them in its SEAP actions.

**Reduction of fee for municipal real estate leasing when using RES:** In Pilea-Hortiatis there are 8 Municipal buildings that will be leased in 2019, for which the investors have agreed to install PV systems of installed capacity of 10 kw per building. These PVs are able to produce a total 100 MWh/y. These MWh of electricity produced by solar energy replace 100 MWh of final energy consumed by coal. Applying the national emission factor for Greece for the production of electricity (1,149 t CO<sub>2</sub>/MWh) we estimate the CO<sub>2</sub> emissions that can be saved through the application of the policy are 115 t/y.

**Reduction of the fee from the exploitation of constructions & the provision of services (parking fees) when using RES:** In Pilea-Hortiatis, there is one parking area available that will be leased by the Municipality to an individual. That individual has agreed to install PVs of 10 kW installed capacity, as well as a charging station for Electric Vehicles. The produced electricity by PVs is 12,5 MWh/y. This electricity production is able to charge 4 cars for a year (assuming that an EV consumes 150 Wh/km) and a car in Greece makes 20.000 km/y in average. If these EVs replace 4 conventional gasoline cars with a CO<sub>2</sub> emission of 140 g/km then the saving is 11,2 t CO<sub>2</sub>/year.

**Reduction of parking fees for electric and hybrid vehicles:** Regarding this particular policy it is practically impossible to measure and evaluate its outcome at this moment. Although the reduction of parking fees for electric and hybrid vehicles can be an important incentive for replacing conventional vehicles with electric or hybrid ones, it is too soon to evaluate the specific policy and the effect it will have on the private individuals in order to replace their vehicles.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Municipal buildings leasing/renting revenues	Reduction of fee for leasing municipal buildings and facilities which use RES	100.000 kWh	Not available yet
Municipal buildings leasing/renting revenues	Reduction of fee for leasing municipal parking services which use RES	Not available yet	Not available yet
Parking fees	Reduction of municipal parking fees for electric and hybrid vehicles	Not available yet	Not available yet

**Table 19** - Main results of the local fiscal policies implemented in Pylaia-Hortatis

## Maltese pilot actions results

The ability and autonomy of the Maltese municipalities to draft their own fiscal policies in fostering the use of energy from renewable sources in the framework of the LOCAL4GREEN has to be seen - not as a way to create taxes - but rather as the implementation of public ordinances regulating different local contents that can be redirected towards the environmental ground establishing reliefs, exemptions or surcharges on such matters.

The focus has been oriented to identify and financially assess those bye-laws already approved and published by the local councils - and the ones that are in a drafting phase or under discussion inside the councils - with the aim to play an advocacy role with mayors, internal technical experts and councillors aimed at amending them through the proposition of measures that shall boost and reward the use of RES. The categories of local public laws taken into consideration in this phase are:



Hire of property or equipment owned or administered by the council;

Administration of property for the holding of activities and use of facilities under the responsibility of the council;

Protection of public land during social and commercial activities.

### Municipality of Sannat

Several meetings with the Local Council of **Sannat** have been organized to discuss the application of different fiscal policies. Following several discussions, it was decided to focus the application of a fiscal policy in relation to a new bye-law entitled "Outdoor Activities (Ta' Sannat Local Council)" Bye-Laws, 2016". This by-law was drafted and submitted by the Local Council and is presently under review for approval by the Central Government.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Fee for use or occupation of public land	Reduction of Fee for the use of the beach for public events, such as filming	Not available yet	Not available yet

**Table 20** - Main results of the local fiscal policies implemented in Sannat







## Municipality of San Lawrenz

For the case of **San Lawrenz**, it is foreseen to draft a fiscal policy in relation to electric mobility and the use of RES. San Lawrenz LC is one of the winners of the Permanent Sustainable Mobility Measures Competition which is launched annually by Transport Malta as part of European Mobility Week. San Lawrenz was awarded the first prize for a proposal submitted by the council entitled **“Green Mobility at San Lawrenz”**. The council received a fund through which it shall deploy an electric vehicle and a number of electric bikes which can be “rented” from the council by residents. The project is planned to be implemented during the last quarter of 2018. As part of the LOCAL4GREEN project it was proposed that the rental fee for the use of the electric bikes is waived in the case of residents which have a RES installation. The project to be implemented by the local council shall include an automatic card-based system which allows for user identification and payment by credit/debit card. This will enable users to take/return the bike when required without the need to go through the office. People that wish to make use of the service offered would need to submit an initial application form to the council, after which it is approved, a card is given to the user. In the case of residents that have RES, a special “code” will be allocated to the user card which would allow him/her to make use of the bike without payment. The verification of the presence of RES in such a case would also be carried out at application stage through presentation of a utility bill.

Fiscal policy implemented	Main outcomes	Results obtained (Estimations per year)	
		RES production	CO <sub>2</sub> reduction
Rental Fee for electric bikes	Reduction of the rental fee for electric bikes from the local council to residents who have a RES installation or have submitted an application for a new RES system	Not available yet	Not available yet

**Table 21** - Main results of the local fiscal policies implemented in San Lawrenz







## Policy recommendations

In rural and island municipalities, non-ETS sectors, particularly the tertiary building and equipment, residential, and the commercial and private transport sectors, are the ones that consume most energy. A very low percentage of energy consumed by those sectors comes from renewable sources. That means that these sectors are responsible for a large part of the greenhouse gas emissions in rural and island municipalities. To change this situation, municipalities play a key role. Among the options that municipalities have available to them in order to promote renewable energy sources, fiscal policies are the ones that most stand out, as taxes, fees and other municipal fiscal-related revenues precisely affect the aforementioned sectors. A methodological guide of international scope, which thoroughly addresses the specific aspects of local taxation and the fostering of renewable energy sources, cannot be drawn up due to the diversity of the current legal systems in different countries. That said, such diversity also provides an opportunity for municipalities in the Mediterranean region, which share many characteristics, to learn, benchmark and share their experiences with others.

This guidebook aims to make the most of said opportunity, setting out a 20-step methodological guide, albeit not exhaustive, that helps a political decision-maker and technical manager to suitably plan and implement fiscal policies that can effectively and sustainably promote renewable energy sources. The methodology places a lot of emphasis on the planning stage, as prior knowledge of the context is essential in drafting effective policies. Knowing the external context is important to be able to identify the sectors and subsectors that most affect energy consumption and greenhouse gas emissions. By acting on such sectors, it will be possible to change trends relating to GHG emissions and the use of renewable energy sources with less effort. Furthermore, it is important to know the external context from a legal perspective to prevent fiscal measures from being drafted or considered that are not compatible with levels of municipality autonomy.

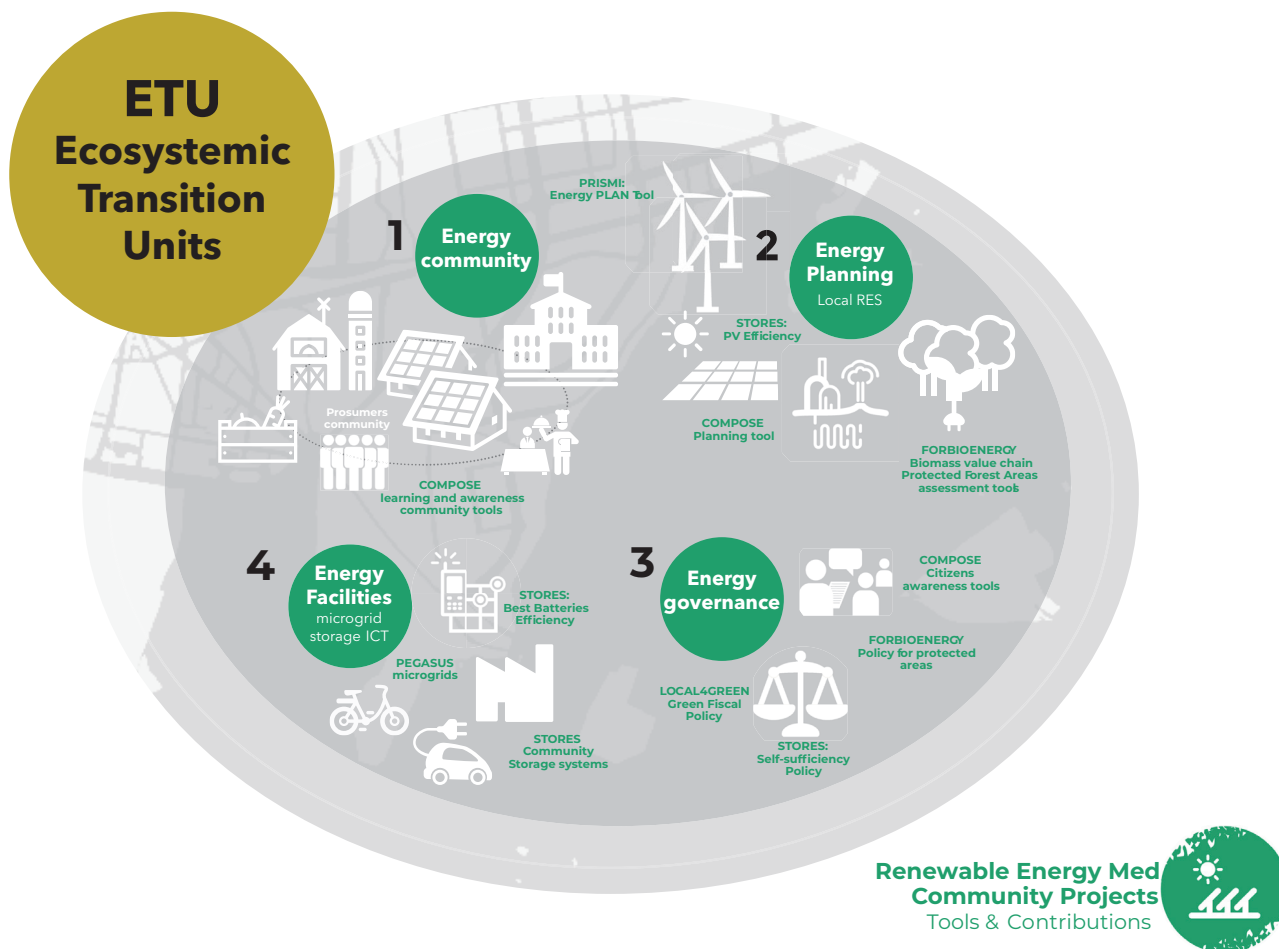
Analyzing the internal context of municipalities is fundamental in planning fiscal measures that are sustainable, especially in terms of the financial perspective. In a context of strict budgetary constraints, this aspect is essential.

The methodology selected is not neutral and points to a high-quality and modern public management model that contributes to good governance. The aim of selecting a continuous improvement model is to implement work processes that contribute to improve the quality of local public policies, instilling a culture of excellence in public authorities. Focusing on transversal issues, such as gender equity and social inclusion, strengthens the coherence of public policies and the integral vision of the municipality. Finally, the steps of the methodology focusing on participation by and interaction with citizens, aim to bolster the legitimacy of public policies. Beyond the citizen participation aspect in the drafting of policies fostered by this methodology, it is worth stressing that the local fiscal policies, due to their application on practically all citizens, help to directly involve people in fostering renewable energy sources, raising awareness and focusing their behaviour on more sustainable models. This implicit impact of the local fiscal policies is one of the greatest added values to emerge from said policies. Only through the involvement of citizens and companies will be possible to introduce renewable energy sources in non-ETS sectors and to reduce climate change.



## Contributions to the Ecosystemic Transition Unit model

The *Ecosystemic Transition Unit* model has been defined by the Interreg MED Renewable Energy Community on the basis of the activities and results of the projects belonging to the community, as a capitalisation methodology of the latests. An *Ecosystemic Transition Unit* is a territory implementing its **energy transition** taking into account an **eco-systemic approach**, based on the following main aspects/pillars: technological (energy facilities), social (energy community), legal (energy governance) and territorial (energy planning).



**Figure 14** – Scheme representing the 4 components of the Ecosystemic Transition Unit model

In that conclusion phase of the Interreg MED RES community's projects, it is important to understand more precisely the contribution of each project to the general ETU model. In the particular case of LOCAL4GREEN, it is possible to underline a very high contribution to the ETU model in terms of Energy Governance, as it was the main focus of the project. The contribution of the LOCAL4GREEN project to the ETU model can be described as follow:



## Energy Community

Green Fiscalism can be seen as a tool to plan, fund and encourage the creation of an energy community: citizens, companies and other users, belonging to the community could benefit of green fiscal mechanisms and consequently, the adhesion to the community could be encouraged. Moreover, a green fund could be created from fiscal measures and could be part of the whole local project financing.

## Energy planning

Green Fiscalism can be considered as an instrument participating to finance the implementation of the Energy planning at territorial level. The green local taxes have to be planned in function of the territories possibilities and priorities and can allow to fund local project regarding energy transition. Local authorities can have an important impact in implementing the energy transition of their territory and should use all the available instruments they can. Green Fiscalism, depending on the general legislative context of each country, is a not often considered tool to participate to the territorial planning. The municipalities interested in realising an efficient plan of green local taxes can take advantage of the Handbook for the green local fiscal policy formulation realised by the LOCAL4GREEN project, and of the example of the pilot implementations realised during the project in different municipalities briefly described in the present document and more deeply in the reports entitled “Description of local fiscal policy to promote renewable Energy Sources” for each country involved in the project.

## Energy facilities

Often, in the green local fiscal policies implemented in the framework of the LOCAL4GREEN project, the implementation and the use of RES facilities from citizens allow them to benefit of green local fiscal bonus or advantages. The green fiscalism is a way to encourage the citizens awareness and the implementation and use of RES and the adoption of more sustainable behaviour in their everyday life.

## Energy Governance

As explained before, green fiscalism can be an important support, for the local authorities, to implement energy plans, raise the citizens awareness and encourage more sustainable behaviour generally speaking. The energy governance should definitively count on the activation of green local fiscal policies to support sustainable territorial planning, including energy sector. In that sense, the handbook for green local fiscal policy formulation, developed by the LOCAL4GREEN project team is a tool facilitating the decision-making process by the local authorities, providing matrices for prioritisation and allowing to design their own local fiscal policies to boost the energy transition of their territories. The project, give also access to reusable fiscal legislation texts for an efficient replication or adaptation.



## Conclusion

The LOCAL4GREEN project focused its activities on the design of local fiscal policies dedicated to encourage the virtuous behaviours in the use of RES and more generally, for the energy transition at local level on the MED territories. During the project lifetime, the partnership developed a methodology allowing the local authorities to build their own local fiscal policies, following 20 main steps. Moreover, taken into consideration the general legislative framework of each country partner of the project, the consortium, design specific local fiscal policies for pilot municipalities, involved in the project. A large number of the proposed local fiscal policies has been applied and the first results of this local fiscal policies are exposed in the present report. The developed methodology can be applied in different contexts and different territories on the MED area or outside. The implementation of local fiscal policies to encourage virtuous behaviour for energy transition, sustainable development generally speaking, is an underestimated tool, that could become very relevant and has definitively have to be taken in consideration by the local authorities for the implementation of any sustainable changes at local level.

As part of the Interreg MED RES Community, the LOCAL4GREEN project participate mainly and in a very relevant way to the “Energy governance” as one of the *Ecosystemic Transition Unit* component, with the methodology for designing and implementing local fiscal policies. It represents one of the main pillars of the ETU model and will have to be considered so in the transferability and applicability of the model. As a community, our main work now is to diffuse these methodology and tools already available and tested and to support local authorities for applying it on their own territory.

This report describes very briefly the *modus operandi* of the LOCAL4GREEN project in order to make the methodology created easily understandable for the local authorities potentially interested in applied it in their process of energy transition. For more details, it is possible to refer to the LOCAL4GREEN project website (<https://local4green.interreg-med.eu/>) and particularly its deliverable library (<https://local4green.interreg-med.eu/what-we-achieve/deliverable-database/>) and to the Interreg MED RES Community website (<https://renewable-energies.interreg-med.eu/>) and its deliverable library (<https://renewable-energies.interreg-med.eu/what-we-achieve/deliverable-library/>).







